



# Sunjuice Holdings Co., Limited

Annual report of the year 2019



**Published on April 30, 2020**

**Keeping safe quality and making health 100 points**  
——Catering supplier

The website of this annual report is as follows:

Public information observatory designated by the competent authority: <http://mops.twse.com.tw>

Company website: <http://www.myfreshjuice.com>

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# 8. List of Board of Directors:

Title	Name	Nationality	Major Experiences
Chairman	HUANG,KUO-HUANG	Taiwan	Responsible Person of Taiwan Fresh Life Co., Ltd. Business Manager of Agricultural Monarch Trade Co., Ltd. Teacher of Wan-Neng Senior Industrial and Commercial Vocational School Kendo Referee of Taiwan Sports Vice Director of R.O.C. Kendo Association
Director	LIN,LI-LING	Taiwan	Financial Officer of Fresh Life (Kunshan) Food Industry Co., Ltd. Special Assistant to President of Fresh Life (Kunshan) Food Industry Co., Ltd.
Director	WANG,MING-CHIH	Taiwan	Vice President of Fresh Life (Kunshan) Food Industry Co., Ltd. President of Fresh Food (Kunshan) Co. Ltd. President of Fresh Juice Industry (Kunshan) Co., Ltd.
Director	WU,MING-HSIEN	Taiwan	Sales Executive of Aphrodite Industry Co., Ltd. Responsible Person of Modern Era Digital Technology Inc. Director of Axis 3D Technology, Inc. Vice President of Fresh Food (Kunshan) Co. Ltd. Vice President of Fresh Juice Industry (Kunshan) Co., Ltd.
Director	HUANG,HSUN-YI	Taiwan	Responsible Person of UNITOP-APEX Co., Ltd. Chairman of Wan-Neng Senior Industrial and Commercial Vocational School . Chairman of Hospitality Management, Wufeng University. Special Assistant to President of Fresh Juice Industry (Kunshan) Co., Ltd.
Independent Director	LO,SHIH-WEI	Taiwan	Vice President of PricewaterhouseCoopers (PwC) Taiwan Independent Director, Commissioner of Remuneration & Compensation as well as Audit of Dreamtek International Corp.
Independent Director	CHEN,PO-TSANG	Taiwan	Associate Professor as well as Chairman of Hospitality Management Dept., School of Tourism, Ming Chuan University
Independent Director	HE,CHEN	China	Assistant Professor and Master`s Tutor of Law School, Southwestern University of Finance and Economics, PRC

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## One. To shareholders' report

The summary of the 2019 annual operating performance and future outlook is as follows:

### I. 2019 Business report

#### (I) Business plan implementation results:

Unit: New Taiwan Dollars (thousand)

Items \ Year	2019	2018	Increase (decrease) amount	Changes percentage (%)
Operating income	3,520,879	3,221,239	299,640	9.30%
Operating costs	2,164,020	2,077,143	86,877	4.18%
Gross profit	1,356,859	1,144,096	212,763	18.60%
Operating expenses	603,708	539,712	63,996	11.86%
Operating net profit	753,151	604,384	148,767	24.61%
Net non-operating	11,076	20,661	(9,585)	(46.39%)
Net profit before tax	764,227	625,045	139,182	22.27%
Income tax expenses	216,511	183,310	33,201	18.11%
Net income for the	547,716	441,735	105,981	23.99%

(II) Budget implementation situation: not applicable to undisclosed financial forecast.

(III) Financial income and profitability analysis: The Company focuses on high quality products investments and integration, steady financial operations with good income status.

Unit: New Taiwan Dollars (thousand)

Items \ Year		2019	2018	Increase (decrease) amount	Changes percentage (%)
Financial income	Operating income	3,520,879	3,221,239	299,640	9.30%
	Gross profit	1,356,859	1,144,096	212,763	18.60%
	Interest income	16,272	13,071	3,201	24.49%
	Interest expense	11,571	9,440	2,131	22.57%
	Net income for the year	547,716	441,735	105,981	23.99%
Profitability	Return on assets (%)	19.34%	18.21%	1.13%	6.21%
	Return on shareholders' equity (%)	28.54%	26.73%	1.81%	6.77%
	Net profit rate (%)	15.56%	13.71%	1.85%	13.49%
	Basic earnings per share (NTD)	16.20	13.05	3.15	24.14%

#### (IV) Research development update:

According to data released by the National Bureau of Statistics of China of 2019, the food and beverage revenue in mainland China was RMB\$ 4,672.1 billion, a year-on-year increase of 9.4%. The contribution rate of consumption to economic growth is 57.8%, of which, the food and beverage industry contributes 13.1% to the growth of total retail sales of consumer goods. It is converted to 7.5% of GDP. The food and beverage industry are one of the important drivers in mainland China GDP growth. Its rapid growth and good development momentum have become the focus of attention of many entrepreneurs and investors. As the suppliers in the food and beverage industry, the Company has also observed the market competition in the industry become increasingly fierce, and the business roadmap and development planning of enterprises need to be improved. With the continuous improvement of environmental protection and food safety regulations, consumers have made more demands for safe, healthy, delicious and nutritious products. The need for personalized and customized products increases. The industry needs more professionals to join but the whole food and beverage industry face difficulties in recruiting workers. In order to survive and obtain better development, mainland China catering enterprises, especially small and medium-sized food and beverage enterprises need to enhance its "internal skills" to optimize internal fundamental management and personnel training. Build corporate culture by upgrading the supply chain, optimizing talent structure, strengthening brand influence. To prepare for the enterprise transformation and upgrading by cost reduction and efficiency enhancement, organization, brand and culture improvement, combination of big data, intelligence and artificial intelligence.

The Company had been focused on talent training and product innovation, and actively recruited professionals in the food field. To stay ahead of technology, the Company strengthen its innovation and patent development capabilities of the R & D team and provide positive incentives measures. The Company's R & D personnel take new product development and basic research as important mission. Guided by the characteristics of natural, healthy, safe, and delicious products, the Company are continuously committed to the development and improvement of high-quality products to meet the needs of personalized food and beverage raw materials and bulk raw materials in the food industry, and continue to provide customers with the best and customized product and service. At the same time, the Company conduct in-depth market research to study changes in store operations and consumer behavior to close to the market and customer needs and make precise market positioning and new product development planning positioning to enhance product innovation and upgrading. In addition, the Company combine many years of experience in fruit production location management, promoting and establishing "food traceability," continues to deepen the Company's leading position in core



competitiveness and in creating maximum value for its shareholders.

## II. Summary of 2020 Operations plan

### (I) Business strategy:

The Company continues to be deeply rooted in the beverage supply chain industry of the food and beverage businesses, committed to global layout, to realize the Company's development policy of "Keeping healthy at 100% with the quality of safety – the supply chain of food and beverage industry. Our core is research and development of fruit-based manufactured products, establishing the Company to become a professional in the industry as the central kitchen, and we research market trends to promote new products that are with more fashionable characteristics. We strive hard in leading products towards a natural, healthy, safe and tasty direction. At the same time, we adhere to the business philosophy of solving problems for our customers, continuously improving operational efficiency and quality standards, and pursuing revenue and profit growth, and creating more shareholder value.

### (II) Expected sales volume and its basis

The Company's 2019 annual operating income has increased by 9.3% as compared to 2018. The Company has achieved its expected sales target. The Company achieved good performance, benefiting from the continuous growth of the food and beverage market, the upgrading of consumer demand and the layout of the three factories in Kunshan, Tianjin and Guangdong, enhanced production capacity, research and development capabilities and service capabilities. In timely response to market changes, the Company adapts to consumer demands, strengthens customer relationship, and gets closer to the service market, launching new series of new products such as healthy sugar, direct drink juice, vegetable protein, frozen fruit puree, frozen fruit juice to meet the upgraded demands of consumers in the new environment. In order to provide the local chain system customers better service, the Company provides OEM and ODM customized services. Through the Company's R&D, quality control, planning, and technology applications, the Company provides a full range of product solutions to our customers, helping them to increase their product competitiveness and enhance their profits. The Company participates in large-scale industrial raw materials, hotel catering, baking and other exhibitions and industry associations every year. The Company hosts dealer marketing conferences, new product promotion events, product training sessions, continues to increase new channels, develops new customers, adds new products, and maintains diversified development of channel distribution. The Company and China Beverage Industry Association co-established a new retail beverage branch to build a communication platform for the industry and promote the healthy and sustainable development of the industry at the same time, the Company held several Chinese trend beverage contests to train high-quality talents in the industry.

This year, the Company will increase the number of business personnel, deepen into the market and improve services according to the planned business volume of each district. At the same time, the Company will gradually increase the local business personnel by combining the service capabilities and service scope of the two factories in Tianjin and Guangdong to optimize localized services. Enhance the production capacity of the two plants and the timeliness of the supply chain, with the goal of strengthening the training of customers and improving the image of professional services. In response to the needs of local small and medium-sized restaurant chain systems for individualization, timeliness and convenience, the Company provides a research and development platform, an open training mechanism and actively help customers to solve problems. At the same time, it actively trains the dealer service business team and enhances the dealer's comprehensive capabilities. With respect to sales strategy, the Company deepens the radiation of the channels, builds a diversified and win-win sales network; broadens the scope of the channels, develop traditional Chinese meals, baking, Internet cafes, group meals, office buildings and other channels; makes full use of product resources, lets products of different positioning to play business contribution and profit contribution in different markets. The Company has developed more detailed operations, found a win-win point among customers and develop in a more professional direction. The Company develop and maintain local target customers and well-known restaurant chains with the local distributors system.

### (III) Important production and marketing policy

Since the reform and opening up of the mainland China, with respect to consumption upgrading, the rise of group meals, capital intervention, stock listing, smart technology penetration, new retail wave sweeping and new social security taxation, the food and beverage industry has confronted tremendous opportunities and challenge. Food and beverage revenue in 2019 increased by 9.4% over the previous year and the growth rate was basically the same as that of the previous year, faster than the retail sales of goods by 1.5 percentage points over the same period, especially in the light foods such as tea and beverage; the food and beverage market was further expanded, the e-commerce platform was rapidly expanding and the competition among the platforms was fierce. The more popular leading online brand enterprises get more financing, complete domestic market, actively deploy overseas markets, impact listing, such as HEYTEA, NaiXue Tea, R&B Tea, COCO and other new tea brands. At the same time, some brands have stepped up their store's expansion speed in the mainland China after obtaining financing to increase the scale effect.

2019 is the 70th anniversary of the founding of New China and a crucial year for the comprehensive construction of a well-off society. The mainland China government mainly relies on optimizing supply and stabilizing domestic demand to

stabilize growth and employment, and continues to deepen domestic economic vitality through deepening reforms. The focus work of this year is to continue innovation and improvement in macro-control to ensure that the economy operates within a reasonable range; to Implement larger tax cuts, with a focus on reducing the tax burden on manufacturing and small and micro enterprises to stimulate the vitality of market players; to focus on optimizing the business environment, promote the transformation and upgrading of traditional industries and enhance technological support capabilities; to deepen research and development applications such as big data and artificial intelligence and increase the intensity of attracting foreign investment; to further relax market access, promote joint construction of the “Belt and Road” and to build a well-off society in an all-round way through these measures. It is also a good policy for the Company, which can save costs, plan the production line layout of the third factory, increase the scale effect and enhance the Company's industry competitiveness.

2020 is the year when mainland China has fully built a well-off society and the "13th Five-Year Plan" ends. The Chinese government adheres to the supply-side structural reform as the main line, promotes high-quality development, solidly performs the "six stability" work to maintains sustained and healthy economic and social development. The three major battles have made key progress, the precise poverty alleviation has achieved remarkable results, financial risks have been effectively prevented and controlled, and the overall quality of the ecological environment has improved. Reform and opening up have taken important steps, supply-side structural reforms have continued to deepen, new breakthroughs have been made in scientific and technological innovation, people 's feeling of well-being, happiness and security have been improved, and new major progress has been made in building a well-off society Although the new COVID-19 epidemic has impacted China's economic operations, this epidemic cannot change the long-term trend of the Chinese economy. As the second largest economy in the world, the impact of the epidemic on the Chinese economy is temporary and short-term. Much consumption have not disappeared, but have only been postponed and will naturally be released after the epidemic is over. During the epidemic, some industries have grown against the trend and online shopping, online classrooms, remote offices, online entertainment and smart manufacturing grew faster. All these reflect the enormous resilience and potential of the Chinese economy. Emergency policy measures are actively handling and hedging the impact of the epidemic, including promoting the orderly resumption of production and production, tax and fee reduction, financial services, rent reduction and subsidies for job stability, etc. As these policies and measures take effect, the Company believe they will continue to ease the difficulties in economic operations, especially the difficulties faced by small and medium-sized

enterprises. The Company will face more challenges and opportunities. In the face of changes in the competitive landscape and in consumer demand, the Company will actively penetrate the market, investigate industry changes and consumer demand, develop products that meet market demand, optimize promotion models and increase the number of consumers to further improve the traceability system. The Company will work to deepen base management, using innovation to enhance value, continue to maintain the advantages in product and service leadership, be committed to the development of fresh, delicious, safe, healthy high-quality products to lead the market and accelerate resource integration. The introduction of more advanced production equipment, research and development to meet customer needs for customized and diversified products, benefits optimizing sales channels and leading the market trend.

#### 1 、 Production strategy:

Deepen the concept of lean workshop management and strive to improve the cost structure and internal processes, continuously improve and optimize from the aspects of equipment utilization rate increase, production utilization rate improvement, energy consumption improvement, material loss control, etc. reducing manufacturing costs and improving production. Continue to promote the improvement activities such as standard production, establish standard operating SOPs, and improve the stability of the workshop to also improve the quality of operations. Optimize the production line layout, establish the manufacturing process and technical optimization of high-end grain, fruit puree, cold brew coffee (tea) and tasty granule production lines, actively improve product quality and diversify structure, meet customers' order requirements to expand the foundation for cooperation with potential customers. Implement product traceability management; combines information-based production line to create production and sales resume, ensure product quality safety and strengthen the Company's leading indicators in the industry. Implement the automatic warehousing and production couplet, realize the establishment and implementation integrity of the traceable resume, and strive for more well-known food and beverage system cooperation opportunities close to the regional market, actively deploy the North China Tianjin branch and promote services and timeliness of goods supply in North China, Northwest China and Northeast China to increase market share. At the same time, we will complete the layout of the new Guangdong factory's new production line, strive to obtain more advantages, combine supply chain management, tropical fruit production advantages, expand the market share in the South China, and commit to business accuracy estimation, improve production rationalization, improve delivery rate, increase product shipment turnover rate and improve customer satisfaction.

#### 2. Sales strategy:

The R&D department develops new products according to the end customer demands integrated by marketing and sales. The Company develops new markets, new channels and high-quality customers, combines the Company's continuous improvement of the quality and stability of existing products in product breadth, and continuously develops new products to enhance the company's competitiveness. In depth, the Company sets high growth targets for the original well-known taste granules, invert syrup and series products and increases market expansion. The Company will continue to promote the market share of frozen juice, fruit puree, excellent fruit C, high fruit juice and form a more competitive main product; respond to market upgrades, meet natural, healthy, safe and delicious product appeal, and focus on promoting crystal balls, Tetra Pak Juice, plant protein healthy syrup, cold (hot) brew coffee (tea), and other products to enhance the industry's advantages. For frozen juice, quick-frozen fruit, the Company increases its cooperation with large-scale chain systems to enhance the Company's professional capabilities in the field of fruit processing. Continue optimization of package aesthetics, ushering in boutique technique, strengthening market management and establishing differentiation to prompt business development and collaboration with a variety of new clients such as food and beverage chain system, food factory system, distributor system, group meal channel, office building, industrial park, e-commerce channel. The Company investigates market trends, consumer behavior and competition dynamics to provide the latest market information and industry sales information to the sales department of the third factory for reference. The Company formulates coping strategies to coordinate the overall market layout, conducts market segmentation, channel segmentation and product segmentation to achieve the separation of business objectives of the three factories and the division of labor and collaboration to further refine work responsibilities and advance service strategy. In response to the ever-changing market changes, promptly meet the changes in customer needs, the Company established the KA service team. Service will focus on influential top-tier chains to understand client requests, introduce customized products, design application and menu and staff training. A holistic, ready for use product solution is provided to resolve client concerns.

### 3. R&D strategy:

A pilot plant is set up within the R&D department for product quality enhancement and diversification of product structure. It also provides development concepts, cost analysis, test runs and production process standardization, effectively accelerating product development and mass production.

Development of eco-friendly and healthy products in response to trends toward the mid-high end fresh and wellness market. Market development into Tetra Pak juice, vegetable protein, soft heart crystal ball and other new products.

The development focuses on infrastructural research to overcome technical obstacles, reserve innovative technology and to lead market trends. Completed micro emulsion research which guarantees freshness and enhanced texture of products. Completed launch of advanced experimental aseptic canning equipment to optimize production flow and technique. The R&D team continues conforming to the market and clients with periodic market research, client relationship maintenance, co-development of products with clients according to specific client requests. Provide customized formula for clients to differentiate with others within the same channel.

### III. Future Company Development Strategy

- (I) Positioned as the central kitchen of the food industry. Stemming from fruit-related products to diversified expansion in accordance with channel characteristics. Layout futuristic product portfolio and production to establish the company as an industry leader.
- (II) Pro-active client and market share development, deeply strengthen client relationship, consolidate industry value chain resource, providing one stop service from raw materials to end user for enhanced client satisfaction and brand reputation.
- (III) Form a scalable regional plant with production control using juice beverage formula as the core competence.
- (IV) Ensure important raw materials procurement goals to formulate traceable front-end production and progress into a plant with complete traceability.
- (V) Import from overseas advanced technology and equipment to support deep processing with convenient and eco-friendly raw materials and product.
- (VI) Pro-actively introduce new marketing methods, construct well-built e-commerce platform and strengthen brand influence.
- (VII) Attend industry networking activities and establish industry standards. Pro-active participation in industry relevant exhibitions and contests to promote positive industry development.
- (VIII) Establish a professional and exclusive raw materials base to ensure safety and quality.
- (IX) Pro-active global market integration to become a part of the international supply chain.
- (X) Continue strengthening of company management and social responsibility in pursuit of sustainability.

### IV. Impact from External Competition, Laws and Regulations, Overall Market

- (I) Impact from External Competition

- 1.The food industry continues growth amidst an underperforming overall economy. Large scale international brands joining the industry and upstream providers entering final end channels intensified competition. Direct usage of fruit, tea and milk as raw materials by market leading brands in an effort to provide fresh and healthier products induced plants with material advantage to join the supply chain. Increasing the pressure on costs. New demands and intense market competition pushed companies to reposition products and strive for innovation to satisfy consumers of a new trend. Besides price advantage, products that are healthier, stable, quality ensured and with diversified options is a must for clients under the intense market struggle.
- 2.Rise in the cost of raw materials, manpower and environmental responsibility has affected the survival of companies. Whether it is a heightened environmental awareness or labor shortage, these are unstoppable trends. In response to annual rising costs, the company continues to research new techniques, simplify production and progressively introduce smart production system. Automated and smart equipment will partially replace manual labor. The process will strive for continuous production, efficiency, reduced overlaps, shorten materials return rate, increase productivity and lower labor costs.
- 3.Tension on eco-friendly and safety measures have become the norm in China. Companies affected have experienced a rise in materials, packaging and transportation costs. Although pressured in the short term, it is an effective method in the long run in terms of industry re-structuring to stimulate survival of the fittest. The industry will continue to centralize and escape from malignant competition into benign development. In response to rising costs, the company is optimizing product structure and releasing new technology, improving process, introducing new equipment and increasing productivity. In raw materials, the company tracks international commodity prices to optimize budget, while locking onto materials seasonality and lower price demand phases to maintain a cost advantage. In warehousing, the company has built automated warehouses in sync with ERP system for optimizing production, sales and inventory. In terms of transportation, the

company negotiates the quantity ordered by important clients according to pallet inventory to increase productivity, shipment and on time delivery. For transport, the company publicly tenders for adequate collaborating logistics to optimize shipment number, transport route, lowered cost and increased client satisfaction.

4. 2019 is a year of development and innovation in the food and beverage industry and is also a year of transformation and upgrading. Both the number of opened and closed stores exceeded 410,000 in the whole year and the number of closed stores in first-tier cities was twice that of opened stores. The entire tea market is still driven by the first-tier brands in Shenzhen, Guangzhou and Shanghai supermarkets and grows rapidly in the second- and third-tier markets. At the same time, regional markets are rising, such as Hangzhou, Chengdu, Wuhan, Suzhou. Dividends in first- and second-tier cities are near saturation and future market growth momentum has shifted from first- and second-tier cities to the cities below the third- and fourth-tier. "Sinking market" has begun to be valued by food and beverage brands, and "small town youth" has been constantly mentioned as a typical consumer concept in the sinking market. According to data from the National Bureau of Statistics, the number of small-town youths has reached 227 million, which is more than three times the youth people in first- and second-tier cities. The gap between the average monthly expenditure of small-town youth and the monthly expenditure of young people in first- and second-tier cities is not large. With the economic development, consumption upgrade and the gradual penetration of mobile Internet, the lifestyle, consumption and entertainment of small-town youth have gradually been aligned with youth in first-tier cities. Within this framework, first-tier brands move to second-tier and third-tier cities, and second-tier and third-tier brands sink to fourth-tier and fifth-tier markets. The rapid increase in beverage demand will prompt China beverage development while progress in online platforms will liberate location restraints, allowing stores in the lower end markets to easily obtain raw materials and promote growth in the beverage industry. Popularized foods will gain consumer recognition and traction due to its reasonable price and convenience. The vigorous demands will boost the steady development of the food industry. Food safety of food and beverage enterprises in the new situation has become the first element. There are trends in beverage and food industry, O2O, standardization, de-chefing, de-serving, entertainment,



socializing, branding, fan-based and data-based. In 2020, the food and beverage industry will start a fierce competition around the night economy, IP empowerment, new retail, cross-border, national tide and overseas tide. With the Chinese government expanding domestic demand, increasing residents' income and stimulating consumption, food and beverage industry is still a fast-growing industry. Some of leading brands have gradually acquired recognition and favor from major capital and global investors. Many leading brands in the market have received good financing, which provided fund backings for companies to go strong and big. As a beverage material provider for the food industry, the Company continues to watch policies and take root in the market according to trends while seeking development and breakthroughs powered by innovation. In response to the transformation and upgrade in the food and beverage industry while complying with client demands for better raw materials, the Company consolidated material resources and accommodate client demand by offering traceability resume and products. A green supply chain will be established and in joining the global chain of suppliers.

## (II) Impact from Laws and Regulations

1. The industrial waste water generated during production are processed in the company established treatment plant. It is to ensure the water quality attains national regulation standard, reduces impact on environment, makes an effort at social responsibility and conforms to global standard on environmental protection.
2. To raise employee awareness and action on abiding environmental related laws as well as environmental protection consciousness, the company actively introduced and was certified with the ISO14000 environmental management system. Adhering to prevention as priority and continuous improvement guidelines, all personnel are participating in the dynamic system of environmental management, effectively curbing environmental fails.
3. Strict compliance to food safety laws and related laws, regulations and guidelines. Early preparation in optimizing shareholder rights and minimizing risk.
4. Labeling product nutrient content in accordance with China's law remediation on illegal and misuse of food additives. Strict compliance to every regulation protocol and execution. Reinforces supplier assessment to extend related risk control for guaranteed related laws and regulation

correspondence.

### (III) Impact from Overall Business Market

1. Under the framework of increasingly strict environmental protection and safety, enterprises are facing a lot of pressure, they need to be more focused and professionalization, make preparations for transformation and upgrading, continuously improve the technological content and technological content, and transform into an intelligent and intelligent factory to enhance the company's overall competitive strength.
2. Tax reform has many beneficial effects on companies, which can reduce tax burdens and make the competitive environment fairer, but it also has certain effects on enterprises. The Company need to counsel partners to regulate taxation and reduce risks.
3. The beverage market has gradually returned to rational market. More food and beverage companies are focusing on practicing internal skills and improving professionalization. In the future, the food and beverage market will maintain healthy development. Focus on budget mechanism, product portfolio optimization and enhanced financial structure according to market analysis report and industry movements. Maintain client and supplier relations while being keen on the market to minimize business risk.
4. Aim to the global economic downturn and variable future economic developments, the Company strengthen financial information timeliness to let management make a better comprehensive decision.
5. For price fluctuation of raw materials, timely attention is given to market price for precise estimates on annual usage to strive for best prices and products. For high labor costs, timely release of high quality and value-added products, fostering of diverse talents, more organizational training and enhancing of employee skill sets to improve work effectiveness, continue to introduce new technologies, add new equipment to transform into automation and intelligent factories, the Company retain comprehensive competitiveness of the company which elevates business results.
6. The diverse industry development, entrance of foreign capital and heavy weight companies and intensified competition, the content has escalated in the market. To enhance competitiveness, the Company will increase diverse talent fostering for coping and satisfying changing client demands, build innovative methods and enter daily lives.
7. The Company continues to maintain ample financial liquidity in light of global trade protectionism and frequent fluctuations in foreign exchange.

The Company will strengthen client credit control, account receivables payment and attain line of credit from banks to ensure financial stability.

Hereby, the company on behalf of all staff holds sincere acknowledgment to all its shareholders who have been supportive and attentive to the company throughout these times. The company will continue in its efforts, while adhering to “Health in Quality and Safety” business concept to excel in the food industry supply chain and in maximizing shareholder equity.

To all shareholders

in good health and good business

SUNJUICE HOLDINGS CO., LIMITED

CHAIRMAN: HUANG,KUO-HUANG

GENERAL MANAGER: WANG,MING-CHIH

## Two. Company Introduction

### I. Group Foundation and Introduction:

Sunjuice Holdings Co., Limited (hereinafter referred to as SUNJUICE or The Company) was founded in Cayman Islands on Jan 12, 2010 as the primary listing entity. Main operating locations of the Company are Sunjuice Co., Ltd. in China, Fresh Juice Industry Co., Ltd. in Tianjin, as well as Fresh Juice Biotechnology Co., Ltd. in Guangdong.

As a juice ingredient supplier with diversification, The Company mainly provides compound materials for concentrated fruit juice, juice powder, juice granule, etc, i.e. basically all kinds of the ingredients used as for various basis's and flavors of a juice beverage. Sale scale of our products has covered every region in China through local dealers or retailers, from diverse chain restaurants to food processing factories. Also, The Company provides the safe as well as numerous products for our customers as option by introducing pulp and fruit ingredients with the most premium quality from every fruit production region worldwide, and outputs the products through restricted procedures, years-developed techniques, as well as advanced sterilization system and clean-cool canning process. Hence, our products have been popular as being the raw materials for catering and beverage shops, or being the additive ingredients for food processing factories to manufacture provisions with fruity flavor.

### II. Company History:

Time	Important Events
Feb 1998	Fresh Life (Kunshan) Food Industry Co., Ltd. was founded at Kunshan City, Jiangsu Province.
Oct 2002	Fresh Life (Kunshan) Food Industry Co., Ltd. Shanghai Branch was founded.
May 2009	Sunjuice (Hong Kong) Limited was founded at Hong Kong.
Sep 2009	Fresh Juice Industry (Kunshan) Co., Ltd. was founded at Kunshan City, Jiangsu Province.
Dec 2009	ERP management system was officially implemented.
Dec 2009	Power Keen Limited was set up at Samoa.
Jan 2010	Sunjuice Holdings Co., Ltd. was established at Cayman Islands.
May 2010	Qualified supplier providing raw materials to World Expo restaurants for customized drinks.
Dec 2010	Joint venture company, Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd., was established by cooperating with Jianghang Village Economic Cooperation at Zhangpu Township, Kunshan City.
Mar 2011	Official plant relocation to Jujin Road, Zhangpu Township, Kunshan City, Jiangsu Province.
Apr 2011	New business promotion: juice dispensing sector.

Time	Important Events
Jul 2011	Pilot plant (experimental mini-factory) was set up.
Sep 2011	Fresh Juice Industry (Kunshan) Co., Ltd. was accredited as the leader guiding the agriculture industrialization in Suzhou.
Mar 2012	Fresh Juice Industry (Kunshan) Co., Ltd. officially acquired the certificate of Food Safety Management Systems (FSSC 22000) by CQC.
Aug 2012	Fresh Life (Kunshan) Food Industry Co., Ltd. was renamed as Fresh Food (Kunshan) Co. Ltd.
Sep 2012	Sunjuice Holdings Co., Ltd. was officially listed on Taipei Exchange (TPEX, formerly GTSM).
Nov 2012	Fresh Juice Industry (Kunshan) Co., Ltd. was validated to the Safety Production Standardization Review of Suzhou City Administration of Work Safety.
Dec 2012	Fresh Juice Industry (Kunshan) Co., Ltd. was awarded for “Excellent Enterprises Listed in TPEX” by the administration of Kunshan City.
Feb 2013	Fresh Juice Industry (Kunshan) Co., Ltd. was certified as one of the “2012 Suzhou Famous Brand Products” by the Quality and Technology Supervision Bureau of Suzhou City.
Mar 2013	Fresh Juice Industry (Kunshan) Co., Ltd. was awarded for “2012 Environmental Protection Pioneer Enterprise” by the administration of Kunshan City.
Mar 2013	Advanced experimental sterilization filling system is conducted into pilot plant (experimental mini-factory).
Nov 2013	Fresh Juice Industry (Kunshan) Co., Ltd. new plant with high standards of cleanliness & safety was established and commenced production.
Dec 2013	Fresh Juice Industry (Kunshan) Co., Ltd. was appraised for “Suzhou Foreign-Funded R&D Institution”.
Dec 2013	100 outstanding staff are selected for the bonus event of Taiwan travel.
Dec 2013	Fresh Juice Industry (Kunshan) Co., Ltd. was certified as “Agricultural Science and Technology Enterprise” of Jiangsu Province.
Jan 2014	Fresh Juice Industry (Kunshan) Co., Ltd. was certificated for the Credit Management of Enterprises of Jiangsu Province.
May 2014	Fresh Juice Industry (Tianjin) Co., Ltd. was founded at Tianjin Municipality.
Jun 2014	Fresh Juice Industry (Kunshan) Co., Ltd. was awarded for the 2 <sup>nd</sup> prize of “2013 Kunshan City Progress Prize in Scientific and Collective Technology”.
Jun 2014	Fresh Juice Industry (Kunshan) Co., Ltd. was awarded for “2013 Enterprise of Observing Contract and Valuing Credit”.
Oct 2014	Fresh Juice Biotechnology Co., Ltd. was founded at Guangdong Province.
Oct 2014	Sense International Limited was set up at Samoa.
Dec 2014	Shanghai Sense Beverage Co., Ltd. was built at Shanghai Municipality.
Dec 2014	Fresh Juice Industry (Kunshan) Co., Ltd. was certificated for “Carbon Footprint Certification” by CQC.
Jan 2015	Grand Opening Ceremony of Fresh Juice Tianjin plant was held.
Feb 2015	Fresh Juice Industry (Kunshan) Co., Ltd. Shanghai Branch was founded.
Apr 2015	Fresh Juice Industry (Kunshan) Co., Ltd. was certificated for “mHealth Unit of China Healthy Lifestyle for All” of Suzhou City.

Time	Important Events
May 2015	Fresh Juice Industry (Kunshan) Co., Ltd. was certificated for the Credit Management of Enterprises of Suzhou City.
Jun 2015	Fresh Juice Industry (Kunshan) Co., Ltd. was certificated for the Famous Trademark of Suzhou City.
Jun 2015	Grand Opening Ceremony of Fresh Juice Guangdong plant was held.
Mar 2016	The Company was formally listed on TWSE.
Oct 2016	Sunjuice I International Limited was built at Hong Kong.
Nov 2016	Fresh Juice Group was awarded for “Top 100 CSR Business in China Food Industry” as well as “Employee Care” by China National Food Industry Association and China Food Newspaper jointly.
Apr 2017	Suzhou Sunjuice I International Limited was founded at Kunshan City, Jiangsu Province.
Aug 2017	Fresh Juice Industry (Kunshan) Co., Ltd. was awarded for “Enterprise with Harmonious Labor Relations” by the city committee as well as administration of Kunshan City.
Sep 2017	Fresh Juice Industry (Kunshan) Co., Ltd. was accredited as the leader corporation guiding the agriculture industrialization in Jiangsu Province.
Nov 2017	Fresh Juice Industry (Guongdong) Co., Ltd. was certificated for Chinese High-tech Enterprise Certification.
Dec 2017	Fresh Juice Industry (Tianjin) Co., Ltd. was certificated for Chinese High-tech Enterprise Certification.
Feb 2018	Fresh Juice Industry (Kunshan) Co., Ltd. was accredited as “2016 & 2017 Top 10 Enterprises of Production Safety” of Kunshan City.
Dec 2018	“Fresh Juice Industry (Kunshan) Co., Ltd.” was renamed as “Sunjuice Co., Ltd.”
Jan 2019	Sunjuice Co., Ltd. was accredited as Top 10 Taiwan Enterprises of Development by the administration of Kunshan City.
Aug 2019	Awarded CSR “Corporate Citizenship Award – Little Giant Group” by the Taiwan CommonWealth Magazine for the 5 <sup>th</sup> year in a row.
Nov 2019	Co-organized the inauguration ceremony of the “New Chapter for Beverage Retail of the China Beverage Industry Association.”
Feb 2020	Fresh Juice Industry (Kunshan) Co., Ltd. was awarded for “Top Ten Enterprise with Harmonious Labor Relations 2019” by Kunshan City.

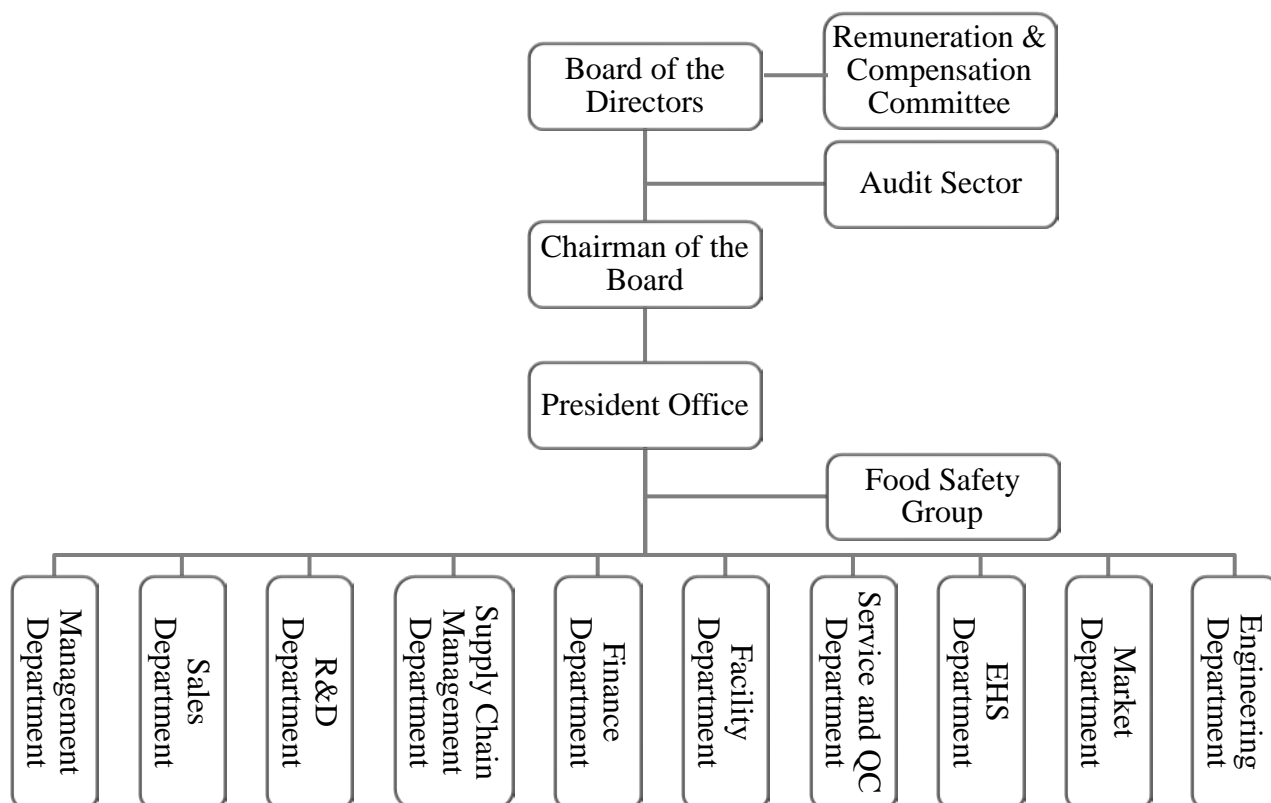
III. Group Organization: Please refer to Chapter 8 “Special Notices” in this Annual Report.

IV. Risk Items: For the details of risk items concerning macroeconomics, environmental fluctuation of politics and economics, exchange control, taxation, as well as other related laws and regulations, please refer to Chapter 7 “Descriptions for Risk Evaluation and Other Important Matters” in this Annual Report.

### Three. Company Administration Report

#### I. Organization

##### (I) Company Organization



(II) Business Tasks of Each Major Department

Title of Department	Main Duties
Board of the Directors	Establishing the operating policies, goals as well as strategies of the company, supervising whether it is practical and executive for each operation, and reviewing, improving as well as making the countermeasure for those fail to achieve the goals.
Remuneration & Compensation Committee	Building and reviewing the performance evaluation of Chairman and managers, as well as the policies, systems, criteria and structure of remuneration and compensation; also, periodically assessing the remuneration and compensation for Chairman and managers.
Audit Sector	Discussing, auditing, maintaining the internal control system, as well as assisting each unit in solving the problems in order to improve the operating procedures and work efficiency.
Chairman of the Board	Drawing up the policy instructions and targeting guidelines for the company operations, as well as assigning the major managers to implement and progress the business.
President Office	Performing the resolutions by the Board, and managing the company affairs such as human resources, information, administration, etc.
Food Safety Group	Building a food safety system in writing, including food safety handbooks, procedures, standards (operating standards, operation instructions, specifications, etc.) and documents, in accordance with FSSC 22000 for Food Safety Management Systems.
Management Department	Being responsible for the assets, general affairs, transportation management, as well as maintaining the public relationship.
Sales Department	Being in charge of making the annual budgets for each business and ensuring the achievement, managing and maintaining the customer relationships, developing the sales business, and recovering the receivables.
R&D Department	Conducting the R&D and technique programs of the company, as well as assisting QC department to configure the relational inspection standards.
Supply Chain Management Department	Being in charge of the purchase for the company, as well as the storage management.
Finance Department	Handling the schemes, management and distribution of the company funds; measuring the costs, generating all kinds of managerial reports as well as planning for the taxation.



Title of Department	Main Duties
Facility Department	Being responsible for the facility production as well as coordinating the sales and company products, and controlling the stock to be maintained at a reasonable range.
Service and QC Department	Implementing the sequence control over the production processes from raw material to final product, dealing with the customer services as well as founding and maintaining the quality systems.
EHS Department	Being responsible for the environmental protection as well as occupational safety and health of the company, for example: industrial wastewater treatment, and safety production management.
Market Department	Scheming and arranging for the annual new product designs, development projects, promotion projects, product application instructions, as well as overall plans for annual exhibition of the company.
Engineering Department	Being in charge of the innovative constructions, expansions, reconstructions, constructional projects and designs, overall plans and coordinations, building permit applications as well as tenders/ bids management of the company.

