

Stock Code: 1203



**味王股份有限公司**  
**VE WONG CORPORATION**

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**Handbook** for 2021  
**Annual Shareholders' Meeting**

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Date: June 23, 2021

Place: No. 63, Sec. 2, Zhongshan North Road, Taipei, Taiwan

Ambassador Hotel Taipei, Second floor, International Room

## ***DISCLAIMER***

This is a translation of the Handbook for the 2021 Annual Shareholders' Meeting ( THE "Handbook") of **VE WONG CORPORATION** (The "Company"). This translation is intended for reference only and nothing else, the Company hereby disclaims and all liabilities whatsoever for the translation. The Chinese text of the agenda shall govern any and all matters related to the interpretation of the subject matter stated herein.

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# **VE WONG CORPORATION**

## **2021 Annual General Shareholders' Meeting Agenda**

Time: 9:00 am, June 23, 2021 (Wednesday)

Place: No. 63, Sec. 2, Zhongshan North Road, Taipei, Taiwan

Ambassador Hotel Taipei, Second floor, International Room

I. Call Meeting to Order

II. perform acts of ceremony

III. Chairman's Remarks

IV. Report Items

Item 1 The 2020 Business Report

Item 2 The 2020 Audit Committee' Report

Item 3 The report of the 2020 Distribution of Employees' compensation and Directors' Remuneration

Item 4 The report of the Status of External Endorsement Guarantee and Loan Funds to Others

V. Ratification Items

Proposal 1 To approve 2020 business report and financial statements.

Proposal 2 To approve the proposal for distribution of 2020 profits.

VI. Discussion Items

Proposal 1 Discussion of Amendments to Articles of Rules for the Election of Directors

VII. Election Items

Proposa l To elect the Directors of 22<sup>th</sup> Board of Directors

VIII. Other Items

Proposal 1 To lift non-competition restrictions on the newly elected Directors

IX. Extemporary Motion

X. Meeting Adjourned

# **Report Items**

## **I.2020 Business Report**

For the 2020 Business Report, please refer to page 13 of the Handbook.

## **II.2020 Audit Committee's Review Report**

For the Audit Committee's Review Report, please refer to page 14 of the Handbook

## **III. Report of the company's 2020 Distribution of Employees' compensation and Directors' Remuneration**

Pursuant to the provision 34 of the Article of Incorporation of the Company : ” If the company makes a profit in the year, it should allocate 2% for employee compensation and less than 5% for directors' compensation. However, if the company still has accumulated losses, it should reserve the amount of compensation in advance.”

The 2020 annual profit for the Company was NT\$543,913,908 ( before distributing the employees' compensation and directors' remuneration), 2020 Directors' remuneration and employees' compensation were calculated as NT\$10,878,278 (2%) and NT\$16,317,417 (3%), respectively. The aforesaid items will be paid in cash.

## **IV. The report of the Status of External Endorsement Guarantee and Loan Funds to Others**

The object of the company's external endorsement and guarantee is the company's reinvested affiliated companies and affiliated companies. As of the end of December 2020, the total amount of endorsement guarantee to Summi Industrial Co., Ltd. is NT\$ 50,000,000, and the total amount of endorsement guarantee to Guoguang Agricultural Industry Co., Ltd. is US\$4.8 million, and the total endorsement guarantee to Guoguang Sugar Co., Ltd. is US\$8.2 million. In addition, the company's funds are loaned to related companies, as of the end of December 2020, the total amount is NT\$139,292,600.

# Ratification Items

## Proposal 1

*Proposed by the Board of Directors*

**Subject:** The Company's 2020 business report , consolidated and standalone financial statements are submitted for ratification.

**Attachments:**

1. Business Report ( Please refer to the this Handbook P.13 )
2. Consolidated and Standalone Financial Statements ( Please refer to the this Handbook P.15~31 )

**Resolution:**

## Proposal 2

*Proposed by the Board of Directors*

**Subject:** To approve the proposal for distribution of 2020 profits.

**Explanation:**

1. The 2020 Earnings Distribution Proposal is attached hereto, please refer to the table below.
2. Cash dividend shall be distributed and paid to each shareholder, rounded to the nearest NT dollar (truncate the numbers after decimal place). Fractional amounts will be aggregately recognized as other revenue in the accounting book of the Company.

**Resolution:**

VE WONG CORPORATION  
**2020 Earnings Distribution Table**

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated retained earnings of previous years		694,881,042
Other comprehensive gains and losses (Confirmed reevaluated amount of 2020 welfare plan for retained earnings and others)		(2,527,723)
Net income 2020	516,718,213	
Income tax expense	(87,622,370)	
Net profit after tax for the current period		429,095,843
Subtotal		1,121,449,162
Legal reserve appropriation:		(42,656,812)
Retained earnings available for distribution		1,078,792,350
Distribution items:		
Cash Dividend to Shareholders : @NT\$ 1.10 for 240,000,000 shares		264,000,000
	264,000,000	
End of Period Retained Earnings		814,792,350

Chairman :



G/M :



Chief Accountant :



# Discussion Items

## Proposal 1

*Proposed by the Board of Directors*

**Subject:** Discussion of amendments to part of the provisions “Rules for Election of Directors of the Company” as follow, please ratify the proposal.

### Explanation:

It is conducted in accordance with the principles of June 03,2020 Taiwan Stock Exchange Corporation (TWSE) order Tai-Zheng-Zhi-Li-Zi No.1090009468 to amend the company’s Articles of Rules for the Election of Directors.

### Resolution:

## VE WONG CORPORATION

### The Comparison Table of the Articles of Rules for Election of Directors

Before amendment	Proposed amendment	Explanation
<p>Article 10</p> <p>A ballot shall be deemed void if such a ballot:</p> <p>I.is not a ballot provided <u>under the Board of the Directors;</u></p> <p>II.is placed into the ballot box blank;</p> <p>III. contains illegible words or corrections;</p> <p>IV. <u>if the candidate is a shareholder of the Company; contains a name or ID number in the “candidate” column which is incorrect if the candidate is not a shareholder of the Company;</u></p> <p>V. In addition to filling in the candidate’s name and ID number in the “candidate” column”, where there are contains any words or marks</p> <p>VI. <u>is filled out the name of the candidate same as that of other shareholders, and the shareholder account number or identity card unified number is not filled in for identification.</u></p>	<p>Article 10</p> <p>A ballot shall be deemed void if such a ballot:</p> <p>I.is not a ballot provided <u>under the convener;</u></p> <p>II.is placed into the ballot box blank;</p> <p>III. contains illegible words or corrections;</p> <p>IV. to fill an electees is not coordinated <u>with the list of director candidates;</u></p> <p>V. In addition to filling in the candidate’s name and ID number in the “candidate” column”, where there are contains any words or marks</p> <p>VI. <u>the same ballot is filled with two or more electees;</u></p>	<p>In accordance with Article 173 of the Company Law, shareholders may, under specific circumstances (such as when the board of directors does not notify the convening), may report to the competent authority for permission to convene on their own, and intend to coordinate the adjustment of paragraph 1 of this article. In conjunction with the full implementation of the amendments to the nomination system for director candidates, the IV. and VI. paragraphs of this article have been adjusted.</p>
<p>The first amendment was made at the annual meeting of shareholders on June 23, 1982, to amend Articles 4, 5, and 8.</p>	<p>The first amendment was made at the annual meeting of shareholders on June 23, 1982, to amend Articles 4, 5, and 8.</p>	<p>To add amended date.</p>



Before amendment	Proposed amendment	Explanation
<p>The second amendment was made at the annual meeting of shareholders on June 28, 2002, to amend Articles 3, 5, 8 and 9.</p> <p>The third amendment was made at the annual meeting of shareholders on June 20, 2013.</p> <p>The 4<sup>th</sup> amendment was made at the annual meeting of shareholders on June 26, 2014.</p> <p>The 5<sup>th</sup> amendment was made at the annual meeting of shareholders on June 26, 2018.</p> <p>The 6<sup>th</sup> amendment was made at the annual meeting of shareholders on June 23, 2020.</p>	<p>The second amendment was made at the annual meeting of shareholders on June 28, 2002, to amend Articles 3, 5, 8 and 9.</p> <p>The third amendment was made at the annual meeting of shareholders on June 20, 2013.</p> <p>The 4<sup>th</sup> amendment was made at the annual meeting of shareholders on June 26, 2014.</p> <p>The 5<sup>th</sup> amendment was made at the annual meeting of shareholders on June 26, 2018.</p> <p>The 6<sup>th</sup> amendment was made at the annual meeting of shareholders on June 23, 2020.</p> <p><u>The 7<sup>th</sup> amendment was made at the annual meeting of shareholders on June 23, 2021.</u></p>	

# Election Items

## Proposal 1

*Proposed by the Board of Directors*

**Subject:** The three-year term of the 21<sup>th</sup> Board of Directors is about to expire and should be re-elected in accordance with the law. An election proposal is submitted.

### **Explanation:**

1. The company's Directors of 21<sup>th</sup> Board of Directors have their tenure expired on June 25, 2021. The re-election shall be handled in accordance with the applicable rule at the 2021 Annual Shareholders' Meeting.
2. In accordance with the Company Law and the company's Articles of Incorporation, 15 directors (including three independent directors) were elected this time for a term of three years. They will take office after the end of the annual meeting of shareholders, that is, from June 23, 2021 to June 22, 2024.
3. Directors shall be elected from a slate of director candidates, which are nominated under the Candidate Nomination System, at shareholders' meetings. Shareholders should choose from the list of director candidates.
4. The list of director ( including independents director ) candidates were approved by the 21<sup>th</sup> Board of Directors in its 13<sup>th</sup> Meeting on May 13,2021. For related information, please refer to pages 8-9 of this manual.

