



Shuang Bang Industrial Corp. Minutes for 2024 General Shareholders' Meeting

Time : 10 AM on May 31, 2024 (Friday)

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

Present: 52,743,939 shares were represented (421,534 shares were voted electronically) by the attending shareholders and proxy of the respective shareholders. Those shares account for 64.04% of 82,360,826 shares. The attending shareholders include 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), Ken-Chen Chen (Director of SBI), 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: Jun-Zhen Ke (Accountant), Guang-Zhong Wu (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) 2023 Business report (See Attachment 1)
 - (2) Audit committee's 2023 review report (See Attachment 2)
 - (3) Distribution of cash dividends from 2023 earnings (See Agenda Handbook)
- IV. Acknowledged Matters

Proposal 1 (Proposed by the Board of Directors)

Subject: Please kindly ratify the 2023 business report and financial statements.

Description: 1. The Company's 2023 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 2023 business report, Independent Auditors' Report, and financial statements (including consolidated financial statements).

Resolution:

Voting results:

Shares represented at the time of voting: 52,743,939

Voting Results	% of the total represented shares present
Votes in favor: 51,935,692 votes (including electronic voting: 491,156 votes)	98.46%
Votes against: 10,572 votes (including electronic voting: 10,572 votes)	0.02%
Votes invalid: 0 votes	0.00%
Votes abstained: 797,675 votes (including electronic voting: 20,709 votes)	1.51%

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 2023 earnings distribution.

Description: Please refer to Attachment 4 for the Company's table of 2023 earnings distribution.

Resolution:

Voting results:

Shares represented at the time of voting: 52,743,939

Voting Results	% of the total represented shares present
Votes in favor: 51,936,692 votes (including electronic voting: 391,253 votes)	98.46%
Votes against: 10,572 votes (including electronic voting: 10,572 votes)	0.02%
Votes invalid: 0 votes	0.00%
Votes abstained: 796,675 votes (including electronic voting: 19,709 votes)	1.51%

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

V. Elections

Proposal 1 (Proposed by the Board of Directors)

Subject: Re-election of directors, please vote.

Description: 1. The term of office of the Company's directors will expire on August 26, 2024, and it is proposed to fully re-elect directors at this general meeting.

2. Pursuant to the Company's Articles of Incorporation, nine directors (including three independent directors) are to be elected. The new directors will take office immediately after the conclusion of the general shareholders' meeting, and their terms are from May 31, 2024 to May 30, 2027 for three years.

3. The candidate nomination system for directors is adopted. The list of candidates for directors (including independent directors) was approved by the Board of Directors on March 12, 2024 upon resolution. Please refer to Attachment 5 .

Voting results:

Title	Name	Votes Elected
Director	Chung-Tang Chang	77,111,049
Director	A-Ming Chen	70,828,495
Director	Ken-Chen Chen	47,212,081
Director	Hsi-Neng Hsieh	47,212,081
Director	Ho-Pin Lin	47,212,081
Director	Uei-Want Industrial Co., Ltd. Representative: Cheng-Yen Liang	47,212,081
Independent Director	Cheng-Feng Cheng	43,371,490
Independent Director	Hao-Chin Tsai	43,370,762
Independent Director	Li-Ling Chen	43,369,918

VI. Other Proposals

Proposal 1 (Proposed by the Board of Directors)

Subject: Please discuss the proposal to remove non-competition restrictions for new directors.

- Description:
- Pursuant to Article 209, paragraph 1 of the Company Act, “a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
 - Where the Company's directors may have invested in or operated other companies with the same or similar business scope as the Company's, and served as directors or managerial officers; in order to meet the actual business needs, without prejudice to the interests of the Company, it is requested the shareholders' meeting to approve to remove the non-competition restrictions for new directors.
 - The following is information on director candidates (including independent directors) for their other positions concurrently:

Title	Name	Positions held concurrently in other companies
Director	Chung-Tang Chang	Chairman of Wada Technology Co., Ltd.; Corporate Director Representative at Miracle Textile Industry Co., Ltd.; Corporate Director Representative at Shoetex Corporation; Chairman of Shoetex Corporation
Director	A-Ming Chen	Chairman of Chia Cherng Industry Co., Ltd.; Corporate Director Representative at Shoetex Corporation

Director	Ken-Chen Chen	CEO of Panel Group; Director of Tung Kang Industrial Co., Ltd.; Director of Panel Trading Co., Ltd.
Director	Ho-Pin Lin	Chairman of Ho Jing Co., Ltd.; Chairman of Fujian Baoshunxing Trading Co., Ltd.
Director	Representative of Uei-Want Industrial Co., Ltd.: Cheng-Yen Liang	Director of Uei-Want Industrial Co., Ltd.; Chairman of Unifong Corporation
Independent Director	Hao-Chin Tsai	Director, ChingTai Resin Chemical Co., Ltd.
Independent Director	Li-Ling Chen	CPA, Chuan-Da Accounting Firm Independent Director, Hanpin Electron Co., Ltd. Independent Director, Lin Horn Technology Co., Ltd.

