



# Shuang Bang Industrial Corp. Minutes for 2023 General Shareholders' Meeting

Time : 10 AM on June 20, 2023 (Tuesday)

Venue: 1F, No.3, Yongsing Rd., Nangang Industrial Dist., Nantou City, Nantou County (the Company's Factory No.1)

Present: 50,758,721 shares were represented (551,160 shares were voted electronically) by the attending shareholders and proxy of the respective shareholders. Those shares accounts for 61.62% of 82,360,826 shares. The attending shareholders includes Chung-Tang Chang (Chairman of SBI), A-Ming Chen (Vice Chairman of SBI), Hsi-Neng Hsieh (Director of SBI), Ho-Pin Lin (Director of SBI), Cheng-Yen Liang (Director of SBI, Representative of Uei-Want Industrial Co., Ltd.), Yan Wang (Independent Director of SBI, Convener of the Audit Committee), Tu-Hsin Yan (Independent Director of SBI), Jen-Fon Jen (Independent Director of SBI).

Chairman : Chung-Tang Chang, the chairman of Board of Directors



Recorder : Min-Zhu Lin



In attendance: Zi-Yang Wang (Accountant), Cong-Long Zhu (Lawyer)

- I. Call Meeting to Order : The shareholding of shareholders present has met the regulatory requirement so that the Meeting begins.
- II. Chairman's Opening Remarks : Omitted.
- III. Report items
  - (1) 2022 Business report (See Attachment 1)
  - (2) Audit committee's 2022 review report (See Attachment 2)
  - (3) Distribution of employee remuneration and director remuneration for 2022 (See Agenda Handbook)
  - (4) Distribution of cash dividends from 2022 earnings (See Agenda Handbook)
  - (5) Amendment to the Corporate Governance Best Practice Principles (See Agenda Handbook)
  - (6) Investees 100% owned by the Company (See Agenda Handbook)

#### IV. Acknowledged Matters

Proposal 1 (Proposed by the Board of Directors)

Subject: Please kindly ratify the 2022 business report and financial statements.

- Explanation:
1. The Company's 2022 business report and financial statements (including consolidated financial statements) have been approved by the Board of Directors and reviewed by Audit Committee.
  2. The abovementioned financial statements were audited by Weyong International CPAs & Co.
  3. Please refer to Attachment 1 and Attachment 3 for the 2022 business report, Independent Auditors' Report, and financial statements (including consolidated financial statements).

Resolution:

Voting results:

Shares represented at the time of voting: 50,758,721

Voting Results	% of the total represented shares present
Votes in favor: 50,690,710 votes (including electronic voting: 491,156 votes)	99.86%
Votes against: 38,488 votes (including electronic voting: 38,488 votes)	0.07%
Votes invalid: 0 votes	0.00%
Votes abstained: 29,523 votes (including electronic voting: 21,516 votes)	0.05%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal 2 (Proposed by the Board of Directors)

Subject: Please kindly ratify the proposal for 2022 earnings distribution.

Explanation: Please refer to Attachment 4 for the Company's table of 2022 earnings distribution.

Resolution:

Voting results:

Shares represented at the time of voting: 50,758,721

Voting Results	% of the total represented shares present
Votes in favor: 50,686,710 votes (including electronic voting: 487,156 votes)	99.85%
Votes against: 42,488 votes (including electronic voting: 42,488 votes)	0.08%
Votes invalid: 0 votes	0.00%
Votes abstained: 29,523 votes (including electronic voting: 21,516 votes)	0.05%

RESOLVED, that the above proposal be and hereby was approved as proposed.

V. Extraordinary Motion

VI. Adjournment: 10:20 AM on June 20, 2023 (Tuesday)

No questions were asked during the meeting.



## Shuang-Bang Industrial Corp. Business report

### I. 2022 business report

On behalf of the board, I would like to first thank all our employees for their contribution and all our shareholders for their long-time support.

Below is a report on the Company's 2022 business performance and 2023 business plans and goals:

#### (I) Results of the 2022 business plan

The Company's net consolidated revenue totaled NT\$2,186,641 thousand for 2022, at a gross margin of 14.06%. Earnings per share was at NT\$3.20.

The Company saw a recovery of orders in 2022 as the pandemic eased. As a result, consolidated revenue grew 8.60% from 2021. Gross profits increased by 10.87% from the previous year.

#### (II) Budget execution in 2022

The Company did not disclose its financial forecast for 2022, hence no explanation is required.

#### (III) Revenue, expense, and profitability analysis

##### 1. Financial overview and analysis

Unit: NTD thousands

Item	2022	2021	Variation (%)
Net operating revenues	2,186,641	2,013,489	8.60
Operating costs	(1,879,287)	(1,736,266)	8.24
Gross profit	307,354	277,223	10.87
Operating expenses	(226,352)	(192,660)	17.49
Operating net profit	81,002	84,563	(4.21)
Non-operating net income (expense)	191,172	6,443	2,867.13
Profit before tax	272,174	91,006	199.07
Income tax expense	(15,431)	(15,050)	2.53
Current net income	256,743	75,956	238.02
Other comprehensive income	14,943	3,456	332.38
Total comprehensive income for the current period	271,686	79,412	242.12

Note: The above figures were taken from audited consolidated financial statements

## 2. Profitability analysis

Item/Year		2022	2021
Return on assets (%)		10.42%	3.40%
Return on equity (%)		19.43%	6.01%
As a percentage of paid-up capital (%)	Operating profit	9.84%	10.27%
	Profit before tax	33.05%	11.05%
Net profit margin (%)		11.74%	3.77%
Earnings per share (NTD) (Note)		3.20	0.83

Note: EPS is calculated after making retrospective adjustments based on weighted average outstanding shares in the current year.

### (IV) Research and development

1. Highly breathable bio-based hydrophilic film (biomass content >40%)
2. Bio-based microporous film (biomass content >35%)
3. Weatherproof resin
4. Water-based hot-melt adhesive
5. 100% toluene resin
6. One-layer coating finished resin
7. Bluesign certified breathable film
8. Foam injection technology
9. Hot-melt adhesive for shoe materials
10. R-PET hot-melt adhesive
11. Non-yellowing TPU film

## II. 2022 business plan

### (I) Business guidelines for the year

1. Enhance group-wide resource integration and improve operating performance.
2. Strengthen customer relations for increased collaborative benefits.
3. Promote environment-friendly products and rally consumers toward social responsibilities.
4. Improve quality management practices to ensure the stability of product quality for better customer satisfaction.
5. Invest into the improvement of production procedures for reduced production cost and enhanced competitiveness.
6. Enhance industrial safety and health training, and improve work environment for all employees.