### **Result of Election:**

<b>Title Category</b>	<b>Account Number Or ID Number</b>	<b>Name of Candidates</b>	<b>Education</b>	<b>Experiences</b>	<b>Current Position</b>	<b>Remark</b>
Director	1969	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fumr	National Cheng Kung University	Managing Director of Formosa TV Co., Ltd.	Chairman of VE WONG Corp.	Nominated by the Board of Directors
Director	56495	Chen, Kung-Pin	Graduated from Tamkang College of Arts and Sciences	General Manager of Tai way Co., Ltd. / The World Champion Co., Ltd. Chairman of Summit Packing Industrial Co., Ltd.	General Manager of VE WONG Corp.	Nominated by the Board of Directors
Director	10623	Kan, Chin-Yu	Nan Jeon University of Science and Technology	Chairman of Hotel Sense Director of Shihlin Electric & Engineering Corp.	Managing Director of VE WONG Corp.	Nominated by the Board of Directors
Director	65032	Whole Green Trading Co., Ltd Representative / Egawa Manwa	Graduated from Waseda University (Janan)	Director of Summit Packing Industrial Co., Ltd. /The World Champion Co., Ltd. / Tai way Co., Ltd.	Managing Director of VE WONG Corp.	Nominated by the Board of Directors
Director	63312	Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu	Aoyama Gakuin University (Tokyo)	Director of Saigon VE WONG Liability Co., Ltd.	Director of VE WONG Corp.	Nominated by the Board of Directors
Director	1822	Chien Shun Trading Co.,Ltd. Representative / Du, Heng- Yi	Master of Business Administration, University of Hawaii	General Manager of WanYuanTextiles Co., Ltd. Chairman of Chien Shun Trading Co., Ltd.	Director of VE WONG Corp.	Nominated by the Board of Directors
Director	5430	Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii- Jau	Department of Statistics / National Chengchi University	Chairman & General Manager of Chung Ho Spinning Co., Ltd.	Director of VE WONG Corp.	Nominated by the Board of Directors
Director	12856	Chuan Lun Investment Co., Ltd. Representative / Lai, Chee- Lee	Master's degree / University of Minnesota	Chairman of K Line (Taiwan) Ltd. / Chuan Lun Investment Co., Ltd. / JMD Corp./ Director of King Polytechnic Engineering Co., Ltd.	Director of VE WONG Corp.	Nominated by the Board of Directors
Director	29374	Her Yeu Trading Co., Ltd. / Representative / Lee, Chi-Lung	Soochow University	General Manager of Thai Fermentation Industry Co., Ltd.	Director of VE WONG Corp.	Nominated by the Board of Directors

<b>Title Category</b>	<b>Account Number Or ID Number</b>	<b>Name of Candidates</b>	<b>Education</b>	<b>Experiences</b>	<b>Current Position</b>	<b>Remark</b>
Director	65027	Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng	Higher Vocational Education	Chairman of Chuan Wei Investment Co., Ltd.	Director of VE WONG Corp.	Nominated by the Board of Directors
Independent Director	D1016*****	Liao, Chi-Fang	Master of Business Administration/ National Taiwan University	General Manager of Formosa TV Co, Ltd.	Independent Director of VE WONG Corp.	Nominated by the Board of Directors
Independent Director	L1020*****	Chiang, Wen-Chang	Department of Agricultural Chemistry / National Taiwan University Master and PhD/ Institute of Agricultural Chemistry, The University of Tokyo, Japan	Professor Emeritus, Institute of Food Science and Technology, College of Bioresources and Agriculture, NTU  Chairman of Kuang Ta Foods Corp.	Independent Director of VE WONG Corp.	Nominated by the Board of Directors
Independent Director	91139	Hu, Tung-Huang	Department Shipping & Transportation Management National Taiwan Ocean University	Director of Formosa TV Co, Ltd.	Chairman of United Pacific Shipping Agency Co., Ltd. / TLS Pacific Co., Ltd.	Nominated by the Board of Directors
Director	48004	Fu Tai Investment Development Co., Ltd. Representative / Chou, Hai-Guo	Da Der Commercial and Technical Vocational School	Deputy General Manager of VEDAN Enterprise Corporation	Director of VE WONG Corp. Chairman of Ding Wang Marketing Co., Ltd.	Nominated by Shareholders
Director	76641	Syuan Yuan Industrial Co., Ltd.	N/A	Director of VE WONG Corp.	Director of VE WONG Corp.	Nominated by Shareholders
Director	76632	Sun Disc Co., Ltd.	N/A	None	None	Nominated by Shareholders

Note : The complete identity document number and detail information disclosed on-site at the shareholders meeting.

## Other Items

### Proposal 1

*Proposed by the Board of Directors*

**Subject:** To lift non-competition restrictions on the newly elected 22<sup>th</sup> session Directors and the representative of Juridical Persons and their representatives.

#### **Explanation:**

1. According to Article 209 of the Company Act, any Director conducting business for himself/herself or on another's behalf, and the scope of which coincides with the Company's business scope, shall explain at the Shareholders' Meeting the essential contents of such conduct and obtain approval from shareholders in the Meeting.
2. The directors of the company may participate in other company operations that are the same or similar to the company's business scope. According to Article 209 of the Company Law, they intend to submit to the shareholders' meeting for approval to lift the restrictions on the prohibition of competition for newly elected directors of the company. (The list of competition restrictions on Directors and the juristic person shareholder proposed to be release is attached hereto, please refer to pages 11-12 of this manual. However, the object of dismissal shall be subject to the actual elected directors.)
3. The newly-appointed directors shall still abide by Article 23 of the Company Law, faithfully perform the business and duty of good managers; and shall also follow Article 206 of the Company Law and other provisions to have a stake in the board meeting matters, if it is harmful when the company's interests are in doubt, it is not allowed to participate in the discussion and voting, and should be avoided.

#### **Resolution:**

**The list of competition restrictions on the newly elected Directors and the representative of Juridical Persons and their representatives proposed to be release**

Candidates Type	Name /Company /Representative	Act as other Company	Positions / title
Director	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fumr	Great Pacific Navigation Co., Ltd.	Chairman
		Her Yeu Trading Co., Ltd.	Chairman
		Wealthy Harmony Trading Co., Ltd.	Chairman
		The World Champion Co., Ltd.	Chairman
		Tai Way Co., Ltd.	Chairman
		Formosa TV Co., Ltd.	Managing Director
		Whole Green Trading Co., Ltd.	Director
		Champion Fermentation Co., Ltd. of Thailand	Director
		Green TFL. Co., Ltd.	Director
		Overseas Bros. Co., Ltd.	Supervisor
		Oversea Fruits Trading Co., Ltd.	Supervisor
Director	Chen, Kung-Pin	Summit Packing Industrial Co., Ltd.	Chairman
		Green TFL. Co., Ltd.	Chairman
		Thai Fermentation Industry Co., Ltd.	Deputy Chairman
		Champion Fermentation Co., Ltd. of Thailand	Deputy Chairman
		The World Champion Co., Ltd.	Director
		Tai Way Co., Ltd.	Director
Director	Kan, Chin-Yu	Hotel Sense	Chairman
		Shihlin Electric & Engineering Corp.	Director
		The World Champion Co., Ltd.	Director
		Tai Way Co., Ltd.	Director
Director	Whole Green Trading Co., Ltd Representative / Egawa Manwa	Overseas Bros. Co., Ltd.	Director
		Great Pacific Navigation Co., Ltd	Director
		Whole Green Trading Co., Ltd.	Director
		Thai Fermentation Industry Co., Ltd.	Director
		The World Champion Co., Ltd.	Director
		Tai Way Co., Ltd.	Director
		Summit Packing Industrial Co., Ltd.	Director
		Green TFL. Co., Ltd.	Director
Director	Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu	Her Yeu Trading Co., Ltd.	Director
		Overseas Bros. Co., Ltd.	Director
		Wealthy Harmony Trading Co., Ltd.	Director
		Great Pacific Navigation Co., Ltd	Supervisor
Director	Chien Shun Trading Co.,Ltd. Representative / Du, Heng-Yi	WanYuanTextiles Co., Ltd.	Chairman
		Chien Shun Trading Co., Ltd.	Chairman
		Thai Fermentation Industry Co., Ltd.	Director
		Champion Fermentation Co., Ltd. of Thailand	Director
		Dajia Noodles Orign Co., Ltd.	Director
		The World Champion Co., Ltd.	Supervisor
		Tai way Co., Ltd.	Supervisor
		Summit Packing Industrial Co., Ltd.	Supervisor
		Green TFL. Co., Ltd.	Supervisor

Candidates Type	Name /Company /Representative	Act as other Company	Positions / title
Director	Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chi-Jau	Chung Ho Spinning Co., Ltd.	Chairman & General Manager
		Hsien Mei Enterprise Co., Ltd.	Chairman
Director	Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee	K Line (Taiwan) Ltd.	Chairman
		Chuan Lun Investment Co., Ltd.	Chairman
		JMD Corp.	Chairman
		Summit Packing Industrial Co., Ltd.	Director
		King Polytechnic Engineering Co., Ltd.	Director
Director	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung	Thai Fermentation Industry Co., Ltd.	Director
		Champion Fermentation Co., Ltd. of Thailand	Director
Director	Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng	Whole Green Trading Co., Ltd.	Chairman
		Oversea Fruits Trading Co., Ltd.	Chairman
		Great Pacific Navigation Co., Ltd	Director
		Her Yeu Trading Co., Ltd.	Director
		Wealthy Harmony Trading Co., Ltd.	Director
		Overseas Bros. Co., Ltd.	Supervisor
Independent Director	Liao, Chi-Fang	Formosa TV Co., Ltd.	General Manager
Independent Director	Chiang, Wen-Chang	Kuang Ta Foods Corp.	Director
Independent Director	Hu, Tung-Huang	United Pacific Shipping Agency Co., Ltd.	Director
		TLS Pacific Co., Ltd.	Director
		Formosa TV Co., Ltd.	Director
Director	Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Guo	Ding Wang Marketing Co., Ltd.	Chairman
		Ding Pet Marketing Co., Ltd.	Chairman
		Ding Chang Marketing Co., Ltd. /	Chairman
		VEDAN Enterprise Corporation	Deputy General Manager
		Summit Packing Industrial Co., Ltd.	Director
Director	Syuan Yuan Industrial Co., Ltd.	Tung Hai Biotechnology Corporation	Chairman及Director
Director	Sun Disc Co., Ltd.	Tung Hai Biotechnology Corporation	Supervisor

## Attachment I

# VE WONG Corporation The 2020 Business Report



## 1. Performance

The company's annual 2020 consolidated total turnover was NT\$ 6,043,700,000 (the same below). The combined net profit after tax was NT\$ 693,921,000, with a net profit margin of 11%.

## 2. Main product sales

Unit: NT\$

products item	2020	2019	Increase (decrease)
Condiment	4,219,669	4,693,702	(474,033)
Instant Foods	1,513,166	1,365,963	147,203
others	310,865	263,572	47,293
Total	6,043,700	6,323,237	(279,537)

## 3. Operation report

The company's annual 2020 consolidated net operating income totals NT\$ (the same hereinafter) NT\$ 6,043,700,000. Among them, the cost of goods sold is NT\$3,999,778,000, operating expenses was NT\$1,169,011,000, and non-operating income and expenses are net losses NT\$336,210,000, pre-tax net profit was NT\$941,290,000, income tax expense was NT\$247,369,000, and the net profit for the current period is NT\$ 693,921,000.

Chairman :



General Manager :



Chief Accountant:





## **Attachment II**

### **VE WONG Corporation Audit Committee's Review Report**

The Board of Directors has prepared the 2020 Business Report, Financial Statements and proposal for deficit compensation. The CPA Lin, Kuan-zhao and CPA Wen, Ming-yu, members of the PKF Taiwan, have completed the audit of the financial statements and issued an audit report relating thereto. In addition, the Board of Directors has prepared and submitted to us the Company's 2020 business report and proposal for distribution of earnings. We, the Audit Committee members, have duly examined and determined such business report and proposal for distribution of earnings to be in line with the requirements under the Company Law and relevant laws and regulations. According to Article 14-4 of the Securities and Exchange Act and Article 219 of Company Law, we hereby submit this report.

