

Stock Code: 4764



Double Bond Chemical Ind. Co., Ltd.

**2024 Annual Shareholders' Meeting
Meeting Agenda**

Date: 10:00 am Friday, June 28, 2024

Location: Meeting Room, 4F, No. 959, Zhongzheng Road, Zhonghe District,
New Taipei City, Taiwan (R.O.C.)

Table of Contents

	<u>Page</u>
I. Meeting Procedures	1
II. Meeting Agenda	2
I. Report Items	3
II. Proposals for Ratification	3
III. Proposals for Discussion	4
IV. Extraordinary Motions	4
III. Appendix	
I. 2023 Business Report	5
II. Audit Committee's Review Report on the 2023 Financial Statements	8
III. Independent Auditors' Report and 2023 Consolidated Financial Statements	9
IV. Independent Auditors' Report and 2023 Parent Company Only Financial Statements	19
V. 2023 Profit and Loss AppropriationTable	29
VI. Comparison Table for the Amended "Rules and Procedures for Shareholders Meetings"	30
IV. Annex	
I. Articles of Incorporation	31
II. Rules and Procedures for Shareholders Meetings (Before Amendment)	36
III. Shareholding of All Directors	45
IV. Other Matters	46

Double Bond Chemical Ind. Co., Ltd.

2024 Annual General Shareholders' Meeting Procedures

I. Call Meeting to Order

II. Chairman's Speech

III. Report Items

IV. Proposals for Ratification

V. Proposals for Discussion

VI. Extraordinary Motions

VII. Meeting Adjourned

Double Bond Chemical Ind. Co., Ltd.

2024 Annual General Shareholders' Meeting Agenda

Time: 10:00am Friday, June 28, 2024

Venue: Meeting Room, 4F, No. 959, Zhongzheng Road, Zhonghe District, New Taipei City, Taiwan
(R.O.C.)

Method of Convening the Meeting: Physical shareholders' meeting

I. Call Meeting to Order

II. Chairman's Speech

III. Report Items:

(I) The 2023 Business Report.

(II) The Audit Committee's Review Report on the 2023 Financial Statements.

IV. Proposals for Ratification:

(I) The 2023 Business Report and Financial Statements.

(II) The 2023 Profit and Loss Appropriation Proposal.

V. Proposals for Discussion:

I. Amendments to the "Rules and Procedures for Shareholders Meetings".

VI. Extraordinary Motions

VII. Meeting Adjourned

Report Items

Report No. 1:

Agenda: The 2023 Business Report.

Explanatory Note: Please refer to Appendix 1 for 2023 Business Report.

Report No. 2:

Agenda: The Audit Committee's Review Report on the 2023 Financial Statements.

Explanatory Note: Please refer to Appendix 2 for the Audit Committee's Review Report.

Proposals for Ratification

Ratification No. 1

Agenda: The 2023 Business Report and Financial Statements. (Proposed by the Board of Directors).

Explanatory Note:

- I. For the year ended December 31, 2023, the Company's business report, parent company only financial statements and consolidated financial statements were approved by the Board of Directors and the Company's parent company only financial statements and consolidated financial statements were verified by Accountant CHEN, CHIH-YUAN and Accountant HUANG, YAO-LIN of Deloitte & Touche. Together with the business report, the aforementioned documents were sent to the Audit Committee for review and approval. An review report was issued thereafter.
- II. For the foregoing business report, please refer to Appendix 1. For the audit committee's review report, please refer to Appendix 2. For the financial statements, please refer to Appendix 3 & 4.
- III. The agenda has been proposed for acknowledgment.

Resolutions:

Ratification No. 2

Agenda: The 2023 Profit and Loss Appropriation Proposal. (Proposed by the Board of Directors).

Explanatory Note:

- I. The net loss after tax attributable to the owner of the Company was NT\$85,907,494. The accumulated distributable earnings was NT\$716,215,833 for the years ended December 31, 2023. It is proposed not to distribute dividends.
- II. The 2023 Profit and Loss Appropriation Table was approved by the Board of Directors and reviewed by the Audit Committee. Please refer to Appendix 5.
- III. The agenda has been proposed for acknowledgment.

Resolutions:

Proposals for Discussion

Discussion No. 1

Agenda: Amendments to the “Rules and Procedures for Shareholders Meetings” (Proposed by the Board of Directors).

Explanatory Note:

In response to amendment of regulations by the competent authority, the comparison table for the amended “Rules and Procedures for Shareholders Meetings” was enclosed herewith. Please refer to Appendix 6.

Resolutions:

Extraordinary Motions

Meeting Adjourned

【Appendix 1】**Double Bond Chemical Ind. Co., Ltd.****2023 Business Report****(I) Business plan implementation outcome**

The consolidated operating income of the Company in 2023 was NT\$2,227,080 thousand, which was decreased by approximately 21% comparing with the consolidated operating income in 2022. The consolidated net loss after tax attributable to the owner of the Company was NT\$85,907 thousand, which was decreased by approximately 242% comparing with the consolidated net profit after tax attributable to the owner of the Company in 2022.

(II) Revenue, Expense, and Profitability Analysis**1. Financial revenues and expenditures**

In Thousands of New Taiwan Dollars

Items	2023	2022
Operating income	2,227,080	2,806,070
Operating profit margin	256,183	413,734
Net operating gain (loss)	(113,974)	30,305
Non-operating income and expenditure	24,976	53,701
Net profit (loss) before tax	(88,998)	84,006
Net profit (loss) this term	(85,050)	60,221
Net profit (loss) attributable to owners of the company	(85,907)	60,357
Net profit (loss) attributable to non-controlling interest	857	(136)

2. Profitability Analysis:

% ; Earnings (Loss) Per Share in New Taiwan Dollars

Items	2022	2021
Return on asset (%)	(1.35)	1.37
Return on equity (%)	(3.81)	2.61
Proportion of net operating income (loss) to the paid-in capital (%)	(13.32)	3.54
Proportion of net profit (loss) before tax to the paid-in capital (%)	(10.40)	9.82
Net profit (loss) margin (%)	(3.86)	2.15
Earnings (loss) per share	(1.00)	0.71

(III) Research and Development

Core R&D Products of the Group

	2023 R&D Results	Future R&D Directions
Plastics Additives	(1) New high-efficiency light stabilizer for polyolefins (2) Phenol-free anti-yellowing additive for PU foam and obtained patent for core ingredients (3) Environmentally friendly and high efficiency heat stabilizer for PVC	(1) Development of various types of flame retardant formulas (2) Continue to develop environmentally friendly and high efficiency heat stabilizer for PVC (3) Continue to develop phenol-free anti-yellowing additive for PU foam (4) Long acting antistatic agent
UV Curable Materials	(1) PVC matte flooring coating (2) Waterborne PU resin (3) 6231/6235 UV resin (4) Waterborne primer for wood (5) Low cost resin development	(1) Anti-fog coating (2) Flame retardant resins (3) Water-based color adhesive is used in the development of textile middle coating (4) Development of Bio mass UV resin
Digital Printing Materials	(1) High-flexibility light-curing UV inkjet ink (2) Suitable for various materials customization inkjet ink (3) Quick-drying water-based pigment inkjet ink (4) Digital printing OEM	(1) High concentration UV-curing Color paste (2) Continue to develop suitable for various materials customization inkjet ink (3) High fastness water based pigment ink & Pre and post treatment (4) Continue to develop digital printing OEM
Synthetic Group	(1) 5G materials (2) Pharmaceutical intermediate (3) Engineering-plastics monomer	(1) Flame retardant for battery electrolytes (2) Continue to develop 5G/6G materials (3) Other electronic materials

(IV) Operating Guidelines and Sales Strategies

1. Plastics Additives :

(1) Asia :

- A. China : Focusing on the industrial applications of polyurethane and polyolefin, expanding the development of proprietary products, and developing distinctive products.
- B. Korea : The main promotion is the emulsion formula AO in PVC & ABS polymerization and the CN 300 series used in wires and cables.
- C. Vietnam/Indonesia : Promoting additives for polyurethane foam and environmentally friendly PVC calcium zinc heat stabilizers.
- D. India : Comprehensive promotion of CS X-100S, CS B2973, and ketone pharmaceutical intermediates.