### (II) Expected sales/volumes and basis of forecasts

Unit: tonnes/thousand yards

Main products	Expected 2023 volumes
Coating and lamination	21,000
Resin	3,300
Curing agent	3,200
TPU	955

The above forecasts of sales and volumes are based on 2022 results, new products under development, anticipated growth in 2023 and customers' demand.

(III) Important sales and marketing policy

1. Make ongoing improvements to the production procedure for better customer satisfaction.
2. Develop high value-adding products for improved competitiveness.
3. Work with globally reputable companies for new market expansion.
4. Promote environment-friendly products and rally consumers toward social responsibilities.

III. Future development strategies

(I) Maintaining of good interactions with upstream and downstream partners for a stable supply and sales network.

(II) Developing initiative product and exploiting new market.

(III) Establishing Talent pipeline and enhancing employee training & education to support business expansion.

IV. Impact of the external competition, legal, and overall business environments

Despite intensifying competition in the external environment, the management has tracked market changes closely and responded to complex and unpredictable situations with appropriate strategies in a timely manner. With the support of the R&D team, the Company has been able to introduce products with distinctive advantages to meet the competition and thrive amidst the challenging environment. With respect to the regulatory environment, the Company observes national policies and laws whereas internal units such as finance, shareholder service, internal audit etc. are capable of monitoring changes and making appropriate adjustments to internal systems, operations, and business activities to ensure continuity. As for the macroeconomic environment, increased volatility in the price of raw materials has had direct impact on the Company's business costs, which the management has responded with pro-active inventory controls, product portfolio adjustments, and continued new product developments in an attempt to expand market presence for greater performance.

We hereby present to shareholders our business performance for 2022 along with outlooks and strategies for the current year. Motivated by the philosophy of "integrity, quality, innovation, and sharing," Shuang-Bang envisions itself of becoming "world's top tier technology innovator and value creator" and will accelerate new product development and strengthen technical capabilities critical to competitiveness, in order to produce high-quality products catering to customers' needs and gain market shares. Lastly, we thank you once more for your trust and support in the last year, and look forward to your guidance and encouragement in the future.

Chairman  ..... Manager  ..... Chief Accounting Officer 

# Audit Committee's Review Report

Date: March 17, 2023

The Board of Directors prepared and submitted the 2022 business report, the proposal for earnings distribution and the parent company-only financial statements and the consolidated financial statements audited by CPA Jim-Chen Ko and CPA Tzu-Yang Wang with Weyong International CPAs & Co. to Audit Committee for review and no non-conformity was identified. Hence, these reports are duly presented in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

TO

The Company's 2023 shareholders' meeting

Shuang-Bang Industrial Corp.

Convener of Audit Committee, Yen Wang



## **Independent Auditors' Report**

To the Board of Directors of Shuang-Bang Industrial Corporation.

### **Opinion**

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

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the parent company as of December 31, 2022 and 2021, and its financial performance and cash flows year ended December 31, 2022 and 2021, in accordance with requirements of the Regulations Governing the Preparations 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are the further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Shuang-Bang Industrial Corporation in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the 2022 parent company only financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

#### Allowance for losses on Accounts Receivable

The management's judgment on the recognition of allowance for losses on accounts receivable is based on the evaluation of both internal and external information, as such, it was one of the key audit matters for our audit. Therefore, our principal audit procedures included testing the effectiveness of controls related to accounts receivable, obtaining the ledgers and records, selecting samples for obtaining confirmation letters; obtaining aging analysis of accounts receivable and verifying the



accuracy of relevant documents and the aging intervals, reviewing the provision for bad debts on the ledger to ensure that it is provided based on the loss rate, and evaluating whether management's recognition of impairment losses on accounts receivable is correct.

Please refer to Note 4 “Summary of significant accounting policies—Accounts receivables”, Note 6(3) in notes to the parent company only financial statements for.

#### Valuation of inventories

Inventories are stated at the lower of cost and net realizable value. However, the rapid evolution of technology and the fluctuation of market may lead to obsolescence and render products unmarketable. As inventory must be measured at the lower of cost and net realizable value, management must assess the amount of inventory on the balance sheet date that is impaired due to normal wear and tear, obsolescence or lack of market sales value, and write down the inventory costs to net realizable value. The inventory valuation is mainly based on past experience and estimated future product demand. Therefore, the auditor pays particular attention to whether the company complies with International Accounting Standards 2 (IAS2) in measuring inventory at the lower of cost and net realizable value and whether management's provision for inventory write-downs is reasonable.

The audit procedures performed by the auditor include:

1. Testing the age of inventory on the balance sheet date, and comparing the provision for inventory obsolescence with the previous year, analyzing the reasons for differences, and checking the relevant data used to calculate the provision for inventory write-downs, and comparing the historical provision with the actual offsetting differences.
2. On a sample basis, comparing the latest actual selling price of inventory at the end of the period with its book value to ensure whether the inventory has been evaluated at the lower of cost and net realizable value.
3. Comparing the ending inventory balance on the end of the year with the inventory details for the current year to verify the existence and completeness of inventory in the end of the year. By observing annual physical counts of goods, the auditors assess the reasonableness of the amount of allowance for inventory write-down.

Please refer to Note 4 “Summary of significant accounting policies—Inventories”, Note 6(4) in notes to the parent company only financial statements.

#### **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 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 responsible for 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

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

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

related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Jim Chen Ko and Tzu Yang Wang.

Weyong International CPAs&Co.