To the 2021 General Shareholders' Meeting of Ve Wong Corporation,

The Convener of the Audit Committee:

Liang, Wen-jing



March 23, 2021

## **Attachment III**

### **Consolidated Financial Statements and Independent Auditors' Report**

#### **REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE**

#### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of VE WONG CORPORATION

#### **Opinion**

We have audited the accompanying consolidated financial statements of VE WONG CORPORATION and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of VE WONG CORPORATION and its subsidiaries as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of VE WONG CORPORATION and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent accountants, 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, 2020. 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 for VE WONG CORPORATION and its subsidiaries's consolidated financial statements for the year ended December 31, 2020 are stated as follows :

#### **Recognize of Sales revenue**

The main operating income of VE WONG CORPORATION and its subsidiaries is sales revenue. We consider that whether the recognition time of sales revenue was present fairly, is an area of high concern in the audit.

Refer to Note IV (XVIII) for accounting policies on revenue recognition. Refer to Note V (I) for critical accounting judgments and key sources of estimation uncertainty on revenue recognition.

We performed the following audit procedures:

1. Understand and test the design and implementation effectiveness of the main internal control system for group operating income.
2. Understand and evaluate the rationality of the assumptions and methods for management to recognize sales revenue.
3. The selected transaction conditions are not FOB shipping point export transactions. Obtain the transaction conditions set by each customer for the export transaction, and select the period before and after the end of the reporting period to verify the export transaction vouchers to determine the appropriate deadline.
4. For domestic sales (delivery agent) transactions, send confirmation letter or obtain agent's transaction reconciliation data to determine whether the deadline is appropriate and the amount.
5. Select the period prior to and after the end of the reporting period, to check the various vouchers to ensure that the sales, sales returns, and sales discounts have been properly closed.
6. Reconcile the amount of income in the account with the amount issued by the invoice, and perform tests on major differences between the reconciled items.
7. Perform analytical procedures to find out if there are any abnormalities in the recognition of sales revenue.

### Evaluation Impairment of Goodwill

VE WONG CORPORATION and its subsidiaries regularly assess whether there are indication of impairment of goodwill. When estimating the future recoverable amount, the estimation involves a number of assumptions, including determining the discount rate and future financial forecasts. The high degree of uncertainty has a significant impact on the measurement result of the recoverable amount, which in turn affects the estimation of the amount of goodwill impairment. Therefore, we believe that VE WONG CORPORATION and its subsidiaries's assessment on goodwill impairment are the most important matters this year.

For the accounting policy on impairment, please refer to Note IV (XIII) Impairment of asset; to the major sources of uncertainty in the significant accounting judgments, estimates and assumptions in the assessment of impairment of goodwill, please refer to Note V (III).

We performed the following audit procedures :

1. Understand and test the design and implementation effectiveness of the main internal control system for impairment assessment.
2. Verify whether there are indication that goodwill impairment may occur, impairment testing and whether the accounting treatment is appropriate.
3. Assess the reasonableness of assumptions, future cash flow forecasts and discount rates used in impairment models.

### **Other – Using the reports of other independent accountants**

Among the associates included in the consolidated financial statements of VE WONG CORPORATION and its subsidiaries, Hughes Biotech. Co., Ltd. which used the equity method to invest in 2020 and 2019, had its financial statements not audit by us, but was audited by other accountants. In addition, Koh Kong Sugar Industry Co., Ltd. (KSI) and Koh Kong Plantation Co., Ltd. (KPT) invested in Cambodia which used the equity method, its financial statements are in accordance with Thai Financial Reporting Standard for Non-publicly Accountable entities have not been audited by us but by other accountants. We have performed the necessary review procedures for the conversion of the financial statements of KSI and KPT into preparations in accordance with generally accepted accounting principles in the Republic of China. Therefore, our opinion on the financial statements that the amount and various financial disclosure information listed in the financial statements of the investee companies before the adjustment are based on the audit reports of other accountants. As of December 31, 2020 and 2019, the above-mentioned three companies used the equity method to invest in 92,555 thousand NTD and 34,834 thousand NTD, respectively, accounting for 0.99% and 0.37% of the total consolidated assets. From January 1 to December 31, 2020 and 2019, the comprehensive profit and loss (including the share of the subsidiaries, associates and joint ventures recognized by the equity method) recognized by these investee companies

was (32,170) thousand NTD and (26,845) thousand NTD, accounting for 0.53% and 0.42% of net consolidated operating income, respectively.

VE WONG CORPORATION has prepared the parent company only financial statements for the 2020 and 2019, and the audit report with unqualified opinions issued by the accountant is on file for reference.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is responsible for assessing VE WONG CORPORATION and its subsidiaries'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 VE WONG CORPORATION and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are overseeing VE WONG CORPORATION and its subsidiaries's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VE WONG CORPORATION and its subsidiaries's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on VE WONG CORPORATION and its subsidiaries' ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause VE WONG CORPORATION and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within VE WONG CORPORATION and its subsidiaries 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, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuan Chao Lin and Ming Yu Wen.

PKF Taiwan  
Republic of China  
March 29, 2021

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

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

As the consolidated financial statements are the responsibility of the management, PKF Taiwan 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.

**VE WONG CORPORATION and Subsidiaries**
**CONSOLIDATED BALANCE SHEETS**
**DECEMBER 31, 2020 AND 2019**
**(In Thousands of New Taiwan Dollars)**

ASSETS	Note	Decebmter 31, 2020		Decebmter 31, 2019	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>	<b>IV</b>				
Cash and cash equivalents	VI(I)	\$ 1,569,035	17	\$ 1,517,644	16
Financial assets measured at amortized cost -current assets	VI(III)	402,692	4	521,918	5
Notes receivable, net	VI(IV)	112,593	1	172,633	2
Accounts receivable, net	VI(IV)	323,266	4	338,080	4
Current tax assets	VI(XIX)	12,427	-	10696	-
Inventories	VI(V)	1,428,081	16	1,654,997	18
Other financial assets	VI(VII) - VIII	314,781	4	759	-
Prepayments and other current assets	VI(XIII) - VII	84,035	1	118,014	1
Total current assets		4,246,910	47	4,334,741	46
<b>NONCURRENT ASSETS</b>	<b>IV</b>				
Financial assets at fair value through profit or loss	VI(II)	44,895	-	37,676	-
Financial assets at fair value through other comprehensive income	VI(VI)	234,184	3	240,904	3
Financial assets measured at amortized cost -noncurrent assets	VI(III)	36,133	-	30,152	-
Investments accounted for using equity method	VI(VIII)	111,152	1	55,578	1
Property, plant and equipment	VI(IX) - VIII	2,931,866	31	3,057,342	33
Right-of-use assets	VI(X)	86,370	1	69,540	1
Investments properties	VI(XI) - VIII	1,441,223	16	1,445,246	15
Deferred income tax assets	VI(XIX)	41,109	-	33,695	-
Prepayments for equipment	VI(XII)	54,922	-	15,602	-
Refundable deposit		28,745	-	26,681	-
Other noncurrent assets	VI(XIII) - VII	74,093	1	77,869	1
Total noncurrent assets		5,084,692	53	5,090,285	54
<b>TOTAL</b>		<b>\$ 9,331,602</b>	<b>100</b>	<b>\$ 9,425,026</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>	<b>IV</b>				
Short-term loans	VI(XIV)	\$ 713,000	8	\$ 793,000	8
Notes payable		49,379	-	43,636	1
Accounts payable		281,330	3	400,920	4
Other payables		263,158	3	288,105	3
Current tax liabilities	VI(XIX)	126,669	2	79,918	1
Lease liabilities-current	VI(XV)	9,251	-	10,136	-
Other current liabilities		115,155	1	119,463	1
Total current liabilities		1,557,942	17	1,735,178	18
<b>NONCURRENT LIABILITIES</b>	<b>IV</b>				
Net defined benefit liability	VI(XVI)	300,998	3	330,820	4
Deferred income tax liabilities-land value increment tax		879,845	9	879,845	9
Deferred income tax liabilities -income tax	VI(XIX)	184,423	2	185,849	2
Lease liabilities-noncurrent	VI(XV)	77,090	1	58,834	1
Long-term deferred income	VI(XVII)	4,500	-	5,000	-
Other		14,422	-	13,926	-
Total noncurrent liabilities		1,461,278	15	1,474,274	16
Total liabilities		3,019,220	32	3,209,452	34
<b>EQUITY</b>	<b>IV - VI(XX)</b>				
Capital stock					
Common shares		2,400,000	26	2,400,000	25
Capital surplus					
From treasury stock transactions		38,447	-	36,153	-
From share of changes in equities of associates		167,367	2	76,812	1
Retained earnings					
Appropriated as legal capital reserve		376,906	4	331,218	4
Appropriated as special capital reserve		1,005,964	11	1,005,964	11
Unappropriated earnings		1,121,449	12	980,569	10
Other equity		83,752	1	205,275	2
Treasury stock	VI(VIII) - VI(XXI)	(38,464)	-	(38,464)	0
Total equity attributable to the owners of the parent company		5,155,421	56	4,997,527	53
Non-controlling interests	IV - VI(XX)	1,156,961	12	1,218,047	13
Total equity		6,312,382	68	6,215,574	66
<b>SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS</b>	<b>IX - XII</b>				
<b>TOTAL</b>		<b>\$ 9,331,602</b>	<b>100</b>	<b>\$ 9,425,026</b>	<b>100</b>

The accompanying notes are an integral part of the consolidated financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2021)

**VE WONG CORPORATION and Subsidiaries**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Item	Note	2020		2019	
		Amount	%	Amount	%
NET REVENUE	IV、VI(XXIV)、VII	\$ 6,043,700	100	\$ 6,323,237	100
OPERATING COSTS	IV、VI(IV)	3,999,778	66	4,343,282	69
GROSS PROFIT		2,043,922	34	1,979,955	31
OPERATING EXPENSES					
Marketing		731,548	12	706,559	11
General and administrative		323,988	6	339,873	5
Research and development		8,492	-	8,859	-
Expected credit loss on trade receivables		4,983	-	1,134	-
Total operating expenses		1,069,011	18	1,056,425	16
INCOME FROM OPERATIONS		974,911	16	923,530	15
NON-OPERATING INCOME AND EXPENSES	IV				
Interest income		19,665	-	39,786	-
Other income	VI(XXV)	10,337	-	11,179	-
Other gains and losses	VI(XXVI)、VII	(19,160)	-	20,156	-
Finance costs	VI(XXVII)	(14,317)	-	(14,397)	-
Share of profit or loss of subsidiaries and associates					
accounted for using the equity method	VI(VIII)	(27,153)	(1)	(25,772)	-
Impairment loss	VI(IX)、VI(XI)	(2,993)	-	-	-
Total non-operating income		(33,621)	(1)	30,952	-
PROFIT BEFORE INCOME TAX		941,290	15	954,482	15
INCOME TAX EXPENSE	IV、VI(XIX)	(247,369)	(4)	(237,003)	(4)
NET PROFIT FOR THE YEAR		693,921	11	717,479	11
OTHER COMPREHENSIVE INCOME (LOSS)	IV				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		(2,528)	-	(16,722)	-
Unrealized gain (loss) on investments in equity instruments at fair value					
through other comprehensive income		(6,720)	-	18,421	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
		(9,248)	-	1,699	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations		(192,609)	(3)	106,489	2
Share of the other comprehensive income (loss) of associates accounted for using the equity method		(4,829)	-	44	-
Income tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-
		(197,438)	(3)	106,533	2
Other comprehensive income (loss) for the year, net of income tax		(206,686)	(3)	108,232	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 487,235	8	\$ 825,711	13
Net profit attributable to:					
Parent company shareholders		\$ 429,096		\$ 456,880	
Non-controlling interests		264,825		260,599	
Net income		\$ 693,921		\$ 717,479	
Total comprehensive income attributable to:					
Parent company shareholders		\$ 305,045		\$ 506,346	
Non-controlling interests		182,190		319,365	
Total comprehensive income		\$ 487,235		\$ 825,711	
EARNINGS PER SHARE	IV、IV(XXII)				
Basic		\$ 1.81		\$ 1.92	
Diluted		\$ 1.81		\$ 1.92	