Resolutions:

Voting results:

Shares represented at the time of voting: 52,743,939

Voting Results	% of the total represented shares present
Votes in favor: 51,896,212 votes (including electronic voting: 350,773 votes)	98.39%
Votes against: 26,353 votes (including electronic voting: 26,353 votes)	0.04%
Votes invalid: 0 votes	0.00%
Votes abstained: 821,374 votes (including electronic voting: 44,408 votes)	1.55%

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

VII. Extraordinary Motion

1. Deliberation:

The summary of comments from shareholder You (No.5562):

Inquiry about the loss of reinvestment company in 2023 business report.

The reply from the Chairman:

There are two subsidiaries owned by SBI, one of which is in the textile industry (adhesive products). The downturn in the textile industry in 2023 resulted in the decline in performance and the loss. The other one is an OEM/ODM which specializes in waterproof shoes. The decreasing number of orders from our main customers in 2023 resulted in the decline in performance and the loss. This year, the performances have been recovering and there will be improvements in these subsidiaries.

2. the deliberation above does not constitute an extraordinary motion.

VIII. Adjournment: 10:25 AM on May 31, 2024 (Friday)

(Note: This minutes for general shareholders' meeting include only summaries of comments and contents from the meeting. Please refer to the live video and audio recordings for the actual situation.)


Shuang-Bang Industrial Corp.
Business report

I. 2023 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.

The Company's 2023 operating results and 2024 business plan and targets are hereby reported as follows:

(I) Implementation Outcomes of 2023 Business Plan

The Company's net consolidated revenue totaled NT\$1,580,608 thousand for 2023, at a gross margin of 7.79%. Earnings per share after tax was at NT\$0.01.

In 2023, due to the global economic downturn and the repeated orders placed due to challenged sea freight with Europe and the United States in 2022, the consolidated revenue declined by 27.72% from 2022, and the operating gross profit margin of the current period decreased by 6.27% year-on-year.

(II) 2023 Budget Execution

The Company did not disclose its financial forecast for 2023, hence no explanation is required.

(III) Revenue, expense, and profitability analysis

1. Financial overview and analysis

Unit: NTD thousands

Item	2023	2022	Variation (%)
Net operating revenues	1,580,608	2,186,641	(27.72)
Operating costs	(1,457,450)	(1,879,287)	(22.45)
Gross profit	123,158	307,354	(59.93)
Operating expenses	(180,475)	(226,352)	(20.27)
Current net profit (loss)	(57,317)	81,002	(170.76)
Non-operating net income (expense)	22,525	191,172	(88.22)
Profit (loss) before tax	(34,792)	272,174	(112.78)
Income tax expense	15,442	(15,431)	(200.07)
Current net income (loss)	(19,350)	256,743	(107.54)
Other comprehensive income	(1,902)	14,943	(112.73)
Total comprehensive income for the current period	(21,252)	271,686	(107.82)

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

2. Profitability analysis

Item/Year	2023	2022
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Return on assets (%)		(0.42%)	10.42%
Return on equity (%)		(1.47%)	19.43%
As a percentage of paid-up capital (%)	Operating profit	(6.96%)	9.84%
	Profit before tax	(4.22%)	33.05%
Net profit margin (%)		(1.22%)	11.74%
Earnings per share (NTD) (Note)		0.01	3.20

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

(IV) Research and development status of water-based weather-resistant color layer/membrane

- Water-based hot-melt adhesive film
- Water-based hot-melt adhesive
- High-resilience fill material
- Shock-absorbing fill material
- Water-based transfer PU resin
- Water-based moisture-permeable resin membrane
- Biomass polyurethane reactive adhesives
- High moisture-permeable moisture curable adhesive
- R-PET hot-melt adhesive
- Bluesign certified breathable film
- Mass production technology for industrial low-permeability membrane

II. 2024 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 2024 sales volume
Coating and lamination	16,862
Resin	2,141
Curing agent	2,572
TPU	967

The above forecasts of sales and volumes are based on 2023 results, new products under development, anticipated growth in 2024 and customers' demand.

(III) Important sales and marketing policy

1. Making 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) R&D initiatives for forward-looking products and new markets.
- (III) Talent pipeline development and enhanced 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 2023 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

The Board of Directors prepared and submitted the 2023 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 Hui-Fen Lin 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.

For

The Company's 2024 general shareholders' meeting

Shuang-Bang Industrial Corp.

Convener of Audit Committee, Yen Wang



March 12, 2024

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, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, and its financial performance and cash flows year ended December 31, 2023 and 2022, 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 2023 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, 2023 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, 2023 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 Lin Hui Fen.

Weyong International CPAs&Co.

Taichung, Taiwan (Republic of China)

March 12, 2024

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the 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 any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

Shuang-Bang Industrial Corporation
Parent-company-only Balance Sheets
(In thousands of New Taiwan Dollars)
December 31, 2023 and 2022