Taichung, Taiwan  
Republic of China

March 17, 2023

**Notice to Readers**

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

**Shuang-Bang Industrial Corporation**  
**Parent-company-only Balance Sheets**  
(In thousands of New Taiwan Dollars)  
**December 31, 2022 and 2021**

Codes	Assets	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 75,938	3.24	\$ 40,583	1.68
1137	Financial assets at amortized cost -current	6(2)	900	0.04	900	0.04
1150	Notes receivables, net	6(3)	83,065	3.55	84,775	3.50
1152	Other notes receivables	6(3)	35	-	465	0.02
1160	Notes receivable from related parties, net	6(3), 7	7,666	0.33	14,721	0.61
1170	Accounts receivables, net	6(3)	329,211	14.04	312,653	12.91
1180	Accounts receivables from related parties, net	6(3), 7	11,256	0.48	14,061	0.58
1199	Finance lease receivables from related parties	7	1,280	0.05	1,280	0.05
1200	Other receivables		201	0.01	85	-
1210	Other receivables from related parties	7	1,266	0.05	1,457	0.06
130X	Inventory	6(4)	302,196	12.89	335,779	13.86
1460	Noncurrent assets held for sale, net	6(5)	-	-	271,316	11.20
1470	Other current assets		23,051	0.98	18,630	0.77
11XX	<b>Total current assets</b>		<u>836,065</u>	<u>35.66</u>	<u>1,096,705</u>	<u>45.28</u>
<b>Non current assets</b>						
1510	Financial assets at fair value through profit or loss -non-current	6(6)	39,169	1.67	10,882	0.45
1517	Financial assets at fair value through other comprehensive income -non-current	6(7)	-	-	-	-
1550	Investments accounted for using equity method	6(8)	52,920	2.26	106,144	4.38
1600	Property, plant and equipment	6(9)	1,259,534	53.72	1,123,728	46.39
1755	Right-of-use assets	6(10)	8,019	0.34	9,174	0.38
1780	Intangible assets	6(11)	5,583	0.24	5,149	0.21
1840	Deferred income tax assets	6(24)3	23,058	0.99	23,730	0.98
1900	Other noncurrent assets	6(12), 7	120,089	5.12	46,780	1.93
15XX	<b>Total noncurrent assets</b>		<u>1,508,372</u>	<u>64.34</u>	<u>1,325,587</u>	<u>54.72</u>
1XXX	<b>Total assets</b>		<u>\$ 2,344,437</u>	<u>100.00</u>	<u>\$ 2,422,292</u>	<u>100.00</u>

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(Continued)

**Shuang-Bang Industrial Corporation**  
**Parent-company-only Balance Sheets**  
(In thousands of New Taiwan Dollars)  
**December 31, 2022 and 2021**

Codes	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
	<b>Current liabilities</b>					
2100	Short-term loans	6(13)	\$ 106,526	4.54	\$ 224,225	9.26
2151	Notes payables	6(14)	322	0.01	17,480	0.72
2152	Other notes payables	6(14)	48,133	2.05	4,040	0.17
2170	Accounts payables	6(14)	173,809	7.41	195,644	8.08
2200	Other accounts payables	6(15)	132,437	5.65	106,453	4.39
2220	Other accounts payables from related parties	6(15), 7	53	-	4	-
2230	Income tax payables		25,460	1.09	18,025	0.74
2250	Provision for warranty obligations-current	6(16)	10,528	0.45	8,309	0.34
2281	Lease liabilities from third parties	6(10)	4,396	0.19	4,141	0.17
2282	Lease liabilities from related parties	6(10), 7	-	-	1,094	0.05
2300	Other current liabilities	6(17)	2,867	0.12	56,171	2.32
2322	Current portion of long-term loans payable	6(18)	66,231	2.83	112,945	4.66
21XX	<b>Total current liabilities</b>		<u>570,762</u>	<u>24.34</u>	<u>748,531</u>	<u>30.90</u>
	<b>Non-current liabilities</b>					
2540	Long-term loans	6(18)	416,571	17.77	416,158	17.18
2570	Deferred income tax payable	6(24)3	4,288	0.18	4,722	0.20
2581	Lease liabilities from third parties -non current	6(10)	4,812	0.21	5,143	0.21
2630	Long-term deferred revenue		1,875	0.08	2,557	0.11
2640	Net defined benefit liabilities -non current	6(20)	19,459	0.83	32,780	1.35
2645	Guarantee deposits		753	0.03	459	0.02
25XX	<b>Total noncurrent liabilities</b>		<u>447,758</u>	<u>19.10</u>	<u>461,819</u>	<u>19.07</u>
2XXX	<b>Total liabilities</b>		<u>1,018,520</u>	<u>43.44</u>	<u>1,210,350</u>	<u>49.97</u>
	<b>Equity</b>					
3100	Capital Stock	6(21)1				
3110	Common stock		823,608	35.13	823,608	34.00
3200	Capital surplus	6(21)2	10,552	0.45	51,718	2.13
3300	Retained earnings					
3310	Appropriated as legal capital reserve		141,662	6.04	134,181	5.54
3320	Appropriated as special capital reserve		4,369	0.19	1,663	0.07
3350	Unappropriated earnings	6(21)3	345,726	14.75	205,141	8.47
3400	Others		-	-	(4,369)	(0.18)
3XXX	<b>Total equity</b>		<u>1,325,917</u>	<u>56.56</u>	<u>1,211,942</u>	<u>50.03</u>
	<b>Total</b>		<u>\$ 2,344,437</u>	<u>100.00</u>	<u>\$ 2,422,292</u>	<u>100.00</u>

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

**Shuang-Bang Industrial Corporation**  
**Parent-company-only Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
(In thousands of New Taiwan Dollars, except for earnings per share)

