

Stock Code: 1234

Hey Song Corporation  
2023 General Shareholders Meeting  
Handbook

Convening Method: Hybrid Shareholder Meeting

June 19, 2023

No. 178, Zhongyuan Road, Zhongli District, Taoyuan City  
(Zhongli Factory)

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## Hey Song Corporation 2023 General Shareholders Meeting Agenda

Convening Method: Hybrid Shareholder Meeting (Shareholders' Meeting will convene in physical session and supported by videoconferencing)

Time: June 19, 2023 (Monday) at 9:00 a.m. sharp

Venue: No. 178, Zhongyuan Road, Zhongli District, Taoyuan City (Zhongli Factory)

Videoconference Platform: "Electronic Balloting Platform for Shareholder Meeting – Videoconference Platform for Shareholder Meeting" Taiwan Depository and Clearing Corporation (Website: <https://www.stockvote.com.tw>)

I. Calling of the meeting to order (reporting the number of shares in attendance)

II. Chair's Remarks

III. Report Matters

1. 2022 Business Report.
2. 2022 Audit Committee Review Report.
3. 2022 Distribution of Employee Compensation and Director Remuneration.
4. 2022 Surplus Distribution Cash Dividend Status Report.

IV. Acknowledgement Matters

1. 2022 Business Report and Financial Statement.
2. 2022 Distribution of Earnings.

V. Discussion Matters

1. Revision of certain provisions of the Company's "Articles of Incorporation".
2. Revision of certain provisions of the Company's "Rules of Procedure for Shareholder Meetings".

VI. Extempore Motions.

VII. Adjourning of the Meeting.

## Reporting Matters

1. 2022 Business Report (Please refer to Appendix1~pp.5~7 of this Handbook).
2. 2022 Audit Committee Review Report (Please refer to Appendix2~p.8 of this Handbook).
3. 2022 Distribution of Employee Compensation and Director Remuneration (Please refer to Appendix3~p.9 of this Handbook).
4. 2022 Surplus Distribution Cash Dividend Status Report (Please refer to Appendix4~p.10 of this Handbook).

## Acknowledgement Matters

### **Agenda Item 1**

**Proposed by the Board of Directors**

Proposal: The 2022 Business Report and Financial Statements are submitted for acknowledgment.

Description:

1. The Company's 2022 financial statements together with the business report have been approved by the Company's Board of Directors, and the audit thereof has been completed by the accountants Kuo Nai-Hua and Chi Jui-Cuan of Deloitte & Touche Taiwan, who issued an accountant's audit report. The Audit Committee has also completed the audit thereof and issued an audit report, recognizing that there is no inconsistency.
2. For the Company's Business Report and Financial Statements, please refer to Appendix1 (pp.5~7 of this Handbook) and Appendix5 (pp.11~30 of this Handbook).
3. This proposal is hereby submitted for acknowledgement.

Resolution:

### **Agenda Item 2**

**Proposed by the Board of Directors**

Proposal: The 2022 Distribution of Earnings is submitted for acknowledgment.

Description:

1. The Company's 2022 distribution of earnings has been approved by the resolution of the 7rd meeting of the 27th Board of Directors on March 15, 2023.
2. For the Company's 2022 Distribution of Earnings is submitted, please refer to Appendix6 (p.31 of this Handbook).
3. This proposal is hereby submitted for acknowledgement.

Resolution:

## Discussion Matters

### **Agenda Item 1**

**Proposed by the Board of Directors**

Proposal: The revision of certain provisions of the Company's "Articles of Incorporation" is submitted for a resolution.

Description:

1. In response to the relevant regulatory amendments as well as the needs of practical operations, it is proposed to revise certain provisions of the Company's "Articles of Incorporation." (Please refer to Appendix7~pp.32~33 of this Handbook)
2. This proposal is hereby submitted for a resolution.

Resolution:

### **Agenda Item 2**

**Proposed by the Board of Directors**

Proposal: The revision of certain provisions of the Company's "Rules of Procedure for Shareholder Meetings.s" is submitted for a resolution.

Description:

1. In response to the relevant regulatory amendments as well as the needs of practical operations, it is proposed to revise certain provisions of the Company's "Rules of Procedure for Shareholder Meetings." (Please refer to Appendix8 ~pp.34~42 of this Handbook).
2. This proposal is hereby submitted for a resolution.

Resolution:

Extraordinary Motions

Meeting adjourned

## Business Report

### Dear shareholders, ladies and gentlemen,

Looking back on 2022, as the COVID-19 pandemic was beginning to subside, the Ukrainian-Russian war broke out, causing the prices of energy and raw materials to continue to rise. As companies continue to face rising operational costs and compressed profits, many have resorted to increasing their product prices. However, our management team adopted more proactive approaches to cope with these challenges, ensuring stable performance for the year. Net operating income was NT\$8.416 billion, for an increase of 2.66%; operating profit was NT\$557 million, for a decline of 6.07%; profit after tax was NT\$886 million, for an increase of 11.21%; and profit after tax per share was NT\$2.21, an increase of NT\$0.23 over the previous year.

### Operating Performance

We adhere to three major operating principles – “Life Brand”, “Beyond Agency”, and “Evolutionary Sales” – which we specifically and deeply implement through our beverages. In June 2022, the HeySong C&C Dadaocheng summer-only airC&C Guest House was opened; in July, the HeySong Sarsaparilla Dreams Hit the Road Special Stores combined with the new Dream Special Can packaging, encouraging everyone to “Live Life Your Own Way”; in July, our FIN Isotonic Sparkling Drink was launched, which maintains isotonic pressure, low calories, and features dense bubbles, making this isotonic drink more refreshing and thirst-quenching. There was also a bright development in alcoholic products. In December, Kinmen Kaoliang Liquor innovatively launched the Kinmen Kaoliang Liquor 70TH Anniversary Double Cask; with characteristics of both whiskey and baijiu, it was met with applause and opened up a new dimension for product development. TAIHU X CHOYA Roasted Green Tea Plum Ale was launched in June, and CHOYA Original Sparkling hit the market in December, expanding consumer segments across different fields. HeySong Biotech H<sup>+</sup> launched the HeySong Super Green Enzyme Probiotics product in March. This product combines comprehensive green nutrition with a tear-off, ready-to-eat design, facilitating consumers’ desires to “embrace a new green life”. Also, both our HeySong Ginseng Essence and HeySong Guei-lu Collagen Essence Capsule products were awarded the Symbol of National Quality (SNQ).

HeySong is also constantly innovating in our own vending machine channel that can directly interact with consumers. In January 2022, we led the way in applying digital technology by cooperating with the Taipei Zoo to launch the first ever Internet-connected vending machine AR game, Animal Arena, in Taiwan. This allows vending machines to be used not only for shopping but also for helping the public learn about animal conservation by experiencing this immersive AR game. In addition, we started the first-ever “Buy 2, Get X Discounts” promotional campaign, used the digital function of Internet-connected vending machines at traffic stations and leisure places, significantly enhanced the stickiness and closeness of consumers to HeySong products, expanded the database of member

information through network connection with our official website, and created sensational product and experience activities for consumers.

### **Fulfilling corporate social responsibility**

HeySong follows the United Nations' Sustainable Development Goals, endeavoring in the aspects of environment, health, and community services. In terms of environment, in June 2022, the B#17 carbonated beverages production line at our Zhongli Plant was completed upgraded, which will greatly assist in energy conservation and carbon reduction. In November, the installation of a 574 kW solar power generation system was completed at our Douliu Plant, gradually expanding the use of green energy; in addition, we have been awarded by the Environmental Protection Administration as an outstanding enterprise in green procurement for eight consecutive years. In terms of health, we have created a series of biotech products that have obtained both Symbol of National Quality (SNQ) and Anti Additive one-star certification based on integrity. As for community services, we invested NT\$9 million in 2022 to implement environmental education programs through the HeySong Educational Foundation, including the HeySong Idea Environmental Proposal Competition, the HeySong Green<sup>+</sup> Campus Program, and the HeySong School Based Curriculum Development Program. We connect education with the land, accompanying teachers to help children understand what makes our home regions special and protect the places where we grow up. We also encourage more schools to join the development of Environmental Characteristic Education through sharing and exchanging results, and expanding the foundation's influence. Our partner school –She-Zi Elementary School, in Xinwu District, Taoyuan City –won a Silver Award of Teaching Excellence by the Ministry of Education through our collaboration!

### **Future outlook**

We will continue to promote Digital Transformation, including smart production, re-evolution of vending machines, health care business deployment, and more, so as to strengthen our corporate operational momentum. The phased construction of a smart production management system will accelerate the flexible allocation of labor, raw materials, and energy through digitalization, improving production efficiency. We will continue to develop new operating models for vending machine channels in the direction of "Innovative Consumption Patterns" and "Creative Experiential Marketing". HeySong Biotech H<sup>+</sup> will continue to expand its official website and social media operations, directly and precisely conduct two-way interactions with consumers through data analysis, and deeply understanding consumer needs. Based on this, we will not only provide products that better meet consumer needs but also provide the services and correct health knowledge that consumers need, so that we will grow together with consumers and grasp business opportunities.

In our commitment to and practical work for Environmental Sustainability, we applied to the Industrial Development Bureau of the Ministry of Economic Affairs for the Green



Factory Label of our Zhongli Plant in December 2022. Review was completed in March 2023. We expect HeySong to become the first enterprise to obtain the honor of green factory label in the beverage industry. We will work closely with the industry and academia to refine and implement various energy-saving and carbon reduction practices, and continue to move toward the goal of sustainable development.

We give thanks to all shareholders for your trust and support of HeySong. We will continue working to generate more investment gains for all shareholders.

**Finally, we wish all shareholders  
Good Health, Peace, and Prosperity.**

Chair : Chang Pin-Tang

President : Chang Pin-Tang

Accounting Supervisor : Tu Chu-Tsan

Hey Song Corporation  
Audit Committee Review Report

The Board of Directors has prepared the 2022 business report, financial statements, the earnings distribution statement, etc., of the Company, among which the audit of the financial statements have been completed by the Deloitte & Touche Taiwan, which also issued the audit report. The Audit Committee has reviewed the aforementioned business report, financial statements, and earnings distribution statement and believes that there is no inconsistency. This report is hereby made in accordance with the provisions of Article 14-4 of the Securities and Exchange Act as well as Article 219 of the Company Act, and is submitted for your review.

Submitted to:

2023 General Shareholders Meeting of Hey Song Corporation

Hey Song Corporation

Audit Committee meeting convenor: Lin Huo-Tang

March 15, 2023

## 2022 Distribution Status of Employee Compensation and Director Remuneration

1. It is proceeded in accordance with Article 32 of the Company's Articles of Incorporation.
2. The Company's profits before tax for the year 2022 prior to deducting the distribution of employee compensation and director remuneration is in the amount of NT\$1,031,162,638. It is planned for employee compensation to be distributed in cash in the amount of NT\$10,311,627 and director remuneration to be distributed in cash in the amount of NT\$30,934,879 for the year 2022. There is no variance in the NT\$10,311,627 as estimated for employee compensation in the account, as well as the NT\$30,934,879 as estimated for director remuneration in the account.

## 2022 Surplus Distribution Cash Dividend Status Report

1. Distribution is handled in accordance with Article 32-1 of the Company's Articles of Incorporation, and has been passed by the resolution of the 7th meeting of the 27th Board of Directors on March 15, 2023.
2. The Company's 2022 surplus distribution of cash dividends is NT\$723,367,969. As of now, the number of issued and outstanding shares is 401,871,094 shares; it is proposed to distribute NT\$1.8 per share. The cash dividends shall be distributed to shareholders in accordance with the number of shares held recorded in the register of shareholders on the ex-dividend date, and shall be calculated up to the units digit in New Taiwan dollar (to be rounded down to the nearest integer); the total of fractional amounts less than NT\$1 shall be adjusted in the order from the largest to the smallest decimal digit as well as from the smallest to the largest shareholder account number until it matches the total distribution amount of cash dividends.
3. The record date for this cash dividend is set to be July 16, 2023, and the closing period for share transfer is from July 12, 2023 to July 16, 2023. The cash dividend is scheduled to be paid on July 31, 2023.
4. The chairman shall be authorized to handle other matters not covered above.

## Independent Auditors' Report

The Board of Directors and Shareholders  
Hey Song Corp.

### Opinion

We have audited the accompanying parent company only balance sheets of Hey Song Corp. (the "Company") as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other auditors, as described in the other matter section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis of Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norms 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 parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, and we do not provide a parent opinion on these matters.

Key audit matters of the Company's parent only financial statements for the year ended December 31, 2022 is stated as follows:

#### The authenticity of sale revenue and shipment of Kinmen Kaoliang Liquor

As a part of the Company's 2022 operating revenue from sale of Kinmen Kaoliang Liquor products had a significant impact on the Company's net operating revenue, the truthfulness of sales revenue from and the shipment of such products were identified as key audit matters. For accounting policies for revenue recognition, please refer to Note 4 (13) in the separate financial statements.

We audited the sales revenue from and shipment of the aforesaid Kinmen Kaoliang Liquor products pursuant to the following audit procedures:

1. After we understood the design and implementation of the internal control system for the process of earning the said sales revenue, the effectiveness of the control implementation was evaluated.
2. We obtained the detailed items of sales revenue from the Kinmen Kaoliang Liquor products and performed sampling for evaluation. The relevant supporting shipment documents and the recovery of loans were also checked to verify the truthfulness of the sale revenue and shipment.

### **Responsibility of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the notes to the statements), and whether or not the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 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.

Independent Accountants

Kuo, Nai-Hua

Chih, Jui-Chuan

Deloitte & Touche, Taiwan  
Republic of China  
March 15, 2023

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’

report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.  
As the financial statements are the responsibility of the management, Deloitte & Touche cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.



HEY SONG CORP.

PARENT COMPANY ONLY BALANCE SHEET

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 351,661	2	\$ 535,533	3
1110	Financial assets at fair value through profit or loss – current (Notes 4, 7, and 26)	-	-	50,024	-
1150	Notes receivables (Notes 4 and 8)	7,925	-	4,796	-
1160	Notes and accounts receivable (Notes 4, 8, and 27)	-	-	78	-
1170	Accounts receivable (Notes 4 and 8)	113,824	1	167,148	1
1180	Accounts receivable - related parties (Notes 4, 8 and 27)	820,224	4	772,820	4
1200	Other receivables (Note 8 and 27)	111,123	-	89,137	-
130X	Inventories (Notes 4 and 9)	5,280,643	25	5,075,026	24
1410	Prepayments	96,307	-	24,759	-
1470	Other current assets	7,321	-	12,034	-
11XX	Total current assets	<u>6,789,028</u>	<u>32</u>	<u>6,731,355</u>	<u>32</u>
	<b>Non-current assets</b>				
1550	Investments accounted for using the equity method (Notes 4, 10 and 27)	8,450,480	41	8,413,229	40
1600	Property, plant and equipment (Notes 4 and 11)	5,277,943	25	5,340,811	26
1755	Right-of-use assets (Notes 4 and 12)	67,099	-	82,279	-
1801	Computer software (Note 4)	5,520	-	3,419	-
1840	Deferred tax assets (Notes 4 and 22)	33,985	-	42,234	-
1915	Prepayment for equipment purchase (Notes 14 and 29)	89,241	1	119,263	1
1920	Refundable security deposit (Notes 13 and 28)	176,527	1	176,808	1
15XX	Total non-current assets	<u>14,100,795</u>	<u>68</u>	<u>14,178,043</u>	<u>68</u>
1XXX	Total assets	<u>\$ 20,889,823</u>	<u>100</u>	<u>\$ 20,909,398</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2100	Short-term loans (Note 15)	\$ 950,000	5	\$ 1,100,000	5
2170	Accounts payable (Note 16)	338,164	2	325,487	2
2200	Other payables (Notes 17 and 27)	432,923	2	395,192	2
2230	Current tax liabilities (Notes 4 and 22)	59,824	-	95,762	-
2280	Lease liabilities - current (Notes 12 and 27)	16,658	-	16,344	-
2300	Other current liabilities (Note 27)	9,761	-	42,622	-
21XX	Total current liabilities	<u>1,807,330</u>	<u>9</u>	<u>1,975,407</u>	<u>9</u>
	<b>Non-current liabilities</b>				
2570	Deferred tax liabilities (Notes 4 and 22)	627,311	3	620,481	3
2580	Lease liabilities - non-current (Notes 12 and 27)	51,109	-	66,051	-
2640	Net defined benefit liabilities -non-current (Notes 4 and 18)	56,876	-	101,677	1
2645	Cash on receipt	1,870	-	1,870	-
25XX	Total non-current liabilities	<u>737,166</u>	<u>3</u>	<u>790,079</u>	<u>4</u>
2XXX	Total liabilities	<u>2,544,496</u>	<u>12</u>	<u>2,765,486</u>	<u>13</u>
	<b>Equity (Note 19)</b>				
3110	Ordinary shares	4,018,711	19	4,018,711	19
3200	Capital surplus	186,078	1	186,078	1
	Retained earnings				
3310	Legal reserve	2,573,032	12	2,488,871	12
3320	Special reserve	4,357,281	21	4,357,281	21
3350	Unappropriated earnings	7,179,192	35	7,026,005	34
3300	Total retained earnings	<u>14,109,505</u>	<u>68</u>	<u>13,872,157</u>	<u>67</u>
3400	Other equity	31,033	-	66,966	-
3XXX	Total equity	<u>18,345,327</u>	<u>88</u>	<u>18,143,912</u>	<u>87</u>
	Total liabilities and equity	<u>\$ 20,889,823</u>	<u>100</u>	<u>\$ 20,909,398</u>	<u>100</u>

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

**HEY SONG CORP.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenue (Notes 20 and 27)				
4110	Sales revenue	\$ 8,608,130	102	\$ 8,450,812	103
4170	Sales return	( 4,572 )	-	( 1,660 )	-
4190	Sales discounts and allowances	( 187,935 )	( 2 )	( 251,703 )	( 3 )
4000	Net sales revenue	8,415,623	100	8,197,449	100
5000	Operating costs (Notes 9 and 21)	( 6,340,900 )	( 75 )	( 6,180,020 )	( 75 )
5900	Gross profit	2,074,723	25	2,017,429	25
5910	Unrealized profit involving subsidiaries	( 53,385 )	( 1 )	( 47,584 )	( 1 )
5920	Realized profit involving subsidiaries	47,584	1	51,251	1
5950	Realized operating gross profit	2,068,922	25	2,021,096	25
	Operating expenses (Notes 21 and 27)				
6100	Selling and marketing expenses	( 1,265,407 )	( 15 )	( 1,188,202 )	( 15 )
6200	General and administrative expenses	( 193,310 )	( 2 )	( 188,307 )	( 2 )
6300	Research and development expenses	( 55,731 )	( 1 )	( 52,053 )	( 1 )
6450	Expected credit impairment reversal profit	2,095	-	-	-
6000	Total operating expense	( 1,512,353 )	( 18 )	( 1,428,562 )	( 18 )
6900	Operating income	556,569	7	592,534	7
	Non-operating income and expenses				
7100	Interest income (Note 21)	904	-	47	-
7010	Other incomes (Notes 21 and 27)	30,576	-	33,371	-
7020	Other gains and (losses) (Note 21)	18,255	-	( 6,107 )	-
7050	Financial cost (Notes 21 and 27)	( 12,704 )	-	( 7,627 )	-
7060	Share of profit of subsidiaries and associates under the equity method (Note 10)	396,316	5	302,915	4
7000	Total non-operating income and expense	433,347	5	322,599	4
7900	Profit before income tax	989,916	12	915,133	11
7950	Income tax expense (Notes 4 and 22)	( 103,781 )	( 1 )	( 118,324 )	( 1 )
8200	Net profit for the year	886,135	11	796,809	10

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
	Other comprehensive income (loss)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 18)	\$ 42,214	-	(\$ 22,241)	-
8331	Re-measurement of defined benefit plan of subsidiaries and associates	623	-	6,119	-
8336	Unrealized profit/loss on equity instruments of the associates measured at fair value through other comprehensive income recognized under the equity method	( 38,050 )	-	13,183	-
8349	Income tax related to items not reclassified	( 8,443 )	-	4,448	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	3,271	-	( 1,316 )	-
8381	Exchange difference from conversion of financial statements of subsidiaries' and associates' foreign operations recognized under the equity method	( 499 )	-	360	-
8399	Income tax related to items likely to be reclassified as profit or loss	( 655 )	-	263	-
8300	Other comprehensive income (loss) for the year, net of income tax	( 1,539 )	-	816	-
8500	Total comprehensive income for the year	<u>\$ 884,596</u>	<u>11</u>	<u>\$ 797,625</u>	<u>10</u>
	Earnings per share (Note 23)				
9710	Basic	<u>\$ 2.21</u>		<u>\$ 1.98</u>	
9810	Diluted	<u>\$ 2.20</u>		<u>\$ 1.98</u>	

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

(Concluded)

HEY SONG CORP.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

Code		Capital Stock		Retained Earnings			Other Equity		Total Equity	
		Number of Shares (1,000 shares)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Difference on Translating the Financial Statements of Foreign Operations		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income
A1	Balance at January 1, 2021	401,871	\$ 4,018,711	\$ 185,139	\$ 2,401,656	\$ 4,413,676	\$ 6,994,977	(\$ 30,769)	\$ 85,245	\$18,068,635
	Appropriation of 2020 earnings									
B1	Legal reserve	-	-	-	87,215	-	( 87,215 )	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	( 723,368 )	-	-	( 723,368 )
B17	Reversal of special reserves associated with first-time adoption of IFRSs	-	-	-	-	( 56,395 )	56,395	-	-	-
C7	Changes in equity-accounted associated companies and joint ventures	-	-	939	-	-	81	-	-	1,020
D1	Net profit for the year ended December 31, 2021	-	-	-	-	-	796,809	-	-	796,809
D3	Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	( 11,674 )	( 693 )	13,183	816
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	785,135	( 693 )	13,183	797,625
Z1	Balance at December 31, 2022	401,871	4,018,711	186,078	2,488,871	4,357,281	7,026,005	( 31,462 )	98,428	18,143,912
	Appropriation of 2021 earnings									
B1	Legal reserve	-	-	-	84,161	-	( 84,161 )	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	( 683,181 )	-	-	( 683,181 )
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	886,135	-	-	886,135
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	34,394	2,117	( 38,050 )	( 1,539 )
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	920,529	2,117	( 38,050 )	884,596
Z1	Balance at December 31, 2022	<u>401,871</u>	<u>\$ 4,018,711</u>	<u>\$ 186,078</u>	<u>\$ 2,573,032</u>	<u>\$ 4,357,281</u>	<u>\$ 7,179,192</u>	<u>(\$ 29,345)</u>	<u>\$ 60,378</u>	<u>\$18,345,327</u>

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

HEY SONG CORP.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows from operation		
A10000	Profit before income tax	\$ 989,916	\$ 915,133
A20010	Profit and loss items		
A20100	Depreciations	297,065	297,559
A20200	Amortizations	2,956	3,640
A20300	Profit from reversal of expected credit impairment	( 2,095 )	-
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	( 52 )	( 266 )
A20900	Financial cost	12,704	7,627
A21200	Interest income	( 904 )	( 47 )
A22300	Share of profit of subsidiaries and associates under the equity method	( 396,316 )	( 302,915 )
A22500	Gain on disposal and scrapping of property, plant, and equipment	( 1,365 )	( 301 )
A23700	Inventory devaluation and obsolescence loss	1,271	-
A23800	Profit from reversal of inventory devaluation and obsolescence loss	-	( 1,471 )
A23900	Unrealized profit involving subsidiaries	53,385	47,584
A24000	Realized profit involving subsidiaries	( 47,584 )	( 51,251 )
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	( 3,032 )	189,431
A31150	Accounts receivable	7,996	( 323,423 )
A31180	Other receivables	( 21,986 )	( 8,344 )
A31200	Inventories	( 206,888 )	( 161,756 )
A31230	Prepayments	( 71,548 )	7,743
A31240	Other current assets	4,713	2,759
A32150	Accounts payable	12,677	112,706
A32180	Other payables	16,816	( 9,814 )
A32230	Other current liabilities	( 32,861 )	( 16,095 )
A32240	Net defined benefit liabilities - non-current	( 2,587 )	( 1,131 )
A33000	Cash generated from operations	612,281	707,368
A33300	Interest paid	( 12,130 )	( 7,460 )
A33500	Income tax paid	( 133,738 )	( 53,819 )
AAAA	Net cash generated from operating activities	<u>466,413</u>	<u>646,089</u>

(Continued)

Code		2022	2021
	Cash flow from investing activities		
B00100	Acquisition of financial assets designated to be measured at fair value through profit or loss	(\$ 90,000)	(\$ 350,000)
B00200	Disposal of financial assets designated to be measured at fair value through profit or loss	140,076	480,299
B01800	Acquisition of long-term equity investments under the equity method	-	( 175,500)
B02400	Refunds from liquidation of the invested company under the equity method	14,668	2,297
B02700	Acquisition of property, plant and equipment	( 196,546)	( 108,821)
B02800	Proceeds from disposal of property, plant and equipment	1,786	2,072
B03800	Decrease of refundable security deposits	281	86
B04500	Acquisition of intangible assets	( 5,057)	( 2,517)
B07100	Increase of prepayment for equipment purchase	-	( 104,960)
B07200	Decrease in prepayment for equipment purchase	30,022	-
B07500	Interest received	904	47
B07600	Dividend of associates received	<u>303,941</u>	<u>314,780</u>
BBBB	Net cash generated from investing activities	<u>200,075</u>	<u>57,783</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	-	250,000
C00200	Decrease in short-term borrowings	( 150,000)	-
C04020	Retirement of principal for lease	( 17,179)	( 17,140)
C04500	Allocation of cash dividends	( <u>683,181</u> )	( <u>723,368</u> )
CCCC	Net cash used in financing activities	( <u>850,360</u> )	( <u>490,508</u> )
EEEE	Net increase(decrease) in cash and cash equivalents	( 183,872)	213,364
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>535,533</u>	<u>322,169</u>
E00200	Balance of cash and cash equivalents at the ending of the period	<u>\$ 351,661</u>	<u>\$ 535,533</u>

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

(Concluded)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Hey Song Corp.

### Opinion

We have audited the accompanying consolidated financial statements of Hey Song Corp. and its subsidiaries (collectively referred to as the “Group”) , which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements , including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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, 2022 and 2021, 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 the Standards on Auditing of 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 Norms 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, 2022. 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 matters of the Group’s consolidated financial statements for the year ended December 31, 2022 is stated as follows:

#### The authenticity of sale revenue and shipment of Kinmen Kaoliang Liquor

As a part of the Group's 2022 operating revenue from the sale of Kinmen Kaoliang Liquor products had a significant impact on the Group's net operating revenue, the truthfulness of sales revenue from and the shipment of such products were identified as key audit matters. For accounting policies for revenue recognition, please refer to Note 4 (14) in the consolidated financial statements.

We audited the sales revenue from and shipment of the aforesaid Kinmen Kaoliang Liquor products pursuant to the following audit procedures:

1. After we understood the design and implementation of the internal control system for the process of earning the said sales revenue, the effectiveness of the control implementation was evaluated.
2. We obtained the detailed items of sales revenue from the Kinmen Kaoliang Liquor products and performed sampling for evaluation. The relevant supporting shipment documents and the recovery of loans were also checked to verify the truthfulness of the sale revenue and shipment.

### **Other matters**

We have also audited the parent company only financial statements of Hey Song Corp. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

### **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 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 audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 Standards on Auditing of 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 internal control of the Group.



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 and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes to the statements), and whether or not the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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, 2022 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.

Kuo, Nai-Hua

Independent Accountants

Chih, Jui-Chuan

Deloitte & Touche, Taiwan  
Republic of China  
March 15, 2023

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

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

HEY SONG CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 976,892	4	\$ 1,231,471	6
1110	Financial assets at fair value through profit or loss – current (Notes 4, 7 and 28)	-	-	50,024	-
1136	Financial assets at amortized cost – current (Notes 4, 8 and 9)	523,389	2	226,100	1
1150	Notes receivable (Notes 4 and 10)	63,081	-	29,599	-
1170	Accounts receivable (Notes 4 and 10)	725,876	3	707,909	3
1200	Other receivables (Note 10)	114,101	1	91,947	-
130X	Inventories (Notes 4 and 11)	5,443,867	24	5,208,808	23
1410	Prepayments	103,469	1	40,690	-
1470	Other current assets	14,768	-	19,978	-
11XX	Total current assets	<u>7,965,443</u>	<u>35</u>	<u>7,606,526</u>	<u>33</u>
	<b>Non-current assets</b>				
1510	Financial assets at fair value through profit or loss – non-current (Notes 4, 7 and 28)	658	-	658	-
1535	Financial assets at amortized cost – non-current (Notes 4, 8 and 9)	39,672	-	215,964	1
1550	Investment accounted for under the equity method (Notes 4 and 13)	805,882	4	850,028	4
1600	Property, plant and equipment (Notes 4 and 14)	5,938,938	26	6,001,232	26
1755	Right-of-use assets (Note 15)	86,512	-	113,852	1
1760	Investment properties (Notes 4, 16 and 30)	7,601,058	34	7,632,311	33
1801	Computer software, net (Note 4)	5,714	-	4,086	-
1840	Deferred tax assets (Notes 4 and 25)	38,513	-	46,753	-
1915	Prepayment for equipment purchase (Note 31)	89,241	-	128,876	1
1920	Refundable security deposit (Notes 17, 28 and 30)	187,616	1	188,110	1
15XX	Total non-current assets	<u>14,793,804</u>	<u>65</u>	<u>15,181,870</u>	<u>67</u>
1XXX	Total assets	<u>\$ 22,759,247</u>	<u>100</u>	<u>\$ 22,788,396</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2100	Short-term loans (Note 18)	\$ 950,000	4	\$ 1,100,000	5
2150	Notes payable (Note 19)	4,213	-	3,409	-
2170	Accounts payable (Note 19)	370,241	2	364,773	2
2200	Other payables (Note 20)	493,748	2	458,281	2
2230	Current tax liabilities (Notes 4 and 25)	110,133	1	135,828	-
2280	Lease liabilities – current (Note 15 and 29)	19,109	-	28,661	-
2300	Other current liabilities – others (Note 23)	32,425	-	60,513	-
21XX	Total current liabilities	<u>1,979,869</u>	<u>9</u>	<u>2,151,465</u>	<u>9</u>
	<b>Non-current liabilities</b>				
2570	Deferred tax liabilities (Notes 4 and 25)	2,140,963	9	2,133,763	9
2580	Lease liabilities – non-current (Note 15 and 29)	68,103	-	85,440	-
2640	Net defined benefit liabilities – non-current (Notes 4 and 21)	96,691	-	145,400	1
2645	Cash on receipt (Note 29)	128,294	1	128,416	1
25XX	Total non-current liabilities	<u>2,434,051</u>	<u>10</u>	<u>2,493,019</u>	<u>11</u>
2XXX	Total liabilities	<u>4,413,920</u>	<u>19</u>	<u>4,644,484</u>	<u>20</u>
	<b>Shareholders equity (Note 22)</b>				
	Equity attributable to the owners of the Company				
3110	Ordinary shares	4,018,711	18	4,018,711	18
3200	Capital surplus	186,078	1	186,078	1
	Retained earnings				
3310	Legal reserve	2,573,032	11	2,488,871	11
3320	Special reserve	4,357,281	19	4,357,281	19
3350	Unappropriated earnings	7,179,192	32	7,026,005	31
3300	Total retained earnings	<u>14,109,505</u>	<u>62</u>	<u>13,872,157</u>	<u>61</u>
3400	Other equity	31,033	-	66,966	-
3XXX	Total equity	<u>18,345,327</u>	<u>81</u>	<u>18,143,912</u>	<u>80</u>
	Total liabilities and equity	<u>\$ 22,759,247</u>	<u>100</u>	<u>\$ 22,788,396</u>	<u>100</u>

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

**HEY SONG CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenue (Note 23)				
4110	Sales revenue	\$ 9,889,950	103	\$ 9,589,070	104
4170	Sales return	( 15,761 )	-	( 12,294 )	-
4190	Sales discounts and allowances	( 315,692 )	( 3 )	( 353,902 )	( 4 )
4000	Net sales revenue	9,558,497	100	9,222,874	100
5000	Operating cost (Notes 11 and 24)	( 6,879,679 )	( 72 )	( 6,662,016 )	( 72 )
5900	Gross profit	2,678,818	28	2,560,858	28
	Operating expense (Notes 24 and 29)				
6100	Selling and marketing expenses	( 1,422,698 )	( 15 )	( 1,329,682 )	( 14 )
6200	General and administrative expenses	( 607,382 )	( 6 )	( 573,557 )	( 6 )
6300	Research and development expenses	( 55,731 )	( 1 )	( 52,053 )	( 1 )
6450	Expected credit impairment reversal profit	1,864	-	374	-
6000	Total operating expense	( 2,083,947 )	( 22 )	( 1,954,918 )	( 21 )
6900	Operating income	594,871	6	605,940	7
	Non-operating income and expenses (Notes 24 and 29)				
7100	Interest income	7,110	-	6,956	-
7010	Other incomes	593,782	6	563,427	6
7020	Other gains and (losses)	( 102,038 )	( 1 )	( 143,288 )	( 2 )
7050	Financial cost	( 13,764 )	-	( 8,793 )	-
7060	Share of profit/loss of associates under equity method (Note 13)	14,205	-	( 23,121 )	-
7000	Total non-operating income and expense	499,295	5	395,181	4

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
7900	Profit before income tax	\$ 1,094,166	11	\$ 1,001,121	11
7950	Income tax expense (Notes 4 and 25)	( 208,031 )	( 2 )	( 204,312 )	( 2 )
8200	Net profit for the year	<u>886,135</u>	<u>9</u>	<u>796,809</u>	<u>9</u>
	Other comprehensive income (loss)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans (Note 21)	39,308	-	( 16,754 )	-
8321	Remeasurement of defined benefit plan of associates recognized under the equity method	2,948	-	1,729	-
8326	Unrealized loss on valuation of the associates measured at fair value through other comprehensive income recognized under the equity method	( 38,050 )	-	13,183	-
8349	Income tax related to items not reclassified (Note 25)	( 7,862 )	-	3,351	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	3,271	-	( 1,316 )	-
8371	Exchange differences from conversion of financial statements of associates' foreign operations recognized under the equity method	( 499 )	-	360	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss (Note 25)	( 655 )	-	<u>263</u>	-
8300	Other comprehensive income (loss) for the year, net of income tax	( 1,539 )	-	<u>816</u>	-
8500	Total comprehensive income for the year	<u>\$ 884,596</u>	<u>9</u>	<u>\$ 797,625</u>	<u>9</u>

(Continued)

<u>Code</u>		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	Net profit attributable to :				
8610	Owners of the Company	<u>\$ 886,135</u>	<u>9</u>	<u>\$ 796,809</u>	<u>9</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	<u>\$ 884,596</u>	<u>9</u>	<u>\$ 797,625</u>	<u>9</u>
	Earnings per share (Note 26)				
9710	Basic	<u>\$ 2.21</u>		<u>\$ 1.98</u>	
9810	Diluted	<u>\$ 2.20</u>		<u>\$ 1.98</u>	

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

HEY SONG CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

Code		Capital Stock		Retained Earnings			Other Equity		Total Equity	
		Number of Shares (1,000 shares)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Difference on Translating the Financial Statements of Foreign Operations		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income
A1	Balance at January 1, 2021	401,871	\$ 4,018,711	\$ 185,139	\$ 2,401,656	\$ 4,413,676	\$ 6,994,977	(\$ 30,769)	\$ 85,245	\$18,068,635
	Appropriation of 2020 earnings									
B1	Legal reserve	-	-	-	87,215	-	( 87,215 )	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	( 723,368 )	-	-	( 723,368 )
B17	Reversal of special reserves associated with first-time adoption of IFRSs	-	-	-	-	( 56,395 )	56,395	-	-	-
C7	Changes in equity-accounted associated companies and joint ventures	-	-	939	-	-	81	-	-	1,020
D1	Net profit for the year ended December 31, 2021	-	-	-	-	-	796,809	-	-	796,809
D3	Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	( 11,674 )	( 693 )	13,183	816
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	785,135	( 693 )	13,183	797,625
Z1	Balance at December 31, 2022	401,871	4,018,711	186,078	2,488,871	4,357,281	7,026,005	( 31,462 )	98,428	18,143,912
	Appropriation of 2021 earnings									
B1	Legal reserve	-	-	-	84,161	-	( 84,161 )	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	( 683,181 )	-	-	( 683,181 )
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	886,135	-	-	886,135
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	34,394	2,117	( 38,050 )	( 1,539 )
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	920,529	2,117	( 38,050 )	884,596
Z1	Balance at December 31, 2022	<u>401,871</u>	<u>\$ 4,018,711</u>	<u>\$ 186,078</u>	<u>\$ 2,573,032</u>	<u>\$ 4,357,281</u>	<u>\$ 7,179,192</u>	<u>(\$ 29,345)</u>	<u>\$ 60,378</u>	<u>\$18,345,327</u>

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

HEY SONG CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows from operating activities		
A10000	Profit before income tax	\$ 1,094,166	\$ 1,001,121
A20010	Profit and loss items		
A20100	Depreciation	346,017	349,008
A20200	Amortization	6,315	6,957
A20300	Profit from reversal of expected credit impairment	( 1,864 )	( 374 )
A20400	Net gain on financial assets at fair value through profit or loss	( 1,077 )	( 551 )
A20900	Financial cost	13,764	8,793
A21200	Interest income	( 7,110 )	( 6,956 )
A21300	Dividend income	-	( 61 )
A22300	Share of loss (profit) from associates accounted for under the equity method	( 14,205 )	23,121
A22500	Gain on disposal and scrapping of property, plant, and equipment	( 1,765 )	( 544 )
A23800	Inventory devaluation and obsolescence loss	259	948
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	( 33,477 )	38,373
A31150	Accounts receivable	( 16,108 )	( 112,540 )
A31180	Other receivables	( 22,241 )	( 8,399 )
A31200	Inventories	( 235,360 )	( 168,023 )
A31230	Prepayments	( 62,779 )	( 1,329 )
A31240	Other current assets	5,210	2,681
A32130	Notes payable	804	( 1,003 )
A32150	Accounts payable	5,468	117,137
A32180	Other payables	14,552	28,564
A32230	Other current liabilities	( 28,088 )	( 12,446 )
A32240	Net defined benefit liabilities	( 9,401 )	( 3,646 )
A33000	Cash generated from operations	1,053,080	1,260,831
A33300	Interest paid	( 13,122 )	( 8,480 )
A33500	Income tax paid	( 226,716 )	( 147,821 )
AAAA	Net cash generated from operating activities	<u>813,242</u>	<u>1,104,530</u>

(Continued)

<u>Code</u>		<u>2022</u>	<u>2021</u>
	Cash flow from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 120,997)	(\$ 442,064)
B00100	Acquisition of financial assets at fair value through profit or loss	( 890,000)	( 1,050,000)
B00200	Sale of financial assets at fair value through profit or loss	941,101	1,180,584
B01800	Acquisition of long-term equity investments accounted for using the equity method	-	( 148,500)
B02700	Proceeds from acquisition of property, plant, and equipment	( 213,062)	( 117,355)
B02800	Proceeds from disposal of property, plant and equipment	2,702	6,533
B03800	Decrease in refundable deposits	494	991
B04500	Acquisition of intangible assets	( 7,933)	( 5,370)
B07100	Increase in prepayment for equipment	-	( 109,726)
B07200	Decrease in prepayment for equipment	39,635	-
B07500	Interest received	7,110	6,956
B07600	Dividends received	<u>22,750</u>	<u>27,436</u>
BBBB	Net cash used in investing activities	<u>( 218,200)</u>	<u>( 650,515)</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	-	250,000
C00200	Decrease in short-term borrowings	( 150,000)	-
C03100	Decrease in guarantee deposits received	( 122)	( 482)
C04020	Repayment of the principal portion of lease liabilities	( 19,567)	( 20,776)
C04500	Allocation of cash dividends	<u>( 683,181)</u>	<u>( 723,368)</u>
CCCC	Net cash used in financing activities	<u>( 852,870)</u>	<u>( 494,626)</u>
DDDD	Effect of changes in exchange rate on cash and cash equivalents	<u>3,249</u>	<u>( 1,358)</u>
EEEE	Net decrease in cash and cash equivalents	( 254,579)	( 41,969)
E00100	Cash and cash equivalents at the beginning of the year	<u>1,231,471</u>	<u>1,273,440</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 976,892</u>	<u>\$ 1,231,471</u>

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

(Concluded)



**Hey Song Corporation**  
**Earnings Distribution Schedule**  
**2022**

Unit: NTD

Item	Amount			Description
	Earnings before 1997	Earnings after 1998	Subtotal	
<b>I. Distributable amount</b>				
1. Unappropriated earnings of the previous period	593,513,375.02	5,665,149,877.77	6,258,663,252.79	
2. Net profits after tax for the period		886,135,465.70	886,135,465.70	
3. Other comprehensive income (Adjustment of retained earnings due to investment, using the equity method)		623,363.00	623,363.00	
4. Other comprehensive income (Defined benefit plan remeasurements, recognized in retained earnings)		33,770,810.00	33,770,810.00	
Total	593,513,375.02	6,585,679,516.47	7,179,192,891.49	
<b>II. Distribution item</b>				
1. Legal reserve		92,052,964.00	92,052,964.00	
2. Cash dividends		723,367,969.00	723,367,969.00	
Total		815,420,933.00	815,420,933.00	
<b>III. Closing balance</b>				
1. Unappropriated earnings at the end of the period				
Total	593,513,375.02	5,770,258,583.47	6,363,771,958.49	Cash dividends of \$1.80 per share

Note 1: NT\$815,420,933 to be distributed from 2022 earnings, and including provision of legal reserve and the distribution of cash dividends to shareholders, the undistributed earnings for 2022 amounted to NT\$105,108,705.7.

Note 2: The cash dividend was approved by a Board of Directors resolution on March 15, 2023.

Note 3: The cash dividend per share is calculated based on the 401,871,094 outstanding shares by the Board of Directors on March 15, 2023.

## HeySong Corporation

## Comparison Table for Revisions to the Articles of Incorporation

Article	Revised provision	Current provision	Description
Article 6	<p>All share certificates of the Company shall be registered and numbered with the names of the <b><u>director(s) representing the Company</u></b> being signed thereon or their seals affixed thereto, as well as the seal of the Company affixed thereto, and issued after being attested by the competent authority or its approved issuance registration agency.</p> <p>When the Company issues new shares, the printing of the total number of the share certificates may be consolidated for said issuance. The Company shall also contact the central marketable securities depository for safekeeping, and the requirement that share certificates shall be numbered in the preceding paragraph shall not apply.</p> <p>The Company may be exempt from printing share certificates for shares it issues, and shall contact the central marketable securities depository for registration. The requirements in the preceding two paragraphs shall not apply.</p>	<p>All share certificates of the Company shall be registered and numbered with the names of the <b><u>chair and two or more</u></b> directors being signed thereon or their seals affixed thereto, as well as the seal of the Company affixed thereto, and issued after being attested by the competent authority or its approved issuance registration agency.</p> <p>When the Company issues new shares, the printing of the total number of the share certificates may be consolidated for said issuance. The Company shall also contact the central marketable securities depository for safekeeping, and the requirement that share certificates shall be numbered in the preceding paragraph shall not apply.</p> <p>The Company may be exempt from printing share certificates for shares it issues, and shall contact the central marketable securities depository for registration. The requirements in the preceding two paragraphs shall not apply.</p>	<p>The text in Paragraph 1 of this article is amended in accordance with Article 162 of the Company Act.</p>

Article	Revised provision	Current provision	Description
Article 35	The Articles of Incorporation were formulated on November 30, 1969, and having undergone various revisions by resolutions of Shareholder Meetings, have been successively submitted to the competent authority for approval of registration, and recorded in the file. The Articles were hereby further revised by <b><u>the 49<sup>th</sup> session</u></b> of the General Shareholder Meeting <b><u>on June 19, 2023</u></b> and then implemented after the revision was passed.	The Articles of Incorporation were formulated on November 30, 1969, and having undergone various revisions by resolutions of Shareholder Meetings, have been successively submitted to the competent authority for approval of registration, and recorded in the file. The Articles were hereby further revised by the 48 <sup>th</sup> session of the General Shareholder Meeting on June 23, 2022 and then implemented after the revision was passed.	The revision date and the number of times of revisions are added hereto.

HeySong Corporation  
Comparison Table for Revision to  
the Rules of Procedure for Shareholder Meetings

Revised provision	Current provision	Description
<p>2. The Company shall specify in its Shareholder Meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters requiring attention.</p> <p>The time during which shareholder attendance registrations are accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences; the place at which attendance registrations are accepted shall be clearly marked, and a sufficient number of suitable personnel shall be assigned to handle the registrations;</p> <p><b><u>shareholders attending the Shareholder Meeting via video conference shall register their attendance on the shareholder meeting video conference platform, and shareholders having completed the attendance registration shall be deemed to have attended the Shareholder Meeting in person.</u></b></p>	<p>2. The Company shall specify in its Shareholder Meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters requiring attention.</p> <p>The time during which shareholder attendance registrations are accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences; the place at which attendance registrations are accepted shall be clearly marked, and a sufficient number of suitable personnel shall be assigned to handle the registrations.</p>	<p>This article is hereby revised to add the procedure for registering the attendance on the video conference platform by shareholders attending via video conference.</p>

Revised provision	Current provision	Description
<p>Shareholders or proxies attending the Shareholder Meeting shall wear their attendance cards. The Company shall furnish the attending shareholders with an attendance book to sign in, or attending shareholders may hand in a sign-in card in lieu of a signature.</p> <p>The number of shares in attendance shall be calculated based on the number of shares indicated on the attendance book or the sign in card handed in <b><u>as well as the number of shares registered on the video conference platform for attendance</u></b>, plus those of which voting rights are exercised by correspondence or electronically.</p>	<p>Shareholders or proxies attending the Shareholder Meeting shall wear their attendance cards. The Company shall furnish the attending shareholders with an attendance book to sign in, or attending shareholders may hand in a sign-in card in lieu of a signature.</p> <p>The number of shares in attendance shall be calculated based on the number of shares indicated on the attendance book or the sign in card handed in, plus those of which voting rights are exercised by correspondence or electronically.</p>	
<p>4. The place for convening a Shareholder Meeting shall be the Company’s place of business, or any other place convenient for attendance by shareholders and suitable for holding said meeting. The time for commencing said meeting shall not be earlier than 9 o’clock in the morning or later than 3 o’clock in the afternoon.</p> <p><b><u>When holding a Shareholder Meeting via</u></b></p>	<p>4. The place for convening a Shareholder Meeting shall be the Company’s place of business, or any other place convenient for attendance by shareholders and suitable for holding said meeting. The time for commencing said meeting shall not be earlier than 9 o’clock in the morning or later than 3 o’clock in the afternoon.</p>	<p>Paragraph 2 of this article is hereby added to prescribe that when the Company holds a Shareholder Meeting via video conference, it shall not be subject to the restriction on the location of the meeting.</p>

Revised provision	Current provision	Description
<p><b><u>video conference, it shall not be subject to the restriction on the location of the meeting in the preceding paragraph.</u></b></p>		
<p>7. The Company shall, beginning from the time it accepts shareholder attendance registrations, make an uninterrupted audio and video recording of the entire process of the shareholder attendance registrations, the proceeding of Shareholder Meetings, as well as the voting and vote counting. The recorded materials in the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such recorded materials shall be retained until the closure of litigation.</p> <p><b><u>When the Company convenes a Shareholder Meeting via video conference, it shall keep and preserve records of information on matters including shareholder registration, registration for attending via video conference, sign-in, raising of questions, voting, and the results of the votes counted by the</u></b></p>	<p>7. The Company shall, beginning from the time it accepts shareholder attendance registrations, make an uninterrupted audio and video recording of the entire process of the shareholder attendance registrations, the proceeding of Shareholder Meetings, as well as the voting and vote counting. The recorded materials in the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such recorded materials shall be retained until the closure of litigation.</p>	<p>Paragraphs 3 and 4 of this article are hereby added to prescribe that when the Company convenes a Shareholder Meeting via video conference, it shall keep and preserve records of information on matters including shareholder registration, registration for attending via video conference, sign-in, raising of questions, voting and the results of the votes counted by the Company, and continuously record the audio and video, without interruption, the proceedings of the video conference from beginning to end, which shall be properly kept by the Company during the entirety of its existence, and simultaneously provided to and kept by the entity engaged to handle video</p>

Revised provision	Current provision	Description
<p><b><u>Company, and continuously record the audio and video, without interruption, the proceedings of the video conference from beginning to end. The information and audio and video recording under the preceding paragraph shall be properly kept by the Company during the entirety of its existence and copies of the audio and video recording shall be provided to and kept by the entity engaged to handle video conferencing matters.</u></b></p>		<p>conferencing matters.</p>
<p>10. A shareholder wishing to speak at a Shareholders Meeting shall first fill out a slip, specifying therein the major points of the speech, the shareholder account number (or attendance card number), and the account name, and the chair shall determine the order for making a speech.</p> <p>(1) A shareholder who submits their slip for a speech but does not actually speak shall be considered as not having made a speech. If the content of their speech is not consistent</p>	<p>10. A shareholder wishing to speak at a Shareholders Meeting shall first fill out a slip, specifying therein the major points of the speech, the shareholder account number (or attendance card number), and the account name, and the chair shall determine the order for making a speech.</p> <p>(1) A shareholder who submits their slip for a speech but does not actually speak shall be considered as not having made a speech. If the content of their speech is not consistent</p>	<p>Paragraph 2 of this article is hereby added to prescribe the methods, procedures and restrictions on raising questions for shareholders participating in the Shareholder Meeting via video conference.</p>

Revised provision	Current provision	Description
<p>with that specified on the slip, the content of their speech shall prevail.</p> <p>(2) When a shareholder speaks, the other shareholders shall not interrupt by making a speech unless they have obtained prior consent from the chair and the said shareholder. The chair shall prevent others from interrupting.</p> <p>(3) A shareholder shall not speak more than two times within one motion without the consent of the chair, and each speech shall not exceed 5 minutes.</p> <p>(4) If a shareholder speaks for longer than permitted or outside the scope of the motion, the chair may prevent them from speaking.</p> <p><b><u>If the shareholder meeting is convened via video conference, the shareholders attending via video conference may raise questions in text on the shareholder meeting video conference platform after the chair has called the meeting to order and before the meeting is</u></b></p>	<p>with that specified on the slip, the content of their speech shall prevail.</p> <p>(2) When a shareholder speaks, the other shareholders shall not interrupt by making a speech unless they have obtained prior consent from the chair and the said shareholder. The chair shall prevent others from interrupting.</p> <p>(3) A shareholder shall not speak more than two times within one motion without the consent of the chair, and each speech shall not exceed 5 minutes.</p> <p>(4) If a shareholder speaks for longer than permitted or outside the scope of the motion, the chair may prevent them from speaking.</p>	



Revised provision	Current provision	Description
<p><b><u>declared adjourned. No more than two questions may be raised for each proposal, limited to 200 words each time, and the provisions of Subparagraphs 1 to 4 shall not apply.</u></b></p>		
<p>14. Except as otherwise provided in the Company Act and the Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the votes represented by the shareholders in attendance.</p> <p>Subparagraphs (1) to (4) are omitted.</p> <p>(5) If a shareholder that has exercised their voting rights in writing or by means of electronic transmission intends to attend the Shareholder Meeting in person <b><u>or via video conference</u></b>, they shall, two days prior to the date of the Shareholder Meeting and in the same manner as previously used in exercising their voting rights, revoke their expression of intent made to exercise the voting rights in the</p>	<p>14. Except as otherwise provided in the Company Act and the Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the votes represented by the shareholders in attendance.</p> <p>Subparagraphs (1) to (4) are omitted.</p> <p>(5) If a shareholder that has exercised their voting rights in writing or by means of electronic transmission intends to attend the Shareholder Meeting in person, they shall, two days prior to the date of the Shareholder Meeting and in the same manner as previously used in exercising their voting rights, revoke their expression of intent made to exercise the voting rights in the preceding paragraph;</p>	<p>1. Subparagraph 5 of this article is hereby revised to prescribe that after shareholders have exercised their voting rights in writing or by electronic means, if they intend to change to attend the shareholder meeting via video conference, they shall first revoke the prior expression in the same way as exercising their voting rights.</p> <p>2. If the shareholder meeting is held via video conference, in order to allow shareholders who participate in the video conference to have sufficient voting time, they may conduct the voting on all original proposals</p>

Revised provision	Current provision	Description
<p>preceding paragraph; in the absence of a timely revocation of the previous expression of intent, the voting rights exercised in writing or by means of electronic transmission shall prevail. If a shareholder has exercised their voting rights in writing or by means of electronic transmission and has also authorized a proxy to attend the Shareholder Meeting, then the voting rights exercised by the authorized proxy shall prevail.</p> <p>Subparagraphs (6) to (10) are omitted.</p> <p>(11) <b><u>Where the Company convenes a Shareholder Meeting via video conference, when the meeting is called to order by the chair, shareholders attending the meeting via video conference shall cast votes on various proposals and election proposals through the video conference</u></b></p>	<p>in the absence of a timely revocation of the previous expression of intent, the voting rights exercised in writing or by means of electronic transmission shall prevail. If a shareholder has exercised their voting rights in writing or by means of electronic transmission and has also authorized a proxy to attend the Shareholder Meeting, then the voting rights exercised by the authorized proxy shall prevail.</p> <p>Subparagraphs (6) to (10) are omitted.</p>	<p>from the time when the chair call the meeting to order to the time when the voting is announced closed. The vote counting must be a one-time operation so to match the voting time of shareholders participating in the video conference. Subparagraphs 11 and 12 of this article are hereby added.</p> <p>3. Subparagraph 13 of this article is hereby added to prescribe that shareholders having exercised their voting rights in writing or electronically may still register to participate in the shareholder meeting via video conference if they have not revoked their declaration of intention, provided that they shall not vote on the original proposal or revision of the original proposal</p>

Revised provision	Current provision	Description
<p><b><u>platform, and shall complete the casting of their votes before the chair announces the close of voting; otherwise, they shall be deemed to have abstained from voting.</u></b></p> <p>(12) <b><u>Where a Shareholder Meeting is convened via video conference, votes shall be counted in one count after the chair announces the close of voting; the results of votes and elections shall be announced immediately.</u></b></p> <p>(13) <b><u>If shareholders have exercised voting rights in writing or by electronic means and also have not rescinded their declaration of intention, and said shareholders also attend the Shareholder Meeting via video conference, they may not, with the exception of on extempore proposals, further exercise any voting</u></b></p>		<p>except for proposing and exercising voting rights on extempore motions, and the revision of the original proposal shall not be proposed.</p>

Revised provision	Current provision	Description
<p><b><u>rights on the original proposals or propose any amendments to the original proposals or exercise voting rights on or propose amendments to the original proposals.</u></b></p>		
<p>19. These Rules were formulated at the first Extraordinary Shareholder Meeting on November 30, 1980; the <b><u>13th</u></b> revision of these Rules was implemented after being passed at the <b><u>2023</u></b> Regular Shareholder Meeting on <b><u>June 19, 2023</u></b>.</p>	<p>19. These Rules were formulated at the first Extraordinary Shareholder Meeting on November 30, 1980; the 12th revision of these Rules was implemented after being passed at the Regular Shareholder Meeting on August 6, 2021.</p>	<p>The revision date and the number of revisions is hereby added.</p>

## Hey Song Corporation Rules of Procedure for Shareholders Meetings

1. The procedures for the Company's Shareholders Meetings, except as otherwise provided by laws and regulations or the Articles of Incorporation, shall be carried out in accordance with these Rules.
2. The Company shall specify in its Shareholders Meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters requiring attention.

The time during which shareholder attendance registrations are accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences; the place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle the registrations.

The Company shall furnish the attending shareholders with an attendance book to sign in, or attending shareholders may hand in a sign-in card in lieu of a signature.

The number of shares in attendance shall be calculated based on the number of shares indicated on the attendance book or the sign-in card handed in, plus those of which voting rights are exercised by correspondence or electronically.

3. Attendance at Shareholders Meetings as well as the voting thereof shall be calculated based on the number of shares.
4. The place for convening a Shareholders Meeting shall be held at the place of business of the Company, or any other place convenient for attendance by shareholders and suitable for holding said meeting. The time for commencing said meeting shall not be earlier than 9 o'clock in the morning or later than 3 o'clock in the afternoon.
5. The chair of a Shareholders Meeting
  - (1) If a Shareholders Meeting is convened by the Board of Directors, the meeting shall be chaired by the chair. When the chair is absent for any reason, the chair shall designate one director to act on their behalf. If no designation is made, the directors shall elect one person among themselves to act on behalf thereof. Where a director acts on behalf of the chair as a chair, they shall be a director who has served for six months or more and is familiar with the Company's financial and business conditions; the same shall apply should the chair be the representative of the corporate director.
  - (2) If a Shareholders Meeting is convened by any other person with the right to convene the meeting apart from the Board of Directors, such a person with the right to convene the meeting shall serve as the chair of the meeting; where there are two or more such persons with the right to convene the meeting, one person shall be selected between or among themselves to serve as the chair of the meeting.
6. The Company may appoint its lawyer, certified public accountant, or other relevant persons to participate in the Shareholders Meeting.

The personnel who handle the affairs of Shareholders Meetings shall wear an identification card or an armband.

7. The Company shall, beginning from the time it accepts shareholder attendance registrations, make an uninterrupted audio and video recording of the entire process of the shareholder attendance registrations, the proceeding of Shareholders Meetings, as well as the voting and vote counting.

The recorded materials in the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such recorded materials shall be retained until the closure of litigation.

8. The chair shall call the meeting to order immediately when the scheduled meeting time has started and shareholders representing more than half of the total number of issued shares are in attendance, and announce at the same time the information concerning the number of nonvoting shares and the number of shares represented by shareholders attending the meeting.

- (1) When the scheduled meeting time has elapsed and the shareholders in attendance do not represent at least a majority of the total number of issued shares, the chair may announce a postponement of the meeting, provided that the postponement of the said meeting shall be limited no more than twice, and the total time postponed shall not exceed one hour.

- (2) If the meeting has been postponed twice, but the number of shareholders in attendance still do not constitute the aforementioned quorum but rather those in attendance represent at least one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act with regard to a “tentative resolution adopted by shareholders in attendance representing a majority of the total number of issued shares.”

- (3) Before the close of said meeting, if the shareholders in attendance represent a majority of the total number of issued shares, the chair may re-submit the tentative resolution so adopted earlier to the meeting for resolution in accordance with the provisions of Article 174 of the Company Act.

9. Agenda of Shareholders Meetings:

- (1) If a Shareholders Meeting is convened by the Board of Directors, the agenda of the meeting shall be drawn up by the Board of Directors. Relevant proposals shall all be voted on in succession. The meeting shall be proceeded according to the scheduled agenda, which shall not be changed without a resolution adopted by the Shareholders Meeting.

- (2) If a Shareholders Meeting is convened by any other person with the right to convene the meeting apart from the Board of Directors, the provisions of the preceding paragraph shall be applied mutatis mutandis to the said meeting.

- (3) The chair shall not declare the meeting adjourned without a resolution prior to the conclusion of the agenda that have been scheduled to be discussed therein (including extraordinary motions). If the chair violates the rules of procedure and announces the adjournment of the meeting, one person may be elected with the consent of the

shareholders in attendance representing more than half of the votes to act as the chair and to continue the meeting.

(4) After the meeting is adjourned, shareholders shall not elect another chair to hold another meeting at the same place or at any other place to continue the discussion, except for the circumstances specified in the preceding paragraph.

10. A shareholder wishing to speak at a Shareholders Meeting shall first fill out a slip, specifying therein the major points of the speech, the shareholder account number (or attendance card number), and the account name, and the chair shall determine the order for making a speech.

(1) A shareholder who submits their slip for a speech but does not actually speak shall be considered as not having made a speech. If the content of their speech is not consistent with that specified on the slip, the content of their speech shall prevail.

(2) When a shareholder speaks, the other shareholders shall not interrupt by making a speech unless they have obtained prior consent from the chair and the said shareholder. The chair shall prevent others from interrupting.

(3) A shareholder shall not speak more than two times within one motion without the consent of the chair, and each speech shall not exceed 5 minutes.

(4) If a shareholder speaks for longer than permitted or outside the scope of the motion, the chair may prevent them from speaking.

11. When a corporate shareholder attends the Shareholders Meeting:

(1) A corporate shareholder being entrusted to attend in a Shareholders Meeting may designate only one representative to attend the meeting on behalf thereof.

(2) When a corporate shareholder appoints two or more representatives to attend the Shareholders Meeting on its behalf, only one of the representatives so designated may speak on any one motion. The maximum number of representatives appointed by corporate shareholders shall be limited to the number of directors in the current session.

12. After an attending shareholder has made a speech, the chair may respond in person or designate a relevant person to respond.

13. When the chair is of the opinion that a proposal has been discussed sufficiently to be put to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

14. Except as otherwise provided in the Company Act and the Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the votes represented by the shareholders in attendance.

(1) Each shareholder of the Company shall have one vote for each share, except for restricted shares or non-voting shares as stipulated in Article 179 of the Company Act.

(2) When a shareholder entrusts a proxy to attend the Shareholders Meeting, it shall be handled in accordance with Article 177 of the Company Act as well as the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" stipulated by the competent authority.

- (3) When the Company holds a shareholder meeting, the voting rights shall be exercised by means of electronic transmission or in writing. When voting rights are exercised by means of electronic transmission or in writing, the method of exercise shall be specified in the notice of the Shareholders Meeting. Shareholders that exercise their voting rights by means of electronic transmission or in writing shall be deemed to have attended the meeting in person. However, they shall be deemed to have waived their rights with respect to the extraordinary motions as well as the revision of original motions of the said Shareholders Meeting.
- (4) A shareholder intending to exercise voting rights by means of electronic transmission or in writing, the expression of such intent shall be delivered to the Company two days prior to the date of the Shareholders Meeting. When duplicate expressions of intent are delivered, the one received earliest shall prevail, except when an expression is made to revoke the previous expression of intent.
- (5) If a shareholder that has exercised their voting rights in writing or by means of electronic transmission intends to attend the Shareholders Meeting in person, they shall, two days prior to the date of the Shareholders Meeting and in the same manner as previously used in exercising their voting rights, revoke their expression of intent made to exercise the voting rights in the preceding paragraph; in the absence of a timely revocation of the previous expression of intent, the voting rights exercised in writing or by means of electronic transmission shall prevail. If a shareholder has exercised their voting rights in writing or by means of electronic transmission and has also authorized a proxy to attend the Shareholders Meeting, then the voting rights exercised by the authorized proxy shall prevail.
- (6) When there is a revision of or an alternative to a motion, the chair shall decide the order in which both the original motion as well as the revised or altered motion will be put to a vote. When any one of such motions is passed, the other motions shall then be deemed rejected, and no further voting shall be carried out in this regard.
- (7) The scrutineer and tallier for the voting on motions or motions relating to election shall be designated by the chair, provided that the scrutineer be a shareholder.
- (8) Vote counting operations for the voting on motions or motions relating to election at Shareholders Meetings shall be conducted in a public area within the venue of the Shareholders Meeting. After the vote counting has been completed, the results of the voting, including the statistical tally of the number of votes, shall be announced on the spot at the meeting, and a record of such shall be made.
- (9) The election of directors is carried out at a Shareholders Meeting, it shall be proceeded in accordance with the applicable election and appointment rules adopted by the Company, and the election results shall be announced on the spot, including the list of directors-elect and the number of votes with which they are elected, as well as the list of directors not elected and the number of votes they received.
- (10) Where the motion to conduct a general re-election of directors as well as the date of assumption of office have been clearly stated in the reason for convening the Shareholders Meeting, the date of assumption of office shall not be changed at the



same meeting by means of extortionary motions or others after the re-election has been completed at the said Shareholders Meeting.

15. In the process of the meeting, the chair may announce a break as necessary at their discretion. If the agenda cannot go through at one meeting, another meeting may be scheduled at the assembly to continue the discussion within five days without a notice and announcement.
16. During the meeting, if there is an air raid alarm, the meeting shall be suspended immediately. The attendees shall be evacuated from the venue by themselves until the meeting resumes one hour after the alarm has been lifted.
17. The chair may direct the proctors (or security personnel) to maintain order at the meeting. When assisting in maintaining the order on-site, the proctors (or security personnel) shall wear an armband bearing the wording “proctor.”
18. Matters not stipulated in these Rules shall be handled in accordance with the provisions of the Company Act, the Articles of Incorporation of the Company, as well as other relevant laws and regulations.
19. These Rules were formulated at the first Extraordinary Shareholders Meeting on November 30, 1980; the 12<sup>th</sup> revision of these Rules was implemented after being passed at the Regular Shareholders Meeting on August 6, 2021.

# Hey Song Corporation Articles of Incorporation

## Chapter 1 General Principles

- Article 1 The Company is organized pursuant to the provisions of the company limited by shares under the Company Act and named Hey Song Corporation. Its English name is HEY SONG CORPORATION.
- Article 2 The business scope of the Company is set out as follows:
1. C110010 Beverage Manufacturing
  2. F102040 Wholesale of Nonalcoholic Beverages
  3. F102030 Wholesale of Tobacco Products and Alcoholic Beverages
  4. F203020 Retail Sale of Tobacco and Alcohol
  5. F102170 Wholesale of Food and Grocery
  6. F203010 Retail sale of Food and Grocery
  7. C102010 Manufacture of Dairy Products
  8. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food
  9. C104010 Manufacturing of Sugar Confectionery
  10. C104020 Manufacture of Bakery and Steam Products
  11. C106010 Flour Milling
  12. C199010 Noodle Food Manufacturing
  13. C199020 Noodle Food Manufacturing
  14. C199990 Manufacture of Other Food Products Not Elsewhere Classified
  15. C601030 Paper Containers Manufacturing
  16. C805030 Plastic Daily Necessities Manufacturing
  17. C805050 Industrial Plastic Products Manufacturing
  18. C805990 Other Plastic Products Manufacturing
  19. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified
  20. F102020 Wholesale of Edible Fat and Oil
  21. F108040 Wholesale of Cosmetics
  22. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
  23. F203030 Retail Sale of Alcohol
  24. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
  25. F205040 Retail Sale of Furniture, Bedding, Kitchen Utensils and Fixtures
  26. F206020 Retail Sale of Articles for Daily Use
  27. F207990 Retail Sale of Other Chemical Products
  28. F208040 Retail Sale of Cosmetics

29. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
30. F210010 Retail Sale of Watches and Clocks
31. F213010 Retail Sale of Household Appliance
32. F301020 Supermarkets
33. F399010 Convenience Stores
34. F399040 Retail Business Without Shop
35. F399990 Retail sale of Others
36. F401010 International Trade
37. F401171 Alcohol Products Importation
38. F501030 Coffee/Tea Shops and Bars
39. F501050 Public Houses and Beer Halls
40. G801010 Warehousing
41. G202010 Parking area Operators
42. H701010 Housing and Building Development and Rental
43. H701020 Industrial Factory Development and Rental
44. H701040 Specific Area Development
45. H701060 New Towns, New Community Development
46. H703090 Real Estate Business
47. H703100 Real Estate Leasing
48. I301010 Software Design Services
49. I301030 Digital Information Supply Services
50. J701040 Recreational Activities Venue
51. J701070 Information Recreational
52. JB01010 Conference and Exhibition Services
53. JZ99030 Photographic Studios
54. C114010 Food Additives Manufacturing
55. F121010 Wholesale of Food Additives
56. F221010 Retail of Food Additives
57. I101070 Agriculture, Forestry, Fishing and Livestock Consulting
58. I101090 Food Consulting
59. J101050 Environmental Testing Services
60. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 2-1 The Company may reinvest in other businesses as necessary for its business operations, and may become a limited liability shareholder of another company upon a resolution of the Board of Directors. The total investment amount may not be subject to the restrictions on the reinvestment limit stipulated in Article 13 of the Company Act.

Article 2-2 The Company may be engaged in the endorsement of and guarantee of external parties as necessary for its business operations, provided that it shall be handled in accordance with the “Procedural Guidelines for Loaning

Funds and Making of Endorsements and Guarantees” of the Company.

Article 3 The Company was established in Taipei City, and branches may be set up in appropriate locations at home and abroad as necessary for its business operations.

Article 4 (Deleted)

## Chapter 2 Shares

Article 5 The total capital of the Company is in the amount of NT\$6 billion, which is divided into 600 million shares to be issued in installments. All such shares are ordinary shares, each in an amount of NT\$10.

Article 6 All share certificates of the Company shall be registered and numbered with the names of the chair and two or more directors being signed thereon or their seals affixed thereto, as well as the seal of the Company affixed thereto, and issued after being attested by the competent authority or its approved issuance registration agency.

When the Company issues new shares, the printing of the total number of the share certificates may be consolidated for the said issuance. The Company shall also contact the central marketable securities depository for safekeeping, and the requirement that share certificates shall be numbered in the preceding paragraph shall not apply.

The Company may be exempt from printing share certificates for shares it issues, and shall contact the central marketable securities depository for registration. The requirements in the preceding two paragraphs shall not apply.

Article 7 The stock affairs of the Company shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the securities regulatory authority.

Article 8 (Deleted)

Article 9 (Deleted)

Article 10 (Deleted)

Article 11 Within 60 days prior to each session of the Regular Shareholders Meeting or within 30 days prior to each session of the Extraordinary Shareholders Meeting or within five days prior to the record date decided by the Company to distribute dividends, bonuses or other benefits, the transfer of shares from another company shall be suspended.

## Chapter 3 Shareholders Meeting

Article 12 The Shareholders Meeting is divided into two types: the Regular Shareholders Meeting and the Extraordinary Shareholders Meeting, both of which shall be convened by the Board of Directors unless otherwise stipulated by the Company Act.

The Regular Shareholders Meeting shall be convened once a year and shall

be convened within six months after the end of each fiscal year, unless there are legitimate reasons and it is submitted to and approved by the competent authority. The Extraordinary Shareholders Meeting shall be convened in accordance with the law when necessary.

The convening of the Regular Shareholders Meeting shall be notified 30 days in advance and the convening of the Extraordinary Shareholders Meeting shall be notified 15 days in advance to all shareholders containing information on the date, venue and reason for convening of the meeting. However, for shareholders holding less than 1,000 registered shares, they may be notified thereof by public announcement.

Article 12-1 The Shareholders Meeting of the Company may be held by means of video conference or other means as announced by the central competent authority. However, in the event of natural disasters, incidents, or other force majeure events, the central competent authority may announce that the Company may hold a meeting by means of video conference or other means thereby announced within a certain period of time without being prescribed in the Articles of Incorporation.

When a Shareholders Meeting is held by means of video conference, the shareholder who participates in the meeting by video conference shall be deemed to have attended the meeting in person.

If the conditions to be met, operating procedures, and other matters to be complied with for the provisions in the preceding two paragraphs are otherwise stipulated by the competent authority for securities, such stipulations shall prevail.

Article 13 When a shareholder is unable to attend the Shareholders Meeting for any reason, they may issue a proxy printed and issued by the Company in accordance with Article 177 of the Company Act, specifying the scope of authorization in order to entrust a proxy to attend the Shareholders Meeting. The handling of such matters shall be subject to the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” promulgated by the securities regulatory authority.

Article 14 Where the Shareholders Meeting is convened by the Board of Directors, the chair shall serve as the chair. When the chair is absent for any reason, the chair shall designate one of the directors to act on their behalf. In case of absence of such designation, one person shall be selected from among the directors to act on behalf thereof.

Where the Shareholders Meeting is convened by a person with the right to convene other than the Board of Directors, the said person with the right to convene shall serve as the chair of the meeting. When there are two or more persons with the right to convene, one person shall be elected from among them to serve as the chair of the meeting.

Article 15 Each shareholder of the Company shall have one vote per share, except for

circumstances in which the shares do not have voting rights as stipulated in Article 179 of the Company Act.

Article 15-1 The election of directors of the Company shall adopt the cumulative voting method. Each share shall have the same number of votes as the number of directors to be elected. Such votes may be cast for a single candidate or split among multiple candidates. The candidates for whom the ballots cast represent a prevailing number of votes shall be the directors elect. The election of independent directors and non-independent directors shall be carried out at the same time, while the number of their seats shall be counted separately.

Article 15-2 The election of directors of the Company shall adopt the candidate nomination system in accordance with Article 192-1 of the Company Act. Matters related to the acceptance method and announcement of nominations to director candidates shall be handled in accordance with the Company Act, the Securities and Exchange Act, as well as relevant laws and regulations.

Article 16 Unless otherwise stipulated by the relevant laws and regulations, resolutions of Shareholders Meetings shall be adopted with the attendance of shareholders representing more than half of the total shares and with the consent of more than half of the voting rights of the shareholders in attendance.

Article 17 Resolutions adopted by the Shareholders Meetings shall be recorded in the meeting minutes, which shall be affixed with the signature or seal of the chair, and be distributed to all shareholders within 20 days after the meeting.

The distribution of the meeting minutes in the preceding paragraph may be replaced by a public announcement.

#### Chapter 4 Board of Directors

Article 18 The Company shall have 9 to 15 directors, who are elected by the Shareholders Meeting from among persons with capacity. The term of office shall be three years, and may be renewed through re-election. The shareholding ratio of all directors shall be handled in accordance with regulations of the securities regulatory authority. Following the election, the Company may take out liability insurance for its board members with a resolution adopted by the Board of Directors.

The number of board seats in the preceding paragraph shall include three or more independent directors, which shall also account for one fifth or more of the number of board seats. The professional qualifications of independent directors, restrictions on shareholding and part-time engagements, determination on independence, nomination and selection methods, and other matters to be complied with shall be handled in

accordance with the Securities and Exchange Act as well as the relevant laws and regulations.

Article 18-1 The Company shall set up an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and the Audit Committee or members of the Audit Committee shall be responsible for implementing the functions and powers of supervisors stipulated by the Company Act, the Securities and Exchange Act, as well as other laws and regulations. The Audit Committee shall be composed of all independent directors, with at least three members, one of whom shall be the convener, and at least one of whom shall possess accounting or financial expertise.

Article 19 The Board of Directors shall be composed of directors, who shall elect one person from among themselves to serve as the chair, with the attendance of two thirds or more of the directors and with the consent of more than half of the directors in attendance. The chair shall represent the Company externally. When the chair is on leave or is unable to exercise their functions and powers for any reason, the chair shall designate a director to act on their behalf. In case of absence of such designation, one person shall be selected from among the directors to act on behalf thereof.

Article 19-1 The Company's Board of Directors may set up the Audit Committee, Compensation and Remuneration Committee, or other functional committees according to the needs of business operations, and the organizational rules thereof shall be formulated by the Board of Directors.

Article 20 The Board of Directors shall exercise its functions and powers in accordance with laws and regulations in order to implement the company business, Articles of Incorporation, and resolutions of Shareholders Meetings. The functions and powers of the Board of Directors shall be as follows:

1. Approve business objectives and business strategies.
2. Draw up a proposal for capital increase.
3. Review annual budgets, annual financial reports and semi-annual financial reports, unless semi-annual financial reports are not required to be audited and attested by the certified public accountant according to applicable laws and regulations.
4. Draw up a proposal for earnings distribution.
5. Approve the purchase, sale, swap, creation of real rights, and all other dispositions with regard to real estate.
6. Approve an investment plan for new plants.
7. Approve a reinvestment plan.
8. Appoint and dismiss the president, vice president, assistant manager, division director, factory general manager, and the financial, accounting or internal audit supervisor.
9. Implement resolutions of Shareholders Meetings.

10. Formulate or revise the internal control system, and evaluate the effectiveness of the internal control system.
11. Formulate or revise the handling procedures for the acquisition or disposal of assets, engagement in derivative transactions, loaning funds to others, making endorsement or providing guarantee for others, and other significant financial or business conduct.
12. Offer publicly, issue, or offer a private placement of marketable securities of equity nature.
13. Matters that shall be resolved by the Shareholders Meeting or submitted to the Board of Directors in accordance with relevant laws and regulations or the Articles of Incorporation, or significant matters prescribed by the competent authority.

Article 21 The Board of Directors shall be convened by the chair, and all directors shall be notified in writing of the date, venue, and reasons for the meeting seven days prior to the meeting. However, when there is an emergency, the meeting may be convened at any time.

The notice in the preceding paragraph may be given by electronic means such as fax and e-mail.

The first board meeting of each term of the Board of Directors shall be convened within 15 days after the re-election by the director winning the votes representing the most voting rights. When a director is unable to attend the board meeting for any reason, they shall issue a proxy each time, specifying the scope of authorization for the reason for the convening, in order to entrust another director to act on their behalf. One director shall be limited to be a proxy of only one of the other directors.

When a board meeting is held by video conferencing, its directors that participate in the meeting by video conferencing shall be deemed to have attended the meeting in person.

Article 22 The Board of Directors shall be chaired by the chair. When the chair is absent, the chair shall designate one of the directors to act on their behalf. In case of absence of such designation, one person shall be selected from among the directors to act on behalf thereof.

Article 23 Unless otherwise provided by the Company Act, resolutions of the Board of Directors shall be adopted with the attendance of more than half of the directors and the consent of more than half of the directors in attendance. The discussion conducted by the Board of Directors shall be recorded in meeting minutes, which shall be affixed with the signature or seal of the chair, safekept in the Company, and distributed to all directors within 20 days after the meeting.

Article 24 (Deleted)

Article 25 (Deleted)

Article 26 (Deleted)



- Article 27 The Board of Directors shall be authorized to determine director remuneration taking account the industry standard, regardless of the Company's operating profits or losses.  
The Board of Directors shall be authorized to determine as appropriate, the remuneration of independent directors, which shall be a monthly fixed remuneration that differs from that of non-independent directors; they do not participate in the distribution of director remuneration.

### Chapter 5 Important Personnel and Staff

- Article 28 The Company shall have one president, as well as a number of managers such as the vice president, assistant manager, division director, and the factory general manager. The appointment, dismissal and remuneration thereof shall be handled in accordance with the provisions of Article 29 of the Company Act.
- Article 29 The president shall comprehensively manage the daily business of the Company in line with resolutions of the Board of Directors as well as in adherence to the orders of the chair, and be assisted by the vice president, assistant manager, division director, and the factory general manager.

### Chapter 6 Final Accounts and Earnings Distribution

- Article 30 The Company's fiscal year is determined to be from January 1 to December 31 every year according to the national calendar, and the final accounts shall be prepared after the end of the year.
- Article 31 After the end of the fiscal year, the Board of Directors of the Company shall prepare the various books and statements as follows, which shall be submitted to the Audit Committee for review 30 days prior to the Regular Shareholders Meeting, and then submitted to the Regular Shareholders Meeting for recognition.
1. Business report.
  2. Financial statements.
  3. Proposal for earnings distribution or loss appropriation.
- Article 32 If the Company makes a profit in the year, it shall allocate no less than 1% thereof as employee compensation, which shall be distributed as stock or in cash with the resolution of the Board of Directors. The target of such distribution may include employees of subordinate companies that meet certain conditions; The Board of Directors may adopt a resolution to allocate an amount that is no more than 3% of the foregoing profit as the director remuneration. The report on proposals for the distribution of employee compensation and director remuneration shall be submitted to the Shareholders Meeting.  
However, when the Company still has accumulated losses, it shall reserve the amount in advance to make up for such losses, and then allocate the

amount for employee compensation and director remuneration according to the percentage specified in the preceding paragraph.

Article 32-1 If there is a surplus in the annual final accounts of the Company, it shall pay taxes according to law and make up for the accumulated losses first, and then set aside 10% thereof as the statutory surplus reserve. However, when the statutory surplus reserve has reached the Company's paid-in capital limit, it may not be set aside anymore, and then the remaining surplus shall be set aside or reversed as special surplus reserves according to laws and regulations. If there is still any remaining balance, for which together with the accumulated undistributed surplus, the Board of Directors shall formulate a surplus distribution proposal to be submitted to the Shareholders Meeting for a resolution to distribute dividends to shareholders.

The Company authorizes the Board of Directors to distribute dividends and bonuses in the form of cash with the attendance of two thirds or more of the directors and the resolution of more than half of the directors in attendance, which shall be reported to the Shareholders Meeting.

The Company's dividend policy is in line with the Company's sustainable development plan, considering the investment environment, capital needs, domestic and foreign competition conditions, as well as the taking account of interests of shareholders and other factors. The dividends to shareholders each year is in principle distributed at a rate of not less than 50% of the earnings after tax for the current year; dividends to shareholders may be distributed in cash or shares, of which cash dividends shall in principle be not less than 30% of the total dividends.

## Chapter 7 Supplementary Provisions

Article 33 Matters not stipulated in the Articles of Incorporation shall be handled in accordance with the provisions of the Company Act as well as relevant laws and regulations.

Article 34 The Company continues to operate by changing the company name from Hey Song Beverage Co., Ltd.

Article 35 The Articles of Incorporation was formulated on November 30, 1969, which has undergone various revisions by resolutions of Shareholders Meetings, has been successively submitted to the competent authority for approval of registration, and recorded in the file. It was hereby further revised by the 48<sup>th</sup> session of the General Shareholders Meeting on June 23, 2022 and then implemented after the revision was passed.

Hey Song Corporation  
Shareholding Status of directors

1. The Company's paid-in capital is NT\$4,018,710,940, and the number of issued shares is 401,871,094 shares.
2. The statutory minimum number of shares to be held by all directors: 16,000,000 shares.
3. The shareholding status of individual directors and all directors recorded in the shareholder register as of the record date of this coming Regular Shareholders Meeting (April 21, 2023) are as follows: (Having been in line with the percentage requirement stipulated in Article 26 of the Marketable securities and Exchange Act)

Record date: April 21, 2023

Title	Name	Date of selection	Term	Shares held at the time of election		Number of shares held as recorded in the shareholder register on the record date	
				Number of shares	Percentage	Number of shares	Percentage
Chair	Chang Pin-Tang	2022.6.23	3 years	12,555,446	3.12%	12,555,446	3.12%
Director	Yu Sheng Investment Co., Ltd. Representative: Chang Chin-Hung	2022.6.23	3 years	3,656,820	0.91%	3,656,820	0.91%
Director	Tai De Invest Co., Representative: Tsai Tsai-Yun	2022.6.23	3 years	5,563,005	1.38%	5,563,005	1.38%
Director	Tai De Invest Co., Representative: Yang Sheng-Chieh	2022.6.23	3 years	5,563,005	1.38%	5,563,005	1.38%
Director	Dao-Hee Investment Co., Ltd.	2022.6.23	3 years	3,272,973	0.81%	3,272,973	0.81%
Director	Wen Ying Investment Co., Ltd.	2022.6.23	3 years	1,947,449	0.49%	2,079,449	0.52%
Director	Hsin Yuan Investment Co., Ltd.	2022.6.23	3 years	5,939,247	1.48%	5,943,247	1.48%
Director	Leg Horn Investment Co., Ltd.	2022.6.23	3 years	6,189,000	1.54%	6,189,000	1.54%
Director	Cheng-Hsing Chang	2022.6.23	3 years	2,763,157	0.69%	2,623,157	0.65%
Director	Hsin Bon Investment Co., Ltd.	2022.6.23	3 years	6,434,433	1.60%	6,434,433	1.60%
Independent director	Lin Huo-Dang	2022.6.23	3 years	0	0.00%	0	0.00%
Independent director	Lee Feng-Ao	2022.6.23	3 years	0	0.00%	0	0.00%
Independent director	Chien Min-Chiu	2022.6.23	3 years	0	0.00%	0	0.00%
Total				48,325,530	12.03%	48,317,530	12.02%

Thank you for attending the Regular Shareholders Meeting!

Please feel free to let us know at any time should you have any  
comments or advice!