## II. Personal Information of Directors, Supervisors, Presidents, Vice Presidents, and Chiefs of Each Department as well as Branch

### (I) Directors and Supervisors

#### 1. Information of Directors and Supervisors

Mar 30, 2020

Title	Nationality or Registration	Name	Gender	Date of Election	Term of Office	First Election Date	Number of Shares at Election		Number of Shares Current		Number of Shares Current of Spouse and Minor Children		Number of Shares in the Name of Others		Major Education and Experiences	Concurrent Positions of the Company or Other Companies	Other Chiefs, Directors or Supervisors Who Have Relationships as Spouse, or Second-degree Relatives			NOTE
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman of the Board	Taiwan	HUANG,KUO-HUANG	Male	May 3, 2017	3 years	99.1.12	8,550,136	31.47%	9,247,849	27.33%	6,354,496	18.78%	NA	NA	Department of Agricultural Mechanical Engineering, National Chiayi Institute of Agriculture Responsible Person of Taiwan Fresh Life Co., Ltd. Business Manager of Agricultural Monarch Trade Co., Ltd. Teacher of Wan-Neng Senior Industrial and Commercial Vocational School Kendo Referee of Taiwan Sports Vice Director of R.O.C. Kendo Association	Director of Power Keen Limited Director of Sunjuice (HK) Limited Executive Director as well as President of Fresh Food (Kunshan) Co. Ltd. Executive Director as well as President of Sunjuice Co., Ltd. Executive Director of Sense International Limited Executive Director of Shanghai Sense Beverage Co., Ltd. Executive Director of Fresh Juice Industry (Tianjin) Co., Ltd. Executive Director of Guangdong Fresh Juice Biotechnology Co., Ltd. Director of Sunjuice I International Limited. Director of Suzhou Sunjuice I International Limited.	Director	LIN,LI-LING	Spouse	NA
																	Director	HUANG,HSUN-YI	Brother	NA
Director	Taiwan	LIN,LI-LING	Female	May 3, 2017	3 years	100.6.29	4,966,650	18.28%	6,178,264	18.26%	9,424,081	27.85%	NA	NA	Department of Agricultural Economics, National Chiayi Institute of Agriculture Financial Officer of Fresh Life (Kunshan) Food Industry Co., Ltd. Special Assistant to President of Fresh Life (Kunshan) Food Industry Co., Ltd.	Special Assistant to Chairman of Sunjuice Co., Ltd. Director of Sunjuice I International Limited. Director of Suzhou Sunjuice I International Limited.	Chairman of the Board	HUANG,KUO-HUANG	Spouse	NA
																	Director	HUANG,HSUN-YI	Second-degree Relative	NA

Title	Nationality or Registration	Name	Gender	Date of Election	Term of Office	First Election Date	Number of Shares at Election		Number of Shares Current		Number of Shares Current of Spouse and Minor Children		Number of Shares in the Name of Others		Major Education and Experiences	Concurrent Positions of the Company or Other Companies	Other Chiefs, Directors or Supervisors Who Have Relationships as Spouse, or Second-degree Relatives			NOTE
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Director	Taiwan	WANG,MING-CHIH	Male	May 3, 2017	3 years	100.6.29	1,232,262	4.54%	1,473,097	4.35%	297,495	0.88%	NA	NA	Qualified for Appraisal of Academic Achievement of Junior College Vice President of Fresh Life (Kunshan) Food Industry Co., Ltd. President of Fresh Food (Kunshan) Co. Ltd. President of Fresh Juice Industry (Kunshan) Co., Ltd.	President of Sunjuice Holdings Co., Ltd	NA	NA	NA	NA
Director	Taiwan	WU,MING-HSIEN	Male	May 3, 2017	3 years	100.6.29	1,132,401	4.17%	1,252,406	3.70%	285,072	0.84%	NA	NA	Mater of Business Administration, National Chung Cheng University Sales Executive of Aphrodite Industry Co., Ltd. Responsible Person of Modern Era Digital Technology Inc. General Manager of Management Department of Fresh Life (Kunshan) Food Industry Co., Ltd. Vice President of Fresh Food (Kunshan) Co. Ltd. Vice President of Fresh Juice Industry (Kunshan) Co., Ltd. Director of Axis 3D Technology, Inc.	Executive Director as well as President of Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd. Executive Director as well as President of Fresh Juice Industry (Tianjin) Co., Ltd. Vice President of Sunjuice Co., Ltd. Director of Sunjuice I International Limited Executive Director as well as President of Suzhou Sunjuice I International Limited	NA	NA	NA	NA

Title	Nationality or Registration	Name	Gender	Date of Election	Term of Office	First Election Date	Number of Shares at Election		Number of Shares Current		Number of Shares Current of Spouse and Minor Children		Number of Shares in the Name of Others		Major Education and Experiences	Concurrent Positions of the Company or Other Companies	Other Chiefs, Directors or Supervisors Who Have Relationships as Spouse, or Second-degree Relatives			NOTE
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Director	Taiwan	HUANG,HSUN-YI	Male	May 3, 2017	3 years	100.6.29	150,000	0.55%	297,879	0.88%	NA	NA	NA	NA	Mater of Business Administration, The University of Houston, USA Ph.D. of Hospitality and Travel Marketing, Victoria University, AUS Responsible Person of UNITOP-APEX Co., Ltd. Chairman of Wan-Neng Senior Industrial and Commercial Vocational School Chairman of Hospitality Management, Wufeng University Special Assistant to President of Fresh Juice Industry (Kunshan) Co., Ltd.	Director of Wan-Neng Senior Industrial and Commercial Vocational School Executive Director as well as President of Guangdong Fresh Juice Biotechnology Co., Ltd. Chief Engineer of Sunjuice Co., Ltd. Director of Sunjuice I International Limited. Director of Suzhou Sunjuice I International Limited. Managing Director of TaiAnJingZhong Cultural & Educational Foundation	Chairman of the Board	HUANG,KUO-HUANG	Brother	NA
																	Director	LIN,LI-LING	Second-degree Relative	NA
Independent Director	Taiwan	LO,SHIH-WEI	Male	May 3, 2017	3 years	100.6.29	NA	NA	NA	NA	NA	NA	NA	NA	Bachelor of Accounting, Chung Yuan Christian University Executive Master Program in Business Management, National Chiao Tung University Vice President of PricewaterhouseCoopers (PwC) Taiwan Independent Director, Commissioner of Remuneration & Compensation as well as Audit of Dreamtek International Corp.	Vice President as well as Chief Financial Officer of Management Center of Chipbond Technology Corp. Supervisor of Feature Integration Technology Inc. Supervisor of Vision Advance Technology Inc. Independent Director, Commissioner of Remuneration & Compensation as well as Audit of Giga Solar Materials Corp. Independent Director, Commissioner of Remuneration & Compensation as well as Audit of Giga Diamond Materials Corp. Representative of Juridical Person Director of Hefei Eswin Assembly Technology Inc. Representative of	NA	NA	NA	NA

Title	Nationality or Registration	Name	Gender	Date of Election	Term of Office	First Election Date	Number of Shares at Election		Number of Shares Current		Number of Shares Current of Spouse and Minor Children		Number of Shares in the Name of Others		Major Education and Experiences	Concurrent Positions of the Company or Other Companies	Other Chiefs, Directors or Supervisors Who Have Relationships as Spouse, or Second-degree Relatives			NOTE
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
																Juridical Person Director of Hefei Eswin Materials Technology Inc.				
Independent Director	Taiwan	CHEN,PO-TSANG	Male	May 3, 2017	3 years	Jun 6, 2014	NA	NA	NA	NA	NA	NA	NA	NA	Ph.D. of Hospitality and Travel Marketing, Victoria University, AUS Master of Hospitality Management, Florida International University, USA Associate Professor as well as Chairman of Hospitality Management Dept., School of Tourism, Ming Chuan University Assistant Professor of Hospitality Management Dept., School of Tourism, Ming Chuan University	Associate Professor of Hospitality Management Dept., School of Tourism, Ming Chuan University	NA	NA	NA	NA
Independent Director	China	HE,CHEN	Female	May 3, 2017	3 years	May 3, 2017	NA	NA	NA	NA	NA	NA	NA	NA	Ph.D. of Civil and Commercial Law, Southwestern University of Finance and Economics, PRC Lecturer of Law School, Southwestern University of Finance and Economics, PRC	Assistant Professor and Master's Tutor of Law School, Southwestern University of Finance and Economics, PRC	NA	NA	NA	NA
Supervisor	Taiwan	CHANG,LING-YIN	Female	May 3, 2017	3 years	May 3, 2017	NA	NA	NA	NA	NA	NA	NA	NA	Ph.D. of Healthy Behavior, University of North Carolina at Chapel Hill, USA Postdoctoral Research Fellow of National Health Research Institutes Postdoctoral Research Fellow of Institute of Nursing School, Taipei Medical University Research Assistant of Institute of Healthy Behavior, University of North Carolina at Chapel Hill, USA Teaching Assistant of Institute of Health	Assistant Professor of Institute of Health Behaviors and Community Science, College of Public Health, National Taiwan University	NA	NA	NA	NA

Mar 30, 2020

Title	Nationality or Registration	Name	Gender	Date of Election	Term of Office	First Election Date	Number of Shares at Election		Number of Shares Current		Number of Shares Current of Spouse and Minor Children		Number of Shares in the Name of Others		Major Education and Experiences	Concurrent Positions of the Company or Other Companies	Other Chiefs, Directors or Supervisors Who Have Relationships as Spouse, or Second-degree Relatives			NOTE
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
															Policy and Management, National Taiwan University					
Supervisor	Taiwan	WANG,CHIA-HAN	Male	May 3, 2017	3 years	100.6.29	NA	NA	NA	NA	11,000	0.03%	NA	NA	Bachelor of Mechanical Engineering, Tatung University Lecturer of Intellectual Property Program in Shanghai Intellectual Property Service Center Deputy Manager of Patent Sector of Tai E International Patent & Law Office	President of Shanghai Jian Yi Trademark Agent Co., Ltd. President of Shanghai WEIYUAN Patent Law LLC	NA	NA	NA	NA
Supervisor	British Virgin Islands (BVI)	Treasure Island Properties Co., Ltd.	-	May 3, 2017	3 years	May 3, 2017	736,120	2.71%	809,732	2.39%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Taiwan	Representatives YANG, SHIH-CHIN	Male	October 2, 2019 (Note)	-	October 2, 2019	233,296	0.69%	233,296	0.69%	278,229	0.82%	NA	NA	Department of Hospitality Management, WuFeng University	Sales Supervisor of Yu Teng Food Co., Ltd.	NA	NA	NA	NA

Note: As of October 2, 2019, Mr. YANG, SHIH-CHIN succeeded Mr. CHEN, CHIN-KUN to represent Treasure Island Properties Co., Ltd. as Supervisor.

## 2. Major shareholders of the institutional shareholders

March 30, 2020

Names of Institution	Major Shareholders of the Institutional Shareholders
Treasure Island Properties Co., Ltd.	CHEN,CHIN-KUN (100%)

### 3. Professional Knowledge and Independence of Directors and Supervisors

March 30, 2020

Name	Conditions	Having at least 5-years of work experience or any professional credentials listed below			Independence conformity (note)												Number of occupation for independent director of other listed companies concurrently
		Teaching experience as at least a lecturer in degree-granting institutions of business, law, finance, accounting, or similar departments in other colleges and universities.	Work experience as a judge, prosecutor, attorney, accountant or other professional occupation with national certificates for special expertise or skills	Work experience in business, law, financing, accounting, or other experience concerning company affairs	1	2	3	4	5	6	7	8	9	10	11	12	
HUANG,KUO-HUANG			✓						✓	✓	✓	✓	✓		✓	✓	0
LIN,LI-LING			✓						✓	✓	✓	✓	✓		✓	✓	0
WANG,MING-CHIH			✓		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	0
WU,MING-HSIEN			✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	0
HUANG,HSUN-YI			✓				✓		✓	✓	✓	✓	✓		✓	✓	0
HE,CHEN	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
LO,SHIH-WEI			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
CHEN,PO-TSANG	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
WANG,CHIA-HAN			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Treasure Island Properties Co., Ltd. Representative: YANG, SHIH-CHIN			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
CHANG,LING-YIN	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note: Please fill “✓” in the blank beneath the condition code for each director and supervisor who conforms to the conditions two years before he/she is elected, or during his/her tenure, that is described as below.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates (The same does not apply, however, in cases where the person is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent).
- (3) Not a natural-person shareholder whose shareholding ratio is more than an aggregate of 1% of the total issued shares of the company held by the person's spouse, minor children or held by the person under others' names, or, whose shareholding ratio, occupies one of the ten highest proportions amongst all by the person.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer as described in (1) or any of the persons as described in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (The same does not apply, however, in cases where the person is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent).
- (6) Directors not of the company or more than half of the shares with voting rights are directors, supervisors or employees of other companies controlled by the same person (The same does not apply, however, in cases where the person is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent).
- (7) The chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are not the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. (The same does not apply, however, in

cases where the person is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent).

- (8) Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company (The same does not apply, however, in cases where the specified company or institution holds an aggregate of more than 20% of the company's issued shares, not more than 50%; and, where the person is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. However, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Does not have a marital relationship, or a relative within the second degree of kinship to any other director of the company.
- (11) Not been a person under any of the circumstances as defined in Article 30 of the Company Act.
- (12) Not been a person elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.



## (II) Personal Information of Presidents, Vice Presidents, Assistant Vice Presidents, and Chiefs of Each Department as well as Branch

March 30, 2020

Title	Nationality	Name	Gender	Date of Election	Number of Shares		Spouse and Minor Children Number of Shares		Use the Name of Others Number of Shares		Major Education and Experiences	Concurrent Positions of Other Companies	Managers Who Have Relationships as Spouse or Second-degree Relatives			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
President	Taiwan	WANG,MING-CHIH	Male	Dec 2019 (Note 1)	1,473,097	4.35%	297,495	0.88%	NA	NA	Qualified for Appraisal of Academic Achievement of Junior College Vice President of Fresh Life (Kunshan) Food Industry Co., Ltd. President of Fresh Food (Kunshan) Co. Ltd. President of Fresh Juice Industry (Kunshan) Co., Ltd.	NA	NA	NA	NA	NA
President of Fresh Juice Industry (Tianjin) Co., Ltd.	Taiwan	WU,MING-HSIEN	Male	Dec 2016	1,252,406	3.70%	285,072	0.84%	NA	NA	Mater of Business Administration, National Chung Cheng University Sales Executive of Aphrodite Industry Co., Ltd. Responsible Person of Modern Era Digital Technology Inc. General Manager of Management Department of Fresh Life (Kunshan) Food Industry Co., Ltd. Vice President of Fresh Food (Kunshan) Co. Ltd. Vice President of Fresh Juice Industry (Kunshan) Co., Ltd. Director of Axis 3D Technology, Inc.	(Note 2)	NA	NA	NA	NA
President of Guangdong Fresh Juice Biotechnology Co., Ltd.	Taiwan	HUANG,HSUN-YI	Male	Dec 2016	297,879	0.88%	NA	NA	NA	NA	Mater of Business Administration, The University of Houston, USA Ph.D. of Hospitality and Travel Marketing, Victoria University, AUS Responsible Person of UNITOP-APEX Co., Ltd. Chairman of Wan-Neng Senior Industrial and Commercial Vocational School Chairman of Hospitality Management, Wufeng University Special Assistant to President of Fresh Juice Industry (Kunshan) Co., Ltd.	(Note 3)	NA	NA	NA	NA

March 30, 2020

Title	Nationality	Name	Gender	Date of Election	Number of Shares		Spouse and Minor Children Number of Shares		Use the Name of Others Number of Shares		Major Education and Experiences	Concurrent Positions of Other Companies	Managers Who Have Relationships as Spouse or Second-degree Relatives			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Vice President of Sunjuice Co., Ltd.	Taiwan	YANG,CHIH-MIN	Male	Mar 2018	NA	NA	NA	NA	NA	NA	Bachelor of Printing Engineering, Chinese Culture University Chief of Production Sector of Sinar Mas Group, Indonesia President of YaLong/JinXin/JinGuangChuangLi/JinShengPu	NA	NA	NA	NA	NA
President of Shanghai Sense Beverage Co., Ltd.	China	LU,HUA	Male	Oct 2017	NA	NA	NA	NA	NA	NA	Bachelor of Nutritional Engineering, Yangzhou University, PRC R&D Personnel of Coca-Cola Asia Pacific R&D Center R&D Personnel of GlaxoSmithKline (China) Investment Co., Ltd.	NA	NA	NA	NA	NA
Chief of Accounting Department	Taiwan	CHEN,YI-JU	Female	Aug 2017	11,000	0.03%	15,093	0.04%	NA	NA	Bachelor of Accounting, Soochow University Deputy Manager of Deloitte Touche Tohmatsu Limited (DTTL)	NA	NA	NA	NA	NA
Chief of Audit Department	China	HUANG, AN-YEH	Male	March 2020 (Note 4)	NA	NA	NA	NA	NA	NA	Department of Finance, Heilongjiang University Audited by Suzhou Yuanjian Kuaijishi Shiwusuo Audited by Alltop Technology Co., Ltd.	NA	NA	NA	NA	NA

Note 1: As of December 24, 2019, Mr. WANG, MING-CHIH will begin the role of General Manager, replacing the Chairperson Mr. HUANG, KUO-HUANG.

Note 2: Director of Sunjuice Holdings Co., Ltd., Vice President of Sunjuice Co., Ltd., Executive Director and General Manager of Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd., Director of Sunjuice I International Limited, Executive Director and General Manager of Suzhou Fresh South Food Industry Co., Ltd.

Note 3: Director of Sunjuice Holdings Co., Ltd., Chief Engineer of Sunjuice Co., Ltd., Director of Sunjuice I International Limited, Director of Suzhou Fresh South Food Industry Co., Ltd., Director of Wan-Neng Senior Industrial and Commercial Vocational School.

Note 4: Starting from March 6, 2020, Assistant Manager Mr. HUANG, AN-YEH will take the role of Chief of Audit Department, replacing Senior Manager Mr. WU,PO-KUAN due to adjustments of internal positions.

(III) Remunerations for Directors, Supervisors, Presidents and Vice Presidents, etc. Last Year

1. Remunerations for directors and independent directors

unit: thousand (NTD)

Title		Name	Remunerations for Directors								Proportion of the Sum of A, B, C and D to Net Income after Taxes		Related Remunerations for Employees with Concurrent Employment								Proportion of the Sum of A, B, C, D, E, F and G to Net Income after Taxes		Any Remuneration Acquired from Reinvestments or Parent Company besides Subsidiaries	
			Compensation (A)		Pensions (B)		Remunerations for Directors (C)		Operating Expenses (D)				Salaries, Bonuses and Special Disbursements (E)		Pensions (F)		Remunerations for Employees (G)							
			The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	The Company		All the Companies Included in the Financial Reporting		The Company	All the Companies Included in the Financial Reporting		
																		Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Director	Chairman of the Board	HUANG,KUO-HUANG	-	-	-	-	1,210	1,210	29	29	0.22%	0.22%	-	9,783	-	-	7,894	-	7,894	-	1.66%	3.45%	NA	
	Director	LIN,LI-LING																						
	Director	WANG,MING-CHIH																						
	Director	WU,MING-HSIEN																						
	Director	HUANG,HSUN-YI																						
Independent Director	Independent Director	HE,CHEN	1,436	1,436	-	-	1,351	1,351	94	94	0.53%	0.53%	-	-	-	-	-	-	-	-	0.53%	0.53%	NA	
	Independent Director	LO,SHIH-WEI																						
	Independent Director	CHEN,PO-TSANG																						

1.Please explain the policy, system, standards and structure of payments for the directors' remunerations, and explain the relationship of the amount of remunerations given based on the factors, such as, the responsibility and accountability, risks, and time invested:

Remunerations for independent directors should be precisely defined in the Articles of Incorporation, which the level of participation, contribution and value brought to the Company's operations by each of the director should be reviewed by the Remuneration & Compensation Committee. The Committee should make the review with reference to the Company's operations performance and industry's standards to create a recommendation, which shall be submitted for a resolution by the board of directors.

2.Except for the table disclosure as above, remunerations acquired by the directors for providing the services (for example, a consultant who is not employed) to any of the companies listed in the financial reporting last year: NA.

# Remuneration

## Brackets

Brackets of Remunerations Paid to Each Director of the Company	Names of Directors			
	Total Amount of Remunerations by (A+B+C+D)		Total Amount of Remunerations by (A+B+C+D+E+F+G)	
	The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting
Less than NT\$1,000,000	HUANG,KUO-HUANG, LIN,LI-LING, WANG,MING-CHIH, HUANG,HSUN-YI, WU,MING-HSIEN, LO,SHIH-WEI, CHEN,PO-TSANG, HE,CHEN	HUANG,KUO-HUANG, LIN,LI-LING, WANG,MING-CHIH, HUANG,HSUN-YI, WU,MING-HSIEN, LO,SHIH-WEI, CHEN,PO-TSANG, HE,CHEN	WANG,MING-CHIH, LO,SHIH-WEI, CHEN,PO-TSANG, HE,CHEN	WANG,MING-CHIH, LO,SHIH-WEI, CHEN,PO-TSANG, HE,CHEN
NT\$1,000,000 (including 1,000,000) ~ NT\$2,000,000 (excluding 2,000,000)	NA	NA	NA	NA
NT\$2,000,000 (including 2,000,000) ~ NT\$3,500,000 (excluding 3,500,000)	NA	NA	HUANG,KUO-HUANG, LIN,LI-LING, WU,MING-HSIEN, HUANG,HSUN-YI	NA
NT\$3,500,000 (including 3,500,000) ~ NT\$5,000,000 (excluding 5,000,000)	NA	NA	NA	HUANG,KUO-HUANG, LIN,LI-LING, WU,MING-HSIEN, HUANG,HSUN-YI
NT\$5,000,000 (including 5,000,000) ~ NT\$10,000,000 (excluding 10,000,000)	NA	NA	NA	NA
NT\$10,000,000 (including 10,000,000) ~ NT\$15,000,000 (excluding 15,000,000)	NA	NA	NA	NA
NT\$15,000,000 (including 15,000,000) ~ NT\$30,000,000 (excluding 30,000,000)	NA	NA	NA	NA
NT\$30,000,000 (including 30,000,000) ~ NT\$50,000,000 (excluding 50,000,000)	NA	NA	NA	NA
NT\$50,000,000 (including 50,000,000) ~ NT\$100,000,000 (excluding 100,000,000)	NA	NA	NA	NA
More than NT\$100,000,000	NA	NA	NA	NA
Total	8 (persons)	8 (persons)	8 (persons)	8 (persons)

## 2. Remunerations for Supervisors

unit: thousand (NTD)

Title	Name	Remunerations for Supervisors						Proportion of the Sum of A, B and C to Net Income after Taxes		Any Remuneration Acquired from Reinvestments or Parent Company besides Subsidiaries
		Compensation (A)		Remunerations (B)		Operating Expenses (C)				
		The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	
Supervisor	WANG,CHIA-HAN	-	-	1,098	1,098	102	102	0.22%	0.22%	NA
Supervisor	CHANG,LING-YIN									
Supervisor	Treasure Island Properties Co., Ltd. Representative: CHEN,CHIN-KUN YANG, SHIH-CHIN									

Remuneration  
Brackets

Brackets of Remunerations Paid to Each Supervisor of the Company	Names of Supervisors	
	Total Amount of Remunerations by (A+B+C)	
	The Company	All the Companies Included in the Financial Reporting
Less than NT\$1,000,000	WANG,CHIA-HAN, CHANG,LING-YIN, Treasure Island Properties Co., Ltd. Representative: CHEN,CHIN-KUN, YANG, SHIH-CHIN	WANG,CHIA-HAN, CHANG,LING-YIN, Treasure Island Properties Co., Ltd. Representative: CHEN,CHIN-KUN, YANG, SHIH-CHIN
NT\$1,000,000 (including 1,000,000) ~ NT\$2,000,000 (excluding 2,000,000)	NA	NA
NT\$2,000,000 (including 2,000,000) ~ NT\$3,500,000 (excluding 3,500,000)	NA	NA
NT\$3,500,000 (including 3,500,000) ~ NT\$5,000,000 (excluding 5,000,000)	NA	NA
NT\$5,000,000 (including 5,000,000) ~ NT\$10,000,000 (excluding 10,000,000)	NA	NA
NT\$10,000,000 (including 10,000,000) ~ NT\$15,000,000 (excluding 15,000,000)	NA	NA
NT\$15,000,000 (including 15,000,000) ~ NT\$30,000,000 (excluding 30,000,000)	NA	NA
NT\$30,000,000 (including 30,000,000) ~ NT\$50,000,000 (excluding 50,000,000)	NA	NA
NT\$50,000,000 (including 50,000,000) ~ NT\$100,000,000 (excluding 100,000,000)	NA	NA
More than NT\$100,000,000	NA	NA
Total	3 (persons)	3 (persons)

### 3. Remunerations for Presidents and Vice Presidents

unit: thousand (NTD)

Title	Name	Salaries (A)		Pensions (B)		Bonuses and Special Disbursements (C)		Remunerations for Employees (D)				Proportion of the Sum of A, B, C and D to Net Income after Taxes (%)		Any Remuneration Acquired from Reinvestments or Parent Company besides Subsidiaries
		The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	The Company	All the Companies Included in the Financial Reporting	The Company		All the Companies Included in the Financial Reporting		The Company	All the Companies Included in the Financial Reporting	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	HUANG,KUO-HUANG	-	3,007	-	-	-	10,967	7,169	-	9,141	-	1.31%	4.22%	NA
Fresh Juice Industry (Tianjin) Co., Ltd. President	WU,MING-HSIEN													
Guangdong Fresh Juice Biotechnology Co., Ltd. President	HUANG,HSUN-YI													
Shanghai Sense Beverage Co., Ltd. President	LU,HUA													
Sunjuice Co., Ltd. Vice President	YANG,CHIH-MIN													

### Remuneration Brackets

Brackets of Remunerations Paid to Each President and Vice President of the Company	Names of Presidents and Vice Presidents	
	The Company	All the Companies Included in the Financial Reporting
Less than NT\$1,000,000	LU,HUA, YANG,CHIH-MIN	NA
NT\$1,000,000 (including 1,000,000) ~ NT\$2,000,000 (excluding 2,000,000)	NA	NA
NT\$2,000,000 (including 2,000,000) ~ NT\$3,500,000 (excluding 3,500,000)	HUANG,KUO-HUANG, WU,MING-HSIEN, HUANG,HSUN-YI	NA
NT\$3,500,000 (including 3,500,000) ~ NT\$5,000,000 (excluding 5,000,000)	NA	HUANG,KUO-HUANG, WU,MING-HSIEN, HUANG,HSUN-YI, LU,HUA, YANG,CHIH-MIN
NT\$5,000,000 (including 5,000,000) ~ NT\$10,000,000 (excluding 10,000,000)	NA	NA
NT\$10,000,000 (including 10,000,000) ~ NT\$15,000,000 (excluding 15,000,000)	NA	NA
NT\$15,000,000 (including 15,000,000) ~ NT\$30,000,000 (excluding 30,000,000)	NA	NA
NT\$30,000,000 (including 30,000,000) ~ NT\$50,000,000 (excluding 50,000,000)	NA	NA
NT\$50,000,000 (including 50,000,000) ~ NT\$100,000,000 (excluding 100,000,000)	NA	NA
More than NT\$100,000,000	NA	NA
Total	5 (persons)	5 (persons)



4. Names of Managers Who Distribute Remunerations to Employees and Distribution Status:

31 Dec, 2019; unit: thousand (NTD)

Title		Name	Carrying Amount of Stock	Amount of Cash	Total	Proportion of the Sum to Net Income after Taxes
Manager	President	HUANG,KUO-HUANG	-	9,454	9,454	1.72%
	President - Fresh Juice Industry (Tianjin) Co., Ltd.	WU,MING-HSIEN				
	President - Guangdong Fresh Juice Biotechnology Co., Ltd.	HUANG,HSUN-YI				
	President - Shanghai Sense Beverage Co., Ltd.	LU,HUA				
	Vice President - Sunjuice Co., Ltd.	YANG,CHIH-MIN				
	Chief of Accounting Department	CHEN,YI-JU				

(IV) Respective comparisons and descriptions are made for the analysis of proportion of the sums of remunerations paid to the directors, supervisors, presidents and vice presidents, etc. by The Company and all the companies listed in the consolidated financial statements in the past two years, to the net income after taxes by an entity or individual financial reporting. Also, the explanations are drawn for policies, criteria and combinations of the remunerations, procedures of how to define the remunerations, as well as the relativity between operational performance and future risks.

1. Proportion of the Sums of Remunerations Paid to Directors, Supervisors, Presidents and Vice Presidents by The Company and All Companies Listed in Consolidated Financial Statements, to Net Income after Taxes in Consolidated Financial Statements

unit: thousand (NTD)

Title	Sums of Remunerations and Proportion of them to Net Income after Taxes in Consolidated Financial Statements							
	The Company				All Companies in Consolidated Financial Statements			
	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Remunerations for Directors (Note)	12,014	2.19%	14,028	3.18%	21,797	3.98%	20,422	4.62%
Remunerations for Supervisors	1,200	0.22%	1,200	0.27%	1,200	0.22%	1,200	0.27%
Remunerations for Presidents and Vice Presidents	7,169	1.31%	6,466	1.46%	23,115	4.22%	21,158	4.79%

Note: Related remunerations for the employees with concurrent employment are included.

2. Policies, Criteria and Combinations of Remunerations, Procedures of How to Define Remunerations, as well as Relativity between Operational Performance and Future Risks

A. Directors, Supervisors

Remunerations for the directors and supervisors, including compensation, operating expenses as well as profit status of the current year, should be precisely defined in the articles; in addition, basis of remuneration referred from the same filed, as well as the participation and devotion on one's own to The Company should also be taken into consideration.

B. Presidents, Vice Presidents

Remunerations for the presidents and vice presidents consist of salaries and bonuses, which are distributed based on the positions, responsibilities assumed, relativity between operational performance and future risks, as well as the regular basis for the same position referred from the same filed.

### III. Corporate Governance and Operation

#### (I) Board Operation:

In the last year and until the date of publication of the Annual Report, the Board meeting had been held for (A) 8 times in total, and the attendance of directors and supervisors is as below:

Title	Name		Count for Actual Attendance (B)	Count for Attendance by Trust	Actual Attendance Rates (%) [B/A]	Note
Chairman of the Board	HUANG,KUO-HUANG		8	0	100	May 3, 2017 Reelection
Director	LIN,LI-LING		8	0	100	May 3, 2017 Reelection
Director	WANG,MING-CHIH		8	0	100	May 3, 2017 Reelection
Director	WU,MING-HSIEN		8	0	100	May 3, 2017 Reelection
Director	HUANG,HSUN-YI		8	0	100	May 3, 2017 Reelection
Independent Director	LO,SHIH-WEI		7	1	87.5	May 3, 2017 Reelection
Independent Director	CHEN,PO-TSANG		8	0	100	May 3, 2017 Reelection
Independent Director	HE,CHEN		8	0	100	May 3, 2017 Office Assumption Re-elected
Supervisor	WANG,CHIA-HAN		8	0	100	May 3, 2017 Reelection
Supervisor	Treasure Island Properties Co., Ltd.	Representatives CHEN,CHIN-KUN	4	0	100	May 3, 2017 Office Assumption Re-elected October 2, 2019 Change of Representatives
		Representatives YANG, SHIH-CHIN	4	0	100	
Supervisor	CHANG,LING-YIN		8	0	100	May 3, 2017 Office Assumption Re-elected

#### Other Recorded Items:

- I. If any of the circumstances as described below had occurred during the operation of the Board of Directors Meeting, the date, term, topics of discussion of the Board Meeting, the handling of all the comments of the independent directors, and the comments by the Company to the independent directors should be described in details.

#### (I) Matters Listed in Article 14-3 in Securities and Exchange Act:

In 2019, and as of the date of Annual Report printing, the Board meeting had been held for eight

times in total. All the resolution contents are explained from page 67 to page 69 in the Annual Report, and all the independent directors pass the resolutions without any objections against those matters listed in Article 14-3 of Securities and Exchange Act.

(II) Besides the descriptions in item (I), any recordings or proclamations in writing of objection or qualified opinion by an independent director: NA.

II. Avoidance of Resolutions Due to Self-interest by Directors:

Bills of remunerations distribution to the directors, supervisors, managers and employees of The Company 2018 and 2019 had been passed by the Board resolution on March 7, 2019 and March 30, 2020, respectively. The two Board meetings had been recorded by sound as well as video in compliance with Article 18 in the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies,” and no directors participated in the resolution concerning his/her own remunerations distribution. None of the directors, his/her spouses and second-degree relatives participated in the resolution concerning his/her own remunerations distribution during the Board resolution that had passed the 2019 remunerations distribution to the directors, supervisors, managers and employees on March 30, 2020.

III. Frequency, period, scope of evaluation, method, evaluation details and other information on the directors’ self-evaluation (or evaluation of peers):

Frequency	Period	Scope of evaluation	Evaluation method	Evaluation details	
Once every year	January 1 to December 31, 2019	Performance evaluation of the Board of Directors	Internal self-evaluation of the Board of Directors	Assessment Items	Assessment Results
				Level of Participation in Company Operations	Good
				Quality Improvement of Board Policies	Good
				Composition and Structure of Board	Good
				Election and Further Education of Board	Good
				Internal Control	Good
Once every year	January 1 to December 31, 2019	Performance evaluation of each director	Self-evaluation by the director	Assessment Items	Assessment Results
				Full understanding of the Company’s targets and mission	Good
				Director’s understanding of his/her own duties	Good
				Level of Participation in Company Operations	Good
				Internal relationship management and communications	Good
				Professionalism and Continuing Education of the director	Good
				Internal Control	Good

IV. Target of Reinforcing Board Functions for the Current Year and Last Year, as well as Execution Assessment:

1. The Company has founded the Remuneration & Compensation Committee in Sep 2011 as well

as “Managerial Control Operation for Remuneration & Compensation Committee”, in order to reinforce functionality of the Board.

2. The Company complies with “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” to define “Rules and Procedures of Board of Directors Meetings”, follows the relational regulations to convene the Board meetings of the Company, as well as reporting the attendance of the directors; where the execution is well.
3. The Company will upload every material resolution to Market Observation Post System in real time after the Board meetings, in order to preserve the equity of shareholders.
4. After the election for all of the Company directors, 3 independent directors shall form the Audit Committee, which the Articles of Association and operations management of the Audit Committee has been approved by the Board of Directors resolution on March 6, 2020.

(II) Board Meeting Operation due to Participation by Supervisors :

The Board meeting had been held for eight times in total up to the date of publication, and the attendance of supervisors is as below:

Title	Name		Count for Actual Attendance B	Actual Attendance Rates (%) [B/A]	Note
Supervisor	WANG,CHIA-HAN		8	100	May 3, 2017 Reelection
Supervisor	Treasure Island Properties Co., Ltd.	Representative: CHEN,CHIN-KUN	4	100	May 3, 2017 Office Assumption Re-elected October 2,2019 Reappointed representative
		Representative: YANG, SHIH-CHIN	4	100	
Supervisor	CHANG,LING-YIN		8	100	May 3, 2017 Office Assumption Re-elected

Other Recorded Items:

I. Composition and Duties of Supervisors :

- (I) Communication (for example, communication channels, or methods) between Supervisors and Employees as well as Shareholders of the Company: Supervisors had once attended the shareholders general meeting of the Company on May 29, 2019, and directly communicated with the shareholders face to face. Furthermore, a supervisor can exercise his/her claim to contact the employees, shareholders or other stakeholders of the Company anytime.
- (II) Communication (for example, communication items, measures or conclusions concerning company finance or business conditions) between Supervisors and Chiefs of Internal Audit as well as Accountants:
  1. Chiefs of the internal audit sector of the Company shall periodically communicate with the supervisors about the audit results as well as their tracking reports. Should there be any extraordinary circumstances, the chiefs of internal audit sector will promptly inform the

supervisors. Conclusion is made that the supervisors have well communication with the chiefs of internal audit sector of the Company.

2. Supervisors of the Company shall review the actual necessities to request The Company to validate the audit reports by accountants.

II. If a supervisor has any statements when attending the Board meeting, it should be described in details of dates, periods, bill contents and resolution conclusions of the Board, as well as solutions by The Company to this statement:

In 2019, and as of the date of Annual Report printing, the Board meeting had been held for eight times in total. All the resolution contents are explained from page 67 to page 69 in the Annual Report, and all the supervisors pass the resolutions without any objections.

(III) Difference between Actual Corporate Governance and Operation, and, Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons

Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
I. Does The Company accord with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, and disclose the best practice principles of corporate governance itself?	√		The Company had referred to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” on Nov 8, 2018 and therefore defined “Best Principles of Corporate Governance” of the Company. All the related articles are disclosed on Market Observation Post System.	No material difference.
II. Shareholding Structure and Shareholders Equity of the Company (I) Does The Company define an internal operating procedure to treat the comments, doubts, debate as well as lawsuits from the shareholders, and accord with this procedure? (II) Does The Company actually grasp the list concerning major shareholders as well as their final controllers of the Company? (III) Does The Company establish and exercise a firewall system of risk control toward its associates? (IV) Does The	√		(I) 1. The Company has designated the spokesmen as the service windows to deal with all the comments or debate of the shareholders. 2. The Company has installed the service area as well as email box specially for the investors on the website; also, the specialists are in-service to handle the comments or debate of the shareholders.  (II) The Company maintains the good relations with its major shareholders and is capable of grasping the list of all material shareholders. Also, The Company periodically registers the equity variation of every insider (directors, supervisors, managers as well as shareholders whose shareholding ratio is more than 10% of total issues shares), to Market Observation Post System per month.  (III) All the assets, business as well as financial accounting of the Company and its associates are operating independently. Also, The Company stipulates “Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises” as well as “Supervision and Management of Subsidiaries” in compliance with “Regulations Governing Establishment of Internal Control Systems by Public Companies”, practicing the risk control system on the subsidiaries. Mutual risk control system as well as firewall have been properly established.  (IV) The Company has built the operating systems of	No material difference.

Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons																																																															
	YES	NO	Summary																																																																
Company define an internal regulation, forbidding The Company insiders to use the undisclosed information in the market to transact the securities?			“Prevention of Insider Trading” as well as “Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Presidents”, to practically avoid the insiders using the undisclosed information in the market to transact the securities.																																																																
III. Composition and Duties of Board of Directors (I) Does the Board draft a diversification policy due to the various members, and actually performs it?	√		<p>(I) Current Board of the directors of the Company consists of eight directors (including three independent directors), three supervisors, who have the expertise background of accounting, laws and hospitality, and three of them have the degrees of Ph.D. Candidates nomination system is adopted when electing the directors, independent directors and supervisors, where the shareholders will elect the nominees from the candidates list. Average age of the Board member is 53, among them there are two female directors and one supervisor. Female accounted for 27.27% of all directors and supervisors. Capabilities of the Board members are summarized as below:</p> <table><tr><th>Diversification Names of Directors</th><th>Gender</th><th>Operating and Management</th><th>Leading and Making Policies</th><th>Industrial Knowledge</th><th>Accounting</th><th>Laws</th></tr><tr><td>HUANG,KUO-HUANG</td><td>Male</td><td>v</td><td>v</td><td>v</td><td></td><td></td></tr><tr><td>LIN,LI-LING</td><td>Female</td><td>v</td><td>v</td><td>v</td><td></td><td></td></tr><tr><td>WANG,MING-CHIH</td><td>Male</td><td>v</td><td>v</td><td>v</td><td></td><td></td></tr><tr><td>HUANG,HSUN-YI</td><td>Male</td><td>v</td><td>v</td><td>v</td><td></td><td></td></tr><tr><td>WU,MING-HSIEN</td><td>Male</td><td>v</td><td>v</td><td>v</td><td></td><td></td></tr><tr><td>LO,SHIH-WEI</td><td>Male</td><td>v</td><td></td><td></td><td>v</td><td></td></tr><tr><td>CHEN,PO-TSANG</td><td>Male</td><td></td><td></td><td>v</td><td></td><td></td></tr><tr><td>HE,CHEN</td><td>Female</td><td></td><td></td><td></td><td></td><td>v</td></tr></table>	Diversification Names of Directors	Gender	Operating and Management	Leading and Making Policies	Industrial Knowledge	Accounting	Laws	HUANG,KUO-HUANG	Male	v	v	v			LIN,LI-LING	Female	v	v	v			WANG,MING-CHIH	Male	v	v	v			HUANG,HSUN-YI	Male	v	v	v			WU,MING-HSIEN	Male	v	v	v			LO,SHIH-WEI	Male	v			v		CHEN,PO-TSANG	Male			v			HE,CHEN	Female					v	No material difference.
Diversification Names of Directors	Gender	Operating and Management	Leading and Making Policies	Industrial Knowledge	Accounting	Laws																																																													
HUANG,KUO-HUANG	Male	v	v	v																																																															
LIN,LI-LING	Female	v	v	v																																																															
WANG,MING-CHIH	Male	v	v	v																																																															
HUANG,HSUN-YI	Male	v	v	v																																																															
WU,MING-HSIEN	Male	v	v	v																																																															
LO,SHIH-WEI	Male	v			v																																																														
CHEN,PO-TSANG	Male			v																																																															
HE,CHEN	Female					v																																																													
(II) Does The Company voluntarily found the committees with other diverse functions besides Remuneration & Compensation Committee?			(II) The Company has established the Remuneration & Compensation Committee in September 2011; after the election for all of the Company directors, 3 independent directors shall form the Audit Committee, which the Articles of Association and operations management of the Audit Committee has been approved by the Board of Directors resolution on March 6, 2020. Other committees with diverse functions are yet to be formed.																																																																



Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons																																
	YES	NO	Summary																																	
(III) Does The Company define a criterion and method to evaluate the Board performance, and actually perform them periodically every year and report to the Board of Directors regarding the evaluation outcome, and apply it as a reference on matters concerning each of the director’s remuneration and re-nomination? (IV) Does The Company periodically assess the independence of the certified accountants?			<p>(III) The the board of directors of the Company has made “Evaluation Method of Board Performance” in Feb 2012, and has performed it at the end of every year. Also, the evaluation results will be submitted during the Board meeting in the next first quarter, where the assessed objects include the entire Board operations, as well as the performance of each Board member. Evaluation results of the Board performance have been reported in the Board meeting on Mar 6, 2020.</p> <p>(IV) Accounting sector of the Company is to assess the independence of the certified accountants on its own once a year, and had submitted the conclusions to the Board meeting for discussion and certification on Mar 6, 2020. Elected certified accountants have no stakes with The Company, and the independence is therefore followed restrictedly. Independence assessment criteria of the Company are as below:</p> <table><tr><th>Items</th><th>Specific Indices</th><th>Evaluati on Results</th><th>Complying with Independence or Not?</th></tr><tr><td>1</td><td>Does the accountant have any direct or materially indirect financial relationships with The Company?</td><td>NO</td><td>YES</td></tr><tr><td>2</td><td>Does the accountant have the interaction of financing or guarantee with The Company or the directors of the Company?</td><td>NO</td><td>YES</td></tr><tr><td>3</td><td>Does the accountant have any relationships concerning intimate commercial behaviors or potential employment?</td><td>NO</td><td>YES</td></tr><tr><td>4</td><td>Does the account or any of his/her audit team members, currently or over the past two years, have ever occupied a position of the Company such as director or manager, which may lead the material influence upon the audit?</td><td>NO</td><td>YES</td></tr><tr><td>5</td><td>Does the accountant provide the non-audit service projects to The Company which might influence the audit?</td><td>NO</td><td>YES</td></tr><tr><td>6</td><td>Does the accountant broker the issued stock or other securities of the Company?</td><td>NO</td><td>YES</td></tr><tr><td>7</td><td>Does the accountant serve the post of defender for The Company, or, negotiate with the third party for a conflict on behalf of the Company?</td><td>NO</td><td>YES</td></tr></table>	Items	Specific Indices	Evaluati on Results	Complying with Independence or Not?	1	Does the accountant have any direct or materially indirect financial relationships with The Company?	NO	YES	2	Does the accountant have the interaction of financing or guarantee with The Company or the directors of the Company?	NO	YES	3	Does the accountant have any relationships concerning intimate commercial behaviors or potential employment?	NO	YES	4	Does the account or any of his/her audit team members, currently or over the past two years, have ever occupied a position of the Company such as director or manager, which may lead the material influence upon the audit?	NO	YES	5	Does the accountant provide the non-audit service projects to The Company which might influence the audit?	NO	YES	6	Does the accountant broker the issued stock or other securities of the Company?	NO	YES	7	Does the accountant serve the post of defender for The Company, or, negotiate with the third party for a conflict on behalf of the Company?	NO	YES	
Items	Specific Indices	Evaluati on Results	Complying with Independence or Not?																																	
1	Does the accountant have any direct or materially indirect financial relationships with The Company?	NO	YES																																	
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5	Does the accountant provide the non-audit service projects to The Company which might influence the audit?	NO	YES																																	
6	Does the accountant broker the issued stock or other securities of the Company?	NO	YES																																	
7	Does the accountant serve the post of defender for The Company, or, negotiate with the third party for a conflict on behalf of the Company?	NO	YES																																	

Evaluation Items	Operation					Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons	
	YES	NO	Summary				
			8	Does the accountant have any relatives who occupy a position of the Company such as directors, managers, or any material employees who may influence the audit?	NO	YES	
			9	Does the accountant involve with any managerial positions who can make the policies of the Company?	NO	YES	
			10	Does the accountant`s tenure continuity exceed seven years?	NO	YES	
IV. Has the listed company assigned competent and suitable number of person/s as corporate governance personnel/s , and designated a corporate governance chief to take charge of related matters (including but not limited to providing information to the directors board and supervisors that are necessary for them to perform their work, assisting directors board and supervisors in legal compliance, organizing related matters for the board of directors and shareholders` meetings accordingly to legal requirements, and creating meeting minutes for these meetings, and so on)?	√		The Company has assigned the personnel responsible for providing information to the directors and supervisors that are necessary for them to perform their work, assisting directors board and supervisors in legal compliance, organizing related matters for the board of directors and shareholders` meetings accordingly to legal requirements, and creating meeting minutes for these meetings, and so on				No material difference.
V. Does the company establish the communication channels with stakeholders (shareholders, employees, customers and suppliers excluded), install a special area for stakeholders on the company website, and	√		The Company has assigned the spokesmen and contact information of each concerning department on the website. Also, The Company has installed a special web page due to CSR, in responding to the stakeholders concerning the material CSR about what they care. <a href="http://www.myfreshjuice.com/others/responsibility2.html">http://www.myfreshjuice.com/others/responsibility2.html</a>				No material difference.

Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
response to the stakeholders concerning the material corporate social responsibility (CSR) about what they care?				
VI. Does the company authorize a professional agent for stock affairs to deal with the affairs of shareholders meeting?	√		The Company does authorize a professional agent for stock affairs, to make sure that the shareholders meeting can be convened under the prerequisites of legality, efficiency as well as safety.	No material difference.
VII. Information Disclosure (I) Does the company install a website to disclose the information concerning financial business and corporate governance? (II) Does the company conduct any other information disclosure methods? (for example, installation of English website, assignment of special personnel to collect and disclose company information, practicing spokesman system, or, uploading procedures of institutional investor conference to company website) (III) Has the Company published and reported its annual financial report within two months after the end of the fiscal year, and published and reported its financial reports for the first, second and third quarters as well as its operating status for each month before the	√		(I) The Company has installed the website and disclose the information of company financing as well as governance in the area "Investor Relations". <a href="http://www.myfreshjuice.com/investor/company_profile.htm">http://www.myfreshjuice.com/investor/company_profile.htm</a>  (II) 1. Assigning Special Personnel to Collect as well as Disclose Company Information: Finance department of the Company has assigned the special personnel to be responsible for collecting as well as disclosing the company information, which is operating well. 2. Spokesman system is fulfilled by assigning a spokesman and a deputy spokesman. 3. Procedures of the institutional investor conference are to be uploaded to the company website and Market Observation Post System, for the investors to refer.  (III) The Company has published and reported its financial reports for the first, second, and third quarters as well as its operating status for each month before the	No material difference.

Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
specified deadline?				
VIII.	√			No material difference.

VIII. Does the company have any other information which may be helpful with understanding the corporate governance as well as operation? (including but not limited to, employee rights, employee care, investor relations, supplier relations, stakeholders' rights, further education of directors and supervisors, implementation of risk management policies as well as risk assessment criteria, execution of customer policies, or, purchase of liability insurance for directors and supervisors by company)

(I) Stakeholders Rights

A. Employee Rights and Care:

1. The Company believes in "Humanity First", and has founded the Union to establish many benefit systems; for example: gifts for Chinese New Year, Dragon Boat Festival and Moon Festival, solatium for wedding or funeral.
2. Employee health examination is held periodically every year, and the employee health certificate is also updated.
3. Fire drills and lectures on fire safety knowledge are held periodically. Also, workplace safety education is carried out to eliminate the potential dangers of production process as well as facility equipment. Hence, occupational health and safety of the employees can be ensured and workplace accidents can be lowered down to the minimum.
4. Employee comments are valued, and the labor relations are harmonious. Any employees can maintain a good relation with The Company through an opening communication channel with the human resource sector of management department, or a proper senior executive. Therefore there has been no material labor disputes so far. Any measure of the Company considering labor relations complies with the relational laws and regulations, and the results are well. Any amendments or revisions to the measures of labor relations will be sufficiently negotiated and communicated between the labor and management and then be resolved, hence, the win-win situation can be met.

B. Investors:

1. The Company convenes the institutional investor conference at least once a year and annual shareholders general meeting, explaining the status of company operating. Also, website of the Company has been installed of the special area of "Investor Relations", disclosing the concerning information of corporate governance, business announcements, material information, as well as institutional investor conferences, in order to sustain the fluent communication channels, and to maintain the legal rights of investors.
2. The Company has designated the spokesmen, as well as the agents for litigious and non-litigious matters, to respond to the investors problems, expecting a highly transparent financial information can be provided for all the investors as well as stakeholders.

C. Suppliers:

The Company keeps a fluent communication channel with its suppliers to transact under the prerequisite of mutual interests and trust, aiming at long-term interests instead of the short-term. Moreover, The Company exactly executes the supplier selection system, visiting the supplier plants periodically or non-periodically, in order to ensure their qualities.

D. Execution of Customer Policies:

The Company makes the contracts for every business with the customers, in order to protect the rights as well as obligation for both sides. Customer service personnel are assigned to answer and handle the problems what the customers reflect. Furthermore, periodic customer satisfaction survey is to be carried out annually, in order to comprehend the problems from customers about products qualities,

Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	

products packages, lead times, after-sales services as well as technique instructions of the Company.  
Hence, improvement can be achieved and customer policies can be met.

(II) The Advanced Studies of Directors and Supervisors

Title Name	Date of Advanced Studies		Organizer	Program Title	Advanced Studies Hours
	from	till			
Director HUANG,KUO-HUANG	20190620	20190620	Taiwan Corporate Governance Association	Explanation of Company Act amendments and cases	3
Director HUANG,KUO-HUANG	20190620	20190620	Taiwan Corporate Governance Association	Explanation of transfer of shares by insiders and cases	3
Director LIN,LI-LING	20190620	20190620	Taiwan Corporate Governance Association	Explanation of Company Act amendments and cases	3
Director LIN,LI-LING	20190620	20190620	Taiwan Corporate Governance Association	Explanation of transfer of shares by insiders and cases	3
Director WANG,MING-CHIH	20190620	20190620	Taiwan Corporate Governance Association	Explanation of Company Act amendments and cases	3
Director WANG,MING-CHIH	20190620	20190620	Taiwan Corporate Governance Association	Explanation of transfer of shares by insiders and cases	3
Director WU,MING-HSIEN	20190604	20190604	Taiwan Corporate Governance Association	Annual Report key information and duties analysis: From the directors and supervisors' perspectives	3
Director WU,MING-HSIEN	20190620	20190620	Taiwan Corporate Governance Association	Explanation of Company Act amendments and cases	3
Director WU,MING-HSIEN	20190620	20190620	Taiwan Corporate Governance Association	Explanation of transfer of shares by insiders and cases	3
Director HUANG,HSUN-YI	20190322	20190322	Taiwan Corporate Governance Association	Reasons behind corporate fraud and responsibilities of directors and supervisors - a case example	3
Director HUANG,HSUN-YI	20190620	20190620	Taiwan Corporate Governance Association	Explanation of Company Act amendments and cases	3
Director HUANG,HSUN-YI	20190620	20190620	Taiwan Corporate Governance Association	Explanation of transfer of shares by insiders and cases	3
Independent Director LO,SHIH-WEI	20190620	20190620	Taiwan Corporate Governance Association	Explanation of Company Act amendments and cases	3

Evaluation Items		Operation				Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
		YES	NO	Summary		
	Independent Director LO,SHIH-WEI	20190620	20190620	Taiwan Corporate Governance Association	Explanation of transfer of shares by insiders and cases	3
	Independent Director LO,SHIH-WEI	20190806	20190806	Accounting Research and Development Foundation	Audit practice for legal compliance in the establishment of independent directors and audit committee as required by the competent authority	6
	Independent Director LO,SHIH-WEI	20191025	20191025	Taiwan Corporate Governance Association	Enterprise Operations and News Crisis Management Strategy	3
	Independent Director CHEN,PO-TSANG	20190530	20190530	Accounting Research and Development Foundation	Analysis and explanation of the audit management practice in the new version of the “Corporate Governance Blueprint (2018-2020)”	6
	Independent Director HE,CHEN	20190620	20190620	Taiwan Corporate Governance Association	Explanation of Company Act amendments and cases	3
	Independent Director HE,CHEN	20190620	20190620	Taiwan Corporate Governance Association	Explanation of transfer of shares by insiders and cases	3
	Supervisor CHEN,CHIN-KUN	20190121	20190121	Accounting Research and Development Foundation	Analysis of legal responsibilities and practical case studies from law-case perspectives on “insider trading” and stock market	3
	Supervisor CHEN,CHIN-KUN	20190121	20190121	Accounting Research and Development Foundation	Analysis of case studies on violations and legal responsibilities of corporate “securities fraud”	3
	Supervisor CHEN,CHIN-KUN	20190620	20190620	Taiwan Corporate Governance Association	Explanation of Company Act amendments and cases	3
	Supervisor CHEN,CHIN-KUN	20190620	20190620	Taiwan Corporate Governance Association	Explanation of transfer of shares by insiders and cases	3
	Supervisor WANG,CHIA-HAN	20190620	20190620	Taiwan Corporate Governance Association	Explanation of Company Act amendments and cases	3
	Supervisor WANG,CHIA-HAN	20190620	20190620	Taiwan Corporate Governance Association	Explanation of transfer of shares by insiders and cases	3
	Supervisor WANG,CHIA-HAN	20190625	20190625	Accounting Research and Development Foundation	Analysis of practical issues on legal compliance for corruption prevention for internal auditors regarding “data safety” and	6

Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	

				“individual privacy”	
Supervisor CHANG,LING-YIN	20190620	20190620	Taiwan Corporate Governance Association	Explanation of Company Act amendments and cases	3
Supervisor CHANG,LING-YIN	20190620	20190620	Taiwan Corporate Governance Association	Explanation of transfer of shares by insiders and cases	3

(III) Further Education concerning Corporate Governance of Managers, Chiefs of Each Department as well as Branch

Title Name	Further Education Date		Organizer	Program Title	Further Education Hours
	from	till			
Chief of Audit Department HUANG, AN-YEH	20191015	20191015	Accounting Research and Development Foundation	The impacts of “Labor Incident Act” to enterprises and audit compliance practice	6
	20191016	20191016	Accounting Research and Development Foundation	Enterprises employees’ remuneration system and internal audit and control practice	6
Chief of Accounting Department CHEN,YI-JU	20191209	20191209	Accounting Research and Development Foundation	On the application and legal liability of "business judgment rule" in economic crimes	3
	20191209	20191209	Accounting Research and Development Foundation	Analysis of relevant specifications and corresponding practices of the new version of "corporate governance blueprint (2018-2020)"	3
	20191210	20191210	Accounting Research and Development Foundation	Practical analysis of enterprise reading analysis "evaluation report"	3
	20191210	20191210	Accounting Research and Development Foundation	Analysis of the latest IFRSs Q & A	3

(IV) Execution of Risk Management Policies as well as Risk Assessment Criteria:

The Company has concluded the management procedures of acquisition or disposal of an asset, management of endorsement and guarantee, management of loaning the capital to others, as well as operating procedures of interactive financial business between each corporation inside the group. Where they can be used for the basis of risk control as well as risk assessment criteria for the administration or audit sector.

(V) Attendance of Board Meeting of Directors or Supervisors:

The Company convenes the Board meeting at least once a quarter, and the convention is also to be

Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
carried out anytime if there are any emergent circumstances. Attendance of the Directors and supervisors is still well.				
(VI) Purchase of Liability Insurance for Directors and Supervisors by Company: The Company had authorized the liability insurance for the directors and supervisors which has commenced since May 2012 through the Board meeting in the third quarter of 2011, and had formally insured in order to comply with the corporate governance and protect the shareholders’ equity. Insurance renewal is to be updated every May.				
IX. Please explain the improvement for corporate governance evaluation results last year by Corporate Governance Center of TWSE, and provide the reinforcement in advance and measures for the non-improved matters. (no need to fill in if the company is not listed for evaluation)				
(I) According to the results of the 6 <sup>th</sup> Corporate Governance Evaluation 2019, the situations improved are listed below:				
Items	Assessment Indices		Improvement	
1	Does the company synchronously upload the meeting notice in English version 30 days prior to the shareholders general meeting?		The Company has already synchronously uploaded the meeting notice in English version 30 days prior to the shareholders general meeting 2019.	
2	Does the company upload the meeting handbook as well as supplementary information in English version 21 days prior to the shareholders general meeting?		The Company has already uploaded the meeting handbook as well as supplementary information in English version 21 days prior to the shareholders general meeting 2019.	
3	Does the company upload the Annual Report in English version 7 days prior to the shareholders general meeting?		The Company has already uploaded the Annual Report in English version 7 days prior to the shareholders general meeting 2019.	
4	Does the company website or Market Observation Post System disclose the annual financial reports (financial statements and annotations included) in English version?		The Company has already disclosed the annual financial reports (financial statements and annotations included) in English version on Market Observation Post System in 2019.	
(II) According to the results of the 6 <sup>th</sup> Corporate Governance Evaluation 2019, the reinforcement in advance and measures for the non-improved matters are listed as below:				
Items	Assessment Indices		Improvement Measures	
1	Has the company established audit committee according to regulations?		The company plans to establish audit committee in 2020 that complies with the regulations.	
2	Does the company disclose voluntarily in the annual report the amount and nature of non-audit fees paid to the certified accountant/s or to any of the affiliates of the accounting firm which he/she belongs to?		The Company plans to disclose voluntarily in 2020, the amount and nature of non-audit fees paid to the certified accountant/s or to any of the affiliates of the accounting firm which he/she belongs to.	

(IV) Disclosure of Organization, Duty and Operations for Remuneration & Compensation Committee of Corporation, If There Is One:

#### 1. Member Information of Remuneration & Compensation Committee



Identity	Conditions Name	Having at least 5-year work experience or any professional credentials listed as below			Independence conformity										Number of occupation for member of Remuneration & Compensation Committee of other listed companies concurrently	Note
		Teaching experience for at least lecturer in degree-granting institutions of business, laws, financing, accounting or any other schools	Work experience for judge, prosecutor, attorney, accountant or other professional occupation with national certificates for special expertise or skills	Work experience for business, laws, financing, accounting or other experience concerning company affairs	1	2	3	4	5	6	7	8	9	10		
Independent Director	LO,SHIH-WEI		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	NA
Independent Director	CHEN,PO-TSANG	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	NA
Independent Director	HE,CHEN	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	NA

## 2. Terms of Reference

(1) Making and reviewing the performance assessment of directors and managers, as well as the policies, systems, criteria and structures of remuneration & compensation periodically.

(2) Evaluating the remuneration & compensation of the directors, supervisors and managers periodically.

## 3. Operating Information of Remuneration & Compensation Committee

(1) There are three commissioners in the Remuneration & Compensation Committee of the Company.

(2) Current Term of Office of Commissioners: From May 3, 2017 till May 2, 2020.

The meeting of Remuneration & Compensation Committee had been held for three times (A) in total in the most recent year and up to the date of printing of the annual report, and the attendance of each commissioner is as below:

Title	Name	Count for Actual Attendance (B)	Count for Attendance by Trust	Actual Attendance Rates (%) [B/A]	Note
Coordinator	LO,SHIH-WEI	2	0	100	May 3, 2017 Reelection
Commissioner	CHEN,PO-TSANG	2	0	100	May 3, 2017 Reelection
Commissioner	HE,CHEN	2	0	100	May 3, 2017 Office Assumption Re-elected

Other Recorded Items:

- I. If the Board meeting rejects or revises any suggestions from the Remuneration & Compensation Committee, then the dates, periods, bill contents and resolution results of the Board meeting, as well as solutions by The Company to the suggestions (or, if the Board meeting passed the suggestions, the diversity and reasons, should be described in details):

Remuneration & Compensation Committee	Proposal and subsequent handling of matters	Resolution outcome	Handling of Remuneration & Compensation Committee comments by the company
The 3 <sup>rd</sup> Term 4 <sup>th</sup> Meeting March 7, 2019	1. The Company's Remuneration Distribution to Employees, Directors and Supervisors 2018	Resolutions passed without any objections	Submitted to the Company's Board of Directors and resolution passed
The 3 <sup>rd</sup> Term 5 <sup>th</sup> Meeting December 24, 2019	1. Reviewing of Remuneration & Compensation for Directors, Supervisors and Managers of the Company 2. Discussion on Distribution of Estimated Year-end Bonuses for Managers 2019 of the Company and Its Subsidiaries 3. Discussion on Salary Structure and Payment Amount for Managers per Month of the Company and Its Subsidiaries	Resolutions passed without any objections	Submitted to the Company's Board of Directors and resolution passed
The 3 <sup>rd</sup> Term 6 <sup>th</sup> Meeting March 30, 2020	1. The Company's Remuneration Distribution to Employees, Directors and Supervisors 2019	Resolutions passed without any objections	Submitted to the Company's Board of Directors and resolution passed

- II. Any matters resolved in the Remuneration & Compensation Committee which are recorded or proclaimed in writing with objections or qualified opinions by a commissioner, should be described in details of dates, periods, bill contents, other comments from each independent director, as well as solutions by The Company to this opposite opinion: NA.

(V) Comparing the Company's CSR Fulfillment with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies - the Differences and Reasons

Evaluation Items	Operation			Difference by Comparing with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
I. Has the Company conducted risks assessment on related environmental, social and corporate governance issues to the Company's operations based on major principles, and define related risks management policies or strategies?	√		The Company has conducted risks management assessment on "Ethical Management," "Legal Compliance," "Consumer Health and Safety," "Sustainable Development Strategies," "Marketing and Labelling" and "Risks Management" relating to the Company's operations based on major principles; And, has defined related risks management policies or strategies. Please refer to the Company's CSR report on stakeholder communications and major issues in "Chapter 1 - About Fresh Juice."	No material diversity.
II. Does the company set up a special unit (sole or concurrent duty) to drive CSR, where the unit is to be overseen by the executive management authorized directly by the Board, and, to be reported to the Board of the status of handling?	√		The Company has established a special unit (sole or concurrent duty) to drive CSR activities after the Board resolution in the first quarter of 2012, where the members of this unit consist of the president and chiefs from each department. They will convene the meeting regularly to communicate each promise concerning CSR for the fulfillment, and deliver the report to the Board each year. CSR unit includes: team of corporate governance, team of employee care, team of customer service, team of sustainable environment, and, team of community charity. Where they will be responsible for spreading the ideal of CSR to every organization and coordinating with each department, gathering all the relational information of CSR reports, as well as positively pushing and exactly practicing CSR.	No material diversity.
III. Environmental issues (I) Has the company built an environmental management system which is appropriate based on the industrial characteristics?	√		(I) The Company aims at reducing CO <sub>2</sub> emissions during the production process, in order to lessen the influence of environmental impact, as well as the burden of our planet. Wastewater during the production process of the Company will be treated by the professional wastewater treatment companies, in accordance with the complete wastewater treatment procedure. After being processed by the wastewater treatment system, the water quality will be examined to make sure that it	No material diversity.

Evaluation Items	Operation			Difference by Comparing with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
(II) Does the company take an effort to increase the use efficiency of each resource, and use recyclable materials to reduce impacts towards environment?			<p>has met the emission standard of what the national environmental protection department has stipulated, and then the water will be emitted to the sewer piping system where the local administration designates, to reduce the environmental contamination. At the same time, the dirt generated during the wastewater treatment process is to be recycled for further usage. For example, it can be used in a blueberry orchard as the material of fermentation pool, where the bloodworms can be bred and used to make the fermented dirt into organic fertilizers, and then be casted onto those blueberry bushes to fulfill the recycling use. Internal quality management system of The Company is strictly followed according to the Food Safety Management Systems Certification of ISO22000 as well as FSSC22000.</p> <p>(II) The Company continues to drive various supplementary measures for resource efficiency and carbon reduction, in response to environmental changes impacts:</p> <ol style="list-style-type: none"> <li>1. Reuse and renew resources: Use of recycled papers in the office; Recycle and reuse waste materials from production, have the discarded old machines or equipment disassembled and reassembled to optimize the usage; Plans for building rainwater collection ponds and processing ponds to be used for green work in watering and irrigation activities to reduce the use of municipal water to achieve water resource savings and high efficiency usage.</li> <li>2. Resource recycling: Wastes are separated to realize resource recycling; The Company has set up recycling centers at various spots to gather the wasted batteries. Employees are encouraged to bring the old batteries to these recycling centers from their homes to reduce environmental contamination.</li> <li>3. Energy savings: Video conferences to replace business trips; Started the online administration system in 2020 gradually moving towards paperless office. Based on a minimum of 60% savings on paper use as standard calculation, an</li> </ol>	

Evaluation Items	Operation			Difference by Comparing with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
(III) Does the company assess potential risks and opportunities of climate change to the enterprise for now and future, and take countermeasures towards climate change related issues?			<p>estimated savings of more than 390,000 pieces of paper throughout the whole year; Regarding savings at the employee canteen, employees are encouraged to finish the plates. By adjusting meal arrangements and active promotion methods, this has seen significant results, the daily food waste has been reduced by 60% as compared to before the campaign.</p> <p>(III)</p> <p>1. Potential risks and opportunities: Quality and prices of raw materials affected by climate or seasonal changes; In order to remediate the environment, national environmental protection policies are rigorous.</p> <p>2. Countermeasures:</p> <p>(1) Strengthen the resource integration capability of supply chain and establish long-term cooperation with major fruit juice suppliers. Considering the market and business needs, we have established a sound purchasing mechanism and signed long-term contracts with suppliers to ensure the stability of supply and raw material costs.</p> <p>(2) To uphold CSR commitments to meet related environmental quality requirements around the world. The Company has established EHS department and set-up internal environmental responsibility system in order to perform well in areas of energy efficiency and carbon reduction. Furthermore, increased environmental-related investments and upgrade the technology. For example: eliminate backward processes, upgrade processes and equipment, prioritize the comprehensive utilization of wastes, and harmless treatment technique of pollutants; improve management standards, formulate environmental accident management plans and record; The industrial wastewater generated by the production process is treated at the self-built wastewater treatment station to ensure that the water quality meets the national standards of emissions reducing environmental pollution; Make full use of the advantages of the third plant, mobilize and distribute production capacity using business and</p>	

Evaluation Items	Operation			Difference by Comparing with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
(IV) Does the company gather statistics on the greenhouse gas emissions, water usage and aggregate amount of wastes over the past two years, and formulate policies on resource efficiency and carbon reduction, greenhouse gases reduction, water use efficiency, or other types of waste management?			<p>sales forecast to concentrate production, thus, reduce replacement lines and reduce energy consumption and drainage.</p> <p>(IV) The Company actively promotes clean and safe production. Through the diverse measures, the Company has achieved an interim result in terms of energy conservation as well as production process optimization, and has been certificated successfully by the local environmental protection department. A coordinator is assigned by the management department to be in charge of greening the work environment, and to understand carbon emissions during the production process from selection of the upstream raw materials to packaging as well as recycling of the products. Therefore, environmental policies can be further defined and earth-friendly products can be provided. For greenhouse gases emissions, water usage and aggregate amount of wastes over the past two years, and related management policies, please refer to “Chapter 6 - Sustainable Environment” of the Company’s CSR report.</p>	
<p>IV. Social issues</p> <p>(I) Does the company obey the related regulations as well as International Bill of Human Rights to make its management policies and procedures?</p>	√		<p>(I) The Company not only respects but also defends human rights of the labors, and fully complies with the related laws and regulations in “Labor Contract Law,” as well as the principles of International Bill of Human Rights. Where The Company forbids any forms of employment discrimination, strictly follows the rules of Equal Pay for Equal Work no matter what gender, and restricts child labor and forced labor.</p> <p>Furthermore, labor contracts are to be signed in accordance with the relational laws regulating the labor contract. Hire as well as resignation of an employee should be in compliance with the local laws and regulations in where The Company operates. Also, various social insurance should be covered for the employees according to the laws, and The Company is actively to establish the platform for employee growth. The Company has won acknowledgement in its efforts in industrial management by Kunshan City in 2019 being awarded for “Top Ten Enterprise with</p>	No material diversity.

Evaluation Items	Operation			Difference by Comparing with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
<p>(II) Does the Company define and implement reasonable employees benefits measures (including remunerations, days off and other benefits), and appropriately reflect operation performance or results on the employees remuneration?</p> <p>(III) Does the company provide a safe and healthy work environment for its employees, and regularly implement the safety and health education to them?</p> <p>(IV) Does the company set up efficient training programs for its employees for developing capabilities along their career path?</p>			<p>Harmonious Labor Relations.”</p> <p>(II) Each department of the Company is to design a complete system of remuneration and compensation, enabling an employee to enjoy the results of corporate operations as well as their own performances, and ensures the employees have the rights to sufficient paid leaves. The Company conducts regular annual evaluation of the system, standard and structure of the employee remuneration and compensation policy, combining with related work performance indicator to ensure the remuneration and compensation plan meets the strategy goals.</p> <p>(III) The Company has conducted the activities inside the organization every year: (1) Employee Health Examination; (2) Campaign for Safety and Production Training; (3) Prevention of Pest and Rodent; (4) Management and Control over Hazardous Chemicals; and (5) Train the Trainer Program on Employee Fire Safety Training and Drills via External Hire of Professional Fire Safety Trainer. In order to lower the risks of occupational injuries to the minimum, as well as provide the protection for personal safety and health of the staffs from all dimensions. Was awarded “Safety Production Standardization (2<sup>nd</sup>-Class Enterprise)” by Jiangsu Province Administration of Work Safety, and “Top 10 Enterprises of Production Safety” by Kunshan City. The Company too encourages the employees by sportsmanship, through the practice of morning exercises and kendo; where a system of health points is adopted to construct a safer and healthier work environment. Also, the Company holds different kinds of sports games such as table tennis and badminton every year, inspiring the good habit of regular exercise.</p> <p>(IV) The core capacity of the Company requires the cultivation of excellent and expertized professional talents. Based on the education, work experience, potential, and special skills, as well as, management level of an employee, the Company formulates the annual training programs, carries out diverse training courses such as program for</p>	

Evaluation Items	Operation			Difference by Comparing with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
<p>(V) Does the Company comply with related laws and international standards on customers health and safety, customer privacy, marketing and labelling of its products and services, and formulate related policies to protect consumers rights and complaint procedures?</p> <p>(VI) Does the Company specify its suppliers management policies requesting suppliers to comply with related regulations on environmental protection, EHS or labor rights related issues, and the implementation status?</p>			<p>new recruitment training, program for special skills training, program for trainers, program for tabletop exercises, and program for cadre training. Structuring an effective career capabilities development platform for the employees providing different levels of education and trainings. In addition, the Company has, in 2018, implemented programs helping employees in need to continue the completion of their education and learning new knowledge obtaining higher education degrees successfully. At the same time, this allows them to apply what they have learned while at service in the company.</p> <p>(V) The Company executes with rigor of food safety, marketing and labelling of the products in accordance to related local legal standards of where the operations are based at and closely monitors for any changes to the laws and regulations. Although the products do not confront the end consumers directly, the Company still has customer service specialists assigned to be responsible for following any complaints from the customers, and in no time reply to the complaints as well as solving the problems to meet the demands from the customers. Furthermore, The Company internal will designate a quality project team consisting of the representatives from concerning departments according to the actual situation, to negotiate as well as make the solutions, avoiding recurring of the same issues and satisfying the customers.</p> <p>(VI) The Company requests the suppliers to provide the Raw Material Inspection Report, and engages in on-site assessment of the suppliers plants regularly. Also, a system of evaluation management for the suppliers is defined, for periodically assessing the operation quality of each supplier. Therefore, when selecting a supplier, The Company always considers the one with who makes an effort to arise CSR as a priority to cooperate; moreover, The Company only purchases the package products from the suppliers certificated by Forest Stewardship Council (FSC). Contracts between the Company</p>	



Evaluation Items	Operation			Difference by Comparing with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
			and its suppliers include the provision of Quality Inspection Reports when delivering products, and the provided products will not be allowed to use any transgenic materials by any means. Should there be involved with any issues concerning the food safety of CSR, the Company has the rights to reject the delivery or to apply any other secure measures.	
V. Does the Company disclose non-financial information in a report with reference to any international reporting standards or guidelines to prepare the CSR report? Has the aforementioned report obtained assurance or assurance opinion from a third party unit?	√		The Company had completed the compilation of CSR Report 2018 in June 2019 in accordance with GRI standards, which has obtained assurance by Deloitte Taiwan. The Company was awarded the “Top 100 CSR Business in China Food Industry” as well as “Employee Care” by China National Food Industry Association and China Food Newspaper jointly, in November 2016. Also, the Company was awarded the CSR “Corporate Citizenship Award – Little Giant Group” by Taiwan Commonwealth Magazine for over five consecutive years, from August 2015 to August 2019.	No material diversity.
VI. Please explain the difference between actual operations and regulated principles, if the company has complied with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to define its own CSR principles: No material difference.				
VII. Other Material Information Helping with Understanding of CSR Operations: <ol style="list-style-type: none"> <li>1. The Company drives the 5S campaign to the whole staffs from the internal, targeting at the development of good habits for working as well as living for the employees. Moreover, building an ordered and clean environment together to reduce unnecessary wastes and increase work efficiency.</li> <li>2. Building a green work environment for the staff, rearing all kinds of diverse plants to embellish the office as well as community environments. The Company organizes rich and diverse leisure activities for the employees each year: employees group travel, team building games, fishing competition, badminton competition, and so on; During break times, employees can exercise at the Company’s sports facilities and relax. There are running machines and badminton equipment, yoga equipment for usage; In order to encourage employees to learn with convenience, the Company has established a book room with books of various categories suitable for adults and children allowing the employees and their children to borrow the books for reading and learning.</li> <li>3. The Chairman of the Company always encourages the children of staffs to be more enthusiastic about learning. Also, the Chairman has established English classes for the children of SUNJUICE staffs, as well as scholarships, in order to inspire those kids to study harder with ambition and accomplish their education, becoming the future mainstay for the society. The Company has set-up special Kendo Club to provide free access to the community and the Company’s staffs and their children to learn Kendo, with the hope that everyone can build a strong body and health through Kendo practice mastering one’s willpower. Also, to increase parent-children interactions</li> </ol>				

Evaluation Items	Operation			Difference by Comparing with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
by participating together.				
4. The Company regularly hosts a health farm activity on the topic of nature communing in the blueberry orchard, inviting the families to partake in a parent-child activity about the cultivation of fruits and vegetables. Hence, staff of The Company can spend more time with their families, and parent-child interaction can be even closer. A harmonious environment can therefore be made, creating the opportunities for people to reach the Mother Nature, as well as enhancing the relations between humanity. Starting from August 2017, there are between 30 to 60 groups of families participating each term lasting for 3 to 5 months for the planting activities. This activity has gained popularity among nearby community residents and the company staffs. Moreover, the blueberry orchard actively organizes health farm winter charity activities for families participation to send love and care to lonely and disadvantaged elderlies in Jiangli Village. Families can pay to adopt a fruit tree, which these “adoption fees” will be used to purchase basic living amenities such as food stuffs or other living products, for the elderlies.				
5. Department of supply chain management of The Company has signed the purchase contracts with fruit farming stations to indirectly cooperate in joint management, participating in fruits planting, monitoring the fertilization, herbicides placement, pesticides sprinkling, as well as weeding by the suppliers among the orchards. Hence, a traceable management system of quality control over the raw material origins can be built and improved step by step.				
6.The Company actively response to Kunshan local government’s program, “Spreading happiness action,” has in 2018 joined Bahuang Town, Tongren City of Guizhou Province’s poverty alleviation support agreement to provide seedlings, techniques and so on to Bahuang Town for the local residents to build a blueberry orchard base, using their own efforts to generate wealth and alleviate poverty.				

(VI) Status of Fulfilling Ethical Corporate Management of Company and its difference to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, as well as the Reasons.

Assessment	Operation			Difference of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, as well as the Reasons
	YES	NO	Summary	
<p>I. Definition of Policies and Projects of Ethical Management</p> <p>(I) Does the Company formulate ethical management policies approved by the Board of Directors, and has specified the policies and method of ethical management in the Articles of Incorporation and publicized documents, and with active implementation of such management policies through a committed Board of Directors and senior level management?</p> <p>(II) Does the Company set up an assessment mechanism for risks in unethical conduct, regularly analyze and assess within the scope of operations for activities with higher risks of unethical conducts, and has formulated plans to prevent unethical conducts, covering the prevention measures for all types of behavior as stated in sub-section 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” as the minimum?</p> <p>(III) Does the company provide any solutions to prevent the unethical conducts, stipulate the definite procedures, conduct guidelines, punishment for violation as well as appeals system and put into practice, and review and revise on a regular basis the aforesaid</p>	√		<p>(I) The Company had defined the “Principles of Ethical Management” with approval by the Board on February 17, 2012, which had already been submitted and reported to the shareholders meeting and disclosed on the corporate website. The Company’s Board of Directors and senior level management uphold the foundation value of ethics in their supervision duties during execution of the business, creating sustainable operations for its operation environment.</p> <p>(II) The Company has built a complete and effective systems of accounting as well as internal control for every operations’ procedures, including operations that might involve possible corruptions. Whenever necessary, the Company is to review the systems, making sure that the design and implementation of both systems continue to be effective, where the internal audit unit will check the execution and compliance status of these systems regularly.</p> <p>(III) The Company has defined the solutions for prevention of unethical conducts, requesting the staffs for ethical conducts, and launching the promotion of ethical management policies through education and training.</p>	No material diversity.

Assessment	Operation			Difference of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, as well as the Reasons
	YES	NO	Summary	
solutions?				
<p>II. Fulfillment of Ethical Management</p> <p>(I) Does the company evaluate the ethic records of its partners, and explicitly stipulate the articles concerning ethical conducts in the contract cosigned with this partner?</p> <p>(II) Does the company build a special unit being responsible directly to the Board to promote the corporate ethical management conducts, and report to the Board on a regular basis (at least once a year) on the implementation status of the ethical management policies, unethical conducts prevention solutions, and monitoring?</p> <p>(III) Does the company make the policies to prevent a conflict of interest, provide an adequate channel for appeals, and perform them truly?</p> <p>(IV) Has the company built an effective system for accounting</p>	√		<p>(I) The Company always evaluates its agents, suppliers, customers and other business partners to confirm their legitimacy, as well as whether they have had any unethical records, in order to avoid transacting with those who have unethical records. Audit office is to perform all kinds of internal audits regularly, supervising the operations.</p> <p>(II) Although the special unit of ethical management has yet to be founded, the Company has actively promoted the ethical management principles on its own.</p> <p>(III) The Company has regulated the policies of prevention from conflict of interest, as well as providing an appropriate channel for the directors, independent directors and managers to voluntarily explain if there are any potential conflicts of interest existing. Directors as well as independent directors of The Company should proclaim their own comments and answers, if there are any listed bills in the Board meeting involved with self-interest of a director himself/herself or the juridical person by whom is represented, where it might be a disadvantage to the interest of The Company. Additionally, this director shall be excluded from any discussions as well as resolutions, and avoidance of the voting rights should also be adopted, by any means, on behalf of himself/herself, or, as a representative for other directors.</p> <p>(IV) The Company has built the effective systems for both accounting and internal control according to</p>	No material diversity.

Assessment	Operation			Difference of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, as well as the Reasons
	YES	NO	Summary	
<p>and internal control to put ethical management into practice, and has the internal audit unit to formulate related audit plan based on assessment results for risks in unethical conducts, for which the plan is used to audit the status of compliance for unethical conducts prevention solutions, or has commissioned CPA to conduct the audit?</p> <p>(V) Does the company regularly host any internal/external education programs of ethical management?</p>			<p>the laws. Internal audit personnel will regularly audit the compliance status of each system and then the result is submitted to the directors and supervisors directly for further reviewing, in order to fulfill ethical management, as well as prevent the occurrence of fraud from happening.</p> <p>(V) The Company promotes the idea of ethical management through irregular education and training, and complies with “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies” to plan the programs of further education for the directors as well as supervisors. Internal Control System of Periodic Employees Training, as well as the Management Principles Number of participants attending internal and external training programs (including compliance to laws and regulations, food hygiene and safety, internal control, and so on) which are related to ethical management, as organized by the Company in 2019, is up to 1,878 persons, and the total calculation is 1,919.5 persons per hour.</p>	
<p>III. The Company’s Operations for the Whistleblower System</p> <p>(I) Does the company specifically found a system of whistleblowing and reward, as well as building an easy channel for whistleblowing, and designate an adequate personnel specially to handle with the accused object?</p> <p>(II) Does the company formulate standard operational procedures, subsequent</p>	√		<p>(I) Should there be any illegal violations of ethical management, any employees who find the violations can report to the management, chiefs of internal audit sector, relational units or other channels provide by The Company. Punishment is to be executed upon those violations according to the articles of incorporation after being confirmed, and the identity of whistleblowers as well as the accusations will remain confidential.</p> <p>(II) The Company has assigned a special unit to handle with the related affairs, and to keep the confidentiality of the identity of whistleblowers as</p>	No material diversity.

Assessment	Operation			Difference of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, as well as the Reasons
	YES	NO	Summary	
measures to be taken post-investigations, and related confidentiality mechanism for the investigations processes of reported misconducts? (III) Does the company take any measures to protect the whistleblowers from being improperly treated due to the whistleblowing?			well as the accusations.  (III) The Company upholds the confidentiality of the identity of whistleblowers as well as the accusations, protecting those whistleblowers from being improperly treated due to the whistleblowing.	
IV. Reinforcement of Information Disclosure (I) Does the company disclose its own principles of ethical management as well as promotion efforts on the corporate website, or Market Observation Post System?	√		(I) The Company has made the principles of ethical management, and has disclosed them on the corporate website and Market Observation Post System to enhance the disclosure concerning management information. Also, The Company sets the special personnel to collect the corporate information, and uploads the information to the corporate website as well as Market Observation Post System. Hence, all the shareholders, stakeholders and authorities can grasp the current situations anytime.	No material diversity.

(VII) Inquiry Approaches of Any Principles of Corporate Governance as well as Relational Regulations should be Disclosed:

The Company has complied with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to define “Rules of Procedure for Shareholders Meetings”, “Rules and Procedures of Board of Directors Meetings”, “Procedures for Election of Directors and Supervisors”, as well as the full systems of both internal control and internal audit, in order to enhance the information transparency and the Board functionality as well as push the operating of corporate governance, through the amendments to concerning managerial methods in compliance with the spirits and execution of corporate governance. Please refer to the relational regulations in the special area “Corporate Governance” on the website of the Company.

(VIII) Other Material Information Helping with Further Understanding of Corporate Governance should be Disclosed: NA.

## (IX) Execution of Internal Control System

### 1. Statement of Internal Control System

#### SUNJUICE HOLDINGS CO., LTD. Statement of Internal Control System

Date: Mar 30, 2020

Statement is made here for internal control system of the Company in 2019 according to the conclusions of self-evaluation:

- I. The Company is well aware of that establishment, execution as well as maintenance of the internal control system are the responsibilities of the Board and managers. Therefore, the Company has built such a system. Where its purpose is to approach the targets concerning outcomes and efficiency of the operating (containing profit, performance, and assets protection safety), reliability, immediacy and transparency of the reports, as well as obedience to the related standards, laws and regulations, providing the reasonable protection.
- II. Internal control system has its own congenital limitation. No matter how flawless the design is, an effective internal control system can only provide the reasonable protection to the three targets described as above. Moreover, efficiency of the internal control system may change anytime due to the variation of environments or circumstances. Whereas The Company has built a self-supervision mechanism in the internal control system, and a countermeasure will be engaged immediately if there are any defects found.
- III. The Company complies with “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter “RICS”) to stipulate the assessment contents for effectiveness of an internal control system, evaluating if the design and implementation of an internal control system are effective. Assessments for an internal control system by this “RICS” divide the system into five elements in accordance with the process diversity: 1. Control Environment; 2. Risk assessment; 3. Control Operation; 4. Information and Communication and 5. Supervision. Each element is to be further subdivided into several items. Please refer to the relational regulations in “RICS” for these items.
- IV. The Company has adopted the assessment items for internal control system described as above to evaluate the effectiveness of design as well as implementation of a system.
- V. Based on the conclusions of the evaluation described as above, The Company recognizes that as of Dec 31, 2019, design as well as implementation of the internal system (containing the supervision and management to the

subsidiaries), including comprehension of the operating outcomes and the approach of efficiency targets, reliability, immediacy and transparency of the reports, as well as obedience to the related standards, laws and regulations, are effective, being capable of reasonably ensuring the achievement of the targets as above.

- VI. This statement is to be the one of major contents in the Annual Report as well as Prospectus of the Company, and is to be disclosed openly. Should there be any illegal facts concerning falsity or misprision in the open contents described as above, they will involve in the legal liabilities concerning Article 20, 32, 171 and 174 of Securities Exchange Act.
- VII. This statement had been approved by the Board meeting on Mar 30, 2020, where no one had objection to it among eight attendees of the directors; all attendees in the Board meeting approved the contents of this statement. Therefore, the statement is made here.

SUNJUICE HOLDINGS CO., LTD.

CHAIRMAN: HUANG,KUO-HUANG

GENERAL MANAGER: WANG,MING-CHIH



2. Contents of an internal control system which are examined via special project by the authorized accountants, should be disclosed in the accountant`s audit report: None.

(X) Last year, and as of the printing date of Annual Report, any punishments upon the corporation or the internal personnel , or, any punishments by the company upon internal personnel who has violated internal control rules, if the result of any of such punishments might create major impacts to the shareholders rights or share prices, details of such punishments, major defects and improvement situations should be clearly stated: None.