- (2) Europe and America : Promoting REACH and TSCA registered products and actively developing high-potential customers.
- (3) Maintain key customers and market development.
- (4) New product promotion :
 - A. Light stabilizer CS X-100S : Promotion for agricultural film applications.
 - B. Reactive antioxidant CN 3072 and hydrolysis inhibitor CN SA-1 : Promotion for polyurethane industry applications.
 - C. Environmentally friendly calcium zinc heat stabilizer DS 24, DS 25 : Promotion for PVC industry applications.

2. UV Curable Materials :

- (1) Comprehensive development of main photo initiators, characteristic monomers, and oligomers mass-produced in Yilan factory for applications in industries such as ink, paint, adhesives, 3D printing, electronics, contact lenses, etc.
- (2) New product promotion : Flame-retardant resin, low-odor photo initiators, LED curing photo initiators, customized formulas.

3. Others:

- (1) Actively evaluating opportunities for 5G / 6G related materials and semiconductor PI contract manufacturing.
- (2) Key 5G electronic materials DBC 5100, DBC 2300, DBC 1000 : Full promotion to copper foil substrate customers in Taiwan, Korea, and Japan.
- (3) Color paste, ink, digital printing OEM: Comprehensive promotion of water-based and UV-curable color paste, ink, digital printing OEM services and textile ink for key markets (USA, Turkey, Indonesia, Vietnam, Taiwan, etc.)

The global economy is expected to continue to recover in the future, and DBC will be able to leverage its long-standing brand and channel advantages to expand its operations. In addition, driven by the expanding demand for low-carbon products and emerging AI applications, DBC is also committed to the development of new products to continuously enhance competitiveness. Although the results of various businesses need time to ferment, the operation team always holds confidence to gradually implement the operational goals of each stage.

Chairman: TSAY, MAW-DER

General Manager: CHEN, CHUNG-PIN

Account Manager: TSAI, JO-YU

【Appendix 2】

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements (both parent company only and consolidated), and Profit and Loss Appropriation proposal. Both CPA CHEN,CHIH-YUAN & CPA HUANG,YAO-LIN of the CPA firm Deloitte & Touche were retained to audit the Company's Financial Statements and have issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and Profit and Loss Appropriation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to the Securities and Exchange Act and the Company Act, we hereby submit this report.

Double Bond Chemical Ind. Co., Ltd.

Convener of the Audit Committee: TSAI, KAO-CHUNG

March 14, 2024

【Appendix 3】

Independent Auditors' Report

The Board of Directors and Shareholders
Double Bond Chemical Ind. Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Double Bond Chemical Ind. Co., Ltd. (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (“collectively referred to as the consolidated financial statements”).

In our opinion, the accompany 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 years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of Sales Revenue

The Group's revenue is mainly contributed to from the sale of various chemical raw materials, coating monomers/oligomers, industrial additives, and specialty chemicals. Among them, the sales revenue of plastic additives in industrial additives accounts for 61% of the total revenue in 2023. Since the sales revenue of plastic additives is material and the transaction is frequent, the occurrence of sales revenue of plastic additives is listed as a key audit matter in 2023 for audit.

For the accounting policies related to the recognition of operating revenue, please refer to Note 4, 21 and 32 of the consolidated financial statements.

Regarding our audit procedures in respect of the key audit matter, we performed the compliance tests to assess the Group's process for the recognition of revenue from the sale of plastic additives and the design and implementation of its controls over the process. We tested sample transaction of revenue from the sale of plastic additives to determine whether the timing of the transfer of the risks and rewards of ownership of the plastic additives matched the timing of revenue recognition.

Other Matter

We have also audited the parent company only financial statements of the Group as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including the supervisors, 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 auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards in the Republic of China, we exercise professional judgment and 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 omission, 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 disclosure 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 achieve fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit and 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 audit resulting in this independent auditors' report are CHEN, CHIH-YUAN and HUANG, YAO-LIN.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14, 2024

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.

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 4 & 6)	\$ 1,195,993	26	\$ 1,202,110	25
1136	Financial assets at amortized cost - current (Note 4, 8, 28)	3,000	-	3,000	-
1150	Notes receivable, net (Note 4, 9, 21)	46,626	1	49,441	1
1170	Accounts receivable, net (Note 4, 9, 21)	391,206	9	532,832	11
1180	Accounts receivable from related parties, net (Note 4, 9, 21, 27)	4,859	-	7,618	-
1200	Other receivables	34,701	1	41,536	1
1220	Current tax assets (Note 4 & 23)	212	-	71	-
130X	Inventories, net (Note 4 & 10)	382,387	8	444,683	9
1479	Other current assets (Note 4, 16, 27, 28)	<u>114,846</u>	<u>3</u>	<u>116,590</u>	<u>3</u>
11XX	Total current assets	<u>2,173,830</u>	<u>48</u>	<u>2,397,881</u>	<u>50</u>
	Noncurrent Assets				
1517	Financial assets at fair value through other comprehensive income – noncurrent (Note 4 & 7)	89,650	2	106,728	2
1600	Property, plant and equipment (Note 4, 12, 28)	2,074,583	46	1,809,505	38
1755	Right-of-use assets (Note 4 & 27)	18,741	-	24,999	-
1805	Goodwill (Note 4 & 14)	26,593	-	26,593	1
1821	Other intangible assets (Note 4 & 15)	4,787	-	2,316	-
1840	Deferred tax assets (Note 4 & 23)	122,532	3	79,998	2
1915	Prepayments for Business Facilities	4,439	-	334,035	7
1990	Other noncurrent assets (Note 16)	<u>27,785</u>	<u>1</u>	<u>9,649</u>	<u>-</u>
15XX	Total noncurrent assets	<u>2,369,110</u>	<u>52</u>	<u>2,393,823</u>	<u>50</u>
1XXX	Total assets	<u>\$ 4,542,940</u>	<u>100</u>	<u>\$ 4,791,704</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term borrowings (Note 17 & 28)	\$ 855,000	19	\$ 580,000	12
2130	Contract liabilities (Note 4 & 21)	16,662	-	10,700	-
2150	Notes payable	125,497	3	112,889	2
2160	Notes payable to related parties (Note 27)	4,327	-	-	-
2170	Accounts payable	165,739	3	212,644	5
2180	Accounts payable to related parties (Note 27)	37,236	1	47,794	1
2219	Other accounts payable (Note 18)	81,412	2	95,928	2
2230	Current tax liabilities (Note 4 & 23)	8,287	-	8,445	-
2280	Lease liabilities - current(Note 4, 13, 27)	620	-	6,393	-
2322	Current portion of long-term borrowings (Note 17 & 28)	351,395	8	288,847	6
2399	Other current liabilities (Note 18)	<u>1,041</u>	<u>-</u>	<u>510</u>	<u>-</u>
21XX	Total current liabilities	<u>1,647,216</u>	<u>36</u>	<u>1,364,150</u>	<u>28</u>
	Noncurrent liabilities				
2540	Long-term borrowings (Note 17 & 28)	706,273	16	1,064,116	22
2570	Deferred tax liabilities (Note 4 & 23)	12,922	-	13,069	1
2580	Lease liabilities - non-current(Note 4 , 13, 27)	140	-	373	-
2640	Net defined benefit liabilities - noncurrent (Note 4 & 19)	<u>5,158</u>	<u>-</u>	<u>5,949</u>	<u>-</u>
25XX	Total noncurrent liabilities	<u>724,493</u>	<u>16</u>	<u>1,083,507</u>	<u>23</u>
2XXX	Total Liabilities	<u>2,371,709</u>	<u>52</u>	<u>2,447,657</u>	<u>51</u>
	Owner's equity of this Company (Note 20)				
3110	Common stock	<u>855,421</u>	<u>19</u>	<u>855,421</u>	<u>18</u>
3200	Capital surplus	<u>356,590</u>	<u>8</u>	<u>356,515</u>	<u>8</u>
	Retained earnings				
3310	Legal reserve	238,077	5	231,824	5
3320	Special reserve	77,883	2	105,526	2
3350	Unappropriated earnings	<u>761,333</u>	<u>17</u>	<u>868,657</u>	<u>18</u>
3300	Total retained earnings	<u>1,077,293</u>	<u>24</u>	<u>1,206,007</u>	<u>25</u>
3490	Other equity	(<u>122,999</u>)	(<u>3</u>)	(<u>77,883</u>)	(<u>2</u>)
31XX	Total owner's equity of this Company	2,166,305	48	2,340,060	49
36XX	Noncontrolling interest	<u>4,926</u>	<u>-</u>	<u>3,987</u>	<u>-</u>
3XXX	Total equity	<u>2,171,231</u>	<u>48</u>	<u>2,344,047</u>	<u>49</u>
	Total liabilities and equity	<u>\$ 4,542,940</u>	<u>100</u>	<u>\$ 4,791,704</u>	<u>100</u>