Codes	Items	Notes	2022		2021	
			Amount	%	Amount	%
4000	<b>Operating revenues</b>	6(22), 7	\$ 1,981,438	100.00	\$ 1,728,909	100.00
5000	<b>Cost of revenues</b>	7	(1,669,377)	(84.25)	(1,497,195)	(86.60)
5900	<b>Gross profit</b>		312,061	15.75	231,714	13.40
5910	Unrealized gain from sale		(7,717)	(0.39)	(9,700)	(0.56)
5920	Realized gain from sale		7,636	0.39	10,056	0.58
5950	Gross profit		311,980	15.75	232,070	13.42
	<b>Operating Expenses</b>					
6100	Sales and marketing	7	(85,313)	(4.31)	(72,605)	(4.20)
6200	General and administrative	7	(97,176)	(4.90)	(62,176)	(3.60)
6300	Research and development		(24,713)	(1.25)	(28,101)	(1.62)
6450	Expected credit gain(loss)		1,068	0.05	(960)	(0.06)
6000	<b>Total operating expenses</b>		(206,134)	(10.41)	(163,842)	(9.48)
6900	Operating income		105,846	5.34	68,228	3.94
	<b>Non-operating income and expenses</b>					
7010	Other income	6(23)1, 7	7,771	0.39	17,614	1.02
7020	Other gains and loss	6(23)2	185,536	9.37	(8,921)	(0.51)
7050	Finance costs	6(23)4, 7	(6,805)	(0.34)	(8,572)	(0.50)
7070	Share of profits of associates	6(8)	(9,653)	(0.49)	12,616	0.73
7100	Interest income		257	0.01	23	-
7000	<b>Total non-operating income and expenses</b>		177,106	8.94	12,760	0.74
7900	<b>Income before tax</b>		282,952	14.28	80,988	4.68
7950	<b>Less: Income tax expense</b>	6(24)1	(19,213)	(0.97)	(12,336)	(0.71)
8200	<b>Net income</b>	6(23)	263,739	13.31	68,652	3.97
	<b>Other comprehensive income (loss)</b>					
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>					
8311	Remeasurement of defined benefit obligation	6(20)2(5)	13,217	0.66	(2,553)	(0.15)
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	6(7)	-	-	6,536	0.38
8349	Income tax related to items that will not be reclassified subsequently	6(24)2	(2,643)	(0.13)	511	0.03
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>					
8361	Exchange differences arising on translation of foreign operations		4,369	0.22	(1,038)	(0.06)
8399	Income tax related to items that may be reclassified subsequently	6(23)2	-	-	-	-
8300	<b>Other comprehensive income (loss), net</b>		14,943	0.75	3,456	0.20
8500	<b>Total comprehensive income (loss)</b>		\$ 278,682	14.06	\$ 72,108	4.17
	<b>Earnings per share</b>	6(27)				
9750	<b>Basic earnings per share</b>		\$ 3.20		\$ 0.83	
9850	<b>Diluted earnings per share</b>		\$ 3.16		\$ 0.83	

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

**Shuang-Bang Industrial Corporation**  
**Parent-company-only Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
**(In thousands of New Taiwan Dollars)**

Item	Codes	Retained earnings					Total other equity interest				
		Capital Stock- Common stock 3110	Capital Surplus 3200	Legal reserve 3310	Special Reserve 3320	Unappropriated retained earnings 3350	Total 3300	Exchange differences on translation of foreign financial statements 3410	Unrealized gains(loss) on financial assets measured at fair value through other comprehensive income 3420	Total 3400	Total equity 3XXX
Balance on January 1, 2021	A1	\$ 823,608	\$ 51,669	\$ 128,264	\$ -	\$ 203,796	\$ 332,060	\$ (3,331)	\$ 1,668	\$ (1,663)	\$ 1,205,674
Appropriations of earnings of legal reserve	B1	-	-	5,917	-	(5,917)	-	-	-	-	-
Appropriations of earnings of special reserve	B3	-	-	-	1,663	(1,663)	-	-	-	-	-
Cash dividends	B5	-	-	-	-	(65,889)	(65,889)	-	-	-	(65,889)
Changes in capital surplus	C17	-	49	-	-	-	-	-	-	-	49
Net income for the year	D1	-	-	-	-	68,652	68,652	-	-	-	68,652
Other comprehensive income(loss) for the year	D3	-	-	-	-	(2,042)	(2,042)	(1,038)	6,536	5,498	3,456
Total comprehensive income(loss)	D5	-	-	-	-	66,610	66,610	(1,038)	6,536	5,498	72,108
Disposal of investments in equity instruments designated at fair value through other comprehensive income	Q1	-	-	-	-	8,204	8,204	-	(8,204)	(8,204)	-
Balance on December 31, 2021	Z1	823,608	51,718	134,181	1,663	205,141	340,985	(4,369)	-	(4,369)	1,211,942
Appropriations of earnings of legal reserve	B1	-	-	7,481	-	(7,481)	-	-	-	-	-
Appropriations of earnings of special reserve	B3	-	-	-	2,706	(2,706)	-	-	-	-	-
Cash dividends	B5	-	-	-	-	(123,541)	(123,541)	-	-	-	(123,541)
Cash distributed from capital surplus	C15	-	(41,180)	-	-	-	-	-	-	-	(41,180)
Changes in capital surplus	C17	-	14	-	-	-	-	-	-	-	14
Net income for the year	D1	-	-	-	-	263,739	263,739	-	-	-	263,739
Other comprehensive income(loss) for the year	D3	-	-	-	-	10,574	10,574	4,369	-	4,369	14,943
Total comprehensive income(loss)	D5	-	-	-	-	274,313	274,313	4,369	-	4,369	278,682
Balance on December 31, 2022	Z1	\$ 823,608	\$ 10,552	\$ 141,662	\$ 4,369	\$ 345,726	\$ 491,757	\$ -	\$ -	\$ -	\$ 1,325,917

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

**Shuang-Bang Industrial Corporation**  
**Parent-company-only Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
**(In thousands of New Taiwan Dollar)**