Codes	Assets	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 101,662	4.28	\$ 75,938	3.24
1137	Financial assets at amortized cost -current	6(2)	3,900	0.16	900	0.04
1150	Notes receivables, net	6(3)	62,198	2.62	83,065	3.55
1152	Other notes receivables	6(3)	-	-	35	-
1160	Notes receivable from related parties, net	6(3), 7	6,412	0.27	7,666	0.33
1170	Accounts receivables, net	6(3)	275,045	11.58	329,211	14.04
1180	Accounts receivables from related parties, net	6(3), 7	22,763	0.96	11,256	0.48
1199	Finance lease receivables from related parties	7	8,602	0.36	1,280	0.05
1200	Other receivables		1,038	0.04	201	0.01
1210	Other receivables from related parties	7	1,465	0.06	1,266	0.05
130X	Inventory	6(4)	233,617	9.83	302,196	12.89
1470	Other current assets		15,169	0.64	23,051	0.98
11XX	Total current assets		<u>731,871</u>	<u>30.80</u>	<u>836,065</u>	<u>35.66</u>
Non current assets						
1510	Financial assets at fair value through profit or loss -non-current	6(5)	38,452	1.62	39,169	1.67
1550	Investments accounted for using equity method	6(6)	49,466	2.08	52,920	2.26
1600	Property, plant and equipment	6(7)	1,391,285	58.55	1,259,534	53.72
1755	Right-of-use assets	6(8)	8,578	0.36	8,019	0.34
1780	Intangible assets	6(9)	3,033	0.13	5,583	0.24
1840	Deferred income tax assets	6(22)3	27,098	1.14	23,058	0.99
1900	Other noncurrent assets	6(10), 7	126,521	5.32	120,089	5.12
15XX	Total noncurrent assets		<u>1,644,433</u>	<u>69.20</u>	<u>1,508,372</u>	<u>64.34</u>
1XXX	Total assets		<u>\$ 2,376,304</u>	<u>100.00</u>	<u>\$ 2,344,437</u>	<u>100.00</u>

(Continued)

Shuang-Bang Industrial Corporation
Parent-company-only Balance Sheets
(In thousands of New Taiwan Dollars)
December 31, 2023 and 2022

Codes	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(11)	\$ 63,485	2.67	\$ 106,526	4.54
2151	Notes payables	6(12)	444	0.02	322	0.01
2152	Other notes payables	6(12)	15,493	0.65	48,133	2.05
2170	Accounts payables	6(12)	166,248	7.00	173,809	7.41
2180	Accounts payables from related parties	6(12), 7	1,403	0.06	-	-
2200	Other accounts payables	6(13)	57,087	2.40	132,437	5.65
2220	Other accounts payables from related parties	6(13), 7	469	0.02	53	-
2230	Income tax payables		5,694	0.24	25,460	1.09
2250	Provision for warranty obligations-current	6(14)	7,023	0.30	10,528	0.45
2281	Lease liabilities from third parties	6(8)	5,259	0.22	4,396	0.19
2282	Lease liabilities from related parties	6(8), 7	1,081	0.04	-	-
2300	Other current liabilities	6(15)	4,541	0.19	2,867	0.12
2322	Current portion of long-term loans payable	6(16)	96,306	4.05	66,231	2.83
21XX	Total current liabilities		<u>424,533</u>	<u>17.86</u>	<u>570,762</u>	<u>24.34</u>
	Non-current liabilities					
2540	Long-term loans	6(16)	690,524	29.06	416,571	17.77
2570	Deferred income tax payable	6(22)3	3,906	0.16	4,288	0.18
2581	Lease liabilities from third parties -non current	6(8)	9,435	0.40	4,812	0.21
2582	Lease liabilities from parties-non current		1,095	0.05	-	-
2630	Long-term deferred revenue		1,193	0.05	1,875	0.08
2640	Net defined benefit liabilities -non current	6(18)	21,731	0.91	19,459	0.83
2645	Guarantee deposits		921	0.04	753	0.03
25XX	Total noncurrent liabilities		<u>728,805</u>	<u>30.67</u>	<u>447,758</u>	<u>19.10</u>
2XXX	Total liabilities		<u>1,153,338</u>	<u>48.53</u>	<u>1,018,520</u>	<u>43.44</u>
	Equity					
3100	Capital Stock	6(19)1				
3110	Common stock		823,608	34.66	823,608	35.13
3200	Capital surplus	6(19)2	10,557	0.44	10,552	0.45
3300	Retained earnings					
3310	Appropriated as legal capital reserve		169,093	7.12	141,662	6.04
3320	Appropriated as special capital reserve		-	-	4,369	0.19
3350	Unappropriated earnings	6(19)3	219,708	9.25	345,726	14.75
3XXX	Total equity		<u>1,222,966</u>	<u>51.47</u>	<u>1,325,917</u>	<u>56.56</u>
	Total		<u>\$ 2,376,304</u>	<u>100.00</u>	<u>\$ 2,344,437</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, 2023 and 2022
(In thousands of New Taiwan Dollars, except for earnings per share)