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

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

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

Code		For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 4, 21, 27)	\$ 2,227,080	100	\$ 2,806,070	100
5000	Operating costs (Note 10, 22, 27)	<u>1,970,897</u>	<u>88</u>	<u>2,392,336</u>	<u>85</u>
5900	Gross profit	<u>256,183</u>	<u>12</u>	<u>413,734</u>	<u>15</u>
	Operating expenses (Note 4, 9, 13, 19, 22, 27)				
6100	Sales and marketing	186,139	8	197,144	7
6200	General and administration expense	123,264	6	125,010	5
6300	Research and development expense	60,505	3	61,763	2
6450	Gain (Loss) on reversal of expected credit loss	<u>249</u>	<u>-</u>	(<u>488</u>)	<u>-</u>
6000	Total operating expenses	<u>370,157</u>	<u>17</u>	<u>383,429</u>	<u>14</u>
6900	Net operating profit (loss)	(<u>113,974</u>)	(<u>5</u>)	<u>30,305</u>	<u>1</u>
	Nonoperating income and expenses				
7100	Interest income (Note 22)	17,447	1	12,782	-
7010	Other income (Note 22)	23,569	1	26,219	1
7020	Other gains and losses (Note 22)	12,596	-	21,571	1
7050	Financial costs (Note 22 & 27)	(<u>28,636</u>)	(<u>1</u>)	(<u>6,871</u>)	<u>-</u>
7000	Total nonoperating income and expenses	<u>24,976</u>	<u>1</u>	<u>53,701</u>	<u>2</u>
7900	Profit before income tax	(88,998)	(4)	84,006	3
7950	Income tax expense (Note 4 & 25)	(<u>3,948</u>)	<u>-</u>	<u>23,785</u>	<u>1</u>
8200	Net profit for the year	(<u>85,050</u>)	(<u>4</u>)	<u>60,221</u>	<u>2</u>

(Carried forward)

(Brought forward)

<u>Code</u>		For the Year Ended		For the Year Ended	
		<u>December 31, 2023</u>		<u>December 31, 2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	Other comprehensive income (loss)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 19)	(\$ 36)	-	\$ 2,174	-
8316	Unrealized gain or loss on investments in equity instrument at fair value through other comprehensive income	(17,078)	(1)	4,177	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations	(<u>27,956</u>)	(<u>1</u>)	<u>23,631</u>	<u>1</u>
8300	Other comprehensive income (loss) of the year	(<u>45,070</u>)	(<u>2</u>)	<u>29,982</u>	<u>1</u>
8500	Total comprehensive income of the year	(<u>\$ 130,120</u>)	(<u>6</u>)	<u>\$ 90,203</u>	<u>3</u>
	Net profit attributable to:				
8610	Owners of the company	(\$ 85,907)	(4)	\$ 60,357	2
8620	Non-controlling interests	<u>857</u>	<u>-</u>	(<u>136</u>)	<u>-</u>
8600		(<u>\$ 85,050</u>)	(<u>4</u>)	<u>\$ 60,221</u>	<u>2</u>
	Comprehensive income attributable to:				
8710	Owners of the company	(\$ 131,059)	(6)	\$ 90,173	3
8720	Non-controlling interests	<u>939</u>	<u>-</u>	<u>30</u>	<u>-</u>
8700		(<u>\$ 130,120</u>)	(<u>6</u>)	<u>\$ 90,203</u>	<u>3</u>
	Earnings per share (Note 24)				
9750	Basic	(<u>\$ 1.00</u>)		<u>\$ 0.71</u>	
9850	Diluted	(<u>\$ 1.00</u>)		<u>\$ 0.71</u>	

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

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of the Company												
		Ordinary Shares (Note 20)		Retained Earnings (Note 20)					Other Equity					
Code		Number of Shares (thousand)	Amount	Capital Surplus (Note 20)	Legal Reserve	Special Reserve	Unappropriated Earnings	Minor Sum	Exchange Differences on Translating Foreign Operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income)	Minor Sum	Total	Noncontrolling Interest	Total Equity
A1	Balance as of January 1, 2022	<u>80,700</u>	<u>\$ 807,001</u>	<u>\$ 356,515</u>	<u>\$ 221,206</u>	<u>\$ 91,698</u>	<u>\$ 911,272</u>	<u>\$1,224,176</u>	<u>(\$ 167,726)</u>	<u>\$ 62,201</u>	<u>(\$ 105,525)</u>	<u>\$2,282,167</u>	<u>\$ 3,957</u>	<u>\$2,286,124</u>
	Appropriation of 2021 earnings													
B1	Legal reserve	-	-	-	10,618	-	(10,618)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	13,828	(13,828)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(32,280)	(32,280)	-	-	-	(32,280)	-	(32,280)
B9	Stock dividends	<u>4,842</u>	<u>48,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,420)</u>	<u>(48,420)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>4,842</u>	<u>48,420</u>	<u>-</u>	<u>10,618</u>	<u>13,828</u>	<u>(105,146)</u>	<u>(80,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,280)</u>	<u>-</u>	<u>(32,280)</u>
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	60,357	60,357	-	-	-	60,357	(136)	60,221
D3	Other comprehensive income (loss) after tax for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,174</u>	<u>2,174</u>	<u>23,465</u>	<u>4,177</u>	<u>27,642</u>	<u>29,816</u>	<u>166</u>	<u>29,982</u>
D5	Total comprehensive income (loss) for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,531</u>	<u>62,531</u>	<u>23,465</u>	<u>4,177</u>	<u>27,642</u>	<u>90,173</u>	<u>30</u>	<u>90,203</u>
Z1	Balance as of December 31, 2022	<u>85,542</u>	<u>\$ 855,421</u>	<u>\$ 356,515</u>	<u>\$ 231,824</u>	<u>\$ 105,526</u>	<u>\$ 868,657</u>	<u>\$1,206,007</u>	<u>(\$ 144,261)</u>	<u>\$ 66,378</u>	<u>(\$ 77,883)</u>	<u>\$2,340,060</u>	<u>\$ 3,987</u>	<u>\$2,344,047</u>
	Appropriation of 2022 earnings													
B1	Legal reserve	-	-	-	6,253	-	(6,253)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(42,771)	(42,771)	-	-	-	(42,771)	-	(42,771)
B17	reversal of special reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,643)</u>	<u>27,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>6,253</u>	<u>(27,643)</u>	<u>(21,381)</u>	<u>(42,771)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,771)</u>	<u>-</u>	<u>(42,771)</u>
C17	Other changes in capital surplus	<u>-</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>75</u>
D1	Net profit for the year ended December 31, 2023	-	-	-	-	-	(85,907)	(85,907)	-	-	-	(85,907)	857	(85,050)
D3	Other comprehensive income (loss) after tax for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36)</u>	<u>(36)</u>	<u>(28,038)</u>	<u>(17,078)</u>	<u>(45,116)</u>	<u>(45,152)</u>	<u>82</u>	<u>(45,070)</u>
D5	Total comprehensive income (loss) for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,943)</u>	<u>(85,943)</u>	<u>(28,038)</u>	<u>(17,078)</u>	<u>(45,116)</u>	<u>(131,059)</u>	<u>939</u>	<u>(130,120)</u>
Z1	Balance as of December 31, 2023	<u>85,542</u>	<u>\$ 855,421</u>	<u>\$ 356,590</u>	<u>\$ 238,077</u>	<u>\$ 77,883</u>	<u>\$ 761,333</u>	<u>\$1,077,293</u>	<u>(\$ 172,299)</u>	<u>\$ 49,300</u>	<u>(\$ 122,999)</u>	<u>\$2,166,305</u>	<u>\$ 4,926</u>	<u>\$2,171,231</u>