Codes	Items	2022	2021
AAAA	<b>Cash flows from operating activities:</b>		
A10000	<b>Income before income tax</b>	\$ 282,952	\$ 80,988
A20000	<b>Adjustments for:</b>		
A20010	Adjustments to reconcile profit/(loss)		
A20100	Depreciation expense	73,768	79,774
A20200	Amortization expenses	3,468	3,786
A20300	Expected credit (reversed gain) loss	(1,068)	960
A20400	Net loss(profit) on financial assets at fair value through profit or loss	18,077	51
A20900	Interest expense	6,627	8,380
A21200	Interest income	(257)	(23)
A21300	Dividend revenue	-	(257)
A22400	Share of loss(profit) of subsidiaries, associates and joint ventures accounted for using equity method	9,653	(12,616)
A22500	Loss (gain) on disposal or retirement of property, plant and equipment	(190,010)	10,483
A23700	Reversal of impairment loss recognized in profit or loss, non-financial assets	(476)	(689)
A23900	Unrealized gain from sales	7,717	9,700
A24000	Realized gain from sales	(7,636)	(10,056)
A24100	Unrealized loss(gain) on foreign exchange	2,081	(334)
A29900	Others (government grants)	(682)	(682)
A20010	<b>Total adjustments to reconcile profit(loss)</b>	<u>(78,738)</u>	<u>88,477</u>
A30000	Changes in operating assets and liabilities:		
A31000	Changes in operating assets		
A31130	Decrease (Increase) in accounts receivable	8,765	(43,069)
A31150	Increase in accounts receivable	(14,610)	(104,380)
A31180	Decrease (Increase) in other receivables	75	(468)
A31200	Decrease (Increase) in inventories	33,583	(110,929)
A31240	Increase in other current assets	(4,421)	(10,992)
A31990	Decrease (Increase) in other operating assets	430	(2,061)
A31000	<b>Total changes in operating assets</b>	<u>23,822</u>	<u>(271,899)</u>
A32000	Changes in operating liabilities		
A32130	Decrease (Increase) in notes payable	(17,158)	8,596
A32150	Decrease (Increase) in accounts payable	(21,268)	69,211
A32180	Increase in other payables	30,980	21,030
A32200	Increase (Decrease) in provisions	2,219	(70)
A32230	Decrease (Increase) in other current liabilities	(53,330)	54,602
A32240	Decrease in net defined benefit liability	(104)	(115)
A32000	<b>Total changes in operating liabilities</b>	<u>(58,661)</u>	<u>153,254</u>
A30000	<b>Total changes in operating assets and liabilities</b>	<u>(34,839)</u>	<u>(118,645)</u>
A20000	<b>Total adjustments</b>	<u>(113,577)</u>	<u>(30,168)</u>
A33000	Cash flow generated from operations	169,375	50,820
A33100	Interest received	257	23
A33300	Interest paid	(9,343)	(8,890)
A33500	Income tax paid	(14,184)	(10,968)
AAAA	<b>Net cash flows generated by (used in) operating activities</b>	<u>146,105</u>	<u>30,985</u>



Codes	Items	2022	2021
	(continued)		
<b>BBBB</b>	<b>Cash flows from investing activities</b>		
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	-	12,155
B00030	Proceeds from capital return of financial assets at fair value through other comprehensive income	-	882
B00100	Acquisition of financial assets at fair value through profit or loss	(2,854)	-
B02700	Acquisition of property, plant and equipment	(116,283)	(58,667)
B02800	Proceeds from disposal of property, plant and equipment	461,901	827
B03700	Increase in refundable deposits	(2,100)	-
B03800	Decrease in refundable deposits	-	1,308
B04500	Acquisition of intangible assets	(828)	(300)
B05000	Cash received through merger	45	-
B06000	Long-term Lease payments receivable	1,920	1,920
B06800	Decrease in other noncurrent assets	(4)	278
B07100	Increase in prepayments for business facilities	(120,916)	(27,512)
B07600	Dividends received	4,450	257
<b>BBBB</b>	<b>Net cash flow generated by (used in) investing activities.</b>	<u>225,331</u>	<u>(68,852)</u>
<b>CCCC</b>	<b>Cash flows from financing activities</b>		
C00100	Increase in short-term loans	624,098	683,153
C00200	Decrease in short-term loans	(741,805)	(495,247)
C01600	Proceeds from long-term bank loans	80,000	-
C01700	Repayment of long-term bank loans	(126,302)	(102,016)
C03100	Decrease in guarantee deposits	294	449
C04020	Repayment of the principal portion of lease liabilities	(6,814)	(6,819)
C04500	Cash dividends	(164,721)	(65,889)
C09900	Others	14	49
<b>CCCC</b>	<b>Net cash flow generated by (used in) financing activities</b>	<u>(335,236)</u>	<u>13,680</u>
<b>DDDD</b>	<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(845)</u>	<u>(7)</u>
<b>EEEE</b>	<b>Net increase(decrease) in cash and cash equivalents</b>	35,355	(24,194)
E00100	Cash and cash equivalents, beginning of the year	40,583	64,777
E00200	Cash and cash equivalents, end of the year	<u>\$ 75,938</u>	<u>\$ 40,583</u>
E00210	Cash and cash equivalents on parent company only balance sheets	<u>\$ 75,938</u>	<u>\$ 40,583</u>

The accompanying notes are an integral part of the parent company only financial statement.

## Independent Auditors' Report

To the Board of Directors of Shuang-Bang Industrial Corporation:

### Opinion

We have audited the consolidated financial statements of Shuang-Bang Industrial Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of accounting policies

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") and the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Group's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

#### Allowance for losses on Accounts Receivable

The management's judgment on the recognition of allowance for losses on accounts receivable is based on the evaluation of both internal and external information, as such, it was one of the key audit matters for our audit. Therefore, our principal audit procedures included testing the effectiveness of controls related to accounts receivable, obtaining the ledgers and records, selecting samples for obtaining confirmation letters; obtaining aging analysis of accounts receivable and verifying the accuracy of relevant documents and the aging intervals, reviewing the provision for bad debts on the ledger to ensure that it is provided based on the loss rate, and evaluating whether management's recognition of impairment losses on accounts receivable is correct.

Please refer to Note 4 “Summary of significant accounting policies—Accounts receivables”, Note 6(3) in notes to consolidated financial statements.

#### Valuation of inventories

Inventories are stated at the lower of cost and net realizable value. However, the rapid evolution of technology and the fluctuation of market may lead to obsolescence and render products unmarketable. As inventory must be measured at the lower of cost and net realizable value, management must assess the amount of inventory on the balance sheet date that is impaired due to normal wear and tear, obsolescence or lack of market sales value, and write down the inventory costs to net realizable value. The inventory valuation is mainly based on past experience and estimated future product demand. Therefore, the auditor pays particular attention to whether the company complies with International Accounting Standards 2 (IAS2) in measuring inventory at the lower of cost and net realizable value and whether management's provision for inventory write-downs is reasonable.

The audit procedures performed by the auditor include:

1. Testing the age of inventory on the balance sheet date, and comparing the provision for inventory obsolescence with the previous year, analyzing the reasons for differences, and checking the relevant data used to calculate the provision for inventory write-downs, and comparing the historical provision with the actual offsetting differences.
2. On a sample basis, comparing the latest actual selling price of inventory at the end of the period with its book value to ensure whether the inventory has been evaluated at the lower of cost and net realizable value.
3. Comparing the ending inventory balance on the end of the year with the inventory details for the current year to verify the existence and completeness of inventory in the end of the year. By observing annual physical counts of goods, the auditors assess the reasonableness of the amount of allowance for inventory write-down.

