



Sunjuice Holdings Co., Limited

Annual report of the year 2018



Published on April 30, 2019

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	President of Fresh Food (Kunshan) Co. Ltd. President of Fresh Juice Industry (Kunshan) Co., Ltd. Vice President of Fresh Life (Kunshan) Food Industry Co., Ltd.
Director	WU,MING-HSIEN	Taiwan	Sales Executive of Aphrodite Industry Co., Ltd. Vice President of Fresh Food (Kunshan) Co. Ltd. Vice President of Fresh Juice Industry (Kunshan) Co., Ltd. Responsible Person of Modern Era Digital Technology Inc.
Director	HUANG,HSUN-YI	Taiwan	Responsible Person of UNITOP-APEX Co., Ltd. Managing Director of TaiAnJingZhong Cultural & Educational Foundation. 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 2018 annual operating performance and future outlook is as follows:

I. 2018 Business report

(I) Business plan implementation results:

Unit: New Taiwan Dollars (thousand)

Items \ Year	2018	2017	Increase (decrease) amount	Changes percentage (%)
Operating income	3,221,239	2,917,183	304,056	10.42%
Operating costs	2,077,143	2,044,393	32,750	1.60%
Gross profit	1,144,096	872,790	271,306	31.08%
Operating expenses	539,712	423,185	116,527	27.54%
Operating net profit	604,384	449,605	154,779	34.43%
Net non-operating	20,661	(2,231)	22,892	(1,026.09%)
Net profit before tax	625,045	447,374	177,671	39.71%
Income tax expenses	183,310	160,212	23,098	14.42%
Net income for the	441,735	287,162	154,573	53.83%

(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		2018	2017	Increase (decrease) amount	Changes percentage (%)
Financial income	Operating income	3,221,239	2,917,183	304,056	10.42%
	Gross profit	1,144,096	872,790	271,306	31.08%
	Interest income	13,071	15,847	(2,776)	(17.52%)
	Interest expense	9,440	22,663	(13,223)	(58.35%)
	Net income for the year	441,735	287,162	154,573	53.83%
Profitability	Return on assets (%)	18.21%	15.01%	3.20%	21.32%
	Return on shareholders' equity (%)	26.73%	23.44%	3.29%	14.04%
	Net profit rate (%)	13.71%	9.84%	3.87%	39.33%
	Basic earnings per share (NTD)	14.35	10.01	4.34	43.36%

(IV) Research development update:

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. As the supply chain of the food and beverage industry, the Company has seen the market competitiveness of this industry gone increasingly intense, thus, there is an urgent need for enhanced corporate management. With the frequent occurrence of food safety incidents and the shortage of labor and other national issues, in order to achieve better survival and development, especially for the small medium size food and beverage businesses in the mainland, it is necessary to continue to diligently enhance "internal strength" and optimize internal basic management. At the same time, there is a need to combine strengthening management and control for aspects relating to environment and food safety (food safety, fire safety, staff safety, and capital security, etc) and human resources (human resource system establishment, hiring, staff incentives and motivation, etc), to be prepared for the upcoming transition.

The Company has all along placed a focus on new products development and foundational research, based on product characteristics like natural, healthy, safe and tasty, continuous efforts towards high quality product development and improvement, meeting the needs of catering personalized raw materials and bulk raw materials in the food industry. We continue to provide our customers with the best and customized products and services. At the same time, the Company actively recruits professionals in this field, strengthens innovation and patent development capabilities of the research and development (R&D) team by providing incentive measures. We maintain to be a leader in technology and at the same time conduct in-depth market survey, research changes to managing store-end and consumer behavior changes. This will enhance product innovation and upgrade as we make precise market positioning and new product research and development plans, being close to the market and mining and discovering customer needs. In addition, the Company combines 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 2019 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 2018 annual operating income has increased by 10.42% as compared to 2017. 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 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 syrup, NFC+ juice, whole bean powder, tasty granules and frozen fruit nectar to meet the upgraded demands of consumers in the new environment. In order to better serve the local chain system customers, we provide OEM and ODM customized services. Through the company's R&D, quality control and technology applications, we provide 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. 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. 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 system for individualization, timeliness and convenience, the Company provides a research and development platform, an open training mechanism, and actively helps customers to solve problems. At the same time, it actively trains the dealer service business team and enhances the dealer's comprehensive capabilities. In the sales strategy to deepen the radiation of the pipeline, build a diversified and win-win sales network; broaden the scope of the pipeline, develop traditional Chinese meals, baking, Internet cafes, group meals, office buildings and other pipelines; make full use of product resources, let products of different positioning to play business contribution and profit contribution in different markets; more detailed operations, found a win-win point between customers, the business develops in a more professional direction; develop and maintain local target customers and well-known restaurant

chains with the local distributors system.

(III) Important production and marketing policy

The year 2018 is the 40th anniversary of the reform and opening up of the mainland. In the context of 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. The growth rate of the food and beverage industry for the whole year was maintained at around 10%, 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, inWe Tea and other new tea type leading brands.

In 2018, the mainland government's steady growth and employment mainly depended on optimizing supply and stabilizing domestic demand. Through deepening reforms, the domestic economic vitality was continuously improved. As the global central bank became more lenient, the pressure on the RMB exchange rate continued to decrease, and the space for loosening the Chinese currency expanded. In the beginning of 2018, there was a positive momentum for a “stable currency and broad credit.” Secondly, active financial support policies, especially the infrastructure projects supported by special debts continued; thirdly, tax cuts, including the full-scale landing in January 2019. Tax reforms, as well as several rounds of corporate tax reductions and reductions that have been launched and are being developed, are also good policies for the Company, which can save on costs. Planning the layout of the three factories, increasing the scale effect, and enhancing the Company's industry competitiveness.

Looking forward to 2019, the downward pressure on China's economy in the large environment still exists. The traditional manufacturing industry is facing transformation and upgrading. Industrial development is deepening and the competition in the same industry is intensifying. The Company will face more challenges and opportunities to cope with the changes in the competitive landscape. It 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 layout of NFC workshop production lines, establish the manufacturing process and technical optimization of high-end grain, fruit puree, hot and cold 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, 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 marketing department is responsible for the product, the business department is responsible for sales and the R&D department develops products according to the market and business needs. The marketing department deepens into the market, investigates market trends and consumer behavior, provides the latest market demand to the R&D department, and actively develops new products. According to the business layout and planning of the third factory, the business department will subdivide the market and the channel, adopt the nine grid method to manage the customers' hierarchy, formulate the frequency of visits, and use the FAB analysis to develop new markets, new channels and quality customers. In terms of product breadth, combined with the Company's patents, it develops patented new products such as lemon essential oils, emulsifiers and enzymes to enhance the quality and stability of existing products and enhance the Company's competitiveness. In terms of depth, the Company

has set a higher growth target for the 46 well-known series of juices, fruit granules, solid beverages, tasty granules, invert syrup and protein beverage, cold (hot) extract coffee (tea), in the seven categories, to increase market expansion. It 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 NFC+ direct drinking Fruit juice, whole bean powder, soy milk, high-end syrup, cold (hot) brew coffee (tea), enzymes, high-end grain flour and other products to enhance the industry's advantages; for frozen juice, quick-frozen fruit, increase cooperation with large-scale chain system, 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 restaurant chains, food industry, retails, catering and e-commerce. Establish market information center for research on market trends, consumer behavior and competitor status. Provide update market information and industry sales data for plant 3 sales reference. Draft a response strategy to coordinate market arrangement. Conduct detailed market, channel and product segmentation to realize plant 3 business goal and collaboration. Detailing individual work responsibility and moving service strategy forward. Establish KA service team in response to market fluctuations and timely client demand satisfaction. The team is consolidated from the market division and includes R&D, planning, technical support and sales. 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. Consolidate Shanghai subsidiary Sense Beverage to focus on automating post-mix beverage and market development. Aims to become the expert in professional automated beverage solutions while providing the company with a newly integrated project and raw materials for development of natural, healthy, safe and tasty beverages. Establish an industry brand to obtain consumer preference and trust.

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 NFC juice, whole bean powder, soy milk, whole fruit usage, cold and hot brew coffee(tea) and grainy texture new products. The development focuses on

infrastructural research to overcome technical obstacles, reserve innovative technology and to lead market trends. Complete 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 client with periodic market research, client relationship maintenance, common discussion and revisit on product development to further collaboration with clients. Co-development of product 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, 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 goal 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 best production planning inventory. In order placement, 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. The China economic development faced much harsher and complex external environment in 2019 than in 2018. According to competent authorities, investment growth will bottom out, consumption will remain steady with only a slight dip. Export growth will ease down with overall price being stable. The scissors gap will narrow for industrial and consumption goods. In the meantime, supply side structural reform will continue to demonstrate its economic steadying effect. Policies to signal encouragement in private sector business development and deepening of reforms will steady corporate confidence, employment, finance, trade, investment which will gradually take effect. 2019 is also 70 years into the establishment of a New China and the key year in constructing a well-off society. The Chinese government made an emphasis which will be cooperated by all regional government bodies. A full-frontal analysis will be made on the profound changes in both internal and external environments. The scientific method will be implemented to obtain key strategic opportunities and new connotations, while responding to all risks and challenges levelly for a decisive foundation in the realization of a well-off society. Thus, the 2019 Chinese economy will maintain a steady growth with expected GDP acceleration at 6.3%.

5. Leading the new beverage retail industry in Shenzhen, Guangzhou and Shanghai hyper markets are top tier brands spurring second and third tier markets to follow and surge. Meanwhile second and third tier brands will slip to fourth and fifth tier markets, as they offer greater berth for growth. The rapid increase in beverage demand will prompt China beverage development while progress in online platforms will liberate location

restraint, 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 become a boost in the steady development of the food industry. With the distribution of “Opinions on the promotion of the green food industry development” by the Ministry of Commerce and 9 other departments, green food and the green revolution development in China have been pushed to new heights. The Ministry of Commerce will be fostering 5,000 green food companies within 3 years, promoting the normalization of food savings, robust green food standard system and construction of green food service for the public. “Attention to health, building of green food” will become the sensible choice for food companies as an effective step to increase core competencies and amplify brand influence in 2019 and future developments. Within this framework, the China food industry 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 make note of national 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 industry while complying to client demands for better raw materials, the company consolidated material resources and accommodate client needs 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. For the environmental tax imposed in 2018 according to aggregate discharge, the company has pro-actively responded by implementing reclaimed water re-use projects to reduce total discharge.

- 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.The up and coming food industry market remains benign in line with favorable consumer market trends. 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.
- 2.Strengthen financial information timeliness in response to variable future economic developments for better comprehensive decision making.
3. For high raw material cost, timely attention is given to market price for precise estimates on annual usage to strive for best prices and products. For high labor cost, timely release of high quality, value-added products and fostering of diverse talents, more organizational training and enhancing of employee skill sets to improve work effectiveness and retain comprehensive competitiveness of the company which elevates business results.
- 4.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 adapting and satisfying changing client demands, build innovative methods and enter consumer's lives.
- 5.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

PRESIDENT: HUANG,KUO-HUANG

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 (Samoa) 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 nd 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.
Aug 2015	Fresh Juice Group was awarded for 2015 CSR “Corporate Citizenship Award – Little Giant Group” by Taiwan CommonWealth Magazine.
Mar 2016	The Company was formally listed on TWSE.
Aug 2016	Fresh Juice Group was again awarded for 2016 CSR “Corporate Citizenship Award – Little Giant Group” by Taiwan CommonWealth Magazine.
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 Group was awarded for 2017 CSR “Corporate Citizenship Award – Little Giant Group” by Taiwan CommonWealth Magazine for the 3 rd time continuously.
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.
Aug 2018	Fresh Juice Group was awarded for 2018 CSR “Corporate Citizenship Award – Little Giant Group” by Taiwan CommonWealth Magazine for the 4 th year.
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.

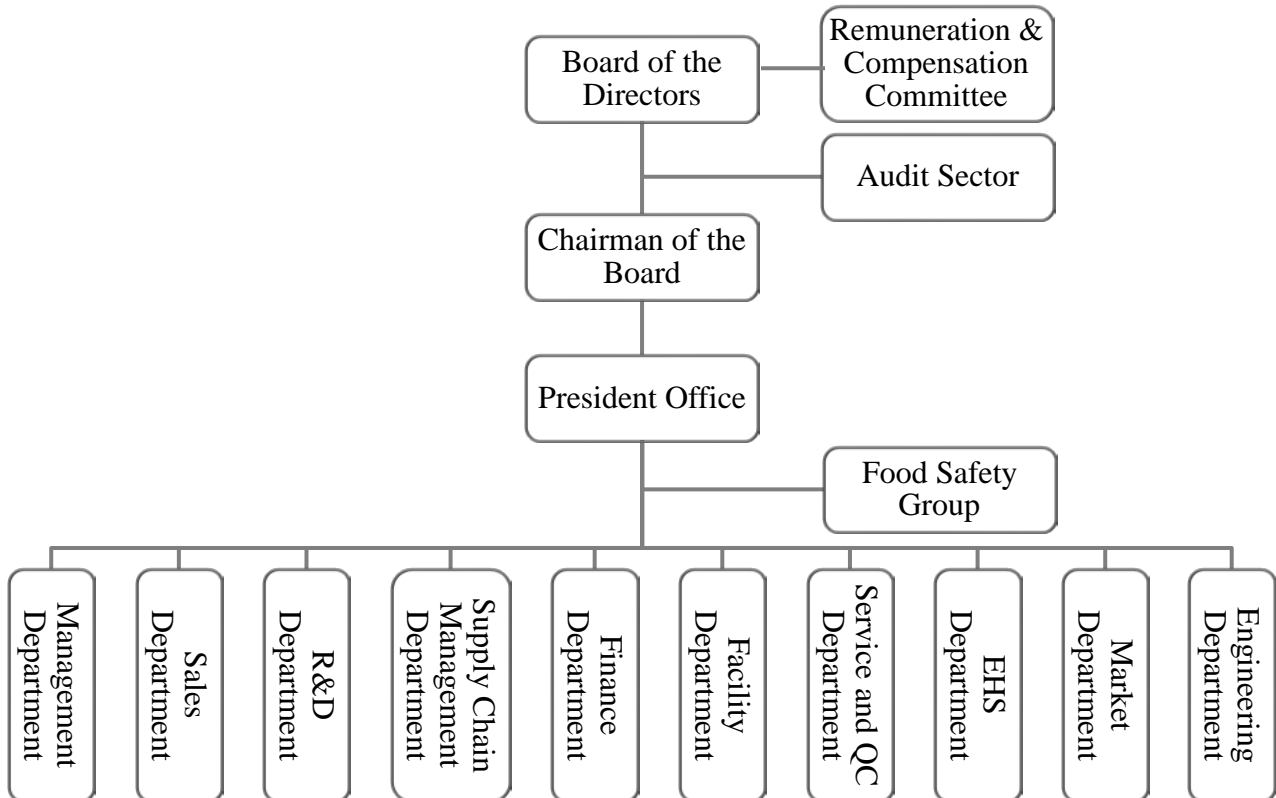
III. Group Organization: Please refer to Chapter 8 “Special Notices” in this Annual Report.

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 31, 2019

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		
							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%	8,477,136	27.55%	5,752,270	18.70%	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.	Director	LIN,LI-LING	Spouse
																	Director	HUANG,HSU N-YI	Brother
Director	Taiwan	LIN,LI-LING	Female	May 3, 2017	3 years	100.6.29	4,966,650	18.28%	5,616,604	18.26%	8,612,802	28.00%	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.	Chairman of the Board	HUANG,KUO -HUANG	Spouse
																	Director	HUANG,HSU N-YI	Second-degree Relative

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		
							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%	1,348,452	4.38%	279,723	0.91%	NA	NA	Qualified for Appraisal of Academic Achievement of Junior College President of Fresh Food (Kunshan) Co. Ltd. President of Fresh Juice Industry (Kunshan) Co., Ltd. Vice President of Fresh Life (Kunshan) Food Industry 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%	1,211,460	3.94%	230,066	0.75%	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. Director of Sunjuice I International Limited Executive Director as well as President of Suzhou Sunjuice I International Limited	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		
							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%	249,890	0.81%	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. Managing Director of TaiAnJingZhong Cultural & Educational Foundation	Chairman of the Board	HUANG,KUO-HUANG	Brother
																	Director	LIN,LI-LING	Second-degree Relative
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 Juridical Person Director of Hefei Eswin Materials Technology Inc.	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		
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
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
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
Supervisor	Taiwan	WANG,CHIA-HAN	Male	May 3, 2017	3 years	100.6.29	NA	NA	NA	NA	10,000	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

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		
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
Supervisor	Taiwan	Treasure Island Properties Co., Ltd. Representative: CHEN,CHIN-KUN	Male	May 3, 2017	3 years	May 3, 2017	736,120	2.71%	736,120	2.39%	NA	NA	NA	NA	Bachelor of Education, National Chiayi University Teachers College Teacher as well as Section Chief of Hygiene of Chiayi Shuishang Elementary School Teacher, Director of Student Affairs Office as well as Counseling Office of Wan-Neng Senior Industrial and Commercial Vocational School	Treasure Island Properties Co., Ltd. Representative Director	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 Policy and Management, National Taiwan University	Assistant Professor of Institute of Health Behaviors and Community Science, College of Public Health, National Taiwan University	NA	NA	NA

2. Professional Knowledge and Independence of Directors and Supervisors

Mar 31, 2019

Name	Conditions	Having at least 5-year work experience or any professional credentials listed as below			Independence conformity (Note)										Number of occupation for independent director of other listed companies concurrently
		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	
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: CHEN,CHIN-KUN				✓	✓	✓			✓	✓	✓	✓	✓	✓	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 being employed by the company or its associates.
- (2) Director or supervisor of a company which is not an associate of the company (except for independent director of parent company or subsidiary of a company positioned due to local laws and regulations).
- (3) Natural person shareholder whose shareholding ratio is more than 1% of total issued shares held by his/her spouse, minor children or use of other names instead of himself/herself, or, whose shareholding ratio, occupies one of the ten highest proportions amongst all by himself/herself.
- (4) Spouse, second-degree relatives or third-degree relatives of a person who is discrepant with the condition descriptions from item (1) to (3) as above.
- (5) Director, supervisor or employee as a juridical person shareholder who possesses more than 5% of total issued shares of the company indirectly, or, director, supervisor or employee as a juridical person shareholder whose shareholding ratio occupies one of the five highest proportions.
- (6) Director (council member), supervisor (managing supervisor), manager or shareholder whose shareholding ratio is over 5%, of specific corporations or organizations that do not have financing transactions or business interactions with the company.
- (7) Expert or business owner, partner, director (council member), supervisor (managing supervisor), manager or the spouse of a corporation sole or joint, or an organization, which does not provide any services concerning business, laws, financing or accounting for the company or its associates. Whereas an exception is made here for the remuneration committee member who conforms with Article 7 of “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter”.
- (8) Person as a relative excluding spouse or second-degree relative to any directors.
- (9) Matter does not concern any references in Article 30 of Company Act.
- (10) Elect of government, juridical person or its representative which does not concern any references in Article 27 of Company Act.

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

Mar 31, 2019

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		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
President	Taiwan	HUANG,KUO-HUANG	Male	Aug 2014	8,477,136	27.55%	5,752,270	18.70%	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	(Note 1)	President of Guangdong Fresh Juice Biotechnology Co., Ltd.	HUANG,H SUN-YI	Brother
President of Fresh Juice Industry (Tianjin) Co., Ltd.	Taiwan	WU,MING-HSIEN	Male	Dec 2016	1,211,460	3.94%	230,066	0.75%	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.	(Note 2)	NA	NA	NA
President of Guangdong Fresh Juice Biotechnology Co., Ltd.	Taiwan	HUANG,HSUN-YI	Male	Dec 2016	249,890	0.81%	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. CEO of TaiAnJingZhong Cultural & Educational Foundation 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)	President	HUANG,K UO-HUANG	Brother

Mar 31, 2019

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		
					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	10,000	0.03%	NA	NA	Bachelor of Printing Engineering, Chinese Culture University Chief of Production Sector of Sinar Mas Group, Indonesia President of YaLong/JinXin/JinGuangChuangLi/Jin ShengPu	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
Chief of Accounting Department	Taiwan	CHEN,YI-JU	Female	Aug 2017	10,000	0.03%	NA	NA	NA	NA	Bachelor of Accounting, Soochow University Deputy Manager of Deloitte Touche Tohmatsu Limited (DTTL)	NA	NA	NA	NA
Chief of Audit Department	Taiwan	WU,PO-KUAN	Male	Feb 2011	NA	NA	NA	NA	NA	NA	Bachelor of Information Management, Tamkang University Consultant of Data Systems Consulting Co., Ltd. Engineer of AU Optronics Corp. System Designer of Digitware System Integration Corp.	NA	NA	NA	NA

Note 1: Chairman of SUNJUICE, Chairman of Power Keen Limited, Chairman of Sunjuice (HK) Limited, Chairman as well as President of Fresh Food (Kunshan) Co. Ltd., Executive Director as well as President of Sunjuice Co., Ltd., Director of Sense International Limited, and Executive Director of Shanghai Sense Beverage Co., Ltd.