(XI) Last Year, and as of Printing Date of Annual Report, Material Resolutions of Shareholders Meetings as well as Board Meetings:

Periods	Date	Material Resolutions of Shareholders Meeting
Shareholders General Meeting 2019	20190529	<ol style="list-style-type: none"> <li>1. Amendment to "Articles of Incorporation" Execution: Validated after the resolution by shareholders meeting.</li> <li>2. Revision of the "Procedures for Acquisition or Disposal of Assets" Execution: Validated after the resolution by shareholders meeting, and concerning procedures were implemented according to the amendment.</li> <li>3. Revision of the "Regulations for Management of Lending Funds to Other Parties" Execution: Validated after the resolution by shareholders meeting, and concerning procedures were implemented according to the amendment.</li> <li>4. Recognition of Annual Business Report and Financial Statements 2018 Execution: Relational files and statements had been submitted to the authorities for reference in accordance with the related laws and regulations.</li> <li>5. Recognition of Disposition of Earnings 2018 Implementation Status: Resolution was passed and have been fully implemented in accordance with the resolutions, where the cash dividends at NT\$190,746,720 (NT\$6.2 per share) were distributed on August 8, 2019.</li> <li>6. Earnings Transferred to Capital Increase for Issuance of New Shares</li> <li>7. Implementation Status: Resolution was passed and have been fully implemented in accordance with the resolutions, where the earnings transferred to capital increase for issuance of new shares was 3,076,560 shares, issued on August 8, 2019.</li> </ol>

The 3 <sup>rd</sup> Term 12 <sup>th</sup> Meeting Board of the Directors	20190307	<ol style="list-style-type: none"> <li>1. Resolution Passed on Revelation of "Statement of Internal Control System" of the Company from Jan 1, 2018 till Dec 31, 2018</li> <li>2. Resolution Passed on Independence of Accountants of the Company</li> <li>3. Resolution Passed on Annual Business Report and Consolidated Financial Statements 2018 of the Company</li> <li>4. Resolution Passed on Disposition of Earnings 2018 of the Company</li> <li>5. Resolution Passed on Earnings Transferred to Capital Increase for Issuance of New Shares</li> <li>6. Resolution Passed on Remuneration Distribution to</li> </ol>
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		<p>Employees, Directors and Supervisors 2018 of the Company</p> <ol style="list-style-type: none"> <li>7. Resolution Passed on Company Name Revision in Concerning Documents of Internal Control System for the Subsidiary “Sunjuice Co., Ltd.”</li> <li>8. Resolution Passed on Amendment to “Management Procedures of Acquisition or Disposal of Assets” of the Company and Its Subsidiaries</li> <li>9. Resolution Passed on Amendment to “Management of Loaning the Capital to Others” of the Company</li> <li>10. Resolution Passed on Amendment to “Best Principles of Corporate Governance” of the Company</li> <li>11. Resolution Passed on Amendment to “Budget Management System” of the Company and Its Subsidiaries</li> <li>12. Resolution Passed on Date, Location and Bills for Shareholders General Meeting 2019</li> <li>13. Resolution Passed on Matters concerning Claim to Proposals of Shareholders who Possess more than 1% of Shareholding Ratio</li> </ol>
The 3 <sup>rd</sup> Term 13 <sup>th</sup> Meeting Board of the Directors	20190509	<ol style="list-style-type: none"> <li>1. Resolution Passed on Loans from The Company to the Subsidiary Sense International Limited</li> <li>2. Resolution passed on defining the Company’s “Standard Operating Procedures for Handling Directors’ Requirements”</li> <li>3. Resolution passed on amendment to the subsidiary’s “Production Cycle and Warehouse Management”</li> </ol>
The 3 <sup>rd</sup> Term 14 <sup>th</sup> Meeting Board of the Directors	20190620	<ol style="list-style-type: none"> <li>1. Resolution Passed on Amendment to “Management of Loaning the Capital to Others” of the Company and its Subsidiaries</li> <li>2. Resolution Passed on “Management of Endorsement and Guarantee” of the Company and Its Subsidiaries</li> <li>3. Resolution Passed on Distribution of Cash Dividends 2018 of the Company, as well as Defining of Ex-dividend Base Date and Related Operations Dates</li> <li>4. Resolution Passed on Earnings Transferred to Capital Increase for Issuance of New Shares 2018, as well as Defining of Ex-Rights Base Date and Related Operations Dates</li> </ol>
The 3 <sup>rd</sup> Term 15 <sup>th</sup> Meeting Board of the Directors	20190809	<ol style="list-style-type: none"> <li>1. Resolution Passed on the Company’s Decision Not to Distribute Its Earnings in First Half of 2019</li> </ol>
The 3 <sup>rd</sup> Term 16 <sup>th</sup> Meeting Board of the Directors	20191112	<ol style="list-style-type: none"> <li>1. Resolution Passed on Change of Authorized Accountants for Financial Statements of The Company</li> <li>2. Resolution Passed for the Subsidiary Fresh Juice Co., Ltd. to Provide Endorsements/Guarantees for the Subsidiary Shanghai Sense Beverage Co., Ltd.</li> </ol>
The 3 <sup>rd</sup> Term 17 <sup>th</sup> Meeting Board of the Directors	20191224	<ol style="list-style-type: none"> <li>1. Resolution Passed on Internal Audit Project 2020 of the Company</li> <li>2. Resolution Passed on “Budget Planning 2020” of the Company</li> <li>3. Resolution Passed on Amendment to “Fixed Assets Management Cycle and Procedures” of the Company and Its Subsidiaries</li> <li>4. Resolution Passed on Amendment to “Accounting System” of the Company and Its Subsidiaries</li> <li>5. Resolution Passed on the Company’s General Manager Changes</li> <li>6. Resolution Passed on Reviewing of Remuneration &amp; Compensation for Directors, Supervisors and Managers of The Company</li> <li>7. Resolution Passed on Distribution of Estimated Year-end Bonuses for Managers 2019 of the Company and Its Subsidiaries</li> <li>8. Resolution Passed on Salary Structure and Payment Amount for Managers per Month of The Company and Its Subsidiaries</li> </ol>
The 3 <sup>rd</sup> Term 18 <sup>th</sup> Meeting Board of the Directors	20200306	<ol style="list-style-type: none"> <li>1. Resolution Passed on the Revelation of the “Statement of Internal Control System” of the Company from January 1, 2019 till December 31, 2019</li> <li>2. Resolution Passed on Independence of Accountants of The Company</li> <li>3. Resolution Passed on Re-election of the Company’s Directors for the 4<sup>th</sup> Term</li> </ol>

		<ol style="list-style-type: none"> <li>4. Resolutions Passed on Release of the Newly Elected Directors from the Non-Competition Restrictions</li> <li>5. Resolution Passed on Amendment to “Articles of Incorporation” of The Company</li> <li>6. Resolution Passed on Amendment to “Procedure for Board of Directors’ Meetings” of the Company</li> <li>7. Resolution Passed on Amendment to “Guidelines for Codes of Ethical Conduct for Directors and Managers” of the Company</li> <li>8. Resolution Passed on Amendment to “Procedures for Election of Directors and Supervisors” of the Company</li> <li>9. Resolution Passed on Amendment to “Procedure for Shareholders’ Meetings” of the Company</li> <li>10. Resolution Passed on Amendment to “Management Procedures of Acquisition or Disposal of Assets” of the Company</li> <li>11. Resolution Passed on Amendment to “Management of Loaning the Capital to Others” of the Company</li> <li>12. Resolution Passed on “Management of Endorsement and Guarantee” of the Company</li> <li>13. Resolutions Passed on “Regulation of the Scope and Responsibilities of Independent Directors” of the Company</li> <li>14. Resolution Passed on Amendment to “Prevention of Insider Trading” of the Company</li> <li>15. Resolution Passed on Amendment to “Managerial Control Operation for Remuneration &amp; Compensation Committee” of the Company</li> <li>16. Resolution Passed on Amendment to “Management Rules on Professional Judgements Procedures of Accounting, Accounting Policies, and Changes in Accounting Estimates” of the Company</li> <li>17. Resolution Passed on Amendment to “Standards for Practice of Internal Audit” of the Company</li> <li>18. Resolution Passed on Amendment to “Ethical Corporate Management Best Practice Principles” of the Company</li> <li>19. Resolution Passed on Amendment to “Corporate Social Responsible (CSR) Principles” of the Company</li> <li>20. Resolution Passed on Amendment to “Best Principles of Corporate Governance” of the Company</li> <li>21. Resolution Passed on Defining “Articles of Association for Audit Committee”</li> <li>22. Resolution Passed on Defining “Operations Management of Audit Committee”</li> <li>23. Resolutions Passed on Nomination List for Directors Election (Including 3 Independent Directors) of Annual Shareholders Meeting 2020</li> <li>24. Resolutions Passed on Early Termination of Endorsements/Guarantees for Fresh Juice Co. Ltd.</li> <li>25. Resolutions Passed on Changes to Audit Chief of the Company</li> <li>26. Resolutions Passed on Discussions for the Dates, Venue and Proposals for Convening Shareholders Meeting 2020</li> <li>27. Resolution Passed on Matters concerning Claim to Proposals of Shareholders who Possess more than 1% of Shareholding Ratio</li> </ol>
The 3 <sup>rd</sup> Term 19 <sup>th</sup> Meeting Board of the Directors	20200330	<ol style="list-style-type: none"> <li>1. Resolution Passed on Annual Business Report and Consolidated Financial Statements 2019 of the Company</li> <li>2. Resolution Passed on Disposition of Earnings 2019 of the Company</li> <li>3. Resolution Passed on Remuneration Distribution to Employees, Directors and Supervisors 2019 of the Company</li> </ol>

(XII) Last year, and as of the printing date of Annual Report, any major contents by the records or proclamation in writing of different opinions toward the material resolutions passed by the Board meeting, from any of the directors or supervisors: NA.

(XIII) Last year, and as of the printing date of Annual Report, a summary of the resignation and dismissal of the Chairman, presidents, directors of accounting,

directors of financing, chiefs of internal audit sector, chiefs of corporate governance, as well as chiefs of R&D department:

April 30, 2020

Title	Name	Date of Assuming Position	Date of Dismissal	Reason for Resignation or Dismissal
President	HUANG,KUO-HUANG	2014/08/08	2019/12/24	Transfer of Duties
Chief of Internal Audit Department	WU,PO-KUAN	2011/07/20	2020/03/06	Transfer of Duties

#### IV. Information of Professional Fees of Certified Public Accountant (CPA)

unit: thousand (NTD)

Name of Accounting Firm	Accountant Name	Audit Fee	Non-audit Fee					Audit Period for Accountant	Note
			System Design	Company Registration	Human Resources	Others	Subtotal		
DTTL	HSIEH MINGCHUNG, LU I-CHEN	4,335	-	-	-	-	-	2019	NA
DTTL	CHEN YING-ZHOU	-	-	-	-	750	750	2019	Non-audit Fee Belonging to Confirmation of CSR Report

- (I) Audit fees and non-audit fees, as well as the contents of non-audit services should be disclosed, if any of the non-audit payments for the CPA, as well as the firm or its associates to which the CPA belongs, exceed one quarter of the audit fees: No such matters.
- (II) Amounts of the audit fees before and after change of the accounting firms and the reasons of change should be disclosed, if the audit payment in current financial year reduced by more than 10% the one in the last financial year before the change: No such matters.
- (III) Reduction amounts, proportion as well as reasons should be disclosed, if the audit fees reduce more than 15% compared with the ones in the last financial year: No such matters.

## V. Information of Change of Accountant

### (I) About Former Accountant

Date of Change	Nov 12, 2019		
Reasons and Descriptions of Change	Whereas the system of internal job rotation performed by the accounting firm		
explains that the mandator or accountant will terminate, or not accept the authorization	Party Situations	Accountant	Mandator
	Authorization Terminated Voluntarily	NA	NA
	Authorization Not Accepted (continuously)	NA	NA
Comments in Audit Reports and Reasons besides Unqualified Opinions Signed over the Past Two Years	NA		
Any Diverse Opinions with Issuer	Yes		Principles or Practices of Accounting
			Disclosure of Financial Statements
			Range or Steps of Audit
			Others
	NA	V	
	Descriptions: NA		
Other Disclosure (those which should be disclosed based on Article 10.6.1.4 to 10.6.1.7 of the Standard)	NA		

(II) About Accountant Succeeded

Name of Accounting Firm	DTTL
Name of Accountant	HSIEH MING-CHUNG, LU I-CHEN
Date of Authorization	Nov 12, 2019
Consulting Items and Conclusions of the Comments which might be Signed on Specific Accounting Treatment or Principles, and Financial Statements before Authorization	NA
Comments in Writing by Succeeded Accountant toward the Different Opinions by Former Accountant	NA

(III) Reply for Article 10.6.1 and 10.6.2.3 of the Standard by the former accountant:

Not applicable.

VI. If the Chairman, presidents, or managers for financing or accounting of the Company have ever occupied in the accounting firm or its associates to which the CPA belongs in the past one year: NA.

VII. Last year, and as of the printing date of Annual Report, variation of transfer and pledge of the equity of the directors, supervisors, managers, and shareholders whose shareholding ratios are over 10%.

## (I) Variation of Equity of Directors, Supervisors, Managers and Major Shareholders

Title	Name	2019		Current Year as of Apr 30	
		Shares Held Addition (reduction)	Pledged Shares Addition (reduction)	Shares Held Addition (reduction)	Pledged Shares Addition (reduction)
Chairman (major shareholder)	HUANG,KUO-HUANG	770,713	-	-	-
Directors (major shareholders)	LIN,LI-LING	561,660	-	-	-
Director (dual general manager)	WANG,MING-CHIH	124,645	(20,000)	-	-
Director	WU,MING-HSIEN	52,946	-	(12,000)	-
Director	HUANG,HSUN-YI	47,989	-	-	-
Independent Director	HE,CHEN	-	-	-	-
Independent Director	LO,SHIH-WEI	-	-	-	-
Independent Director	CHEN,PO-TSANG	-	-	-	-
Supervisor	WANG,CHIA-HAN	-	-	-	-
Supervisor	Treasure Island Properties Co., Ltd. Representative: YANG, SHIH-CHIN	73,612	-	-	-
Supervisor	CHANG,LING-YIN	-	-	-	-
Chief of Accounting Department	CHEN,YI-JU	1,000	-	-	-

## (II) Information of Counterparts of Transfer of Equity who are Also Related Parties

Name (Note 1)	Reasons for Equity Transfer (Note 2)	Transaction Dates	Transaction Counterparts	Relations between Trade Counterparts with Companies, Directors, Supervisors, Managers and Shareholders whose Shareholding Ratios are over 10%	Number of Shares	Transaction Prices
WU,MING-HSIEN	Disposal (grant)	Apr 2, 2019	WU,HSIN-YEN	Father & Son	12,000	-
WU,MING-HSIEN	Disposal (grant)	Apr 2, 2019	XU,WEN-RON G	Spouse	50,000	-
WU,MING-HSIEN	Disposal (grant)	Mar 25, 2020	WU,HSIN-YEN	Father & Son	12,000	-
HUANG,KUO-HUANG	Disposal (grant)	Nov 6, 2019	HUANG,JIAN- QUAN	Father & Son	27,000	-
HUANG,KUO-HUANG	Disposal (grant)	Nov 6, 2019	HUANG,JIAN- NING	Father & Daughter	27,000	-
HUANG,KUO-HUANG	Disposal (grant)	Nov 6, 2019	HUANG,HSUN -YI	Brother	23,000	-
WANG,MING-CHIH	Disposal (grant)	Dec 16, 2019	WANG,XIN-K AI	Father & Son	10,200	-

Note 1: Filling in the names of directors, supervisors, managers and shareholders whose shareholding ratios are over 10% of the companies.

Note 2: Filling in the acquisition or disposal.

## (III) Information of Counterparts of Pledge of Equity who are Also Related Parties:

NA.



VIII. Information of Shareholders being the Ones with Top 10 Shareholding Ratios,  
who are Related Parties, Spouse, or Second-degree Relatives with Each Other

Date: Mar 30, 2020

Name	Person Himself/Herself Number of Shares		Shares Held by Spouse, or Minor Children		Shares Held in the Names of Others		Titles, Names and Relations of Shareholders being the Ones with Top 10 Shareholding Ratios, who are Related Parties, Spouse, or Second-degree Relatives with Each Other		Note
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Titles (or Names)	Relationship	
HUANG,KUO-HUANG	9,247,849	27.33%	6,354,496	18.78%	-	-	LIN,LI-LING LIN,LI-XUE CHEN,CHIN-KUN	Spouse Second-degree Relative Second-degree Relative	NA
LIN,LI-LING	6,178,264	18.26%	9,424,081	27.85%	-	-	HUANG,KUO-HUANG LIN,LI-XUE CHEN,CHIN-KUN	Spouse Sister Second-degree Relative	NA
WANG,MING-CHIH	1,473,097	4.35%	297,495	0.88%	-	-	NA	NA	NA
WU,MING-HSIEN	1,252,406	3.70%	285,072	0.84%	-	-	NA	NA	NA
LIN,ZONG-YU	914,541	2.70%	-	-	-	-	NA	NA	NA
Treasure Island Properties Co., Ltd.	809,732	2.39%	-	-	-	-	NA	NA	NA
Treasure Island Properties Co., Ltd. Director: CHEN,CHIN-KUN	326,053	0.96%	598,084	1.77%	-	-	LIN,LI-XUE HUANG,KUO-HUANG LIN,LI-LING	Spouse Second-degree Relative Second-degree Relative	NA
LIN,LI-XUE	598,084	1.77%	326,053	0.96%	-	-	CHEN,CHIN-KUN LIN,LI-LING HUANG,KUO-HUANG	Spouse Sister Second-degree Relative	NA
CAI-LIN,LI-MIN	416,876	1.23%	-	-	-	-	NA	NA	NA
TAINET Communication System Corp.	383,900	1.13%	-	-	-	-	NA	NA	NA
TAINET Communication System Corp. Director: LIANG, JI-YAN	-	-	-	-	-	-	NA	NA	NA
CHEN,CHIN-KUN	326,053	0.96%	598,084	1.77%	-	-	LIN,LI-XUE HUANG,KUO-HUANG LIN,LI-LING	Spouse Second-degree Relative Second-degree Relative	NA

IX. Shares held and comprehensive shareholding ratios calculated combinedly of the same reinvestment by the companies, directors, supervisors or managers of the companies, or, any business controlled directly or indirectly by the companies.

Dec 31, 2019; unit: thousand shares

Reinvestment	Investment of the Company		Investment by Directors, Supervisors, Managers, or, Business Controlled Directly or Indirectly by Companies		Comprehensive Investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Power Keen Limited	17,785	100%	-	-	17,785	100%
Sunjuice (Hong Kong) Limited	15,300	100%	-	-	15,300	100%
Fresh Food (Kunshan) Co. Ltd.	(Note)	100%	-	-	-	100%
Sunjuice Co., Ltd.	(Note)	100%	-	-	-	100%
Fresh Juice Industry (Tianjin) Co., Ltd.	(Note)	100%	-	-	-	100%
Guangdong Fresh Juice Biotechnology Co., Ltd.	(Note)	100%	-	-	-	100%
Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd.	(Note)	51%	-	-	-	51%
Sense International Limited	1,000	100%	-	-	1,000	100%
Shanghai Sense Beverage Co., Ltd.	(Note)	100%	-	-	-	100%
Sunjuice I International Limited	20,003	75%	-	-	20,003	75%
Suzhou Sunjuice I International Limited	(Note)	75%	-	-	-	75%

Note: As a limited company and no shares have been issued, therefore it does not have any shares.

## Four. Financing Situations

### I. Capital and Shares

#### (I) Sources of Share Capital

##### 1. Forming of Share Capital:

Year Month	Issuance Price (NTD)	Authorized Share Capital		Paid-in Capital		Note		
		Shares	Amounts	Shares	Amounts	Sources of Share Capital	Offset of Share Prices by Using Assets besides Cash	Others
		(thousand shares)	(thousand NTD)	(shares)	(NTD)			
Jan 2000	10	30,000	300,000	2	20	Establishment of Share Capital	NA	NA
Apr 2000	10	30,000	300,000	15,000,000	150,000,000	Share Capital Transferred to 14,999,998 Shares	NA	Shares Swap with Shareholders of Power Keen Limited
Jun 2012	10	30,000	300,000	15,840,000	158,400,000	Earnings Transferred to Capital Increase by 840,000 Shares	NA	NA
Sep 2012	10	30,000	300,000	17,640,000	176,400,000	1,800,000 Shares of Capital Increase by Cash	NA	Approval Date: Aug 8, 2012 Approval Letter No.: FSC Letter FA No.1010034869
Jun 2014	10	30,000	300,000	24,696,000	246,960,000	Earnings Transferred to Capital Increase 7,056,000 Shares	NA	Approval Date: Jul 30, 2014 Approval Letter No.: TPEX Letter JIAN No.10300189433
Jun 2015	10	30,000	300,000	27,165,600	271,656,000	Earnings Transferred to Capital Increase 2,469,600 Shares	NA	Approval Date: Jul 30, 2015 Approval Letter No.: TPEX Letter JIAN No.10400207363
Aug 2017	10	60,000	600,000	30,765,600	307,656,000	Capital Increase 3,600,000 Shares	NA	Approval Date: Jun 14, 2017 Approval Letter No.: FSC Letter FA No.1060021330

Year Month	Issuance Price (NTD)	Authorized Share Capital		Paid-in Capital		Note		
		Shares	Amounts	Shares	Amounts	Sources of Share Capital	Offset of Share Prices by Using Assets besides Cash	Others
		(thousand shares)	(thousand NTD)	(shares)	(NTD)			
Aug 2019	10	60,000	600,000	33,842,160	338,421,600	Earnings Transferred to Capital Increase 3,076,560 Shares	NA	Approval Date: Application Number 108072401 approved by TWSE on July 25, 2019

## 2. Classification of Shares:

Classification of Shares	Authorized Share Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Common Shares	33,842,160	26,157,840	60,000,000	Listed Shares

## 3. Information concerning summarized registration systems: Not applicable.

### (II) Shareholder Structure

Mar 30, 2020

Shareholder Structure Quantity	Government Institutions	Finance Institutions	Other Juridical Persons	Individual Person	Foreign Institutions and Outsiders	Total
Number of Persons (person)	-	3	19	4,004	26	4,052
Shares Held (share)	-	158,617	906,996	31,167,370	1,609,177	33,842,160
Shareholding Ratios (%)	-	0.47	2.68	92.10	4.75	100.00

Note: Shareholding Ratio of the Investments by China Investors: 0%

### (III) Shares Diversification Sheet (par value for a share is NT\$10)

#### 1. Diversification of Common Shares

Mar 30, 2020

Classification of Shares (share)	Number of Shareholders (person)	Shares Held (share)	Shareholding Ratios (%)
1 – 999	1,852	383,067	1.13
1,000 – 5,000	1,896	3,342,976	9.88
5,001 – 10,000	160	1,148,738	3.39
10,001 – 15,000	42	524,158	1.55
15,001 – 20,000	18	321,598	0.95
20,001 – 30,000	18	448,451	1.33
30,001 – 50,000	21	820,392	2.42
50,001 – 100,000	14	1,068,333	3.16
100,001 – 200,000	12	1,652,743	4.88
200,001 – 400,000	11	3,240,855	9.58
400,001 – 600,000	2	1,014,960	3.00
600,001 – 800,000	-	-	-
800,001 – 1,000,000	2	1,724,273	5.10
More than 1,000,001	4	18,151,616	53.63
Total	4,052	33,842,160	100.00

2. Diversification of preferred shares: Not applicable.

(IV) List of Major Shareholders

Mar 30, 2020; unit: shares

Names of Major Shareholders		Shares	Shares Held	Shareholding Ratio
1	HUANG,KUO-HUANG		9,247,849	27.33%
2	LIN,LI-LING		6,178,264	18.26%
3	WANG,MING-CHIH		1,473,097	4.35%
4	WU,MING-HSIEN		1,252,406	3.70%
5	LIN,ZONG-YU		914,541	2.70%
6	Treasure Island Properties Co., Ltd. Representative Director: CHEN,CHIN-KUN		809,732	2.39%
7	LIN,LI-XUE		598,084	1.77%
8	CAI-LIN,LI-MIN		416,876	1.23%
9	TAINET Communication System Corp.		383,900	1.13%
10	CHEN,CHIN-KUN		326,053	0.96%

(V) Information concerning Par Value, Net Value, Earnings, as well as Dividends for Each Share

unit: NTD

Items \ Year			2018	2019
Par Value per Share	Maximum		197.00	247.00
	Minimum		124.00	138.50
	Average		158.19	190.34
Net Value per Share	before Distribution		56.74	59.89
	after Distribution		50.54	(註 1)
Earnings per Share	Weighted Average Shares		30,766	33,842
	Earnings per Share		14.35	16.20
	Retroactive Adjustment of Earnings per Share		13.05	16.20
Dividends per Share	Cash Dividends		NT\$6.2/share	(Note 1)
	Issuance of	Stock Dividends from Retained Earnings	NT\$1.0/share	(Note 1)
	Bonus Shares	Stock Dividends from Capital Reserve	-	(Note 1)
	Cumulative Dividends in Arrears		-	-
Analyses of Return on Investment (ROI)	Price-to-Earnings Ratio (PER, Note 2)		11.02	11.75
	Price-to-Dividend Ratio (PDR, Note 2)		25.51	(Note 1)
	Cash Dividend Yield (CDY, Note 2)		3.92%	(Note 1)

Note 1: Resolution on the distribution of earnings 2019 of the Company has not yet be approved by the shareholders meeting.

Note 2: Formulas for the sheet are as below:

(1) PER = Average Closing Price per Share of the Current Year/Earnings per Share

(2) PDR = Average Closing Price per Share of the Current Year/Cash Dividends per Share

(3) CDY = Cash Dividends per Share/Average Closing Price per Share of the Current Year

## (VI) Dividend Policies and Execution of the Company

### 1. Dividend Policies

Any current net profit of the Company should be compensated for the loss at the end of a financial year, and then 10% of the profit after being offset will be accounted as the legal reserve. Whereas the legal reserve which has approached the total assets is not subject to this limitation. Except for the specific regulations in the Articles otherwise, the Board meeting will scheme for resolution on earnings distribution, measured by the sum of the residual earnings (if there is any), plus the retained earnings of the last year, to distribute them later by the ordinary resolution of shareholders general meeting. Also, dividends and bonuses for the shareholders shall be distributed according to the shareholding ratios.

Whereas according to the Company Law of the Cayman Islands, as well as the regulations applied for stock exchange listing, 20% at least of the current net profit shall be distributed to the shareholders as dividends or bonuses, after considering various elements concerning finance, business and operations. Dividends for the shareholders will be distributed by stock as well as cash mutually, wherein the cash dividends should not be less than 30% of the total dividends.

Except for the legal reserve as described above, The Company shall account for the appropriated retained earnings by the ordinary resolution of shareholders meeting.

### 2. Planning for Current Dividends Distribution:

The Company passed the disposition of earnings 2019 by resolution of the Board meeting on Mar 30, 2020, which is as below: total amount of the cash dividends is NT\$209,821 thousand, and NT\$6.2 for each share; total amount of the stock dividends is NT\$0 thousand, and NT\$0 for each share. After resolving by the shareholders general meeting, the ex-dividend date is to be defined.

## (VII) Planning of Current Shareholders Meeting for Influence of issuance of bonus shares upon Operational Performance as well as Earnings per Share of the Company

The Company has not prepared and published its financial forecast, and does not have situations of issuance of bonus shares distribution, thus, not applicable.

## (VIII) Remuneration for Employees, Directors and Supervisors

### 1. Percentage or scope defined in Articles of Incorporation of the remuneration for employees, directors and supervisors:

The Company should distribute the remunerations subject to the limitation of 0.15% at least for the employees and 2% at most for the directors and supervisors according to the current profit status. Whereas the cumulative losses of the Company should be compensated first if there are any. The current profit status as above is measured by the current income before taxes, minus the income before the remunerations distributed to the employees, directors and supervisors.

Remunerations for the employees are distributed by stock dividends as well as cash dividends mutually, and the targets of distribution must include the staff of any affiliated companies who conform with the certain conditions.

2. Accounting treatment for the basis of estimate on the current remunerations for the employees, directors and supervisors, when there is a difference between the calculation as well as the actual amount of the shares distributed as the employee remunerations, and the estimation:

Estimated amount for the remunerations of employees, directors and supervisors of the Company depends on the current profit status, and is measured by the percentage defined in Articles of Incorporation. If there is any material variation of the distributed amount resolved by the Board meeting, the variations will be accounted as the annual expenses. If the amount still varies after the reporting determination date, then the variation will be treated pursuant to the accounting estimation, and be adjusted into the account in the next year.

3. Distribution of Remunerations Resolved by Boarding Meeting:

- (1) Remunerations are to be distributed by cash or stock for the employees, directors and supervisors. If there is any difference of the estimated annual expenses of recognition, the differences, reasons and treatment should be disclosed:

The Company passed the distribution of remunerations for employees, directors and supervisors 2019 by resolution of the Board meeting on Mar 30, 2020, which is as below: remuneration by cash for the employees is NT\$10,836 thousand, as well as NT\$3,659 thousand for the directors and supervisors. Where there is no diversity with the recognition amounts in the financial statements 2019.

- (2) Proportion of the sum of the current net income after taxes in the financial



statements of an entity, or, a person, plus the total amount of employee remunerations, divided by the employee remunerations distributed by stock:  
No such matters.

4. Differences, reasons as well as treatment should be explained clearly, if there is any diversity between the actual distribution of remunerations of the last year for employees, directors, and supervisors (containing distributed shares, amounts, as well as share prices), and, the recognized ones:

It has been concluded that there is no difference between the actual distribution of remunerations for the employees, directors, and supervisors 2018, and, the recognized ones in the consolidated financial statements 2018.

(IX) Repurchase of Shares of the Company: NA.

II. Treatment of Corporate Bonds: NA.

III. Treatment of Preferred Shares: NA.

IV. Treatment of Global Depositary Receipts (GDR): NA.

V. Treatment of Employee Share Warrant and Limitation Subject to New Shares for Employee Stock Options: NA.

VI. Treatment of Merging and Issuance of New Shares by Other Companies: NA.

VII. Execution of Capital Planning:

As of the last quarter of the printing date of Annual Report, plans as well as execution of the securities issued or placed privately for each time previously, which have not yet been completed, or, have been completed within the last three years, yet the efforts are still unseen: NA

## **Five. Operations Overview**

### **I. Business Contents**

#### **1. Business Scope**

##### **(1) Business Overview**

The Company is a professional supplier expertizing at the juice ingredients, aiming at the ultimate product characteristics of nature, health, safety, as well as delicacy, and has devoted to the development and improvement for the high-quality products. Where the demands of large-scale provision of featured raw materials for the catering and food industry can be met, and the best as well as customized services can be also approached to our customers. Our main products include the concentrated fruit juice, juice granules, flavor granules, solid drinks, syrup, protein beverages, and a few commercial products, as the base and taste material of all kinds of ready mixed juice. Our scope of sales contains the mass catering, chain restaurants, networks of fashion beverages, new Chinese teas and food processing plants. Through direct cooperation, local retailers and distributors, as well as integration of the whole supply chain, The Company eventually sell the products to all kinds of the end users all over the mainland China. Meanwhile, we introduce the excellent fruits as our raw materials from each fruit production region worldwide, as well as the advanced technologies of production line, sterilization system, and clean-cool canning process. Also, our Company integrates the years-experience of management over the fruit production regions, to promote and found a complete traceability, as well as provide diverse juices and fruit ingredients. Therefore, our Company has become the major supplier for providing the additive materials for foods using fruits or fruit flavors, to catering, beverage shops, office buildings, catering services, manufacturers of the ingredients for mixed juice drinks or food processing plants in Industrial Park, dairy processing plants, candy manufacturers, as well as plants of soft-serve ice cream.

## (2) Business Ratio

Operating revenues and the business ratios in 2019 of the products of the Company are as below:

unit: thousand (NTD)

Items	2019	
	Net Operating Income (NOI)	Business Ratio (%)
Juice	1,801,790	51.17%
Fruit Granule	1,555,119	44.17%
Juice Powder	135,020	3.84%
Others	28,950	0.82%
Net Sales	3,520,879	100.00%

## (3) Current Products and Services of the Company

Classifications	Items	Note
Juice	Sextuple or tenfold concentrated fruit juices	For direct drinking by dilution
	Fruit granules or fruit mud with pulps	For direct drinking by dilution, or frozen desserts
	Products of frozen juices (100%), frozen juices with pulps, jellies and 100% juices	For natural fruit teas, etc.
	Pulps products with plentiful fruits fiber	For smoothies, or bakes
	Products of Chinese food for brand Glory, providing mixed juices as well as juices with pulps for Chinese foods	Matching with dining, and using high nutrient juices to increase appetite
	Fresh Gain Juice series, such as 100% juices (50 – 80g/pack), or granule juices	For Chinese food and families, easy to use by standardized packs
	Juices for factory use	For beverage ingredients of production of manufacturers
	NFC juices	For high end users, mixing with teas, syrups, or flavor granules
	Now adjust equipment self-service drinks, such as 100% single juice, compound juice and other products	Cooperate with schools, hotels, office buildings, cafeterias to standardize the use of cups
Fruit Granule	Strawberries, mangoes, kiwis and other fruits, directly beaten, retaining the fruit's true taste and	Making of milkshakes, drinks, smoothies, bubble juice, fruit tea,

Classifications	Items	Note
	flavor of puree products	milk tea, or use cream
	Excellent fruit C product made up of two or more kinds of fruit juice and pulp	
	Fruit juices with high juice and pulp content	
	Various particle additives	
	Huanguo Song series products, which are compounded with various fruits and contain fruit granules.	
	Frozen fruit puree	Used for making fruit tea, smoothie
Flavor granules	Original flavor and fruit compound flavor konjac granules; soft heart crystal ball; Different shapes and flavor, heat resistant, frozen proof crystal ball and more products	Add juice, smoothies or other trendy drinks to increase your enjoyment and increase product value
	Crystal products	
Solid Beverages	6 times, 10 times and 12 times fruit flavor fruit powder brewing series products, such as chocolate, milk tea, camphor, coffee, grain flour, whole bean flour, premium grain flour, mixed nuts powder and more	Ready-to-eat, instant meals
Syrup	Various flavored syrups such as chocolate syrup, brown sugar syrup, caramel syrup	Used in coffee, milk tea, desserts or drinks; used in flavored drinks
	Sweetener, rock sugar syrup, sugar cane syrup, low calories sugar and other healthy sugar	Adjust the stylish drinks, fruit tea sweetness and flavor
Protein drink	Yoghurt, yoghurt drink, soy milk	With smoothie, milkshake, milk cap, juice, milk tea, dessert use
Trade Products	The Company does not produce these, but provide the products to cooperate with some customers demand for products such as tea, aloe, coconut fruit, and more products	More value with juice

#### (4) New products (services) for project development

In response to the development of the beverage and restaurants market, the Company is committed to continue developing new products and supply chain, providing consumers products and services of diverse flavors, R&D to meet demands for fresh and healthy middle to high end options market development,

focus on environment and healthy products development. Planned new products development for this year, includes plant protein, soft heart crystal ball and so on.

## 2. Industry Overview

### (1) Current Status of Development of the Industry

The terminal market for the company's main products is the China's juice beverage market, and business development is closely related to the glory of the downstream catering industry and the take-away beverage market. With the rise of new kind of Chinese tea drinking, many chain system begin to enter the overseas markets. The Company actively prepares for the sales qualification for overseas markets, and has currently obtained sales qualifications from more than 10 countries such as the USA, and in South-east Asia. The following is a description of the development and trends of the new chinese tea beverage market and the catering industry in mainland China:

#### ① New Chinese Tea Beverage Market

The tea beverage market in mainland China has historic advantages, with large room in the market. As the modern living standards increase, pace of life moves faster, ways of tea drinking have become much more diverse. The overall tea beverage environment is beneficial, with new Chinese tea drinking bringing about new growth for traditional tea drinking. The tea beverage market in mainland China has surpassed RMB 400 billion in 2019, double value of the coffee market. Key consumer group are those born after the 90's for the new tea beverages, with female consumers leading in each of the age category. The leading tea brands have received higher valuations in the recent two years, attracting strong interests and stakes in capital from many investment institutions and investors, the capital market has helped new tea beverage industry to catch hold of the development opportunities. The direction of future development for new tea beverage industry will be sinking as main products will become richer, thus, shaping the supply chain and new retail will be key in the second half of the competition. Starting from last year, new tea beverage shops has the most rapid growth within two years in the sinking market growth. The markets of Beijing-Shanghai-Guangzhou-Shenzhen

have reached close to saturation, the future sinking markets and overseas markets will be the new direction for market expansion of the new tea beverage brands.

The industrial chain of the tea beverage industry can be divided into upstream, midstream and downstream. Upstream refers to the raw materials needed to produce various juice drinks. The Company's position in the juice beverage industry in mainland China is for the midstream, which research and develops, produces and sells high-quality concentrated juice, fruit and fruit powder. Such products are provided to the catering industry and the upstream suppliers of new tea beverage raw materials. The Company has a diversified product line and established a comprehensive channel layout. By establishing a production base in a consumption concentrated urban circle, a closely linked production, supply and sales can be fulfilled. Therefore, under the continuous growth of the new tea industry in mainland China, the Company's performance will continue to grow as the company is closer to the customer base.

## ② Chinese catering industry

According to data released by the National Bureau of Statistics of China, from January to December of 2019, the food and beverage revenue in mainland China was RMB\$ 4,672.1 billion, a year-on-year increase of 9.4%. The food and beverage industry is one of the important driving forces for mainland's GDP growth; Its rapid growth and good development momentum have become a focus of many entrepreneurs and investors.

The Company has achieved exceptional sales performance in 2019. Benefiting from the continuous growth of the food and beverage market, the upgrading of consumer demand and the layout of the three factories in Kunshan, Tianjin and Guangdong, the Company has enhanced production capacity, research and development capabilities and service capabilities. In timely response to market changes, the Company adapts to consumer demands, strengthens customer relationship, and gets closer to the service market, roll out crystal ball and upgraded product series. Meanwhile, to satisfy the market demanding fresh and healthy drinks, new products such as healthy sugar, direct

drink juice, vegetable protein, frozen fruit puree, frozen fruit juice are launched to meet the upgraded demands of consumers in the new environment. In order to provide the local chain system customers better service, the Company provides OEM and ODM customized services. Through the Company's R&D, quality control, planning, and technology applications, the Company provides a full range of product solutions to our customers, helping them to increase their product competitiveness and enhance their profits. Participated in large-scale industrial raw materials, hotel catering, baking and other exhibitions and industry associations every year, held dealer marketing conferences, new product promotion events, product training sessions, continue to increase new pipelines, develop new customers, add new products, and maintain diversified development of channel distribution.

Residents' income growth has led to an increase in consumption-type consumption. It is a trend to go out to eat instead of family cooking, that is, the trend of consumption upgrading. Urbanization will bring about an increase in the income of residents and a change in the concept of consumption, and promote the development of the industry. In recent years, the income of nationals in mainland China has grown rapidly, the domestic demand market has flourished, and the degree of urbanization has been increasing. This has led to a reduction in the number of people who cook their own meals instead of eating out, and the proportion of each person's external meals in the annual consumption expenditure is also Year by year, driving the growth trend of catering industry in mainland China. Especially in the booming development of the mass catering industry, in recent years, various formats and forms of mass catering have sprung up, and there has been a closer integration of meals and drinks, and there has been the consumption trend of the Co-existence of meals and drinks. With the construction of the Belt and Road and the adjustment of domestic demand, China's economy continues to grow steadily, the income of urban and rural residents has increased, and the standard of living has been continuously improved. The catering industry in mainland China has developed rapidly.

According to data from China's National Bureau of Statistics, the number

of small town youth has reached 227 million, which is more than three times the youth people in first- and second-tier cities. Moreover, the average monthly expenses of the small town youths, which is not a huge difference to that of youths from the first- and second-tier cities. Youths from these cities often talk about “downgraded consumption”, in contrast, youths from small towns are beginning their “upgraded consumption.” As compared to the past, new grown-ups from post-90s are more focused on quality and services, pursuing characteristic and experimental consumption.

According to a related forecast by McKinsey & Company, the proportion of middle class in mainland China will increase dramatically by 2022 expecting to reach 81%, becoming the major force for consumerism upgrade in mainland China. Among those, the middle class from third and fourth-tier cities will become the group with the fastest growth proportion in the future. As the income continues to increase for residents of third and fourth-tier cities, their youth show consumption power that is not to be underestimated. As China's per capita income continues to increase and confidence in future income growth continues to increase, the people's willingness to consume and the desire to upgrade are constantly increasing. Against such a backdrop, new tea beverage welcomes a golden time of rapid growth.

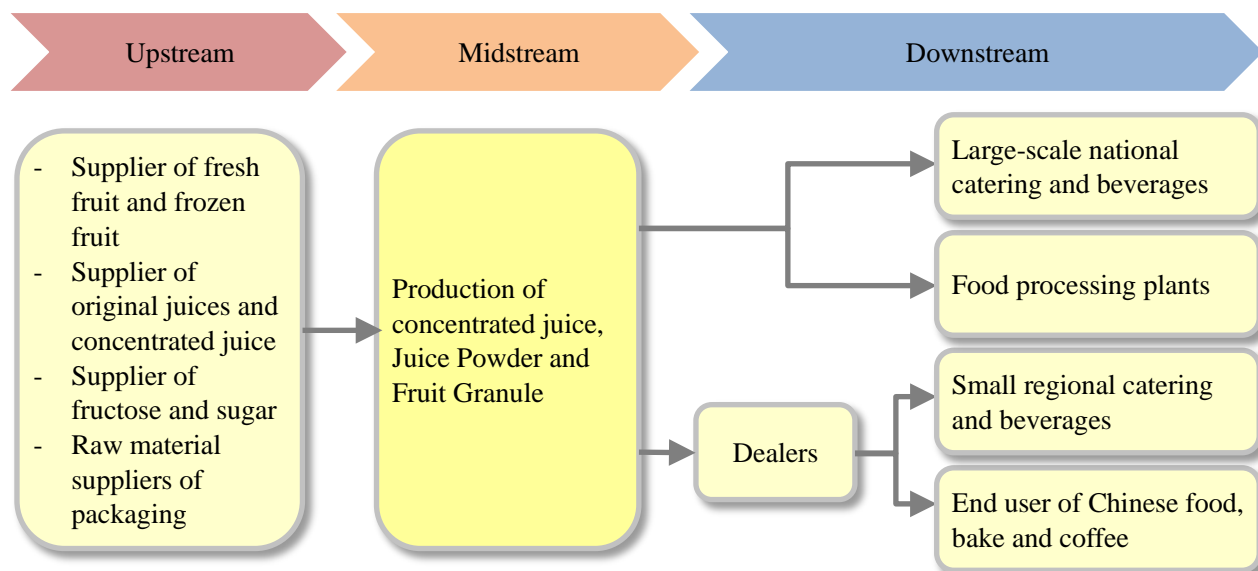
On the whole, the mainland China's juice beverage industry and the downstream catering industry are highly correlated with the mainland domestic demand market. With the continuous growth of China's mass catering domestic demand market and healthy industrial outlook, the company There are still opportunities for rapid growth of fast.

## (2) Relevance of industry, middle and downstream

The Company is a fruit food processing and manufacturing company, which introduces processing and manufacturing of raw juices, concentrated juices and fruit materials in various production areas, provides diversified juices and related products for chain catering customers, and sells products through regional distributors. As a raw material for blending fruit juice drinks, restaurants and take-away beverage stores in various regions of mainland China are also supplied



with food processing plants for the production of fruit juices and fruit-based raw materials. The above, middle and lower reaches of the Company's industry are listed as follows:



### (3) Various development trends of products

As the standard of living of consumers in mainland China increases, the quality requirements for beverages will also increase. In the future, consumers will be more demanding on the taste of juice drinks. NFC juice, high juice content and fresh fruit juices with fruit flesh will be more popular among consumers. Meanwhile, products such as frozen fresh juice, quick freeze fruit puree, healthy sugar, cold brew coffee, vegetable protein, active lactic acid bacteria are gradually welcomed by chain brands. The Company will continue to develop and improve the product line, and upgrade the product packaging and preservation technology to provide juice with higher content of raw juice to meet the customer's requirements for raw juice content; the company is also trying to produce raw juice based on the origin. And sales planning, and promotion among key customers, the effect is good, it is expected to produce good help for future sales; at the same time, it also continues to use high-quality fruit pulp products to add fresh and real taste to the drinks, through the different combinations of juice and pulp forms. To make the product more in line with the flavor and excellent state of fresh fruit.