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

(With PKF Taiwan auditors' report dated March 29, 2021)

VE WONG CORPORATION and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(In Thousands of New Taiwan Dollars)

Item	Equity attributable to the owners of the parent company											
	Capital Surplus			Retained Earnings			Other Equity			Total equity attributed to parent company shareholders	Non-controlling interests	Total Equity
	Ordinary Shares	From treasury stock transactions	From share of changes in equities of associates	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury stock			
BALANCE, JANUARY 1, 2019	\$ 2,400,000	\$ 36,153	\$ 76,812	\$ 288,027	\$ 1,005,964	\$ 820,018	\$ 30,512	\$ 112,159	\$ (38,464)	\$ 4,731,181	\$ 1,148,467	\$ 5,879,648
Appropriation of the 2018 earnings												
Legal reserve	-	-	-	43,191	-	(43,191)	-	-	-	-	-	-
Cash dividends(10%)	-	-	-	-	-	(240,000)	-	-	-	(240,000)	-	(240,000)
Net profit for year ended December 31, 2019	-	-	-	-	-	456,880	-	-	-	456,880	260,599	717,479
Other comprehensive income (loss) for year ended December 31, 2019, net of income tax	-	-	-	-	-	(13,138)	44,183	18,421	-	49,466	58,766	108,232
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	-	443,742	44,183	18,421	-	506,346	319,365	825,711
Decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(249,785)	(249,785)
BALANCE, DECEMBER 31, 2019	2,400,000	36,153	76,812	331,218	1,005,964	980,569	74,695	130,580	(38,464)	4,997,527	1,218,047	6,215,574
Appropriation of the 2019 earnings												
Legal reserve	-	-	-	45,688	-	(45,688)	-	-	-	-	-	-
Cash dividends(10%)	-	-	-	-	-	(240,000)	-	-	-	(240,000)	-	(240,000)
Net profit for year ended December 31, 2020	-	-	-	-	-	429,096	-	-	-	429,096	264,825	693,921
Other comprehensive loss for year ended December 31, 2020, net of income tax	-	-	-	-	-	(2,528)	(114,804)	(6,719)	-	(124,051)	(82,635)	(206,686)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	426,568	(114,804)	(6,719)	-	305,045	182,190	487,235
Changes in equity from investments in associates accounted for using the equity method	-	-	90,555	-	-	-	-	-	-	90,555	-	90,555
Changes in equity from investments in associates accounted for using the equity method	-	2,294	-	-	-	-	-	-	-	2,294	-	2,294
Decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(243,276)	(243,276)
BALANCE, DECEMBER 31, 2020	\$ 2,400,000	\$ 38,447	\$ 167,367	\$ 376,906	\$ 1,005,964	\$ 1,121,449	\$ (40,109)	\$ 123,861	\$ (38,464)	\$ 5,155,421	\$ 1,156,961	\$ 6,312,382

The accompanying notes are an integral part of the consolidated financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2021)



**VE WONG CORPORATION and Subsidiaries**
**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(In Thousands of New Taiwan Dollars)**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before income tax	\$ 941,290	\$ 954,482
Adjustments for :		
Depreciation expense	147,668	146,048
Amortization expense	14,682	17,112
Expected credit loss on trade receivables	4,983	1,140
Net defined benefit liabilities	(32,350)	(150,520)
(Reversal of allowance) provision for inventory market price decline	(6,684)	5,561
Loss on Inventory scrap	13,296	5,358
Loss on disposal of property, plant and equipment	2,978	953
Non-financial asset impairment loss	2,993	-
Loss on fair value change of financial assets at fair value through profit or loss	(7,219)	(7,375)
Share of profit of associates accounted for using the equity method	27,153	25,772
Finance costs	14,317	14,397
Interest income	(19,665)	(39,786)
Dividend income	(10,337)	(11,179)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	60,040	(22,947)
Decrease (increase) in trade receivables	11,476	(21,866)
Decrease (increase) in prepayments and other current assets	29,883	(26,715)
Decrease (increase) in inventories	220,304	(212,394)
Increase (decrease) in notes payable and trade payable	(113,847)	92,733
Increase (decrease) in other payables	(24,810)	7,170
Decrease in liability provision-current	-	(63,665)
Increase (decrease) in deferred income	(500)	5,000
Increase (decrease) in other current liabilities	(4,308)	6,313
Cash generated from operations	1,271,343	725,592
Interest received	23,761	40,029
Dividends and other dividends received	11,280	11,179
Income tax received	10	-
Interest paid	(14,454)	(14,231)
Income tax paid	(207,466)	(317,443)
Net cash generated from operating activities	1,084,474	445,126
CASH FLOWS FROM INVESTING ACTIVITIES :		
Acquisition of financial assets at fair value through other comprehensive income	-	(1,085)
Decrease in financial assets measured at amortized cost	113,245	299,212
Increase in other financial assets	(314,022)	(1)
Acquisition of property, plant and equipment	(32,824)	(100,498)
Interest expense for property, plant and equipment	-	(295)
Disposal of property, plant, and equipment	224	329
Increase in prepaid equipment purchase	(50,682)	(24,690)
Decrease (increase) in refundable deposit	(2,064)	781
Increase in other noncurrent assets	(12,266)	(17,457)
Net cash generated from (used in) investing activities	(298,389)	156,296
CASH FLOWS FROM FINANCING ACTIVITIES :		
Increase (decrease) in short-term borrowings	(80,000)	160,000
Payment of the principal portion of lease liabilities	(14,514)	(13,901)
Increase (decrease) in other noncurrent liabilities	496	(2,033)
Dividends paid	(237,706)	(240,000)
Subsidiary paid cash dividends to non-controlling interests	(243,276)	(249,785)
Net cash used in financing activities	(575,000)	(345,719)
Effect of foreign exchange rate change	(159,694)	77,382
NET INCREASE IN CASH AND CASH EQUIVALENTS	51,391	333,085
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,517,644	1,184,559
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 1,569,035	\$ 1,517,644

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

(With PKF Taiwan auditors' report dated March 29, 2021)

## **Attachment IV**

### **Standalone Financial Statements and Independent Auditors' Report**

#### REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

#### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of VE WONG CORPORATION

#### **Opinion**

We have audited the accompanying parent company only financial statements of VE WONG CORPORATION (the "Company"), which comprise the parent company only balance sheets as of December 31, 2020 and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the 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 other independent accountants, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent accountants, 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, 2020. 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 separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2020 are stated as follows :

#### **Recognize of Sales revenue**

The main operating income of the Company is sales revenue. We consider that whether the recognition time of sales revenue was present fairly, is an area of high concern in the audit.

Refer to Note IV (XV) for accounting policies on revenue recognition. Refer to Note V (I) for critical accounting judgments and key sources of estimation uncertainty on revenue recognition.

We performed the following audit procedures :

1. Understand and test the design and implementation effectiveness of the main internal control system for operating income.
2. Understand and evaluate the rationality of the assumptions and methods for management to recognize sales revenue.
3. The selected transaction conditions are not FOB Taiwan's export transactions. Obtain the transaction conditions set by each customer for the export transaction, and select the period before and after the end of the reporting period to verify the export transaction vouchers to determine the appropriate deadline.
4. For domestic sales (delivery agent) transactions, send confirmation letter or obtain agent's transaction reconciliation data to determine whether the deadline is appropriate and the amount.
5. Select the period prior to and after the end of the reporting period, to check the various vouchers to ensure that the sales, sales returns, and sales discounts have been properly closed.
6. Reconcile the amount of income in the account with the amount issued by the invoice, and perform tests on major differences between the reconciled items.
7. Perform analytical procedures to find out if there are any abnormalities in the recognition of sales revenue.

Whether the ending balance of Investments accounted for using equity method is fair

We believe that Investments accounted for using the equity method as an important and main asset of the company. Therefore, it will adopt Investments accounted for using the equity method ending balance and Share of profit or loss of subsidiaries and associates accounted for using the equity method as a key audit matters.

Refer to Note IV(VII) for accounting policies on investments accounted for using the equity method. Refer to Note V(IV) for critical accounting judgments and key sources of estimation uncertainty of investments accounted for using the equity method.

We performed the following audit procedures :

1. Understand and test the design and implementation effectiveness of the main internal control system of the investment cycle.
2. Understand and evaluate the management methods and procedures for managing investment, as well as the assumptions and methods for recognizing related investment gains and losses and other comprehensive gains and losses.
3. Obtain or prepare a detailed list of investment changes, and check with the general ledger and subsidiary ledgers.
4. Verify whether the accounting treatment of changes in equity is appropriate.
5. Verify whether the subsidiary or Associates adopts the same accounting policies as the company for similar transactions and events under similar circumstances, and if there are differences, whether it has been adjusted.
6. When verify subsidiaries and using the equity method to recognize the share of profit and loss, understand the impact of major financial statements of major subsidiaries on the company's financial statements, and determine the impact of Associates on the fair expression of the company's financial reports in accordance with the Statements of Auditing Standards No. 51. If it is significant, it should be verify whether the financial report of the Associates has been processed in accordance with the " Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants " and the Statements of Auditing Standards.
7. Verify whether the unrealized gains and losses between Associates have been eliminated.
8. Verify whether the Associates' financial report date should be the same as that of the company. If there is a difference, whether to adjust the impact of major transactions or events that occurred between the Associates' financial report date and the company's financial report date; And check whether the difference between the end of the reporting period between the Associates and the company is less than three months.
9. Verify whether there are any signs that the equity method of investment may be impaired, impairment testing and accounting treatment are appropriate.

## Evaluation Impairment of Investments accounted for using the equity method and Goodwill

The Company adopts the equity method of investment. When estimating the future recoverable amount, the estimation involves a number of assumptions, including determining the discount rate and adopting the prepared financial forecast for the next five years. It is prone to subjective judgment and highly advanced Uncertainty, resulting in a significant impact on the measurement of the recoverable amount, which in turn affects the estimation of the amount of goodwill impairment. Therefore, we believe that the Company assessment of the equity method of investment and goodwill impairment is the most important matters this year.

For the accounting policy on impairment, please refer to Note IV (XII) Impairment; to the major sources of uncertainty in the significant accounting judgments, estimates and assumptions in the assessment of impairment of goodwill, please refer to Note V (III).

We performed the following audit procedures:

1. Understand and test the design and implementation effectiveness of the main internal control system for impairment assessment.
2. Verify whether there are any indication that the equity method of investment may be impaired, impairment testing and accounting treatment are appropriate.
3. Verify whether there are indication that goodwill impairment may occur, impairment testing and whether the accounting treatment is appropriate.
4. Assess the reasonableness of assumptions, future cash flow forecasts and discount rates used in impairment models.