Codes	Items	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	6(20), 7	\$ 1,474,319	100.00	\$ 1,981,438	100.00
5000	Cost of revenues	7	(1,309,322)	(88.81)	(1,669,377)	(84.25)
5900	Gross profit		164,997	11.19	312,061	15.75
5910	Unrealized gain from sale		(1,609)	(0.11)	(7,717)	(0.39)
5920	Realized gain from sale		2,037	0.14	7,636	0.39
5950	Gross profit		165,425	11.22	311,980	15.75
	Operating Expenses					
6100	Sales and marketing	7	(59,136)	(4.01)	(85,313)	(4.31)
6200	General and administrative	7	(61,282)	(4.16)	(97,176)	(4.90)
6300	Research and development		(34,271)	(2.32)	(24,713)	(1.25)
6450	Expected credit gain(loss)		(6,150)	(0.42)	1,068	0.05
6000	Total operating expenses		(160,839)	(10.91)	(206,134)	(10.41)
6900	Operating income		4,586	0.31	105,846	5.34
	Non-operating income and expenses					
7010	Other income	6(21)1, 7	23,443	1.59	7,771	0.39
7020	Other gains and loss	6(21)2	8,121	0.55	185,536	9.37
7050	Finance costs	6(21)4, 7	(10,849)	(0.74)	(6,805)	(0.34)
7070	Share of profits of associates	6(6)	(28,807)	(1.95)	(9,653)	(0.49)
7100	Interest income		909	0.06	257	0.01
7000	Total non-operating income and expenses		(7,183)	(0.49)	177,106	8.94
7900	Income before tax		(2,597)	(0.18)	282,952	14.28
7950	Less: Income tax expense	6(22)1	3,233	0.22	(19,213)	(0.97)
8200	Net income	6(21)	636	0.04	263,739	13.31
	Other comprehensive income (loss)					
8310	Items that will not be reclassified subsequently to profit or loss:					
8311	Remeasurement of defined benefit obligation	6(18)2(5)	(2,377)	(0.16)	13,217	0.66
8349	Income tax related to items that will not be reclassified subsequently	6(22)2	475	0.03	(2,643)	(0.13)
8360	Items that may be reclassified subsequently to profit or loss:					
8361	Exchange differences arising on translation of foreign operations		-	-	4,369	0.22
8300	Other comprehensive income (loss), net		(1,902)	(0.13)	14,943	0.75
8500	Total comprehensive income (loss)		\$ (1,266)	(0.09)	\$ 278,682	14.06
	Earnings per share	6(25)				
9750	Basic earnings per share		\$ 0.01		\$ 3.20	
9850	Diluted earnings per share		\$ 0.01		\$ 3.16	

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, 2023 and 2022
(In thousands of New Taiwan Dollars)

Item	Codes	Retained earnings					Total other equity interest		Total equity 3XXX
		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	
Balance on January 1, 2022	A1	\$ 823,608	\$ 51,669	\$ 134,181	\$ 1,663	\$ 205,141	\$ 340,985	\$ (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 dividends 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	14,943
Total comprehensive income(loss)	D5	-	-	-	-	274,313	274,313	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
Appropriations of earnings of legal reserve	B1	-	-	27,431	-	(27,431)	-	-	-
Cash dividends	B5	-	-	-	-	(98,833)	(98,833)	-	(98,833)
Special surplus reserve reversed	B17	-	-	-	(4,369)	4,369	-	-	-
Changes in capital surplus	C17	-	5	-	-	-	-	-	5
Net income for the year	D1	-	-	-	-	636	636	-	636
Other comprehensive income(loss) for the year	D3	-	-	-	-	(1,902)	(1,902)	-	(1,902)
Total comprehensive income(loss)	D5	-	-	-	-	(1,266)	(1,266)	-	(1,266)
Changes in ownership equity of subsidiaries	M7	-	-	-	-	(2,857)	(2,857)	-	(2,857)
Balance on December 31, 2023	Z1	\$ 823,608	\$ 10,557	\$ 169,093	\$ -	\$ 219,708	\$ 388,801	\$ -	\$ 1,222,966

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, 2023 and 2022
(In thousands of New Taiwan Dollar)

Codes	Items	2023	2022
AAAA	Cash flows from operating activities:		
A10000	Income before income tax	\$ (2,597)	\$ 282,952
A20000	Adjustments for:		
A20010	Adjustments to reconcile profit/(loss)		
A20100	Depreciation expense	81,634	73,768
A20200	Amortization expenses	2,600	3,468
A20300	Expected credit loss (reversed gain)	6,150	(1,068)
A20400	Net loss(profit) on financial assets at fair value through profit or loss	717	18,077
A20900	Interest expense	10,577	6,627
A21200	Interest income	(909)	(257)
A22400	Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	28,807	9,653
A22500	Gain on disposal or retirement of property, plant and equipment	(4,425)	(190,010)
A23800	Reversal of impairment loss recognized in profit or loss, non-financial assets	(2,601)	(476)
A23900	Unrealized gain from sales	1,609	7,717
A24000	Realized gain from sales	(2,037)	(7,636)
A24100	Unrealized loss(gain) on foreign exchange	3,857	2,081
A29900	Others (government grants)	(682)	(682)
A29900	Others	40	-
A20010	Total adjustments to reconcile profit(loss)	<u>125,337</u>	<u>(78,738)</u>
A30000	Changes in operating assets and liabilities:		
A31000	Changes in operating assets		
A31130	Decrease (Increase) in accounts receivable	22,121	8,765
A31150	Decrease (Increase) in accounts receivable	32,339	(14,610)
A31180	Increase (Decrease) in other receivables	(549)	75
A31200	Decrease in inventories	68,579	33,583
A31240	Decrease (Increase) in other current assets	7,882	(4,421)
A31990	Decrease in other operating assets	35	430
A31000	Total changes in operating assets	<u>130,407</u>	<u>23,822</u>
A32000	Changes in operating liabilities		
A32130	Increase (Decrease) in notes payable	122	(17,158)
A32150	Decrease in accounts payable	(5,133)	(21,268)
A32180	Decrease (Increase) in other payables	(73,649)	30,980
A32200	Decrease (Increase) in provisions	(3,505)	2,219
A32230	Increase (Decrease) in other current liabilities	1,705	(53,330)
A32240	Decrease in net defined benefit liability	(105)	(104)
A32000	Total changes in operating liabilities	<u>(80,565)</u>	<u>(58,661)</u>
A30000	Total changes in operating assets and liabilities	<u>49,842</u>	<u>(34,839)</u>
A20000	Total adjustments	<u>175,179</u>	<u>(113,577)</u>
A33000	Cash flow generated from operations	172,582	169,375
A33100	Interest received	909	257
A33300	Interest paid	(14,514)	(9,343)
A33500	Income tax paid	(20,479)	(14,184)
AAAA	Net cash flows generated by (used in) operating activities	<u>138,498</u>	<u>146,105</u>