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

Double Bond Chemical Ind. Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code		For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
	Cash Flows from Operating Activities		
A00010	Profit (Loss) before income tax	(\$ 88,998)	\$ 84,006
A20010	Adjustments for:		
A20100	Depreciation expense	127,713	54,832
A20200	Amortization expense	4,732	2,523
A20300	(Gain on reversal of) Expected credit loss	249	(488)
A20400	Net gain of financial assets and liabilities at fair value through profit and loss	-	(7)
A20900	Financial cost	28,636	6,871
A21200	Interest income	(17,447)	(12,782)
A21300	Dividend revenue	(9,152)	(11,088)
A22500	Gain on disposal of property, plant and equipment	(875)	(1,139)
A23800	Loss for market price decline and obsolete and slow-moving inventories	26,072	7,988
A24100	Unrealized loss (gain) on foreign exchange	854	(6,204)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	2,142	31,037
A31150	Accounts receivable	136,617	11,364
A31160	Accounts receivable from related parties	2,720	9,607
A31180	Other receivable	6,054	(2,041)
A31200	Inventories	32,848	72,973
A31240	Other current assets	(18,796)	100,258
A32125	Contract liabilities	6,207	(10,268)
A32130	Notes payable	14,916	(75,654)
A32140	Notes payable to related parties	4,396	(869)
A32150	Accounts payable	(43,294)	1,164
A32160	Accounts payable to related parties	(10,154)	(29,371)
A32180	Other accounts payable	(12,768)	(24,410)
A32230	Other current liabilities	521	-
A32240	Net defined benefit liabilities	(<u>827</u>)	(<u>823</u>)

(Carried forward)

(Brought forward)

Code		For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
A33000	Cash generated from operating activities	\$ 192,366	\$ 207,479
A33100	Interest received	17,487	12,735
A33200	Stock dividend received	9,152	11,088
A33300	Interest paid	(37,553)	(27,992)
A33500	Income taxes paid	(40,415)	(51,542)
AAAA	Net cash generated from operating activities	<u>141,037</u>	<u>151,768</u>
	Cash Flows from Investing Activities		
B00040	Decrease in financial assets at amortized cost	-	18,835
B00200	Sale of Financial assets at fair value through profit or loss	-	9
B02700	Purchase of property, plant and equipment	(53,332)	(108,058)
B02800	Disposal of property, plant and equipment	1,189	1,713
B04500	Purchase of intangible assets	(841)	(1,530)
B07100	Increase in Prepayments for Business Facilities	(2,770)	(31,672)
B06700	Increase in other noncurrent assets	(1,009)	(46)
BBBB	Net cash used in investing activities	<u>(56,763)</u>	<u>(120,749)</u>
	Cash Flows from Financing Activities		
C00100	Increase in short-term borrowings	275,000	211,226
C01600	Decrease in long-term borrowings	(295,281)	(155,996)
C04020	Repayments of lease liabilities	(7,023)	(7,525)
C04500	Payment of dividends	(42,771)	(32,280)
C09900	Other changes in capital surplus	<u>75</u>	<u>-</u>
CCCC	Net cash generated (used) from financing activities	<u>(70,000)</u>	<u>15,425</u>
DDDD	Impact of changes in exchange rate on cash and cash equivalents	<u>(20,391)</u>	<u>35,594</u>
EEEE	Net increase (decrease) in cash and cash equivalents of the year	(6,117)	82,038
E00100	Cash and cash equivalents at the beginning of the year	<u>1,202,110</u>	<u>1,120,072</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$1,195,993</u>	<u>\$1,202,110</u>

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

【Appendix 4】

Independent Auditors' Report

The Board of Directors and Shareholders
Double Bond Chemical Ind. Co., Ltd.

Opinion

We have audited the accompanying financial statements of Double Bond Chemical Ind. Co., Ltd. (the Company), which comprise the balance sheets as of December 31, 2023 and 2022 and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the individual financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. 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 matters for the Company's financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of Sales Revenue

The Company's revenue is mainly contributed to from the sale of various chemical raw materials, coating monomers/oligomers, industrial additives, and specialty chemicals. Among them, the sales revenue of plastic additives in industrial additives accounts for 49% of the total revenue in 2023. Since the sales revenue of plastic additives is material and the transaction is frequent, the occurrence of sales revenue of plastic additives is listed as a key audit matter in 2023 for audit.

For the accounting policies related to the recognition of operating revenue, please refer to Note 4 and 20 of the individual financial statements.

Regarding our audit procedures in respect of the key audit matter, we performed the compliance tests to assess the Company's process for the recognition of revenue from the sale of plastic additives and the design and implementation of its controls over the process. We tested sample transaction of revenue from the sale of plastic additives to determine whether the timing of the transfer of the risks and rewards of ownership of the plastic additives matched the timing of revenue recognition.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the individual 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 financial statements or, if such disclosure 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 financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit and 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 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 audit resulting in this independent auditors' report are CHEN, CHIH-YUAN and HUANG, YAO-LIN.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14, 2024

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.

Double Bond Chemical Ind. Co., Ltd.

Balance Sheets

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 4 & 6)	\$ 185,254	4	\$ 244,671	5
1136	Financial assets at amortized cost - current (Note 4, 8, 27)	3,000	-	3,000	-
1150	Notes receivable, net (Note 4, 9, 20)	11,192	-	9,955	-
1170	Accounts receivable, net (Note 4, 9, 20)	107,321	3	156,469	4
1180	Accounts receivable from related parties, net (Note 4, 9, 20)	73,616	2	86,540	2
1200	Other receivables	30,599	1	37,265	1
1210	Other receivables from related parties, net (Note 26)	12,625	-	12,419	-
1220	Current tax assets (Note 4 & 22)	212	-	71	-
130X	Inventories, net (Note 4 & 10)	202,441	5	277,267	6
1479	Other current assets (Note 4 & 15)	<u>20,614</u>	<u>-</u>	<u>43,033</u>	<u>1</u>
11XX	Total current assets	<u>646,874</u>	<u>15</u>	<u>870,690</u>	<u>19</u>
	Noncurrent Assets				
1517	Financial assets at fair value through other comprehensive income - noncurrent (Note 4 & 7)	89,650	2	106,728	2
1550	Investments accounted for using equity method (Note 4 & 11)	1,531,426	36	1,520,542	34
1600	Property, plant and equipment (Note 4, 12, 27)	1,911,942	45	1,627,699	37
1755	Right-of-use assets (Note 4 & 13)	-	-	99	-
1821	Other intangible assets (Note 4 & 14)	4,779	-	2,310	-
1840	Deferred tax assets (Note 4 & 22)	35,798	1	8,457	-
1915	Prepayments for Business Facilities (Note 26)	1,086	-	332,499	8
1990	Other noncurrent assets (Note 15 & 26)	<u>18,537</u>	<u>1</u>	<u>920</u>	<u>-</u>
15XX	Total noncurrent assets	<u>3,593,218</u>	<u>85</u>	<u>3,599,254</u>	<u>81</u>
1XXX	Total assets	<u>\$ 4,240,092</u>	<u>100</u>	<u>\$ 4,469,944</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term borrowings (Note 16 & 27)	\$ 855,000	20	\$ 580,000	13
2130	Contract liabilities (Note 4 & 20)	2,759	-	2,111	-
2150	Notes payable	14	-	-	-
2170	Accounts payable	54,326	1	58,102	1
2180	Accounts payable to related parties (Note 26)	50,170	1	70,840	2
2219	Other accounts payable (Note 17 & 26)	37,419	1	48,292	1
2280	Lease liabilities - current (Note 4 & 13)	-	-	100	-
2322	Current portion of long-term borrowings (Note 16 & 27)	351,395	9	288,847	7
2399	Other current liabilities (Note 17)	<u>18</u>	<u>-</u>	<u>12</u>	<u>-</u>
21XX	Total current liabilities	<u>1,351,101</u>	<u>32</u>	<u>1,048,304</u>	<u>24</u>
	Noncurrent liabilities				
2540	Long-term borrowings (Note 16 & 27)	705,877	17	1,064,116	24
2570	Deferred tax liabilities (Note 4 & 22)	11,651	-	11,515	-
2640	Net defined benefit liabilities - noncurrent (Note 4 & 18)	<u>5,158</u>	<u>-</u>	<u>5,949</u>	<u>-</u>
25XX	Total noncurrent liabilities	<u>722,686</u>	<u>17</u>	<u>1,081,580</u>	<u>24</u>
2XXX	Total Liabilities	<u>2,073,787</u>	<u>49</u>	<u>2,129,884</u>	<u>48</u>
	Owner's equity of this Company (Note 19)				
3110	Capital stock	<u>855,421</u>	<u>20</u>	<u>855,421</u>	<u>19</u>
3200	Capital surplus	<u>356,590</u>	<u>9</u>	<u>356,515</u>	<u>8</u>
	Retained earnings				
3310	Legal reserve	238,077	5	231,824	5
3320	Special reserve	77,883	2	105,526	2
3350	Unappropriated earnings	<u>761,333</u>	<u>18</u>	<u>868,657</u>	<u>20</u>
3300	Total retained earnings	<u>1,077,293</u>	<u>25</u>	<u>1,206,007</u>	<u>27</u>
3490	Other equity	(<u>122,999</u>)	(<u>3</u>)	(<u>77,883</u>)	(<u>2</u>)
3XXX	Total equity	<u>2,166,305</u>	<u>51</u>	<u>2,340,060</u>	<u>52</u>
	Total liabilities and equity	<u>\$ 4,240,092</u>	<u>100</u>	<u>\$ 4,469,944</u>	<u>100</u>