On the other hand, in response to the diversified and refined development of

fruit juices in mainland China in recent years, such as compound fruit tea, compound taste granules and other ingredients, and recent popular foreign low-calorie beverages. The concept of functional drinks such as healthy and nutritious beverages, refrigerated juice drinks, live-type milk-containing beverages, and water-soluble dietary fiber will affect the trend of the juice market in mainland China in the future, in order to respond to the consumer's pursuit of freshness. The preference is that the product is necessary to continue to innovate in order to attract consumers' attention. The R&D department will work closely with the market and business departments to grasp the changes in market dynamics and consumer demand, and instantly grasp the fashion trends and market opportunities to continuously develop new products and new product categories, close to the needs of consumers and lead the beverage market trend and promote the industry.

#### (4) Market competition situation

During the past twenty years, the tea beverage market in mainland China has undergone tremendous changes. The milk tea industry has also transformed from instant powder beverage making era to the new tea beverage of today. The milk tea industry in mainland China is constantly growing larger. At the same time, market competition is getting fiercer with numerous brands launching. This also signifies the fall of many brands.

Upstream suppliers directly enter the terminal pipeline, and international big companies enter the beverage industry, which makes the competition between the industry increasingly fierce. Especially the competition of manufacturers with the advantage of the origin of fruit materials will increase the price pressure of products, under the pressure of fierce market competition.

Along with the rapid development of the internet, which changes people's lives and shopping habits, internet development made a breakthrough of the limits of time and space and has also changed the way enterprises make contacts with its consumers. Traditional dealers face larger pressure for survival. There are two extremes. Dealers who perform well transformed and upgraded, making developments in the upstream building production facilities. Other dealers who

are not able to satisfy customer requirements for characteristic demands, had their market share dwindled, competition situation further intensifies. The growth rate of tea beverage stores in second- and third-tier cities surpassed far more than in first-tier cities. Both large and smaller brands flocked to open stores, however, leading brands are now in sinking markets. This brought about larger impacts to small local brands and single stores, and the number of customers that the dealers are serving has reduced.

Although the new COVID-19 epidemic has impacted China's economic operations, resulting in greater effects on the restaurants and catering businesses, however, this epidemic cannot change the long-term trend of the Chinese economy. As the second largest economy in the world, the impact of the epidemic on the Chinese economy is temporary and short-term.

In the face of changes in the competitive landscape and in consumer demand, the Company will actively penetrate the market, investigate industry changes and consumer demand, develop health drinks that can increase immunity, change the traditional promotion model by utilizing online live broadcast platforms to increase interactions with consumers and increase number of fans, creating double power with online and offline promotions. The Company will also explore retail channels for catering industry, deepen food ingredients traceability, deepen base management, using innovation to enhance value. It is necessary to continue to maintain the advantages in product and service leadership, be committed to the development of fresh, delicious, safe, healthy high-quality products to lead the market and accelerate resource integration. The introduction of more advanced production equipment, layout of new production lines, research and development to meet customer needs for customized and diversified products, will benefit optimizing sales channels, thus, leading the market trend.

The future food and beverage industry will be more concern with food safety, health, cleanliness, and the experience and senses of customers receiving the product and service. Many small food and beverage businesses will inevitably face elimination after the epidemic. A large amount of consumption opportunities will be released becoming opportunities for long-standing food and beverage businesses to “rebound”. The Company is in this supply end of such demand, thus,

will be welcoming much more opportunities.

Due to the promotion of food products industry development and upgrading of consumption, new tea beverage has become increasingly popular and well-liked by the consumers. Concurrently, against the background of changing consumer ideas, consumers are pursuing food products that are healthy and youthful. Tea beverage trends are also shifting towards no sugar, natural, zero-additives and so on.

In recent years, major milk tea brands also promoted all new fruit tea beverages, milk foam tea, low calories and low sugar, conforming to the demands of consumers for youthful and healthy drinks. In the current market, fruit juice and tea are still under rapidly growing period, thus, have a larger space for development in the future. In this context of continued expansion of characteristic new tea beverage stores, as positioned by leading tea brands, competition among products such as fruit tea which are conforming to the demands of modern consumers for youthful and healthy drinks, will continue to heighten.

As a raw material supplier of juice drinks in the catering industry, the company has established distributor channels and established its own branded products in various regions of China. The products have gained recognition in the industry in terms of diversification, fresh taste and quality. In the process of rapid development of the catering industry, we have established a solid cooperative relationship with many well-known chain catering companies. In the future, the company will continue to improve product quality and expand production scale, with a view to becoming a juice supply market for international chain catering groups in the future. At present, the company is a very rich supplier of juice products in the industry, coupled with leading technology and innovation capabilities, so that the company has a place in the industry. In the face of fierce market competition, the level of competition includes products, technology applications, services and sales channels. The company continues to enhance the advantages of its products. Through the investment of rich and efficient market activities, the optimization of resources, and the active interaction with customers, strengthen Market information feedback, providing customers with overall

beverage solutions and enhancing added value, in-depth service to customers' market concepts, building customer loyalty while cultivating the market development capabilities of the channel system and building competitive advantage.

### 3. Technology and R&D Overview:

(1) Research and development expenses for the most recent year and the end of the annual report

unit: thousand (NTD)

Items	2019	1st Quarter in 2020
R&D Expenses	114,022	11,163
Net Operating Income (NOI)	3,520,879	366,058
Net income ratio	3.24%	3.05%

(2) Technology or products that have been successfully developed in the most recent year and up to the date of publication

#### ①Patent items obtained by the company

Patent Names and Descriptions	Patent No. (application no.)	Application Region	Patent Genre	Date of Acquisition	Note
Device for dispersing and emulsifying a plurality of colloids in a divided pot	201820676223.3	China	Utility model patents	20190122	Obtain a patent certificate
Concentrating device with low temperature controllable cooling cycle device	201820675518.9	China	Utility model patents	20190122	Obtain a patent certificate
Portable compost making equipment	201920003838.4	China	Utility model patents	20190830	Obtain a patent certificate
Portable compost making equipment	201920003772.9	China	Utility model patents	20190830	Obtain a patent certificate
A type of new model for aluminum foil sealing machine with sensor	201920707837.8	China	Utility model patents	20191227	Obtain a patent certificate

Patent Names and Descriptions	Patent No. (application no.)	Application Region	Patent Genre	Date of Acquisition	Note
Multi-function automatic strapping machine	201920700451.4	China	Utility model patents	20191227	Obtain a patent certificate
Easy-to-operate carton sealing machine	201920700453.3	China	Utility model patents	20191227	Obtain a patent certificate
Labeling machine	201920700359.8	China	Utility model patents	20191227	Obtain a patent certificate
Multi-functional fruit washer	201920707965.2	China	Utility model patents	20191227	Obtain a patent certificate
A type of production method for converting cane sugar to syrup and converting cane sugar to syrup	201710084754.3	China	Invention patent	20200114	Obtain a patent certificate
Low temperature germ killing equipment used for orange type drinks	201920608118.0	China	Utility model patents	20200207	Obtain a patent certificate
Decolorizing interlocking machine for syrup production	201920608117.6	China	Utility model patents	20200306	Obtain a patent certificate
A type of automatic ingredient mixer	201920596479.8	China	Utility model patents	20200331	Obtain a patent certificate

② The Company's successful development of technology or products

Year	Products	Items
2019	Juice	<ul style="list-style-type: none"> <li>● Syrup: peach syrup, brown sugar syrup, red sugar syrup, cane sugar syrup, lemon grass syrup, monk fruit syrup</li> <li>● Cold Extraction: Cold Extract Coffee</li> <li>● Concentrated Beverage: Lychee pineapple black tea, plum green tea, tropical fruit juice, pomegranate grapefruit juice, apple juice, passionfruit juice, strawberry juice, pineapple juice, pineapple passionfruit juice, blueberry and roselle tea, and so on</li> </ul>
	Fruit	<ul style="list-style-type: none"> <li>● Fruit Smoothie: Kiwi fruit smoothie, pineapple fruit smoothie, honeydew fruit</li> </ul>

Year	Products	Items
	Granule	<p>smoothie</p> <ul style="list-style-type: none"> <li>● Crystal/Crystal Ball: watermelon raspberry crystal ball, brown sugar grass jelly crystal ball, kiwi fruit Chia seed crystal ball, mango yellow peach crystal ball, amber crystal ball, rose crystal ball, original yogurt crystal ball, yellow peach white peach crystal ball and so on</li> <li>● Second Generation Crystal Ball: Coffee soft heart crystal ball, pomegranate soft heart crystal ball</li> <li>● Jam: Passionfruit jam, strawberry jam, pear jam, strawberry hawthorn jam, Korean honey citron tea, compound fruit jams (mango, passionfruit, orange), blueberry jam+pulp</li> </ul>
	Juice Powder	<ul style="list-style-type: none"> <li>● Whole bean soy flour, milk flavored fruit powder, original pudding powder, soy bean milk powder, love jade powder</li> </ul>
	Rapidly Frozen Products	<ul style="list-style-type: none"> <li>● Popsicle: Mango</li> <li>● Fruit Puree: blueberry, strawberry, cherry</li> <li>● NFC juice: bayberry juice</li> <li>● Frozen juice: kumquat juice</li> <li>● Containing flesh: peach, frozen red grapes with flesh</li> </ul>
	Lactic acid bacteria	<ul style="list-style-type: none"> <li>● Lemon lactobacillus, mango and peach flavored lactobacillus beverage</li> </ul>
	soy milk	<ul style="list-style-type: none"> <li>● 12 degree soymilk, 10 degree soymilk, 8 degree soymilk, brown sugar soymilk, corn soymilk, wheat soymilk</li> </ul>
2020	Juice	<ul style="list-style-type: none"> <li>● Syrup: Rose syrup, mint syrup, sugar cane syrup, crystal cane sugar syrup, roselle syrup</li> <li>● Concentrated drinks: Peach juice, passionfruit green tea, compound juice (kumquat, passionfruit), cucumber mango, ruby chocolate raspberry, cherry cranberry with flesh</li> <li>● Plant drinks: Chrysanthemum monk fruit</li> </ul>
	Fruit Granule	<ul style="list-style-type: none"> <li>● Smoothie: Honeydew smoothie</li> <li>● Crystal/Crystal Ball: Flower type jelly</li> <li>● Jam: White fungus sweet fermented apple jam</li> <li>● High fructose fruit pulp: Strawberry jam</li> </ul>
	Juice Powder	<ul style="list-style-type: none"> <li>● Soybean powder</li> </ul>
	Rapidly Frozen Products	<ul style="list-style-type: none"> <li>● Fruit puree: strawberry puree</li> <li>● Jam: Mulberry jam</li> </ul>

#### 4. Short, medium and long-term business development plans

##### (1) Short-term business development plan:

- ①In response to healthy and natural drinks market demand, it began to produce healthy sugar, cold extract coffee, cold tea, whole bean flour, plant yoghurt and so on products. It provides frozen, chilled, preservative-free raw juice. Products, to meet the customer's market demand for high quality, fresh fruit flavor.
- ②Under the trend of rising labor costs in the manufacturing sector, continuous improvements to layout automation and smart equipment, creating smart factories.
- ③Combine with trends of “small”, actively develop flavor granules of different colors and flavors, different shapes, room temperature, frozen proof, heat resistant and more, to create products with diverse and rich flavors satisfying demands of different customer groups.
- ④ Further improve the control of production, with clean room, low pollution and zero preservative as the demand, promote production line automation and data management, ensure quality and safety; establish automatic warehousing, improve business forecast and production process coordination To improve the freshness of the product.
- ⑤Invest in labor and equipment, penetrate into upstream raw materials, integrate the supply chain, strengthen the supply advantage of food processing raw materials, combine research and development with technical application, deepen the plant customers and focus on providing fruit and puree products.
- ⑥Use the advantage and functions of the team, establish research models from joint research and development for important customers. Through joint research and development, bring closer together the products, customers and markets. Also, help customers understand and apply products; Through the modularization of the database to continue the tracking service, maintains the tension between customer service and product development.
- ⑦ Optimize customer visit and reception process, improve customer's understanding of company resources, communicate through in-depth communication and research and development, technology application, seize customer needs, shorten product development cycle, and meet the needs of different customer positioning through differentiation.
- ⑧With sinking sales channels, strengthen the penetration and service in the third, fourth and fifth-tier markets. According to the degree of market development, promote the connection between customers in the third, fourth



and fifth-tier markets and the company, and deepen the pipeline. As the market scale expands, the business development in the third, fourth and fifth-tier markets is also very rapid. To bring opportunities for the development of the entire industry, through the deepening of the access system, effectively maintain product coverage, so that the Company's products can serve a broader market.

- ⑨ Strengthen the upstream management, tracking and evaluation of suppliers, control the quality and source of materials, ensure that raw materials meet national food safety, conform to the trend of health and natural, create a green supply chain, and adopt advanced production technology and R&D. The company's products remain industry leading.

(2) Medium-term business development plan:

- ① As part of the global beverage industry's beverage market supply chain, combined with upstream raw materials, market information and production capacity, it has formed intelligent production line management to quickly respond to the ever-changing market demand and the full management and traceability of products.
- ② Linking to the expansion of internal demands in mainland China, the results of comprehensive stabilizing to fulfill the middle-class is that the Company's business continues to deepen in the sinking markets of third, fourth and fifth-tier cities, increasing coverage percentage and the products' influences.
- ③ The Chinese government will continue to promote modernization of agriculture sector and revolutionize agricultural development. With the advantage of this policy, the Company will assist in the development of fruit-related agricultural product processing, cooperate with the local agricultural department, and master the advantages of deep processing of agricultural products; find the most for the characteristics of agricultural products and the demand for stable quality in the industry. Good source control and quality management docking point.
- ④ Develop and deepen more beverage market related products, to meet the needs of new customers and new markets. Through the application of these products, combined with the company's basic products, customers have more room to use and stretch their imagination in product applications.
- ⑤ Developing low-calorie and health-care juice drinks and herbal drinks, winning the first place in the market segment; on the basis of fully researching the market, in order to meet the innovation needs of customers, combined with fashion trends, let the new concept products lead the market development.

(3) Long-term business development plan:

- ① From the provision of beverage ingredients in the catering industry as a pioneer in guiding the trend of the Chinese beverage market, developing natural, healthy and original fruit puree and fruit products to meet the high-quality living needs of the public and realize corporate social responsibility; Changes in consumer demand and innovation in new technologies continue to drive products toward high quality.
- ② Under the premise of safety, environmental protection and health, we will continue to diversify our products and accurately cut into the global supply chain. With the goal of integration of supply chain, we will create a global supply system for quality products.
- ③ Deepen the customer system and expand market share, accelerate the integration of customer resources, optimize the efficiency and efficiency of sales channels, enhance customer satisfaction and brand reputation; build a good brand image of the Company through products, management, culture and so on. Concurrently, actively expand overseas markets, create modern e-commerce channels. Through the broadening of the marketing channels, deepens satisfaction of future demands for continuous product line development.
- ④ Combining automatic inventory system and e-commerce logistics into a single system, create a supply chain of logistics and delivery. Provide a one stop delivery system for strategic partners, to raise the Company's service capacity and competing advantages.

## II. Market, Production and Sales Overview

### 1. Market Analysis

#### (1) Major Production Sales Region

The company's customers are all in mainland China, and mainly through regional distributors as product channels, the company's products are sold to local beverage stores and restaurants in various regions of mainland China, so the current products are all sold in all regions of mainland China.

#### (2) Market Ratio

The company is a raw material supplier of fruit juice beverages in the catering industry in mainland China. In the process of rapid development of the catering industry in mainland China in recent years, it has established stable cooperative relations with many well-known chain catering companies

and deployed distributors in various regions of mainland China. Throughout China, the beverage suppliers in the catering industry in Mainland China have a wide range of products and sizes. The company is focused on the juice beverage segment. It is difficult to clearly define the market and define its peers. However, as a whole, the company is in the juice industry. The beverage is a very strong supplier to the industry's product line, coupled with the R&D advantages of the construction and close cooperation with the channel, enabling the company to maintain a strong competitive position in the industry.

### (3) Market Future Supply, Demand and Growth

#### ① Market future supply status

The beverage raw material supply market in mainland China is bound to attract more manufacturers with the rapid growth of the catering industry. As far as the juice beverage market is concerned by the company, Recently, many of our peers have also begun to pay attention to business opportunities here, and have launched juice-related beverages similar to our products to seize the food and beverage market.

The company has many years of experience in the juice beverage supply market. In addition to the high-quality raw juice and fruit source as the backing, it has a wealth of product items, and a diversified product structure, and can also customize the exclusive formula according to customer needs. Close cooperation with the channel, on the other hand, as a raw material supplier for large food processing plants, in a highly competitive supply market, the company has always maintained a competitive advantage and showed a continuous growth trend. At present, the layout of the production base makes the supply more promptly and efficiently. Focusing on fashion and healthy drinks, it promotes a new concept of fashion and health, and its unique healthy drinks conform to the trend of the times. Nowadays, the juice beverage market is becoming more and more abundant, and new products are emerging one after another. Especially with the improvement of the living standards of the public and the pursuit of healthy and fashionable drinks, companies have introduced frozen juice, 100% raw juice beverages containing pulp and plant yoghurt, cold extract tea and so on products. Innovation drives the industry to upgrade leading the industry to continue towards healthy and stable development.

#### ②Market Future Demand and Growth

With the continuous improvement and strictness of food safety supervision and punishment, catering enterprises with short-sighted and illegal profits will be eliminated by the market, and the catering industry will gradually enter a critical period of industrial transformation, structural optimization and market concentration. It is expected that the development prospects of the catering industry will be promising in the future. It can be said that the Chinese mainland is welcoming a period of great development of the catering industry. The market potential is huge, the prospects are very broad, and the long-term development trend is good. The food and beverage market in mainland China has benefited from urbanization, urban population growth, the rising consumption power of small town youth, and rapid growth in online ordering, which has stimulated the food and beverage industry to flourish. Leading brands of new tea beverages had led the tea market to upgrade bringing diverse demands. The Company has collaborated with such type of food and beverage operators for many years, therefore, is able to respond to customer demands supplying diverse beverage raw materials, and is in full grasp of the market fashion trends to introduce new products. As for trend development for fruit juices, demands for natural, healthy and safe products continue to heighten as consumption upgrades. The Company's R&D team continues to get closer to the market and customers by regularly conduct visits in the market, maintain close interactions with customers, and co-develop new products with different types of customers. Creates customized recipe for the customers, deepens collaboration relationships with customers. This helps customers to differentiate themselves from competitors in the sales channels and continue to be well-liked by consumers.

2019 is the 70<sup>th</sup> anniversary year since the establishment of New China, which is a key year for forming a comprehensive middle class society. The Chinese mainland government relies on optimized support, steady internal demands to stabilize growth and employment, and also through deepening revolution to continue to increase the level of domestic economic activities. 2020 is the year of completion for building a comprehensive middle class society and "The 13<sup>th</sup> five year plan," important missions of the Chinese

mainland government include eliminating poverty, improving lives, gradually fulfilling shared wealth, thus, the government has greatly developed internal demands, encourage entrepreneurship. This has an influence on the food and beverage sector in mainland China that could not be ignored. Mainland China is still a developing country, with many dimensions in first and second-tier markets, new first-tier cities are increasing. With the rise of third, fourth, and fifth-tier cities, on the premise of pulling internal demands, mainland China's food and beverage industry will continue to dominate "the golden pyramid of the middle sector market." Food and beverage enterprises should build up their own system network in this market, and work out their own features. Consumption transformation and upgrading, domestic demand economy, and urbanization will further drive the development of mass catering and beverages.

#### (4) Competitive Foundation

##### ①Professional Management Team

The Company has introduced a group of experienced professionals to form a strong research and development, quality control, market and sales management team. The sales team has accumulated years of experience in the food industry, which can instantly grasp the market trends and conduct timely and efficient communications with customers, develop diversified products to meet customer needs; And, effectively manage the price system and market order of the access system to protect the interests of customers. A professional R&D team, with leading technology and research and development capabilities as a strong backing for the sales team. A complete market team to provide instant market information, customers demands, and product development directions, actively provide a complete beverage solutions for customers, so as to promote the products to the market quickly. The experienced management team, with the business philosophy of integrity, comprehensively plans the company's development strategy, and uses humanized management tools such as individual performance targets and improvement projects to motivate employees to develop their capabilities and achieve the Company's set goals.

## ②Excellent Product Development and Innovation Capabilities

Developing new products according to the needs of various types of customers, providing customized tailor-made formulas for customers, allowing customers to have distinctive segments in the channel. R&D is in line with the market's appeal to the new high-end development trend of health, focusing on the development of environmental protection and health products, broadening the market, trying NFC direct drinking juice, whole bean Soy flour, vegetable protein beverage, high fruit juice and cold extraction coffee new product, there is a small experimental factory in the R&D department to improve product quality and diversified structure, pay attention to basic research and overcome Technical difficulties, reserve innovative technologies, lead the market trend, and have completed the commissioning of advanced experimental aseptic filling equipment to optimize production processes and technologies. The R&D team is constantly close to the market and customers, regularly visits the market, maintains close interaction with customers, discusses and reviews new products, and deepens customer relationships. Provide a small-scale experimental factory from research and development, cost analysis, trial production and product production to effectively accelerate the development of new products and the speed of mass production.

## ③Create a Win-win Cooperation Model

The company's main sales target is the catering industry and the dealer network established in various provinces and cities in mainland China, and the close cooperation relationship with each channel has become the company's advantage in the industry. The company's competitive channel cooperation model is as follows:

A. Providing exclusive formula and exclusive packaging products for the chain system to ensure market differentiation. The supply to the chain restaurant group only allows the chain restaurant group headquarters and its designated units to place orders, and does not accept individual franchisees to place orders privately to protect customers' supply. The

stability of the quality of the goods and the order of chain restaurant operations, and the long-term partnership with the chain restaurant group to maintain mutual trust.

- B. Counseling the dealer team construction and company management in each region, providing regular product knowledge training and industry development trends for dealers, and strengthening understanding of the company's products and markets. At the same time, dealers must be equipped with corresponding teams, set up bar counters and technicians who mix drinks, and provide new product menus and promotion plans. In addition, the company's business personnel regularly hold product promotion meetings and new product training sessions in various regions through the marketing department. Provide planning and design, product catalogues, pictures and posters, etc., according to the status of the dealer store showroom, select the store for unified planning, show the bar with the company's brand image characteristics, and output the company's brand image. Moreover, the Company's organization team works with dealers to service major customers of the chain system in the region, raising the sales performance of the region.
- C. Establish a price protection mechanism to prevent dealers from cutting prices. There is a lower limit for the price of the distributor's products, and low-priced sales are not allowed to damage the market. According to the product history and traceability system, with the co-operator's investigation and management agency jointly manage the price system and market order to stabilize the market sales order. Therefore, under the market price system of the reasonable value chain, the distributor and the company can obtain A stable source of profit and increase the mobilization of dealers.
- D. Develop a network sales management system, set up a network sales supervision department, standardize online sales behavior, prohibit low-price sales, protecting the interests of chain systems and dealers everywhere.

#### ④ Wide Variety of Juice Drinks to Meet Different Customer Needs

The Company's products are mainly based on fruit-based concentrated juice, fruit, solid beverages, syrup and taste granules and so on, to provide customers with raw materials for juice drinks and ingredients to add taste. In terms of fruit flavor, product grade and type, we offer customers a diverse range of product series and bountiful product categories. In terms of product grade, we provide products of different level of pureness and grade to different types of customers, so as to satisfy the characteristics demand of the customers. Regarding product flavors, we provide a variety of single taste, compound taste, including pulp series and other products. Concerning product types, the Company has a series of hot drink products like longan red dates, yuzu tea, premium grain powder, nuts powder, heat resistant crystal balls, and so on; Different taste of sweetness such as rock sugar, cane sugar, red sugar, monk fruit sugar to create the “spirit” of a cup of drink. There are also various flavored syrup like chocolate syrup, brown sugar syrup, caramel syrup, used in coffee and milk tea; Taste ingredients available to match with the drinks, such as konjac granules, crystal Q fruit, aloe vera and so on. At present, the company has more than one thousand products, and the complete product line can meet the needs of diversified markets and provide customers with the most choice.

#### (5) Advantages, Disadvantages and Countermeasures for the Development of the Prospects

##### ① Advantages

A. China's domestic demand market is strong, urbanization drives people's livelihood consumption, increase in middle class groups, and the population consumption base is large.

With the increase in national income and the increase in consumption power, the huge domestic demand market in mainland China is the driving force for supporting the development of people's livelihood consumption in the future, and the degree of urbanization is also expanding. The number of urban migrants is increasing, and the proportion of people eating outside is



increasing, in particular, consumption power is on the rise in third, fourth, and fifth-tier cities. Therefore, under the overall environment of the continuous growth of the domestic demand market in mainland China, the market prospects of the catering industry will remain promising.

#### B. Mainland China policy promotes the development of the national catering industry

In order to promote economic activities in various regions of mainland China, continue to expand the domestic consumption market, and improve people's living standards, the Chinese government plans to build a well-off society in the “13th Five-Year Plan” to promote sustained and healthy economic development. At the same time, local governments in the mainland have publicly released food and beverages. The policies of promoting or supporting the development of the industry, so in the future, with the support of the policy, the catering market in mainland China will continue to expand, which will have a positive impact on the business development of the company.

#### C. Food safety is concerned by government authorities and consumers

Consumption concept changes as consumption power increases, from eating well to eating healthier and safer. In recent years, food safety incidents such as waste oil, Fuxi meat, zombie papaya and other illegal food companies and events reported on every Mar 15 evening party in China have made the Chinese government attach great importance to food safety and strengthen the fight against illegal food industry. At the same time, consumers' awareness and emphasis on food safety will make it illegal for food industry players to compete in low-cost competition in the future. The company is a regular food processing factory that insists on using raw juices and fruit ingredients as raw materials. It has never been illegally added, and has established a good reputation in the industry. After a series of food safety storms, it can highlight this. The company's products are safe and worthy of consumers' trust. Large-scale chain catering needs to cooperate with high-quality and law-abiding manufacturers, which has won us more

potential customers.

#### D. Optimize production equipment and increase production capacity

The Company has completed the layout of the Northern, Central, and Southern Plants, continuously improving production technology and expanding production lines, and increasing production capacity to meet regional customer demand. The company will plan to introduce advanced equipment, optimize the production process and technology of high juice, fruit and fruit puree, and actively improve product quality and diversified structure. Combined with supply chain management, we are committed to business accuracy, improve production rationalization, increase delivery rate, increase product shipment turnover, and improve customer satisfaction. In the past two years, it has obtained business cooperation opportunities with international brand systems and food manufacturers, and expanded the sales target and scope of products.

### ②Disadvantages and Actual Countermeasures

#### A. Intense competition in the industry

Upstream suppliers directly enter the terminal pipeline, and international big companies enter the beverage industry, which makes the competition between the industry increasingly fierce. Especially the competition of manufacturers with the advantage of the origin of fruit materials will increase the price pressure of products, under the pressure of fierce market competition. In addition to products that need to continue to provide price competitive advantages, it is necessary to provide customers with stable and safe product quality and diversified product selection.

#### Countermeasures:

In order to maintain the quality of our products, we have strict requirements on the quality of upstream suppliers, introduce global high-quality fruit raw materials and raw juices, and provide diversified products and customized products, and continue to develop new products to provide competitive products. At the same time, the company has established long-term

partnership with distributors. The channel layout is spread across all regions of mainland China. In the future, it will continue to expand the channel market and provide a well-established sales network. The layout of three plant optimizes product resources and raises service effectiveness, thus, allows the Company to maintain advantages in the industry competition. Strengthen internal management to improve work efficiency, and improve their competitiveness by standardizing management.

#### B. Increase in labor costs in mainland China

With the expansion of the company's business scale, more talents will be needed in the future, and mainland China has continued to improve the economic environment in the Mainland in recent years, increasing employment opportunities in the Mainland. However, in coastal cities, there is a lack of work. In order to retain the working population, enterprises have increased their wage rates. At the same time, the “13th Five-Year Plan” implemented by the Chinese mainland government for national economic and social development, by 2020, the per capita income of urban and rural residents will double that of 2010, and the urbanization of permanent residents will reach 50%, making enterprise labor in recent years. Costs continue to rise.

#### Countermeasures:

In response to the continuous increase in labor costs, the company has gradually improved the production process, gradually introduced automatic and semi-automatic equipment, improved automation standards, and increased production efficiency to reduce the impact of rising labor costs on the company's operations. Based on upgrading of business scope and sales volume of the Company, three new plants are built and has started production. This increases production capabilities, allows instant services to the customers in that region, reduces transportation costs. In addition, automatic inventory and e-commerce logistics combines with the Company's large network of dealers channels to create a logistics and distribution system.

In terms of R & D, timely launching high-quality and high

value-added products, and diversifying talents. Organize more training, improve employee skills, commit to improving employee productivity, and continuously maintain the company's comprehensive competitiveness and improve operational efficiency. On the other hand, the company is a domestic demand industry in mainland China. Under the general trend of rising wages, the consumption power of the Chinese people will also increase, which will drive the growth momentum of related domestic demand industries. The Company's performance is expected to benefit.

#### C. Fluctuations of the Prices of Raw Materials

The main raw materials of the company's products are raw juice, fructose and sugar. The raw juice will be affected by the climate or seasonal changes in the quality and price of the supply. In the case of sugar and fructose, the price will continue to fluctuate due to market conditions.

#### Countermeasures:

The company strengthens its supply chain resource integration capabilities and has long-term cooperation with major fruit juice suppliers; comprehensively considers market and business needs, and has a well-established estimated procurement mechanism, and signs long-term contracts with suppliers to ensure stable supply and Raw material cost. timely attention to market conditions, accurate estimation of annual consumption, lock in annual demand in low price or mass production season, and strive for excellent price; The company continues to maintain ample liquidity and strengthen customer credit Control and account recovery, use the capital advantage to shorten the payment account period to obtain more favorable material prices, thereby reducing the cost of raw materials, and report the raw material market conditions to the distributors or catering industry at any time to advance the access route Customers will have a price adjustment message.

#### D. Safety of beverage ingredients and additives

After experiencing various food safety incidents, the Chinese mainland

government attaches great importance to food safety issues. Intensify the crackdown and punishment in the “Food Safety Law”, the raw materials used by the suppliers of beverage raw materials in the future. Additives will be more valued by supervisory authorities and consumers.

Countermeasures:

For the revision of relevant food safety management regulations and the promulgation of new laws and regulations, the best preparation and planning shall be carried out in advance to minimize the risk of uncertainty; for the food industry in mainland China, the regulation of illegally adding and abusing food additives shall be rectified. Planning, in line with the implementation of product nutrition labeling, pre-empting all requirements and preparations for compliance with regulations, strengthening the assessment management of upstream suppliers, and launching prevention mechanisms to ensure compliance with relevant laws and regulations.

E. Energy saving and emission reduction, environmental protection is strict

Mainland China has taken a heavy blow to the environment to protect the people's blue sky and clear water, to scatter dirty and informal enterprises, to change overcapacity, to build a green China, and to promote the transformation and upgrading of global energy. Thus, there are more requirements and regulations for the enterprises on energy saving and environmental protection aspects, increases the costs for enterprises.

Countermeasures:

The Company established the Ministry of Environmental Protection, established an internal environmental responsibility system, clarified the responsibility of the person in charge of the unit and related personnel, and in accordance with the requirements of the government, did a good job in energy conservation and emission reduction, increased investment in environmental protection, and increased investment in technological upgrading. For example: eliminate backward processes, upgrade processes and equipment, prioritize the comprehensive utilization of wastes, and

harmless treatment of pollutants; improve management standards, formulate environmental accident emergency plans and record, and make full use of national policy incentives; The industrial wastewater generated by the process is treated at the self-built wastewater treatment station to ensure that the water quality meets the national standards of emissions, reduces environmental pollution, and upholds corporate social responsibility. Meet the world's environmental quality requirements. In 2018, the company imposed a green tax on the total amount of emissions. The company has responded positively to implement the water reuse improvement project to reduce the total amount of wastewater discharge; make full use of the advantages of the third plant, mobilize and distribute production capacity, and combine business and customer pre- Estimate, concentrate production, reduce replacement lines, reduce energy consumption and drainage.

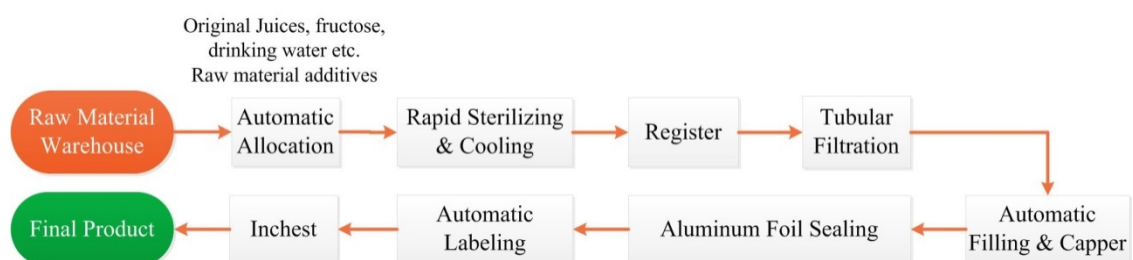
## 2. Major Purposes and Production Process of Major Products

### (1) Major Purposes of Major Products

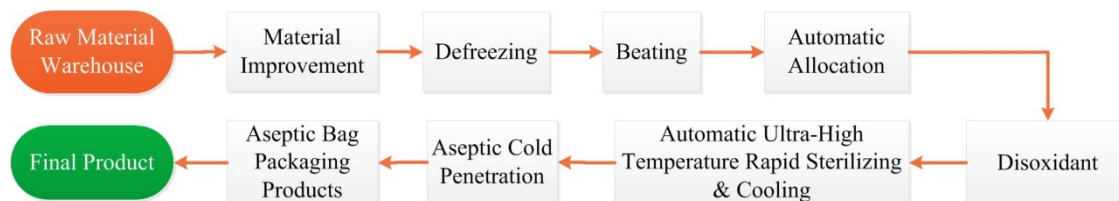
Through regional distributors as a channel, the products are sold to restaurants and take-away beverage stores in various regions of mainland China as raw materials for blending fruit juice drinks. On the other hand, they are also supplied to food processing plants for the production of fruit juices and fruit-based raw materials.

### (2) Production Process of Major Products

#### ①Production Process of Juice



## ②Production Process of Granule



## ③Production Process of Juice Power



## 3. Major Supply of Major Raw Materials

The company has established a long-term good supply relationship with major raw material suppliers. At the same time, it also pays attention to the market conditions to stabilize the purchase price of key raw materials and establish long-term strategic cooperation. The supply is stable and stable.

Major Raw Materials	Suppliers	Supply Status
Original Juices	Mainland China, Brazil, Spain	Good
Sugar	Mainland China,Thailand	Good

4. The name of the customer who has accounted for more than 10% of the total (sales) of goods in the previous two years of the previous year and the amount and proportion of the goods sold and sold, and the reasons for the increase or decrease.

(1) The name of the supplier who had accounted for more than 10% of the total purchase amount in the previous two years and the amount and proportion of the purchase amount: Reasons for increasing or decreasing: Company A has less purchase order amount in 2019 than in 2018, due to purchase from supplier with similar raw materials that has steady quality and price advantage.

unit: thousand (NTD)

Items	2018				2019			
	Titles	Amount	Net annual net purchase ratio[%]	Relationship with the issuer	Titles	Amount	Net annual net purchase ratio[%]	Relationship with the issuer
1	A Company	202,291	10.85	NA	A Company	165,757	8.76	NA
2	Others	1,662,671	89.15	NA	Others	1,727,323	91.24	NA
	Net purchase	1,864,962	100.00	NA	Net purchase	1,893,080	100.00	NA

(2) The name of the customer who has accounted for more than 10% of the total sales in the past two years and the amount and proportion of sales: Reasons for increasing or decreasing: Company A has increased sales in 2019 than in 2018, due to the customer's steady growth and success in promoting new product development.

unit: thousand (NTD)

Items	2018				2019			
	Titles	Amount	Net annual Net Sales ratio[%]	Relationship with the issuer	Titles	Amount	Net annual Net Sales ratio[%]	Relationship with the issuer
1	A Company	392,887	12.20	NA	A Company	464,548	13.19	NA
2	Others	2,828,352	87.80	NA	Others	3,056,331	86.81	NA
	Net Sales	3,221,239	100.00	NA	Net Sales	3,520,879	100.00	NA

## 5. Production value of the last two years

unit: ton; thousand (NTD)

Major Commodities	2018			2019		
	Production Yield	Production Volume	Production Worth	Production Yield	Production Volume	Production Worth
Juice	47,472	40,397	1,092,675	49,636	39,866	1,107,772
Fruit Granule	22,424	17,224	644,721	31,264	24,402	804,137
Juice Powder	3,432	3,327	165,453	2,112	1,542	96,170
Total	73,328	60,948	1,902,849	83,012	65,810	2,008,079



## 6. Sales volume in the last two years

unit: ton; thousand (NTD)

Major Commodities	2018		2019	
	Domestic sales		Domestic sales	
	Sales	Volume	Sales	Volume
Juice	46,984	1,799,970	46,227	1,801,790
Fruit Granule	18,223	1,148,826	25,022	1,555,119
Juice Powder	3,274	255,776	1,555	135,020
Others	285	16,667	307	28,950
Total	68,766	3,221,239	73,111	3,520,879

III. The number of employees, the average length of service, the average age and the academic distribution ratio of the employees in the last two years and up to the annual report.

unit: person

Year		2018	2019	As of 2020 Apr 30
Number of Employees	Direct Employees	176	220	234
	Indirect Employees	506	548	552
	Total	682	768	786
Average Age		34.13	34.83	34.60
Average Service Age		3.81	4.00	4.08
Academic distribution ratio	Ph.D.	0.29%	0.26%	0.25%
	Master Degree	3.23%	2.99%	3.18%
	Bachelor Degree	45.75%	46.75%	46.06%
	Senior High School	28.30%	27.86%	18.58%
	below Senior High School	22.43%	22.14%	31.93%
	Total	100.00%	100.00%	100.00%

IV. Expenses on environmental protection: In recent year and until publication date of annual report, losses due to environmental pollution (including compensation and violations of environmental regulations based on the findings of environmental protection audit results, its punishment date, reference number, the details of the article/s violated and its punishments, should be clearly listed), current and future possible expenses and countermeasures should be disclosed. If it is not possible to

make a reasonable estimate of the expenses, the facts for not able to make a reasonable estimate should be clearly stated.

(I) In recent year and until publication date of annual report, losses due to environmental pollution (including compensation and violations of environmental regulations based on the findings of environmental protection audit results, its punishment date, reference number, the details of the article/s violated and its punishments, should be clearly listed): None.

(II) Current and future possible expenses and countermeasures: The Company complies with relevant environmental laws and regulations, abides by environmental responsibility, and has no future expenditures.

#### V. Labour Relations:

1. List the company's employee welfare measures, training, training, retirement system and its implementation status, as well as the agreement between the funds and the maintenance measures of various employee rights:

(1) Employee Benefits:

SN	Employee Benefits
1	Social insurance (including pension, medical care, maternity, work injury and unemployment) , housing provident fund and commercial insurance
2	Morning exercises and kendo exercises
3	Full-time health checkup for employees over 3 years
4	Three holidays welfare
5	Wedding gold, maternity gift, funeral, and birthday benefits
6	Cultural and sports activities, weekend staff and children's interest classes
7	Organize employees to travel and enrich their lives

(2) Staff training, training system and implementation status are as follows

The company attaches great importance to the lifelong learning of all colleagues, according to the staff's academic experience, potential, professional skills and management level, draws up an annual training plan, organizes various training courses, applies different levels of education and training, and builds a long-term environment for employees.

unit: persons; hours; thousand (NTD)

Training Employees Number	Training Hours	Training Expenditures
768	12,457	1,508

- ①New employee induction training: Let employees understand the company's history, goals and mission, visit the factory, and be familiar with the working environment and related rules and regulations, and accelerate the integration into the group by understanding the working environment and its own rights and interests.
- ②Professional Skills Training: Combine the company's development strategy, focus on cultivating employees' professional skills, encourage employees to obtain functional licenses, and dispatch external training according to the needs of various departments.
- ③Training teacher training: Organize training teachers to share meetings and improve the formation of internal training teachers.
- ④Book Reading Room: The company has a book area to encourage employees to study and borrow books and magazines.
- ⑤Manage article sharing: Regularly circulate management articles, share knowledge and experience, and promote learning growth.
- ⑥Employee education promotion: To help the employees who need to continue to improve their education and learn new knowledge to obtain higher education smoothly, and at the same time be able to apply what they have learned to provide better services for the company.

### (3) Retirement system and its implementation status

The Company's main operations are located in mainland China, and employees participate in endowment insurance in accordance with local labor regulations to protect employee benefits. According to local labor regulations, the company assists employees who have reached the retirement age to apply for retirement pension approval. All personal contributions and 3% of unit contributions are included in the individual pension account; the company has established a retirement management method. Personal willingness and job

requirements, giving retirees the opportunity to return to work, the salary and benefits in principle refer to the original position, during which they pay employer liability insurance, and at the same time accumulate seniority.

(4) Labor-management agreement and various employee rights maintenance measures

The subsidiaries of the Company have maintained the lawful rights and interests of the workers in accordance with the Labor Contract Law of the main place of operation and other relevant regulations. The establishment of so far no major disputes and losses have occurred. In order to make the labor-management relationship harmonious, the Company has a well-established employee's book, which clearly defines the employee rights and obligations and welfare programs to protect the employees' rights and interests. At the same time, a trade union organization was established to establish a smooth communication channel for employees, and a suggestion box was set up in many places to answer questions and opinions of employees in a timely manner.

(5) Working environment and personal safety of employees:

The company is committed to promoting occupational health and work safety, formulating policies, improving processes and implementing support programs, and is committed to minimizing the risk of occupational disasters.

①Employee Health Check: Organize employee health checkups every year and apply for employee health certificates.

②Safety production: The company has introduced safety production standardization and has obtained certificates, implemented safety education, eliminated safety hazards in production processes, facilities and equipment, safeguarded employees' occupational health, and minimized the probability of safety accidents.

③Fire drills: Regularly organize fire drills every year to promote fire protection knowledge and enhance employees' awareness of mutual rescue and self-help in the fire.

④Hazardous Chemicals Control: The company assigns employees with

hazardous chemicals management qualifications to be responsible for special management and control over their purchase and use.

⑤Rodent & Pest Control: The Company is regularly monitored by professional pest control agencies and advocates prevention and treatment work to employees to maintain a clean and healthy working environment.

2. In recent year and until publication date of annual report, clearly state the losses due to labor disputes (including violations of Labor Standards Act based on the findings of labor audit, its punishment date, reference number, the details of the article/s violated and its punishments, should be clearly listed), current and future possible expenses and countermeasures should be disclosed. If it is not possible to make a reasonable estimate of the expenses, the facts for not able to make a reasonable estimate should be clearly stated.

The Company actively promotes and implements various employee welfare measures, and there is no labor dispute and suffered losses.

## VI. Material Contracts:

### (I) Bank Loan Contracts

Contract Characteristics	Company	Party	Credit	Start and Expiration Dates of Contracts	Major Contents	Restrictions
Bank Loans Contracts	SUNJUICE	The Shanghai Commercial & Savings Bank, Ltd.	US\$ 6.6 million	July 19, 2019 to June 21, 2020	Secured Loan	NA
Bank Loans Contracts	SUNJUICE	HSBC Bank	US\$ 6.0 million	June 30, 2019 to June 30, 2020	Credit Loan	NA
Bank Loans Contracts	SUNJUICE	Taishin International Bank	US\$ 4.0 million	July 19, 2019 to July 31, 2020	Secured Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	Mega Bank	RMB\$ 15 million	March 27, 2020 to March 29, 2021	Credit Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	Agricultural Bank of China	RMB\$ 50 million	March 23, 2020 to March 23, 2021	Credit Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	ICBC	RMB\$ 50 million	October 24, 2019 to October 31, 2020	Credit Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	HSBC Bank	RMB\$ 25 million	Starting from October 15, 2019	Credit Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	Bank of Communications Co., Ltd.	RMB\$ 30 million	April 28, 2020 to April 28, 2021	Credit Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	China Merchants Bank	RMB\$ 60 million	June 16, 2019 to June 16, 2020	Credit Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	China Construction Bank (Asia)	RMB\$ 30	April 11, 2019 to April 11, 2021	Credit Loan	NA

		Corporation Limited	million			
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	CTBC Bank	RMB\$ 30 million	May 22, 2019 to May 21, 2020	Credit Loan	NA
Bank Loans Contracts	Fresh Juice Industry (Tianjin) Co., Ltd.	Fubon Bank (China)	RMB\$ 28 million	February 10, 2020 to February 28, 2023	Secured Loan	NA
Bank Loans Contracts	Guangdong Fresh Juice Biotechnology Co., Ltd.	Fubon Bank (China)	RMB\$ 15 million	February 10, 2020 to February 28, 2023	Secured Loan	NA
Bank Loans Contracts	Sense	HSBC Bank	RMB\$ 15 million	Starting from October 15, 2019	Secured Loan	NA

(II) Other Contracts

Contract Characteristics	Party	Start and Expiration Dates of Contracts	Major Contents	Restrictions
Purchase Contracts	TIANYE DRINKS FOOD CO., LTD.	June 27, 2019 to December 31, 2020	Raw material procurement specification agreement	NA
Purchase Contracts	Cargill Food Technology (pinghu) Co., Ltd.	November 7, 2019 to December 31, 2020	Raw material procurement specification agreement	NA
Construction Contracts	WENZHOU LONGQIANG MACHINERY TECH. CO., LTD	November 20, 2019 to April 30, 2020	Equipment and Construction Contracts	NA
Construction Contracts	Jiangsu Xindu Construction Engineering Co., Ltd.	270 Calendar Days after Construction	Plant Construction Contract	NA
Construction Contracts	CNQC INTERNATIONAL HOLDINGS LIMITED	September 28, 2017 to May 30, 2020	Plant Construction Contract	NA

## Six. Financial Overview

I. The condensed balance sheet and consolidated income statement for the last five years, with the name of the accountant and its review

### (I) Condensed Balance Sheet and Consolidated Income Statement Information – IFRS

#### 1. Concise Balance Sheet – IFAS

unit: thousand (NTD)

Year Item		Recent Five-Year Financial Data (Note 1)					Financial Data as of Mar 31, 2020
		2015	2016	2017	2018	2019	
Current Assets		999,968	1,130,923	1,446,523	1,281,536	1,402,918	1,227,360
Properties, Plants and		459,549	438,448	581,674	1,047,894	1,520,083	1,555,174
Intangible Assets		2,563	2,022	27,429	24,227	21,778	20,604
Other Assets		181,091	159,896	266,469	254,259	201,876	197,381
Total Assets		1,643,171	1,731,289	2,322,095	2,607,916	3,146,655	3,000,519
Current Liabilities	before	662,440	688,752	677,575	673,157	914,344	778,534
	after	771,102	802,848	831,403	863,904	Note2	778,534
Non-current Liabilities		104,136	117,512	119,269	155,452	173,942	176,153
Total Liabilities	before	766,576	806,264	796,844	828,609	1,088,286	954,687
	after	875,238	920,360	950,672	1,019,356	Note 2	954,687
Attributable to the owners of the parent		873,353	921,001	1,490,748	1,745,766	2,026,884	2,015,097
Share capital		271,656	271,656	307,656	307,656	338,422	338,422
Capital reserve		60,109	60,109	425,602	425,602	425,602	425,602
Retained Earnings	before	502,718	620,882	793,531	1,081,336	1,407,965	1,419,870
	after	394,056	506,786	639,703	890,589	Note 2	1,419,870
Other Equity		38,870	(31,646)	(36,041)	(68,828)	(145,105)	(168,797)
Treasury Stock		-	-	-	-	-	-
Non-controlling Equity		3,242	4,024	34,503	33,541	31,485	30,735
Total Equity	before	876,595	925,025	1,525,251	1,779,307	2,058,369	2,045,832
	after	767,933	810,929	1,371,423	1,588,560	Note 2	2,045,832

Note 1: Listed above, 2015– 2019 Financial information, verified by accountants; 2020

Financial information for the first quarter, audited by accountants.

Note 2: The 2019 surplus allocation case is pending the resolution of the shareholders meeting.

## 2. Condensed consolidated income statement - IFAS

unit: thousand (NTD)

Year Item	Recent Five-Year Financial Data (Note 1)					Financial Data 2020as of Mar 31
	2015	2016	2017	2018	2019	
Operation Income	2,405,459	2,679,294	2,917,183	3,221,239	3,520,879	366,058
Operation Gross Profit	674,827	785,360	872,790	1,144,096	1,356,859	125,987
Operation Profit or Loss	330,568	383,067	449,605	604,384	753,151	23,898
Non-operation Income and	(10,649)	(15,286)	(2,231)	20,661	11,076	5,139
Net Income before Taxes	319,919	367,781	447,374	625,045	764,227	29,037
Current Net Profit of	208,451	227,905	287,162	441,735	547,716	11,515
Loss of Discontinued	-	-	-	-	-	-
Current Net Profit (Loss)	208,451	227,905	287,162	441,735	547,716	11,515
Current Other Comprehensive Income (Net Amount after Taxes)	(17,244)	(70,813)	25,667	(33,851)	(77,907)	(24,052)
Total Amount of Current	191,207	157,092	312,829	407,884	469,809	(12,537)
Net profit attributable to	210,681	226,826	286,745	441,633	548,142	11,905
Net profit attributable to	(2,230)	1,079	417	102	(426)	(390)
Total profit and loss is attributable to the parent	193,747	156,310	282,350	408,846	471,865	(11,787)
Total consolidated profit and loss is attributable to	(2,540)	782	30,479	(962)	(2,056)	(750)
Earnings per Share	7.05	7.59	9.10	13.05	16.20	0.35

Note 1: Listed above, 2015 – 2019 Financial information, verified by accountants; 2020

Financial information for the first quarter, audited by accountants.

(II) Name of the visa accountant and review of opinions in the past five years

Year	Name of Accounting Firm	CPA Names	Audit Comments
2015	DTTL	HSIEH MINGCHUNG & LI LIHUANG	No Qualified Opinions
2016	DTTL	LI LIHUANG & SU YUXIU	No Qualified Opinions
2017	DTTL	CHEN HUIMING & LI LIHUANG	No Qualified Opinions
2018	DTTL	HSIEH MINGCHUNG &	No Qualified Opinions



Year	Name of Accounting Firm	CPA Names	Audit Comments
		CHEN HUIMING	
2019	DTTL	HSIEH MINGCHUNG & LU ICHEN	No Qualified Opinions

Note: The consolidated financial statements of the 2015 – 2019 audited by the accountant.

## II. Financial analysis for the last five years

### (I) Financial Analysis – IFAS

<div> <div>Year (Note 1)</div> <div>Analysis Items (Note 2)</div> </div>		Financial analysis for the last five years					Financial Data as of Mar 31, 2020
		2015	2016	2017	2018	2019	
Financial Structure %	Debt-to-asset ratios	46.65	46.57	34.32	31.77	34.59	31.82
	Long-term funds account for real estate, plant and equipment Ratio	213.41	237.78	282.72	184.63	146.85	142.88
Solvency %	Current Ratios	150.95	164.20	213.49	190.38	153.43	157.65
	Quick ratios	111.73	121.38	169.88	143.64	125.16	123.95
	Interest coverage ratios	34.01	29.06	20.74	67.21	67.05	11.59
Management capacity	Receivables turnover rate (times)	18.55	18.63	19.91	18.27	14.31	5.42
	Average number of days received	20	20	18	20	26	67
	Inventory turnover rate (times)	10.19	9.06	8.98	8.42	8.91	4.14
	Payable turnover rate (times)	14.14	15.29	16.04	15.11	13.07	5.12
	Average sales days	36	40	41	43	41	88
	Real estate, plant and equipment turnover rate (times)	5.82	5.97	5.72	3.95	2.74	0.95
	Total asset turnover rate (times)	1.58	1.59	1.44	1.31	1.22	0.48
Profitability	Return on assets (%)	14.14	14.09	15.01	18.21	19.34	1.77
	Return on equity (%)	24.54	25.30	23.44	26.73	28.54	2.24
	Pre-tax net profit as a percentage of paid-up capital (%)	117.77	135.38	145.41	203.16	225.82	34.32
	Net profit rate (%)	8.67	8.51	9.84	13.71	15.56	3.15
	Earnings per Share (NTD)	7.05	7.59	9.10	13.05	16.20	0.35
Cash Flows	Cash Flows Rates (%)	31.15	51.96	56.93	78.43	78.90	9.57
	Cash Equivalent Flow Rates (%)	113.07	135.11	126.68	111.80	124.69	128.28
	Cash Reinvestment Ratios (%)	6.13	19.25	13.86	16.20	19.96	2.79

Analysis Items (Note 2) \ Year (Note 1)		Financial analysis for the last five years					Financial Data as of Mar 31, 2020
		2015	2016	2017	2018	2019	
Leverage	Operating Leverage	1.24	1.30	1.21	1.15	1.12	2.36
	Financial Leverage	1.03	1.04	1.05	1.02	1.02	1.13
<p>Please indicate the reasons for the changes in the financial ratios in the last two years. (If the increase or decrease is less than 20%, it can be exempted from analysis)</p> <ol style="list-style-type: none"> <li>1. Long-term capital accounted for the decline in ratio of real estate, plant and equipment: mainly due to the construction of factory buildings, resulting in the increase of real estate, plant and equipment.</li> <li>2. Decrease in receivables turnover : mainly due to the growth of customer revenue of chain catering system and the increase of its proportion, the average credit period of customers of chain catering system is relatively long.</li> <li>3. Declining turnover rate of property, plant and equipment: Mainly due to the construction of factory buildings, resulting in an increase in real estate, plant and equipment.</li> <li>4. Increase in earnings per share: The company continued to make customized and high value-added products in line with market trends and customer demand, resulting in increased profit.</li> <li>5. Increase in cash reinvestment ratio: mainly due to the increase in net cash flow from operating activities.</li> </ol>							

Note 1: Listed above, 2015 – 2019 Financial information, verified by accountants; 2020

Financial information for the first quarter, audited by accountants.

Note 2: The calculation formula for the analysis project is as follows:

1. Financial Structure

- (1) Debt to asset ratio = total liabilities / total assets
- (2) Long-term capital as a percentage of real estate, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment

2. Solvency

- (1) Current ratio = current assets / current liabilities
- (2) Quick ratio = (current assets - inventory - prepaid) / current liabilities
- (3) Interest coverage ratio = net profit before income tax and interest expense / interest expense for the period

3. Management capacity

- (1) Receivables (including accounts receivable and notes receivable due to business)  
Turnover rate = net sales / average receivables for each period (including accounts receivable and notes receivable due to business) Balance
- (2) Average collection days = 365 / receivables turnover rate
- (3) Inventory turnover rate = cost of goods sold / average inventory amount
- (4) Payables (including accounts payable and bills payable due to business) Turnover  
rate = cost of goods sold / average payables for each period (including accounts payable and notes payable due to business)

- (5) Average sales days =  $365 / \text{inventory turnover}$
- (6) Real estate, plant and equipment turnover rate =  $\text{net sales of goods} / \text{average real estate, plant and equipment net}$
- (7) Total asset turnover =  $\text{net sales} / \text{average total assets}$

#### 4. Profitability

- (1) Return on assets =  $[\text{after-tax profit and loss} + \text{interest expense} \times (1 - \text{tax rate})] / \text{average total assets}$
- (2) Return on equity =  $\text{after-tax profit and loss} / \text{average equity}$
- (3) Net profit rate =  $\text{after-tax profit and loss} / \text{net sales}$
- (4) Earnings per share =  $(\text{profits and losses attributable to owners of parent companies} - \text{special dividends}) / \text{weighted average number of issued shares}$

#### 5. Cash Flows

- (1) Cash flow ratio =  $\text{net cash flow from operating activities} / \text{current liabilities}$
- (2) Net cash flow allowable ratio =  $\text{net cash flow from operating activities for the last five years} / \text{the most recent five years (capital expenditure} + \text{inventory increase} + \text{cash dividend})$
- (3) Cash reinvestment ratio =  $(\text{net cash flow from operating activities} - \text{cash dividends}) / (\text{real estate, plant and equipment gross} + \text{long-term investment} + \text{other non-current assets} + \text{working capital})$

#### 6. Leverage:

- (1) Operating leverage =  $(\text{net operating income} - \text{variable operating costs and expenses}) / \text{operating profit}$
- (2) Financial leverage =  $\text{business benefit} / (\text{business profit} - \text{interest expense})$

III. Monitor report of the most recent annual financial report

**SUNJUICE HOLDINGS CO., LTD.**

**Supervisor Auditing Report**

The Board of Directors has sent the consolidated financial statements of the Company for the year of 2019. After consulting the auditors of Hsieh Ming-Chung and Lu I-Chen, the auditors of the company, together with the business report and the surplus allocation statement, etc., after review by the supervisor, it is considered that there is no Inconsistent, according to the provisions of Article 219 of the Law of the Republic of China on the company, prepare a report, please inspect.

Sincerely

SUNJUICE Shareholders General Meeting 2020

Supervisor WANG,CHIA-HAN

Supervisor CHANG,LING-YIN

Supervisor Treasure Island Properties Co., Ltd.

Representative: YANG, SHIH-CHIN

Mar 30, 2020

- IV. The company's consolidated financial report for the most recent year with an accountant's check-up visa: please refer to page 154.
- V. Individual financial report of the company that has been verified by an accountant in the most recent year: Not applicable.
- VI. The company and its related companies have recently and until the annual report dated. If there is any financial turnover, the impact on the financial status of the company should be listed: NA.

## Seven. Review and analysis of financial status and financial performance and risk issues

### I. Comparative analysis of financial status

The main reasons for the significant changes in assets, liabilities and equity in the last two years and their impacts and future response plans:

unit: thousand (NTD)

Items \ Year	2019	2018	Difference of	
			Amount	%
Current Assets	1,402,918	1,281,536	121,382	9.47
Properties, Plants and Equipment	1,520,083	1,047,894	472,189	45.06
Other Intangible Assets	21,778	24,227	(2,449)	(10.11)
Other Non-current Assets	201,876	254,259	(52,383)	(20.60)
Total Assets	3,146,655	2,607,916	538,739	20.66
Current Liabilities	914,344	673,157	241,187	35.83
Non-current Liabilities	173,942	155,452	18,490	11.89
Total Liabilities	1,088,286	828,609	259,677	31.34
Share capital	338,422	307,656	30,766	10.00
Capital reserve	425,602	425,602	-	-
Retained Earnings	1,407,965	1,081,336	326,629	30.21
Other Equity	(145,105)	(68,828)	(76,277)	110.82
Non-controlling Equity	31,485	33,541	(2,056)	(6.13)
Total Equity	2,058,369	1,779,307	279,062	15.68
Description of major changes (differentiated proportion is 20% at least within two continuous periods):				
<ol style="list-style-type: none"> <li>1. Increase in real estate, plant and equipment: Mainly due to the increase in capital expenditures for the construction of the plant.</li> <li>2. Decrease of other non current assets: mainly due to reduction in prepayments of equipment.</li> <li>3. Increase in current liabilities: mainly due to increased in payable for purchase of equipment.</li> <li>4. Increase in retained earnings: Mainly due to good profitability in 2019 and increased net profit after tax.</li> <li>5. Reduction of other equity: mainly due to the decrease in the exchange difference calculated by the financial statements of foreign operating institutions.</li> </ol>				

Note: The above financial information is checked by the company's 2019 & 2018 accountants

and issued unqualified consolidated financial statements.

## II. Financial performance review and analysis

1. The main reasons for the significant changes in operating income, operating net profit and pre-tax net profit for the last two years:

unit: thousand (NTD)

Items \ Year	2019	2018	Difference of	
			Amount	%
Operation Income	3,520,879	3,221,239	299,640	9.30
Operation Costs	2,164,020	2,077,143	86,877	4.18
Operation Gross Profit	1,356,859	1,144,096	212,763	18.60
Operation Expenses	603,708	539,712	63,996	11.86
Operation Net Profit	753,151	604,384	148,767	24.61
Non-operation Income and Expenses	11,076	20,661	(9,585)	(46.39)
Net Income before Taxes	764,227	625,045	139,182	22.27
Income tax expenses	216,511	183,310	33,201	18.11
Net Profit of Current Year	547,716	441,735	105,981	23.99
Description of major changes (differentiated proportion is 20% at least within two continuous periods):				
1. Decrease in non-operating income and expenses: mainly due to the decrease in government subsidy income.				
2. Increase in Operation Net Profit, Net Income before Taxes and Net Profit of Current Year: mainly due to increase in revenue and increase in gross profit margin.				

Note: The above financial information is checked by the company's 2019 & 2018 accountants and issued unqualified consolidated financial statements.

2. Expected sales quantity and its basis

The Company expects that the overall business target of 2020 will be stable compared to the sales of 2019, which is mainly based on market conditions, company development strategies and new product development plans.

3. Possible impacts on the company's future financial operations and response plans:

The Company will continue to develop new products and actively expand new customers in various regions of the Mainland to cooperate with China's huge catering and domestic market. It is estimated that future results will continue to grow and finance will be able to cope with the growth of the business and profitability. Maintain a sound and sound financial position.

### III. Cash flow analysis

Analysis of recent annual cash flow changes, improvement plan for liquidity deficiency and cash flow analysis for the coming year:

#### (I) Analysis of recent annual cash flow changes:

unit: thousand (NTD)

Items \ Year	2019	2018	Difference	
			Amount	%
Cash inflow from operating activities	721,383	527,928	193,455	36.64
Cash outflow from investment activities	(679,541)	(802,010)	122,469	(15.27)
Cash Outflow from Financing Activities	(138,602)	(182,113)	43,511	(23.89)
<p>The main reasons for the recent changes in annual cash flow:</p> <ol style="list-style-type: none"> <li>1. Increase in cash inflow from operating activities: mainly due to the increase in net profit before tax for the period.</li> <li>2. Reduced cash outflows from financing activities: mainly due to the increase of short-term borrowings.</li> </ol>				

#### (II) Improvement plan for insufficient liquidity:

There has been no shortage of liquidity in the company's recent annual cash flow.

#### (III) Annual cash flow analysis for the year:

The Company still has a number of capital expenditure plans in the coming year. After measuring the financing situation and capital structure, it will evaluate whether to raise funds through the operation of the capital market to maintain the soundness of the financial structure. The company expects that in



2020 it will result in net cash inflows due to profitable growth, plus good interaction with banks, sufficient financing capacity to be used, and cash outflows for investment activities and fundraising activities.

IV. The impact of recent major capital expenditures on financial operations:

(I) The use of major capital expenditures and sources of funding:

The Company's 2019 purchase of real estate, plant and equipment amounted to NT\$274,775 thousand, which was mainly due to the continuous expansion of production capacity in response to market demand and increased equipment procurement, and new plant and Automatic warehousing facilities, sourced from their own working capital, cash capital increase and liquidity through bank financing for reasonable distribution.

(II) The impact on the financial business is expected to yield benefits:

In response to market demand, the Company continued to expand its production capacity by expanding the factory, renovating the original production workshop and increasing the equipment to further increase production efficiency and meet the needs of expanding the market to increase profitability without increasing capital expenditure. The impact on the financial business of the company is adversely affected.

V. The most recent annual investment policy, the main reason for its profit or loss, the improvement plan and the one-year investment plan:

(I) The Company's Reinvestment Policy

The Company's current investment policy is based on the investment-related investment targets of the business and is not engaged in investment in other industries. The relevant executive departments follow the internal control system "investment cycle operation system" and "acquisition or disposal of asset management procedures". The above methods or procedures are discussed and approved by the board of directors or the shareholders' meeting.

(II) The main reason for the profit or loss of investment in recent years and the improvement plan

Dec31, 2019; unit: thousand (NTD)

Items \ Description	2019 (Loss) Profit from Investment	Root Causes of Profit or Loss	Improvement
Power Keen Limited	590,836	The main source of profit is the recognition of the interests of mainland subsidiaries.	NA
Sunjuice (Hong Kong) Limited	372,994	The main source of profit is the recognition of the interests of mainland subsidiaries.	NA
Sunjuice Co., Ltd.	625,254	Operational profitability is in good condition.	NA
Fresh Juice Industry (Tianjin) Co., Ltd.	56,946	Operational profitability is in good condition.	NA
Guangdong Fresh Juice Biotechnology Co., Ltd.	81,557	Operational profitability is in good condition.	NA
Fresh Food (Kunshan) Co. Ltd.	4,114	The main source of profit is to recognize the interests of Kunshan Jianghang.	NA
Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd.	1,809	Engaged in the cultivation and sales of agricultural and sideline products, and the operation profitability is good.	NA
Sense International Limited	(26,734)	The main loss was recognized by Shanghai Sense.	NA
Shanghai Sense Beverage Co., Ltd.	(26,597)	The operation has not reached the scale of the economy.	NA
Sunjuice I International Limited	(5,341)	The main loss was recognized by Suzhou Sunjuice I.	NA
Suzhou Sunjuice I International Limited	(3,897)	The operation has not reached the scale of the economy.	NA

(III) Investment plan for the next year: The company continues to deepen the market and expand sales channels.

VI. Risk matters should be analyzed and evaluated in the most recent year and the following matters as of the date of publication of the annual report

(I) The impact of interest rates, exchange rate changes, and inflation on the company's profit and loss and future response measures:

1. Variation of Interest Rate

unit: thousand (NTD)

Items	2019	1st Quarter in 2020
Net interest income and expenditure	4,701	1,147
Net interest income and expenditure as a percentage of net revenue	0.13%	0.31%
Net interest income and share of after-tax net profit ratio	0.86%	9.96%

Source: Consolidated financial statements for 2019 audited by an accountant  
Consolidated financial statements for the first quarter of 2020 as reviewed by accountants

(1) Impact analysis on the company

The net interest income and expenditure accounted for a small proportion of revenue and net profit after tax. It has not yet had a major impact.

(2) Actual Countermeasures

Under the continuous growth of the Company's business performance, we will continue to implement conservative and sound financial principles. In addition, we will maintain close contact with the bank, keep abreast of interest rate changes, and strive for preferential interest rates so that interest rate changes will not adversely affect the company.

## 2. Fluctuation of Foreign Exchange Rates

Unit: thousand (NTD)

Items	2019	1st Quarter in 2020
Net foreign exchange gains and losses	(10,324)	(1,476)
Net foreign exchange gains and losses accounted for the net revenue ratio	(0.29%)	(0.40%)
Net foreign exchange gains and losses accounted for net profit after tax	(1.88%)	(12.82%)

Source: Consolidated financial statements for 2019 audited by an accountant  
Consolidated financial statements for the first quarter of 2020 as reviewed by accountants

### (1) Impact analysis on the company

Foreign currency exchange gains and losses accounted for a small proportion of revenue and after-tax net profit, so exchange rate changes benefit the company. It has not yet had a major impact.

The Company's operating entity is located in mainland China. Currently, the sales department is fully sold in mainland China, and is denominated in RMB. The purchase is mainly for the purchase of suppliers from mainland China or raw juice agents, and only a small portion of the raw juice is directly directed. Foreign suppliers import and are denominated in US dollars or Euros. Because the purchase ratio is not high and the amount is small, the fluctuation of RMB exchange rate against the US dollar will not cause exchange risk of the foreign currency parts of the Group.

The main functional currency of the Company is mainly RMB. As of now, there is no significant risk of exchange rate fluctuations. However, Cayman Holdings, which is listed for listing in Taiwan, will raise funds in the Republic of China and issue dividends to domestic investors. Therefore, there is a risk of exchange rate changes between the USD and the NTD.

### (2) Actual Countermeasures

In order to reduce the impact of exchange rate changes on the Company's profit and loss, the Company will collect exchange rate information at any time, through the online exchange rate real-time system

and strengthen the relationship with financial institutions, in order to study the trend of exchange rate changes, as a reference for settlement, in terms of strategy Balance foreign currency assets and liabilities as much as possible to achieve the effect of natural hedging and reduce the impact of exchange rate fluctuations.

### 3. Inflation:

#### (1) Impact analysis on the company

In recent years, due to the impact of global related resources and materials, the overall economic environment has shown an inflation trend, but the company has not yet had an immediate and significant impact due to inflation.

#### (2) Actual Countermeasures

The Company pays attention to the fluctuation of the raw material market price at any time, and maintains a good interaction with suppliers and customers, pre-judging the trend of raw materials, pre-determining the purchase volume and centralized purchasing methods to reduce the impact of price increases.

### (II) The main reasons for the high-risk, high-leverage investment, capital loan and others, endorsement guarantee and derivative commodity trading, profit or loss and future response measures:

1. Engaged in high-risk, high-leverage investment: The Company's business strategy has always been based on the principle of stable and conservative. In the most recent year and the end of the annual report, the company and its subsidiaries have not engaged in high-risk, high-leverage investment and other transactions.
2. Regarding the loan of funds and others, the Company has established the "Measures for the Management of Funds and Others". In the most recent year and the date of publication of the annual report, the company has only 100% of the invested subsidiaries with funds and loans. The relevant operating methods are stipulated and have been written off in the consolidated financial

statements, which have no significant impact on the profit or loss of the consolidated financial statements.

3. Regarding the endorsement guarantee, the Company has established the “Endorsement Guarantee Management Operation Method”. In the most recent year and the end of the annual report, the company only has an endorsement guarantee with the 100% invested subsidiary, which is handled in accordance with the relevant operation methods. There is no significant impact on the profit or loss of the consolidated financial statements.
4. Regarding the transaction of derivative commodities, the Company has established “acquisition or disposal of asset management procedures”. The Company and its subsidiaries have not engaged in the transaction of derivative commodities in the most recent year and the date of publication of the annual report.

(III) R&D expenses for future R&D projects and projected inputs:

In 2020, the Company's R&D department continued to improve its basic research capabilities. Based on the research and development of natural fruit puree, it will further introduce new flavors and further expand the natural, healthy, safe and delicious NFC+ juice. Whole bean powder and other products. At the same time, the Company will continue to cooperate with higher education institutions in mainland China to recruit excellent food professionals to enhance the company's research and development competitiveness.

The Company's research and development expenses for 2019 are NT\$114,022 thousand, accounting for the current operating income 3.2%. In 2020, it is estimated that the investment in research and development will be estimated to account for the current operating income 3.0% to 3.5%. The R&D investment is mainly for the input of personnel and equipment to enhance R&D technology and strengthen natural Health product research and development, close to the customer and market demand, and enhance the overall revenue and profit of the company.

(IV) The impact of important domestic and international policies and legal changes on the company's financial business and the corresponding measures:

The company is registered in the Cayman Islands and its main place of operation is in Dalat, China. The implementation of each business of the Company is handled in accordance with the important policies and laws of the

Mainland of China, and is always aware of the important policy development trends in Mainland China. In the case of legal changes, timely response to changes in the market environment and appropriate countermeasures. Up to now, the Company's has not had a significant impact on the company's financial business due to changes in important policies and laws in mainland China.

(V) The impact of technological changes and industrial changes on the company's financial business and the corresponding measures:

The company's self-built machine room has a standard power supply, lightning protection, air conditioning, emergency power system. Next-generation firewall with integrated threat defense, with online behavior management equipment and enterprise anti-virus system, set strict access policies to prevent hacker intrusion and virus infection, ensure network access behavior is controlled, and data access is secure.

Using the industry's advanced backup software and hardware devices, the important data settings are automatically backed up and synchronized to the remote backup host. Formulate the "Disaster Recovery Plan", arrange drills from time to time, simulate various fault situations, and quickly recover according to the plan, and test the actual resilience of information personnel.

The introduction of customized ERP system improves the efficiency of enterprise information management, reduces operating costs, improves supply chain management, controls production processes, improves production efficiency, effectively controls product inventory, and maximizes management economic benefits.

In response to the increasingly serious food safety issues, the company is leading the introduction of the production and sales history system in the same industry. Imported into the automated storage system (WMS), combined with the ERP system, through the warehouse control system (WCS) and storage hardware equipment, the two-dimensional code is used in the process of material entry and exit, with the production and sales history system as a standardized operating specification It is conducive to the rational production of the company and enhance production technology and management capabilities.

The Company pays attention to the technological changes and technological development of the industry in its place, and quickly grasps the industry dynamics and inter-bank market information, and adopts a sound financial management strategy to maintain market competitiveness. In the future, the Company will continue to pay attention to the relevant technological changes in the industry in which it operates, and assess its impact on the company's operations, and make corresponding adjustments to strengthen the business development and financial status of the Company's business. Therefore, technological changes and industrial changes have no significant adverse

impact on the Company.

(VI) The impact of corporate image change on corporate crisis management and response measures:

Since the establishment of the Company, it has always adhered to the principle of honesty and professional management, actively strengthened internal management, improved management quality and efficiency, attached importance to corporate image and risk control, and complied with relevant laws and regulations; In the future, the company will pursue the social responsibility of the company while pursuing the maximization of shareholders' equity.

(VII) Expected benefits, possible risks and response measures for M&A: NA.

(VIII) Expected benefits, possible risks and response measures for the expansion of the plant:

The Guangdong and Tianjin plants built by the leasing method have brought good benefits since the official operation. With the growth of operating performance and the sustainable development of the company, the Guangdong factory and the Tianjin plant have built their own factories in 2019. The source of funds required is the profit of the two factories, operating profit, the cash increase project and bank financing.

Possible risks and response measures: In order to avoid environmental, market and other uncertain factors, the Company will review the industry and market trends at any time, measure the market's needs, measure its own financial situation, and conduct a prudent assessment to minimize risks.

(IX) Risks and countermeasures for the concentration of incoming goods or sales:

The Company has established a deep cooperative relationship with various suppliers for many years. Over the years, the quality and delivery time of all suppliers have met the requirements. The source of purchase is stable, and each raw material maintains at least two suppliers. In the last two years, only one supplier of Cargill's products accounted for more than 10% of the total purchases, and in 2018 and 2019 were 10.85% and 8.76% respectively, mainly the product quality of the supplier., price, delivery timeliness and service have advantages over other suppliers. Overall, there is no risk of concentration of purchases.

The company's sales target is mostly chain catering industry and dealers. In the last two years, only one customer's sales accounted for more than 10% of



total sales, and in 2018 and 2019 respectively, it was 12.20% and 13.19%, mainly for distribution. The stable growth of customers and the success of new product development and promotion, as a whole, there is no risk of concentration of sales.

(X) Directors, supervisors or shareholders holding more than 10% of the shares, the impact of a large number of shares transferred or replaced on the company, risks and response measures: NA.

(XI) The impact of changes in management rights on the company and its risks and response measures: NA.

(XII) A litigation or non-litigation event shall state the company and the company's directors, supervisors, general manager, substantive person in charge, major shareholders holding more than 10% of the shares, and major lawsuits that the subordinate company has decided to determine or are still in the system If the result of a non-litigation or administrative dispute has a material impact on the shareholders' equity or the price of the securities, the facts of the dispute, the amount of the subject matter, the commencement date of the lawsuit, the parties involved in the proceedings and the date of publication of the annual report shall be disclosed: NA.

(XIII) Other Material Risks and Countermeasures: NA.

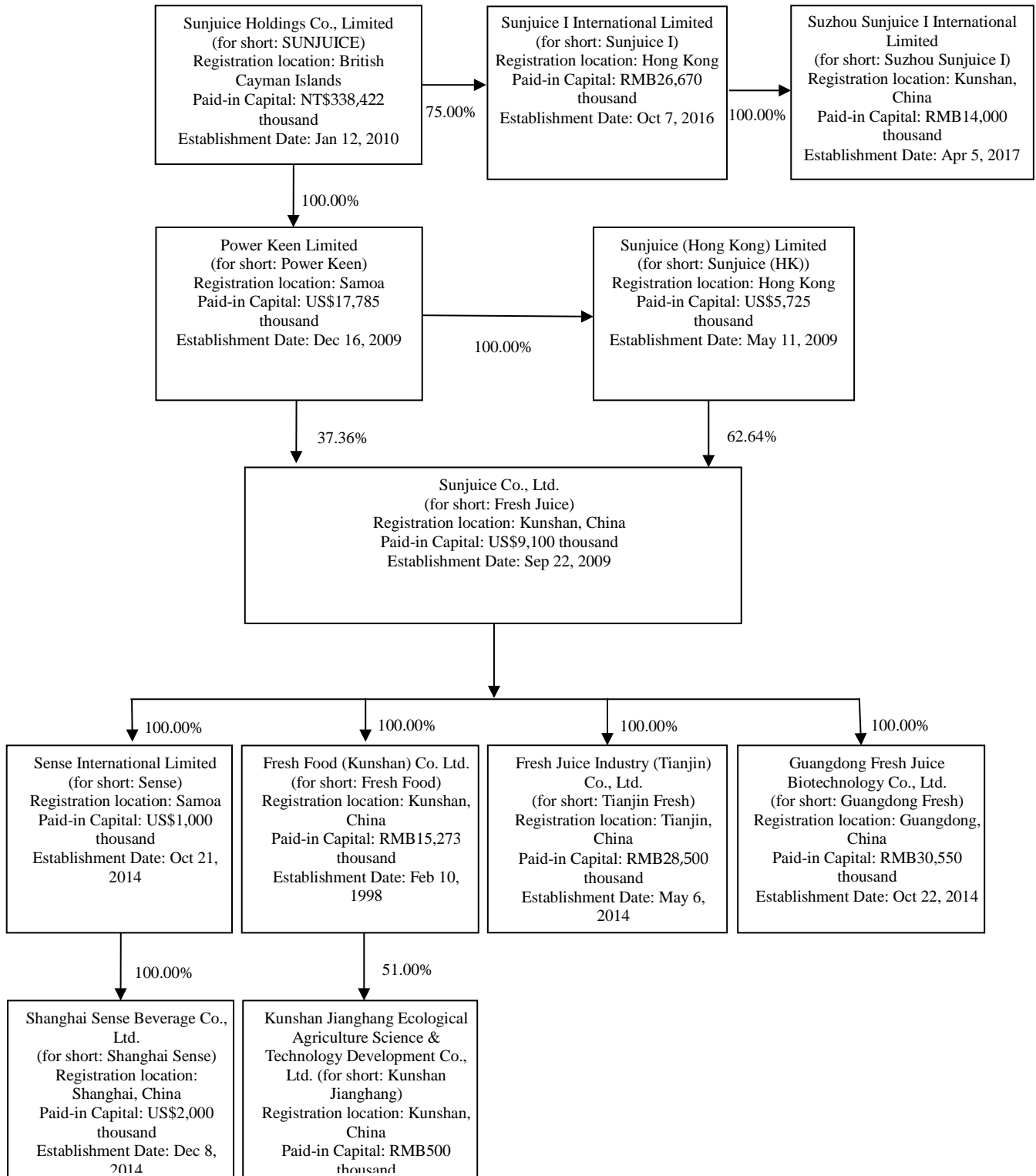
VII. Other Material Matters: NA.

## Eight. Special Items

### I. Related business information

#### (I) Relationship organization chart

As of Dec 31, 2019



## (II) Basic information of each related company

Dec 31, 2019

Company Name	Address	Establishment Date	Paid-in Capital	Main Operation or Production
Power Keen Limited	Offshore Chambers, P.O. Box 217, Apia, Samoa	Dec 16, 2009	US\$17,785 thousand	Holdings Company
Sunjuice (Hong Kong) Limited	Room 2702-03, Integrated Centre, 302-8 Hennessy Road, Wan Chai, Hong Kong	May 11, 2009	US\$5,725 thousand	Holdings Company
Fresh Food (Kunshan) Co. Ltd.	No. 10, Jinjin Road, Zhangpu Town, Kunshan City, Jiangsu Province	Feb 10, 1998	RMB15,273 thousand	Juice drink sales and after-sales service
Sunjuice Co., Ltd.	No. 10, Jinjin Road, Zhangpu Town, Kunshan City, Jiangsu Province	Sep 22, 2009	US\$9,100 thousand	Fruit juice beverage production, research and development, product management, sales and after-sales service
Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd.	Jianghang Village, Zhangpu Town, Kunshan, Suzhou, Jiangsu, China	Dec 14, 2010	RMB500 thousand	Planting and sales of agricultural and sideline products
Fresh Juice Industry (Tianjin) Co., Ltd.	No. 99, Songshan Road, Hangu modern industrial zone, Tianjin Development Zone	May 6, 2014	RMB28,500 thousand	Fruit juice beverage production, research and development, product management, sales and after-sales service
Guangdong Fresh Juice Biotechnology Co., Ltd.	No. 1 East Keji Street, Zhaoqing High-tech Zone, Guangdong Province	Oct 22, 2014	RMB30,550 thousand	Fruit juice beverage production, research and development, product management, sales and after-sales service
Sense International Limited	Offshore Chambers, P.O. Box 217, Apia, Samoa.	Oct 21, 2014	US\$1,000 thousand	Holdings Company
Shanghai Sense Beverage Co., Ltd.	Lane 4666, Gonghe New Road, Zhabei District, Shanghai	Dec 8, 2014	US\$1,000 thousand	Sales of beverages, prepackaged foods and current products
Sunjuice I International Limited	Room 2702-03, Integrated Centre, 302-8 Hennessy Road, Wan Chai, Hong Kong	Oct 7, 2016	RMB26,670 thousand	Holdings Company

Company Name	Address	Establishment Date	Paid-in Capital	Main Operation or Production
Suzhou Sunjuice I International Limited	No. 10, Jinjin Road, Zhangpu Town, Kunshan City, Jiangsu Province	Apr 5, 2017	RMB14,000 thousand	Primary processing and sales of edible agricultural products

(III) Presumed to be the same shareholder information for those with control and affiliation: NA.

(IV) The overall relationship between the business covered by the business

The business of the Company and its related companies includes: operation of juice beverage production, research and development, quality control, sales and after-sales service.

(V) Information on directors, supervisors and general managers of various related companies

Dec 31, 2019; unit: thousand shares

Company Name	Title	Names or Representatives	Number of Shares	
			Shares (share)	Shareholding Ratio
Power Keen Limited	Director	HUANG,KUO-HUANG	-	-
Sunjuice (Hong Kong) Limited	Director	HUANG,KUO-HUANG	-	-
Fresh Food (Kunshan) Co. Ltd.	Executive Director	HUANG,KUO-HUANG	-	-
	President	HUANG,KUO-HUANG	-	-
	Supervisor	LIN LIXUE	-	-
Sunjuice Co., Ltd.	Executive Director	HUANG,KUO-HUANG	-	-
	President	HUANG,KUO-HUANG	-	-
	Supervisor	LIN,LI-LING	-	-
Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd.	Executive Director	WU,MING-HSIEN	-	-
	President	WU,MING-HSIEN	-	-
	Supervisor	CHEN,DONG-XING	-	-
Fresh Juice Industry (Tianjin) Co., Ltd.	Executive Director	HUANG,KUO-HUANG	-	-
	President	WU,MING-HSIEN	-	-
	Supervisor	HUANG,HSUN-YI	-	-
Guangdong Fresh Juice	Executive Director	HUANG,KUO-HUANG	-	-

Company Name	Title	Names or Representatives	Number of Shares	
			Shares (share)	Shareholding Ratio
Biotechnology Co., Ltd.	President	HUANG,HSUN-YI	-	-
	Supervisor	WU,MING-HSIEN	-	-
Sense International Limited	Director	HUANG,KUO-HUANG	-	-
Shanghai Sense Beverage Co., Ltd.	Executive Director	HUANG,KUO-HUANG	-	-
	President	LU,HUA	-	-
	Supervisor	SUN,LING	-	-
Sunjuice I International Limited	Directors	HUANG,KUO-HUANG	-	-
	Director	LIN,LI-LING	-	-
	Director	WU,MING-HSIEN	-	-
	Director	HUANG,HSUN-YI	-	-
	Director	Minamikawa Tsutomu	-	-
Suzhou Sunjuice I International Limited	Executive Director	WU,MING-HSIEN	-	-
	Director	HUANG,KUO-HUANG	-	-
	Director	LIN,LI-LING	-	-
	Director	HUANG,HSUN-YI	-	-
	President	WU,MING-HSIEN	-	-
	Supervisor	WANG,CHIA-HAN	-	-

(VI) Overview of the operations of various related companies

1. Overview of the operations of various related companies:

Dec31, 2019; unit: thousand (NTD)

Business Reinvestment	Paid-in Capital(Not e 1)	Total Assets	Total Liabilities	Net Worth	Operation Income	Operating (Loss) Income	(Loss) Income after Taxes	Earnings per Share
Power Keen Limited	534,129	2,281,704	62,278	2,219,426	-	-	590,836	33.22
Sunjuice (Hong Kong) Limited	171,936	1,343,853	78,753	1,265,100	-	(42)	372,994	24.38
Fresh Food (Kunshan) Co. Ltd.	65,750	118,966	101	118,865	-	(521)	4,114	Note 2
Sunjuice Co., Ltd.	273,300	2,893,753	749,557	2,144,196	2,545,240	642,477	625,254	Note 2
Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd.	2,153	16,303	5,737	10,566	13,505	2,038	1,809	Note 2
Fresh Juice Industry (Tianjin) Co., Ltd.	122,693	470,616	74,678	395,938	409,207	65,492	56,946	Note 2
Guangdong Fresh Juice Biotechnology Co., Ltd.	131,518	592,153	105,389	486,764	580,310	93,605	81,557	Note 2
Sense International Limited	30,033	206	75,671	(75,465)	-	-	(26,734)	(26.73)
Shanghai Sense Beverage Co., Ltd.	60,066	87,441	132,247	(44,806)	106,012	(23,799)	(26,597)	Note 2
Sunjuice I International Limited	114,814	105,231	-	105,231	-	(2,239)	(5,341)	(0.27)
Suzhou Sunjuice I International Limited	60,270	55,224	541	54,683	422	(4,723)	(3,897)	Note 2

Note 1: The conversion of the New Taiwan Dollar is based on the 4.305 exchange rate of the Chinese Yuan Renminbi on December 31, 2019; the US dollar to the spot exchange rate of the New Taiwan Dollar 30.033.

Note 2: The company is not issued shares, so there are no shares.

2. Relational Business Consolidation Report: See page 154.

3. Relationship Enterprise Report: Not applicable.

II. The most recent year and the end of the annual report, the date of printing, private equity securities processing: NA.

III. In the most recent year and the end of the annual report, the company holds or disposes of the Company's stock: NA.

IV. Other necessary supplementary notes: NA.

V. Explanation of significant differences with China's shareholders' rights protection provisions

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
<p>The following resolutions relating to the material interests of shareholders shall be attended by more than two-thirds of the total number of shareholders who have issued shares, and more than half of them shall agree to the voting rights of the shareholders. If the total number of shares of the attending shareholders is less than the above-mentioned quota, it is possible to represent the attendance of more than half of the total number of shareholders who have issued shares and to attend more than two-thirds of the voting rights of the shareholders:</p> <p>(1) The company concludes, alters or</p>	<p>(1) The definition of “special resolution” and “special resolution (Taiwan)” in Article 1 of the Articles of Association:</p> <p>“Special Resolutions” means the resolutions agreed by the shareholders of the Company to exercise the voting rights of more than two-thirds of the voting rights of the shareholders in accordance with the provisions of the Company Law. The shareholder may exercise voting rights on his or her own behalf by making a voting right or entrusting a fully authorized agent (if the agent is allowed to do so, the special resolution of the special resolution shall be stated in the notice convened by the shareholders' meeting).</p> <p>“Special Resolutions (Taiwan)” means (A) a shareholder meeting attended by shareholders who represent more than two-thirds of the total number of issued shares, attending more than one-half</p>	<p>(1) The definition of “special resolution” in the Articles of Association of the Company is mainly in accordance with the relevant provisions of the “Special Resolution” of the Cayman Company Law.</p> <p>(2) The definition of “special resolution” is regulated in section 60 of the Cayman Companies Act. According to the opinion of Cayman's lawyers, the Cayman Company Law stipulates that matters to be passed by special resolutions (ie “special resolutions” of the Articles of Association of the Company) include: a. Change the company name; b. Amend the company charter and the memorandum of association; c. merge the company; d. dissolve the company; and e. reduce capital. If the above matters are passed below the special resolution, the Cayman law will be considered invalid.</p>	<p>(1) Regarding the matters adopted by the “Special Resolutions” in the Articles of Association of the Company, in the Checklist for Protection of Shareholders' Rights and Interests, the items passed by the “Special Resolutions” are adopted. To punish the resolution thresholds of the two, the threshold of the “special resolution” is not lower than the special resolution under the company law of China, so there should be no significant adverse impact on shareholders' equity.</p> <p>(2) In respect of Article 55A (a) of the Articles of Association, “With regard to the dissolution and</p>

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
<p>terminates the contract for the lease of all business, entrusted operations or co-operation with others, the transfer of all or a major part of the business or property, the transfer of all business or property of others, which has a significant impact on the company's operations.</p> <p>(2) Amendment of the articles.</p> <p>(3) If the change of the articles of association has the right to damage the special shareholders, the resolution of the special shareholder meeting is required.</p> <p>(4) All or one of the dividends and dividends distributed by way of new shares.</p> <p>(5) Resolution of dissolution, merger or division.</p> <p>(6) Issue restrictions on employee rights new stocks.</p>	<p>of the voting rights of the shareholders and in person or through their agents (if The shareholders' meeting will allow the use of the resolution of the agent to exercise the voting rights; or (B) the shareholders who have not represented more than two-thirds of the total number of issued shares, but have more than one-half of the total number of issued shares. When a shareholder attends, the resolution of the voting rights is approved by more than two-thirds of the voting rights of the attending shareholders and in person or through his agent (if the shareholders' meeting allows the use of the agent);</p> <p>(2) Resolutions</p> <p>A. Article 55 of Incorporation: The Company shall handle the following matters in accordance with the special resolution of the shareholders' meeting:</p> <p>(a) The merger of the Company shall be handled in accordance with any applicable listing rules and the Cayman Company Law;</p> <p>(b) Revise the Articles of Association and the Memorandum of Association;</p> <p>(c) Change the name of the</p>	<p>Therefore, the company's articles of association will be retained by the special resolution of the Cayman Company Law (the “Special Resolution” of the Articles of Association of the Company), rather than the requirements of the Checklist for Protection of Shareholders' Rights and Interests, and passed the special resolution of the Company Law of China.</p> <p>Also, if the company is involved in the merger, the merger, the generalization of the transfer, the conversion or division of the shares, and the termination of the listing, and the surviving, transferee, existing or newly established company is a non-listed (cabinet) company, the total number of issued shares of the company shall be More than two-thirds of the shareholders agree. It is updated in accordance with the relevant provisions of the M&amp;A Law, and is identical to the requirements of the Checklist for the Protection of Shareholders' Rights and Interests. There is no difference and it is</p>	<p>liquidation procedures of the Company, the Company shall pass: an ordinary resolution, the resolution of the Company's debts due to the inability to settle the debts, and the resolution of the voluntary dissolution of the liquidation”, such as the company's debt maturity. In the event of insolvency, the company shall handle the debt through the bankruptcy procedure. According to Article 315, Paragraph 1 of the Company Law, the bankruptcy is the cause of the dissolution of the company, and there is no need to pass the resolution of the shareholders' meeting. There should be no significant adverse effects.</p>



Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
	<p>company; and</p> <p>(d) Reduce capital and capital redemption reserves.</p> <p>B. Article 54 of Incorporation: The company shall handle the following matters with a special resolution of the shareholders' meeting (Taiwan):</p> <p>(a) Conclude, change or terminate a contract for the lease of all business, entrusted operations or co-operation with others;</p> <p>(b) Except as provided in Article 54-2, grants all or a substantial portion of the business or property;</p> <p>(c) Transferring all business or property of others, which has a significant impact on the operation of the company;</p> <p>(d) In addition to the provisions of Article 54-2, handle the division of the company;</p> <p>(e) Private placement of securities;</p> <p>(f) Distribute some or all dividends or bonuses by issuing new shares;</p> <p>(g) Responsibility for dismissal of directors' competition; or</p> <p>(h) Issue new shares that limit employee rights.</p> <p>The Company shall be</p>	<p>described here.</p> <p>(3) With regard to the dissolution of the liquidation part, according to the Cayman Company Law, if the company's debts are due to be insolvent and the resolution is voluntarily dissolved, the company shall understand the procedures for the liquidation and clearing in accordance with the ordinary resolution of the shareholders' meeting; if it is voluntarily dissolved due to the inability to pay off, Take the special resolution of the shareholders' meeting. Since this is a mandatory requirement of the Cayman Company Law, Section 55A of the Articles of Association of the Company is based on the above provisions.</p>	

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
	<p>eliminated after the merger, the generalization of the transfer, the conversion or division of the shares, and the termination of the listing, and the surviving, transferee, existing or newly established company is a non-listed (cabinet) company, the total number of issued shares of the company shall be three points. The second or more shareholders agree to do so.</p> <p>C. Article 55A of Incorporation: Regarding the company's dissolution and liquidation procedures, the company should pass:</p> <p>(a) Ordinary resolution, when the company's debt is due to be insolvent and the resolution is voluntarily dissolved and liquidated; or</p> <p>(b) Special resolution, if the Company decides to voluntarily dissolve the liquidation for reasons other than the provisions of Article 55A(a).</p>		
When the company convene a shareholder meeting, it may adopt its written or electronic voting rights; however, if the company convene a	(1) Pursuant to Article 63 of Incorporation: Shareholders who exercise their voting rights by way of written or electronic transmission shall be deemed to have appointed the chairman of the shareholders' meeting as their	(1) According to Cayman's lawyers, there are two ways to vote for Cayman's shareholders. According to the Cayman Company Law, there are two ways. One is for the shareholders to vote in person, and the other is	(1) According to the current charter of the company, the shareholders can still exercise their voting rights in writing or electronically. However, those who

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
<p>shareholder meeting outside the Republic of China, it shall provide shareholders with the right to vote in writing or electronically. When exercising its voting rights in writing or electronically, its method of exercise shall be stated in the notice convened by the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to be present in person at the shareholders' meeting. However, the provisional motion of the shareholders meeting and the amendment of the original motion are deemed to be waived. After the shareholders exercise their voting rights in writing or electronically, they wish to attend the shareholders' meeting in person, and the day before the meeting of the shareholders'</p>	<p>agent, in accordance with the instructions in the written or electronic file, at the shareholders' meeting. Exercise the right to vote. (2) Pursuant to Article 65 of Incorporation: After the shareholder has exercised the voting right in writing or by electronic means, if he wishes to attend the shareholders' meeting in person, the shareholder shall, in the second day before the shareholders' meeting, serve another meaning in writing or electronically to revoke the previous exercise of voting rights.</p>	<p>to entrust others to vote with the power of attorney to exercise the right to vote. Therefore, in order to enable the exercise of voting rights by way of written or electronic transmission, which is also in accordance with the provisions of the Cayman Act, Cayman's lawyers recommend that such voting be regarded as a power of attorney in the form of a power of attorney, which would be "written or electronic". Shareholders who exercise their voting rights in a manner that is deemed to be in person at the shareholders' meeting and are deemed to have exercised their voting rights by way of writing or electronic transmission shall be deemed to have appointed the chairman of the shareholders' meeting as their agent, as stated in the written or electronic file. Instructed to exercise voting rights at the shareholders meeting. " (2) In accordance with the provisions of Paragraph 2 of Article 177-2 of the Company Law of the People's Republic of China, which was amended on</p>	<p>exercise their voting rights in this way are deemed to have appointed the chairman of the shareholders' meeting as their agent, in accordance with the instructions in the written or electronic file. The voting rights are exercised at the shareholders' meeting, and are not considered to be attended in person. This shall have no material adverse effect on shareholders' equity. (2) Article 65 of Incorporation of the Company is based on the amendment to Paragraph 2 of Article 177-2 of the Company Law of the People's Republic of China on June 29, 2011, and therefore shall have no material adverse impact on shareholders' equity.</p>

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
meeting, the meaning of the exercise of voting rights in the preceding paragraph shall be revoked in the same manner as the voting rights; the overdue revocation shall be in writing or The voting rights exercised electronically shall prevail.		June 29, 2011, “After the shareholders exercise their voting rights in writing or electronically, they wish to attend the shareholders' meeting in person, two days before the shareholders meeting, The intention to revoke the exercise of voting rights in the preceding paragraph in the same manner as the exercise of voting rights; the overdue revocation shall be subject to the voting rights exercised in writing or electronically.” Therefore, Article 65 of the Articles of Incorporation is based on the above provisions.	
Provisions concerning the establishment of the audit committee and the matters to be resolved	The Company expected amendments to articles of incorporation to be approved by the shareholders’ meeting 2020 and has established the audit committee, and has defined rules for related duties and execution of the audit committee.	The Cayman Company Law does not have the concept of an audit committee, nor does it mandate that Cayman should set up an audit committee.	The Company expected amendments to articles of incorporation to be approved by the board meeting 2020 and has established the audit committee, and has defined rules for related duties and execution of the audit committee. This has no adverse effects to the shareholders’ rights.
The “Shareholders'	Pursuant to Article 70 of	This difference is mainly	According to the

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
Rights Protection Matters Checklist” stipulates that the principal agent is mainly based on Articles 5, 6, and 6-1, Article 7, and Article 8 of the Rules for the Use of Power of Attorneys by Public Offering Companies. Article 4, Article 10, Article 11, Article 12, etc., stipulate that the principal agent shall attend the relevant specifications of the shareholders' meeting.	Incorporation, whether or not it is expressly stated in the Articles of Association, all the power of attorney and/or solicitor of the shares of the company shall be solicited during the trading of the shares in the Xing counter market, the counter buying center or the stock exchange. Matters relating to the power of attorney should be handled in accordance with the applicable listing rules.	due to the general provisions in the Articles of Association that apply to China's “Public Issuance Companies' Use of Power of Attorney Rules”, rather than one by one.	description of the 26th question in the Q&A of the first issue of the stock issuer on March 9, 2011, the foreign issuer may allow the foreign issuer to apply the “public offering company” in the articles of association. The general terms of attending the shareholders' meeting using the power of attorney rules. The “Checklist for Protection of Shareholders' Rights and Interests” stipulates that the issuing company and its shareholders are required to comply with the requirements of the “Public Issuance Company's Use of the Power of Attorney Rules at the Shareholders' Meeting”; and Article 70 of the Articles of Association It is stipulated that the use and solicitation of the power of

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
			attorney should be in accordance with the applicable listing rules and the application of the “Public Issuance Company to the Use of the Power of Attorney Rules”. Therefore, there should be no impact on the protection of shareholders' equity in this part.
<p>1. The company shall not reduce its capital according to the resolution of the shareholders' meeting, and shall not sell its shares; the reduction of capital shall be reduced according to the proportion of shares held by the shareholders.</p> <p>2. The company reduces the capital and can return the shares of the property other than cash; the amount of the property and the amount of the refund shall be subject to the resolution of the shareholders' meeting and the</p>	<p>1. Subject to the provisions of Article 30 and without violating the Cayman Company Law, the Company has been able to buy back its own shares in proportion to the shares held by the shareholders of the Company's capital in accordance with the ordinary resolution of the shareholders' meeting, and to sell off the purchased shares. The consideration paid by the Company to its shareholders for the purchase of its shares by its capital is paid in cash or in kind (non-cash). The property paid and the amount of the repayment shall be approved by the ordinary resolution of the shareholders' meeting and the consent of the shareholders of the property shall be</p>	<p>According to Article 14 of the Cayman Company Law, the company's capital reduction can only be made before it is approved by the Cayman Court. Without the approval of the Cayman Court, the company had to take the practice of buying back the company's shares and selling it to achieve the effect of capital reduction.</p>	<p>In order to comply with the Cayman Company Law, the Company has convened the Article 32A of Association of the Shareholders' Meeting on May 4, 2012, and adopted the practice of buying back the shares of the Company and selling it to achieve the effect of reducing capital, and at the same time, according to the inspection items. The content shall determine the type of the refunded share and the manner in which the valuation and the offset are checked, so</p>

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
consent of the shareholders of the property. 3. The value of the property of the preceding paragraph and the amount of the offset shall be sent by the board of directors to the ROC to check the visa before the shareholders' meeting.	obtained. 2. The value of the property of the preceding paragraph and the amount of the offset shall be sent by the board of directors to the ROC to check the visa before the shareholders' meeting.		there shall be no impact on the protection of shareholders' equity.

VI. In the most recent year and up to the date of publication of the annual report, if there is any event that has a significant impact on shareholders' equity or securities price as stipulated in the second paragraph of Article 36, paragraph 3 of the Securities Exchange Law: NA.

**Sunjuice Holdings Co., Limited and  
Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2019 and 2018 and  
Independent Auditors' Report**



### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Sunjuice Holdings Co., Limited

#### Opinion

We have audited the accompanying consolidated financial statements of Sunjuice Holdings Co., Limited and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

#### Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2018 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2019 is stated as follows:

#### Revenue Recognition

In consideration of the materiality, auditing standard and recognition of sales revenue, which is considered as significant risk, the transactions of those main products have been identified as a key audit matter. Refer Note 4(k) for related accounting policies.

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

1. We understood and tested the design and operating effectiveness of the key controls.
2. We obtained information about sales revenue derived from main products, and sampled the ordering form and delivery note to test the occurrence of the revenue recognition.
3. We obtained the operating license and customer's declaration for the transactions involving contrasting payers that were stated in the order forms.

#### **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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 supervisors of the Group) are responsible for overseeing the Group's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Chung Hsieh and I-Chen Lu.

Ming-Chung Hsieh      I-Chen Lu  
Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 30, 2020

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019		2018	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 305,885	10	\$ 511,020	20
Financial assets at fair value through profit or loss - current (Notes 7 and 27)	547,165	17	192,296	7
Financial assets at amortized cost - current (Note 8)	-	-	31,468	1
Notes receivable (Note 9)	5,778	-	5,992	-
Trade receivables (Notes 9 and 20)	279,641	9	192,001	7
Other receivables	5,097	-	4,192	-
Inventories (Note 10)	210,199	7	250,439	10
Prepayments (Notes 14 and 15)	48,368	2	64,185	3
Other financial assets (Notes 15 and 29)	4	-	29,344	1
Other current assets (Note 15)	781	-	599	-
Total current assets	<u>1,402,918</u>	<u>45</u>	<u>1,281,536</u>	<u>49</u>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment (Note 12)	1,520,083	48	1,047,894	40
Right-of-use assets (Note 13)	129,887	4	-	-
Intangible assets	21,778	1	24,227	1
Deferred income tax assets (Note 22)	21,700	1	15,740	1
Prepayments of equipment (Note 15)	43,263	1	100,661	4
Refundable deposits (Note 15)	7,026	-	10,532	-
Prepayments for leases - non-current (Note 14)	-	-	127,326	5
Total non-current assets	<u>1,743,737</u>	<u>55</u>	<u>1,326,380</u>	<u>51</u>
<b>TOTAL</b>	<u>\$ 3,146,655</u>	<u>100</u>	<u>\$ 2,607,916</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 286,048	9	\$ 232,314	9
Contract liabilities - current (Note 20)	20,952	1	14,211	1
Trade payables (Notes 17 and 28)	187,979	6	143,173	5
Other payables (Note 18)	379,068	12	256,283	10
Current tax liabilities	37,658	1	20,466	1
Financial lease payables - current (Note 13)	1,748	-	-	-
Current portion of long-term borrowings (Notes 16 and 29)	-	-	6,306	-
Other current liabilities	891	-	404	-
Total current liabilities	<u>914,344</u>	<u>29</u>	<u>673,157</u>	<u>26</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred income tax liabilities (Note 22)	125,640	4	106,560	4
Financial lease payables - non-current (Note 13)	5,793	-	-	-
Deferred revenue - non-current (Notes 18 and 24)	13,293	1	14,113	1
Guarantee deposits received (Note 18)	29,216	1	34,779	1
Total non-current liabilities	<u>173,942</u>	<u>6</u>	<u>155,452</u>	<u>6</u>
Total liabilities	<u>1,088,286</u>	<u>35</u>	<u>828,609</u>	<u>32</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)</b>				
Capital				
Share capital	338,422	11	307,656	12
Capital surplus				
Additional paid-in capital	425,602	13	425,602	16
Retained earnings				
Reserve	186,813	6	142,650	6
Special reserve	68,828	2	36,041	1
Unappropriated earnings	1,152,324	37	902,645	35
Total retained earnings	<u>1,407,965</u>	<u>45</u>	<u>1,081,336</u>	<u>42</u>
Other equity				
Exchange differences arising on translation of foreign operations	(145,105)	(5)	(68,828)	(3)
Total equity attributable to owners of the Company	2,026,884	64	1,745,766	67
<b>NON-CONTROLLING INTERESTS</b>	<u>31,485</u>	<u>1</u>	<u>33,541</u>	<u>1</u>
Total equity	<u>2,058,369</u>	<u>65</u>	<u>1,779,307</u>	<u>68</u>
<b>TOTAL</b>	<u>\$ 3,146,655</u>	<u>100</u>	<u>\$ 2,607,916</u>	<u>100</u>

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

# SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 33)				
Sales	\$ 3,550,278	101	\$ 3,250,442	101
Sales returns	(24,975)	(1)	(21,043)	(1)
Sales allowance	(4,424)	-	(8,160)	-
Total operating revenues	3,520,879	100	3,221,239	100
OPERATING COSTS (Notes 10, 21 and 28)	(2,164,020)	(62)	(2,077,143)	(64)
GROSS PROFIT	1,356,859	38	1,144,096	36
OPERATING EXPENSES (Note 21)				
Selling and marketing expenses	(202,347)	(6)	(184,022)	(6)
General and administrative expenses	(287,339)	(8)	(268,540)	(8)
Research and development expenses	(114,022)	(3)	(87,150)	(3)
Total operating expenses	(603,708)	(17)	(539,712)	(17)
PROFIT FROM OPERATIONS	753,151	21	604,384	19
NON-OPERATING INCOME AND EXPENSES (Note 21)				
Other income	37,836	1	44,451	1
Other gains and losses	(15,189)	(1)	(14,350)	-
Finance costs	(11,571)	-	(9,440)	-
Total non-operating income and expenses	11,076	-	20,661	1
PROFIT BEFORE INCOME TAX	764,227	21	625,045	20
INCOME TAX EXPENSE (Note 22)	(216,511)	(6)	(183,310)	(6)
NET PROFIT FOR THE YEAR	547,716	15	441,735	14
OTHER COMPREHENSIVE INCOME(LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	(77,907)	(2)	(33,851)	(1)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	\$ 469,809	13	\$ 407,884	13

(Continued)

# SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 548,142	16	\$ 441,633	14
Non-controlling interests	<u>(426)</u>	<u>-</u>	<u>102</u>	<u>-</u>
	<u>\$ 547,716</u>	<u>16</u>	<u>\$ 441,735</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 471,865	13	\$ 408,846	13
Non-controlling interests	<u>(2,056)</u>	<u>-</u>	<u>(962)</u>	<u>-</u>
	<u>\$ 469,809</u>	<u>13</u>	<u>\$ 407,884</u>	<u>13</u>
EARNINGS PER SHARE (Note 23)				
From continuing and discontinued operations				
Basic	<u>\$ 16.20</u>		<u>\$ 13.05</u>	
Diluted	<u>\$ 16.17</u>		<u>\$ 13.02</u>	

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

(Concluded)

# SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	Equity Attributable to the Owners of the Company							Other Equity	
	Capital Stock - Common Stock		Retained Earnings			Unappropriated Earnings		Exchange Differences on Translating Foreign Operations	Non-controlling Interests
	Shares (In Thousands)	Amount	Capital Surplus	Reserve	Special Reserve	Reserve	Earnings		
BALANCE AT JANUARY 1, 2018	30,766	\$ 307,656	\$ 425,602	\$ 113,976	\$ 31,646	\$ 647,909	\$ (36,041)	\$ 1,490,748	\$ 34,503
Appropriation of 2017 earnings Reserve	-	-	-	28,674	-	(28,674)	-	-	-
Special Reserve	-	-	-	-	4,395	(4,395)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(153,828)	-	(153,828)	-
Net profit for the year ended December 31, 2018	-	-	-	-	-	441,633	-	441,633	102
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	(32,787)	(32,787)	(1,064)
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	-	441,633	(32,787)	408,846	(962)
BALANCE AT DECEMBER 31, 2018	30,766	307,656	425,602	142,650	36,041	902,645	(68,828)	1,745,766	33,541
Appropriation of 2018 earnings Reserve	-	-	-	44,163	-	(44,163)	-	-	-
Special Reserve	-	-	-	-	32,787	(32,787)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(190,747)	-	(190,747)	-
Stock dividends distributed by the Company	3,076	30,766	-	-	-	(30,766)	-	-	-
Net profit for the year ended December 31, 2019	-	-	-	-	-	548,142	-	548,142	(426)
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	(76,277)	(76,277)	(1,630)
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	-	548,142	(76,277)	471,865	(2,056)
BALANCE AT DECEMBER 31, 2019	33,842	\$ 338,422	\$ 425,602	\$ 186,813	\$ 68,828	\$ 1,152,324	\$ (145,105)	\$ 2,026,884	\$ 31,485

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



# SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 764,227	\$ 625,045
Adjustments for:		
Depreciation expenses	89,684	84,365
Amortization expenses	3,794	4,009
Expected credit loss (reversed gain) recognized on trade receivables	(4,264)	5,797
Finance costs	11,571	9,440
Interest income	(16,272)	(13,071)
Gain on disposal of property, plant and equipment	3,624	(816)
Write-downs of inventories	2,872	2,538
Amortization of prepayments for leases	-	2,919
Government grants	(307)	(313)
Changes in operating assets and liabilities		
Notes receivable	214	(3,709)
Trade receivables	(83,362)	(54,339)
Other receivables	(98)	344
Inventories	37,925	(30,143)
Prepayments	15,817	9,966
Other current assets	(182)	(312)
Trade payables	6,741	(2,169)
Other payables	44,806	11,440
Contract liabilities	40,504	15,927
Other current liabilities	487	392
Cash generated from operations	917,781	667,310
Interest paid	(10,199)	(8,589)
Income taxes paid	(186,199)	(130,793)
Net cash generated from operating activities	<u>721,383</u>	<u>527,928</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Financial assets at amortized cost	-	(77,852)
Financial instruments at fair value through profit or loss	(2,181,989)	(516,375)
Property, plant and equipment	(274,775)	(349,622)
Intangible assets	(2,181)	(1,025)
Proceeds from disposal or redemption of:		
Financial instruments at fair value through profit or loss	1,909,122	319,878
Financial assets at amortized cost	31,527	45,697
Debt investments with no active market	-	11,542
Property, plant and equipment	2,475	2,082
Increase in prepayments for equipment	(211,879)	(242,903)
Increase in other financial assets	(5,706)	(42,937)
Decrease in other financial assets	35,102	26,625
Interest received	15,465	12,561

(Continued)

# SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
Refundable deposit paid	\$ (2,139)	\$ (1,619)
Refundable deposit refunded	<u>5,437</u>	<u>11,938</u>
Net cash used in investing activities	<u>(679,541)</u>	<u>(802,010)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	448,403	238,446
Repayments of short-term borrowings	(383,449)	(238,923)
Repayments of long-term borrowings	(6,318)	(24,869)
Proceeds from guarantee deposits received	3,402	9,595
Returns of guarantee deposits received	(7,920)	(12,534)
Repayment of the principal portion of lease liabilities	(1,973)	-
Dividends paid to owners of the Company	<u>(190,747)</u>	<u>(153,828)</u>
Net cash (used in) generated from financing activities	<u>(138,602)</u>	<u>(182,113)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(108,375)</u>	<u>(8,657)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(205,135)</b>	<b>(464,852)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>511,020</b></u>	<u><b>975,872</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 305,885</b></u>	<u><b>\$ 511,020</b></u>

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

(Concluded)

# SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Sunjuice Holdings Co., Limited (the “Company”) was incorporated in the Cayman Islands in January 2010.

The Company and its subsidiaries (collectively, the “Group”) mainly engage in the production and wholesale of juice.

The Company’s shares were listed on the Taipei Exchange (“TPEX”) since September 5, 2012 and have been listed on the mainboard of the Taiwan Stock Exchange (“TWSE”) since March 17, 2016.

The functional currency of the Company is renminbi. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in the New Taiwan dollars since the Company’s shares are listed on the TWSE.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 30, 2020.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

- IFRS 16 “Leases”

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

#### Definition of a lease

The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

### The Group as lessee

The Group recognizes right-of-use assets or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts were recognized as expenses on a straight-line basis. Prepaid lease payments for land use rights in China were recognized as prepayments for leases. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

The Group also applies the following practical expedients:

- a) The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
- b) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 4.35%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	\$ 20,875
Less: Recognition exemption for short-term leases	<u>(11,161)</u>
Undiscounted amounts on January 1, 2019	<u>\$ 9,714</u>
Discounted amounts using the incremental borrowing rate on January 1, 2019	<u>\$ 8,563</u>
Lease liabilities recognized on January 1, 2019	<u>\$ 8,563</u>

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Prepayments for leases - current	\$ 9,693	\$ (2,863)	\$ 6,830
Prepayments for leases - non-current	127,326	(127,326)	-
Right-of-use assets	<u>-</u>	<u>138,752</u>	<u>138,752</u>
Total effect on assets	<u>\$ 137,019</u>	<u>\$ 8,563</u>	<u>\$ 145,582</u>

(Continued)

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Lease liabilities - current	\$ -	\$ 1,587	\$ 1,587
Lease liabilities - non-current	-	6,976	6,976
Total effect on liabilities	<u>\$ -</u>	<u>\$ 8,563</u>	<u>\$ 8,563</u> (Concluded)

- b. The IFRSs endorsed by FSC for application starting from 2020

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

Note 1: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

- Amendments to IAS 1 and IAS 8 "Definition of material"

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRSs. The concept of "obscuring" material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from "could influence" to "could reasonably be expected to influence".

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effect

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail.

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 11, Tables 9 and 10 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual group entity in the Group, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and the group entities in the Group (including subsidiaries, associates, joint ventures and branches in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate). The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the group entities in the Group into the presentation currency, are not subsequently reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Property, plant and equipment

Property, plant and equipment (including assets held under finance leases and bearer plants) are measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.



i. Impairment of tangible and intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when an entity in the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, trade receivables, other receivables, other financial assets and refundable deposit, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes receivable, trade receivables, other receivables, other financial assets and refundable deposit), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets.

The Group always recognizes lifetime expected credit loss (i.e., ECL) for trade receivables and lease receivables. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by an entity in the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by an entity in the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial assets

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of juice products.

As the juice products is sold, the customer has the right to use the goods and bear the risk of loss or damage to the goods. The Group recognizes the revenue and trade receivables at that time.

## I. Leases

### 2019

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

#### The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

### 2018

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

Finance expenses implicit in lease payments for each period are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets; in which case, they are capitalized.

Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

m. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

n. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand	\$ 734	\$ 507
Demand deposits	270,888	355,408
Cash equivalent		
Time deposits with original maturities of less than three months	<u>34,263</u>	<u>155,105</u>
	<u>\$ 305,885</u>	<u>\$ 511,020</u>

The market rate intervals of cash in bank at the end of the reporting period were as follows:

	December 31	
	2019	2018
Bank deposits	0.001%-1.340%	0.001%-2.030%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2019	2018
<u>Financial assets - current</u>		
Financial assets designated as at FVTPL		
Combined financial assets		
Principal protected structured products	\$ 547,165	\$ 192,296

Structured deposits are mainly for the financial product issued by bank in China. The total subscription amount is RMB127,100 thousand and RMB43,000 thousand as of December 31, 2019 and 2018, respectively.

## 8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2018
<u>Current</u>	
Domestic investments	
Time deposits with original maturity of more than 3 months (a)	\$ 9,108
Structured product (b)	22,360
	<u>\$ 31,468</u>

a. As of December 31, 2018, the interest rates of the time deposits with original maturity of more than 3 months were 1.75%-1.9%.

b. As of December 31, 2018, there is no financial assets at amortized cost pledged as collateral.

## 9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2019	2018
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 5,778	\$ 5,992
Less: Allowance for impairment loss	-	-
	<u>\$ 5,778</u>	<u>\$ 5,992</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 281,919	\$ 198,557
Less: Allowance for impairment loss	(2,278)	(6,556)
	<u>\$ 279,641</u>	<u>\$ 192,001</u>

## Notes Receivable

The following table details the loss allowance of notes receivable based on the Group's provision matrix.

### December 31, 2019

	1 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 365 Days	Over 366 Days	Total
Gross carrying amount	\$ 1,291	\$ 2,958	\$ 1,529	\$ -	\$ -	\$ 5,778
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	<u>\$ 1,291</u>	<u>\$ 2,958</u>	<u>\$ 1,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,778</u>

### December 31, 2018

	1 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 365 Days	Over 366 Days	Total
Gross carrying amount	\$ 1,118	\$ -	\$ 4,874	\$ -	\$ -	\$ 5,992
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	<u>\$ 1,118</u>	<u>\$ -</u>	<u>\$ 4,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,992</u>

## Trade Receivables

The average credit period of sales of goods was 30 days. No interest was charged on trade receivables. The Group considers any change in credit quality from the initial credit date to the balance sheet date.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 365 days past due, whichever occurs earlier. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

### December 31, 2019

	1 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 365 Days	Over 366 Days	Total
Gross carrying amount	\$ 267,582	\$ 10,339	\$ 2,442	\$ 23	\$ 1,533	\$ 281,919
Loss allowance (Lifetime ECL)	(135)	(563)	(101)	(23)	(1,456)	(2,278)
Amortized cost	<u>\$ 267,447</u>	<u>\$ 9,776</u>	<u>\$ 2,341</u>	<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 279,641</u>



December 31, 2018

	1 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 365 Days	Over 366 Days	Total
Gross carrying amount	\$ 181,667	\$ 14,190	\$ 2,263	\$ 2	\$ 435	\$ 198,557
Loss allowance (Lifetime ECL)	<u>-</u>	<u>(3,856)</u>	<u>(2,263)</u>	<u>(2)</u>	<u>(435)</u>	<u>(6,556)</u>
Amortized cost	<u>\$ 181,667</u>	<u>\$ 10,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,001</u>

The Group's expected credit loss rates of the aging less than 365 days is 1% to 100% and over 366 days is 100%.

The movements of the loss allowance of trade receivables were as follows:

	<u>For the Year Ended December 31</u>	
	2019	2018
Balance at January 1	\$ 6,556	\$ 2,386
Add: Recognition	-	5,797
Less: Reverse	(4,264)	-
Less: Amounts written off	-	(1,601)
Foreign exchange gains and losses	<u>(14)</u>	<u>(26)</u>
Balance at December 31	<u>\$ 2,278</u>	<u>\$ 6,556</u>

Due to the execution of the liquidation procedure by the customer, the related trade receivables were written off at \$1,601 thousand, and the allowance for loss was \$1,601 thousand during 2018.

## 10. INVENTORIES

	<u>December 31</u>	
	2019	2018
Finished goods	\$ 77,846	\$ 82,316
Work in process	15,737	14,218
Raw materials and supplies	<u>116,616</u>	<u>153,905</u>
	<u>\$ 210,199</u>	<u>\$ 250,439</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 was \$2,164,020 thousand and \$2,077,143 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 included inventory write-downs of \$2,872 thousand and \$2,538 thousand, respectively.

## 11. SUBSIDIARIES

### a. Subsidiaries included in consolidated financial statements

Investor	Investee	Nature of Activities	Percentage of Ownership (%)		Remark
			December 31		
			2019	2018	
Sunjuice Holdings Co., Limited	Power Keen Limited	Investment	100.00	100.00	1)
	Sunjuice I International Limited	Investment	75.00	75.00	2)
Power Keen Limited	Sunjuice (Hong Kong) Limited	Investment	100.00	100.00	3)
	Sunjuice Co., Ltd.	Manufacturing and sale of fresh juices, mixed vegetable juices, protein drinks, others, etc.	37.36	37.36	4)
Sunjuice (Hong Kong) Limited	Sunjuice Co., Ltd.	Manufacturing and sale of fresh juices, mixed vegetable juices, protein drinks, others, etc.	62.64	62.64	4)
Sunjuice Co., Ltd.	Fresh Juice Industry (Tianjin) Co., Ltd.	Drinks processing	100.00	100.00	5)
	Fresh Food (Kunshan) Co., Ltd.	Sale of concentrated juices, fruit puree, fruit powder, flavored syrups, juice elated and drinks used equipment, etc.	100.00	100.00	6)
	Guangdong Fresh Juice Biological Technology Co., Ltd.	R&D and technical service, sale of drinks, fruit products, fruit extract, fruit enzyme products, etc.	100.00	100.00	7)
	Sense International Limited	Investment	100.00	100.00	8)
Sense International Limited	Shanghai Sense Beverage Company Limited	Drinks, prepackaged food, juice dispenser machine, coffee maker, all-in-one tea maker, wholesale of electronic products, import and export, equipment for rent, etc.	100.00	100.00	9)
Sunjuice I International Limited	Suzhou Sunjuice I International Limited	Primary processing and sale of agricultural products, manufacturing, sale, import and export	100.00	100.00	10)
Fresh Food (Kunshan) Co., Ltd.	Kunshan Jiang Hang Ecological Agriculture Technology Development Co., Ltd.	Cultivating and sale of agricultural products	51.00	51.00	11) and 12)

#### Remarks:

- 1) Power Keen Limited was established at Samoa on December 16, 2009.
- 2) Sunjuice I International Limited was established in Hong Kong in October 7, 2016.
- 3) Sunjuice (Hong Kong) Limited was established in Hong Kong on May 11, 2009.
- 4) Sunjuice Co., Ltd. issued by Jiangsu Provincial People's Government of PRC was established on June 26, 2009 in accordance with the "Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China". Sunjuice acquired the operating license during the same year, and the effective period of the license was 50 years (from September 22, 2009 to September 21, 2059). In December 2018, the Company has been renamed with approval, from Fresh Juice Industry (Kunshan) Co., Ltd. to Sunjuice Co., Ltd.
- 5) Fresh Juice Industry (Tianjin) Co., Ltd. was established with approval on May 6, 2014. Fresh Juice Industry (Tianjin) Co., Ltd. acquired the operating license during the same year, and the effective period of the license was 20 years (from May 6, 2014 to May 5, 2034).
- 6) Fresh Food (Kunshan) Co., Ltd. issued by Jiangsu Provincial People's Government of PRC was established on February 10, 1998 in accordance with the "Certificate of Approval for Establishment of Enterprises with Foreign Investment in the People's Republic of China". During the same year, Fresh Food (Kunshan) Co., Ltd. acquired the operating license, and the effective period was 50 years (from February 10, 1998 to February 9, 2048).
- 7) Guangdong Fresh Juice Biological Technology Co., Ltd. was approved to establish on October 22, 2014. During the same year, Guangdong Fresh Juice Biological Technology Co., Ltd. acquired the permanent operating license.

- 8) Sense International Limited was established at Samoa on October 21, 2014.
- 9) Shanghai Sense Beverage Company Limited was approved to establish on December 8, 2014. During the same year, Shanghai Sense Beverage Company Limited was acquired operating license which effective period was 30 years (from December 8, 2014 to December 7, 2044).
- 10) Suzhou Sunjuice I International Limited was approved to establish on April 5, 2017. During the same year, Suzhou Sunjuice I International Limited acquired the operating license, and the effective period was 50 years (from April 5, 2017 to April 4, 2067).
- 11) Kunshan Jiang Hang Ecological Agriculture Technology Development Co., Ltd. was approved to establish on December 14, 2010. During the same year, Kunshan Jiang Hang Ecological Agriculture Technology Development Co., Ltd. acquired the operating license, and the effective period was 30 years (from December 14, 2010 to December 13, 2040).
- 12) As for non-material subsidiary, the Group's management has come to a decision that there will not be any significant change despite the fact that the above non-material subsidiary's financial statement is not audited.

b. Subsidiaries excluded from the consolidated financial statement: None.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Biological Assets	Construction in Progress	Total
<b>Cost</b>								
Balance at January 1, 2018	\$ 230,740	\$ 197,536	\$ 14,141	\$ 2,632	\$ 269,305	\$ 4,122	\$ 178,799	\$ 897,275
Additions	15,019	55,383	3,040	-	21,083	76	479,750	574,351
Disposal	(2,887)	(1,481)	(782)	-	(13,762)	(151)	-	(19,063)
Reclassified	-	6,252	-	-	7,850	-	(14,102)	-
Effect of foreign currency exchange differences	(4,966)	(5,313)	(338)	(53)	(5,841)	(83)	(13,596)	(30,190)
Balance at December 31, 2018	<u>\$ 237,906</u>	<u>\$ 252,377</u>	<u>\$ 16,061</u>	<u>\$ 2,579</u>	<u>\$ 278,635</u>	<u>\$ 3,964</u>	<u>\$ 630,851</u>	<u>\$ 1,422,373</u>
<b>Accumulated depreciation</b>								
Balance at January 1, 2018	\$ 94,518	\$ 68,560	\$ 8,373	\$ 2,500	\$ 141,193	\$ 457	\$ -	\$ 315,601
Depreciation expense	22,406	21,426	2,979	123	37,273	158	-	84,365
Disposal	(2,887)	(1,106)	(850)	-	(12,954)	-	-	(17,797)
Effect of foreign currency exchange differences	(2,296)	(1,783)	(210)	(53)	(3,336)	(12)	-	(7,690)
Balance at December 31, 2018	<u>\$ 111,741</u>	<u>\$ 87,097</u>	<u>\$ 10,292</u>	<u>\$ 2,570</u>	<u>\$ 162,176</u>	<u>\$ 603</u>	<u>\$ -</u>	<u>\$ 374,479</u>
Carrying amounts at December 31, 2018	<u>\$ 126,165</u>	<u>\$ 165,280</u>	<u>\$ 5,769</u>	<u>\$ 9</u>	<u>\$ 116,459</u>	<u>\$ 3,361</u>	<u>\$ 630,851</u>	<u>\$ 1,047,894</u>
<b>Cost</b>								
Balance at January 1, 2019	\$ 237,906	\$ 252,377	\$ 16,061	\$ 2,579	\$ 278,635	\$ 3,964	\$ 630,851	\$ 1,422,373
Additions	48,832	34,072	3,664	6,377	32,194	31	498,590	623,760
Disposal	-	(10,737)	(71)	(2,547)	(9,375)	(168)	-	(22,898)
Reclassified	480,607	58,229	-	-	40,400	-	(579,236)	-
Effect of foreign currency exchange differences	(29,625)	(12,765)	(741)	(281)	(13,008)	(145)	(20,399)	(76,964)
Balance at December 31, 2019	<u>\$ 737,720</u>	<u>\$ 321,176</u>	<u>\$ 18,913</u>	<u>\$ 6,128</u>	<u>\$ 328,846</u>	<u>\$ 3,682</u>	<u>\$ 529,806</u>	<u>\$ 1,946,271</u>
<b>Accumulated depreciation</b>								
Balance at January 1, 2019	\$ 111,741	\$ 87,097	\$ 10,292	\$ 2,570	\$ 162,176	\$ 603	\$ -	\$ 374,479
Depreciation expense	22,652	23,979	2,857	318	35,315	155	-	85,276
Disposal	-	(6,331)	(21)	(2,547)	(7,900)	-	-	(16,799)
Effect of foreign currency exchange differences	(5,027)	(3,994)	(492)	(42)	(7,185)	(28)	-	(16,768)
Balance at December 31, 2019	<u>\$ 129,366</u>	<u>\$ 100,751</u>	<u>\$ 12,636</u>	<u>\$ 299</u>	<u>\$ 182,406</u>	<u>\$ 730</u>	<u>\$ -</u>	<u>\$ 426,188</u>
Carrying amounts at December 31, 2019	<u>\$ 608,354</u>	<u>\$ 220,425</u>	<u>\$ 6,277</u>	<u>\$ 5,829</u>	<u>\$ 146,440</u>	<u>\$ 2,952</u>	<u>\$ 529,806</u>	<u>\$ 1,520,083</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the asset:

Buildings	
Main buildings	20-30 years
Power system equipment	3-5 years
Machinery and equipment	3-10 years
Transportation equipment	4-10 years
Leasehold improvements	1-5 years
Other equipment	3-10 years
Biological assets	10-28 years

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Land	\$ 127,089
Buildings	<u>2,798</u>
	<u>\$ 129,887</u>
	<b>For the Year Ended December 31, 2019</b>
Depreciation charge for right-of-use assets	
Land	\$ 3,386
Buildings	<u>1,022</u>
	<u>\$ 4,408</u>

#### b. Lease liabilities - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Current	\$ 1,748
Non-current	<u>5,793</u>
	<u>\$ 7,541</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31, 2019</b>
Land	4.35%
Buildings	4.35%

c. Material lease-in activities and terms

The Group leases land for the use of plants with lease terms of 50 years.

d. Other lease information

	<b>For the Year Ended December 31, 2019</b>
Expenses relating to short-term leases	<u>\$ 27,712</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 7,417</u>

The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases which qualify as short-term leases or leases with variable lease payments.

#### 14. PREPAID RENT

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Current	\$ 2,834	\$ 9,693
Non-current	<u>-</u>	<u>127,326</u>
	<u>\$ 2,834</u>	<u>\$ 137,019</u>

Prepaid rent mainly consisted of Sunjuice Co., Ltd., Fresh Juice Industry (Tianjin) Co., Ltd. and Guangdong Fresh Juice Biological Technology Co., Ltd.'s right for usage of land as well as the rentals of factories of Fresh Juice Industry (Tianjin) Co., Ltd. and Guangdong Fresh Juice Biological Technology Co., Ltd.

## 15. OTHER ASSETS

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<u>Current</u>		
Prepaid rent - current	\$ 2,834	\$ 9,693
Prepayments	14,505	14,358
Other prepayments	13,588	11,783
Offset against business tax payable	<u>17,441</u>	<u>28,351</u>
	<u>48,368</u>	<u>64,185</u>
Other financial assets	4	29,344
Other current assets	<u>781</u>	<u>599</u>
	<u>\$ 49,153</u>	<u>\$ 94,128</u>
<u>Non-current</u>		
Prepayment of equipment	\$ 43,263	\$ 100,661
Refundable deposits	<u>7,026</u>	<u>10,532</u>
	<u>\$ 50,289</u>	<u>\$ 111,193</u>

- a. Prepayments came from the purchase of raw materials.
- b. Other financial assets are provided as collateral of bank borrowings and the tariffs guarantee for imported raw materials; refer to Note 29 for the details.
- c. Prepayment of equipment is due to the purchase of air conditioners and other equipment for the factories.
- d. Refundable deposits are the deposits of land and leased factories.

## 16. BORROWINGS

- a. Short-term borrowings

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<u>Unsecured borrowings</u>		
Bank loan	<u>\$ 286,048</u>	<u>\$ 232,314</u>

The ranges of weighted average effective interest rate of bank loans were 2.908%-4.350% and 3.448%-4.350% per annum as of December 31, 2019 and 2018, respectively.

b. Long-term borrowings

		December 31	
		2019	2018
<u>Secured borrowings</u> <u>(Note 29)</u>			
Bank loan	Maturity date: August 30, 2019	\$ -	\$ 4,730
	Repayment term: The first installment starts after 15 months from August 30, 2016, repayable every three months, repayable in 8 installments		
	Maturity date: August 30, 2019	-	1,576
	Repayment term: The first installment starts after 15 months from August 30, 2016, repayable every three months, repayable in 8 installments		
		-	6,306
	Less: Expires within 1 year - current	-	(6,306)
	Long-term borrowings	<u>\$ -</u>	<u>\$ -</u>

The ranges of weighted average effective interest rate of bank loans were 4.9875% per annum as of December 31, 2018.

## 17. TRADE PAYABLES

The average credit period of purchases of certain goods was 30 days. The Group has financial risk management policies to ensure in place that all payables are paid within the pre-agreed credit terms.

## 18. OTHER LIABILITIES

	December 31	
	2019	2018
<u>Current</u>		
Other payables		
Accrued payroll and bonuses	\$ 98,594	\$ 78,650
Accrued employee bonus and director compensation	14,495	12,587
Professional service fees	2,285	4,849
Rent	2,135	3,877
Other tax expenses	1,772	1,699
Insurance	42,661	44,092
Shipping expenses	14,885	9,523
Selling bonuses/commissions	86,221	73,927
Payable for purchase of equipment	85,811	4,532
Sales tax	14,044	2,508
Others (employee welfare, other purchase, etc.)	<u>16,165</u>	<u>20,039</u>
	<u>\$ 379,068</u>	<u>\$ 256,283</u>

(Continued)

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<u>Non-current</u>		
Deferred revenue		
Government grant (Note 24)	\$ 13,293	\$ 14,113
Guarantee deposits received	<u>29,216</u>	<u>34,779</u>
	<u>\$ 42,509</u>	<u>\$ 48,892</u>
		(Concluded)

Accrued selling bonuses represent the sales compensations to dealers and are recognized as a deduction of the sales revenue when related product is sold.

## 19. SHAREHOLDERS' EQUITY

### Share Capital

#### Ordinary shares

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Number of shares authorized (in thousands)	<u>60,000</u>	<u>60,000</u>
Shares authorized	<u>\$ 600,000</u>	<u>\$ 600,000</u>
Number of shares issued and fully paid (in thousands)	<u>33,842</u>	<u>30,766</u>
Shares issued	<u>\$ 338,422</u>	<u>\$ 307,656</u>

The Company has issued \$150,000 thousand ordinary shares on January 12, 2010 according to the net worth of Fresh Food (Kunshan) Co., Ltd. and Sunjuice Co., Ltd. at the end of March. The Company acquired 100% equity of Power Keen Limited through the share exchange with the shareholders, in addition, directly and indirectly acquired 100% equity of Fresh Food (Kunshan) Co., Ltd. and Sunjuice Co., Ltd.

On May 29, 2019, the shareholder's meeting resolved to issue share dividends from the unappropriated retained earnings of \$30,766 thousand, with a par value of NT\$10. The above transaction was approved by the Company's board of directors, and the subscription base date was determined as at July 23, 2019 by the board of directors.

For the year ended December 31, 2019, the authorized capital of the Company was \$600,000 thousand; paid in capital was \$338,422 thousand with a par value of NT\$10, and 33,842 shares are all ordinary shares.

### Capital Surplus

The capital surplus arising from shares issued in excess of par may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's capital surplus and once a year).



## Retained Earnings and Dividend Policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 21-(f).

According to the Company's Articles of Incorporation and the law of corporation in Cayman, distribution of earnings should be made by way of shareholder's dividend or bonus after the consideration of financial, business and operating factor, provided that the ratio shall not less than 20% of the net profit for the year. The shareholder's dividend may be distributed by way of cash dividend and/or stock dividend, provided that the ratio for cash dividend shall not less than 30% of the total distribution.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2018 and 2017 were approved in the shareholders' meetings on May 29, 2019 and May 28, 2018, respectively, were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Legal reserve	\$ 44,163	\$ 28,674	\$ -	\$ -
Special reserve	32,787	4,395	-	-
Cash dividends	190,747	153,828	6.2	5
Share dividends	30,766	-	1.0	-

The appropriation of earnings for 2019 had been proposed by the Company's board of directors on March 30, 2020. The appropriation and dividends per share were as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 54,814	\$ -
Special reserve	76,267	-
Cash dividends	209,821	6.2

The appropriation of earnings for 2019 are subject to the resolution of the shareholders' meeting to be held on May 28, 2020.

## 20. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Revenue from contracts with customer		
Revenue from sale of goods	<u>\$ 3,520,879</u>	<u>\$ 3,221,239</u>
a. Contract balances		
	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Trade receivables (Note 9)	<u>\$ 279,641</u>	<u>\$ 192,001</u>
Contract liabilities - current	<u>\$ 20,952</u>	<u>\$ 14,211</u>
b. Details of the revenue from contracts with customer		
Refer to Note 33 for the details.		

## 21. OTHER COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS

a. Other income		
	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Interest income	\$ 16,272	\$ 13,071
Income from government grants (Note 24)	18,097	28,476
Others	<u>3,467</u>	<u>2,904</u>
	<u>\$ 37,836</u>	<u>\$ 44,451</u>
b. Other gains and losses		
	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Gains (loss) on disposal of property, plant and equipment	\$ (3,624)	\$ 816
Net foreign exchange losses	(10,324)	(10,516)
Others	<u>(1,241)</u>	<u>(4,650)</u>
	<u>\$ (15,189)</u>	<u>\$ (14,350)</u>
c. Finance costs		
	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Interest on bank loans	\$ (11,201)	\$ (9,440)
Interest on lease liabilities	<u>(370)</u>	<u>-</u>
	<u>\$ (11,571)</u>	<u>\$ (9,440)</u>

d. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Property, plant and equipment	\$ 85,276	\$ 84,365
Right-of-use assets	4,408	-
Intangible assets	<u>3,794</u>	<u>4,009</u>
	<u>\$ 93,478</u>	<u>\$ 88,374</u>
An analysis of depreciation by function		
Operating costs	\$ 52,960	\$ 46,875
Operating expenses	<u>36,724</u>	<u>37,490</u>
	<u>\$ 89,684</u>	<u>\$ 84,365</u>
An analysis of amortization by function		
Operating costs	\$ 153	\$ 155
Operating expenses	<u>3,641</u>	<u>3,854</u>
	<u>\$ 3,794</u>	<u>\$ 4,009</u>

e. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Other employee benefits	<u>\$ 451,675</u>	<u>\$ 390,774</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 146,245	\$ 130,394
Operating expenses	<u>305,430</u>	<u>260,380</u>
	<u>\$ 451,675</u>	<u>\$ 390,774</u>

f. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors and supervisors at the rates of no less than 0.15% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors.

The employees' compensation and remuneration of directors and supervisors for the year of 2019 and 2018 were resolved by the board of directors on March 30, 2020 and March 7, 2019, respectively were as follow:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Employees' compensation	2%	2%
Remuneration of directors and supervisors	0.7%	1%

Amount

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Employees' compensation	\$ 10,836	\$ 9,187
Remuneration to directors and supervisors	3,659	3,400

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The appropriations for employees' compensation and remuneration of directors and supervisors for 2018 and 2017 approved by the Company's board of directors on March 7, 2019 and March 13, 2018, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2018</b>	<b>2017</b>
	<b>Cash</b>	<b>Cash</b>
Employees' compensation	\$ 9,187	\$ 5,617
Remuneration of directors and supervisors	3,400	2,808

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2018 and 2017.

Information on the employees' compensation and remuneration of directors and supervisors approved by the Company's board of directors in 2019 and 2018 is available at the Market Observation Post System.

## 22. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Current tax		
In respect of the current year	\$ 191,934	\$ 146,118
Adjustments for prior periods	<u>1,568</u>	<u>(21,426)</u>
	193,502	124,692
Deferred tax		
In respect of the current year	23,009	62,689
Effect of tax rate changes	<u>-</u>	<u>(4,071)</u>
Income tax expense recognized in profit or loss	<u>\$ 216,511</u>	<u>\$ 183,310</u>

A reconciliation of accounting income and income tax expenses used is as follow:

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Profit before income tax	<u>\$ 764,227</u>	<u>\$ 625,045</u>
Income tax expense calculated at the statutory rate	\$ 214,826	\$ 191,715
Nondeductible expense in determining taxable income	(32,425)	(48,462)
Unrecognized deductible temporary differences	2,718	12,233
Effect of the subsidiaries' deferred tax	29,824	49,250
Adjustment for prior year's tax	<u>1,568</u>	<u>(21,426)</u>
Income tax expense recognized in profit or loss	<u>\$ 216,511</u>	<u>\$ 183,310</u>

- 1) For the Company and subsidiaries' profit-seeking enterprise annual income tax return matter, except of the Company, Sunjuice I International Limited, Sunjuice (Hong Kong) Limited, Sense International Limited and Kunshan Jiang Hang Ecological Agriculture Technology Development Co., Ltd. which are tax free, the applicable tax rate used by Fresh Juice Industry (Tianjin) Co., Ltd. and Guangdong Fresh Juice Biological Technology Co., Ltd. is 15% as they have acquired high-tech enterprise authenticated certificate. The applicable tax rate used by other group entities in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the law in those jurisdictions.
- 2) The surplus remittance tax rate used by Power Keen Limited and Sunjuice (Hong Kong) Limited in China is 10%.

b. Deferred tax assets

The movements of deferred tax assets were as follows:

For the year ended December 31, 2019

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Exchange Differences</b>	<b>Paid-in Current Year</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Temporary differences					
Impairment loss on non-financial assets	\$ 2,572	\$ 615	\$ (120)	\$ -	\$ 3,067
Unrealized selling bonus/commissions	11,529	7,249	(714)	-	18,064
Bad debt	<u>1,639</u>	<u>(1,049)</u>	<u>(21)</u>	<u>-</u>	<u>569</u>
	<u>\$ 15,740</u>	<u>\$ 6,815</u>	<u>\$ (855)</u>	<u>\$ -</u>	<u>\$ 21,700</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unappropriated earnings of subsidiaries	<u>\$ 106,560</u>	<u>\$ 29,824</u>	<u>\$ (4,919)</u>	<u>\$ (5,825)</u>	<u>\$ 125,640</u>

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Paid-in Current Year	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Impairment loss on non-financial assets	\$ 2,175	\$ 447	\$ (50)	\$ -	\$ 2,572
Unrealized selling bonus/commissions	22,716	(10,886)	(301)	-	11,529
Bad debt	<u>596</u>	<u>1,071</u>	<u>(28)</u>	<u>-</u>	<u>1,639</u>
	<u>\$ 25,487</u>	<u>\$ (9,368)</u>	<u>\$ (379)</u>	<u>\$ -</u>	<u>\$ 15,740</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unappropriated earnings of subsidiaries	<u>\$ 59,676</u>	<u>\$ 49,250</u>	<u>\$ (2,366)</u>	<u>\$ -</u>	<u>\$ 106,560</u>

## 23. EARNINGS PER SHARE

	<u>For the Year Ended December 31</u>	
	2019	2018
Basic earnings per share	<u>\$ 16.20</u>	<u>\$ 13.05</u>
Diluted earnings per share	<u>\$ 16.17</u>	<u>\$ 13.02</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on July 23, 2019. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2018 are as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment 2018	After Retrospective Adjustment 2018
Basic earnings per share	<u>\$ 14.35</u>	<u>\$ 13.05</u>
Diluted earnings per share	<u>\$ 14.32</u>	<u>\$ 13.02</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

### Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	2019	2018
Earnings used in computation of basic earnings per share	<u>\$ 548,142</u>	<u>\$ 441,633</u>
Earnings used in computation of diluted earnings per share	<u>\$ 548,142</u>	<u>\$ 441,633</u>

**Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)**

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	33,842	30,765
Effect of potentially dilutive ordinary shares		
Bonus to employees	<u>49</u>	<u>73</u>
Weighted average number of ordinary shares in computation of diluted earnings per share	<u>33,891</u>	<u>30,838</u>

If the Company offered to settle compensation to employees in cash or shares, the Company will assume the entire amount of the compensation would be settled in shares; if the effect of this settlement is dilutive, the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. The dilutive effect of the potential shares will be included in the computation of diluted earnings per share until the number of shares to be distributed to employees is approved in the following year.

**24. GOVERNMENT GRANTS**

In January 2016, the Group received a government grant of RMB3,400 thousand towards its construction of a manufacturing plant. The amount was recognized as deferred revenue and subsequently transferred to profit or loss over the useful life of the related asset. This policy resulted in a credit to income of \$307 thousand and \$313 thousand for the years ended December 31, 2019 and 2018, respectively.

In 2019, the Group obtained government support funds, modern agricultural projects, transformation and upgrading rewards, and other government subsidies at a total amount of RMB17,790 thousand. The amounts of subsidies for agricultural technology innovation and production safety received for the year ended December 31, 2018 was \$28,163 thousand. The government grants were recognized in non-operating income and expenses - other income in the consolidated statements of comprehensive income.

**25. NON-CASH TRANSACTIONS**

For the years ended December 31, 2019 and 2018, the Group entered into the following non-cash investing activities:

	<b>2019</b>	<b>2018</b>
The purchase prices of property, plant and equipment acquired	\$ 623,760	\$ 574,351
Net change in prepayment of equipment	(267,706)	(229,267)
Net change in other payables	<u>(81,279)</u>	<u>4,538</u>
Cash payment to acquired property, plant and equipment	<u>\$ 274,775</u>	<u>\$ 349,622</u>

**26. CAPITAL MANAGEMENT**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued and the amount of existing debt redeemed.

## 27. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not carried at fair value

The management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements to be approximate amounts of their fair values.

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposits	\$ -	\$ -	\$ 547,165	\$ 547,165

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposits	\$ -	\$ -	\$ 192,296	\$ 192,296

There were no transfers between Levels 1 and 2 in the current and prior year.

#### 2) Reconciliation of Level 3 fair value measurements of financial instruments

2019

Financial Assets	Financial Assets at FVTPL Debt Instruments
Balance at January 1, 2019	\$ 192,296
Purchases	2,181,989
Sales/settlements	(1,909,122)
Effects of foreign currency exchange differences	82,002
Balance at December 31, 2019	\$ 547,165



2018

	<b>Financial Assets at FVTPL</b>
	<b>Debt Instruments</b>
Balance at January 1, 2018	\$ -
Purchases	<u>192,296</u>
Balance at December 31, 2018	<u>\$ 192,296</u>

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<u>Financial assets</u>		
FVTPL		
Mandatorily at FVTPL	\$ 547,165	\$ 192,296
Financial assets at amortized cost (Note 1)	596,405	774,017
<u>Financial liabilities</u>		
Amortized cost (Note 2)	740,006	546,839

Note 1: The balance include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables and other receivables.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, trade payables, other payables, current portion of long-term loans payable and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, trade receivables, trade payables, borrowings, and lease liabilities. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rate (see (b) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group has foreign deposit and loans, which expose the Group to foreign currency risk. There is no change in the financial instrument's market risk and exposure of management and measurement since prior period.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 31.

#### Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 1% increase and decrease in renminbi (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit associated with the renminbi weakening 1% against the relevant currency. For a 1% strengthening of the renminbi against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	<b>U.S. Dollar Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Profit or loss	\$ (841)	\$ (1,993)

\* This was mainly attributable to the exposure of the U.S. dollar denominated cash in the bank and borrowings, which were outstanding but not hedged at the end of the reporting period.

#### b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Cash flow interest rate risk		
Financial assets	\$ 852,320	\$ 763,621
Financial liabilities	286,048	238,620

#### Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2019 and 2018 would increase by \$5,663 thousand and \$5,250 thousand, respectively, which would be mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable rate debt investments.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation pertain to financial assets recognized in the consolidated balance sheet.

To minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Thus, management believes the Group's credit risk was significantly reduced.

The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

## 28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in other notes, details of transactions between the Group and other related parties are disclosed below:

### a. Name and relationship of related parties

<u>Name of Related-party</u>	<u>Related-party Category</u>
Great Eastern Food Co., Ltd.	Associates

### b. Purchases of goods

<u>Related-Party Category</u>	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Associates		
Great Eastern Food Co., Ltd.	<u>\$ 6,274</u>	<u>\$ 28,938</u>

The Group purchased customized goods from associates. In addition, the price were not significantly different from those transactions with third parties.

c. Payables to related parties (excluding loans from related parties)

Line Item	Related-Party Category	December 31	
		2019	2018
Trade payables	Associates Great Eastern Food Co., Ltd.	<u>\$ 1,862</u>	<u>\$ 596</u>

The outstanding trade payables from associates are unsecured.

d. Compensation of key management personnel

	For the Year Ended December 31	
	2019	2018
Short-term benefits	<u>\$ 26,548</u>	<u>\$ 27,436</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

## 29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as the tariffs of imported raw materials guarantees:

	December 31	
	2019	2018
Guarantee (classified as other financial assets)	<u>\$ 4</u>	<u>\$ 29,344</u>

## 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2019 and 2018 were as follows:

### Significant Commitments

Unrecognized commitments are as follows:

	December 31	
	2019	2018
Acquisition of property, plant and equipment	<u>\$ 75,211</u>	<u>\$ 297,588</u>

### 31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items USD	\$ 350	6.9762 (USD:RMB)	<u>\$ 10,511</u>
<u>Financial liabilities</u>			
Monetary items USD	3,150	6.9762 (USD:RMB)	<u>\$ 94,603</u>

December 31, 2018

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items USD	\$ 506	6.8632 (USD:RMB)	<u>\$ 15,526</u>
<u>Financial liabilities</u>			
Monetary items USD	7,000	6.8632 (USD:RMB)	<u>\$ 214,846</u>

The significant (realized and unrealized) foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
Foreign Currencies	Exchange Rate	2019	Exchange Rate	2018
		Net Foreign Exchange Gains (Losses)		Net Foreign Exchange Gains (Losses)
USD	6.9762 (USD:RMB)	<u>\$ (10,324)</u>	6.8632 (USD:RMB)	<u>\$ (10,516)</u>

### 32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

1) Financings provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 3)
  - 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (Table 4)
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 5)
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 7)
  - 9) Trading in derivative instruments. (None)
  - 10) Intercompany relationships and significant intercompany transactions. (Table 8)
  - 11) Information on investees. (Table 9)
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of the investee, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and the limit on the amount of investment in the mainland China area. (Table 10)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    - c) The amount of property transactions and the amount of the resultant gains or losses.
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
    - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
    - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

### 33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

Manufacture and sale of fresh juice segment - direct sales

Sale of juice dispenser machine segment - direct sales

The juice dispenser machine segment mainly provides the juice dispenser machines to counterparties with certain guarantee deposits and then sells the fresh juice to the counterparties.

The manufacture and sale of fresh juice (direct sales) segment includes a number of direct sales operations in various cities within Country A each of which is considered separate operating segment by the chief operating decision maker (CODM). For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- These operating segments have similar long-term gross profit margins;
- The nature of the products and production processes are similar; and
- The methods used to distribute the products to the customers are the same.

#### a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	<b>Manufacture and Sale of Fresh Juice</b>	<b>Sale of Juice Dispenser Machinery</b>	<b>Total</b>
<u>For the year ended December 31, 2019</u>			
Revenue from external customers	\$ 3,414,867	\$ 106,012	\$ 3,520,879
Inter-segment revenue	85,509	-	85,509
Eliminations	<u>(85,509)</u>	<u>-</u>	<u>(85,509)</u>
Consolidated revenue	<u>\$ 3,414,867</u>	<u>\$ 106,012</u>	<u>\$ 3,520,879</u>
Segment income (loss)	<u>\$ 776,895</u>	<u>\$ (23,744)</u>	\$ 753,151
Interest income			16,272
Government grants			18,097
Loss on disposal of property, plant and machinery			(3,624)
Foreign exchange losses			(10,324)
Others			2,226
Interest expenses of bank loan			(11,201)
Interest expense of lease liabilities			<u>(370)</u>
Profit before tax (continuing operations)			<u>\$ 764,227</u>
			(Continued)

	<b>Manufacture and Sale of Fresh Juice</b>	<b>Sale of Juice Dispenser Machinery</b>	<b>Total</b>
<u>For the year ended December 31, 2018</u>			
Revenue from external customers	\$ 3,114,282	\$ 106,957	\$ 3,221,239
Inter-segment revenue	71,568	-	71,568
Eliminations	<u>(71,568)</u>	<u>-</u>	<u>(71,568)</u>
Consolidated revenue	<u>\$ 3,114,282</u>	<u>\$ 106,957</u>	<u>\$ 3,221,239</u>
Segment income (loss)	<u>\$ 618,388</u>	<u>\$ (14,004)</u>	\$ 604,384
Interest income			13,071
Government grants			28,476
Gains on disposal of property, plant and machinery			816
Foreign exchange losses			(10,516)
Others			(1,746)
Interest expenses of bank loan			<u>(9,440)</u>
Profit before tax (continuing operations)			<u>\$ 625,045</u> (Concluded)

Above segment revenue was accounted for according to the transactions with external customers.

Segment profit represented the profit before tax earned by each segment without allocation of interest income, government grants gains or losses on disposal of property, plant and equipment, exchange gains or losses, valuation gains or losses on financial instruments, others and finance costs. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<u>Segment assets</u>		
Manufacture and sale of fresh juice	\$ 3,307,510	\$ 2,453,965
Sale of juice dispenser machines	<u>87,441</u>	<u>108,867</u>
Total segment assets	3,124,951	2,562,832
Other financial assets	4	29,344
Deferred tax assets	<u>21,700</u>	<u>15,740</u>
Consolidated total assets	<u>\$ 3,146,655</u>	<u>\$ 2,607,916</u>

All assets were allocated to reportable segments equally other than other financial assets and deferred tax assets. Assets used jointly by reportable segments were allocated on the basis of the revenue earned by individual reportable segments.



c. Geographical information

The Group principally operates in one geographical area - China.

d. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2019</b>	<b>2018</b>
Customer A	<u>\$ 464,548</u>	<u>\$ 392,887</u>

## SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	Sunjuice Holdings Co., Limited	Sense International limited	Other receivables - related parties	Yes	\$ 32,978 (US\$ 1,100)	\$ -	\$ -	-	For short-term financing	\$ -	Working capital loan	\$ -	-	\$ -	\$ 810,754 (Note 3)	\$ 810,754 (Note 3)	
1	Sunjuice Holdings Co., Limited	Sense International limited	Other receivables - related parties	Yes	\$ 32,978 (US\$ 1,100)	\$ 32,978 (US\$ 1,100)	\$ 31,179 (US\$ 1,040)	-	For short-term financing	-	Working capital loan	-	-	-	\$ 3,040,326 (Note 4)	\$ 3,040,326 (Note 4)	
2	Sunjuice Co., Ltd.	Guangdong Fresh Juice Biological Technology Co., Ltd.	Other receivables - related parties	Yes	215,250 (RMB 50,000)	215,250 (RMB 50,000)	-	4.35	For short-term financing	-	Working capital loan	-	-	-	\$ 3,040,326 (Note 4)	\$ 3,040,326 (Note 4)	
3	Sunjuice Co., Ltd.	Shanghai Sense Beverage Company Limited	Other receivables - related parties	Yes	73,185 (RMB 17,000)	73,185 (RMB 17,000)	60,270 (RMB 14,000)	4.35	For short-term financing	-	Working capital loan	-	-	-	\$ 3,040,326 (Note 4)	\$ 3,040,326 (Note 4)	
4	Fresh Food (Kunshan) Co., Ltd	Sunjuice Co., Ltd.	Other receivables - related parties	Yes	94,710 (RMB 22,000)	94,710 (RMB 22,000)	77,490 (RMB 18,000)	4.35	For short-term financing	-	Working capital loan	-	-	-	\$ 3,040,326 (Note 4)	\$ 3,040,326 (Note 4)	
5	Power Keen Limited	Sunjuice Co., Ltd.	Other receivables - related parties	Yes	301,350 (RMB 70,000)	301,350 (RMB 70,000)	215,250 (RMB 50,000)	-	For short-term financing	-	Working capital loan	-	-	-	\$ 3,040,326 (Note 4)	\$ 3,040,326 (Note 4)	

Note 1: The total amount of the financing provided by Sunjuice Holdings Co., Limited in the short term shall not exceed 40% of Sunjuice Holdings Co., Limited's net worth. If it is necessary to lend to a company for funding, the total amount shall not exceed 40% of Sunjuice Holdings Co., Limited's net worth.

Note 2: The total amount of the financing to a company that has business dealings with Sunjuice Holdings Co., Limited shall not exceed the transaction amount, and the transaction amount indicates the purchase or sales amount, whichever is higher.

Note 3: The total amount for lending to a company for funding for in the short term shall not exceed 40% of the parent's net worth. The amount for lending was the accumulated amount for funding in the short term. Sunjuice Holdings Co., Limited's net worth was \$2,026,884 thousand x 40% = \$810,754 thousand.

Note 4: The subsidiaries whose voting shares are 100% owned directly or indirectly by Sunjuice Holdings Co., Limited are not subject to the above restrictions (refer to Notes 1 and 3). For corporate governance's need, the total amount of the financing to an individual entity shall not exceed 150% of the parent's net worth. Sunjuice Holdings Co., Limited's net worth was \$2,026,884 thousand x 150% = \$3,040,326 thousand.

Note 5: Transactions have been written off in these consolidated financial statements.

# SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guaranteee		Limits on Endorsement Given on Behalf of Each Party (Notes 3 and 5)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Notes 3 and 5)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Sunjuice Holdings Co., Limited	Sunjuice Co., Ltd.	b	\$ 1,013,442	\$ 129,150 (RMB 30,000)	\$ 129,150 (RMB 30,000)	\$ -	\$ -	6.37	\$ 2,026,884	Y	N	Y	
1	Sunjuice Co., Ltd.	Shanghai Sense Beverage Company Limited	d	4,053,768	77,490 (RMB 18,000)	-	-	-	-	4,053,768	N	N	Y	
		Shanghai Sense Beverage Company Limited	d	4,053,768	64,575 (RMB 15,000)	64,575 (RMB 15,000)	-	-	3.19	4,053,768	N	N	Y	
		Guangdong Fresh Juice Biological Technology Co., Ltd.	d	4,053,768	64,575 (RMB 15,000)	-	-	-	-	4,053,768	N	N	Y	
		Guangdong Fresh Juice Biological Technology Co., Ltd.	d	4,053,768	64,575 (RMB 15,000)	64,575 (RMB 15,000)	-	-	3.19	4,053,768	N	N	Y	
		Fresh Juice Industry (Tianjin) Co., Ltd.	d	4,053,768	64,575 (RMB 15,000)	-	-	-	-	4,053,768	N	N	Y	
		Fresh Juice Industry (Tianjin) Co., Ltd.	d	4,053,768	120,540 (RMB 28,000)	120,540 (RMB 28,000)	-	-	5.95	4,053,768	N	N	Y	

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

- "0" for the Company.
- Subsidiaries are numbered from "1".

Note 2: Relationships between the endorser/guarantor and the endorsee/guaranteee party:

- The Company and guarantee party have business deals.
- The Company directly and indirectly owned over 50% of guaranteed party's voting stocks.
- The guaranteed party owned directly and indirectly over 50% of the Company's voting stocks.
- The guaranteed party owned directly and indirectly over 90% of the Company's voting stocks.
- The guarantor and guaranteed party are peers in contract projects or cobuilders in accordance with contract provisions which require mutual insurance company.
- Owing to the joint venture funded by all shareholders on its endorsement of its holding company.
- Peers in performance bond joint security of pre-sale house contract under Consumer Protection Act.

Note 3: The maximum balance of the aggregate endorsement/guarantee should not exceed 100% of the endorser's net value as shown in its most recent financial statements. The maximum balance of the endorsement/guarantee to an individual counterparty should not exceed 50% of the endorser's net value as shown in its most recent financial statements.

The total amount of guarantee shall not exceed 100% of the net worth Sunjuice Holdings Co., Limited \$2,026,884 thousand x 100% = \$2,026,884 thousand.  
The total amount of guarantee provided to any individual entity shall not exceed 50% of the net worth Sunjuice Holdings Co., Limited \$2,026,884 thousand x 50% = \$1,013,442 thousand

Note 4: The maximum balance of the aggregate endorsement/guarantee should not exceed 100% of the endorser's net value as shown in its most recent financial statements. The maximum balance of the endorsement/guarantee to an individual counterparty should not exceed 50% of the endorser's net value as shown in its most recent financial statements. The total amount of guarantee provided to the guaranteed party owned directly and indirectly over 90% of the Company's voting stocks shall not exceed 10% of the net worth Sunjuice Holdings Co., Ltd.

Note 5: The foreign company whose voting shares are 100% owned directly and indirectly by Sunjuice Holdings Co., Limited are not subjected to the above restrictions (refer to Notes 1 and 3). For corporate governance's need, the total amount of guarantee to an individual entity shall not exceed 200% of the Company's net worth. Sunjuice Holdings Co., Limited's net worth was \$2,026,884 thousand x 200% = \$4,053,768 thousand.

(Concluded)

## SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2019

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019			Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	
Sunjuice Co., Ltd.	China Construction Bank "Qian Yuan Zhou Zhou Li" guaranteed financial product Industrial and Commercial Bank of China "Sui Xin E" guaranteed financial product	NA NA	Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current	- -	\$ 116,235 (RMB 27,000) 378,840 (RMB 88,000)	- -	\$ 116,235 (RMB 27,000) 378,840 (RMB 88,000)
Guangdong Fresh Juice Biological Technology Co., Ltd.	China Construction Bank "Qian Yuan Zhou Zhou Li" guaranteed financial product Agricultural Bank of China "Ben Li Feng Tian Tian Li" guaranteed financial product Agricultural Bank of China "Ben Li Feng - 34 Days" guaranteed financial product	NA NA NA	Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current	- - -	21,525 (RMB 5,000) 13,345 (RMB 3,100) 12,915 (RMB 3,000)	- - -	21,525 (RMB 5,000) 13,345 (RMB 3,100) 12,915 (RMB 3,000)
Kunshan Jiang Hang Ecological Agriculture Technology Development Co., Ltd.	Agricultural Bank of China "Ben Li Feng - 181 Days" guaranteed financial product	NA	Financial assets at fair value through profit or loss - current	-	4,305 (RMB 1,000)	-	4,305 (RMB 1,000)

Note 1: The marketable securities in this table is related to stock, bonds and short-term investments of "IFRS 9 Financial Instruments".

Note 2: The exchange rate was RMB1=NT\$4.305 as of December 31, 2019.

## SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

## MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2019

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Gain (Loss) on Disposal		Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount		Shares	Amount
Sunjuice Co., Ltd.	Industrial and Commercial Bank of China "Sui Xin E" guaranteed financial product	Financial assets at fair value through profit or loss - current	-	-	-	\$ 89,440 (RMB 20,000)	-	\$ 1,954,264 (RMB 437,000)	-	\$ 1,650,168 (RMB 369,000)	\$ 1,650,168 (RMB 369,000)	\$ -	-	\$ 378,840 (RMB 88,000)
					-	58,136 (RMB 13,000)	-	\$ 120,744 (RMB 27,000)	-	\$ 58,136 (RMB 13,000)	\$ 58,136 (RMB 13,000)	-	-	\$ 116,235 (RMB 27,000)
Guangdong Fresh Juice Biological Technology Co., Ltd.	Agricultural Bank of China "Ben Li Feng Tian Tian Li" guaranteed financial product	Financial assets at fair value through profit or loss - current	-	-	-	-	-	\$ 76,248 (RMB 17,050)	-	\$ 62,384 (RMB 13,950)	\$ 62,384 (RMB 13,950)	-	-	\$ 13,345 (RMB 3,100)
					-	-	-	-	-	-	-	-	-	-

**SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES**

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party	Pricing Reference	Purpose of Acquisition	Other Terms
Sunjuice Co., Ltd.	Manufacturing plant	2017.03-2019.12	Contract price is NT\$231,833 thousand (RMB\$3,852 thousand); NT\$231,045 thousand has been put into construction	In accordance with rules of contracts and progress	Self- built assets (The main contractor is Chengnan Construction Group Co., Ltd.)	-	-	Price comparison or negotiation	Operating production	-
Fresh Juice Industry (Tianjin) Co., Ltd.	Manufacturing plant	2017.08-2019.12	Contract price is NT\$251,037 thousand (RMB\$8,313 thousand); NT\$246,711 thousand has been put into construction	In accordance with rules of contracts and progress	Self- built assets (The main contractor is Jiangsu Suzhong Construction Group Co., Ltd.)	-	-	Price comparison or negotiation	Operating production	-
Guangdong Fresh Juice Biological Technology Co., Ltd.	Manufacturing plant	2017.01-2019.12	Contract price is NT\$297,437 thousand (RMB\$9,091 thousand); NT\$297,437 thousand has been put into construction	In accordance with rules of contracts and progress	Self- built assets (The main contractor is Qingjian Group Co., Ltd.)	-	-	Price comparison or negotiation	Operating production	-

**SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES**

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Sunjuice Co., Ltd.	Shanghai Sense Beverage Company Limited	Affiliated company	Sales	\$ 85,509	2	Net 90 days from invoice date	According to the Group's transfer pricing policy system	-	\$ 29,877	10	

**SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES**

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Power Keen Limited	Sunjuice Co., Ltd.	Parent company	\$ 215,250	(Note 1)	\$ -	-	\$ -	-
Fresh Food (Kunshan) Co., Ltd.	Sunjuice Co., Ltd.	Parent company	82,827	(Note 1)	-	-	-	-

Note: The ending balance is primarily comprised of other receivables, which are not applicable in the calculation of the turnover ratio.



**SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount (Note 6)	Payment Terms	
0	Sunjuice Holdings Company Limited	Sense International Limited	a	Other receivables	\$ 30,864	Financing provided, annual interest rate 0%	1
1	Power Keen Limited	Sunjuice Co., Ltd.	c	Other receivables	215,250	Financing provided, annual interest rate 0%	7
2	Fresh Food (Kunshan) Co., Ltd.	Power Keen Limited Sunjuice Holdings Co., Ltd. Sunjuice Co., Ltd.	c b c	Other receivables Other receivables Other receivables	15,160 5,929 82,827	Note 4 Note 4 Financing provided, annual interest rate 4.35%	- - 3
3	Sunjuice Co., Ltd.	Sunjuice Holdings Co., Limited Fresh Juice Industry (Tianjin) Co., Ltd. Guangdong Fresh Juice Biological Technology Co., Ltd. Shanghai Sense Beverage Company Limited Shanghai Sense Beverage Company Limited Shanghai Sense Beverage Company Limited	b c c c c c	Other receivables Sales revenue Sales revenue Sales revenue Trade receivables Other receivables	13,648 21,204 16,813 85,509 29,877 65,201	Note 4 Note 4 Note 4 Note 4 Note 4 Financing provided, annual interest rate 4.35%	- 1 - 2 1 2

Note 1: Intercompany relationships and significant intercompany transactions information are noted within the number column as follows:

- a. Number 0 represents the parent company.
- b. Number 1 to 3 represents subsidiaries.

Note 2: Parties involved in the transaction have a directional relationship noted by the following:

- a. "a" represents transactions from parent company to subsidiary.
- b. "b," represents transactions from subsidiary to parent company.
- c. "c" represents transactions between subsidiaries.

Note 3: The amounts of asset accounts and liability accounts are calculated as a percentage of the consolidated total assets. The amounts of income accounts are calculated as a percentage of the consolidated total sales.

Note 4: Since there is no relevant similar transaction to follow, the trading conditions are determined by both parties depending on actual operational needs.

Note 5: Above transactions have been written off in these consolidated financial statements.

Note 6: The difference between the amount of other receivables arising from the loan of funds and Table 1 is therefore the interest receivable.

## SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

INFORMATION OF INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2019	December 31, 2018	Number of Shares	%	Carrying Amount			
Sunjuice Holdings Co., Limited	Power Keen Limited	Samoa	Investment	\$ 534,129 (US\$ 17,785)	\$ 534,129 (US\$ 17,785)	17,785	100	\$ 2,219,426	\$ 590,836	\$ 590,836	Note 1
	Sunjuice International Limited	Hong Kong	Investment	86,111 (RMB 20,003)	86,111 (RMB 20,003)	20,003	75	78,923	(5,341)	(4,005)	Note 1
Power Keen Limited	Sunjuice (Hong Kong) Limited	Hong Kong	Investment	171,936 (US\$ 5,725)	171,936 (US\$ 5,725)	15,300	100	1,265,100	372,994	372,994	Note 1
Sunjuice Co., Ltd.	Sense International Limited	Samoa	Investment	30,033 (US\$ 1,000)	30,033 (US\$ 1,000)	1,000	100	(75,465)	(26,734)	(26,734)	Note 1

Note 1: Parent-subsidiary transactions have been written off in these consolidated financial statements.

Note 2: For information of investments in mainland China, refer to Table 10.

Note 3: The exchange rate was RMB1=NT\$4.305; US\$1=NT\$30.033 as of December 31, 2019.

**SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES**

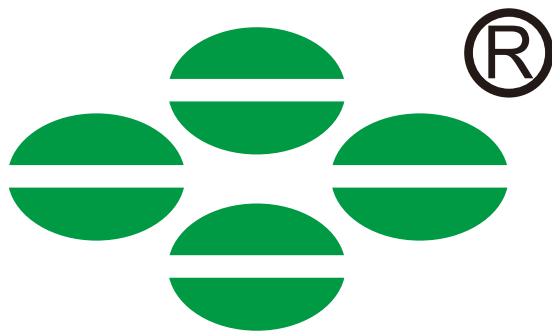
INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance from Investment from Taiwan as of January 1, 2019	Remittance of Funds		Accumulated Outward Remittance from Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Fresh Food (Kunshan) Co., Ltd.	Sale of concentrated juices, fruit puree, fruit powder, flavoured syrups, juice related and drinks used equipment, etc.	RMB 15,273	Sunjuice Co., Ltd. reinvested in Mainland China	\$ -	\$ -	\$ -	\$ -	\$ 4,114 (RMB 918)	100.00	\$ 4,114 (RMB 918)	\$ 118,865 (RMB 27,611)	\$ -	Note 1
Sunjuice Co., Ltd.	Manufacturing and sale of fresh juices, mixed vegetable juices, protein drinks, solid drinks and others	US\$ 9,100	Sunjuice (Hong Kong) Limited and Power Keen Limited reinvested in Mainland China	-	-	-	-	625,254 (RMB 139,549)	100.00	625,254 (RMB 139,549)	2,144,196 (RMB 498,071)	-	Note 1
Kunshan Jian Hang Ecological Agriculture Technology Development Co., Ltd.	Cultivating and sale of agricultural products	RMB 500	Fresh Food (Kunshan) Co., Ltd. reinvested in Mainland China	-	-	-	-	1,809 (RMB 404)	51.00	923 (RMB 206)	5,389 (RMB 1,252)	-	Note 2
Fresh Juice Industry (Tianjin) Co., Ltd.	Drinks processing	RMB 28,500	Sunjuice Co., Ltd. reinvested in Mainland China	-	-	-	-	56,946 (RMB 12,710)	100.00	56,946 (RMB 12,710)	395,938 (RMB 91,972)	-	Note 1
Guangdong Fresh Juice Biological Technology Co., Ltd.	R&D and technical service, sale of drinks, fruit products, fruit extract, fruit enzyme products, etc.	RMB 30,550	Sunjuice Co., Ltd. reinvested in Mainland China	-	-	-	-	81,557 (RMB 18,203)	100.00	81,557 (RMB 18,203)	486,764 (RMB 113,070)	-	Note 1
Shanghai Sense Beverage Company Limited	Drinks, prepackaged food, juice dispenser machine, coffee maker, all-in-one tea maker, wholesale of electronic product, import and export, commission agent, equipment for rent	US\$ 2,000	Sense International Limited reinvested in Mainland China	-	-	-	-	(26,597) (RMB -5,936)	100.00	(26,597) (RMB -5,936)	(44,806) (RMB -10,408)	-	Note 1
Suzhou Sunjuice I International Limited	Primary processing and sale of agricultural products, manufacturing, sale, import and export	RMB 14,000	Sunjuice I International Limited reinvested in Mainland China	-	-	-	-	(3,897) (RMB -870)	75.00	(2,922) (RMB -652)	41,012 (RMB 9,527)	-	Note 1

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA	
		NA	NA

Note 1: The net income (loss) of the investee was recognized based on the audited financial statements.

Note 2: The net income (loss) of the investee was recognized based on the financial statements, which had not been audited.



# Sunjuice Holdings Co., Limited

Company website: <http://www.myfreshjuice.com>