Please refer to Note 4 “Summary of significant accounting policies—Inventories”, Note 6(4) in notes to the consolidated financial statements.

#### **Other Matter**

Shuang-Bang Corporation has additionally prepared its parent-company-only financial statements as of the year ended December 31, 2022 and 2021, on which we have issued an unqualified opinion.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Jim Chen Ko and Tzu Yang Wang.

Weyong International CPAs&Co.

Taichung, Taiwan  
Republic of China

March 17, 2023

#### **Notice to Readers**

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

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

**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Balance Sheets(In thousands of New Taiwan Dollars)**  
**December 31, 2022 and 2021**

Codes	Assets	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
	<b>Current Assets</b>					
1100	Cash and cash equivalents	6(1)	\$ 134,236	5.44	\$ 105,980	4.12
1137	Financial assets at amortized cost -current	6(2)	1,200	0.05	1,228	0.05
1150	Notes receivables, net	6(3)	92,441	3.74	104,873	4.07
1152	Other notes receivables	6(3)	35	-	465	0.02
1160	Notes receivables from related parties, net	6(3), 7	37	-	741	0.03
1170	Accounts receivables, net	6(3)	351,942	14.26	340,008	13.20
1180	Accounts receivables from related parties, net	6(3), 7	13,634	0.55	28,120	1.09
1200	Other receivables		632	0.03	340	0.01
1210	Other receivables from related parties	7	130	0.01	82	-
130X	Inventory	6(4)	333,091	13.49	373,994	14.52
1460	Noncurrent assets held for sale, net	6(5)	-	-	271,316	10.54
1470	Other current assets		24,665	1.00	19,818	0.77
11XX	<b>Total current assets</b>		<u>952,043</u>	<u>38.57</u>	<u>1,246,965</u>	<u>48.42</u>
	<b>Noncurrent Assets</b>					
1510	Financial assets at fair value through profit or loss -non-current	6(6)	39,169	1.59	49,869	1.94
1517	Financial assets at fair value through other comprehensive income -non-current	6(7)	-	-	-	-
1600	Property, plant and equipment	6(8)	1,289,301	52.23	1,162,166	45.13
1755	Right-of-use assets	6(9)	24,887	1.01	29,819	1.16
1780	Intangible assets	6(10)	6,390	0.26	6,303	0.24
1840	Deferred income tax assets	6(23)3	35,076	1.42	31,884	1.24
1900	Other noncurrent assets	6(11), 7	121,474	4.92	48,203	1.87
15XX	<b>Total noncurrent assets</b>		<u>1,516,297</u>	<u>61.43</u>	<u>1,328,244</u>	<u>51.58</u>
1XXX	<b>Total assets</b>		<u>\$ 2,468,340</u>	<u>100.00</u>	<u>\$ 2,575,209</u>	<u>100.00</u>

(Continued)

**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Balance Sheets (In thousands of New Taiwan Dollars)**  
**December 31, 2022 and 2021**

Codes	Liabilities and equity	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
	<b>Current liabilities</b>					
2100	Short-term loans	6(12)	\$ 118,576	4.80	\$ 234,275	9.10
2151	Notes payables	6(13)	4,291	0.17	23,149	0.90
2152	Other notes payables	6(13)	48,259	1.96	4,175	0.16
2170	Accounts payables	6(13)	180,100	7.30	209,292	8.13
2200	Other accounts payables	6(14)	146,389	5.93	124,878	4.85
2230	Income tax payables		25,466	1.03	20,723	0.80
2250	Provision for warranty obligations-current	6(15)	12,444	0.50	10,133	0.39
2281	Lease liabilities from third parties	6(9)	10,306	0.42	9,628	0.37
2282	Lease liabilities from related parties	6(9), 7	-	-	1,094	0.04
2300	Other current liabilities	6(16)	11,916	0.48	58,865	2.29
2322	Current portion of long-term loans payable	6(17)	71,476	2.90	117,940	4.58
21XX	<b>Total current liabilities</b>		<u>629,223</u>	<u>25.49</u>	<u>814,152</u>	<u>31.61</u>
	<b>Noncurrent liabilities</b>					
2540	Long-term loans	6(17)	425,753	17.25	430,586	16.72
2570	Deferred income tax payable	6(23) <sup>3</sup>	4,465	0.18	4,824	0.20
2581	Lease liabilities from third parties -non current	6(9)	14,877	0.60	19,346	0.75
2630	Long-term deferred revenue		1,875	0.08	2,557	0.10
2640	Net defined benefit liability -non current	6(19)	19,459	0.79	32,780	1.27
2645	Guarantee deposits		853	0.03	558	0.02
25XX	<b>Total noncurrent liabilities</b>		<u>467,282</u>	<u>18.93</u>	<u>490,651</u>	<u>19.06</u>
2XXX	<b>Total liabilities</b>		<u>1,096,505</u>	<u>44.42</u>	<u>1,304,803</u>	<u>50.67</u>
	<b>Equity Attributable to Shareholders Of The Parent</b>					
3100	Capital Stock	6(20) <sup>1</sup>				
3110	Common stock		823,608	33.37	823,608	31.98
3200	Capital surplus	6(20) <sup>2</sup>	10,552	0.43	51,718	2.01
3300	Retained earnings					
3310	Appropriated as legal capital reserve		141,662	5.74	134,181	5.21
3320	Appropriated as special capital reserve		4,369	0.18	1,663	0.06
3350	Unappropriated earnings	6(20) <sup>3</sup>	345,726	14.00	205,141	7.97
3400	Others		-	-	(4,369)	(0.17)
31XX	<b>Equity attributable to shareholders of the parent</b>		<u>1,325,917</u>	<u>53.72</u>	<u>1,211,942</u>	<u>47.06</u>
36XX	<b>Non-Controlling Interests</b>		<u>45,918</u>	<u>1.86</u>	<u>58,464</u>	<u>2.27</u>
3XXX	<b>Total equity</b>		<u>1,371,835</u>	<u>55.58</u>	<u>1,270,406</u>	<u>49.33</u>
	<b>Total liabilities and equity</b>		<u>\$ 2,468,340</u>	<u>100.00</u>	<u>\$ 2,575,209</u>	<u>100.00</u>

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

**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
(In thousands of New Taiwan Dollars, except for earnings per share)