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

Double Bond Chemical Ind. Co., Ltd.
Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

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

Code		For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 4, 20, 26)	\$ 971,110	100	\$ 1,247,907	100
5000	Operating costs (Note 10, 21, 26)	<u>955,504</u>	<u>98</u>	<u>1,072,832</u>	<u>86</u>
	Gross profit	15,606	2	175,075	14
5910	Realized (unrealized) gain from sale (Note 4)	<u>9,548</u>	<u>1</u>	<u>1,475</u>	<u>-</u>
5950	Gross profit and realized gain	<u>25,154</u>	<u>3</u>	<u>176,550</u>	<u>14</u>
	Operating expenses (Note 4, 9, 13, 18, 21, 26)				
6100	Sales and marketing expense	85,123	9	97,594	8
6200	General and administration expense	54,769	6	59,613	5
6300	Research and development expense	49,192	5	52,218	4
6450	Gain on reversal of expected credit loss	(<u>314</u>)	<u>-</u>	(<u>1,090</u>)	<u>-</u>
6000	Total operating expenses	<u>188,770</u>	<u>20</u>	<u>208,335</u>	<u>17</u>
6900	Net operating profit(loss)	(<u>163,616</u>)	(<u>17</u>)	(<u>31,785</u>)	(<u>3</u>)
	Nonoperating income and expenses				
7100	Interest income (Note 21 & 26)	2,795	-	1,132	-
7010	Other income (Note 21)	10,475	1	12,353	1
7020	Other gains and losses (Note 21)	13,233	2	23,006	2
7050	Financial costs (Note 21)	(28,448)	(3)	(6,390)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method (Note 4 and 11)	<u>56,915</u>	<u>6</u>	<u>65,803</u>	<u>5</u>

(Carried forward)

(Brought forward)

Code		For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
		Amount	%	Amount	%
7000	Total nonoperating income and expenses	<u>\$ 54,970</u>	<u>6</u>	<u>\$ 95,904</u>	<u>8</u>
7900	Profit before income tax	(108,646)	(11)	64,119	5
7950	Income tax expense (Note 4 & 22)	(<u>22,739</u>)	(<u>2</u>)	<u>3,762</u>	-
8200	Net profit for the year	(<u>85,907</u>)	(<u>9</u>)	<u>60,357</u>	<u>5</u>
	Other Comprehensive Income (Loss)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans (Note 18)	(36)	-	2,174	-
8316	Unrealized gain or loss on investments in equity instrument at fair value through other comprehensive income	(17,078)	(2)	4,177	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations	(<u>28,038</u>)	(<u>3</u>)	<u>23,465</u>	<u>2</u>
8300	Other comprehensive income (loss) of the year	(<u>45,152</u>)	(<u>5</u>)	<u>29,816</u>	<u>2</u>
8500	Total comprehensive income of the year	(<u>\$ 131,059</u>)	(<u>14</u>)	<u>\$ 90,173</u>	<u>7</u>
	Earnings per share (Note 25)				
9750	Basic	(<u>\$ 1.00</u>)		<u>\$ 0.71</u>	
9850	Diluted	(<u>\$ 1.00</u>)		<u>\$ 0.71</u>	

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

Double Bond Chemical Ind. Co., Ltd.
Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Equity attributable to owners of the Company												
		Ordinary Shares (Note 19)		Retained Earnings (Note 19)					Other Equity			
		Number of Shares (thousand)	Amount	Capital Surplus (Note 4 & 19)	Legal Reserve	Special Reserve	Unappropriated Earnings	Minor Sum	Exchange Differences on Translating Foreign Operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income (Note 4)	Minor Sum	Total Equity
A1	Balance as of January 1, 2022	<u>80,700</u>	<u>\$ 807,001</u>	<u>\$ 356,515</u>	<u>\$ 221,206</u>	<u>\$ 91,698</u>	<u>\$ 911,272</u>	<u>\$ 1,224,176</u>	<u>(\$ 167,726)</u>	<u>\$ 62,201</u>	<u>(\$ 105,525)</u>	<u>\$ 2,282,167</u>
	Appropriation of 2021 earnings											
B1	Legal reserve	-	-	-	10,618	-	(10,618)	-	-	-	-	-
B3	Special reserve	-	-	-	-	13,828	(13,828)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(32,280)	(32,280)	-	-	-	(32,280)
B9	Stock dividends	<u>4,842</u>	<u>48,420</u>	-	-	-	(48,420)	(48,420)	-	-	-	-
		<u>4,842</u>	<u>48,420</u>	-	<u>10,618</u>	<u>13,828</u>	(<u>105,146</u>)	(<u>80,700</u>)	-	-	-	(<u>32,280</u>)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	60,357	60,357	-	-	-	60,357
D3	Other comprehensive income (loss) after tax for the year ended December 31, 2022	-	-	-	-	-	<u>2,174</u>	<u>2,174</u>	<u>23,465</u>	<u>4,177</u>	<u>27,642</u>	<u>29,816</u>
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	<u>62,531</u>	<u>62,531</u>	<u>23,465</u>	<u>4,177</u>	<u>27,642</u>	<u>90,173</u>
Z1	Balance as of December 31, 2022	<u>85,542</u>	<u>\$ 855,421</u>	<u>\$ 356,515</u>	<u>\$ 231,824</u>	<u>\$ 105,526</u>	<u>\$ 868,657</u>	<u>\$ 1,206,007</u>	<u>(\$ 144,261)</u>	<u>\$ 66,378</u>	<u>(\$ 77,883)</u>	<u>\$ 2,340,060</u>
	Appropriation of 2022 earnings											
B1	Legal reserve	-	-	-	6,253	-	(6,253)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(42,771)	(42,771)	-	-	-	(42,771)
B17	reversal of special reserve	-	-	-	-	(27,643)	<u>27,643</u>	-	-	-	-	-
		-	-	-	<u>6,253</u>	(<u>27,643</u>)	(<u>21,381</u>)	(<u>42,771</u>)	-	-	-	(<u>42,771</u>)
C17	Other changes in capital surplus	-	-	<u>75</u>	-	-	-	-	-	-	-	<u>75</u>
D1	Net profit for the year ended December 31, 2023	-	-	-	-	-	(85,907)	(85,907)	-	-	-	(85,907)
D3	Other comprehensive income (loss) after tax for the year ended December 31, 2023	-	-	-	-	-	(<u>36</u>)	(<u>36</u>)	(<u>28,038</u>)	(<u>17,078</u>)	(<u>45,116</u>)	(<u>45,152</u>)
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(<u>85,943</u>)	(<u>85,943</u>)	(<u>28,038</u>)	(<u>17,078</u>)	(<u>45,116</u>)	(<u>131,059</u>)
Z1	Balance as of December 31, 2023	<u>85,542</u>	<u>\$855,421</u>	<u>\$356,590</u>	<u>\$238,077</u>	<u>\$ 77,883</u>	<u>\$761,333</u>	<u>\$1,077,293</u>	<u>(\$172,299)</u>	<u>\$ 49,300</u>	<u>(\$122,999)</u>	<u>\$2,166,305</u>