### **Other – Using the reports of other independent accountants**

Among the associates included in the financial statements of the Company, Hughes Biotech. Co., Ltd. which used the equity method to invest in 2020 and 2019, had its financial statements not audit by us, but was audited by other accountants. In addition, Koh Kong Sugar Industry Co., Ltd. (KSI) invested in Cambodia and Koh Kong Plantation Co., Ltd. (KPT) invested by the Best Founder Coporation which used the equity method, its financial statements are in accordance with Thai Financial Reporting Standard for Non-publicly Accountable entities have not been audited by us but by other accountants. We have performed the necessary review procedures for the conversion of the financial statements of KSI and KPT into preparations in accordance with generally accepted accounting principles in the Republic of China. Therefore, our opinion on the financial statements that the amount and various financial disclosure information listed in the financial statements of the investee companies before the adjustment are based on the audit reports of other accountants. As of December 31, 2020 and 2019, the above-mentioned three companies used the equity method to invest in 92,555 thousand NTD and 34,834 thousand NTD, respectively, accounting for 1.36% and 0.52% of the total assets. From January 1st to December 31st, 2020 and 2019, the comprehensive profit and loss (including the share of the subsidiaries, associates and joint ventures recognized by the equity method) recognized by these investee companies was (32,170) thousand NTD and (26,845) thousand NTD, accounting for 1.39% and 1.23% of net operating income, respectively.

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

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

In preparing the parent company only financial statements, management is responsible for assessing 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 members of the Audit Committee) are overseeing the Company's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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, 2020 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 reasonable be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuan Chao Lin and Ming Yu Wen.

PKF Taiwan  
Republic of China  
March 29, 2021

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

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

As the parent company only financial statements are the responsibility of the management, PKF Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive form the translation.

# VE WONG CORPORATION

## PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

ASSETS	Note	Decebmmer 31, 2020		Decebmmer 31, 2019	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>	<b>IV</b>				
Cash and cash equivalents	VI(I)	\$ 246,424	3	\$ 369,948	6
Financial assets measured at amortized cost -current assets	VI(II)	28,050	1	-	-
Notes receivable, net	VI(III)	83,542	1	83,127	1
Notes receivable-related parties	VI(III) 、 VII	1	-	-	-
Accounts receivable, net	VI(III)	183,046	3	193,293	3
Accounts receivable-related parties	VI(III) 、 VII	855	-	798	-
Other receivables- related parties	VII	11,961	-	12,323	-
Current tax assets	VI(XVII )	12,195	-	10461	-
Inventories	VI(IV)	363,495	5	390,530	6
Other financial assets	VI(VII) 、 VIII	314,781	5	759	-
Prepayments and other current assets	VI(XII) 、 VII	21,725	-	20,736	-
Total current assets		<u>1,266,075</u>	<u>18</u>	<u>1,081,975</u>	<u>16</u>
<b>NONCURRENT ASSETS</b>	<b>IV</b>				
Financial assets at fair value through profit or loss	VI(V)	44,895	1	37,676	1
Financial assets at fair value through other comprehensive income	VI(VI)	136,808	2	136,814	2
Investments accounted for using equity method	VI(VIII)	4,100,719	60	4,146,627	62
Property, plant and equipment	VI(IX) 、 VIII	765,786	11	802,669	12
Right-of-use assets	VI(X)	35,402	1	43,856	1
Investments properties	VI(XI) 、 VIII	364,672	5	384,079	6
Deferred income tax assets	VI(XVII)	30,375	1	25,003	-
Prepayments form equipment		34,503	1	3,566	-
Refundable deposit		25,307	-	25,372	-
Other noncurrent assets	VI(XII) 、 VII	5,025	-	6,008	-
Total noncurrent assets		<u>5,543,492</u>	<u>82</u>	<u>5,611,670</u>	<u>84</u>
<b>TOTAL</b>		<u>\$ 6,809,567</u>	<u>100</u>	<u>\$ 6,693,645</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>	<b>IV</b>				
Short-term loans	VI(XIII) 、 VII	\$ 680,000	10	\$ 750,000	11
Notes payable		9,432	-	9,655	-
Accounts payable		158,251	2	150,232	2
Accounts payable-related parties	VII	47,676	1	38,553	1
Other payables	VII	148,941	2	152,442	3
Current tax liabilities	VI(XVII)	38,755	1	-	-
Lease liabilities-current	VI(XIII)	11,757	-	12,090	-
Other current liabilities		8,060	-	6,856	-
Total current liabilities		<u>1,102,872</u>	<u>16</u>	<u>1,119,828</u>	<u>17</u>
<b>NONCURRENT LIABILITIES</b>	<b>IV</b>				
Net defined benefit liability	VI(XV)	202,110	3	218,146	3
Deferred income tax liabilities-land value increment tax		139,094	2	139,094	2
Deferred income tax liabilities -income tax	VI(XVII)	183,747	3	185,185	3
Lease liabilities-noncurrent	VI(XIV)	22,277	-	30,301	-
Other		4,046	-	3,564	-
Total noncurrent liabilities		<u>551,274</u>	<u>8</u>	<u>576,290</u>	<u>8</u>
<b>Total liabilities</b>		<u>1,654,146</u>	<u>24</u>	<u>1,696,118</u>	<u>25</u>
<b>EQUITY</b>	<b>IV 、 VI(XVIII)</b>				
Capital stock					
Common shares		2,400,000	36	2,400,000	36
Capital surplus					
From treasury stock transactions		38,447	1	36,153	1
From share of changes in equities of associates		167,367	2	76,812	1
Retained earnings					
Appropriated as legal capital reserve		376,906	6	331,218	5
Appropriated as special capital reserve		1,005,964	15	1,005,964	15
Unappropriated earnings		1,121,449	16	980,569	15
Other equity		83,752	1	205,275	3
Treasury stock	VI(VIII) 、 VI(XIX)	(38,464)	(1)	(38,464)	(1)
<b>Total equity</b>		<u>5,155,421</u>	<u>76</u>	<u>4,997,527</u>	<u>75</u>
<b>SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS</b>	<b>IX 、 XII</b>				
<b>TOTAL</b>		<u>\$ 6,809,567</u>	<u>100</u>	<u>\$ 6,693,645</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2021)

**VE WONG CORPORATION**
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Item	Note	2020		2019	
		Amount	%	Amount	%
NET REVENUE	IV - VI(XXII) - VII	\$ 2,321,441	100	\$ 2,175,267	100
OPERATING COSTS	IV - VI(IV) - VII	1,617,516	70	1,524,903	70
GROSS PROFIT		703,925	30	650,364	30
OPERATING EXPENSES					
Marketing		417,046	18	396,192	19
General and administrative		106,113	5	106,760	5
Research and development		8,492	-	8,841	-
Expected credit loss on trade receivables		1,211	-	64	-
Total operating expenses		532,862	23	511,857	24
INCOME FROM OPERATIONS		171,063	7	138,507	6
NON-OPERATING INCOME AND EXPENSES	IV				
Interest income		1,683		2,916	-
Other income	VI(XXIII)	6,307	-	5,535	-
Other gains and losses	VI(XXIV)	7,017	-	42,216	2
Finance costs	VI(XXV)	(8,160)	-	(7,962)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	VI(VIII)	341,801	15	348,845	16
Impairment loss	VI(IX) - VI(XI)	(2,993)	-	-	-
Total non-operating income		345,655	15	391,550	18
PROFIT BEFORE INCOME TAX		516,718	22	530,057	24
INCOME TAX EXPENSE	IV - VI(XVII)	(87,622)	(4)	(73,177)	(3)
NET PROFIT FOR THE YEAR		429,096	18	456,880	21
OTHER COMPREHENSIVE INCOME (LOSS)	IV				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		(6,106)	-	(8,870)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		(6)	-	6,362	-
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method		(3,135)	-	7,791	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
		(9,247)	-	5,283	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations		(114,804)	(5)	44,183	2
Income tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-
		(114,804)	(5)	44,183	2
Other comprehensive income (loss) for the year, net of income tax		(124,051)	(5)	49,466	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 305,045	13	\$ 506,346	23
EARNINGS PER SHARE	IV - IV(XX)				
Basic		\$ 1.81		\$ 1.92	
Diluted		\$ 1.81		\$ 1.92	

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2021)



VE WONG CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

Item	Ordinary Shares	Capital Surplus		Retained Earnings			Other Equity		Treasury stock	Total Equity
		From treasury stock transactions	From share of changes in equities of associates	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE, JANUARY 1, 2019	\$ 2,400,000	\$ 36,153	\$ 76,812	\$ 288,027	\$ 1,005,964	\$ 820,018	\$ 30,512	\$ 112,159	\$ (38,464)	\$ 4,731,181
Appropriation of the 2018 earnings										
Legal reserve	-	-	-	43,191	-	(43,191)	-	-	-	-
Cash dividends(10%)	-	-	-	-	-	(240,000)	-	-	-	(240,000)
Net profit for year ended December 31, 2019	-	-	-	-	-	456,880	-	-	-	456,880
Other comprehensive income (loss) for year ended December 31, 2019, net of income tax	-	-	-	-	-	(13,138)	44,183	18,421	-	49,466
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	-	443,742	44,183	18,421	-	506,346
BALANCE, DECEMBER 31, 2019	2,400,000	36,153	76,812	331,218	1,005,964	980,569	74,695	130,580	(38,464)	4,997,527
Appropriation of the 2019 earnings										
Legal reserve	-	-	-	45,688	-	(45,688)	-	-	-	-
Cash dividends(10%)	-	-	-	-	-	(240,000)	-	-	-	(240,000)
Net profit for year ended December 31, 2020	-	-	-	-	-	429,096	-	-	-	429,096
Other comprehensive loss for year ended December 31, 2020, net of income tax	-	-	-	-	-	(2,528)	(114,804)	(6,719)	-	(124,051)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	426,568	(114,804)	(6,719)	-	305,045
Changes in equity from investments in associates accounted for using the equity method	-	-	90,555	-	-	-	-	-	-	90,555
Changes in equity from investments in associates accounted for using the equity method	-	2,294	-	-	-	-	-	-	-	2,294
BALANCE, DECEMBER 31, 2020	\$ 2,400,000	\$ 38,447	\$ 167,367	\$ 376,906	\$ 1,005,964	\$ 1,121,449	\$ (40,109)	\$ 123,861	\$ (38,464)	\$ 5,155,421

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2021)

# VE WONG CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before income tax	\$ 516,718	\$ 530,057
Adjustments for :		
Depreciation expense	82,983	62,620
Amortization expense	6,310	7,529
Expected credit loss on trade receivables	1,211	64
(Reversal of allowance) provision for inventory market price decline	1,196	(76)
Loss on inventories scrap	4,458	5,266
Loss on disposal of property, plant and equipment	3,039	1,250
Non-financial asset impairment loss	2,993	-
Share of profit of subsidiaries and associates accounted for using the equity method	(341,801)	(348,845)
Finance costs	8,160	7,962
Dividend income	(6,307)	(5,535)
Interest income	(1,683)	(2,916)
Gain on fair value change of financial assets at fair value through profit or loss	(7,219)	(7,375)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	(416)	18,193
Decrease (increase) in trade receivables	10,339	(5,160)
Decrease (increase) in other receivables	362	(4,999)
Decrease (increase) in prepayments and other current assets	(928)	325
Decrease (increase) in inventories	21,381	(23,689)
Decrease (increase) in other noncurrent assets	(2,196)	3
Increase (decrease) in notes payable and trade payable	16,919	(18,404)
Decrease in other payables	(3,359)	(4,532)
Increase in other current liabilities	1,204	1,711
Net defined benefit liabilities	(22,142)	(167,076)
Cash generated from operations	291,222	46,373
Dividends received from subsidiaries	362,619	375,617
Other dividends received	6,307	5,535
Interest received	1,622	2,951
Interest paid	(8,302)	(7,796)
Income tax paid	(57,411)	(152,735)
Net cash generated from operating activities	596,057	269,945
CASH FLOWS FROM INVESTING ACTIVITIES :		
Increase in financial assets measured at amortized cost	(28,050)	-
Acquisition of financial assets at fair value through other comprehensive income	-	(1,085)
Increase in other financial assets	(314,022)	(1)
Acquisition of property, plant and equipment	(15,115)	(56,352)
Interest expense for property, plant and equipment	-	(295)
Increase in prepaid equipment purchase	(34,381)	(17,257)
Decrease in refundable deposit	65	79
Increase in other noncurrent assets	(4,491)	(6,110)
Net cash used in investing activities	(395,994)	(81,021)
CASH FLOWS FROM FINANCING ACTIVITIES :		
Increase (decrease) in short-term borrowings	(70,000)	160,000
Payment of the principal portion of lease liabilities	(14,069)	(15,633)
Increase (decrease) in other noncurrent liabilities	482	(2,013)
Dividends paid	(240,000)	(240,000)
Net cash used in financing activities	(323,587)	(97,646)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(123,524)	91,278
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	369,948	278,670
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 246,424	\$ 369,948

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2021)

## Appendix I

# VE WONG Corporation Articles of Incorporation

## Chapter 1 General Provisions

Article 1 The Company is incorporated as a company limited by shares under the provisions set forth in the Company Act in the full name of **VE WONG Corporation** (the “Company”).

Article 2 The lines of business of the Company shall include the following:

- (1) A102060 Food Dealers
- (2) C102010 Manufacture of Dairy Products
- (3) C103050 Manufacture Canning, Freezing, Dehydration, Pickled of Food
- (4) C104010 Manufacture Sugar Confectionery
- (5) C104020 Manufacture Bakery and Steam Products
- (6) C105010 Edible Oil and Fat Manufacturing
- (7) C106010 Grain Husking, Manufacture of Grain Mill Products, Starches and Starch Products
- (8) C108010 Carbohydrate Manufacturing
- (9) C109010 Manufacture of Seasoning
- (10) C110010 Beverage Manufacturing
- (11) C114010 Food Additives Manufacturing
- (12) C199010 Manufacture of Noodles, Couscous and Similar Farinaceous Products
- (13) C199020 Edible Ice Manufacturing
- (14) C199030 Instant Meal Box Food Manufacturing
- (15) C199040 Beans Processed Food Manufacturing
- (16) C199990 Manufacture of Other Food Products Not Elsewhere Classified
- (17) C201010 Feed Manufacturing
- (18) C601030 Paper Containers Manufacturing
- (19) C801010 Basic Chemical Industrial
- (20) C801120 Manufacture of Man-made Fibers
- (21) C802060 Veterinary Drug Manufacturing
- (22) C802070 Agro-pesticide Manufacturing
- (23) C805030 Plastic Daily Necessities Manufacturing
- (24) C805070 Reinforced Plastic Products Manufacturing
- (25) C805990 Other Plastic Products Manufacturing
- (26) F101040 Wholesale of Livestock and Poultry
- (27) F101990 Wholesale of Other Agricultural, Livestock and Aquatic Products
- (28) F102020 Wholesale of Edible Fat and Oil
- (29) F102030 Wholesale of Tobacco and Alcohol
- (30) F102040 Wholesale of Nonalcoholic Beverages
- (31) F102170 Wholesale of Foods and Groceries
- (32) F103010 Wholesale of Animal Feeds

- (33)F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (34)F106010 Wholesale of Hardware
- (35)F106020 Wholesale of Daily Commodities
- (36)F107070 Wholesale of Veterinary Drugs
- (37)F108040 Wholesale of Cosmetics
- (38) F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (39)F110010 Wholesale of Clocks and Watches
- (40)F113020 Wholesale of Electrical Appliances
- (41)F114010 Wholesale of Motor Vehicles
- (42)F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (43)F119010 Wholesale of Electronic Materials
- (44)F121010 Wholesale of Food Additives
- (45)F199990 Other Wholesale Trade
- (46)F201010 Retail Sale of Agricultural Products
- (47)F201020 Retail Sale of Livestock Products
- (48) F201990 Retail Sale of Other Agricultural, Livestock and Aquaculture Products
- (49)F202010 Retail Sale of Feeds
- (50)F203010 Retail Sale of Food, Grocery and Beverage
- (51)F203020 Retail Sale of Tobacco and Alcohol
- (52) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (53)F206010 Retail Sale of Hardware
- (54)F206020 Retail Sale of daily commodities
- (55)F207070 Retail Sale of Veterinary Drugs
- (56)F208040 Retail Sale of Cosmetics
- (57) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (58)F210010 Retail Sale of Watches and Clocks
- (59)F213010 Retail Sale of Electrical Appliances
- (60)F214010 Retail Sale of Motor Vehicles
- (61)F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (62)F219010 Retail Sale of Electronic Materials
- (63)F221010 Retail of Food Additives
- (64)F299990 Retail Sale of Other Products
- (65)F301020 Supermarkets
- (66)F399010 Convenience Stores
- (67)F401010 International Trade
- (68)G801010 Warehousing
- (69)H701010 Housing and Building Development and Rental
- (70)H701020 Industrial Factory Development and Rental

- (71)H701040 Specific Area Development
- (72)H701050 Investment, Development and Construction in Public Construction
- (73)H701060 New Towns, New Community Development
- (74)H703100 Real Estate Leasing
- (75)IZ06010 Tally Packaging
- (76)JA01010 Automobile Repair
- (77)F401161 Tobacco Products Import
- (78)F401171 Alcohol Products Importation
- (79) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company is incorporated in Taipei City, set up production plant branches, transportation and sales agencies in various places where it deems necessary.

Article 4 The company's announcement methods are handled in accordance with Article 28 of the Company Law.

## **Chapter 2 Share Capital**

Article 5 The Company's total capital shall be 24 Billion New Taiwan Dollar (NT\$2,400,000,000) divided into 240,000,000 shares of NT\$10 each.

Article 6 The company's shares may be exempted from printing stocks, but the exempted shares should be registered with the securities centralized custodian.

Article 7 For shareholder account names, natural person shareholders shall use their real names in accordance with the provisions of the Name Regulations, and legal person shareholders shall use the full name of the legal person and fill in the shareholder seal card. Shareholders who are underage and banned from property management should also stamp their legal representative's seal and send it to the company for record.

When shareholders handle the stock affairs and exercise other rights or contact the company in writing, they shall retain their seals as the previous item.

Article 8 Shareholders handling share matters such as stock transfer, loss reporting, inheritance, gifting, seal loss reporting, change or address change, etc., shall be handled in accordance with the rules and regulations for the handling of shares of companies issuing public shares, except as otherwise provided by laws and securities regulations.

Article 9 Reissuance, transfer or set-up of rights pledge or inheritance, gift of new stocks that are changed in name may be subject to cost.

Article 10 (deleted)

Article 11 Changes in the shareholder register shall cease within 60 days before the regular shareholders meeting, 30 days before the extraordinary shareholders meeting, or within 5 days before the base date when the company decides to distribute dividends, bonuses or other benefits.

## **Chapter 3 Shareholders' Meeting**

Article 12 The company convenes a regular meeting of shareholders at least once a year, which shall be convened by the board of directors within six months after the end

of each fiscal year, and temporary shareholders' meetings shall be convened in accordance with the law when necessary. Upon the resolution of the board of directors or a written request by shareholders who continue to hold more than 3% of the total issued shares for more than one year, the board of directors shall convene them; the members of the audit committee shall be convened by the board of directors, except that the board of directors does not convene or cannot convene a shareholders meeting. For the benefit of the company, if necessary, convene a meeting of shareholders.

Article 13 The general meeting of shareholders shall be convened 30 days ago, and the convening of the extraordinary shareholders meeting shall be 15 days before the date, place and reason for the meeting shall be notified to each shareholder; the notification shall be made electronically if the counterparty agrees. For shareholders who hold less than 1,000 shares of registered stocks, the convening notice may be made by public announcement.

Article 14 Shareholders may by way of power of attorney appoint proxies to attend the said shareholders' meeting. Except for trust enterprises or share registration agencies approved by the securities management authorities, when one shareholder is entrusted by two or more shareholders, the voting right represented by the said shareholder shall not exceed 3% of the voting rights of total shares issued. Where it has so exceeded, the voting right in excess shall not be included.

The power of attorney mentioned in the preceding paragraph shall be delivered to the company five days before the meeting of shareholders.

Article 15 The Chairman of the Board of Directors will preside the shareholders meeting. Where the Chairman is on leave or not able to perform his duty for any reason, the Vice Chairman shall act on his behalf. Where the Vice Chairman is also on leave or not able to perform his duty for any reason, the Chairman shall appoint one executive director to act on his behalf. If the Chairman has made no appointment, the executive directors shall elect among themselves one person to act as the deputy.

Article 16 Each share is entitled to cast one vote, unless otherwise deprived in accordance with Article 157 paragraph 3 and Article 179 of Company Act.

When the company holds a shareholders' meeting, it shall adopt electronic means for shareholders to exercise their voting rights and may allow them to exercise such rights in writing.

Article 17 Unless otherwise stipulated in Company Act, any resolution of a shareholder meeting shall be decided by more than one-half the shareholders presenting at the shareholders meeting consisting of more than one-half the total voting shares.

Article 18 The meeting minutes shall be prepared for each shareholders meeting, recording any resolutions being made, the meeting dates, times, venue, the chairperson's name, the voting procedures, the summary and the result of the process, and signed by the chairperson or stamped. Such meeting minutes shall be archived throughout the existence of the Company. The attendance books and proxies shall be retained for at least one year. The meeting minutes may be distributed to all shareholders within 20 days after the meeting, may be made by posting a public announcement onto the Market Observation Post System.

## **Chapter 4 Board of Directors and Audit Committee**

Article 19 The company has 12 to 15 directors, who are elected by the shareholders' meeting in accordance with Article 198 of the Company Law. The term of office is three years, and they may be re-elected. However, the provisions of Article 15-2 and Article 85 of the Civil Law do not apply to the capacity of conduct mentioned in the preceding paragraph.

The election of Director adopts a candidate nomination system. Shareholders should select Director candidates from the list of Directors, and handle it in accordance with Article 192-1 of the Company Law and relevant laws and regulations.

In the number of Directors, the number of independent Directors shall not be less than three, and shall not be less than one-fifth of the Director seats. Regarding the professional qualifications, shareholding, part-time restrictions, independence determination, nomination and selection methods, exercise of powers, and other compliance matters for independent Directors, they shall be handled in accordance with the Securities Exchange Law and relevant laws and regulations.

Independent Directors and non-independent Directors shall be elected together, and the number of elected candidates shall be calculated separately.

The total number of registered shares held by all Directors shall not be less than the minimum shareholding ratio of the Director of the public offering company.

The directors organize the board of directors. According to Article 208 of the Company Law, three to five executive directors shall be selected from each other, but the number shall not exceed one-third of the number of directors. The number of independent directors among the executive directors shall not be less than one, and shall not be less than the executive directors. One-fifth of the seats of directors, and the executive directors elect one of them as the Chairman, and they may elect one of them as the deputy chairman in the same way according to actual needs, and may elect several people as the resident managing director, and the Chairman internally is the chairman of shareholders meeting, the board of directors, and the managing executive. Chairman of the board representing the company externally.

The execution of the company's business, unless otherwise provided by the company law and the company's articles of association, shall be decided by the Director of Board.

Article 20 The functions and powers of the Board of Directors will be as follows:

1. Verification, implementation and supervision of business policies and business plans.
2. Verification and execution of foreign investment or cooperation.
3. Preparation and verification of financial scheduling budget and final accounts.
4. Important rules, contracts, and approval of branch establishment or abolition.
5. Staff establishment, appointment, removal and assessment.
6. Convening of the shareholders meeting.
7. Matters concerning the selection (re)appointment and designation the corporate director or supervisor representatives of reinvested companies.
8. Decisions on other important matters.

Article 21 Except for the first Directors' Meeting of each term, which will be called by the Director who received a ballot representing the largest number of votes at the election, rest of the following Board of Directors' Meetings will be convened and presided by Chairman.

When the Chairman asks for leave or is unable to exercise his authority for some reason, the deputy chairperson will act as the deputy, but when the Chairman and the deputy chairman both ask for leave or are unable to exercise his authority for some reason, the chairman shall designate the executive director to act as his agent. If the chairman is not appointed, the executive director will recommend each other one person agent.

Article 22 Regular meetings of the Board of Directors shall be convened four times a year, at least once a quarter, a notification with the date, time and meeting agenda should be issued at least seven days before the meeting. However, in the case of emergency, an interim Board meeting may be held at any time, shall be convened by the chairman, the afore-mentioned meeting notice may be sent by email.

Article 23 Unless otherwise stipulated by the Company Act, the Board of Directors shall adopt resolutions by a majority vote of the directors present at a meeting attended by a majority of all directors. When a director is unable to personally attend the meeting of the Board of Directors, he/she may submit a proxy form, enumerating the purpose of convening such meeting, the scope of authorization, to appoint another director to attend the meeting. A proxy director may not act on behalf of more than one person.

Article 24 The proceedings of the Board of Directors shall be recorded,. and the matters recorded shall be handled in accordance with the provisions of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".

Article 25 The managing director organizes the executive board of directors. When the board of directors is adjourned, the executive board of directors shall be held in a meeting to perform the functions of the board of directors at any time by the law. It is convened by the chairman at any time, but when the chairman asks for leave or is unable to exercise his authority for some reason, the vice chairman shall convene it on his behalf.

Article 26 The chairman of the Executive Board of Directors is assumed by the chairman. When the chairman asks for leave or cannot exercise his powers for some reason, the vice chairman shall act as his agent, but when the chairman and vice chairman both ask for leave or cannot exercise his powers for some reason, the chairman shall appoint the managing director to act for it.

Article 27 The proceedings of the Executive Board of Directors shall be recorded, and the items recorded shall be governed by the provisions of Article 24 of this Articles of Association

Article 28 The company shall set up an audit committee in accordance with Article 14-4 of the Securities and Exchange Act to replace the supervisor. The audit committee shall be composed of all independent directors with no less than three persons, one of whom shall be the convener, and at least one shall have an accounting or financial expertise.

Article 29 (Deleted)



Article 30 The exercise of powers of the audit committee and other binding matters are processed in accordance with its organizational rules, Articles of Incorporation, relevant laws and regulations.

Article 31 The remuneration of the directors is authorized to the board of directors to determine the level of participation and contribution of the directors in the company's operations and the value of their contributions, and refer to the industry standards.

## **Chapter 5 Managerial Officer and consultant**

Article 32 The company has one General Manager, and several Deputy General Managers, Associate Managers, and Managers (first-level Factory Directors) who are hired in accordance with Article 29 of the Company Law. In addition, one Chief Engineer and several Consultants and Commissioners can be purchased.

## **Chapter 6 Accounts and surplus distribution and dividend policy**

Article 33 The company takes the end of December of the Chinese calendar as the final accounting period. The Board of Directors prepares the following tables and submits them to the shareholders meeting for recognition in accordance with the law.

- 1.Operation Report
- 2.Financial Statements
- 3.Proposal for surplus distribution or loss allowance

Article 34 The Company, if profitable in the current year, should be distributed 2% as employees' compensation and not more than 5% distributed as Directors' remuneration. However, the Company's accumulated losses shall have been covered.

Article 34-1 The company's industrial environment is changeable, and the life cycle of the company is at a stable growth stage. Considering the company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, if the company has a surplus after its annual accounts, except for payment in accordance with the law In addition to income tax for profit-making businesses and making up of losses in previous years, 10% of the statutory surplus reserve and special surplus reserve required by the Securities and Exchange Law should be allocated first. If there is surplus, it may be based on the actual profit and capital of the current year. Circumstances, after the resolution of the board of directors is passed, it is reported to the shareholders meeting to resolve shareholder dividends.

Article 35 Based on business needs, the company may provide external endorsement and guarantee, but it should be handled in accordance with the company's "endorsement and guarantee procedures".

## **Chapter 7 Supplementary Articles**

Overseas Chinese and foreigners investing in our company are reported to be handled in accordance with relevant laws and regulations.

With respect to the matters not provided herein, the Company Act and other applicable laws and regulations shall govern.

However, in relation to reinvestment, the total investment is not subject to the "limitation of not exceeding 40% of the company's paid-in share capital."

These Articles of Incorporation were enacted on April 24, 1959, and  
the first amendment was made at the regular shareholders meeting on August 18, 1961;  
the 2<sup>nd</sup> amendment was made at the extraordinary meeting of shareholders on December 05, 1961;  
the 3<sup>rd</sup> amendment was made at the regular shareholders meeting on March 27, 1963;  
the 4<sup>th</sup> amendment was made at the regular shareholders meeting on May 30, 1964;  
the 5<sup>th</sup> amendment was made at the extraordinary meeting of shareholders on July 14, 1964;  
the 6<sup>th</sup> amendment was made at the regular shareholders meeting on March 31, 1966;  
the 7<sup>th</sup> amendment was made at the regular shareholders meeting on March 31, 1967;  
the 8<sup>th</sup> amendment was made at the extraordinary meeting of shareholders on May 10, 1967;  
the 9<sup>th</sup> amendment was made at the regular shareholders meeting on April 30, 1969;  
the 10<sup>th</sup> amendment was made at the regular shareholders meeting on March 31, 1970;  
the 11<sup>th</sup> amendment was made at the extraordinary meeting of shareholders on May 29, 1970;  
the 12<sup>th</sup> amendment was made at the regular shareholders meeting on June 04, 1971;  
the 13<sup>th</sup> amendment was made at the regular shareholders meeting on March 06, 1972;  
the 14<sup>th</sup> amendment was made at the extraordinary meeting of shareholders on July 06, 1972;  
the 15<sup>th</sup> amendment was made at the regular shareholders meeting on March 24, 1973;  
the 16<sup>th</sup> amendment was made at the regular shareholders meeting on March 27, 1974;  
the 17<sup>th</sup> amendment was made at the regular shareholders meeting on March 24, 1975;  
the 18<sup>th</sup> amendment was made at the regular shareholders meeting on April 06, 1976;  
the 19<sup>th</sup> amendment was made at the regular shareholders meeting on April 30, 1977;  
the 20<sup>th</sup> amendment was made at the second extraordinary meeting of shareholders on December 01, 1978;  
the 21<sup>th</sup> amendment was made at extraordinary meeting of shareholders after the merger on February 28, 1979;  
the 22<sup>th</sup> amendment was made at the regular shareholders meeting on May 10, 1979;  
the 23<sup>th</sup> amendment was made at the regular shareholders meeting on April 30, 1980;  
the 24<sup>th</sup> amendment was made at the extraordinary meeting of shareholders on December 26, 1980;  
the 25<sup>th</sup> amendment was made at the regular shareholders meeting on May 09, 1981;  
the 26<sup>th</sup> amendment was made at the regular shareholders meeting on June 23, 1982;  
the 27<sup>th</sup> amendment was made at the regular shareholders meeting on May 25, 1983;  
the 28<sup>th</sup> amendment was made at the regular shareholders meeting on May 16, 1984;  
the 29<sup>th</sup> amendment was made at the regular shareholders meeting on May 31, 1985;  
the 30<sup>th</sup> amendment was made at the regular shareholders meeting on May 28, 1987;  
the 31<sup>th</sup> amendment was made at the regular shareholders meeting on May 27, 1988;  
the 32<sup>th</sup> amendment was made at the regular shareholders meeting on May 25, 1990;  
the 33<sup>th</sup> amendment was made at the regular shareholders meeting on May 24, 1991;  
the 34<sup>th</sup> amendment was made at the regular shareholders meeting on May 29, 1992;  
the 35<sup>th</sup> amendment was made at the regular shareholders meeting on May 28, 1993;  
the 36<sup>th</sup> amendment was made at the regular shareholders meeting on May 24, 1996;  
the 37<sup>th</sup> amendment was made at the regular shareholders meeting on June 26, 1997;  
the 38<sup>th</sup> amendment was made at the regular shareholders meeting on May 27, 1998;  
the 39<sup>th</sup> amendment was made at the regular shareholders meeting on May 28, 1999;  
the 40<sup>th</sup> amendment was made at the regular shareholders meeting on September 16, 2000;  
the 41<sup>th</sup> amendment was made at the regular shareholders meeting on June 28, 2002;

the 42<sup>th</sup> amendment was made at the extraordinary meeting of shareholders on January 05, 2004;

the 43<sup>th</sup> amendment was made at the regular shareholders meeting on June 28, 2005;

the 44<sup>th</sup> amendment was made at the regular shareholders meeting on June 28, 2006;

the 45<sup>th</sup> amendment was made at the regular shareholders meeting on June 28, 2007;

the 46<sup>th</sup> amendment was made at the regular shareholders meeting on June 25, 2009;

the 47<sup>th</sup> amendment was made at the regular shareholders meeting on June 23, 2011;

the 48<sup>th</sup> amendment was made at the regular shareholders meeting on June 21, 2012;

the 49<sup>th</sup> amendment was made at the regular shareholders meeting on June 20, 2013;

the 50<sup>th</sup> amendment was made at the regular shareholders meeting on June 26, 2014;

the 51<sup>th</sup> amendment was made at the regular shareholders meeting on June 23, 2015;

the 52<sup>th</sup> amendment was made at the regular shareholders meeting on June 28, 2016;

the 53<sup>th</sup> amendment was made at the regular shareholders meeting on June 26, 2018;

the 54<sup>th</sup> amendment was made at the regular shareholders meeting on June 26, 2019;

the 55<sup>th</sup> amendment was made at the regular shareholders meeting on June 23, 2020;

## **Appendix II**

### **VE WONG Corporation**

#### **The Rules of Procedures for Shareholders' Meeting**

Article 1 Unless otherwise provided for by law, the Company's Shareholders' meetings shall be governed by these rules and procedures.

Article 2 Unless otherwise provided by law or regulation, the Company's Shareholders' Meetings shall be convened by the Board of Directors.

The Company shall prepare electronic versions of a shareholders' meeting notice and proxy forms, and causes of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, in the form of a public announcement on the MOPS of the TWSE. no later than 30 days prior to the scheduled Annual Shareholders' Meeting date or no later than 15 days prior to the scheduled Special Shareholders' Meeting date. To convene a shareholders' meeting, the Company shall prepare a meeting handbook. The Company shall prepare electronic versions of a shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS no later than 21 days prior to the scheduled Annual Shareholders' Meeting date or no later than 15 days prior to the scheduled Special Shareholders' Meeting date. In addition, the Company shall also have prepared a shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time no later than 15 days prior to the scheduled Shareholders' Meeting date. The Meeting Agenda and supplemental materials shall also be displayed the Company and at the professional shareholder services agent engaged by the Company as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. For shareholders who hold less than 1,000 shares of registered stocks, the convening notice may be made by public announcement.

Election or dismissal of directors or supervisors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the corporation, or any matter under paragraph 1 of Article 185 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act shall be set out in the causes in the notice to convene the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. The main content can be placed on the website designated by the securities authority or the company, and its website should be stated in the notice

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders

meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4 The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 5 This Corporation 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 for attention.

The time during which shareholder attendance registrations will be 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 assigned to

handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

- Article 6 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

- Article 7 This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of 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, the recording shall be retained until the conclusion of the litigation.

- Article 8 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards. The Chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the Chairman shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

- Article 9 If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party having the convening right that is not the Board of Directors.

The Chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the Chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by a majority of the votes represented by the attending shareholders, and then continue the meeting.

The Chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the Chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairman may announce the discussion closed and call for a vote, and arrange adequate voting time.

- Article 10 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the Chairman.

A shareholder in attendance who has submitted a speaker's slip but does not

actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the Chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chairman may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chairman and the shareholder that has the floor; the Chairman shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the Chairman may respond in person or direct relevant personnel to respond.

Article 11 Voting at a shareholders' meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraphs shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a stock agency approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of voting shares, otherwise, the portion of excessive voting rights shall not be counted.

Article 12 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it should allow the shareholders to exercise voting rights in writing or by way of electronic transmission. When voting rights are exercised in writing or by way of electronic transmission, the method for exercising the voting rights shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights in writing or by way of electronic transmission will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.



A shareholder intending to exercise voting rights in writing or by way of electronic transmission under the preceding paragraph shall deliver a written declaration of intent to the Company no later than 2 days prior to the scheduled shareholders' meeting date. When duplicate declarations of intent are delivered, the one received earliest by the Company shall prevail, except when a declaration is made to revoke the earlier declaration of intention.

After a shareholder has exercised voting rights in writing or by way of electronic transmission, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to rescind the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, no later than 2 days prior to the scheduled shareholders' meeting date. If the notice of rescission is submitted after that time, the voting rights already exercised in writing or by way of electronic transmission shall prevail. When a shareholder has exercised voting rights both in writing or by way of electronic transmission and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

If no objection is voiced after solicitation by the Chairman, a resolution shall be deemed adopted and shall have the same effect as if it had been put to a vote. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the Chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chairman, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 13 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed

with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

- Article 14 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.

- Article 15 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under TWSE regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

- Article 16 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The Chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the Chairman may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the Chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the Chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

- Article 17 When a meeting is in progress, the Chairman may announce a break based on time considerations. If a force majeure event occurs, the Chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to postpone or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 18 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

These Rules were enacted at the extraordinary meeting of shareholders on February 09, 1965, and

the first amendment was made at the extraordinary meeting of shareholders on February 28, 1979;

the 2<sup>nd</sup> amendment was made at the regular shareholders meeting on May 27, 1998;

the 3<sup>rd</sup> amendment was made at the regular shareholders meeting on June 28, 2002;

the 4<sup>th</sup> amendment was made at the regular shareholders meeting on June 20, 2003;

the 5<sup>th</sup> amendment was made at the regular shareholders meeting on June 26, 2008;

the 6<sup>th</sup> amendment was made at the regular shareholders meeting on June 26, 2019;

the 7<sup>th</sup> amendment was made at the regular shareholders meeting on June 23, 2020;

## **Appendix III**

### **VE WONG Corporation The Procedures for Election of Directors**

- Article 1 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 2 The selection of directors of the company shall consider the overall configuration of the board of directors. Directors should generally have the knowledge, skills and literacy necessary to perform their duties
- There should be More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. The company's independent directors' professional qualifications, shareholding, part-time restrictions, nomination and selection methods, and other compliance matters shall comply with the provisions of the "Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed"
- Article 3 (Deleted)
- Article 4 The election of the company's directors shall be in accordance with the provisions of Article 198 of the Company Law.
- The election of directors adopts a candidate nomination system. Shareholders shall select from the list of candidates for directors, in accordance with Article 192 of the Company Law and relevant laws and regulations.
- If the independent directors are dismissed for some reason, and the number of them is less than three, the company shall be elected at the latest shareholders meeting. However, when all independent directors are dismissed, the company shall convene a by-election of an extraordinary meeting of shareholders within 60 days from the date of the fact.
- Article 5 The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 6 The board of directors shall prepare an election ballot equal to the number of directors to be elected, fill in the number of weights, and distribute the names of the shareholders attending the shareholders meeting, and the names of the electors can be replaced by the attendance card number printed on the ballot.
- Article 7 The number of directors of the company is determined by the company's articles of association and approved by the board of directors. The candidates who receive the most votes for the position of director shall win the election, and such number shall be in compliance with the number of positions for director set forth in the

Articles of Incorporation. If two or more candidates receive the same number of votes beyond a quota, the winner shall be determined through lot-drawing. The lot may be drawn by the Chairman on behalf of the absentees.

Article 8 At the beginning of the election, the chairman shall assign the inspector and counter to take charge of monitoring and counting of the votes. But inspector should have shareholder status. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9 If the candidate is a shareholder of the Company, voters shall fill the candidate's name and shareholder's number in the "candidate" column of the ballot; if the candidate is not a shareholder of the Company, voters shall fill the candidate's name and ID number in the "candidate" column. If the candidate is a government agency or a legal entity, voters shall fill the following information in the column: the name of the government agency or the legal entity; the name of representative of the legal entity, that several candidates represent a government agency or a legal entity, the names of the representatives shall be filled separately; add the shareholder account number.

Article 10 A ballot shall be deemed void if such a ballot:

- I. is not a ballot provided under the Rules;
- II. is placed into the ballot box blank;
- III. contains illegible words or corrections;
- IV. contains a name or shareholder's number in the "candidate" column which is inconsistent with the shareholder's register if the candidate is a shareholder of the Company; Contains a name or ID number in the "candidate" column which is incorrect if the candidate is not a shareholder of the Company;
- V. contains any words or marks other than those specified in Article 7;
- VI. is filled out the name of the candidate same as that of other shareholders, and the shareholder account number or identity card unified number is not filled in for identification.

Article 11 The ballots should be counted during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting. Contains the list of elected directors and the number of their elected powers.

Article 12 The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 13 The Rules and any amendment thereof shall become effective after approval by the Shareholders' Meeting.

The first amendment was made at the annual meeting of shareholders on June 23, 1982, to amend Articles 4, 5, and 8.

The second amendment was made at the annual meeting of shareholders on June 28, 2002, to amend Articles 3, 5, 8 and 9.

The third amendment was made at the annual meeting of shareholders on June 20, 2013.

The 4<sup>th</sup> amendment was made at the annual meeting of shareholders on June 26, 2014.

The 5<sup>th</sup> amendment was made at the annual meeting of shareholders on June 26, 2018.

The 6<sup>th</sup> amendment was made at the annual meeting of shareholders on June 23, 2020.

## Appendix IV

### Current Shareholdings of Directors

Position / title	Name	Date of Election	Term	Number of shareholding when elected		Number of shareholding On the Book closure date		Note
				Shares	Ratio %	Shares	Ratio %	
Chairman	Chen, Ching-Fumr	2018.06.26	3 years	8,355,959	3.482	8,355,959	3.482	Great Pacific Navigation Co., Ltd. / Representative /
Managing Director	Chen, Kung-Pin	2018.06.26	3 years	4,000,267	1.667	4,000,267	1.667	
Managing Director	Kan, Chin-Yu	2018.06.26	3 years	5,054,728	2.106	5,703,728	2.377	
Managing Director	Egawa Manwa	2018.06.26	3 years	3,064,604	1.277	3,064,604	1.277	Whole Green Trading Co., Ltd Representative /
Director	Egawa Hirokazu	2018.06.26	3 years	7,215,354	3.006	7,215,354	3.006	Oversea Fruits Trading Co., Ltd. Representative /
Director	Du, Heng-Yi	2018.06.26	3 years	8,759,761	3.650	8,759,761	3.650	Chien Shun Trading Co., Ltd. Representative /
Director	Yang, Kun- Cho	2018.06.26	3 years	3,700,005	1.542	3,700,005	1.542	Syuan Yuan Industrial Co., Ltd. / Representative /
Director	Chou, Hai-Guo	2018.06.26	3 years	1,896,990	0.790	1,896,990	0.790	Fu Tai Investment and Development Co., Ltd. Representative /
Director	Yeh, Chii-Jau	2018.06.26	3 years	1,822,668	0.759	1,822,668	0.759	Hsieh Mei Enterprise Co., Ltd. Representative /
Director	Lai, Chee- Lee	2018.06.26	3 years	1,129,369	0.471	1,129,369	0.471	Chuan Lun Investment Co., Ltd. Representative /
Director	Lee, Chi-Lung	2018.06.26	3 years	274,741	0.114	274,741	0.114	Her Yeu Trading Co., Ltd. / Representative /
Director	Chen, Yueh-Feng	2018.06.26	3 years	22,784,966	9.494	22,784,966	9.494	Overseas Bros. Co., Ltd./ Representative /
Managing & Independent Director	Liao, Chi-Fang	2018.06.26	3 years	0	0.000	0	0.000	
Independent Director	Kuo, Kong-Chuan	2018.06.26	3 years	0	0.000	0	0.000	
Independent Director	Chiang, Wen-Chang	2018.06.26	3 years	0	0.000	0	0.000	
Total				68,059,412	28.358	68,709,771	28.629	

Note 1 : Number of shareholding of directors in the shareholder register on the Book closure date April 25,2021.

Note 2 : According to Article 26 of the Securities Exchange Act, the minimum number of shares that all directors of the company should hold is 12,000,000 shares °