(Continued)

Shuang-Bang Industrial Corporation
Parent-company-only Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(In thousands of New Taiwan Dollar)

Codes	Items	2023	2022
BBBB	Cash flows from investing activities		
B00040	Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ (3,000)	\$ -
B00100	Acquisition of financial assets at fair value through profit or loss	-	(2,854)
B01800	Acquisition of investments accounted for under the equity method	(28,050)	-
B02700	Acquisition of property, plant and equipment	(81,519)	(116,283)
B02800	Proceeds from disposal of property, plant and equipment	7,100	461,901
B03700	Increase in refundable deposits	(51)	(2,100)
B03800	Decrease in refundable deposits	2,146	-
B04500	Acquisition of intangible assets	(50)	(828)
B05000	Cash received through merger	-	45
B06000	Long-term Lease payments receivable	2,355	1,920
B06700	Decrease in other noncurrent assets	(1,718)	(4)
B07100	Increase in prepayments for business facilities	(164,875)	(120,916)
B07600	Dividends received	-	4,450
BBBB	Net cash flow used in (generated by) investing activities.	<u>(267,662)</u>	<u>225,331</u>
CCCC	Cash flows from financing activities		
C00100	Increase in short-term loans	536,973	624,098
C00200	Decrease in short-term loans	(580,014)	(741,805)
C01600	Proceeds from long-term bank loans	620,000	80,000
C01700	Repayment of long-term bank loans	(315,972)	(126,302)
C03000	Increase in guarantee deposits	178	-
C03100	Decrease in guarantee deposits	(10)	294
C04020	Repayment of the principal portion of lease liabilities	(6,696)	(6,814)
C04500	Cash dividends	(98,833)	(164,721)
C09900	Others	5	14
CCCC	Net cash flow generated by (used in) financing activities	<u>155,631</u>	<u>(335,236)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(743)</u>	<u>(845)</u>
EEEE	Net increase in cash and cash equivalents	25,724	35,355
E00100	Cash and cash equivalents, beginning of the year	75,938	40,583
E00200	Cash and cash equivalents, end of the year	<u>\$ 101,662</u>	<u>\$ 75,938</u>
E00210	Cash and cash equivalents on parent company only balance sheets	<u>\$ 101,662</u>	<u>\$ 75,938</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, 2023 and 2022, 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, 2023 and 2022, 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 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 consolidated financial statements for the year ended December 31, 2023. 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, 2023 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, 2023 and 2022, 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, 2023 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 Lin Hui Fen.

Weyong International CPAs&Co.

Taichung, Taiwan (Republic of China)

March 12, 2024

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, 2023 and 2022

Codes	Assets	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	\$ 120,866	4.83	\$ 134,236	5.44
1137	Financial assets at amortized cost -current	6(2)	43,500	1.74	1,200	0.05
1150	Notes receivables, net	6(3)	68,623	2.74	92,441	3.74
1152	Other notes receivables	6(3)	-	-	35	-
1160	Notes receivables from related parties, net	6(3), 7	-	-	37	-
1170	Accounts receivables, net	6(3)	306,277	12.24	351,942	14.26
1180	Accounts receivables from related parties, net	6(3), 7	22,508	0.90	13,634	0.55
1200	Other receivables		1,354	0.05	632	0.03
1210	Other receivables from related parties	7	-	-	130	0.01
1220	Current tax assets		31	-	-	-
130X	Inventories	6(4)	262,453	10.48	333,091	13.49
1470	Other current assets		16,181	0.65	24,665	1.00
11XX	Total current assets		<u>841,793</u>	<u>33.63</u>	<u>952,043</u>	<u>38.57</u>
	Noncurrent Assets					
1510	Financial assets at fair value through profit or loss -non-current	6(5)	38,452	1.54	39,169	1.59
1600	Property, plant and equipment	6(6)	1,413,721	56.47	1,289,301	52.23
1755	Right-of-use assets	6(7)	26,709	1.07	24,887	1.01
1780	Intangible assets	6(8)	3,520	0.14	6,390	0.26
1840	Deferred income tax assets	6(21)3	51,201	2.04	35,076	1.42
1900	Other noncurrent assets	6(9), 7	127,906	5.11	121,474	4.92
15XX	Total noncurrent assets		<u>1,661,509</u>	<u>66.37</u>	<u>1,516,297</u>	<u>61.43</u>
1XXX	Total assets		<u>\$ 2,503,302</u>	<u>100.00</u>	<u>\$ 2,468,340</u>	<u>100.00</u>

(Continued)