Note 2: Chairman of SUNJUICE, Chairman of Axis 3D Technology, Inc., Executive Director as well as President of Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd., Executive Director of Fresh Juice Industry (Tianjin) Co., Ltd., Chairman of Sunjuice I International Limited, and Executive Director as well as President of Suzhou Sunjuice I International Limited

Note 3: Director of SUNJUICE, Director of Wan-Neng Senior Industrial and Commercial Vocational School, Executive Director of Guangdong Fresh Juice Biotechnology Co., Ltd., and Managing Director of TaiAnJingZhong Cultural & Educational Foundation

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

1. Remunerations for Directors (Independent Directors included)

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 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					
Chairman of the Board	HUANG,KUO-HUANG	1,429	1,429	0	0	2,380	2,380	152	152	0.90%	0.90%	2,108	8,502	0	0	7,959	0	7,959	0	3.18%	4.62%	NA
Director	LIN,LI-LING																					
Director	WANG,MING-CHIH																					
Director	WU,MING-HSIEN																					
Director	HUANG,HSUN-YI																					
Independent Director	HE,CHEN																					
Independent Director	LO,SHIH-WEI																					
Independent Director	CHEN,PO-TSANG																					
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\$2,000,000	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	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
NT\$2,000,000 (including 2,000,000) ~ NT\$5,000,000 (excluding 5,000,000)	NA	NA	NA	HUANG,KUO-HUANG, WU,MING-HSIEN, LIN,LI-LING, 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 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	0	0	1,020	1,020	180	180	0.27%	0.27%	NA
Supervisor	CHANG,LING-YIN									
Supervisor	Treasure Island Properties Co., Ltd. Representative: CHEN,CHIN-KUN									

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\$2,000,000	WANG,CHIA-HAN, CHANG,LING-YIN, Treasure Island Properties Co., Ltd. Representative: CHEN,CHIN-KUN	WANG,CHIA-HAN, CHANG,LING-YIN, Treasure Island Properties Co., Ltd. Representative: CHEN,CHIN-KUN
NT\$2,000,000 (including 2,000,000) ~ 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 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	0	2,761	0	0	0	9,657	6,466	0	8,740	0	1.46%	4.79%	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\$2,000,000	HUANG,KUO-HUANG, WU,MING-HSIEN, HUANG,HSUN-YI, LU,HUA, YANG,CHIH-MIN	NA
NT\$2,000,000 (including 2,000,000) ~ 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, 2018; 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	0	9,052	9,052	1.05%
	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 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			
	2018		2017		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%
Remunerations for Directors (Note)	14,028	3.18%	6,692	2.33%	20,422	4.62%	18,053	6.30%
Remunerations for Supervisors	1,200	0.27%	941	0.33%	1,200	0.27%	941	0.33%
Remunerations for Presidents and Vice Presidents	6,466	1.46%	4,728	1.65%	21,158	4.79%	24,159	8.43%

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:

The Board meeting had been held for seven times in total last year, 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	7	0	100	May 3, 2017 Reelection
Director	LIN,LI-LING	7	0	100	May 3, 2017 Reelection
Director	WANG,MING-CHIH	7	0	100	May 3, 2017 Reelection
Director	WU,MING-HSIEN	7	0	100	May 3, 2017 Reelection
Director	HUANG,HSUN-YI	7	0	100	May 3, 2017 Reelection
Independent Director	LO,SHIH-WEI	7	0	100	May 3, 2017 Reelection
Independent Director	CHEN,PO-TSANG	7	0	100	May 3, 2017 Reelection
Independent Director	HE,CHEN	7	0	100	May 3, 2017 Office Assumption Re-elected
Supervisor	WANG,CHIA-HAN	7	0	100	May 3, 2017 Reelection
Supervisor	Treasure Island Properties Co., Ltd. Representative: CHEN,CHIN-KUN	5	0	71	May 3, 2017 Office Assumption Re-elected
Supervisor	CHANG,LING-YIN	7	0	100	May 3, 2017 Office Assumption Re-elected

Other Recorded Items:

- I. According to Article 14-3 in Securities and Exchange Act, any matters resolved in the Board meeting which are recorded or proclaimed in writing with any objections or qualified opinions by an independent director, 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:
- (I) Matters Listed in Article 14-3 in Securities and Exchange Act:
- In 2018, 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 65 to page 68 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:

1. Bills of remunerations distribution to the directors and supervisors of the Company 2017 and 2018 had been passed by the Board resolution on Mar 13, 2018 and Mar 7, 2019, respectively. The two Board meetings had been recorded by sound as well as video in compliance with Article 18 of “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”, and no directors participated in the resolution concerning his/her own remunerations distribution.
2. Bills of remunerations distribution to the managers of the Company had been passed by the Board resolution on Dec 27, 2018, which had been recorded by sound as well as video in compliance with Article 18 of “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”, and no managers participated in the resolution concerning his/her own remunerations distribution.

III. 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.

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

The Board meeting had been held for seven times in total last year, 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	7	100	May 3, 2017 Reelection
Supervisor	Treasure Island Properties Co., Ltd. Representative: CHEN,CHIN-KUN	5	71	May 3, 2017 Office Assumption Re-elected
Supervisor	CHANG,LING-YIN	7	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 28, 2018, 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 2018, 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 65 to page 68 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?	√		(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	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																																																																
(IV) Does The Company define an internal regulation, forbidding The Company insiders to use the undisclosed information in the market to transact the securities?			subsidiaries. Mutual risk control system as well as firewall have been properly established. (IV) The Company has built the operating systems of “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?	√		(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 52, among them there are two female directors and one supervisor. Capabilities of the Board members are summarized as below: <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	(II) The Company has built the Remuneration & Compensation Committee in Sep 2011, whereas other committees with diverse functions are yet to be founded.																																																																		

Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons																				
	YES	NO	Summary																					
Committee? (III) Does The Company define a criterion and method to evaluate the Board performance, and actually perform them periodically every year?			(III) 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. Self-evaluation conclusions 2018 of the Board performance are as below: 1. Evaluation Term: From Jan 1, 2018 till Dec 31, 2018. 2. Self-evaluation Conclusions of Entire Board Performance: <table><tr><th>Assessment Items</th><th>Assessment Results</th></tr><tr><td>Participation in Company Operations</td><td>Good</td></tr><tr><td>Quality Improvement of Board Decisions</td><td>Good</td></tr><tr><td>Composition and Structure of Board</td><td>Good</td></tr><tr><td>Election and Further Education of Board</td><td>Good</td></tr><tr><td>Internal Control</td><td>Good</td></tr></table> 3. Self-evaluation Conclusions of Board Members: The results are all Good. 4. Evaluation results of the Board performance have been reported in the Board meeting on Mar 7, 2019.	Assessment Items	Assessment Results	Participation in Company Operations	Good	Quality Improvement of Board Decisions	Good	Composition and Structure of Board	Good	Election and Further Education of Board	Good	Internal Control	Good									
Assessment Items	Assessment Results																							
Participation in Company Operations	Good																							
Quality Improvement of Board Decisions	Good																							
Composition and Structure of Board	Good																							
Election and Further Education of Board	Good																							
Internal Control	Good																							
(IV) Does The Company periodically assess the independence of the certified accountants?			(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 7, 2019. 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: <table><tr><th>Items</th><th>Specific Indices</th><th>Evaluation 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></table>	Items	Specific Indices	Evaluation 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	
Items	Specific Indices	Evaluation 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																					

Evaluation Items	Operation						Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary				
			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	
			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. Does the listed company build a corporate governance unit (sole or concurrent duty) or personnel to be responsible for the corporate governance affairs? (including treating concerning matters of Board meeting as well as shareholders meeting, dealing with company registration or modifying registration, or making meeting minutes for Board meeting and shareholders meeting)	√		The Company has assigned the personnel (sole or concurrent duty) to treat the related matters of Board meeting as well as shareholders meeting, to deal with the company registration or to modify the registration, to make the meeting minutes for Board meeting and shareholders meeting, etc.				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 response to the stakeholders concerning	√		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. http://www.myfreshjuice.com/others/responsibility2.html				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	
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)	√		(I) The Company has installed the website and disclose the information of company financing as well as governance in the area "Investor Relations". http://www.myfreshjuice.com/investor/company_profile.htm (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.	No material difference.
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:				

Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
<p>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.</p> <p>2. Employee health examination is held periodically every year, and the employee health certificate is also updated.</p> <p>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.</p> <p>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.</p> <p>B. Investors:</p> <p>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.</p> <p>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.</p> <p>C. Suppliers:</p> <p>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.</p> <p>D. Execution of Customer Policies:</p> <p>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, products packages, lead times, after-sales services as well as technique instructions of the Company.</p>				

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

Hence, improvement can be achieved and customer policies can be met.

(II) Further Education of Directors and Supervisors

Title Name	Office Assumption Date	Further Education Date		Organizer	Program Title	Further Education Hours
		from	till			
Director HUANG,KUO-HUANG	May 3, 2017	Nov 30, 2018	Nov 30, 2018	Taiwan Corporate Governance Association	Board Responsibilities and Risk Management under Newest Corporate Governance Blueprint	3
Director HUANG,KUO-HUANG	May 3, 2017	Dec 14, 2018	Dec 14, 2018	Taiwan Corporate Governance Association	How to Efficiently Elaborate Board Function and Practicing Corporate Governance	3
Director LIN,LI-LING	May 3, 2017	Mar 6, 2018	Mar 6, 2018	Taiwan Corporate Governance Association	Shareholders Meeting and Shareholding Management	3
Director LIN,LI-LING	May 3, 2017	Dec 14, 2018	Dec 14, 2018	Taiwan Corporate Governance Association	How to Efficiently Elaborate Board Function and Practicing Corporate Governance	3
Director WANG,MING-CHIH	May 3, 2017	Apr 25, 2018	Apr 25, 2018	Taiwan Academy of Banking and Finance	Training Seminar of Corporate Governance and Sustainable Operation	3
Director WANG,MING-CHIH	May 3, 2017	Aug 23, 2018	Aug 23, 2018	BCSD Taiwan	Connection between CSR and Trade – Sustainable Supply Chain Management	3
Director WU,MING-HSIEN	May 3, 2017	Apr 25, 2018	Apr 25, 2018	Taiwan Academy of Banking and Finance	Training Seminar of Corporate Governance and Sustainable Operation	3
Director WU,MING-HSIEN	May 3, 2017	Nov 30, 2018	Nov 30, 2018	Taiwan Corporate Governance Association	Board Responsibilities and Risk Management under Newest Corporate Governance Blueprint	3
Director HUANG,HSUN-YI	May 3, 2017	Feb 5, 2018	Feb 5, 2018	Accounting Research and Development Foundation	Newest Amendment to Labor Standard Laws and Analysis of Internal Control Practice of Recent Fraud	6
Independent Director LO,SHIH-WEI	May 3, 2017	Jul 13, 2018	Jul 13, 2018	Taiwan Corporate Governance Association	How Do Directors Fulfill 『Fiduciary Duty』 (judgment analysis and best practice included)	3
Independent Director LO,SHIH-WEI	May 3, 2017	Jul 17, 2018	Jul 17, 2018	Taiwan Securities & Futures Institute	Propaganda Seminar of Abidance of Insider Equity Transaction Laws of Listed and Unlisted Company	3
Independent Director CHEN,PO-TSANG	May 3, 2017	Apr 27, 2018	Apr 27, 2018	Taiwan Corporate Governance Association	Prevention from Fraud inside Enterprise as well as Establishment of Whistleblower System	3
Independent Director CHEN,PO-TSANG	May 3, 2017	Sep 12, 2018	Sep 12, 2018	Accounting Research and Development Foundation	How to Use Consolidated Financial Statements for Raising Operations Management Performance	3
Independent Director HE,CHEN	May 3, 2017	Feb 5, 2018	Feb 5, 2018	Accounting Research and Development Foundation	Newest Amendment to Labor Standard Laws and Analysis of Internal Control Practice of Recent Fraud	6
Independent Director	May 3, 2017	Feb 7, 2018	Feb 7, 2018	Accounting Research and	Practical Topic Seminar of	3

Evaluation Items		Operation					Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons	
		YES	NO	Summary				
	HE,CHEN			2018	2018	Development Foundation	Consolidated Financial Statements Preparing: Consolidated Statement of Cash Flows and Income Tax	
	Independent Director HE,CHEN	May 3, 2017		Feb 7, 2018	Feb 7, 2018	Taiwan Corporate Governance Association	Enterprise Operations and News Crisis Management Strategy	3
	Supervisor WANG,CHIA-HAN	May 3, 2017		Oct 15, 2018	Oct 15, 2018	Financial Supervisory Commission R.O.C.(Taiwan)	The 12nd Taipei Corporate Governance Forum (forenoon session)	3
	Supervisor WANG,CHIA-HAN	May 3, 2017		Oct 15, 2018	Oct 15, 2018	Financial Supervisory Commission R.O.C.(Taiwan)	The 12nd Taipei Corporate Governance Forum (afternoon session)	3
	Supervisor CHEN,CHIN-KUN	May 3, 2017		Apr 27, 2018	Apr 27, 2018	Accounting Research and Development Foundation	Audit Control Practice of “Cost Saving” and “Competition Strategy” of Enterprise	6
	Supervisor CHANG,LING-YIN	May 3, 2017		Feb 7, 2018	Feb 7, 2018	Taiwan Corporate Governance Association	Enterprise Operations and News Crisis Management Strategy	3
	Supervisor CHANG,LING-YIN	May 3, 2017		Aug 3, 2018	Aug 3, 2018	Taiwan Corporate Governance Association	How Do Directors Lead Enterprise to Respond to Environment of Rapid Change of Technology	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			
Audit Manager WU,PO-KUAN	Sep 19, 2018	Sep 19, 2018	The Institute of Internal Auditors – Chinese Taiwan	How Do Internal Auditors Execute Audit by Following Laws and Regulations	6
	Sep 20, 2018	Sep 20, 2018	The Institute of Internal Auditors – Chinese Taiwan	Case Analysis of Trade Secrets Act and Non-compete Clause	6

(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 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:

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

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 5th Corporate Governance Evaluation 2018, the situations improved are listed as below:

Items	Assessment Indices	Improvement
1	Does the company distribute the dividends to those who are to be distributed by the resolution of shareholders meeting within 30 days after the ex-dividend date in the year of evaluation?	The Company had distributed the dividends by the resolution of shareholders meeting within 30 days after the ex-dividend date.
2	Does the corporate directors and supervisors accord with "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", to accomplish their further education hours?	The Company had arranged the directors as well as supervisors to fulfill their further education hours according to "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".
3	Does the corporate independent directors accord with "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", to accomplish their further education hours?	The Company had arranged the independent directors to fulfill their further education hours according to "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".
4	Does the company disclose the codes of corporate governance which have been defined?	The Company has defined and disclosed "Best Principles of Corporate Governance".

(II) According to the results of the 5th Corporate Governance Evaluation 2018, the reinforcement in advance and measures for the non-improved matters are listed as below:

Items	Assessment Indices	Improvement Measures
1	Does the company correctly disclose the comments of the independent directors toward the material bill in the Board meeting, and the treatment for the comments by the company in the Annual Report?	The Company plans to correctly disclose the comments of the independent directors toward the material bill in the Board meeting, and the treatment for the comments by The Company in the Annual Report.
2	Does the company synchronously upload the meeting notice in English version 30 days prior to the shareholders general meeting?	The Company plans to synchronously upload the meeting notice in English version 30 days prior to the shareholders general meeting.

Evaluation Items	Operation			Difference by Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the Reasons
	YES	NO	Summary	
3	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 plans to upload the meeting handbook as well as supplementary information in English version 21 days prior to the shareholders general meeting.	
4	Does the company upload the Annual Report in English version 7 days prior to the shareholders general meeting?		The Company plans to upload the Annual Report in English version 7 days prior to the shareholders general meeting.	
5	Does the company website or Market Observation Post System disclose the annual financial reports (financial statements and annotations included) in English version?		The Company plans to disclose the annual financial reports (financial statements and annotations included) in English version on Market Observation Post System.	

(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		
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 two times (A) in total last year, 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):					
The Remuneration & Compensation Committee	The Content of Bill and Follow-up Processing		The resolution results	Solutions by The Company to the suggestions	
The 2 nd Meeting The 3 th Session Mar 13, 2018	1. Remuneration of employees and compensation of directors and supervisors in 2017.		All the members of the committee agree to pass it through.	The bill was submitted to the board of directors and approved by all the directors present.	

<p>The 3rd Meeting The 3th Session Dec 27, 2018</p>	<ol style="list-style-type: none"> 1. The bill to review the remuneration-related measures for directors, supervisors and managers of the Company. 2. The bill to discuss the expected distribution of year-end bonuses for managers of our company and subsidiaries in 2018. 3. The bill to discuss the monthly salary structure and payment amount of managers of the company and its subsidiaries. 	<p>All the members of the committee agree to pass it through.</p>	<p>The bill was submitted to the board of directors and approved by all the directors present.</p>
<p>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.</p>			

(V) CSR Fulfillment

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>I. Practice of Corporate Governance</p> <p>(I) Does the company define any related policies or systems of CSR, and review the effects of practice?</p> <p>(II) Does the company hold the training program concerning CSR periodically?</p> <p>(III) Does the company set a special unit (sole or concurrent duty) to push CSR, where the unit is to be treated by the executive management authorized directly by the Board, and, to be reported to the Board of the treatment?</p> <p>(IV) Does the company found the reasonable policies of remuneration & compensation, and combine the audit system of employee performance with the policies of CSR, as well as exactly defining any effective reward & punishment systems?</p>	√		<p>(I) The Company has established the policies concerning CSR through the Board meeting in the first quarter of 2012, summarizing CSR scheming, pushing, executing, information collecting as well as reviewing and improving, in order to fulfill CSR and improve the execution efforts.</p> <p>(II) The Company is to periodically hold the CSR Workshop, discussing the topics related to stakeholders, pushing the implementation of each CSR item in The Company, as well as compiling the CSR reports periodically.</p> <p>(III) The Company has founded a special unit (sole or concurrent duty) to push 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 report to the Board. 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.</p> <p>(IV) The Company has established a system of the annually periodic assessment, criterion as well as structure for the policies of remuneration & compensation for employees, combining with CSR and audit index of concerning work, to ensure that the plans of remuneration & compensation comply with the strategy targets as well as stakeholders' interest.</p>	No material diversity.
II. Development for Sustainable	√			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>Environment</p> <p>(I) Does the company take an effort to increase the use efficiency of each resource, and launch the recyclable materials to reduce impact toward the environment as possible as it can?</p> <p>(II) Does the company build an environmental management system which is appropriate based on the industrial characteristics?</p> <p>(III) Does the company notice the influence to its operating activities by the climate change, precisely perform the check of greenhouse gases, and found the</p>			<p>(I) The Company uses the recycled paper, applies with conference call instead of business trip, and practically adopts the policies of waste classification and recycling. The Company has set the recycling centers to gather the wasted batteries at various spots at the same time. Also, propaganda is launched to educate the employees to bring the old batteries to these recycling centers even from their homes, in order to reduce the environmental contamination. Moreover, wasted materials can be recycled for use. As for the discarded old machines or equipment can be disassembled and reassembled to optimize the usage.</p> <p>(II) The Company aims at reducing CO₂ 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 has reached 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>(III)</p> <p>1. The Company actively promotes the clean and safe production and partakes in “Advanced Enterprise on Environmental Protection”. Through the diverse measures, The Company has achieved an interim result in terms of the energy conservation as well as production process optimization, and has been</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							
strategies for reduction of the use of energy, carbon generating, as well as the greenhouse gases?			<p>certificated successfully by the local environmental protection department. 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.</p> <p>2. The Company had established a team to examine greenhouse gases in Feb 2018, which had the examination reports completed in May 2018, and acquired the certification from the third party CQC. The Company positively responds to and complies with the environmental laws and regulations of the local administration, quantifies the managerial target, and explores the new opportunities further during the carbon management process, making the corresponding policies for controlling energy saving and carbon reduction, greenhouse gases reduction, as well as other related reduction of water usage or waste. Annual greenhouse gases emissions over the past three years are as below:</p> <table><tr><td>2016 Total CO2e Emissions (ton)</td><td>2017 Total CO2e Emissions (ton)</td><td>2018 Total CO2e Emissions (ton)</td></tr><tr><td>7,133.352</td><td>7,310.537</td><td>8,372.920</td></tr></table> <p>Short-term/Midterm/Long-term Measures for Achieving Goals</p> <p>(1) Short-term measures aim at precisely grasping the sources and intensity of internal/external greenhouse gases emissions. For example, examining carbon footprint, or promoting Environmental Management Systems ISO14000. The company launched the project of the Environmental Management Systems ISO14000 in 2018 and obtained the certificate in March 2019.</p> <p>(2) Midterm measures aim at projects promotion of energy saving as well as carbon reduction of the products and services. The company plans to carry out a reclaimed water reuse project in 2019 to reduce wastewater discharge and achieve the goal of emission reduction.</p> <p>(3) Long-term measures aim at the ultimate carbon neutral, by using the method of carbon sink or carbon rights to offset carbon emissions of the Company.</p>	2016 Total CO2e Emissions (ton)	2017 Total CO2e Emissions (ton)	2018 Total CO2e Emissions (ton)	7,133.352	7,310.537	8,372.920	
2016 Total CO2e Emissions (ton)	2017 Total CO2e Emissions (ton)	2018 Total CO2e Emissions (ton)								
7,133.352	7,310.537	8,372.920								

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	
			(4) Reviewing the sustainable development goals of the UN (say, the climate change in SDG 13, or the targets and expectations of responsible consumption in SDG 12), and considering the answers and actions what The Company can respond from an overall dimension.	
<p>III. Upholding of Social Welfare</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>(II) Does the company build a system or channel of employee grievances, and deal with it properly?</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>(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. 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. Each department of the Company is to design a full system of remuneration & compensation as possible as it can, enabling an employee to share the fruits from the corporate operations as well as their own performances, and ensures the employees have the rights of sufficient paid leave.</p> <p>(II) The Company has installed the internal email boxes, suggestion boxes as well as WeChat platform, hearing the demands and recommendations from the staff, further then understanding their voices, and absorbing as well as dealing with them in an appropriate manner. Also, Union is founded according to Labor Union Act, to convene the periodic meeting and to establish an internal communication platform.</p> <p>(III) The Company has conducted the activities inside the organization every year: (1) Employee Health Examination; (2) Training and Propaganda for Safety Production; (3) Prevention from Pest and Rodent; (4) Management and Control over Hazardous Chemicals; and (5) Training and Drills for Fire Safety of Employment by Professional Fire Safety Trainer via External Hire. 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 staff from all dimensions. The Company was</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>(IV) Does the company found a regular communication system with its employees, and inform them by a reasonable way if there is any operational variance which might cause material influence?</p> <p>(V) Does the company set the training programs for its employees to develop their efficient career capabilities?</p> <p>(VI) Does the company conclude any policies or appeals procedures for defending consumer rights in terms of the processes concerning R&D, purchase, production, operation and service?</p>			<p>awarded for “Safety Production Standardization (2nd-class enterprise)” by Jiangsu Province Administration of Work Safety in Dec 2016; moreover, The Company was awarded for “Top 10 Enterprises of Production Safety 2016 & 2017” by Kunshan administration in 2017. 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 Company actively founds a system of multi-channel communication with its staff: (1) Establishing a system of periodic meeting of each department, in order to comprehend the suggestions and improvement directions which the employees expect. (2) Setting the bulletin board at the corporate restaurant to announce each management method, employee life sharing, as well as award, punishment or variance of human resource. (3) Implementing the corporate internal recruitment and job rotation system.</p> <p>(V) Core necessity of the Company is the cultivation of excellent and expertized elites. On the basis of the education, work experience, potentiality, special skill as well as management level of an employee, The Company schemes the annual training programs, carrying out diverse training courses such as program for new recruitment training, program for special skills training, program for trainers, program for sand table drills, and program for cadre training. Where the education and training with diverse levels can be adopted for the employees to structure a devilment platform to elaborate their career capabilities efficiently.</p> <p>(VI) Although the products do not confront the end consumers directly, The Company still has the customer service coordinators assigned to be responsible for following any appeals from the customers, and in no time reply to the appeals 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</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>(VII) Does the company comply with the relational regulations as well as international standards for marketing or labeling toward its own products and services?</p> <p>(VIII) Does the company evaluate a supplier for whether it has had any records about negative influence upon the environment or society in the past before interacting with it?</p> <p>(IX) Does the company conclude a contract with its main supplier with any proviso, that the company can terminate the contract anytime if there are any violations found of this supplier against the CSR policies, which even effects the environment or society materially?</p>			<p>same issues and satisfying the customers.</p> <p>(VII) The Company strictly obeys the relational laws and regulations concerning label indication of the products based on the operational locations.</p> <p>(VIII) 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).</p> <p>(IX) Contracts between The Company 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.</p>	
<p>IV. Reinforcement of Information Disclosure</p> <p>(I) Does the company disclose the information concerning the relevance and reliability of CSR on its official website as well as Market Observation</p>	√		<p>(I) The Company has installed the website to disclose the relational information of CSR, and the web address is as below: http://www.myfreshjuice.com/others/responsibility.html</p> <p>In Jun, 2018, The Company had completed the 2017 CSR Report and disclosed it on the corporate website. This report is a CSR Report compiled on the basis of GRI 4.0 ver.</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	
Post System?				