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

Double Bond Chemical Ind. Co., Ltd.
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

		(In Thousands of New Taiwan Dollars)	
		For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Code			
	Cash Flows from Operating Activities		
A00010	Profit before income tax	(\$ 108,646)	\$ 64,119
A20010	Adjustments for:		
A20100	Depreciation expense	96,430	22,252
A20210	Amortization expense	3,034	884
A20300	Gain on reversal of expected credit loss	(314)	(1,090)
A20400	Net income of financial assets and liabilities at fair value through profit and loss	-	(7)
A20900	Financial cost	28,448	6,390
A21200	Interest income	(2,795)	(1,132)
A21300	Dividend revenue	(9,152)	(11,088)
A22300	Share of profits or losses of subsidiaries and associates accounted for using the equity method	(56,915)	(65,803)
A22500	Gain (Loss) on disposal of property, plant and equipment	(175)	199
A23800	Loss for market price decline and obsolete and slow-moving inventories	29,811	1,307
A23900	Unrealized (realized) gain on transactions with subsidiaries	(9,548)	(1,475)
A24100	Unrealized loss (gain) on foreign exchange	1,128	(5,048)
A30000	Net changes in operating assets and liabilities		
A31110	Financial assets and liabilities at fair value through profit or loss	-	9
A31130	Notes receivable	(1,237)	3,116
A31150	Accounts receivable	47,201	12,973
A31160	Accounts receivable from related parties	12,925	12,274
A31180	Other receivable	6,625	(1,524)
A31200	Inventories	45,015	15,421
A31240	Other current assets	3,677	9,508
A32125	Contract liabilities	648	(4,716)
A32130	Notes payable	14	-
A32150	Accounts payable	(2,370)	(36,515)
A32160	Accounts payable to related parties	(20,670)	(28,846)
A32180	Other accounts payable	(9,753)	(13,342)
A32230	Other current liabilities	6	-
A32240	Net defined benefit liabilities	(827)	(823)
A33000	Cash generated from operating activities	52,560	(22,957)
A33100	Interest received	2,835	1,085
A33200	Stock dividend received	9,152	11,088
A33300	Interest paid	(37,364)	(27,511)
(Carried forward)			

(Brought forward)

Code		For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
A33500	Income taxes paid	(\$ 4,608)	(\$ 7,354)
AAAA	Net cash used in operating activities	<u>22,575</u>	(<u>45,649</u>)
	Cash Flows from Investing Activities		
B00040	Decrease in financial assets at amortized cost	-	18,835
B01800	Acquisition of investments accounted for using the equity method	(15,299)	-
B02700	Purchase of property, plant and equipment	(44,711)	(92,026)
B02800	Disposal of property, plant and equipment	175	159
B03700	Decrease (increase) in refundable deposits	700	(216)
B04500	Purchase of intangible assets	(836)	(1,530)
B05900	Decrease (increase) in other receivables from related parties	(479)	1,848
B06700	Decrease in other noncurrent assets	-	259
B07100	Increase in Prepayments for Business Facilities	(895)	(31,346)
B07600	Collection of subsidiary stock dividends	<u>42,840</u>	<u>72,299</u>
BBBB	Net cash used in investing activities	(<u>18,505</u>)	(<u>31,718</u>)
	Cash Flows from Financing Activities		
C00100	Increase in short-term borrowings bborrowings	275,000	211,226
C01600	Decrease in long-term borrowings	(295,691)	(155,996)
C04020	Repayments of lease liabilities	(100)	(698)
C04500	Payment of dividends	(42,771)	(32,280)
C09900	Changes in noncontrolling interest	<u>75</u>	<u>-</u>
CCCC	Net cash generated from financing activities	(<u>63,487</u>)	<u>22,252</u>
EEEE	Net decrease in cash and cash equivalents of the year	(59,417)	(55,115)
E00100	Cash and cash equivalents at the beginning of the year	<u>244,671</u>	<u>299,786</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 185,254</u>	<u>\$ 244,671</u>

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

【Appendix 5】**Double Bond Chemical Ind. Co., Ltd.
2023 Profit and Loss Appropriation Table**

Unit: NT\$

Item	Amount
Undistributed earnings, beginning of the year	847,275,054
Net loss after tax of the year	(85,907,494)
Reassessment value of the defined benefit plans recognized in retained earnings	(36,156)
The net loss after tax is added to the amount of items other than the net loss after tax of the current period included in the undistributed surplus of the current year	(85,943,650)
Appropriation	
Appropriate 10% of legal reserves	-
Appropriate special reserves	(45,115,571)
Distributable earnings of the year	716,215,833
Distribution	
None	-
Undistributed Earnings, end of the year	716,215,833

Chairman: TSAY, MAW-DER
General Manager: CHEN, CHUNG-PIN
Account Manager: TSAI, JO-YU

【Appendix 6】

Double Bond Chemical Ind. Co., Ltd. Comparison Table for the Amended “Rules and Procedures for Shareholders Meetings ”

Articles	Post-amendment	Pre-amendment	Explanation
Article 3	<p>Notice of Shareholders’ Meeting and Meeting:</p> <p>1. The company’s shareholders’ meeting is convened by the board of directors unless otherwise provided by law.</p> <p><u>2. When the company holds a video conference for the shareholders’ meeting, unless otherwise stipulated by the Rules for Handling Stock Affairs of Publicly Issued Stock Companies, it should be specified in the articles of association and resolved by the board of directors. The video conference of the shareholders’ meeting should be resolved by the board of directors with the attendance of more than two-thirds of the directors and the consent of more than half of the attending directors.</u></p> <p><u>3 to 11, omitted.</u></p>	<p>Notice of Shareholders’ Meeting and Meeting:</p> <p>1. The company’s shareholders’ meeting is convened by the board of directors unless otherwise provided by law.</p> <p>2 to 10, omitted.</p>	<p>In accordance with the announcement number 1120004167 from the Taiwan Stock Exchange Corporation, amendments are being made.</p> <p>In line with the addition of this item, the numbering is being adjusted.</p>
Article 6-1	<p>Convening a video conference for the shareholders’ meeting, matters to be stated in the notice of convocation:</p> <p>When our company holds a video conference for the shareholders’ meeting, the following matters should be stated in the notice of convocation of the shareholders’ meeting:</p> <p>1 to 2, omitted.</p> <p>3. When convening a video conference for the shareholders’ meeting, it should state the appropriate alternative measures provided for shareholders who have difficulty participating in the shareholders’ meeting via video conference. <u>Except for the circumstances stipulated in the sixth paragraph of Article 44-9 of the Rules for Handling Stock Affairs of Publicly Issued Stock Companies, at least connection equipment and necessary assistance should be provided to shareholders. It should also specify the period during which shareholders can apply to the company and other relevant matters that should be noted.</u></p>	<p>Convening a video conference for the shareholders’ meeting, matters to be stated in the notice of convocation:</p> <p>When our company holds a video conference for the shareholders’ meeting, the following matters should be stated in the notice of convocation of the shareholders’ meeting:</p> <p>1 to 2, omitted.</p> <p>3. When convening a video conference for the shareholders’ meeting, it should state the appropriate alternative measures provided for shareholders who have difficulty participating in the shareholders’ meeting via video conference.</p>	<p>In accordance with the announcement number 1120004167 from the Taiwan Stock Exchange Corporation, amendments are being made.</p>
Article 22	<p>Handling of Digital Divide:</p> <p>When our company holds a video conference for the shareholders’ meeting, appropriate alternative measures should be provided for shareholders who have difficulty attending the shareholders’ meeting via video conference. <u>Except for the circumstances stipulated in the sixth paragraph of Article 44-9 of the Rules for Handling Stock Affairs of Publicly Issued Stock Companies, at least connection equipment and necessary assistance should be provided to shareholders. It should also specify the period during which shareholders can apply to the company and other relevant matters that should be noted.</u></p>	<p>Handling of Digital Divide:</p> <p>When our company holds a video conference for the shareholders’ meeting, appropriate alternative measures should be provided for shareholders who have difficulty attending the shareholders’ meeting via video conference.</p>	<p>In accordance with the announcement number 1120004167 from the Taiwan Stock Exchange Corporation, amendments are being made.</p>