Shuang-Bang Industrial Corporation and Subsidiaries
Consolidated Balance Sheets
(In thousands of New Taiwan Dollars)
December 31, 2023 and 2022

Codes	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10)	\$ 64,535	2.58	\$ 118,576	4.80
2151	Notes payables	6(11)	4,052	0.16	4,291	0.17
2152	Other notes payables	6(11)	15,562	0.62	48,259	1.96
2170	Accounts payables	6(11)	172,492	6.89	180,100	7.30
2180	Accounts payables from related parties	6(11),7	1,403	0.06	-	-
2200	Other accounts payables	6(12)	69,476	2.78	146,389	5.93
2230	Income tax payables		5,694	0.23	25,466	1.03
2250	Provision for warranty obligations-current	6(13)	8,817	0.35	12,444	0.50
2281	Lease liabilities from third parties	6(7)	11,152	0.45	10,306	0.42
2282	Lease liabilities from related parties	6(7), 7	1,081	0.04	-	-
2300	Other current liabilities	6(14)	4,800	0.19	11,916	0.48
2322	Current portion of long-term loans payable	6(15)	99,493	3.97	71,476	2.90
21XX	Total current liabilities		<u>458,557</u>	<u>18.32</u>	<u>629,223</u>	<u>25.49</u>
	Noncurrent liabilities					
2540	Long-term loans	6(15)	745,816	29.79	425,753	17.25
2570	Deferred income tax payable	6(21) ³	3,959	0.16	4,465	0.18
2581	Lease liabilities from third parties -non current	6(7)	13,625	0.55	14,877	0.60
2582	Lease liabilities from related parties -non current	6(7),7	1,095	0.04	-	-
2630	Long-term deferred revenue		1,193	0.05	1,875	0.08
2640	Net defined benefit liability -non current	6(17)	21,731	0.87	19,459	0.79
2645	Guarantee deposits		1,021	0.04	853	0.03
25XX	Total noncurrent liabilities		<u>788,440</u>	<u>31.50</u>	<u>467,282</u>	<u>18.93</u>
2XXX	Total liabilities		<u>1,246,997</u>	<u>49.82</u>	<u>1,096,505</u>	<u>44.42</u>
	Equity Attributable to Shareholders Of The Parent					
3100	Capital Stock	6(18) ¹				
3110	Common stock		823,608	32.90	823,608	33.37
3200	Capital surplus	6(18) ²	10,557	0.42	10,552	0.43
3300	Retained earnings					
3310	Appropriated as legal capital reserve		169,093	6.75	141,662	5.74
3320	Appropriated as special capital reserve		-	-	4,369	0.18
3350	Unappropriated earnings	6(18) ³	219,708	8.78	345,726	14.00
31XX	Equity attributable to shareholders of the parent		<u>1,222,966</u>	<u>48.85</u>	<u>1,325,917</u>	<u>53.72</u>
36XX	Non-Controlling Interests		<u>33,339</u>	<u>1.33</u>	<u>45,918</u>	<u>1.86</u>
3XXX	Total equity		<u>1,256,305</u>	<u>50.18</u>	<u>1,371,835</u>	<u>55.58</u>
	Total liabilities and equity		<u>\$ 2,503,302</u>	<u>100.00</u>	<u>\$ 2,468,340</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, 2023 and 2022
(In thousands of New Taiwan Dollars, except for earnings per share)

Codes	Items	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	6(19), 7	\$ 1,580,608	100.00	\$ 2,186,641	100.00
5000	Cost of revenues	7	(1,457,450)	(92.21)	(1,879,287)	(85.94)
5900	Gross profit		123,158	7.79	307,354	14.06
	Operating expenses					
6100	Sales and marketing		(65,699)	(4.16)	(92,761)	(4.24)
6200	General and administrative		(71,038)	(4.49)	(108,517)	(4.96)
6300	Research and development		(37,953)	(2.40)	(27,402)	(1.25)
6450	Expected credit (loss) gain		(5,785)	(0.37)	2,328	0.10
6000	Total operating expenses		(180,475)	(11.42)	(226,352)	(10.35)
6900	Operating income (loss)		(57,317)	(3.63)	81,002	3.71
	Non-operating income and expenses					
7010	Other income	6(20)1	25,079	1.59	8,440	0.38
7020	Other gains and loss	6(20)2	7,548	0.48	189,958	8.69
7050	Finance costs	6(20)4, 7	(11,611)	(0.73)	(7,609)	(0.35)
7100	Interest income		1,509	0.09	383	0.02
7000	Total non-operating income and expenses		22,525	1.43	191,172	8.74
7900	Profit before tax		(34,792)	(2.20)	272,174	12.45
7950	Less: Income tax expense	6(21)1	15,442	0.98	(15,431)	(0.71)
8200	Net (Loss) Income	6(20)	(19,350)	(1.22)	256,743	11.74
	Other comprehensive income (loss)					
8310	Items that will not be reclassified subsequently to profit or loss:					
8311	Remeasurement of defined benefit obligation	6(17)2, (5)	(2,377)	(0.15)	13,217	0.60
8349	Income tax related to items that will not be reclassified subsequently	6(21)2	475	0.03	(2,643)	(0.12)
8360	Items that may be reclassified subsequently to profit or loss:					
8361	Exchange differences arising on translation of foreign operations		-	-	4,369	0.20
8300	Other comprehensive income, net		(1,902)	(0.12)	14,943	0.68
8500	Total comprehensive income		\$ (21,252)	(1.34)	\$ 271,686	12.42
8600	Net income attribute to:					
8610	Shareholders of the parent		\$ 636	0.04	\$ 263,739	12.06
8620	Non-controlling interests		\$ (19,986)	(1.26)	\$ (6,996)	(0.32)
8700	Total comprehensive income attribute to:					
8710	Shareholders of the parent		\$ (1,266)	(0.08)	\$ 278,682	12.74
8720	Non-controlling interests		\$ (19,986)	(1.26)	\$ (6,996)	(0.32)
	Earnings per share	6(24)				
9750	Basic earnings per share		\$ 0.01		\$ 3.20	
9850	Diluted earnings per share		\$ 0.01		\$ 3.16	

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, 2023 and 2022
(In thousands of New Taiwan Dollars)

Equity attribute to the shareholders of the parent company												
Item	Codes	Retained earnings						Total other equity interest		Subtotal of equity attributable to the shareholders of the parent 31XX	Non-controlling interests 36XX	Total equity 3XXX
		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	Total other equity interest			
Balance on January 1, 2022	A1	\$ 823,608	\$ 51,718	\$ 134,181	\$ 1,663	\$ 205,141	\$ 340,985	\$ (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 dividends 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	14,943	-	14,943	
Total comprehensive income(loss)	D5	-	-	-	-	274,313	274,313	4,369	278,682	(6,996)	271,686	
Cash dividends to subsidiary shareholders	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	
Appropriations of earnings of legal reserve	B1	-	-	27,431	-	(27,431)	-	-	-	-	-	
Cash dividends	B5	-	-	-	-	(98,833)	(98,833)	-	(98,833)	-	(98,833)	
Special surplus reserve reversed	B17	-	-	-	(4,369)	4,369	-	-	-	-	-	
Changes in capital surplus	C17	-	5	-	-	-	-	-	5	-	5	
Net income for the year	D1	-	-	-	-	636	636	-	636	(19,986)	(19,350)	
Other comprehensive income(loss) for the year	D3	-	-	-	-	(1,902)	(1,902)	-	(1,902)	-	(1,902)	
Total comprehensive income(loss)	D5	-	-	-	-	(1,266)	(1,266)	-	(1,266)	(19,986)	(21,252)	
Changes in ownership equity of subsidiaries	M7	-	-	-	-	(2,857)	(2,857)	-	(2,857)	2,857	-	
Non-controlling Interest	O1	-	-	-	-	-	-	-	-	4,550	4,550	
Balance on December 31, 2023	Z1	\$ 823,608	\$ 10,557	\$ 169,093	\$ -	\$ 219,708	\$ 388,801	\$ -	\$ 1,222,966	\$ 33,339	\$ 1,256,305	

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, 2023 and 2022
(In thousands of New Taiwan Dollars)

Codes	Items	2023	2022
AAAA	Cash flows from operating activities		
A10000	Loss (Profit) before income tax	\$ (34,792)	\$ 272,174
A20000	Adjustments for:		
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	99,731	91,300
A20200	Amortization expenses	2,920	3,815
A20300	Expected credit loss (reversed gain)	5,785	(2,328)
A20400	Net loss on financial assets at fair value through profit or loss	717	18,077
A20900	Interest expense	11,258	7,430
A21200	Interest income	(1,509)	(383)
A22500	Gain on disposal or retirement of property, plant and equipment	(4,425)	(190,054)
A23800	Reversal of impairment loss recognized in profit or loss, non-financial assets	(2,601)	(476)
A24100	Unrealized loss (gain) on foreign exchange	4,306	2,611
A29900	Others (government grants)	(682)	(682)
A29900	Others	40	-
A20010	Total adjustments to reconcile profit(loss)	<u>115,540</u>	<u>(70,690)</u>
A30000	Changes in operating assets and liabilities:		
A31000	Changes in operating assets		
A31130	Decrease in notes receivable	23,855	13,136
A31150	Decrease in accounts receivable	26,679	2,742
A31180	Increase in other receivables	(108)	(340)
A31200	Decrease in inventories	70,638	40,903
A31240	Decrease (Increase) in other current assets	8,484	(4,847)
A31990	Decrease in other operating assets	35	430
A31000	Total changes in operating assets	<u>129,583</u>	<u>52,024</u>
A32000	Changes in operating liabilities		
A32130	Decrease in notes payable	(239)	(18,858)
A32150	Decrease in accounts payable	(5,160)	(28,626)
A32180	Decrease (Increase) in other payables	(75,649)	26,457
A32200	Decrease (Increase) in provisions	(3,627)	2,273
A32230	Decrease in other current liabilities	(7,085)	(46,968)
A32240	Decrease in net defined benefit liability	(105)	(104)
A32000	Total changes in operating liabilities	<u>(91,865)</u>	<u>(65,826)</u>
A30000	Total changes in operating assets and liabilities	<u>37,718</u>	<u>(13,802)</u>
A20000	Total adjustments	<u>153,258</u>	<u>(84,492)</u>
A33000	Cash flow generated from operations	118,466	187,682
A33100	Interest received	1,509	383
A33300	Interest paid	(15,191)	(10,148)
A33500	Income tax paid	(20,515)	(16,882)
AAAA	Net cash flows generated by operating activities	<u>84,269</u>	<u>161,035</u>