V. 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 diversity.

VI. Other Material Information Helping with Understanding CSR Operations:

1. The Company pushes the 5S project to the whole staff 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 the unnecessary waste and increase the work efficiency.
2. Building a green work environment for the staff. Surface area of the Company is 13,331m², wherein the green area is up to 3,000m², rearing all kinds of diverse plants, to embellish the office as well as community environments.
3. Chairman of the Company always encourages the children of staff to be more enthusiastic about learning. Also, the Chairman has established the English class for the children of SUNJUICE staff, as well as the scholarship, in order to inspire those kids to study harder with ambition and accomplish their education, becoming the future mainstay for the society.
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 vegetables and the adoption of fruit trees. 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. Since Aug 2017, there were about 30-40 families to take part in it, where the plants cultivation ranged from 3 to 5 months. Furthermore, event of the fifth term, farm-adoption, has already begun from Mar 10, 2019. Also, this activity has been more and more favored by the community inhabitants nearby The Company, as well as its employees.
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.

VII. CSR Report of the Company has been verified through the relational institutions, which should be described in details.

The Company had completed the compilation of CSR Report 2017 in Jun 2018 in accordance with GRI 4.0 ver., which had been certificated by PwC Taiwan. Furthermore, The Company 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. in Nov 2016. Also, The Company was awarded for CSR “Corporate Citizenship Award – Little Giant Group” by Taiwan Commonwealth Magazine over four consecutive years, from Aug 2015 to Aug 2018.

(VI) Execution and Measures of Ethical Corporate Management of Company:

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 present the polies and measures of ethical management, or any commitments of positive fulfillment from the Board or management in the related articles or foreign documents?</p> <p>(II) Does the company provide any solutions to prevent the unethical behaviors, stipulate the definite procedures, behavior indices, punishment for violation as well as appeals system, and exactly put them into practice?</p> <p>(III) Does the company adopt any prevention against the clauses defined in Article 7.2 of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, or those operating activities with a higher risk of unethical behaviors within other operational range?</p>	√		<p>(I) The Company had regulated “Principles of Ethical Management” by the Board on Feb 17, 2012, which had already been submitted in the shareholders meeting and disclosed on the corporate website.</p> <p>(II) The Company has defined the solutions against unethical behaviors, demanding the staff for ethical behaviors, and launching the propaganda for ethical management policies through education and training.</p> <p>(III) The Company has built both the effective systems of accounting as well as internal control, and there is no second book nor secret account. Whenever necessary, The Company is to review the systems, making sure that both systems can be carried out sustainably and efficiently, where the internal audit unit will check the execution and status of these systems regularly.</p>	No material diversity.
<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 behaviors in the contract cosigned with this partner?</p> <p>(II) Does the company build a special unit (sole or concurrent duty) being responsible directly</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 (sole or concurrent duty) of ethical management has yet to be founded, The Company has actively promoted the ethical</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>to the Board to promote the ethical behaviors, as well as periodically reporting the operations to the Board?</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 established the efficient systems concerning accounting and internal control for fulfilling ethical management, and designated an internal audit unit periodically, or, an entrusted accountant to execute the audit?</p> <p>(V) Does the company regularly host the internal/external education programs of ethical management?</p>			<p>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 founded the effective systems for both accounting and internal control according to the relational laws. Internal audit personnel will obey the rules to regularly audit each system and then prepare an audit report, where this report is to be directly submitted to the directors and supervisors for further reviewing, in order to fulfill the ethical management, as well as prevent the fraud.</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 the participants of external training programs (including obedience to laws and regulations, food hygiene and safety, internal control, etc.), which contains the one concerning ethical</p>	

Assessment	Operation			Difference of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, as well as the Reasons
	YES	NO	Summary	
			management held by The Company in 2018, is up to 1,255 persons, and the total calculation is 2,805.5 persons per hour.	
<p>III. Operations of Whistleblower System of Company</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 regulate any SOPs of investigation on the accused objects or relational mechanism of confidentiality?</p> <p>(III) Does the company take any measures to protect the whistleblowers from being improperly treated due to the whistleblowing?</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 well as the accusations.</p> <p>(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.</p>	No material diversity.
<p>IV. Reinforcement of Information Disclosure</p> <p>(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?</p>	√		<p>(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.</p>	No material diversity.
<p>V. Please explain the diversity between actual operations and principles defined, if the company abides by “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” to make its own principles:</p> <p>The Company defines its own “Principles of Ethical Management” and runs all kinds of operating activities</p>				

Assessment	Operation			Difference of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, as well as the Reasons
	YES	NO	Summary	
based on these principles. Moreover, there are three independent directors, internal audit unit as well as supervisors to be positioned of the Company. So far, there have been no material violations against ethical management.				
VI. Other Material Information Helping with Understanding Company Operations by Ethical Management (such as reviewing or revising the principles of ethical management): The Company is to promote the determination of ethical management as well as the demands of CSR upon the vendors, through the audit system of on-site visit to the suppliers periodically. Also, control standards of the supply chain should be assessed to perform the rankings management and audit operations upon the suppliers.				

(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 7, 2019

Statement is made here for internal control system of the Company in 2018 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, 2018, 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 7, 2019, 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 Signature: HUANG,KUO-HUANG

President Signature: HUANG,KUO-HUANG

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.

Audit Report of Internal Control System

The internal control system involved with external financial reporting and assets protection safety of SUNJUICE and its material subsidiaries (Power Keen Limited, Sunjuice (Hong Kong) Limited, Sunjuice Co., Ltd., Guangdong Fresh Juice Biotechnology Co., Ltd. and Fresh Juice Industry (Tianjin) Co., Ltd.) attached in the back, was assessed on Mar 7, 2019, where the statement of recognition for the effectiveness of design as well as implementation of the system from Jan 1, 2018 till Dec 31, 2018 has been verified and completed by the Accountant. It should be the duty of corporation management to maintain an efficient internal control system as well as evaluate its effectiveness. Responsibility of the Accountant is to comment for the effectiveness of the corporation internal control system and the statement as above according to the audit results.

The Accountant follows “RICS”, as well as Generally Accepted Auditing Standards (GAAS) to scheme and perform the auditing operation, in order to reasonably ensure whether the effectiveness of internal control system of the Company as described above still maintains on all the material perspectives. The auditing operation contains understanding of the corporation internal control system, assessment of the process for how the management evaluates the effectiveness of the entire internal control system, testing and evaluating the effectiveness of design and implementation of the internal control system, as well as other audit procedures what the Accountant considers as the necessities. The Accountant believes this auditing operation is reliable to provide the reasonable proofs for the comments.

Any internal control systems have a congenital limitation; therefore, there is still a possibility that some mistakes or frauds which have occurred may not be prevented nor inspected by the internal control system of SUNJUICE and its material subsidiaries as given above. In addition, future environments may change, and the degree of following the same system may also decrease. As the conclusion, an efficient current internal control system may not be as effective as it will be in the future.

Based on the comments of the Accountant, and according to the effectiveness assessment for internal control system in “RICS”, a judgement can be made that the design and implementation of internal control system, from Jan 1, 2018 till Dec 31, 2018, concerning the external financial reporting as well as assets protection safety of SUNJUICE and its material subsidiaries, maintains the effectiveness on every material perspective. The statement of recognition for the effectiveness of design and implementation of the internal control system concerning external financial reporting as well as assets protection safety, which was provided by SUNJUICE and its material subsidiaries on Mar 7, 2019, has been verified to be proper on every material perspective.

SUNJUICE has complied with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and “RICS” to define the related operating procedures for acquisition or disposal of assets, transaction of derivative products, management of capital loaning to others, management of endorsement or guarantee for others, management of transaction with related parties, management of compilation procedures for financial statements, as well as supervision and management to subsidiaries.

DTTL

Accountant HSIEH MINGCHUNG

(Steven Hsieh)

Accountant CHEN HUIMING

Mar 18, 2019

(X) Last year, and as of the printing date of Annual Report, any punishments upon the corporation or the internal personnel, or, punishments, major defects and improvement for the violation against internal control system of the corporation upon the internal personnel: NA.

(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 2018	May 28, 2018	<ol style="list-style-type: none"> 1. Amendment to “Articles of Incorporation” Execution: Validated after the resolution by shareholders meeting. 2. Amendment to “Management of Endorsement and Guarantee” Execution: Validated after the resolution by shareholders meeting, and concerning procedures were implemented according to the amendment. 3. Amendment to “Procedures for Election of Directors and Supervisors” Execution: Validated after the resolution by shareholders meeting, and concerning procedures were implemented according to the amendment. 4. Recognition of Annual Business Report and Financial Statements 2017 Execution: Relational files and statements had been submitted to the authorities for reference in accordance with the related laws and regulations. 5. Recognition of Disposition of Earnings 2017 Execution: Resolution was passed and carried out without any problems in compliance with the shareholders meeting, where the cash dividends at NT\$153,828,000 (NT\$5 per share) had been distributed on Jul 31, 2018.

Periods	Date	Material Resolutions of Board Meeting
The 5 th Meeting The 3 rd Session Board of the Directors	Mar 13, 2018	<ol style="list-style-type: none"> 1. Resolution Passed on “Statement of Internal Control System” from Jan 1, 2017 to Dec 31, 2017 of the Company 2. Resolution Passed on Independence of Accountants of the Company 3. Resolution Passed on Change of Authorized Accountants for Financial Statements of the Company 4. Resolution Passed on Annual Business Report and Consolidated Financial Statements 2017 of the Company 5. Resolution Passed on Disposition of Earnings 2017 of the Company 6. Resolution Passed on Remuneration Distribution to Employees, Directors and Supervisors 2017 of the Company 7. Resolution Passed on “Management of Endorsement and Guarantee” of

Periods	Date	Material Resolutions of Board Meeting
		<p>the Company and Its Subsidiaries</p> <p>8. Resolution Passed on Provision of Endorsement and Guarantee between The Company and Its Subsidiaries</p> <p>9. Resolution Passed on Date, Location and Bills for Shareholders General Meeting 2018</p> <p>10. Resolution Passed on Matters concerning Claim to Proposals of Shareholders who Possess more than 1% of Shareholding Ratio</p>
The 6 th Meeting The 3 rd Session Board of the Directors	Apr 11, 2018	<p>1. Resolution Passed on Amendment to “Articles of Incorporation” of the Company</p> <p>2. Resolution Passed on Update for Shareholders General Meeting 2018</p>
The 7 th Meeting The 3 rd Session Board of the Directors	May 8, 2018	<p>1. Resolution Passed on Loans from the Subsidiary Fresh Juice Industry (Kunshan) Co., Ltd. to the Subsidiary Shanghai Sense Beverage Co., Ltd.</p> <p>2. Resolution Passed on Early Termination of Loans from the Subsidiary Power Keen Limited to the Subsidiary Fresh Juice Industry (Kunshan) Co., Ltd.</p>
The 8 th Meeting The 3 rd Session Board of the Directors	Jun 20, 2018	<p>1. Resolution Passed on Distribution of Cash Dividends 2017 of the Company, as well as Defining of Ex-dividend Date and Related Operations Dates</p> <p>2. Resolution Passed on Loans from the Subsidiary Fresh Food (Kunshan) Co. Ltd. to the Subsidiary Fresh Juice Industry (Kunshan) Co., Ltd.</p> <p>3. Resolution Passed on Cash Capital Increase from the Subsidiary Fresh Juice Industry (Kunshan) Co., Ltd. to the Subsidiaries Fresh Juice Industry (Tianjin) Co., Ltd. and Guangdong Fresh Juice Biotechnology Co., Ltd.</p> <p>4. Resolution Passed on Loans from The Company to the Subsidiary Sense International Limited</p> <p>5. Resolution Passed on Termination of Endorsement and Guarantee of the Company for the Subsidiary Sense International Limited</p>
The 9 th Meeting The 3 rd Session Board of the Directors	Aug 1, 2018	<p>1. Resolution Passed on “Management of Liabilities, Commitments, and Contingencies” of the Company and Its Subsidiaries</p> <p>2. Resolution Passed on Termination of Endorsement and Guarantee of the Company for the Subsidiaries Power Keen Limited and Fresh Juice Industry (Kunshan) Co., Ltd.</p>
The 10 th Meeting The 3 rd Session Board of the Directors	Nov 8, 2018	<p>1. Resolution Passed on Amendment to “Standards for Practice of Internal Audit” of the Company and Its Subsidiaries</p> <p>2. Resolution Passed on Defining “Best Principles of Corporate Governance” of the Company</p> <p>3. Resolution Passed on Change of Authorized Accountants for Financial</p>

Periods	Date	Material Resolutions of Board Meeting
		<p>Statements of the Company</p> <p>4. Resolution Passed on Application for Company Name Change of the Subsidiary “Fresh Juice Industry (Kunshan) Co., Ltd.” to Local Authorities</p>
<p>The 11th Meeting</p> <p>The 3rd Session</p> <p>Board of the Directors</p>	<p>Dec 27, 2018</p>	<ol style="list-style-type: none"> 1. Resolution Passed on Internal Audit Project 2019 of the Company 2. Resolution Passed on “Budget Planning 2019” of the Company 3. Resolution Passed on Amendment to “Articles of Incorporation” of the Company 4. Resolution Passed on Amendment to “Management Program for Payroll and Personnel Cycle” of the Company and Its Subsidiaries 5. Resolution Passed on Reviewing of Remuneration & Compensation for Directors, Supervisors and Managers of the Company 6. Resolution Passed on Distribution of Estimated Year-end Bonuses for Managers 2018 of the Company and Its Subsidiaries 7. Resolution Passed on Salary Structure and Payment Amount for Managers per Month of the Company and Its Subsidiaries
<p>The 12th Meeting</p> <p>The 3rd Session</p> <p>Board of the Directors</p>	<p>Mar 7, 2019</p>	<ol style="list-style-type: none"> 1. Resolution Passed on Revelation of “Statement of Internal Control System” of the Company from Jan 1, 2018 till Dec 31, 2018 2. Resolution Passed on Independence of Accountants of the Company 3. Resolution Passed on Annual Business Report and Consolidated Financial Statements 2018 of the Company 4. Resolution Passed on Disposition of Earnings 2018 of the Company 5. Resolution Passed on Earnings Transferred to Capital Increase for Issuance of New Shares 6. Resolution Passed on Remuneration Distribution to Employees, Directors and Supervisors 2018 of the Company 7. Resolution Passed on Company Name Revision in Concerning Documents of Internal Control System for the Subsidiary “Sunjuice Co., Ltd.” 8. Resolution Passed on Amendment to “Management Procedures of Acquisition or Disposal of Assets” of the Company and Its Subsidiaries 9. Resolution Passed on Amendment to “Management of Loaning the Capital to Others” of the Company 10. Resolution Passed on Amendment to “Best Principles of Corporate Governance” of the Company 11. Resolution Passed on Amendment to “Budget Management System” of the Company and Its Subsidiaries 12. Resolution Passed on Date, Location and Bills for Shareholders General

Periods	Date	Material Resolutions of Board Meeting
		Meeting 2019 13. Resolution Passed on Matters concerning Claim to Proposals of Shareholders who Possess more than 1% of Shareholding Ratio

(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, as well as chiefs of R&D department: NA.

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 (Steven Hsieh) CHEN HUIMING	4,360	-	-	-	900	900	2018	Non-audit Fee Belonging to the Audit of Internal Control Project
DTTL	WU SHIZONG (Jimmy Wu)	-	-	-	-	650	650	2018	Non-audit Fee Belonging to 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 is less than 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 8, 2018		
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	Accountant	Mandator
	Situations		
	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 MINGCHUNG (Steven Hsieh), CHEN HUIMING
Date of Authorization	Nov 8, 2018
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	2018		Current Year as of Apr 30	
		Shares Held Addition (reduction)	Pledged Shares Addition (reduction)	Shares Held Addition (reduction)	Pledged Shares Addition (reduction)
Chairman (as well as president; major shareholder)	HUANG,KUO-HUA NG	(128,000)	0	0	0
Directors (major shareholders)	LIN,LI-LING	0	(1,200,000)	0	0
Director	HUANG,HSUN-YI	38,000	0	0	0
Director	WANG,MING-CHIH	(15,780)	(180,000)	0	0
Director	WU,MING-HSIEN	(56, 000)	0	(62, 000)	0
Independent Director	HE,CHEN	0	0	0	0
Independent Director	LO,SHIH-WEI	0	0	0	0
Independent Director	CHEN,PO-TSANG	0	0	0	0
Supervisor	WANG,CHIA-HAN	0	0	0	0
Supervisor	Treasure Island Properties Co., Ltd. Representative: CHEN,CHIN-KUN	0	0	0	0
Supervisor	CHANG,LING-YIN	0	0	0	0
Chief of Accounting Department	CHEN,YI-JU	0	0	0	0

(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, and Shareholders whose Shareholding Ratios are over 10%	Number of Shares	Transaction Prices
WU,MING-HSIEN	Disposal (grant)	Mar 31, 2018	WU,HSIN-YEN	Father & Son	14,000	0
WU,MING-HSIEN	Disposal (grant)	Apr 2, 2019	WU,HSIN-YEN	Father & Son	12,000	0
WU,MING-HSIEN	Disposal (grant)	Apr 2, 2019	XU WENRONG	Spouse	50,000	0
HUANG,KUO-HUANG	Disposal (grant)	Oct 22, 2018	HUANG JIANQUAN	Father & Son	45,000	0
HUANG,KUO-HUANG	Disposal (grant)	Oct 22, 2018	HUANG JIANNING	Father & Daughter	45,000	0
HUANG,KUO-HUANG	Disposal (grant)	Oct 22, 2018	HUANG,HSUN -YI	Brother	38,000	0
WANG,MING-CHIH	Disposal (grant)	Dec 14, 2018	WANG XINKAI	Father & Son	15,780	0

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 31, 2019

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	Sharehol ding Ratio	Number of Shares	Sharehol ding Ratio	Num ber of Share s	Share holdi ng Ratio	Titles (or Names)	Relationship	
HUANG,KUO-HUANG	8,477,136	27.55%	5,752,270	18.70%	0	0%	LIN,LI-LING LIN LIXUE	Spouse Second-degr ee Relative	NA
LIN,LI-LING	5,616,604	18.26%	8,612,802	28.00%	0	0%	HUANG,KU O-HUANG LIN LIXUE	Spouse Sister	NA
WANG,MING-CHIH	1,348,452	4.38%	279,723	0.91%	0	0%	NA	NA	NA
WU,MING-HSIEN	1,211,460	3.94%	230,066	0.75%	0	0%	NA	NA	NA
LIN ZONGYU	831,401	2.70%	0	0%	0	0%	NA	NA	NA
Treasure Island Properties Co., Ltd. Representative Director: CHEN,CHIN-KUN	736,120	2.39%	0	0%	0	0%	NA	NA	NA
LIN LIXUE	567,531	1.84%	283,685	0.92%	0	0%	LIN,LI-LING HUANG,KU O-HUANG	Sister Second-degr ee Relative	NA
Special Account for UPAMC Quality Growth	447,606	1.45%	0	0%	0	0%	NA	NA	NA
CAI-LIN LIMIN	425,615	1.38%	0	0%	0	0%	NA	NA	NA
TAINET Communication System Corp.	349,000	1.13%	0	0%	0	0%	NA	NA	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, 2018; 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 (Samoa)	17,785	100%	0	0%	17,785	100%
Sunjuice (Hong Kong) Limited	15,300	100%	0	0%	15,300	100%
Fresh Food (Kunshan) Co. Ltd.	(Note)	100%	0	0%	0	100%
Sunjuice Co., Ltd.	(Note)	100%	0	0%	0	100%
Fresh Juice Industry (Tianjin) Co., Ltd.	(Note)	100%	0	0%	0	100%
Guangdong Fresh Juice Biotechnology Co., Ltd.	(Note)	100%	0	0%	0	100%
Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd.	(Note)	51%	0	0%	0	51%
Sense International Limited	1,000	100%	0	0%	1,000	100%
Shanghai Sense Beverage Co., Ltd.	(Note)	100%	0	0%	0	100%
Sunjuice I International Limited	20,003	75%	0	0%	20,003	75%
Suzhou Sunjuice I International Limited	(Note)	75%	0	0%	0	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 (Samoa)
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

2. Classification of Shares:

Classification of Shares	Authorized Share Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Common Shares	30,765,600	29,234,400	60,000,000	Listed Shares

3. Information concerning summarized registration systems: Not applicable.

(II) Shareholder Structure

Mar 31, 2019

Shareholder Structure Quantity	Government Institutions	Finance Institutions	Other Juridical Persons	Individual Person	Foreign Institutions and Outsiders	Total
Number of Persons (person)	0	4	20	1,832	21	1,877
Shares Held (share)	0	705,570	559,962	28,136,536	1,363,532	30,765,600
Shareholding Ratios (%)	0	2.29%	1.82%	91.46%	4.43%	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 31, 2019

Classification of Shares (share)	Number of Shareholders (person)	Shares Held (share)	Shareholding Ratios (%)
1 – 999	491	77,970	0.25
1,000 – 5,000	1,077	1,935,906	6.29
5,001 – 10,000	125	950,284	3.09
10,001 – 15,000	66	837,355	2.72
15,001 – 20,000	26	461,239	1.50
20,001 – 30,000	26	654,472	2.13
30,001 – 50,000	22	876,722	2.85
50,001 – 100,000	15	1,009,538	3.28

Classification of Shares (share)	Number of Shareholders (person)	Shares Held (share)	Shareholding Ratios (%)
100,001 – 200,000	8	1,014,992	3.30
200,001 – 400,000	12	3,285,197	10.68
400,001 – 600,000	3	1,440,752	4.68
600,001 – 800,000	1	736,120	2.39
800,001 – 1,000,000	1	831,401	2.70
More than 1,000,001	4	16,653,652	54.14
Total	1,877	30,765,600	100.00

2. Diversification of preferred shares: Not applicable.

(IV) List of Major Shareholders

Mar 31, 2019; unit: shares

Names of Major Shareholders \ Shares		Shares Held	Shareholding Ratio
1	HUANG,KUO-HUANG	8,477,136	27.55%
2	LIN,LI-LING	5,616,604	18.26%
3	WANG,MING-CHIH	1,348,452	4.38%
4	WU,MING-HSIEN	1,211,460	3.94%
5	LIN ZONGYU	831,401	2.70%
6	Treasure Island Properties Co., Ltd. Representative Director: CHEN,CHIN-KUN	736,120	2.39%
7	LIN LIXUE	567,531	1.84%
8	Special Account for UPAMC Quality Growth	447,606	1.45%
9	CAI-LIN LIMIN	425,615	1.38%
10	TAINET Communication System Corp.	349,000	1.13%

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

unit: NTD

Items \ Year			2017	2018
Par Value per Share	Maximum		182.00	197.00
	Minimum		117.00	124.00
	Average		139.07	158.19
Net Value per Share	before Distribution		48.46	56.74
	after Distribution		43.46	(Note 1)
Earnings per Share	Weighted Average Shares		28,645	30,765
	Earnings per Share		10.01	14.35
	Retroactive Adjustment of Earnings per Share		10.01	14.35
Dividends per Share	Cash Dividends		NT\$5/share	(Note 1)
	Issuance of	Stock Dividends from Retained Earnings	0	(Note 1)
	Bonus Shares	Stock Dividends from Capital Reserve	0	(Note 1)
	Cumulative Dividends in Arrears		0	0
Analyses of Return on Investment (ROI)	Price-to-Earnings Ratio (PER, Note 2)		13.89	11.02
	Price-to-Dividend Ratio (PDR, Note 2)		27.81	(Note 1)
	Cash Dividend Yield (CDY, Note 2)		3.60%	(Note 1)

Note 1: Resolution on the distribution of earnings 2018 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 2018 by resolution of the Board meeting on Mar 7, 2019, which is as below: total amount of the cash dividends is NT\$190,747 thousand, and NT\$6.2 for each share; total amount of the stock dividends is NT\$30,766 thousand, and NT\$1 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

After resolving by the Board meeting of the Company on Mar 7, 2019, the distributable earnings are transferred to the shares for capital increase at NT\$30,766 thousand, and the share capital after distribution is NT\$338,422 thousand. Dilution to the earnings per share 2018 of the Company by this issuance of bonus shares is 10%. Because The Company is still growing, influence of the issuance of bonus shares upon the operational performance and

earnings per share of the Company is finite.

(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 2018 by resolution of the Board meeting on Mar 7, 2019, which is as below: remuneration by cash for the employees is NT\$9,187

thousand, as well as NT\$3,400 thousand for the directors and supervisors.
Where there is no diversity with the recognition amounts in the financial statements 2018.

(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 2017, and, the recognized ones in the consolidated financial statements 2017.

(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:

Treatment of Capital Increase by Cash to Issue Common Shares 2017

(I) Contents of Plans

1. Approval Date and Letter by Authorities: FSC Letter FA No.1060021330, Jun 14, 2017
2. Total Amount of Funds: NT\$453,418 thousand
3. Resources of Funds: Newly issued shares by the capital increase are 3,600 thousand, where the denomination per share is NT\$10, issue price per share is NT\$112, and the total raising funds are NT\$403,200 thousand. Insufficient funds are about NT\$50,218 thousand. Except for the down payment for the construction of Kunshan factory at about NT\$19,580 thousand, which was paid by the owned funds before the target of funds collection was achieved in the second quarter of 2017. As for the residual amount at NT\$30,638 thousand shall also be disbursed by the owned funds or loans from the bank.

(II) Execution

unit: thousand (NTD)

Items of Plans	Expected Completion Date	Funds Necessary Total Amounts	Execution as of the First Quarter of 2019		
New Building of Logistics Warehouse Facility, as well as Establishment of Automated Storage System – Kunshan Plant	2018 The 3 rd Quarter	198,924	Expenditures	Estimates	198,924
				Actualities	198,924
			Execution Progress	Estimates	100.00%
				Actualities	100.00%
New Building of Factory, as well as Purchase of Machines and Equipment – Guangdong Plant	2019 The 1 st Quarter	254,494	Expenditures	Estimates	254,494
				Actualities	254,494
			Execution Progress	Estimates	100.00%
				Actualities	100.00%

(III) Execution Efficiency of Expansion or New Founding of Properties, Plants and Equipment

As if the first quarter of 2019, all the collected funds for this project had been expended. So far the automated storage system is still under a phase of adjustment and testing, and the estimated efficiency shall be seen gradually after the acceptance being finished. The plants of Guangdong are under modeling, and the equipment is yet under installation. Therefore, an expectation is made that the pilot run can be conducted after the acceptance, and the future efficiency is to be promising.

Five. Operations Overview

I. Business Contents

1. Business Scope

(1) Business Overview

The Company is a professional manufacturer expertizing at the juice ingredients and beverage mixtures, 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. Our scope of sales contains the mass catering, chain restaurants, networks of fashion beverages and food, as well as the drinks 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, new Chinese teas, office buildings, catering services, manufacturers of the ingredients for mixed juice drinks or food processing plants, dairy processing plants, candy manufacturers, as well as plants of soft-serve ice cream.

(2) Business Ratio

Operating revenues and the business ratios in 2018 of the products of the Company are as below:

unit: thousand (NTD)

Items	2018	
	Net Operating Income (NOI)	Business Ratio (%)
Juice	1,799,970	55.88%
Fruit Granule	1,148,826	35.66%
Juice Powder	255,776	7.94%
Others	16,667	0.52%
Net Sales	3,221,239	100.00%

(3) Current Products and Services of the Company

Classifications	Items	Note
Juice	Sextuple or tenfold concentrated fruit juices, such as orange, strawberry, greening, lemon, or mango	For direct drinking by dilution
	Fruit granules or fruit mud with pulps, such as mango granule, strawberry granule, blueberry granule, banana granule, etc.	For direct drinking by dilution, or frozen desserts
	Products of frozen juices (100%), frozen juices with pulps, jellies and 100% juices, such as lemonade, strawberry juice, or passion fruit juice	For natural fruit teas, etc.
	Pulps products with plentiful fruits fiber, such as blueberry pulp, strawberry pulp, or mango pulp	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, such as juices by 20kg or 275kg pack	For beverage ingredients of production of manufacturers
	NFC juices, such as apple, white peach, guava, pomegranate, etc.	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	Cooperate with schools, hotels, office buildings, cafeterias to

Classifications	Items	Note
	products	standardize the use of cups
Fruit Granule	Strawberries, mangoes, kiwis and other fruits, directly beaten, retaining the fruit's true taste and flavor of puree products	Making of milkshakes, drinks, smoothies, bubble juice, fruit tea, 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, such as strawberries, kiwis, integrated berries, pineapple, etc.	
	Various particle additives such as strawberry, pineapple, mango, passion fruit, blueberry, grapefruit, etc.	
	Huanguo Song series products, which are compounded with various fruits and contain fruit granules.	
Flavor granules	1st generation product, original flavor konjac granules; 1.5 th generation products, fruit compound flavor konjac granules; 2 nd generation products, warm heart crystal ball	Add juice, smoothies or other trendy drinks to increase your enjoyment and increase product value
	Konnyaku Products Konnyaku Q Fruit	
	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, etc.	Can be directly brewed for drinking
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
	Inverted sugar, rock sugar syrup, sugar syrup and other healthy sugar	Adjust the stylish drinks, fruit tea sweetness and flavor
Protein drink	Such as the original lactic acid bacteria, yogurt, soy milk	With smoothie, milkshake, milk cap, juice, milk tea, dessert use
Trade Products	The company does not produce, but some customers need to cooperate with products such as tea, aloe, coconut fruit, etc. products	More value with juice

(4) New products (services) for project development

In response to the development of the food and beverage market, the company continues to focus on new product development and the creation of the

supply chain, providing consumers with a variety of products and services. This year's development of new products is expected to include: PurificationSyrup Series, NFCDirect DrinkFruit Juice, Whole Bean Flour, Soy Milk, cold extract products (coffee, tea), high-end grain flour, Tetra Pak packaging and other products.

2. Industry Overview

(1) Current Status of Development of the Industry

The company is a professional fruit series beverage ingredient supplier, the main products are concentrated juice, fruit, taste granules, solid beverages, syrup, protein drinks and a small number of trade products, including Volkswagen Catering, new Chinese tea, chain catering and food processing plants, and through regional distributors, the products are sold to beverage stores and restaurants in various regions of mainland China, as the basis and taste of various juice drinks and ingredients. 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. The following is a description of the development and trends of the fruit juice beverage market in mainland China and the catering industry in mainland China:

①China Mainland Juice Drink Market

With the gradual improvement of people's living standards, juices and fruit drinks have begun to enter the eyes of mass consumption and become a must-have for families. Whether it's in popular dining or in new Chinese tea, drinking juices and juice drinks has become a fashion. In recent years, super fruit, compound juice drinks and fruit and vegetable juice beverages have developed rapidly. At the same time, functional juice drinks such as flower drinks, tea juice drinks and functional drinks have developed better as new nutrition concepts, showing the huge demands in the consumer market.

According to statistics, the output of China's fruit juice beverages has exceeded 26 billion liters in 2018. From the perspective of the overall per capita consumption capacity of juices, China's per capita consumption of fruit juice beverages is still at an early stage. With the increasing concept of

consumers' healthy consumption, the future The market share of medium and high juice content will continue to increase, especially in the 100% juice industry. The retail volume of China's juice beverage industry has grown steadily in recent years and is expected to grow at a compound annual growth rate of 7% over the next five years.

The industrial chain of the juice 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 develops, produces and sells high-quality concentrated juice, fruit and fruit powder. Such products are provided to the catering industry or the take-away beverage industry. The upstream suppliers of raw materials for juice and beverages have a diversified product line and establish a comprehensive channel layout. By establishing a production base in a concentrated urban circle, the production is realized. Supply and sales are more closely linked. Therefore, under the continuous growth of the juice industry in mainland China, the company's performance will continue to grow as the company is closer to the customer base.

②Chinese catering industry

The catering industry officially entered a new era of 4 trillion yuan. According to the latest information released by the National Bureau of Statistics, the national catering revenue in 2018 was 4,161.6 billion yuan, a year-on-year increase of 9.5%. Among them, the catering income of units above designated size was 923.6 billion yuan, a year-on-year increase of 6.4%. The year-on-year growth rate of national catering revenue (9.5%) was higher than the growth of total retail sales of consumer goods (9%) in the same period, and catering consumption became an important force in the domestic consumer market. From the data of the catering industry for nearly six years: Since 2015, the national catering revenue has maintained a double-digit steady growth. In 2015, the national catering revenue reached 3.231 trillion yuan, a year-on-year increase of 11.7%, reaching the peak of growth in recent years. Due to the huge income base and the downward pressure on the economy, the overall growth

rate of the industry slowed down, down 1.2 % from the growth rate of the same period last year. In terms of single-month value, the 2018 catering revenue maintained a steady growth trend compared with the previous year.

2018 is the 40th anniversary of China's reform and opening up. The catering industry has ushered in tremendous opportunities in the context of consumption upgrades, the rise of group meals, capital intervention, shock listing, smart technology penetration, new retail wave sweeping, and new social security taxation. The catering industry has ushered in tremendous opportunities and challenges. The growth rate of the catering industry remained at around 10% throughout the year. While maintaining rapid growth, the catering industry is also entering a period of change. Massive capital and cutting-edge technology have poured in, and the ecological scene of the catering industry has been reconstructed.

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, the catering industry in mainland China has shown a strong growth trend. 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 very rapidly.

In the 1990s, “milk tea” entered the mainland market and became popular for many years. In the context of consumption upgrading, young consumers who are mainly after 80s and 90s will push tea consumption to a new height. According to the “2017 China Beverage Industry Market Prospect Research Report” issued by the China Business Research Institute, in 2016, China's above-scale beverage manufacturing enterprises achieved a main operating income of 642.98 billion yuan, an increase of 4.24% over the same period of last year; The total profit was 55.993 billion yuan, a year-on-year increase of 0.68%.

As China's per capita income continues to increase and confidence in future income growth continues to increase, the Chinese people's willingness to consume and the desire to upgrade are constantly increasing. In this context, the current beverages, which are several times more expensive than bottled beverages, are ushered in a period of rapid development.

According to the sampling statistics of the 15 to 45-year-old consumers in 25 cities in China according to the Kay De Consumer Index, the actual space for existing drinks should exceed 100 billion. As early as 2010, the size of the Chinese tea beverage market reached 75.626 billion. With the impact of consumption upgrades and the pursuit of health, this figure has also been projected to the consumption of new tea. According to CITIC Securities, the market size of new Chinese tea is between NT\$40 billion and NT\$50 billion.

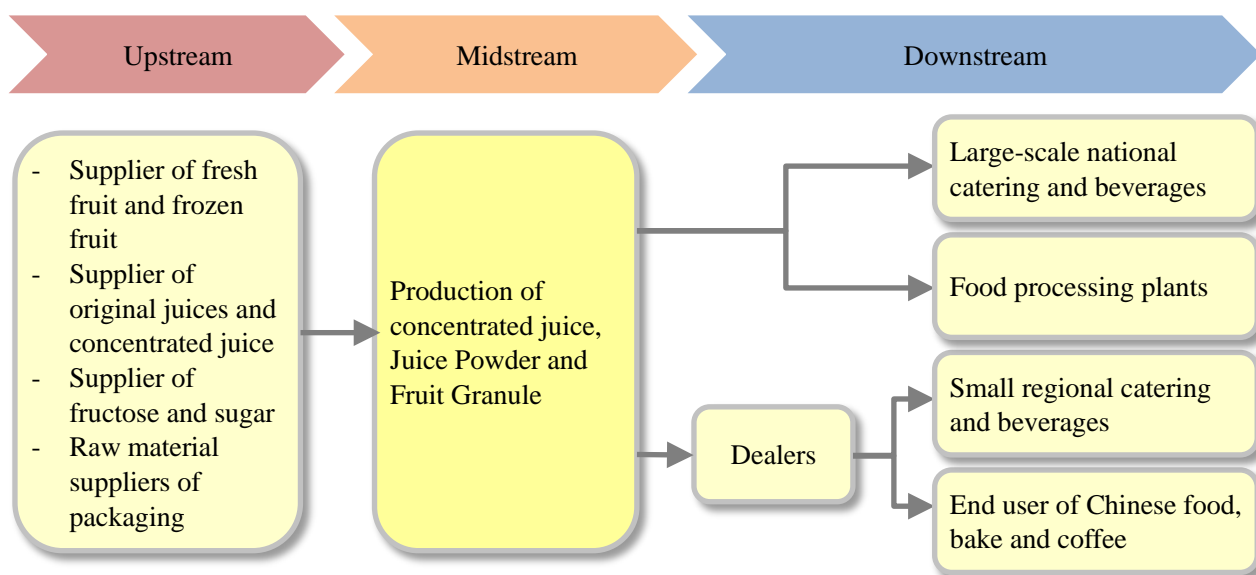
In 2018, it was the first year of China's new tea drink. Health, color, space, story, empowerment and dataization constitute the six key keywords of the new tea industry. According to the report, in 2018, China's tea market broke out. As of the third quarter of 2018, the number of tea-making stores in the country reached 410,000, an increase of 74% in one year. The new growth was mainly from consumers' regular drinks. Alternative and consumer groups' demand for “healthy tea.” After the powder era and the street era, the Chinese tea market is moving towards a new era of tea. This trend has begun to sweep across the country's first-tier cities and new first-tier cities. At present, many head brands have already gone abroad and opened up overseas markets.

Forward-looking Industrial Research Institute predicts that by 2022, China's above-scale beverage manufacturing enterprises will realize a main operating income of NT\$860 billion. With the gradual sinking of consumption upgrades in recent years, the existing beverage industry has huge market development space in the second and third tier cities in the future. Looking forward to 2019, the main consumption motives of the current tea consumption are still “like”. With the subversive changes in consumer thinking and consumer behavior of the new generation of young consumers, the Chinese food and beverage industry entered the consumer market in 2019. It is an era of consumer sovereignty that forces industry innovation and upgrading. In addition, consumers will also consume because of the “third space” attribute of the tea shop.

On the whole, the mainland China's juice beverage industry and the downstream Chinese mainland 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, and the products such as juice, smoothie, frozen juice, invert syrup, cold extract 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, develop new products according to the needs of various types of customers, and provide tailor-made customized formulas for customers to differentiate themselves in the distinctive path. R&D meets the demands of the market for fresh and healthy high-end development trends, pays attention to the development of environmental protection and health products, broadens the market, and tries NFC direct drinking juice, whole bean soy flour, Plant protein beverage, high fruit juice and cold extraction coffee new products, small research factory in the R&D department, to improve product quality and diversified structure, focus on basic research, overcome technical difficulties, reserve innovative technology, lead the market trend. At the same time, the R&D department will work closely with the business department and the marketing department 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 products, close to the needs of consumers and lead the beverage market trend and promote the industry.

(4) Market competition situation

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. There are many suppliers of beverages in the catering industry in mainland China, and the range of beverages is quite wide, including tea, juice, coffee or a variety of beverages. It has become popular after the introduction of pearl milk tea in mainland China. Drinks, and taste granules. In addition to pearl powder round, red beans, round, fresh fruit, frozen fruit diced, crystal, konjac

granules and coconut fruit are also popular among consumers. Therefore, beverage raw material suppliers face their growing catering consumer market and have their own positioning. Some suppliers mainly produce tea products, and some produce juice products, konjac granules, cold espresso coffee. The company, some of the production of compound jams such as glutinous rice, some produce syrup, high-altitude juice such as Dexin, there are also suppliers of various raw materials are produced if delicious, sail, Taihu Merrill, the shield emperor and other manufacturers. According to the level of the food and beverage industry, the supply market can be divided into three parts: one is an international chain restaurant group; the other is a national or regional chain restaurant group or chain take-away drink with local market in mainland China as the main market. System; Third, for the general Chinese and Western restaurants or beverage and beverage terminals. International chain restaurants such as Starbucks, KFC or Haagen-Dazs are currently closed to the market, with foreign companies producing more supplies. As mainland companies develop their supply chain systems, they are gradually sourcing closer to local consumers. Taste demand and cost control. Chain restaurant groups and chain take-away drinks such as Happy Lemon, Gongcha Tea, Xicha, Nai Xue, Lele Tea, COCO, a little bit, Guiyuanpu, 85 degrees C, Pai Hamburg, Kowloon Pearl, Zhengxin Chicken Steak, Xinshi Brew, etc. The competition is fierce and is also the main target customer of the company. The company responds through close service and products. Establish a stable and continuous cooperative relationship, and increase investment in Chinese catering, and develop exclusive products. Currently, customers who cooperate include Dicos, Ajisen Ramen, Yonghe Dawang, Real Kungfu, Haidilao, and Jiapujiapu, Pangu catering, grandma's home and other customers. In the market of small Chinese restaurants or beverage bars, there are many stores, but most of them take cost as a priority. Suppliers compete with each other at low cost and low price to win more customers. In recent years, with the quality requirements of consumers Gradually improve, based on strong sales network and services, such pipelines will gradually promote the company's performance; and in each region, there are various types of terminal single points, including various types of beverages, Chinese and Western food, baking, coffee Etc., the company's access system for service and follow-up, to maintain a good market share.

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	2018	1st Quarter in 2019
R&D Expenses	87,150	32,211
Net Operating Income (NOI)	3,221,239	686,855
Net income ratio	2.71%	4.69%

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

① Patent items obtained by the company

Patent Names and Descriptions	Patent No. (application no.)	Application Region	Patent Genre	Date of Acquisition	Note
Wire cutter for adsorbing iron filing impurities	201720298444.7	China	Utility model patents	Jan 2, 2018	Obtain a patent certificate
Rapid cooling tank for juice jam production and processing	201720315622.2	China	Utility model patents	Jan 5, 2018	Obtain a patent certificate
Fruit content constant speed detecting device	201720316585.7	China	Utility model patents	Jan 5, 2018	Obtain a patent certificate
Space automatic spraying disinfection equipment	201720109997.3	China	Utility model patents	Mar 16, 2018	Obtain a patent certificate
Constant temperature and high efficiency thawing raw juice device	201820675752.1	China	Utility model patents	Nov 2, 2018	Obtain a patent certificate
Food pellet forming equipment	201820676207.4	China	Utility model patents	Nov 13, 2018	Obtain a patent certificate
Semi-automatic ice brick demoulding device	201820675710.8	China	Utility model patents	Dec 28, 2018	Obtain a patent certificate
Device for dispersing and emulsifying a plurality of colloids in a divided pot	201820676223.3	China	Utility model patents	Jan 22, 2019	Obtain a patent certificate
Concentrating device with low temperature controllable cooling cycle device	201820675518.9	China	Utility model patents	Jan 22, 2019	Obtain a patent certificate

② The Company's successful development of technology or products

Year	Products	Items
2018	Juice	<ul style="list-style-type: none"> ● Syrup: wall black sugar syrup, flavored syrup ● Micro-emulsified essential oil products: orange, lemon ● Beverage thickened: honey grapefruit green tea, green plum juice, honeydew melon juice, passion grapefruit oolong tea, grapefruit guava juice, pineapple juice, passion fruit juice, peach juice, rose cranberry black tea
	Fruit Granule	<ul style="list-style-type: none"> ● Fruit smoothies: Mango, Pineapple, Peach ● Crystal/Crystal Ball: Pomegranate Raspberry, Passion Mango

Year	Products	Items
		<ul style="list-style-type: none"> Jam: red dates, ginger tea, yellow peach oatmeal, passion fruit orange jam, passion fruit guava jam, orange jam, grapefruit diced jam
	Juice Powder	<ul style="list-style-type: none"> Fruit granules oatmeal, whole bean powder, pumpkin nut powder, corn flour, milk tea powder, coffee powder
	Rapidly Frozen Products	<ul style="list-style-type: none"> Fruit puree: guava, fig, lychee NFC Juice: Pomegranate Containing flesh: orange, lemon, red grapefruit, mango, compound raspberry
2019	Juice	<ul style="list-style-type: none"> Syrup: peach syrup, brown sugar syrup, red sugar syrup Cold Extraction: Cold Extract Coffee Beverage: lemon juice, grape juice, sea salt lemon juice, kumquat lemon juice, exotic juice, peach juice, orange juice, kiwi juice, lychee juice, bayberry juice, pomegranate juice, pomegranate jasmine green tea, lychee pineapple black tea, lychee mangosteen Juice, green tea, tropical fruit juice, red pomegranate grapefruit juice, apple juice, passion fruit juice, strawberry juice
	Fruit Granule	<ul style="list-style-type: none"> Fruit Smoothie: kiwi Crystal/crystal ball: watermelon raspberry crystal ball, black sugar fairy grass 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 Jam: Passion jam, strawberry jam, Sydney jam, strawberry hawthorn jam
	Juice Powder	<ul style="list-style-type: none"> Whole bean soy flour, milk flavored fruit powder, original pudding powder, soy bean milk powder, love jade powder
	Rapidly Frozen Products	<ul style="list-style-type: none"> Popsicle: Mango Fruit puree: blueberry, strawberry NFC juice: bayberry juice Frozen juice: kumquat juice Containing flesh: peach
	Soy Milk	<ul style="list-style-type: none"> 12 degree soy milk, 10 degree soy milk

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

(1) Short-term business development plan:

① In response to healthy and natural market demand, it began to produce NFC juice, cold extract coffee, cold tea, whole bean flour, and 100% raw juice in small packages. It provides frozen, chilled, preservative-free raw juice. Products, to meet the customer's market demand for high quality, fresh fruit flavor, in 2018, there have been key customers to cooperate and try well, and continue to develop new products in 2019.

- ② Under the trend of rising labor costs in the catering industry, we continue to develop small-package products and self-service juices. To meet the demand for Chinese food customers, develop special beverages with Chinese food and beverage, enhance the added value of food and beverage, and establish a more diversified sales channel.
- ③ Incorporating the trend of food and beverage, actively investing in the development combination or product application of different products such as fruit and tea, milk, and enriching the taste of the product.
- 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.
- ⑤ Invest in the upgrading of fully automatic or semi-automatic production equipment and technology, 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.
- ⑥ Research and development of joint research and development with major customers, through joint research and development, to make products, customers and markets closer together; also help customers understand and apply products; through the modularization of the database 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.
- ⑧ Strengthen the service to the second and third-tier markets. According to the degree of market development, promote the connection between customers in the second and third-tier markets and the company, and deepen the pipeline. As the market scale expands, the business development in the second and third-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 Incorporate the agricultural policy of the local new rural plan in mainland China, 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.
- ③ Develop more beverage market related products, deepen NFC juice, whole bean powder, raw juice products, develop flavor syrup and taste granules 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 imagination in product applications.
- ④ Developing low-calorie and health-care juice 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 beverages 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, etc. The broadening and deepening of the needs of the future development of the product line.

II. Market, Production and Sales Overview

1. Market Analysis

(1) Major Production Sales Region

The company's customers are all in mainland China, and 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 sold in all regions of mainland China.

unit: thousand (NTD)

Sales Region	2018	
	Amount	Ratio
China	3,221,239	100%

(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. Some upstream suppliers directly enter the terminal pipeline, and international big companies enter the beverage 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 and beverages containing pulp. Innovation drives the industry to upgrade and make the industry healthy and stable.

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 catering market in mainland China has benefited from urbanization, urban population growth and rapid growth in online ordering, which has stimulated the catering industry to flourish. In the process of the development of the catering market,

the fast food, casual catering, new tea, hot pot and other industries that are consumed by the masses of the city are more popular among consumers and rapidly expanding, and will continue to receive attention in the future. Drinks are also one of the important products of the catering industry. The company has been working with this type of catering industry for many years, and can supply diversified beverage raw materials according to customer needs, and grasp the market trend to continuously launch new products. The trend of the development of fruit juice beverages, as people's demand for taste increases, the proportion of raw juice content of juice drinks will be more important, and the fresh taste brought by fruit juices will continue to be favored by consumers.

With the implementation of China's 19 Major National Spiritual Policy and the rapid development of the economy, the focus of the new government's work is to lift poverty by 2020. 2019 is the 70th anniversary of the founding of New China. It is the most crucial year for winning the fight against poverty. It is an important mission of the Chinese government to eliminate poverty, improve people's livelihood and gradually achieve common prosperity. The Chinese government vigorously develops domestic demand and encourages entrepreneurship. The impact on the development of China's catering industry cannot be ignored. China is still a developing country. The first- and second-tier markets have a lot of capacity, and the number of new first-tier cities has increased. The cities in the third, fourth and fifth cities are Rise, under the premise of stimulating domestic demand, China's catering industry will continue to occupy the “middle segment of the pyramid”, and catering enterprises should establish their own systems in this market and make their own characteristics. 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 R&D team, quality control team and sales management team. It has accumulated years of experience in the food industry to establish a complete sales team, which can instantly grasp the market trends and timely and efficient with customers. Communicate and develop diversified products to meet customer needs; effectively manage the price system and market order of the access system to protect the interests of customers. And has a professional R&D team, with the leading technology and research and development capabilities as a strong backing for the sales team. The experienced management team, with the business philosophy of integrity, comprehensively plans the company's development strategy, and uses humanized management tools such as employee job descriptions, personal 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.

③ Create 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. In order to expand product visibility and influence, and improve the distribution 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, the exclusive department of the marketing department and 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, and protect 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, etc., 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 a wide range of products and a wide range of products. In terms of product grade, according to different customers, we provide products of different purity and different levels to meet the individual requirements of customers. In terms of taste, we offer more than 20 kinds of single flavors or complexes such as orange, strawberry, green apple, lemon and mango. The juice of the flavor, the fruit tea series containing the flesh, provides more than twenty items such as orange, passion fruit, grapefruit and blueberry tea. In terms of hot drinks, the company also has a series of products such as longan red dates, yuzu tea, and solid beverages; and various flavored syrups such as chocolate syrup, brown sugar syrup, caramel syrup, etc., which are used in coffee, milk tea, desserts or drinks. And the taste ingredients 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, the second child is open, 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. 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

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 laid out the second phase of the North, Central and South 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, enabling the company to maintain competition in the industry. Advantages; strengthen internal management to improve work efficiency, and improve their competitiveness by standardizing scientific 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. At the same time, according to the company's business scope and sales volume, the second phase of the new plant has been opened in Tianjin, Guangdong and Kunshan, increasing production capacity, timely serving customers in the district, reducing transportation costs, 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. Material cost maintains high price; 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 of shareholders' equity 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. The environmental tax was imposed on January 1, 2018, and the first taxation period was ushered in on Apr 1 in the same year.

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.

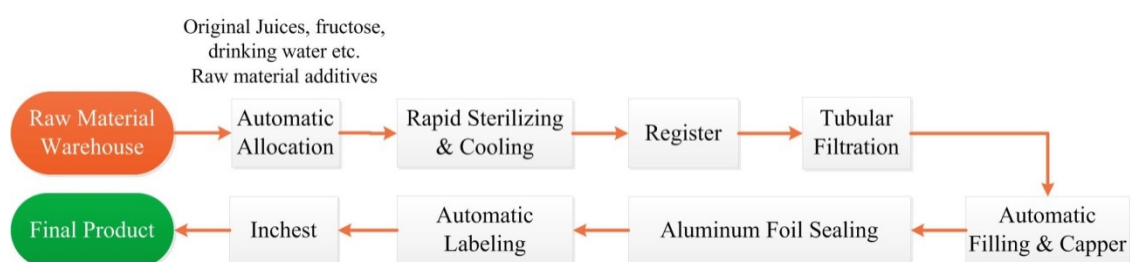
2. Major Purposes and Production Process of Major Products

(1) Major Purposes of Major Products

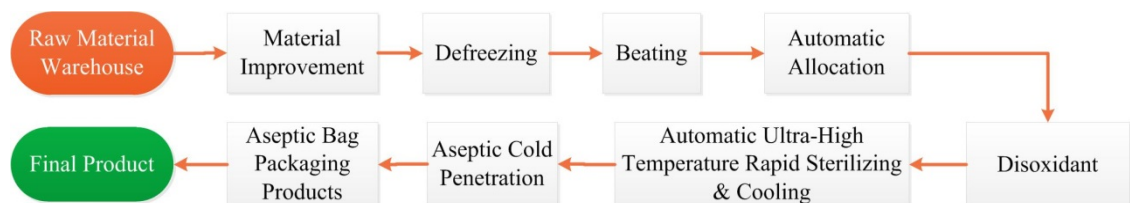
Through regional distributors as a channel, the products are sold to restaurants and take-away beverage stores in various regions of mainland China as raw materials for blending fruit juice drinks. On the other hand, they are also supplied to food processing plants for the production of fruit juices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

(2) Production Process of Major Products

① Production Process of Juice



② Production Process of Granule



③ Production 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	Field Innovation, Israel Gate, Shanghai Green League, Guangzhou Hanpin, Dandong Dazheng, Zhejiang Jinming	Good
Sugar	Pinghu Cargill, Shanghai Yawei'an, Liaoning Yihai Kerry, Shanghai Sweet Edge, Zhucheng Dongxiao, Guangzhou Shuangqiao, Tianjin Cargill, Guangdong Nanzi	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: Cargill's purchase amount accounted for more than 10% of the total purchase amount, due to the main purchase item of fructose and flavored syrup The quality is stable and the price is superior to other suppliers. The purchase amount in the two years' accounts for the same amount of total purchases.

unit: thousand (NTD)

Items	2017				2018			
	Titles	Amount	Net annual net purchase ratio[%]	Relationship with the issuer	Titles	Amount	Net annual net purchase ratio[%]	Relationship with the issuer
1	Cargill	188,343	10.55	NA	Cargill	202,291	10.85	NA
2	Others	1,597,471	89.45	NA	Others	1,662,671	89.15	NA
	Net purchase	1,785,814	100.00	NA	Net purchase	1,864,962	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: A company's sales in 2018 accounted for more than 10% of the total sales volume. The stable growth of distribution customers and the successful development of new products have led to an increase in the proportion of

sales in the year of 2018 to the total sales volume.

unit: thousand (NTD)

Items	2017				2018			
	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	274,331	9.40	NA	A Company	392,887	12.20	NA
2	Others	2,642,852	90.60	NA	Others	2,828,352	87.80	NA
	Net Sales	2,917,183	100.00	NA	Net Sales	3,221,239	100.00	NA

5. Production value of the last two years

unit: ton; thousand (NTD)

Major Commodities	2017			2018		
	Production Yield	Production Volume	Production Worth	Production Yield	Production Volume	Production Worth
Juice	47,208	40,684	1,031,196	47,472	40,397	1,092,675
Fruit Granule	21,526	13,362	543,396	22,424	17,224	644,721
Juice Powder	3,432	3,109	153,314	3,432	3,327	165,453
Total	72,166	57,155	1,727,906	73,328	60,948	1,902,849

6. Sales volume in the last two years

unit: ton; thousand (NTD)

Major Commodities	2017		2018	
	Domestic sales		Domestic sales	
	Sales	Volume	Sales	Volume
Juice	46,597	1,722,861	46,984	1,799,970
Fruit Granule	15,773	949,941	18,223	1,148,826
Juice Powder	3,124	232,021	3,274	255,776
Others	92	12,360	285	16,667
Total	65,586	2,917,183	68,766	3,221,239

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		2017	2018	As of 2019 Apr 30
Number of Employees	Direct Employees	172	176	167
	Indirect Employees	449	506	501
	Total	621	682	668
Average Age		33.80	34.13	34.59
Average Service Age		3.63	3.81	4.11
Academic distribution ratio	Ph.D.	0.32%	0.29%	0.30%
	Master Degree	3.86%	3.23%	3.14%
	Bachelor Degree	43.16%	45.75%	46.11%
	Senior High School	30.60%	28.30%	28.59%
	below Senior High School	22.06%	22.43%	21.86%
	Total	100.00%	100.00%	100.00%

IV. Environmental Expenditure Information: The total amount of losses (including compensation) and dispositions due to environmental pollution in the most recent year and the end of the annual report, and the future response measures (including improvement measures) and possible expenditures (including failure to take action) The estimated amount of loss, disposition and compensation may occur. If it cannot be reasonably estimated, it shall state the fact that it cannot be reasonably estimated.

(I) The total amount of losses (including compensation) and disciplinary damages caused by environmental pollution in the most recent year and the end of the annual report: NA.

(II) Future response measures and possible expenses: 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) and payment of housing provident fund
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
413	8,750	1,008

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.

(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. List the losses suffered by labor disputes in the most recent year and up to the date of publication of the annual report, and disclose the current and future estimated amounts and corresponding measures. If it cannot be reasonably estimated, the facts that cannot be reasonably estimated should be 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\$ 6,600 thousand	Jun 21, 2018 – Jun 21, 2019	Secured Loan	NA
Bank Loans Contracts	SUNJUICE	Far Eastern International Bank	US\$ 3,000 thousand	Dec 14 2018 – Dec 14, 2019	Secured Loan	NA
Bank Loans Contracts	SUNJUICE	Taishin International Bank	US\$ 4,000 thousand	Aug 14, 2018 – Aug 31, 2019	Secured Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	Mega Bank	RMB\$30 million	Jun 21, 2018 – Jun 20, 2019	Secured Loan	NA
Bank Loans Contracts	Fresh Juice Industry (Tianjin) Co., Ltd.	Mega Bank	RMB\$15 million	Nov 7, 2018 – Nov 6, 2019	Secured Loan	NA
Bank Loans Contracts	Guangdong Fresh Juice Biotechnology Co., Ltd.	Mega Bank	RMB\$15 million	Nov 7, 2018 – Nov 6, 2019	Secured Loan	NA
Bank Loans Contracts	Sense	Mega Bank	RMB\$940 thousand	Aug 30, 2016 – Aug 30, 2020	Secured Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	Bank of Communications Co., Ltd.	RMB\$30 million	Feb 26, 2019 – Feb 26, 2020	Credit Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	China Construction Bank (Asia) Corporation Limited	RMB\$30 million	Mar 6, 2017 – Mar 6, 2019	Credit Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	CTBC Bank	RMB\$30 million	Apr 19, 2018 – Apr 19, 2019	Credit Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	ICBC	RMB\$50 million	Sep 18, 2018 – Sep 30, 2019	Credit Loan	NA
Bank Loans Contracts	Fresh Juice Industry (Tianjin) Co., Ltd.	Fubon Bank (China)	RMB\$28 million	Nov 24, 2017 – Nov 30, 2020	Secured Loan	NA
Bank Loans Contracts	Guangdong Fresh Juice Biotechnology Co., Ltd.	Fubon Bank (China)	RMB\$15 million	Nov 24, 2017 – Nov 30, 2020	Secured Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	Agricultural Bank Of China	RMB\$15 million	May 4, 2018 – May 3, 2019	Credit Loan	NA
Bank Loans Contracts	Fresh Juice (Kunshan) Co., Ltd.	China Merchants Bank	RMB\$60 million	Jun 9, 2018 – Jun 8, 2019	Credit Loan	NA

(II) Other Contracts

Contract Characteristics	Party	Start and Expiration Dates of Contracts	Major Contents	Restrictions
Purchase Contracts	Gat Foods	Sep 10, 2017 – Mar 31, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	VIETSINH	Apr 19, 2018 – Jun 30, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	Döhler	Jan 17, 2018 – Dec 31, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	Santao Food	May 18, 2018 – May 31, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	TOONG YEUAN ENTERPRISE CO., LTD.	Jan 3, 2018 – May 31, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	Hainan Dachuan Food Co., Ltd.	Jul 4, 2018 – Jul 30, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	TIANYE DRINKS FOOD CO., LTD.	Jul 21, 2018 – Aug 30, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	Liaoning Yihai Kerry Di Luxe Starch Technology Co., Ltd.	Oct 26, 2018 – Dec 31, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	Cargill Food Technology (pinghu) Co., Ltd.	Nov 6, 2018 – Nov 30, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	Liaoning Yihai Kerry Di Luxe Starch Technology Co., Ltd.	Nov 6, 2018 – Dec 31, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	Hepu Fruit Garden Food Co., Ltd.	Nov 22, 2018 – Jan 31, 2020	Raw material procurement specification agreement	NA
Purchase Contracts	TIANYE DRINKS FOOD CO., LTD.	Dec 12, 2018 – Jan 31, 2020	Raw material procurement specification agreement	NA
Purchase Contracts	Green Nation International L.L.C.	Jan 2, 2019 – Mar 31, 2020	Raw material procurement specification agreement	NA
Purchase Contracts	Zhejiang Jinming Biological Technology Co., Ltd.	Jan 30, 2019 – Jan 31, 2020	Raw material procurement specification agreement	NA
Purchase Contracts	Cargill Food (Tianjin) Co., Ltd.	Jan 1, 2019 – Dec 31, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	Hengtai Biotechnology Co., Ltd.	Jan 1, 2019 – Dec 31, 2019	Raw material procurement specification agreement	NA
Purchase Contracts	ADM in China (Shanghai)	Jan 1, 2019 – Dec 31, 2019	Raw material procurement specification agreement	NA
Lease Contracts	Tianjin Good Day Animal Pharmaceutical Co., Ltd.	Aug 20, 2018 – Aug 19, 2019	Plant Lease Cotract	NA
Lease Contracts	Zhaoqing Zhongjing Industrial Co., Ltd.	Aug 1, 2014 – Aug 19, 2019	Plant Lease Cotract	NA
Construction Contracts	Jiangsu Xindu Construction Engineering Co., Ltd.	270 Calendar Days after Construction	Plant Construction Contract	NA
Construction Contracts	CNQC INTERNATIONAL HOLDINGS LIMITED	Sep 28, 2017 – Jun 30, 2019	New 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,
		2014	2015	2016	2017	2018	
Current Assets		898,716	999,968	1,130,923	1,446,523	1,281,536	1,244,723
Properties, Plants and		367,273	459,549	438,448	581,674	1,047,894	1,218,741
Intangible Assets		2,802	2,563	2,022	27,429	24,227	23,930
Other Assets		139,469	181,091	159,896	266,469	254,259	277,540
Total Assets		1,408,260	1,643,171	1,731,289	2,322,095	2,607,916	2,764,934
Current Liabilities	before	522,613	662,440	688,752	677,575	673,157	681,543
	after	658,441	771,102	802,848	831,403	Note 2	681,543
Non-current Liabilities		63,515	104,136	117,512	119,269	155,452	170,381
Total Liabilities	before	586,128	766,576	806,264	796,844	828,609	851,924
	after	721,956	875,238	920,360	950,672	Note 2	851,924
Attributable to the owners of the parent		819,329	873,353	921,001	1,490,748	1,745,766	1,879,276
Share capital		246,960	271,656	271,656	307,656	307,656	307,656
Capital reserve		60,109	60,109	60,109	425,602	425,602	425,602
Retained Earnings	before	456,456	502,718	620,882	793,531	1,081,336	1,172,386
	after	320,628	394,056	506,786	639,703	Note 2	1,172,386
Other Equity		55,804	38,870	(31,646)	(36,041)	(68,828)	(26,368)
Treasury Stock		0	0	0	0	0	0
Non-controlling Equity		2,803	3,242	4,024	34,503	33,541	33,734
Total Equity	before	822,132	876,595	925,025	1,525,251	1,779,307	1,913,010
	after	686,304	767,933	810,929	1,371,423	Note 2	1,913,010

Note 1: Listed above, 2014 – 2018 Financial information, verified by accountants; 2019

Financial information for the first quarter, audited by accountants.

Note 2: The 2018 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 2019 as of Mar 31
	2014	2015	2016	2017	2018	
Operation Income	2,053,572	2,405,459	2,679,294	2,917,183	3,221,239	686,855
Operation Gross Profit	638,246	674,827	785,360	872,790	1,144,096	247,025
Operation Profit or Loss	379,910	330,568	383,067	449,605	604,384	113,730
Non-operation Income and	6,450	(10,649)	(15,286)	(2,231)	20,661	9,818
Net Income before Taxes	386,360	319,919	367,781	447,374	625,045	123,548
Current Net Profit of	243,890	208,451	227,905	287,162	441,735	90,830
Loss of Discontinued	0	0	0	0	0	0
Current Net Profit (Loss)	243,890	208,451	227,905	287,162	441,735	90,830
Current Other Comprehensive Income (Net Amount after Taxes)	26,769	(17,244)	(70,813)	25,667	(33,851)	42,873
Total Amount of Current	270,659	191,207	157,092	312,829	407,884	133,703
Net profit attributable to	243,237	210,681	226,826	286,745	441,633	91,050
Net profit attributable to	653	(2,230)	1,079	417	102	(220)
Total profit and loss is attributable to the parent	269,908	193,747	156,310	282,350	408,846	133,510
Total consolidated profit and loss is attributable to	751	(2,540)	782	30,479	(962)	193
Earnings per Share	8.95	7.76	8.35	10.01	14.35	2.96

Note 1: Listed above, 2014 – 2018 Financial information, verified by accountants; 2019

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
2014	DTTL	HSIEH MINGCHUNG (Steven Hsieh) & CHEN HUIMING	No Qualified Opinions
2015	DTTL	HSIEH MINGCHUNG (Steven Hsieh) & LI LIFENG	No Qualified Opinions
2016	DTTL	LI LIFENG & SU YUXIU	No Qualified Opinions
2017	DTTL	CHEN HUIMING & LI	No Qualified Opinions

year	Name of Accounting Firm	CPA Names	Audit Comments
		LIFENG	
2018	DTTL	HSIEH MINGCHUNG (Steven Hsieh) & CHEN HUIMING	No Qualified Opinions

Note: The consolidated financial statements of the 2014 – 2018 audited by the accountant.

II. Financial analysis for the last five years

(I) Financial Analysis – IFAS

Analysis Items (Note 2) \ Year (Note 1)		Financial analysis for the last five years					Financial Data as of Mar 31, 2019
		2014	2015	2016	2017	2018	
Financial Structure %	Debt-to-asset ratios	41.62	46.65	46.57	34.32	31.77	30.81
	Long-term funds account for real estate, plant and equipment Ratio	241.14	213.41	237.78	282.72	184.63	170.95
Solvency %	Current Ratios	171.97	150.95	164.20	213.49	190.38	182.63
	Quick ratios	134.47	111.73	121.38	169.88	143.64	136.12
	Interest coverage ratios	108.95	34.01	29.06	20.74	67.21	51.88
Management capacity	Receivables turnover rate (times)	18.73	18.55	18.63	19.91	18.27	13.14
	Average number of days received	19	20	20	18	20	28
	Inventory turnover rate (times)	11.93	10.19	9.06	8.98	8.42	6.56
	Payable turnover rate (times)	12.38	14.14	15.29	16.04	15.11	12.15
	Average sales days	31	36	40	41	43	56
	Real estate, plant and equipment turnover rate (times)	6.30	5.82	5.97	5.72	3.95	2.42
	Total asset turnover rate (times)	1.68	1.58	1.59	1.44	1.31	1.02
Profitability	Return on assets (%)	20.16	14.14	14.09	15.01	18.21	13.80
	Return on equity (%)	33.36	24.54	25.30	23.44	26.73	19.68
	Pre-tax net profit as a percentage of paid-up capital (%)	156.45	117.77	135.38	145.41	203.16	160.63
	Net profit rate (%)	11.88	8.67	8.51	9.84	13.71	13.22
	Earnings per Share (NTD)	8.95	7.76	8.35	10.01	14.35	2.96
Cash Flows	Cash Flows Rates (%)	51.38	31.15	51.96	56.93	78.43	57.45
	Cash Equivalent Flow Rates (%)	121.51	113.07	135.11	126.68	111.80	117.08
	Cash Reinvestment Ratios (%)	18.13	6.13	19.25	13.86	16.20	15.76

Analysis Items (Note 2) \ Year (Note 1)		Financial analysis for the last five years					Financial Data as of Mar 31, 2019
		2014	2015	2016	2017	2018	
Leverage	Operating Leverage	1.12	1.24	1.30	1.21	1.15	1.21
	Financial Leverage	1.01	1.03	1.04	1.05	1.02	1.02
<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"> 1. Long-term capital accounted for the decline in real estate, plant and equipment: mainly due to the construction of factory buildings, resulting in the increase of real estate, plant and equipment. 2. Increase in interest coverage ratio: mainly due to repayment of bank loans, resulting in a decrease in interest expenses. 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. 4. Profitability of various indices increased: The company continued to make customized and high value-added products in line with market trends and customer demand, resulting in increased profit. 5. Increase in cash flow ratio: mainly due to the increase in net cash flow from operating activities. 							

Note 1: Listed above, 2014 – 2018 Financial information, verified by accountants; 2019

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 / inventory turnover

(6) Real estate, plant and equipment turnover rate = net sales of goods / average real estate, plant and equipment net

(7) Total asset turnover = net sales / average total assets

4. Profitability

(1) Return on assets = [after-tax profit and loss + interest expense \times (1 - tax rate)] / average total assets

(2) Return on equity = after-tax profit and loss / average equity

(3) Net profit rate = after-tax profit and loss / net sales

(4) Earnings per share = (profits and losses attributable to owners of parent companies - special dividends) / weighted average number of issued shares

5. Cash Flows

(1) Cash flow ratio = net cash flow from operating activities / current liabilities

(2) Net cash flow allowable ratio = net cash flow from operating activities for the last five years / the most recent five years (capital expenditure + inventory increase + cash dividend)

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (real estate, plant and equipment gross + long-term investment + other non-current assets + working capital)

6. Leverage:

(1) Operating leverage = (net operating income - variable operating costs and expenses) / operating profit

(2) Financial leverage = business benefit / (business profit - 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 2018. After consulting the auditors of Hsieh Mingchung and Chen Huiming, 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 2019

Supervisor WANG,CHIA-HAN

Supervisor CHANG,LING-YIN

Supervisor Treasure Island Properties Co., Ltd.

Representative: CHEN,CHIN-KUN

Mar 7, 2019

- IV. The company's consolidated financial report for the most recent year with an accountant's check-up visa: please refer to page 155.
- 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	2018	2017	Difference of	
			Amount	%
Current Assets	1,281,536	1,446,523	(164,987)	(11.41)
Properties, Plants and Equipment	1,047,894	581,674	466,220	80.15
Other Intangible Assets	24,227	27,429	(3,202)	(11.67)
Other Non-current Assets	254,259	266,469	(12,210)	(4.58)
Total Assets	2,607,916	2,322,095	285,821	12.31
Current Liabilities	673,157	677,575	(4,418)	(0.65)
Non-current Liabilities	155,452	119,269	36,183	30.34
Total Liabilities	828,609	796,844	31,765	3.99
Share capital	307,656	307,656	-	-
Capital reserve	425,602	425,602	-	-
Retained Earnings	1,081,336	793,531	287,805	36.27
Other Equity	(68,828)	(36,041)	(32,787)	90.97
Non-controlling Equity	33,541	34,503	(962)	(2.79)
Total Equity	1,779,307	1,525,251	254,056	16.66
Description of major changes (differentiated proportion is 20% at least within two continuous periods):				
<ol style="list-style-type: none"> 1. Increase in real estate, plant and equipment: Mainly due to the increase in capital expenditures for the construction of the plant. 2. Increase in non-current liabilities: mainly due to the increase in deferred income tax liabilities. 3. Increase in retained earnings: Mainly due to good profitability in 2018 and increased net profit after tax. 4. Reduction of other equity: mainly due to the decrease in the exchange difference calculated by the financial statements of foreign operating institutions. 				

Note: The above financial information is checked by the company's 2018 & 2017 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	2018	2017	Difference of	
			Amount	%
Operation Income	3,221,239	2,917,183	304,056	10.42
Operation Costs	2,077,143	2,044,393	32,750	1.60
Operation Gross Profit	1,144,096	872,790	271,306	31.08
Operation Expenses	539,712	423,185	116,527	27.54
Operation Net Profit	604,384	449,605	154,779	34.43
Non-operation Income and Expenses	20,661	(2,231)	22,892	(1,026.09)
Net Income before Taxes	625,045	447,374	177,671	39.71
Income tax expenses	183,310	160,212	23,098	14.42
Net Profit of Current Year	441,735	287,162	154,573	53.83
Description of major changes (differentiated proportion is 20% at least within two continuous periods):				
1. Increase in operating expenses: mainly due to the increase in management expenses and research and development expenses.				
2. Increase in non-operating income and expenses: mainly due to the increase in government subsidy income and the decrease in financial costs.				
3. Operating profit, operating net profit, net profit before tax and increase in net profit for the year: mainly due to increase in revenue and increase in gross profit margin.				

Note: The above financial information is checked by the company's 2018 & 2017 accountants and issued unqualified consolidated financial statements.

2. Expected sales quantity and its basis

The Company expects that the overall business target of 2019 will be stable compared to the sales of 2018, 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	2018	2017	Difference	
			Amount	%
Cash inflow from operating activities	527,928	385,748	142,180	36.86
Cash outflow from investment activities	(802,010)	(278,023)	(523,987)	188.47
Cash (Inflow) Outflow from Financing Activities	(182,113)	230,734	(412,847)	(178.93)
<p>The main reasons for the recent changes in annual cash flow:</p> <ol style="list-style-type: none"> 1. Increase in cash inflow from operating activities: mainly due to the increase in net profit before tax for the period. 2. Increase in cash outflow from investment activities: mainly due to the increase in purchase of real estate, plant and equipment. 3. Reduced cash inflows from financing activities: mainly due to the issuance of new shares in cash increase 2017. 				

(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 has raised

funds through the operation of the capital market in 2017 to maintain the soundness of the financial structure. The company expects that in 2019 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 2018 purchase of real estate, plant and equipment amounted to NT\$349,622 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, 2018; unit: thousand (NTD)

Items \ Description	2018 (Loss) Profit from Investment	Root Causes of Profit or Loss	Improvement
Power Keen Limited (Samoa)	476,738	The main source of profit is the recognition of the interests of mainland subsidiaries.	NA
Sunjuice (Hong Kong) Limited	295,324	The main source of profit is the recognition of the interests of mainland subsidiaries.	NA
Sunjuice Co., Ltd.	520,455	Operational profitability is in good condition.	NA
Fresh Juice Industry (Tianjin) Co., Ltd.	93,953	Operational profitability is in good condition.	NA
Guangdong Fresh Juice Biotechnology Co., Ltd.	141,497	Operational profitability is in good condition.	NA
Fresh Food (Kunshan) Co. Ltd.	2,347	The main source of profit is to recognize the interests of Kunshan Jianghang.	NA
Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd.	837	Engaged in the cultivation and sales of agricultural and sideline products, and the operation profitability is good.	NA
Sense International Limited	(17,918)	The main loss was recognized by Shanghai Sense.	NA
Shanghai Sense Beverage Co., Ltd.	(15,798)	The operation has not reached the scale of the economy.	NA
Sunjuice I International Limited	(2,075)	The operation has not reached the scale of the economy.	NA
Suzhou Sunjuice I International Limited	(1,347)	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	2018	1st Quarter in 2019
Net interest income and expenditure	3,631	46
Net interest income and expenditure as a percentage of net revenue	0.11%	0.01%
Net interest income and share of after-tax net profit ratio	0.82%	0.05%

Source: Consolidated financial statements for 2018 audited by an accountant
Consolidated financial statements for the first quarter of 2019 as reviewed by accountants

(1) Impact analysis on the company

The first quarters of 2018 and 2019, the net interest income and expenditure accounted for a small proportion of revenue and net profit after tax, so interest rate changes will benefit the company. 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	2018	1st Quarter in 2019
Net foreign exchange gains and losses	(10,516)	3,701
Net foreign exchange gains and losses accounted for the net revenue ratio	(0.33%)	0.54%
Net foreign exchange gains and losses accounted for net profit after tax	(2.38%)	4.07%

Source: Consolidated financial statements for 2018 audited by an accountant
Consolidated financial statements for the first quarter of 2019 as reviewed by accountants

(1) Impact analysis on the company

In the first quarter of 2018 and 2019, 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 2019, 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 2018 are NT\$87,150 thousand, accounting for the current operating income 2.7%. In 2019, it is estimated that the investment in research and development will be estimated to account for the current operating income 2.5% to 3.0%. 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. The information center arranges the personnel to regularly check the data backup status and record the backup results in detail. Formulate the “Disaster Recovery Plan”, arrange actual 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 mainly includes eight modules: purchase payable, sales receivable, warehouse management, production management, material demand, accounting ledger, fixed assets and management finished products. The introduction of 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. Optimize the process on the original ERP architecture, and use the QR code in the process of receiving, purchasing, picking, batching, production, filling, packaging, delivery, and shipping to realize the tracking of raw materials and finished products.

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 been building their own factories. The source of funds required is the profit of the two factories, 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 2017 and 2018 were 10.55% and 10.85% 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 2017 and 2018 respectively, it was 9.40% and 12.20%, 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.

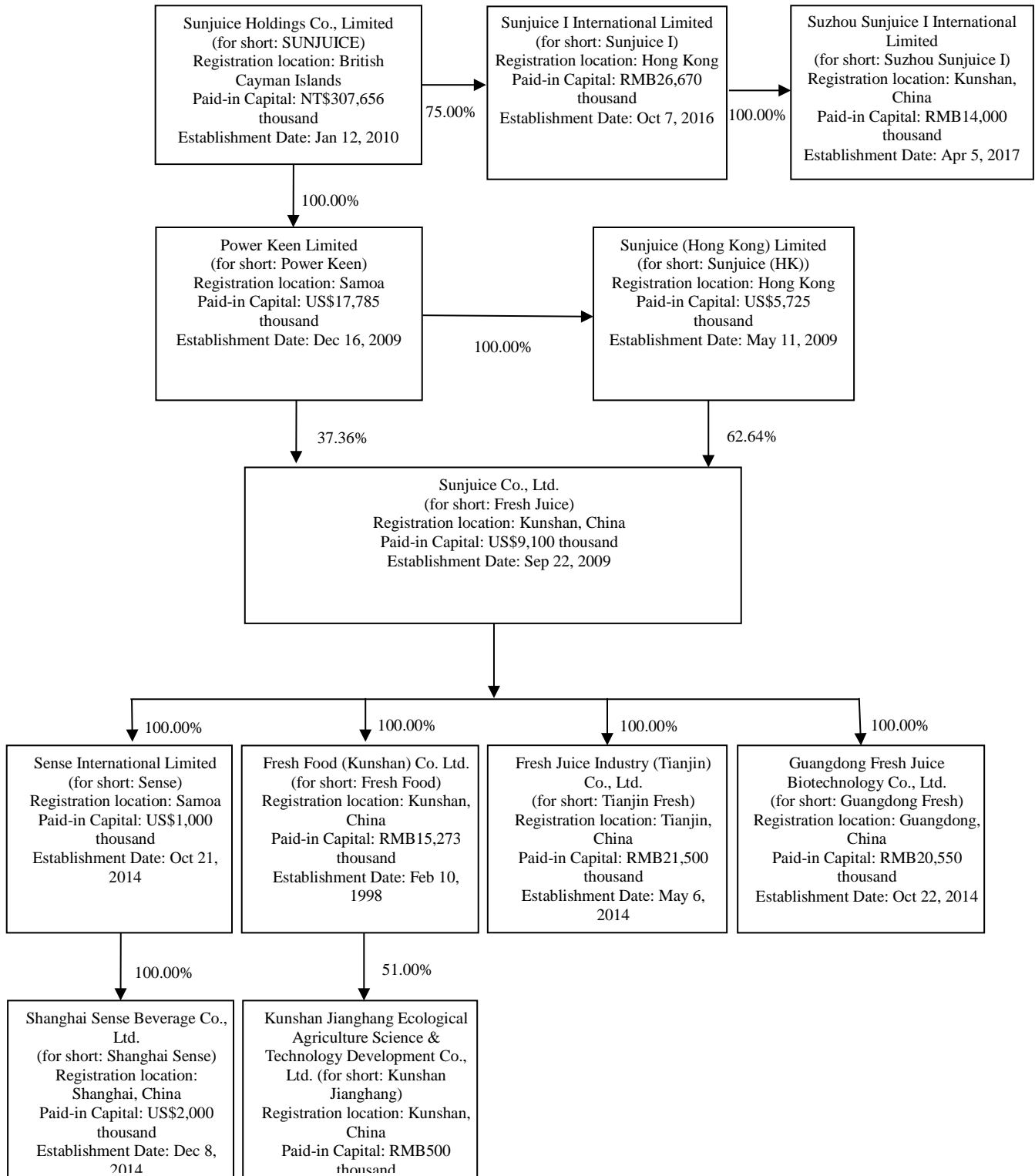
VII. Other Material Matters: NA.

Eight. Special Items

I. Related business information

(I) Relationship organization chart

As of Dec 31, 2018



(II) Basic information of each related company

Dec 31, 2018

Company Name	Address	Establishment Date	Paid-in Capital	Main Operation or Production
Power Keen Limited (Samoa)	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. 98 Xinmin Road, West District, Tianjin Economic and Technological Development Zone	May 6, 2014	RMB21,500 thousand	Fruit juice beverage production, research and development, product management, sales and after-sales service
Guangdong Fresh Juice Biotechnology Co., Ltd.	No. 3, Xinglong 1st Street, High-tech Zone, Zhaoqing City, Guangdong Province (East Gate)	Oct 22, 2014	RMB20,550 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, 2018; unit: thousand shares

Company Name	Title	Names or Representatives	Number of Shares	
			Shares (share)	Shareholding Ratio
Power Keen Limited (Samoa)	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	LU,CHUAN-JUNG	-	-
Fresh Juice Industry (Tianjin) Co., Ltd.	Executive Director	WU,MING-HSIEN	-	-
	President	WU,MING-HSIEN	-	-
	Supervisor	HUANG,HSUN-YI	-	-

Company Name	Title	Names or Representatives	Number of Shares	
			Shares (share)	Shareholding Ratio
Guangdong Fresh Juice Biotechnology Co., Ltd.	Executive Director	HUANG,HSUN-YI	-	-
	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, 2018; 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 (Samoa)	545,861	1,922,873	55,644	1,867,229	-	-	476,738	26.81
Sunjuice (Hong Kong) Limited	175,713	1,043,036	66,804	976,232	-	-	295,324	19.30
Fresh Food (Kunshan) Co. Ltd.	68,301	119,441	70	119,371	-	(545)	2,347	Note 2
Sunjuice Co., Ltd.	279,297	2,370,880	709,434	1,661,446	2,214,591	400,741	520,455	Note 2
Kunshan Jianghang Ecological Agriculture Science & Technology Development Co., Ltd.	2,236	10,839	879	9,960	11,613	1,533	1,642	Note 2
Fresh Juice Industry (Tianjin) Co., Ltd.	96,148	383,642	60,486	323,156	435,472	102,482	93,953	Note 2
Guangdong Fresh Juice Biotechnology Co., Ltd.	91,900	458,959	79,434	379,525	578,836	138,902	141,497	Note 2
Sense International Limited	30,692	516	52,225	(51,709)	-	-	(17,918)	(17.92)
Shanghai Sense Beverage Co., Ltd.	61,384	108,867	128,865	(19,998)	106,957	(14,015)	(15,798)	Note 2
Sunjuice I International Limited	119,268	114,643	-	114,643	-	(2,335)	(2,790)	(0.10)
Suzhou Sunjuice I International Limited	62,608	60,953	260	60,693	245	(2,212)	(1,796)	Note 2

Note 1: The conversion of the New Taiwan Dollar is based on the 4.472 exchange rate of the Chinese Yuan Renminbi against the NT\$4.472 on December 31, 2018; the US dollar to the spot exchange rate of the New Taiwan Dollar 30.692.

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

2. Relational Business Consolidation Report: See page 155.

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
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	(1) The definition of “special resolution” and “special resolution (Taiwan)” in Article 1 of the Articles of Association: “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). “Special Resolutions (Taiwan)” means (A) a shareholder meeting attended by shareholders	(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. (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	(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. (2) In respect of

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
<p>the shareholders:</p> <p>(1) The company concludes, alters or 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>who represent more than two-thirds of the total number of issued shares, attending more than one-half 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</p>	<p>capital. If the above matters are passed below the special resolution, the Cayman law will be considered invalid. 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</p>	<p>Article 55A (a) of the Articles of Association, "With regard to the dissolution and 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</p>

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
(6) Issue restrictions on employee rights new stocks.	<p>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 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>with the relevant provisions of the M&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 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>	should be no significant adverse effects.

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
	<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 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</p>		

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
	liquidated; or (b) Special resolution, if the Company decides to voluntarily dissolve the liquidation for reasons other than the provisions of Article 55A(a).		
When the company convene a shareholder meeting, it may adopt its written or electronic voting rights; however, if the company convene a 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	(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 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.	(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 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	(1) According to the current charter of the application company, the shareholders can still exercise their voting rights in writing or electronically. However, those who 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

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
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' 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.		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 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	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.

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
		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	<p>The Company has not set up an audit committee. According to Article 110 of Incorporation of the Company, the Company shall choose to set up a supervisor or an audit committee. The Company has set up supervisors. Except for the Company's other resolutions at the shareholders' meeting, the company's supervisors are selected by the shareholders' meeting as natural or legal persons. The number of the supervisors shall not be less than three, of which at least one person is in Taiwan. Have a place to live. The qualifications, composition, selection, dismissal, exercise of authority and other matters to be complied with by the supervisor shall comply with the applicable listing requirements.</p> <p>The company still selects the supervisor system and does not set up an audit committee.</p>	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.	<p>The establishment of the audit committee system varies according to the legal requirements of each country. The Cayman Company Law does not have the concept of an “audit committee”. It does not mandate that Cayman Company should set up an audit committee. The “shareholders' rights protection checklist” only requires application. The company should choose an audit committee or supervisor. The company's articles of association choose to set up the supervisor to not cause any material adverse impact on shareholders.</p>

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
The “Shareholders' 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.	Pursuant to Article 70 of 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.	This difference is mainly 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.	According to the 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

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
			use and solicitation of the power of 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</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</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</p>

Protection of Shareholder Equity Material Matters	Articles of Incorporation Contents Defined	Difference Reason	Influence upon Shareholder Equity
subject to the resolution of the shareholders' meeting and the 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.	shall be approved by the ordinary resolution of the shareholders' meeting and the consent of the shareholders of the property shall be 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.		type of the refunded share and the manner in which the valuation and the offset are checked, so 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, 2018 and 2017 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, 2018 and 2017, 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, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 audits 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, 2018. 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, 2018 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 with those main parties 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 area 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 customers, 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, 2018 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 Hui-Ming Chen.

Hsieh, Ming Chung

Deloitte & Touche
Taipei, Taiwan
Republic of China

Chen, Hui-Ming

March 7, 2019

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, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 511,020	20	\$ 975,872	42
Financial assets at fair value through profit or loss - current (Notes 7 and 27)	192,296	7	-	-
Financial assets at amortized cost - current (Note 8)	31,468	1	-	-
Debt investments with no active market - current (Note 9)	-	-	7,760	-
Notes receivable	5,992	-	2,283	-
Trade receivables (Note 10)	192,001	7	143,433	6
Other receivables	4,192	-	4,026	-
Inventories (Note 11)	250,439	10	222,605	10
Prepayments (Notes 14 and 15)	64,185	3	72,828	3
Other financial assets (Notes 15 and 29)	29,344	1	17,429	1
Other current assets (Note 15)	599	-	287	-
Total current assets	1,281,536	49	1,446,523	62
NON-CURRENT ASSETS				
Property, plant and equipment (Note 13)	1,047,894	40	581,674	25
Intangible assets	24,227	1	27,429	1
Deferred income tax assets (Note 22)	15,740	1	25,487	1
Prepaid equipment (Note 15)	100,661	4	87,026	4
Refundable deposits (Note 15)	10,532	-	21,059	1
Prepaid rent - non-current (Note 14)	127,326	5	132,897	6
Total non-current assets	1,326,380	51	875,572	38
TOTAL	\$ 2,607,916	100	\$ 2,322,095	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 232,314	9	\$ 237,622	10
Contract liabilities - current (Note 20)	14,211	1	-	-
Trade payables (Notes 17 and 28)	143,173	5	131,733	6
Other payables (Note 18)	256,283	10	242,405	10
Current tax liabilities (Note 22)	20,466	1	24,580	1
Receipts in advance	-	-	16,380	1
Current portion of long-term borrowings (Notes 16 and 29)	6,306	-	24,843	1
Other current liabilities	404	-	12	-
Total current liabilities	673,157	26	677,575	29
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 16 and 29)	-	-	6,437	-
Deferred income tax liability (Note 22)	106,560	4	59,676	2
Deferred revenue - non-current (Notes 18 and 24)	14,113	1	14,718	1
Guarantee deposits received (Note 18)	34,779	1	38,438	2
Total non-current liabilities	155,452	6	119,269	5
Total liabilities	828,609	32	796,844	34
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)				
Capital				
Share capital	307,656	12	307,656	13
Capital surplus				
Additional paid-in capital	425,602	16	425,602	18
Retained earnings				
Reserve	142,650	6	113,976	5
Special reserve	36,041	1	31,646	1
Unappropriated earnings	902,645	35	647,909	28
Total retained earnings	1,081,336	42	793,531	34
Other equity				
Exchange differences arising on translation of foreign operations	(68,828)	(3)	(36,041)	(1)
Total equity attributable to owners of the Company	1,745,766	67	1,490,748	64
NON-CONTROLLING INTERESTS	33,541	1	34,503	2
Total equity	1,779,307	68	1,525,251	66
TOTAL	\$ 2,607,916	100	\$ 2,322,095	100

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, 2018 AND 2017

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

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 33)				
Sales revenue	\$ 3,250,442	101	\$ 2,938,231	101
Sales returns	(21,043)	(1)	(18,023)	(1)
Sales allowance	<u>(8,160)</u>	<u>-</u>	<u>(3,025)</u>	<u>-</u>
Total operating revenues	3,221,239	100	2,917,183	100
OPERATING COSTS (Notes 11, 21 and 28)	<u>(2,077,143)</u>	<u>(64)</u>	<u>(2,044,393)</u>	<u>(70)</u>
GROSS PROFIT	<u>1,144,096</u>	<u>36</u>	<u>872,790</u>	<u>30</u>
OPERATING EXPENSES (Note 21)				
Selling and marketing expenses	(184,022)	(6)	(179,418)	(6)
General and administrative expenses	(268,540)	(8)	(202,470)	(7)
Research and development expenses	<u>(87,150)</u>	<u>(3)</u>	<u>(41,297)</u>	<u>(2)</u>
Total operating expenses	<u>(539,712)</u>	<u>(17)</u>	<u>(423,185)</u>	<u>(15)</u>
PROFIT FROM OPERATIONS	<u>604,384</u>	<u>19</u>	<u>449,605</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Note 21)				
Other income	44,451	1	31,075	1
Other gains and losses	(14,350)	-	(10,643)	-
Finance costs	<u>(9,440)</u>	<u>-</u>	<u>(22,663)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>20,661</u>	<u>1</u>	<u>(2,231)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	625,045	20	447,374	15
INCOME TAX EXPENSE (Note 22)	<u>(183,310)</u>	<u>(6)</u>	<u>(160,212)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	441,735	14	287,162	10
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	<u>(33,851)</u>	<u>(1)</u>	<u>25,667</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 407,884</u>	<u>13</u>	<u>\$ 312,829</u>	<u>11</u>

(Continued)

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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

	2018		2017	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 441,633	14	\$ 286,745	10
Non-controlling interests	<u>102</u>	<u>-</u>	<u>417</u>	<u>-</u>
	<u>\$ 441,735</u>	<u>14</u>	<u>\$ 287,162</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 408,846	13	\$ 282,350	10
Non-controlling interests	<u>(962)</u>	<u>-</u>	<u>30,479</u>	<u>1</u>
	<u>\$ 407,884</u>	<u>13</u>	<u>\$ 312,829</u>	<u>11</u>
EARNINGS PER SHARE (Note 23)				
Basic earnings per share	<u>\$ 14.35</u>		<u>\$ 10.01</u>	
Diluted earnings per share	<u>\$ 14.32</u>		<u>\$ 10.00</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, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	Equity Attributable to the Owners of the Company									
	Capital Stock - Common Stock			Retained Earnings			Other Equity			Total Equity
	Shares (In Thousands)	Amount	Capital Surplus	Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Total	Non-controlling Interests	
BALANCE AT JANUARY 1, 2017	27,166	\$ 271,656	\$ 60,109	\$ 91,293	\$ -	\$ 529,589	\$ (31,646)	\$ 921,001	\$ 4,024	\$ 925,025
Appropriation of 2016 earnings	-	-	-	-	-	(22,683)	-	-	-	-
Reserve	-	-	-	22,683	-	(31,646)	-	-	-	-
Special Reserve	-	-	-	-	31,646	(114,096)	-	(114,096)	-	(114,096)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2017	-	-	-	-	-	286,745	-	286,745	417	287,162
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	-	(4,395)	(4,395)	30,062	25,667
Total comprehensive income for the year ended December 31, 2017	-	-	-	-	-	286,745	(4,395)	282,350	30,479	312,829
Issuance of common stock for cash	3,600	36,000	365,493	-	-	-	-	401,493	-	401,493
BALANCE AT DECEMBER 31, 2017	30,766	307,656	425,602	113,976	31,646	647,909	(36,041)	1,490,748	34,503	1,525,251
Appropriation of 2017 earnings	-	-	-	-	-	(28,674)	-	-	-	-
Reserve	-	-	-	28,674	-	(4,395)	-	-	-	-
Special Reserve	-	-	-	-	4,395	(153,828)	-	(153,828)	-	(153,828)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2018	-	-	-	-	-	441,633	-	441,633	102	441,735
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	(32,787)	(32,787)	(1,064)	(33,851)
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	-	441,633	(32,787)	408,846	(962)	407,884
BALANCE AT DECEMBER 31, 2018	30,766	\$ 307,656	\$ 425,602	\$ 142,650	\$ 36,041	\$ 902,645	\$ (68,828)	\$ 1,745,766	\$ 33,541	\$ 1,779,307

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, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 625,045	\$ 447,374
Adjustments for:		
Depreciation expenses	84,365	90,010
Amortization expenses	4,009	2,284
Expected credit loss recognized on trade receivables	5,797	46
Net (gain)/loss on fair value changes of financial assets designated as at fair value through profit or loss	-	(52)
Finance costs	9,440	22,663
Interest income	(13,071)	(15,847)
Gain on disposal of property, plant and equipment	(816)	160
Write-downs of inventories	2,538	3,012
Amortization of prepayments for leases	2,919	2,884
Government grants	(313)	(321)
Changes in operating assets and liabilities		
Notes receivable	(3,709)	(1,821)
Trade receivables	(54,339)	(1,534)
Other receivables	344	(350)
Inventories	(30,143)	(8,053)
Prepayments	9,966	4,528
Other current assets	(312)	32
Trade payables	(2,169)	-
Other payables	11,440	8,615
Contract liabilities	15,927	17,975
Receipts in advance	-	(11,374)
Other current liabilities	392	(121)
Cash generated from operations	667,310	560,110
Interest paid	(8,589)	(22,748)
Income taxes paid	(130,793)	(151,614)
Net cash generated from operating activities	527,928	385,748
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at amortized cost	(77,852)	-
Financial instruments at fair value through profit or loss	(516,375)	-
Debt investments with no active market	-	(15,279)
Property, plant and equipment	(349,622)	(104,043)
Intangible assets	(1,025)	(24,452)
Proceeds from disposal or redemption of:		
Financial assets at amortized cost	45,697	-
Financial instruments at fair value through profit or loss	319,878	15,415
Debt investments with no active market	11,542	52,577
Property, plant and equipment	2,082	1,049

(Continued)

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
Increase in prepayments for equipment	\$ (242,903)	\$ (198,719)
Increase in other financial assets	(42,937)	(18,085)
Decrease in other financial assets	26,625	13,662
Interest received	12,561	14,959
Refundable deposit paid	(1,619)	(19,430)
Refundable deposit refunded	<u>11,938</u>	<u>4,323</u>
Net cash used in investing activities	<u>(802,010)</u>	<u>(278,023)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	238,446	594,891
Repayments of short-term borrowings	(238,923)	(638,856)
Proceeds from long-term borrowings	-	49,162
Repayments of long-term borrowings	(24,869)	(62,499)
Proceeds from guarantee deposits received	9,595	5,668
Refund of guarantee deposits received	(12,534)	(5,029)
Dividends paid to owners of the Company	(153,828)	(114,096)
Issuance of common stock for cash	<u>-</u>	<u>401,493</u>
Net cash (used in) generated from financing activities	<u>(182,113)</u>	<u>230,734</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(8,657)</u>	<u>25,450</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(464,852)</u>	<u>363,909</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>975,872</u>	<u>611,963</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 511,020</u>	<u>\$ 975,872</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, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 and juice dispenser machines.

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 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 7, 2019.

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), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the FSC

Except for the following, whenever applied, 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 would not have any material impact on the Group’s accounting policies:

- 1) Annual Improvements to IFRSs 2014-2016 Cycle

Several standards, including IFRS 12 “Disclosure of Interests in Other Entities” and IAS 28 “Investments in Associates and Joint Ventures,” were amended in this annual improvement.

- 2) IFRS 9 “Financial Instruments” and related amendment

IFRS 9 supersedes IAS 39 “Financial Instruments: Recognition and Measurement”, with consequential amendments to IFRS 7 “Financial Instruments: Disclosures” and other standards. IFRS 9 sets out the requirements for classification, measurement and impairment of financial assets and hedge accounting. Refer to Note 4 for information relating to the relevant accounting policies.

Classification, measurement and impairment of financial assets

On the basis of the facts and circumstances that existed as at January 1, 2018, the Group has performed an assessment of the classification of recognized financial assets and has elected not to restate prior reporting periods.

The following table shows the original measurement categories and carrying amount under IAS 39 and the new measurement categories and carrying amount under IFRS 9 for each class of the Group's financial assets and financial liabilities as at January 1, 2018.

	Measurement Category		Carrying Amount		Remark
	IAS 39	IFRS 9	IAS 39	IFRS 9	
<u>Financial assets</u>					
Cash and cash equivalents	Loans and receivables	Amortized cost	\$ 975,872	\$ 975,872	a)
Time deposits with original maturities of more than 3 months	Loans and receivables	Amortized cost	7,760	7,760	b)
Notes and trades receivable (including related parties), Other financial assets and other receivables	Loans and receivables	Amortized cost	167,171	167,171	a)
Refundable deposits	Loans and receivables	Amortized cost	21,059	21,059	-

a) Cash and cash equivalents, notes and trades receivable, other receivables and other financial assets that were previously classified as loans and receivables under IAS 39 were classified as at amortized cost with an assessment of expected credit losses under IFRS 9.

b) Debt investments previously classified as held-to-maturity financial assets/debt investments with no active market and measured at amortized cost under IAS 39 were classified as at amortized cost with an assessment of expected credit losses under IFRS 9, because on January 1, 2018, the contractual cash flows were solely payments of principal and interest on the principal outstanding and these investments were held within a business model whose objective is to collect contractual cash flows.

3) IFRS 15 “Revenue from Contracts with Customers” and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations. Refer to Note 4 for related accounting policies.

The net effect of revenue recognized and consideration received and receivable is recognized as a contract assets or a contract liability.

The Group elected only to retrospectively apply IFRS 15 to contracts that were not complete as of January 1, 2018 and recognize the cumulative effect of the change in retained earnings on January 1, 2018. The effect of the change is detailed below:

Impact on assets, liabilities and equity for current period

	January 1, 2018 As Originally Stated	Adjustments Arising from Initial Application	January 1, 2018 Restated
Contract liabilities - current	\$ -	\$ 16,380	\$ 16,380
Advance receipts	<u>16,380</u>	<u>(16,380)</u>	<u>-</u>
Total effect on liabilities	<u>\$ 16,380</u>	<u>\$ -</u>	<u>\$ 16,380</u>

4) Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”

The amendments clarify that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Group expects to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Group should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses as deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendments also stipulate that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Group’s assets for more than their carrying amount if there is sufficient evidence that it is probable that the Group will achieve the higher amount and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

Prior to the amendment, in assessing a deferred tax asset, the Group assumed that it will recover the asset at its carrying amount when estimating probable future taxable profit. The Group applied the above amendments retrospectively in 2018.

b. Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC for application starting from 2019

New, Amended or Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 “Prepayment Features with Negative Compensation”	January 1, 2019 (Note 2)
IFRS 16 “Leases”	January 1, 2019
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019 (Note 3)
Amendments to IAS 28 “Long-term Interests in Associates and Joint Ventures”	January 1, 2019
IFRIC 23 “Uncertainty Over Income Tax Treatments”	January 1, 2019

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The FSC permits the election for early adoption of the amendments starting from 2018.

Note 3: The Group shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

1) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations.

Definition of a lease

Upon initial application of IFRS 16, the Group will elect 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 will not be reassessed and will be accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

Upon initial application of IFRS 16, except for payments for low-value asset and short-term leases which will be recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities and computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities.

The Group anticipates applying IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

The Group will apply the following practical expedients to measure right-of-use assets and lease liabilities on January 1, 2019:

The Group will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

Impact on assets, liabilities and equity on January 1, 2019

	Carrying Amount as of December 31, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Right-of-use assets	\$ -	\$ 6,967	\$ 6,967
Lease liabilities - current	\$ -	\$ 1,890	\$ 1,890
Lease liabilities - non-current	-	5,077	5,077
Total effect on liabilities	\$ -	\$ 6,967	\$ 6,967

2) IFRIC 23 “Uncertainty Over Income Tax Treatments”

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Group should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Group should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Group should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Group expects to better predict the resolution of the uncertainty. The Group has to reassess its judgments and estimates if facts and circumstances change.

Upon initial application of IFRIC 23, the Group will recognize the cumulative effect of retrospective application in retained earnings on January 1, 2019.

3) Amendments to IAS 28 “Long-term Interests in Associates and Joint Ventures”

The amendments clarified that IFRS 9 shall be applied to account for other financial instruments in an associate or joint venture to which the equity method is not applied. These included long-term interests that, in substance, form part of the Group’s net investment in an associate or joint venture.

For long-term interests that, in substance, form part of the Group’s net investment in an associate or joint venture and are governed by IFRS 9, the Group shall, based on the facts and circumstances that exist on January 1, 2019, perform an assessment of the classification under IFRS 9 applied retrospectively.

Upon initial application of the above amendments, the Group will recognize the cumulative effect of retrospective application in retained earnings on January 1, 2019.

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 1)
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 2)
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 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: 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 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e. the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e. the Group's share of the gain or loss is eliminated.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

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 12, Tables 7 and 8 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, 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 (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 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 for 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 a group entity 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

2018

Financial assets are classified into the following category: Financial assets at amortized cost.

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.

2017

Financial assets are classified into the following category: Loans and receivables.

Loans and receivables

Loans and receivables (including cash and cash equivalents, debt investments with no active market, notes receivable, trade receivables, other receivables and refundable deposit) are measured using the effective interest method at amortized cost less any impairment, except for short-term receivables when the effect of discounting is immaterial.

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

2018

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.

2017

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence, as a result of one or more events that occurred after the initial recognition of such financial assets, that the estimated future cash flows of the investment have been affected.

Financial assets at amortized cost, such as trade receivables, are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience with collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 45 days, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

For a financial asset at amortized cost, the amount of the impairment loss recognized is the difference between such an asset's carrying amount and the present value of its estimated future cash flows, discounted at the financial asset's original effective interest rate.

For a financial asset at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment (at the date on which the impairment is reversed) does not exceed what the amortized cost would have been had the impairment not been recognized.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When trade receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables that are written off against the allowance account.

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.

Before 2018, on derecognition of a financial asset in its entirety, 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. Starting from 2018, 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 a group entity 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 a group entity 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 liabilities

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

2018

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.

2017

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- 1) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 2) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 3) The amount of revenue can be measured reliably;
- 4) It is probable that the economic benefits associated with the transaction will flow to the Group; and
- 5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

l. Leasing

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.

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

Contingent rentals are recognized as expenses in the period in which they are incurred.

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	
	2018	2017
Cash on hand	\$ 507	\$ 448
Demand deposits	355,408	466,427
Cash equivalent		
Time deposits with original maturities less than three months	<u>155,105</u>	<u>508,997</u>
	<u>\$ 511,020</u>	<u>\$ 975,872</u>

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

	December 31	
	2018	2017
Bank deposits	0.001%-2.030%	0.001%-2.030%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2018	2017
<u>Financial assets - current</u>		
Financial assets designated as at FVTPL		
Combined financial assets		
Principal protected structured products	<u>\$ 192,296</u>	<u>\$ -</u>

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

8. FINANCIAL ASSETS AT AMORTIZED COST - 2018

December 31,
2018

Current

Domestic investments

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

- a. As of December 31, 2018, the interest rates of the time deposits with original maturity more than 3 months were 1.75%-1.9%. The time deposits were classified as debt investments with no active market under IAS 39. Refer to Note 3 and Note 9 for information relating to their reclassification and comparative information for 2017.
- b. As of December 31, 2018, the interest rates of the structured products were 4%.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET - 2017

December 31,
2017

Current

Time deposits with original maturity more than 3 months	<u>\$ 7,760</u>
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As of December 31, 2017, the market interest rates of the time deposits with original maturities of more than 3 months were 1.75%-2.00%.

10. TRADE RECEIVABLES

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 198,557	\$ 145,819
Less: Allowance for impairment loss	<u>(6,556)</u>	<u>(2,386)</u>
	<u>\$ 192,001</u>	<u>\$ 143,433</u>

Trade Receivables

For the year ended December 31, 2018

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, 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:

	For the Year Ended December 31, 2018
Balance at January 1, 2018 per IAS 39	\$ 2,386
Adjustment on initial application of IFRS 9	<u>-</u>
Balance at January 1, 2018 per IFRS 9	2,386
Add: Net remeasurement of loss allowance	5,797
Less: Amounts written off	(1,601)
Foreign exchange gains and losses	<u>(26)</u>
Balance at December 31, 2018	<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.

For the year ended December 31, 2017

The Group applied the same credit policy in 2018 and 2017. The Group recognized an allowance for impairment loss of 100% against all receivables over 180 days because historical experience was that receivables that are past due beyond 180 days are not recoverable. Allowance for impairment loss was recognized against trade receivables between 1 days and 180 days based on the estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

For some trade receivables balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss because there was no significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements for these balances.

The aging of trade receivables was as follows:

	December 31, 2017
0 day to 90 days	\$ 144,084
91 days to 180 days	7
181 days to 365 days	85
Over 365 days	<u>1,643</u>
	<u>\$ 145,819</u>

The above aging schedule was based on the number of past due days from the invoice date.

The aging of receivables that were past due but not impaired was as follows:

	December 31, 2017
Up to 90 days	\$ 170
91 to 180 days	-
181 to 365 days	-
Over 365 days	<u>-</u>
	<u>\$ 170</u>

The above aging schedule was based on the number of past due days from the invoice date.

The movements of the allowance for doubtful trade receivables were as follows:

	Collectively Assessed for Impairment
Balance at January 1, 2017	\$ 2,586
Add: Impairment losses recognized on receivables	(214)
Less: Amounts written off during the period as uncollectible	46
Foreign exchange translation gains and losses	<u>(32)</u>
Balance at December 31, 2017	<u>\$ 2,386</u>

11. INVENTORIES

	December 31	
	2018	2017
Finished goods	\$ 89,406	\$ 71,493
Work in process	7,128	4,616
Raw materials and supplies	<u>153,905</u>	<u>146,496</u>
	<u>\$ 250,439</u>	<u>\$ 222,605</u>

As of December 31, 2018 and 2017, the allowance for inventory devaluation was \$11,010 thousand and \$8,701 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2018 and 2017 was \$2,077,143 thousand and \$2,044,393 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2018 and 2017 included inventory write-downs of \$2,538 thousand and \$3,012 thousand, respectively.

12. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Nature of Activities	Percentage of Ownership (%)		Remark
			December 31		
			2018	2017	
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)
Sense International Limited	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)
	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
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. After a capital increase by joint venture on December 2016 and January 2017, the Group's percentage of ownership declined to 75%.

3) Sunjuice (Hong Kong) Limited was established in Hong Kong on May 11, 2009.

- 4) Sunjuice Co., Ltd. acquired 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” and was established on June 26, 2009. 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’s name has been changed 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. acquired the “Certificate of Approval for Establishment of Enterprises with Foreign Investment in the People’s Republic of China” in February 10, 1998. 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, Shanghai Sense Beverage Company 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.

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Biological Assets	Construction in Progress	Total
<u>Cost</u>								
Balance at January 1, 2017	\$ 232,878	\$ 157,082	\$ 11,901	\$ 11,213	\$ 256,705	\$ 4,191	\$ 20,808	\$ 694,778
Additions	4,197	2,624	2,400	243	11,715	22	88,287	109,488
Disposal	(6,969)	(1,144)	(1,799)	(9,011)	(8,339)	(45)	-	(27,307)
Reclassified	2,906	40,029	1,647	-	11,461	-	67,470	123,513
Effect of foreign currency exchange differences	(2,272)	(1,055)	(8)	187	(2,237)	(46)	2,234	(3,197)
Balance at December 31, 2017	<u>\$ 230,740</u>	<u>\$ 197,536</u>	<u>\$ 14,141</u>	<u>\$ 2,632</u>	<u>\$ 269,305</u>	<u>\$ 4,122</u>	<u>\$ 178,799</u>	<u>\$ 897,275</u>

(Continued)

	Buildings	Machinery and Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Biological Assets	Construction in Progress	Total
<i>Accumulated depreciation</i>								
Balance at January 1, 2017	\$ 82,957	\$ 52,798	\$ 7,684	\$ 10,591	\$ 98,109	\$ 305	\$ -	\$ 252,444
Depreciation expense	18,973	16,925	2,143	721	51,094	154	-	90,010
Disposal	(6,969)	(821)	(1,445)	(9,011)	(7,852)	-	-	(26,098)
Effect of foreign currency exchange differences	(443)	(342)	(9)	199	(158)	(2)	-	(755)
Balance at December 31, 2017	<u>\$ 94,518</u>	<u>\$ 68,560</u>	<u>\$ 8,373</u>	<u>\$ 2,500</u>	<u>\$ 141,193</u>	<u>\$ 457</u>	<u>\$ -</u>	<u>\$ 315,601</u>
Carrying amounts at December 31, 2017	<u>\$ 136,222</u>	<u>\$ 128,976</u>	<u>\$ 5,768</u>	<u>\$ 132</u>	<u>\$ 128,112</u>	<u>\$ 3,665</u>	<u>\$ 178,799</u>	<u>\$ 581,674</u>
<i>Cost</i>								
Balance at January 1, 2018	\$ 230,740	\$ 197,536	\$ 14,141	\$ 2,632	\$ 269,305	\$ 4,122	\$ 178,799	\$ 897,275
Additions	12,439	4,598	394	-	9,210	76	320,005	346,722
Disposal	(2,887)	(1,481)	(782)	-	(13,762)	(151)	-	(19,063)
Reclassified	2,580	57,037	2,646	-	19,723	-	145,643	227,629
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>
<i>Accumulated depreciation</i>								
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>

(Concluded)

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 years
Power system engineering	5 years
Machinery and equipment	3-10 years
Transportation equipment	4-10 years
Biological assets	10-28 years
Leasehold improvements	2 years
Other equipment	1-10 years

14. PREPAID RENT

	December 31	
	2018	2017
Current	\$ 9,693	\$ 9,615
Non-current	<u>127,326</u>	<u>132,897</u>
	<u>\$ 137,019</u>	<u>\$ 142,512</u>

Prepaid rent is mainly for 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

	December 31	
	2018	2017
<u>Current</u>		
Prepaid rent - current	\$ 9,693	\$ 9,615
Prepayments	14,358	23,249
Other prepayments	11,783	20,459
Offset against business tax payable	<u>28,351</u>	<u>19,505</u>
	<u>64,185</u>	<u>72,828</u>
Other financial assets	29,344	17,429
Other current assets	<u>599</u>	<u>287</u>
	<u>\$ 94,128</u>	<u>\$ 90,544</u>
<u>Non-current</u>		
Prepaid equipment	\$ 100,661	\$ 87,026
Refundable deposits	<u>10,532</u>	<u>21,059</u>
	<u>\$ 111,193</u>	<u>\$ 108,085</u>

- a. Prepayments is due to the purchase of raw materials.
- b. Other financial assets are for the collateral of bank borrowings and the tariffs of imported raw materials guarantee, refer Note 29 for the details.
- c. Prepaid equipment is due to the purchase of automatic warehousing equipment and other equipment for the factories.
- d. Refundable deposits are for rentals of land and factories.

16. BORROWINGS

- a. Short-term borrowings

	December 31	
	2018	2017
<u>Unsecured borrowings</u>		
Bank loan	<u>\$ 232,314</u>	<u>\$ 237,622</u>

The range of weighted average effective interest rate of bank loans was 3.448%-4.350% and 2.814%-4.437% per annum as of December 31, 2018 and 2017, respectively.

b. Long-term borrowings

		December 31	
		2018	2017
Borrowing Content			
<u>Secured borrowings</u> (Note 29)			
Bank loan	Maturity date: August 30, 2019	\$ 4,730	\$ 11,264
	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	3,755
	Repayment term: The first installment starts after 15 months from August 30, 2016, repayable every three months, repayable in 8 installments		
		<u>6,306</u>	<u>15,019</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	Maturity date: December 25, 2018	-	3,576
	Repayment term: The first installment starts after 15 months from December 25, 2015, repayable every three months, repayable in 8 installments		
	Maturity date: December 25, 2018	-	2,682
	Repayment term: The first installment starts after 15 months from December 25, 2015, repayable every three months, repayable in 8 installments		
	Maturity date: December 25, 2018	-	2,682
	Repayment term: The first installment starts after 15 months from December 25, 2015, repayable every three months, repayable in 8 installments		
	Maturity date: December 25, 2018	-	2,414
	Repayment term: The first installment starts after 15 months from December 25, 2015, repayable every three months, repayable in 8 installments		
	Maturity date: December 25, 2018	-	4,907
	Repayment term: The first installment starts after 15 months from December 25, 2015, repayable every three months, repayable in 8 installments		
		<u>-</u>	<u>16,261</u>
		6,306	31,280
	Less: Expires within 1 year - current	<u>(6,306)</u>	<u>(24,843)</u>
	Long-term borrowings	<u>\$ -</u>	<u>\$ 6,437</u>

The range of weighted average effective interest rate of bank loans was 4.9875% and 4.9875%-5.1063% per annum as of December 31, 2018 and 2017, respectively.

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	
	2018	2017
<u>Current</u>		
Other payables		
Accrued payroll and bonuses	\$ 78,650	\$ 62,065
Accrued employee bonus and director compensation	12,587	8,425
Professional service fees	4,849	4,083
Rent	3,877	1,718
Other tax expenses	1,699	1,968
Insurance	44,092	44,614
Shipping expenses	9,523	7,878
Selling bonuses/commissions	73,927	92,017
Payable for purchase of equipment	4,532	7,432
Sale tax	2,508	3,547
Others (employee welfare, other purchase, etc.)	<u>20,039</u>	<u>8,658</u>
	<u>\$ 256,283</u>	<u>\$ 242,405</u>
<u>Non-current</u>		
Deferred revenue		
Government grant (Note 24)	\$ 14,113	\$ 14,718
Guarantee deposits received	<u>34,779</u>	<u>38,438</u>
	<u>\$ 48,892</u>	<u>\$ 53,156</u>

Accrued selling bonuses are calculated based on the past experience, contract terms and other known reason, and they resulted in a reduction of the sales revenue when related product is sold.

19. SHAREHOLDERS' EQUITY

Share Capital

Ordinary shares

	December 31	
	2018	2017
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>30,766</u>	<u>30,766</u>
Shares issued	<u>\$ 307,656</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. For the year ended December 31, 2018, the authorized capital of the Company was \$600,000 thousand; paid in capital was \$307,656 thousand with a par value of NT\$10, and 30,766 shares are all ordinary shares.

On May 12, 2017, the Company's board of directors resolved to issue 3,600 thousand ordinary shares, with a par value of NT\$10, for a consideration of NT\$112 per share, which increased the share capital issued and fully paid to \$307,656 thousand. On June 14, 2017, the above transaction was approved by the FSC, and the subscription base date was determined as at August 4, 2017 by the board of directors.

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.

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 2017 and 2016 were approved in the shareholders' meetings on May 28, 2018 and May 3, 2017, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2017	2016	2017	2016
Legal reserve	\$ 28,674	\$ 22,683	\$ -	\$ -
Special reserve	4,395	31,646	-	-
Cash dividends	153,828	114,096	5.0	4.2

The appropriation of earnings for 2018 had been proposed by the Company's board of directors on March 7, 2019. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 44,163	\$ -
Special reserve	32,787	-
Cash dividends	190,747	6.2
Share dividends	30,766	1.0

The appropriation of earnings for 2018 are subject to the resolution of the shareholders' meeting to be held on May 29, 2019.

20. REVENUE

	For the Year Ended December 31	
	2018	2017
Revenue from contracts with customer		
Revenue from sale of goods	<u>\$ 3,221,239</u>	<u>\$ 2,917,183</u>

a. Contract balances

	December 31, 2018
Trade receivables (Note 10)	<u>\$ 192,001</u>
Contract liabilities - current	<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

	For the Year Ended December 31	
	2018	2017
Interest income	\$ 13,071	\$ 15,847
Income from government grants (Note 24)	28,476	14,144
Others	<u>2,904</u>	<u>1,084</u>
	<u>\$ 44,451</u>	<u>\$ 31,075</u>

b. Other gains and losses

	For the Year Ended December 31	
	2018	2017
Gains (loss) on disposal of property, plant and equipment	\$ 816	\$ (160)
Net foreign exchange losses	(10,516)	(8,762)
Gain on trading investments	-	52
Others	<u>(4,650)</u>	<u>(1,773)</u>
	<u>\$ (14,350)</u>	<u>\$ (10,643)</u>

c. Finance costs

	For the Year Ended December 31	
	2018	2017
Interest on bank loans	<u>\$ (9,440)</u>	<u>\$ (22,663)</u>

d. Depreciation and amortization

	For the Year Ended December 31	
	2018	2017
Property, plant and equipment	\$ 84,365	\$ 90,010
Intangible assets	<u>4,009</u>	<u>2,284</u>
	<u>\$ 88,374</u>	<u>\$ 92,294</u>
An analysis of depreciation by function		
Operating costs	\$ 46,875	\$ 41,791
Operating expenses	<u>37,490</u>	<u>48,219</u>
	<u>\$ 84,365</u>	<u>\$ 90,010</u>
An analysis of amortization by function		
Operating costs	\$ 155	\$ 154
Operating expenses	<u>3,854</u>	<u>2,130</u>
	<u>\$ 4,009</u>	<u>\$ 2,284</u>

e. Employee benefits expense

	For the Year Ended December 31	
	2018	2017
Other employee benefits	<u>\$ 390,774</u>	<u>\$ 309,086</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 130,394	\$ 112,052
Operating expenses	<u>260,380</u>	<u>197,034</u>
	<u>\$ 390,774</u>	<u>\$ 309,086</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 2018 and 2017 were resolved by the board of directors on March 7, 2019 and March 13, 2018 respectively were as follow:

Accrual rate

	For the Year Ended December 31	
	2018	2017
Employees' compensation	2%	2%
Remuneration of directors and supervisors	1%	1%

Amount

	For the Year Ended December 31	
	2018	2017
Employees' compensation	\$ 9,187	\$ 5,617
Remuneration to directors and supervisors	3,400	2,808

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 2017 and 2016 approved by the Company's board of directors on March 13, 2018 and March 17, 2017, respectively, were as follows:

	For the Year Ended December 31	
	2017	2016
	Cash	Cash
Employees' compensation	\$ 5,617	\$ 4,787
Remuneration of directors and supervisors	2,808	2,393

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, 2017 and 2016.

Information on the employees' compensation and remuneration of directors and supervisors approved by the Company's board of directors in 2018 and 2017 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:

	For the Year Ended December 31	
	2018	2017
Current tax		
In respect of the current year	\$ 146,118	\$ 134,355
Adjustments for prior periods	<u>(21,426)</u>	<u>15,573</u>
	124,692	149,892
Deferred tax		
In respect of the current year	62,689	10,320
Effect of tax rate changes	<u>(4,071)</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 183,310</u>	<u>\$ 160,212</u>

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

	For the Year Ended December 31	
	2018	2017
Profit before income tax	<u>\$ 625,045</u>	<u>\$ 447,374</u>
Income tax expense calculated at the statutory rate	\$ 191,715	\$ 147,384
Nondeductible expense in determining taxable income	(48,462)	(28,554)
Unrecognized deductible temporary differences	12,233	(7,571)
Effect of the subsidiaries' deferred tax	49,250	33,416
Adjustment for prior year's tax	<u>(21,426)</u>	<u>15,537</u>
Income tax expense recognized in profit or loss	<u>\$ 183,310</u>	<u>\$ 160,212</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. 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, 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>

Deferred tax liabilities

Temporary differences					
Unappropriated earnings of subsidiaries	<u>\$ 59,676</u>	<u>\$ 49,250</u>	<u>\$ (2,366)</u>	<u>\$ -</u>	<u>\$ 106,560</u>

For the year ended December 31, 2017

	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	\$ 1,428	\$ 752	\$ (5)	\$ -	\$ 2,175
Unrealized selling bonus/commissions	-	22,386	330	-	22,716
Bad debt	<u>646</u>	<u>(42)</u>	<u>(8)</u>	<u>-</u>	<u>596</u>
	<u>\$ 2,074</u>	<u>\$ 23,096</u>	<u>\$ 317</u>	<u>\$ -</u>	<u>\$ 25,487</u>

Deferred tax liabilities

Temporary differences					
Unappropriated earnings of subsidiaries	<u>\$ 36,681</u>	<u>\$ 33,416</u>	<u>\$ (74)</u>	<u>\$ (10,347)</u>	<u>\$ 59,676</u>

23. EARNINGS PER SHARE

	For the Year Ended December 31	
	2018	2017
Basic earnings per share	<u>\$ 14.35</u>	<u>\$ 10.01</u>
Diluted earnings per share	<u>\$ 14.32</u>	<u>\$ 10.00</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

	For the Year Ended December 31	
	2018	2017
Earnings used in computation of basic earnings per share	<u>\$ 441,633</u>	<u>\$ 286,745</u>
Earnings used in computation of diluted earnings per share	<u>\$ 441,633</u>	<u>\$ 286,745</u>

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

	For the Year Ended December 31	
	2018	2017
Weighted average number of ordinary shares used in the computation of basic earnings per share	30,765	28,645
Effect of potentially dilutive ordinary shares		
Bonus to employees	<u>73</u>	<u>39</u>
Weighted average number of ordinary shares in computation of diluted earnings per share	<u>30,838</u>	<u>28,684</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 \$313 thousand and \$321 thousand for the year ended December 31, 2018 and 2017, respectively.

The amounts of agricultural technology innovation and production safety received for the years ended December 31, 2018 and 2017 were \$28,163 thousand and \$11,223 thousand, respectively. 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, 2018 and 2017, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

- a. The Group acquired property, plant and equipment with an aggregate fair value of \$346,722 thousand, with a cash payment of \$349,622 thousand and \$2,900 thousand was decreased from payables for equipment for the year ended December 31, 2018 (refer to Note 13).
- b. The Group acquired property, plant and equipment with an aggregate fair value of \$109,488 thousand, with a cash payment of \$104,043 thousand and \$5,445 thousand was increased from payables for equipment for the year ended December 31, 2017 (refer to Note 13).

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, 2018

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

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

For the year ended December 31, 2018

Financial Assets	Financial Assets at FVTPL			Total
	Derivatives	Equity Instruments	Debt Instruments	
Balance at January 1, 2018	\$ -	\$ -	\$ -	\$ -
Purchases	-	-	192,296	192,296
Balance at December 31, 2018	\$ -	\$ -	\$ 192,296	\$ 192,296

c. Categories of financial instruments

	December 31	
	2018	2017
<u>Financial assets</u>		
FVTPL		
Mandatorily at FVTPL	\$ 192,296	\$ -
Loans and receivables (Note 1)	-	1,150,803
Financial assets at amortized cost (Note 2)	774,017	-
<u>Financial liabilities</u>		
Amortized cost (Note 3)	546,839	572,550

Note 1: The balances include loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, notes receivable, trade receivables, other receivables and other financial assets.

Note 2: The balance include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables, other receivables and other financial assets.

Note 3: 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 and borrowings. 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) and 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.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2018	2017
Profit or loss	\$ (1,993)	\$ (195)

* This was mainly attributable to the exposure outstanding on U.S. dollar cash in the bank and borrowings, which were 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:

	December 31	
	2018	2017
Cash flow interest rate risk		
Financial assets	\$ 571,325	\$ 1,000,613
Financial liabilities	238,620	268,902

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, 2018 and 2017 would increase by \$3,327 thousand and \$7,317 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>2018</u>	<u>2017</u>
Associates		
Great Eastern Food Co., Ltd.	\$ <u>28,938</u>	\$ <u>106,064</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)

<u>Line Item</u>	<u>Related-Party Category</u>	<u>December 31</u>	
		<u>2018</u>	<u>2017</u>
Trade payables	Associates		
	Great Eastern Food Co., Ltd.	\$ <u>596</u>	\$ <u>640</u>

The outstanding trade payables from associates are unsecured.

- d. Compensation of key management personnel

	<u>For the Year Ended December 31</u>	
	<u>2018</u>	<u>2017</u>
Short-term benefits	\$ <u>27,436</u>	\$ <u>17,843</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 collateral for bank borrowings and the tariffs of imported raw materials guarantees:

	December 31	
	2018	2017
Restricted bank deposits (classified as other financial assets)	\$ -	\$ 3,711
Guarantee (classified as other financial assets)	<u>29,344</u>	<u>13,718</u>
	<u>\$ 29,344</u>	<u>\$ 17,429</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, 2018 and 2017 were as follows:

Significant Commitments

Unrecognized commitments are as follows:

	December 31	
	2018	2017
Acquisition of property, plant and equipment	<u>\$ 297,588</u>	<u>\$ 406,630</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, 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>

December 31, 2017

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 946	6.5342 (USD:RMB)	<u>\$ 28,224</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,600	6.5342 (USD:RMB)	<u>\$ 47,726</u>

The significant (realized and unrealized) foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
2018			2017	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	6.8632 (USD:RMB)	<u>\$ (10,516)</u>	6.5342 (USD:RMB)	<u>\$ (8,762)</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. (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 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 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 9) Trading in derivative instruments. (None)
- 10) Intercompany relationships and significant intercompany transactions. (Table 6)

11) Information on investees. (Table 7)

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 8)
- 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 sale of juice dispenser machine segment supply product by collect refundable deposit, then main product was the fresh juice that for the juice dispenser machine used.

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:

	Manufacture and Sale of Fresh Juice	Sale of Juice Dispenser Machinery	Total
<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	<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>
<u>For the year ended December 31, 2017</u>			
Revenue from external customers	\$ 2,804,174	\$ 113,009	\$ 2,917,183
Inter-segment revenue	68,445	-	68,445
Eliminations	<u>(68,445)</u>	<u>-</u>	<u>(68,445)</u>
Consolidated revenue	<u>\$ 2,804,174</u>	<u>\$ 113,009</u>	<u>\$ 2,917,183</u>
Segment income	<u>\$ 468,758</u>	<u>\$ (19,153)</u>	\$ 449,605
Interest income			15,847
Government grants			14,144
Losses on disposal of property, plant and machinery			(160)
Foreign exchange losses			(8,762)
Valuation gains on financial instruments			52
Others			(689)
Interest expenses of bank loan			<u>(22,663)</u>
Profit before tax (continuing operations)			<u>\$ 447,374</u>

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

	December 31	
	2018	2017
<u>Segment assets</u>		
Manufacture and sale of fresh juice	\$ 2,453,965	\$ 2,136,461
Sale of juice dispenser machines	<u>108,867</u>	<u>142,718</u>
Total segment assets	2,562,832	2,279,179
Other financial assets	29,344	17,429
Deferred tax assets	<u>15,740</u>	<u>25,487</u>
Consolidated total assets	<u>\$ 2,607,916</u>	<u>\$ 2,322,095</u>

All assets were allocated to reportable segments other than other financial assets equally 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:

	For the Year Ended December 31	
	2018	2017
Customer A	<u>\$ 392,887</u>	<u>\$ 274,331</u> (Note)

Note: Revenue less than 10% of the Group's revenue.

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2018
(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	\$ 33,787 (US\$ 1,100)	\$ 33,787 (US\$ 1,100)	\$ 32,251 (US\$ 1,050)	-	For short-term financing	\$ -	Working capital loan	\$ -	-	\$ -	\$ 698,306 (Note 3)	\$ 698,306 (Note 3)	
1	Sunjuice Co., Ltd.	Shanghai Sense Beverage Company Limited Guangdong Fresh Juice Biological Technology Co., Ltd. Shanghai Sense Beverage Company Limited	Other receivables - related parties Other receivables - related parties Other receivables - related parties	Yes Yes Yes	80,000 (RMB 17,899) 223,600 (RMB 50,000) 76,024 (RMB 17,000)	- 223,600 (RMB 50,000) 76,024 (RMB 17,000)	- - 71,552 (RMB 16,000)	4.35 4.35 4.35	For short-term financing For short-term financing For short-term financing	- - -	Working capital loan Working capital loan Working capital loan	- - -	- - -	- - -	2,618,649 (Note 4) 2,618,649 (Note 4) 2,618,649 (Note 4)	2,618,649 (Note 4) 2,618,649 (Note 4) 2,618,649 (Note 4)	
2	Fresh Food (Kunshan) Co., Ltd.	Sunjuice Co., Ltd.	Other receivables - related parties	Yes	134,160 (RMB 30,000)	-	-	-	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	
		Sunjuice Co., Ltd.	Other receivables - related parties	Yes	98,384 (RMB 22,000)	98,384 (RMB 22,000)	80,496 (RMB 18,000)	4.35	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	
3	Power Keen Limited	Sunjuice Co., Ltd.	Other receivables - related parties	Yes	268,320 (RMB 60,000)	-	-	1.50	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	
		Sunjuice Co., Ltd.	Other receivables - related parties	Yes	313,040 (RMB 70,000)	313,040 (RMB 70,000)	313,040 (RMB 70,000)	1.50	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	
4	Fresh Juice Industry (Tianjin) Co., Ltd.	Sunjuice Co., Ltd.	Other receivables - related parties	Yes	44,720 (RMB 10,000)	-	-	-	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	
5	Guangdong Fresh Juice Biological Technology Co., Ltd.	Sunjuice Co., Ltd.	Other receivables - related parties	Yes	44,720 (RMB 10,000)	-	-	-	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (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 \$1,745,766 thousand x 40% = \$698,306 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 \$1,745,766 thousand x 150% = \$2,618,649 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, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guaranteee		Limits on Endorsement/ Guarantee 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 or 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	Power Keen Limited Sunjuice Co., Ltd. Sunjuice Co., Ltd. Sense International Limited	b b b b	\$ 872,883 872,883 872,883 872,883	\$ 61,430 (US\$ 2,000) 30,715 (US\$ 1,000) 134,160 (RMB 30,000) 49,144 (US\$ 1,600)	\$ - - 134,160 (RMB 30,000) -	\$ - - - -	- - - -	- - 7.68 -	\$ 1,745,766 1,745,766 1,745,766 1,745,766	Y Y Y Y	N N N N	N Y Y N	
1	Sunjuice Co., Ltd.	Shanghai Sense Beverage Company Limited Guangdong Fresh Juice Biological Technology Co., Ltd. Guangdong Fresh Juice Biological Technology Co., Ltd. Fresh Juice Industry (Tianjin) Co., Ltd. Fresh Juice Industry (Tianjin) Co., Ltd.	d d d d d	3,491,532 3,491,532 3,491,532 3,491,532 3,491,532	80,496 (RMB 18,000) 67,080 (RMB 15,000) 67,080 (RMB 15,000) 67,080 (RMB 15,000) 125,216 (RMB 28,000)	80,496 (RMB 18,000) 67,080 (RMB 15,000) 67,080 (RMB 15,000) 67,080 (RMB 15,000) 125,216 (RMB 28,000)	6,306 (RMB 1,410) - 17,468 (RMB 3,906) -	49,192 (RMB 11,000) - - -	4.61 3.84 3.84 3.84 7.17	3,491,532 3,491,532 3,491,532 3,491,532 3,491,532	N N N N N	N N N N N	Y Y Y Y Y	
2	Fresh Juice Industry (Tianjin) Co., Ltd.	Sunjuice Co., Ltd.	d	3,491,532	67,080 (RMB 15,000)	-	-	-	-	3,491,532	N	N	Y	
3	Guangdong Fresh Juice Biological Technology Co., Ltd.	Sunjuice Co., Ltd.	d	3,491,532	67,080 (RMB 15,000)	-	-	-	-	3,491,532	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 guaranteee 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 guaranteee 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 \$1,745,766 thousand x 100% = \$1,745,766 thousand.
The total amount of guarantee provided to any individual entity shall not exceed 50% of the net worth Sunjuice Holdings Co., Limited \$1,745,766 thousand x 50% = \$872,883 thousand

(Continued)

Note 4: 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 \$1,745,766 thousand x 200% = \$3,491,532 thousand.

(Concluded)

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2018

(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, 2018			Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	
Sunjuice Co., Ltd.	Industrial and Commercial Bank of China "Sui Xin E" guaranteed financial product	NA	Financial assets at fair value through profit or loss - current	-	\$ 89,440	-	\$ 89,440
	China Merchants Bank "Bu Bu Sheng Jin" guaranteed financial product	NA	Financial assets at fair value through profit or loss - current	-	(RMB 20,000)	-	(RMB 20,000)
	China Construction Bank "Qian Yuan Zhou Zhou Li" guaranteed financial product	NA	Financial assets at fair value through profit or loss - current	-	(RMB 10,000)	-	(RMB 10,000)
	Bank of Shanghai "Winner Currency and Bond Series (Dian Di Cheng Jin)" financial product	NA	Financial assets at amortized cost - current	-	(RMB 13,000)	-	(RMB 13,000)
					(RMB 22,360)		(RMB 22,360)
					(RMB 5,000)		(RMB 5,000)

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\$4.472 as of December 31, 2018.

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, 2018

(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	\$ 71,568	2.00	Net 90 days from invoice date	According to the Group's transfer pricing policy system	-	\$ 8,850	4.47	

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, 2018
(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	\$ 317,736	(Note)	\$ -	-	\$ -	-
Fresh Food (Kunshan) Co., Ltd.	Sunjuice Co., Ltd.	Parent company	82,539	(Note)	-	-	-	-
Sunjuice Co., Ltd.	Shanghai Sense Beverage Company Limited	Parent company	73,627	(Note)	-	-	-	-

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, 2018 (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	\$ 32,227	Financing provided, annual interest rate 0%	1
1	Power Keen Limited	Sunjuice Co., Ltd.	c	Other receivables	317,736	Financing provided, annual interest rate 1.15%	12
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	15,748 6,158 82,539	Note 4 Note 4 Financing provided, annual interest rate 4.35%	1 - 3
3	Sunjuice Co., Ltd.	Sunjuice Holdings Co., Limited Fresh Juice Industry (Tanjin) Co., Ltd. Guangdong Fresh Juice Biological Technology Co., Ltd. Shanghai Sense Beverage Company Limited Shanghai Sense Beverage Company Limited Guangdong Fresh Juice Biological Technology Co., Ltd. Shanghai Sense Beverage Company Limited	b c c c c c c	Other receivables Sales revenue Sales revenue Sales revenue Trade receivables Trade receivables Other receivables	13,255 27,949 18,504 71,568 8,850 1,152 73,627	Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Financing provided, annual interest rate 4.35%	1 1 1 2 - - 3

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, 2018**
(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, 2018			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2018	December 31, 2017	Number of Shares	%	Carrying Amount			
Sunjuice Holdings Co., Limited	Power Keen Limited	Samoa	Investment	\$ 545,861 (US\$ 17,785)	\$ 545,861 (US\$ 17,785)	17,785	100	\$ 1,867,229	\$ 476,738	\$ 476,738	Note 1
Sunjuice Holdings Co., Limited	Sunjuice I International Limited	Hong Kong	Investment	89,451 (RMB 20,003)	89,451 (RMB 20,003)	20,003	75	85,983	(2,790)	(2,075)	Note 1
Power Keen Limited	Sunjuice (Hong Kong) Limited	Hong Kong	Investment	175,713 (US\$ 5,725)	175,713 (US\$ 5,725)	15,300	100	976,232	295,324	295,324	Note 1
Sunjuice Co., Ltd.	Sense International Limited	Samoa	Investment	30,692 (US\$ 1,000)	30,692 (US\$ 1,000)	1,000	100	(51,709)	(17,918)	(17,918)	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 8.

Note 3: The exchange rate was RMB1=NT\$4.472; US\$1=NT\$30.692 as of December 31, 2018.

TABLE 8

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018	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	\$ -	\$ -	\$ -	\$ -	\$ 2,347 (RMB 514)	100.00	\$ 2,347 (RMB 514)	\$ 119,371 (RMB 26,693)	\$ -	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	-	-	-	-	\$20,455 (RMB 113,893)	100.00	\$20,455 (RMB 113,893)	1,661,446 (RMB 371,522)	-	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	-	-	-	-	1,642 (RMB 359)	51.00	837 (RMB 183)	5,080 (RMB 1,136)	-	Note 2
Fresh Juice Industry (Tianjin) Co., Ltd.	Drinks processing	RMB 21,500	Sunjuice Co., Ltd. reinvested in Mainland China	-	-	-	-	93,953 (RMB 20,560)	100.00	93,953 (RMB 20,560)	323,156 (RMB 72,262)	-	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 20,550	Sunjuice Co., Ltd. reinvested in Mainland China	-	-	-	-	141,497 (RMB 30,964)	100.00	141,497 (RMB 30,964)	379,525 (RMB 84,867)	-	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	-	-	-	-	(15,798) (RMB -3,457)	100.00	(15,798) (RMB -3,457)	(19,998) (RMB -4,472)	-	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	-	-	-	-	(1,796) (RMB -393)	75.00	(1,347) (RMB -295)	60,693 (RMB 13,572)	-	Note 1

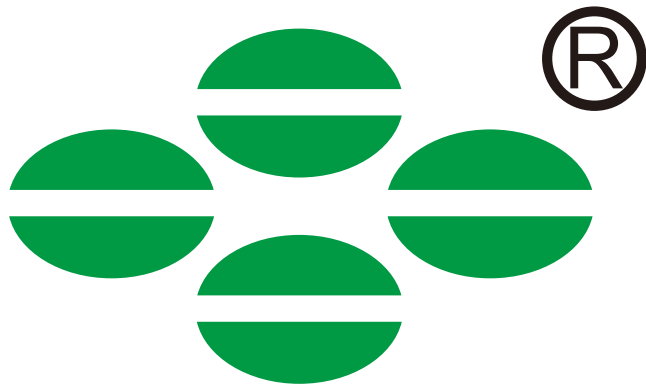
Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA		Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA	
NA	NA	NA	NA	NA

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

CHAIRMAN: HUANG,KUO-HUANG



Sunjuice Holdings Co., Limited

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