【Annex 1】

Double Bond Chemical Ind. Co., Ltd.

Articles of Incorporation

Chapter 1 General Provision

Article 1 The Company, Double Bond Chemical Ind. Co., Ltd., was incorporated pursuant to provisions of the Company Act.

Article 2 The Company is engaged in the following business operations:

1. F108031 Wholesale of Medical Devices
2. F208031 Retail Sale of Medical Apparatus
3. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The Company is required to provide external guarantee only to its affiliates.

Article 3 The Company is headquartered in New Taipei City, Taiwan. Branches, offices, and business premises may be set up at home and aboard as necessary after a resolution is made by the meeting of the board of directors.

Article 4 The Company's means of announcement shall be in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 5 The Company's capital is rated at NT\$1.2 billion, which is divided into 120 million shares at NT\$10 per share; the Company authorizes the board of directors to issue the shares in batches when necessary. The Company may, within the range of total capital thereof, reserve 40 million shares, which is divided into 4 million shares at NT\$10 per share, to be issued as employee stock option certificates, which may be issued in batches based on the resolution made by the meeting of the board of directors.

Article 6 Deleted.

Article 7 The Company is exempted from printing any share certificate for the shares to be issued to the public, provided that the Company shall appoint a centralized securities custody enterprise/institution to make recordation of the issue of such shares.

Article 8 Registration for transfer of shares shall be suspended for a period of 60 days prior to the annual general meeting, 30 days before the convening date of a special shareholders meeting, or within 5 days before the date on which dividends, bonus, or other benefits are scheduled to be paid by the Company, pursuant to the relevant laws and regulations and the regulations of the competent authority.

Chapter 3 Shareholders' Meeting

Article 9 Shareholders' meeting shall be of the following two kinds: regular meeting of shareholders and special meeting of shareholders. Regular meeting of shareholders, which shall be held at least once every year and convened by the board of directors within 6 months after close of each fiscal year, while special meeting of shareholders shall be held when necessary.

Article 9-1 The Company's shareholders' meetings may be conducted through video conferences or other manner announced by central competent authority.

Article 10 A shareholder may, when unable to attend the shareholders' meeting for any reason, appoint a proxy pursuant to Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" announced by the competent authority to attend in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy with the shareholders' signature and/or seal affixed thereto.

Article 11 A shareholder shall have one voting power in respect of each share in his/her/its possession, but the shares held by the Company itself in accordance with Article 179 of the Company Act have no voting power.

Article 12 Resolutions at a shareholder's meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. The Company's shareholders may exercise his/her voting power by way of electronic transmission and a shareholder who exercises his/her voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person and processed pursuant to laws and regulations.

Article 12-1 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The meeting agenda of the shareholders' meeting shall be kept in the Company together with the attendance cards of the attending shareholders and the power of attorney for the proxies to attend the meeting. The production and distribution of the meeting agenda in the preceding paragraph can be done electronically while the distribution of the meeting agenda in the preceding paragraph can be announced publicly.

Article 12-2 To revoke the public issuance of the Company's shares, the Company shall have this case approved and passed by the special resolutions made in the shareholders meetings which shall remain unchanged throughout the emerging and listing period.

Article 13 Deleted.

Chapter 4 Board of Directors and Audit Committee

Article 14 The Company shall have five (5) to nine (9) directors to be elected at a shareholders meeting through candidates nominating system from the nominees listed to serve a term of three years. A director may be re-elected and the aforesaid board of directors must have at least three (3) and one-fifth (1/5) independent directors of all directors. Election of independent directors shall adopt the candidate nomination measure, and independent directors shall be elected from among the list of candidates for independent directors by the shareholders' meeting. Matters regarding professional qualification, restrictions on shareholdings, concurrent positions held, determination of independency, method of nomination and election and other matters for compliance with respect to independent directors shall be subject to the rules prescribed by the securities governing authorities. The directors adopt the candidate nomination system according to Article 192-1 of the

Company Act, for which the nomination of director candidates and matters related to the announcement shall be handled in accordance with the Company Act, the Securities & Exchange Act, and other relevant laws and regulations.

The company sets up an audit committee consisted of only independent directors in accordance with the provisions of the Securities and Exchange Act. And the functions of the Audit Committee and other matters to be followed shall be handled in accordance with the provisions of the Company Law, the Securities Exchange Law, other relevant laws and regulations and articles of incorporation.

The audit committee shall consist of at least 1 out of 3 independent directors with accounting or financial expertise, and one of them shall act as the convener.

Article 14-1 In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect.

Article 14-2 The Company shall take out supervisors liability insurance with respect to liabilities resulting from the directors' exercise of duties during their terms

Article 15 Composed of directors, the board of directors shall, from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, elect a chairman of the board directors to represent the company externally

Article 16 When the Chairman takes leave or fails to exercise his authority for any reason, his proxy shall deal with the situation pursuant to Article 208 of the Company Act. In case a director is unable to attend a meeting of the board of the directors, he/she may appoint another directors to attend the meeting in his/her behalf, where he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 17 The remuneration of all directors is subject to be authorized by the board of directors, which shall be determined based on the degree of participation and contributions of the directors to the Company's operations as well as the level of remuneration normally paid among the industry.

Chapter 5 Managerial Personnel

Article 18 The Company has established managerial personnel and its appointment, dismissal, and remuneration are handled in accordance with the provisions set forth in Article 29 of the Company Act.

Chapter 6 Accounting

Article 19 At the close of each fiscal year, the Company's board of directors shall prepare the following statements and records and shall forward the same to the shareholders meeting for its auditing:

1. The business report;
2. The financial statements; and
3. The surplus earning distribution or loss off-setting proposals

Article 20 If the Company is profitable in the year, it shall allocate no less than 1% for the employee's compensation and no more than 5% for the directors' remuneration, both of which shall be issued in cashes based on the resolutions made by the board of directors. However, if the Company has accumulated losses, it should retain the amount of compensation in advance before paying the employees' compensation and the directors' remuneration according to the proportion set forth in the preceding paragraph.

When the company distributes the earnings after the end of each half of the fiscal year, it shall firstly retain the employees' compensation and the directors' remuneration according to the proportion set forth in the article. When the company has accumulated losses, it shall also retain the amount of compensation in advance before retaining the employees' compensation and the directors' remuneration according to the provisions of this article.

The company's executive treasury shares, employee stock option vouchers, employee acquisition of new shares, restrictions on employee rights, new shares and employee compensation, etc., shall include control or subordinate company employees who meet certain conditions.