(Continued)

Shuang-Bang Industrial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(In thousands of New Taiwan Dollars)

Codes	Items	2023	2022
BBBB	Cash flows from investing activities		
B00040	Proceeds from disposal of financial assets at fair value through other comprehensive income	(42,601)	-
B00050	Proceeds from disposal of financial assets at amortized costs	301	28
B00100	Acquisition of financial assets at fair value through profit or loss	-	(2,854)
B02700	Acquisition of property, plant and equipment	(84,195)	(117,566)
B02800	Proceeds from disposal of property, plant and equipment	7,100	462,002
B03700	Increase in refundable deposits	(51)	(2,100)
B03800	Decrease in refundable deposits	2,146	-
B04500	Acquisition of intangible assets	(50)	(828)
B06700	Increase in other noncurrent assets	(1,718)	-
B07100	Increase in prepayments for business facilities	(164,875)	(120,916)
BBBB	Net cash used in (generated by) investing activities	<u>(283,943)</u>	<u>217,766</u>
CCCC	Cash flows from financing activities		
C00100	Increase in short-term loans	548,073	626,098
C00200	Decrease in short-term loans	(602,114)	(741,805)
C01600	Proceeds from long-term bank loans	675,000	80,000
C01700	Repayment of long-term bank loans	(326,920)	(131,297)
C03000	Increase in guaranteed deposits received	178	295
C03100	Decrease in guaranteed deposits received	(10)	-
C04020	Repayment of the principal portion of lease liabilities	(12,573)	(12,453)
C04500	Cash dividends	(98,833)	(170,271)
C05800	Changes from non-controlling Interest	4,550	-
C09900	Others	5	14
CCCC	Net cash generated by (used in) financing activities	<u>187,356</u>	<u>(349,419)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(1,052)</u>	<u>(1,126)</u>
EEEE	Net decrease (increase) in cash and cash equivalents	<u>(13,370)</u>	<u>28,256</u>
E00100	Cash and cash equivalents, beginning of the year	<u>134,236</u>	<u>105,980</u>
E00200	Cash and cash equivalents, end of the year	<u>\$ 120,866</u>	<u>\$ 134,236</u>
E00210	Cash and cash equivalents on consolidated balance sheets	<u>\$ 120,866</u>	<u>\$ 134,236</u>

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

Shuang-Bang Industrial Corp.
Table of 2023 Earnings Distribution



Unit: NTD

Item		Amount
Beginning retained earnings		223,830,282
Add:		
Net (loss) after tax for the year	635,748	
Less:		
Remeasurement of defined benefit plan recognized as retained earnings	(1,901,920)	
Retained earnings adjusted for investment under the equity method	(2,856,943)	
Net income and other items during the period as the undistributed earnings for the year		(4,123,115)
Distributable earnings		219,707,167
Distributable items:		
Bonus to shareholders - cash (NT\$0.4 per share)		(32,944,330)
Undistributed earnings at the end of the period		186,762,837

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 4, 2024.

Chairman:



Manager:



Chief Accounting Officer:



Shuang-Bang Industrial Corp.
List of Director Candidates (Including Independent Directors)

Job Title and Category	Name	Education	Experience	Current Position	Shares held
Director	Chung-Tang Chang	Department of Chemistry , National Chung Hsing University	President and Chairman of the Company	Chairman, Shuang-Bang Industrial Corp.	6,700,207
Director	Ah-Ming Chen	Department of Chemistry , National Cheng Kung University	Business Manager and President of the Company	Vice Chairman, Shuang-Bang Industrial Corp.	4,998,802
Director	Ken-Chen Chen	Department of International Business, Tamkang University	CEO of Panel Group	CEO of Panel Group	567,269
Director	Hsi-Neng Hsieh	Master's Degree, Institute of Polymer Science & Engineering, National Tsinghua University	Vice President of the Company	Director, Shuang-Bang Industrial Corp.	891,571
Director	Ho-Pin Lin	Lizen High School	Chairman, Ho Jing Co., Ltd.	Chairman, Ho Jing Co., Ltd.	2,622,121
Director	Uei-Want Industrial Co., Ltd. Representative: Cheng-Yen Liang	National Pingtung Senior High School	Director, Uei-Want Industrial Co., Ltd.	Director, Uei-Want Industrial Co., Ltd.	2,500,000
Independent Director	Cheng-Feng Cheng	Ph.D. in Chemistry, University of North Texas	Professor of Chemistry , National Chung Hsing University	Independent Director, Shuang-Bang Industrial Corp.	18,468
Independent Director	Tsai, Hao-Chin	Master of Industrial Engineering,	President, ChingTai Resin	Director, ChingTai Resin	-

		University of Houston	Chemical Co., Ltd.	Chemical Co., Ltd.	
Independent Director	Chen, Li-Ling	PhD of Accounting, National Cheng Kung University	CPA, Chuan-Da Accounting Firm Manager, Audit Department, KPMG	CPA, Chuan-Da Accounting Firm Independent Director, Hanpin Electron Co., Ltd. Independent Director, Lin Horn Technology Co., Ltd. Assistant Professor, Tatung Institute of Technology	-