Codes	Items	Notes	2022		2021	
			Amount	%	Amount	%
4000	<b>Operating revenues</b>	6(21), 7	\$ 2,186,641	100.00	\$ 2,013,489	100.00
5000	<b>Cost of revenues</b>	7	(1,879,287)	(85.94)	(1,736,266)	(86.23)
5900	<b>Gross profit</b>		307,354	14.06	277,223	13.77
	<b>Operating expenses</b>					
6100	Sales and marketing		(92,761)	(4.24)	(84,441)	(4.19)
6200	General and administrative		(108,517)	(4.96)	(74,391)	(3.70)
6300	Research and development		(27,402)	(1.25)	(31,059)	(1.54)
6450	Expected credit gain(loss)		2,328	0.10	(2,769)	(0.14)
6000	<b>Total operating expenses</b>		(226,352)	(10.35)	(192,660)	(9.57)
6900	Operating income		81,002	3.71	84,563	4.20
	<b>Non-operating income and expenses</b>					
7010	Other income	6(22)1, 7	8,440	0.38	19,300	0.96
7020	Other gains and loss	6(22)2	189,958	8.69	(3,417)	(0.17)
7050	Finance costs	6(22)4, 7	(7,609)	(0.35)	(9,481)	(0.47)
7100	Interest income		383	0.02	41	-
7000	<b>Total non-operating income and expenses</b>		191,172	8.74	6,443	0.32
7900	<b>Income before tax</b>		272,174	12.45	91,006	4.52
7950	<b>Less: Income tax expense</b>	6(23)1	(15,431)	(0.71)	(15,050)	(0.75)
8200	<b>Net income</b>	6(22)	256,743	11.74	75,956	3.77
	<b>Other comprehensive income (loss )</b>					
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>					
8311	Remeasurement of defined benefit obligation	6(19)2, (5)	13,217	0.60	(2,553)	(0.13)
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	6(7)	-	-	6,536	0.32
8349	Income tax related to items that will not be reclassified subsequently	6(23)2	(2,643)	(0.12)	511	0.03
8360	<b>Items that will be reclassified subsequently to profit or loss:</b>					
8361	Exchange differences arising on translation of foreign operations		4,369	0.20	(1,038)	(0.05)
8399	Income tax related to items that may be reclassified subsequently	6(23)2	-	-	-	-
8300	<b>Other comprehensive income (loss), net</b>		14,943	0.68	3,456	0.17
8500	<b>Total comprehensive income</b>		\$ 271,68	12.42	\$ 79,412	3.94
8600	<b>Net income attribute to:</b>					
8610	Shareholders of the parent		\$ 263,73	12.06	\$ 68,652	3.41
8620	Non-controlling interests		\$ (6,996)	(0.32)	\$ 7,304	0.36
8700	<b>Total comprehensive income attribute to:</b>					
8710	Shareholders of the parent		\$ 278,68	12.74	\$ 72,108	3.58
8720	Non-controlling interests		\$ (6,996)	(0.32)	\$ 7,304	0.36
	<b>Earnings per share</b>	6(26)				
9750	<b>Basic earnings per share</b>		\$ 3.20		\$ 0.83	
9850	<b>Diluted earnings per share</b>		\$ 3.16		\$ 0.83	

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



**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
**(In thousands of New Taiwan Dollars)**

		<b>Equity attribute to the shareholders of the parent company</b>												
		Retained earnings						Total other equity interest						
Item	Codes	Capital Stock- Common stock 3110	Capital Surplus 3200	Legal reserve 3310	Special Reserve 3320	Unappropriated retained earnings 3350	Total 3300	Exchange differences on translation of foreign financial statements 3410	Unrealized gains(loss) on financial assets measured at fair value through other comprehensive income 3420	Total 3400	Subtotal of equity attributable to the shareholders of the parent 31XX	Non- controlling interests 36XX	Total equity 3XXX	
Balance on January 1, 2021	A1	\$ 823,608	\$ 51,660	\$ 128,264	\$ -	\$ 203,796	\$ 332,060	\$ (3,331)	\$ 1,668	\$ (1,663)	\$ 1,205,674	\$ 51,160	\$ 1,256,834	
Appropriations of earnings of legal reserve	B1	-	-	5,917	-	(5,917)	-	-	-	-	-	-	-	
Appropriations of earnings of special reserve	B3	-	-	-	1,663	(1,663)	-	-	-	-	-	-	-	
Cash dividends	B5	-	-	-	-	(65,889)	(65,889)	-	-	-	(65,889)	-	(65,889)	
Changes in capital surplus	C17	-	49	-	-	-	-	-	-	-	49	-	49	
Net income for the year	D1	-	-	-	-	68,652	68,652	-	-	-	68,652	7,304	75,956	
Other comprehensive income(loss) for the year	D3	-	-	-	-	(2,042)	(2,042)	(1,038)	6,536	5,498	3,456	-	3,456	
Total comprehensive income(loss)	D5	-	-	-	-	66,610	66,610	(1,038)	6,536	5,498	72,108	7,304	79,412	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	Q1	-	-	-	-	8,204	8,204	-	(8,204)	(8,204)	-	-	-	
Balance on December 31, 2021	Z1	823,608	51,718	134,181	1,663	205,141	340,985	(4,369)	-	(4,369)	1,211,942	58,464	1,270,406	
Appropriations of earnings of legal reserve	B1	-	-	7,481	-	(7,481)	-	-	-	-	-	-	-	
Appropriations of earnings of special reserve	B3	-	-	-	2,706	(2,706)	-	-	-	-	-	-	-	
Cash dividends	B5	-	-	-	-	(123,541)	(123,541)	-	-	-	(123,541)	-	(123,541)	
Cash distributed from capital surplus	C15	-	(41,180)	-	-	-	-	-	-	-	(41,180)	-	(41,180)	
Changes in capital surplus	C17	-	14	-	-	-	-	-	-	-	14	-	14	
Net income for the year	D1	-	-	-	-	263,739	263,739	-	-	-	263,739	(6,996)	256,743	
Other comprehensive income(loss) for the year	D3	-	-	-	-	10,574	10,574	4,369	-	4,369	14,943	-	14,943	
Total comprehensive income(loss)	D5	-	-	-	-	274,313	274,313	4,369	-	4,369	278,682	(6,996)	271,686	
Cash dividends received by subsidiaries from the parent company	O1	-	-	-	-	-	-	-	-	-	-	(5,550)	(5,550)	
Balance on December 31, 2022	Z1	\$ 823,608	\$ 10,552	\$ 141,662	\$ 4,369	\$ 345,726	\$ 491,757	\$ -	\$ -	\$ -	\$ 1,325,917	\$ 45,918	\$ 1,371,835	