Article 21 The Company shall, if there is surplus earning upon annual closing, pay regulatory taxes and off-set accumulated losses before listing 10% to the statutory surplus reserve, provided that, the statutory surplus reserve will no longer need to be listed if it has reached the amount equal to that of the Company's paid-in capital, and the remaining balance shall be listed or reverse special reserve pursuant to law. The board of directors shall consolidate any remaining balance with the accumulated undistributed earnings into a Surplus Earning Distribution Proposal and present it in the shareholders' meeting for a resolution on the distribution of dividends.

Stock dividends, legal reserves, and capital reserves are issued in cash according to the preceding paragraph upon resolution adopted by a majority vote at a meeting of board of directors in which at least 2/3 directors are authorized to attend.

The Company is currently developing steadily in an industry that is now growing and expanding. Since R&D and capacity upgrade are important factors for competitiveness and sustainable operation that require a steady source of investment, the current stage of the company's dividend policy is based on the company's attempted capital budget planning to measure the annual funding needs, after which the Company adopts part of the stock dividends to retain the funds required for the Company's operations. However, if the profitability is significantly diluted, the Board of Directors will refer to the operating and capital expenditures and the shareholders' demand for cash inflows to formulate appropriate ratios of cash and stock dividends, among which cash dividends account for no less than 10% of the total dividends.

Article 21-1 The Company may distribute surplus earnings or make up for losses after the end of

each half of the fiscal year and the board of directors shall prepare the books, bills, and proposals before submitting them to the audit committee for review.

The Company shall, if there is surplus earning upon annual closing, pay regulatory taxes and off-set accumulated losses before listing the statutory surplus reserve, provided that, the statutory surplus reserve will no longer need to be listed if it has reached the amount equal to that of the Company's paid-in capital, and the remaining balance shall be listed or reverse special reserve pursuant to law. If the surplus is distributed in cash, the board of directors decides that the issuance of new shares shall be resolved by the shareholders' meeting.

Article 22 The board of directors is authorized to deal with the Company's external investment that exceeds 40% of the Company's paid-in capital.

Chapter 7 Supplemental Provisions

Article 23 The matters that are not covered in the Articles of Incorporation shall be subject to the provisions of the Company Act and other relevant laws and regulations.

Article 24 The Articles of Incorporation was enacted on January 24, 1994.

1st amendment on November 19, 1996.

2nd amendment on June 16, 1998.

3rd amendment on August 31, 1999.

4th amendment on December 15, 1999.

5th amendment on December 22, 2000.

6th amendment on September 24, 2001.

7th amendment on May 15, 2002.

8th amendment on February 19, 2003.

9th amendment on July 8, 2003.

10th amendment on February 16, 2004.

11th amendment on August 7, 2006.

12th amendment on September 30, 2009.

13th amendment on December 7, 2009.

14th amendment on October 2, 2013.

15th amendment on June 23, 2014.

16th amendment on June 30, 2015.

17th amendment on February 15, 2016.

18th amendment on December 2, 2016.

19th amendment on June 20, 2018.

20th amendment on June 26, 2019.

21th amendment on June 22, 2022.

22th amendment on June 28, 2023.

【Annex 2】

Double Bond Chemical Ind. Co., Ltd.

Rules and Procedures for Shareholders Meetings(Before Amendment)

Article 1 Purpose:

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Scope of Application:

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the article of incorporation, shall be as provided in these Rules.

Article 3 Convening shareholders meetings and shareholders meeting notices:

1. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.
2. Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.
3. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

- (1) For physical shareholders meetings, to be distributed on-site at the meeting.
- (2) For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- (3) For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
4. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
5. Election or dismissal of directors or supervisors, amendments to the article of incorporation, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the

above matters may be raised by an extraordinary motion.

6. The reason for convening the shareholders' meeting has stated the full re-election of directors and the date of appointment. After the re-election of the shareholders' meeting is completed, the date of appointment may not be changed by extraordinary motions or other means at the same meeting.
7. A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Shareholders may submit proposals to urge the Company to promote public interests or fulfill its social responsibilities. Such proposals, in accordance with the relevant provisions of Article 172-1 of the Company Law, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda.
8. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, the method of receive written or electronic proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
9. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
10. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 Proxy and authorization:

1. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
2. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
3. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
4. If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company, two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 Principles determining the time and place of a shareholders meeting:

The venue for a shareholders meeting shall be the premise of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6 Preparation of documents such as the attendance book:

1. The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

2. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.
3. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
4. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.
5. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
6. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date. The Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice:

To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7 The chair and non-voting participants of a shareholders meeting:

1. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by

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

2. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.
3. It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
4. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
5. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 Documentation of a shareholders meeting by audio or video:

1. This Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
2. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
3. Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.
4. The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
5. In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9 Attendance at shareholders meetings calculated based on number of shares:

1. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
2. The chair shall call the meeting to order at the appointed meeting time. At the same time, the number of non-voting rights and the number of shares present shall be announced. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.
3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but

the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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

Article 10 Discussion of proposal:

1. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
2. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
3. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
4. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and provide adequate voting time.

Article 11 Shareholder speech:

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
3. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
4. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
5. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
6. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
7. Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 Calculation of voting shares and recusal system:

1. Voting at a shareholders meeting shall be calculated based on the number of shares.
2. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
3. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
4. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
5. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 Votes:

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
2. When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
4. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
5. Except as otherwise provided in the Company Act and in this Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
6. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
7. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

8. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
9. When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.
10. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
11. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.
12. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 Election of directors and supervisors:

1. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors, the numbers of votes with which they were elected, the names of those failed-elected as directors and the numbers of votes with which they were obtained.
2. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Meeting minutes and signatures:

1. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
2. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (Including statistical weights). when electing directors, the number of votes for each candidate should be written. The meeting minutes shall be retained for the duration of the existence of the Company.
4. Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
5. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only

shareholders meeting online.

Article 16 Public disclosure:

1. On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
2. During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
3. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Maintaining order at the meeting place:

1. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
2. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor".
3. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
4. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 Recess and resumption of a shareholders meeting:

1. When a meeting is in progress, the chair may announce a break based on time considerations. If a natural disaster takes place, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
2. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
3. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 Disclosure of information at virtual meetings

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 Location of the chair and secretary of virtual-only shareholders meeting

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21 Handling of disconnection

1. In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

2. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.
3. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.
4. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
5. During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.
6. When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.
7. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
8. When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
9. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22 Handling of digital divide

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23 Validation and amendment:

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

【Annex 3】**Double Bond Chemical Ind. Co., Ltd.****Shareholding of All Directors**

1. The Company's paid-in capital is NT\$855,420,620; total number of shares issued are 85,542,062 shares.
2. According to Article 2 of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", The shareholdings of independent directors elected by a public company shall not be counted in the total referred to in the preceding paragraph; if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent. If a public company has set up an audit committee in accordance with the Act, the provisions on the minimum percentage requirements for the shareholding of supervisors in the preceding two paragraphs shall not apply.
3. The minimum number of shares held by all directors of the company is as follows:
Shares held by all directors legally (8%): 6,843,364 shares.
4. As of the suspended transferring date of this shareholders' meeting (April 30, 2024), each and all directors' shareholding status recorded in the shareholders' list are listed in the schedule below:

Title	Name	Shareholding condition as of April 30, 2024
Chairman	TSAY, MAW-DER	2,907,372
Director	LIN, LIANG	884,683
Director	LEE, KUN-CHANG	4,552,320
Director	Representative of Jatdix Investments International Limited LIU, CHIEN-LIANG	10,088,770
Independent Director	TSAI, KAO-CHUNG	0
Independent Director	JU, FU-CHEN	0
Independent Director	LEE, SHUEI-SHENG	132,220
Total number of shares held by all directors		18,565,365

【Annex 4】

Other Matters

The acceptance of the shareholders' proposal of this regular shareholders' meeting is as follows:

1. According to Article 172-1 of the Company Act, "Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal."
2. The acceptance period of the shareholder proposal this time is from April 22, 2024 to May 2, 2024, and has already been announced on the Market Observation Post System (MOPS).
3. The Company did not receive any shareholder proposal during the aforementioned acceptance period of shareholder proposal.