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

**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
**(In thousands of New Taiwan Dollars)**

Codes	Items	2022	2021
AAAA	<b>Cash flows from operating activities</b>		
A10000	<b>Income before income tax</b>	\$ 272,174	\$ 91,006
A20000	<b>Adjustments for:</b>		
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	91,300	98,068
A20200	Amortization expenses	3,815	4,087
A20300	Expected credit (reversed gain) loss	(2,328)	2,769
A20400	Net loss(profit) on financial assets at fair value through profit or loss	18,077	(6,051)
A20900	Interest expense	7,430	9,288
A21200	Interest income	(383)	(41)
A21300	Dividend income	-	(257)
A22500	Loss (gain) on disposal or retirement of property, plant and equipment	(190,054)	10,550
A23700	Reversal of impairment loss recognized in profit or loss, non-financial assets	(476)	(689)
A24100	Unrealized loss(gain) on foreign exchange	2,611	(117)
A29900	Others(government grants)	(682)	(682)
A20010	<b>Total adjustments to reconcile profit(loss)</b>	<u>(70,690)</u>	<u>116,925</u>
A30000	Changes in operating assets and liabilities:		
A31000	Changes in operating assets		
A31130	Decrease (Increase) in notes receivable	13,136	(47,460)
A31150	Decrease (Increase) in accounts receivable	2,742	(112,834)
A31180	Increase in other receivables	(340)	(84)
A31200	Decrease (Increase) in inventories	40,903	(109,254)
A31240	Increase in other current assets	(4,847)	(10,261)
A31990	Decrease (Increase) in other operating assets	430	(2,061)
A31000	<b>Total changes in operating assets</b>	<u>52,024</u>	<u>(281,954)</u>
A32000	Changes in operating liabilities		
A32130	Decrease (Increase) in notes payable	(18,858)	6,472
A32150	Decrease (Increase) in accounts payable	(28,626)	77,502
A32180	Increase in other payables	26,457	25,758
A32200	Increase in provisions	2,273	31
A32230	Decrease (Increase) in other current liabilities	(46,968)	54,657
A32240	Decrease in net defined benefit liability	(104)	(115)
A32000	<b>Total changes in operating liabilities</b>	<u>(65,826)</u>	<u>164,305</u>
A30000	<b>Total changes in operating assets and liabilities</b>	<u>(13,802)</u>	<u>(117,649)</u>
A20000	<b>Total adjustments</b>	<u>(84,492)</u>	<u>(724)</u>
A33000	Cash flow generated from operations	187,682	90,282
A33100	Interest received	383	41
A33300	Interest paid	(10,148)	(9,809)
A33500	Income tax paid	(16,882)	(10,312)
AAAA	<b>Net cash flows generated by operating activities</b>	<u>161,035</u>	<u>70,202</u>

(Continued)

Codes	Items	2022	2021
BBBB	<b>Cash flows from investing activities</b>		
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	-	12,155
B00030	Proceeds from capital return of financial assets at fair value through other comprehensive income	-	882
B00050	Proceeds from disposal of financial assets at amortized costs	28	-
B00100	Acquisition of financial assets at fair value through profit or loss	(2,854)	-
B02700	Acquisition of property, plant and equipment	(117,566)	(62,301)
B02800	Proceeds from disposal of property, plant and equipment	462,002	827
B03700	Increase in refundable deposits	(2,100)	-
B03800	Decrease in refundable deposits	-	1,128
B04500	Acquisition of intangible assets	(828)	(715)
B06800	Decrease in other noncurrent assets	-	303
B07100	Increase in prepayments for business facilities	(120,916)	(27,546)
B07600	Dividends received	-	257
BBBB	<b>Net cash generated by (used in) investing activities.</b>	<u>217,766</u>	<u>(75,010)</u>
CCCC	<b>Cash flows from financing activities</b>		
C00100	Increase in short-term loans	626,098	713,303
C00200	Decrease in short-term loans	(741,805)	(535,396)
C01600	Proceeds from long-term bank loans	80,000	6,000
C01700	Repayment of long-term bank loans	(131,297)	(122,906)
C03000	Increase in guaranteed deposits received	295	448
C04020	Repayment of the principal portion of lease liabilities	(12,453)	(12,296)
C04500	Cash dividends	(170,271)	(65,889)
C09900	Others	14	49
CCCC	<b>Net cash used in financing activities</b>	<u>(349,419)</u>	<u>(16,687)</u>
DDDD	<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(1,126)</u>	<u>(170)</u>
EEEE	<b>Net increase(decrease) in cash and cash equivalents</b>	28,256	(21,665)
E00100	Cash and cash equivalents, beginning of the year	105,980	127,645
E00200	Cash and cash equivalents, end of the year	<u>\$ 134,236</u>	<u>\$ 105,980</u>
E00210	Cash and cash equivalents on consolidated balance sheets	<u>\$ 134,236</u>	<u>\$ 105,980</u>

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

**Shuang-Bang Industrial Corp.**  
**Table of 2022 Earnings Distribution**



Unit: NTD

Item		Amount
<b>Beginning retained earnings</b>		<b>71,412,910</b>
Add:		
Net income during the year	263,739,080	
Remeasurement of defined benefit plan recognized as retained earnings	10,573,398	
Net income and other items during the period as the undistributed earnings for the year		274,312,478
Less:		
Recognition of legal reserves		(27,431,248)
Add:		
Reversal of special earnings reserve		4,369,133
<b>Distributable earnings</b>		<b>322,663,273</b>
Distributable items:		
Dividends - cash (NT\$1.2 per share)		(98,832,991)
<b>Undistributed earnings at the end of the period</b>		<b>223,830,282</b>

Note:

1. The earnings from the most recent year are prioritized for distribution.
2. The above dividends are calculated with 82,360,826 ordinary shares issued by the Company as of March 17, 2023.

Chairman:



Manager:



Chief Accounting Officer:

