

Stock Code: 4584



JUFAN INDUSTRIAL CO., LTD.

2025 Regular Shareholders' Meeting

Meeting Handbook

Meeting date: May 22, 2025

Meeting location: No. 118, Yongke Huan Rd, Yongkang District,
Tainan City (the Company's conference room)

Table of Contents

One. Meeting Procedure	01
Two. Meeting Agenda	02
I. Report Items	03
II. Ratifications	04
III. Discussions	05
IV. Extraordinary Motions	05
V. Adjournment	05
Three. Attachment	
I. 2024 Business Report	06
II. 2024 Audit Committee Review Report	09
III. Independent Auditors' Report and 2024 Financial Statements	10
IV. 2024 Earnings Distribution Table	31
V. Cross Reference Table for Articles of Incorporation Before/After Amendments	32
Four. Appendices	
I. Articles of Incorporation (Before amendments)	34
II. Rules and Procedures of Shareholders' Meeting	43
III. Director Shareholding Status Table	51
IV. Shareholders' Proposal-Related Information	52

JUFAN INDUSTRIAL CO., LTD.

Meeting Procedure for the 2025 Regular Shareholders' Meeting

I. Meeting Called to Order

II. Address by the Chair

III. Report Items

IV. Ratifications

V. Discussions

VI. Extraordinary Motions

VII. Adjournment

JUFAN INDUSTRIAL CO., LTD.’s
2025 Regular Shareholders’ Meeting Agenda

Date: May 22, 2025 (Thursday) at 9:00 AM

Location: No. 118, Yongke Huan Rd, Yongkang District, Tainan City (the Company’s conference room)

Convening method: Physical shareholders' meeting

- I. Meeting Called to Order
- II. Address by the Chair
- III. Report Items:
 - (I) The Company's 2024 Business Report.
 - (II) Audit Committee’s Review Report on 2024 Financial Statements.
 - (III) 2024 Employee and Director Remunerations Distribution Status Report.
- IV. Ratifications:
 - (I) Proposal for the Company’s 2024 business report and financial statements.
 - (II) Proposal for the Company’s 2024 earnings distribution.
- V. Discussions:
 - (I) Amendments to the Company’s “Articles of Incorporation”.
- VI. Extraordinary Motions
- VII. Adjournment

[Report Items]

Motion 1

Cause: The Company's 2024 Business Report, submitted for review.

Description: Please refer to Page 6 of this Handbook [Attachment 1] for the Company's 2024 Business Report.

Motion 2

Cause: Audit Committee's 2024 Financial Statements review report, submitted for review.

Description: Please refer to Page 10 of this Handbook [Attachment 2] for the Company's 2024 Audit Committee Review Report.

Motion 3

Cause: The Company's 2024 Employee and Director Remunerations Distribution Status Report, submitted for review.

Description: The Company proposed to distribute employee cash remuneration for 2024 in the amount of NT\$2,500,000 and director remuneration of NT\$1,000,000 shall be distributed according to the Articles of Incorporation. The amount of employee and director remuneration is consistent with the amount of expenses recognized in 2024.

[Ratifications]

Motion 1.

Proposed by the board of directors

Cause: Proposal for the Company's 2024 business report and financial statements, submitted for ratification.

Description: I. Audit for the Company's 2024 Financial Statements was completed by CPAs Fang-Ting Yeh and Chung-Yu Tien of PwC Taiwan. The financial statements and accompanying business reports have been submitted to the Audit Committee for review and approval.

II. Please refer to Page 6 for this Handbook [Attachment 1] for the Business Report and Page 10 of this Handbook [Attachment 3] for the Independent Auditors' Report and financial statements.

III. Please ratify.

Resolution:

Motion 2. Proposed by the board of directors

Cause: Proposal for the Company's 2024 earnings distribution, submitted for ratification.

Description: I. The Company's undistributed earnings at the start of the period were NT\$238,857,349 (as shown below), and the net profit after tax in 2024 was NT\$108,085,002, deducting other comprehensive income of NT\$11,212, and a 10% statutory legal reserve of NT\$10,809,621 was set aside according to the law, and the reversal special legal reserve is NT\$18,832,944. The profit available for distribution this year is NT\$354,976,886. NT\$66,005,280 in shareholder dividends shall be distributed according to the provisions of these Articles of Incorporation, with a cash dividend of NT\$2.2.

II. Please refer to Page 31 of this Handbook [Attachment 4] for the Company's 2024 earnings distribution statement.

III. The cash dividend was calculated based on the proportion of shares held by each shareholder as of the ex-dividend base date. The cash dividend shall be paid in whole New Taiwan dollars (NT\$). Any fractional amounts less than NT\$1 were aggregated, and the chairman shall be authorized to designate a person to handle the matter.

IV. Upon resolution of this proposal by the regular shareholders' meeting, the chairman shall be authorized to determine the ex-dividend base date, the cash dividend payment date, and other related matters.

V. If the cash dividend ratios to shareholders changed due to changes in the Company's share capital prior to the cash dividend distribution base date during the surplus distribution, a proposal shall be submitted to the regular shareholders' meeting to authorize the chairman to handle the matter.

VI. Please ratify.

Resolution:

[Discussions]

Motion 1.

Proposed by the board of directors

Cause: The amendments to the Company's "Articles of Incorporation" are submitted for discussion.

Description: I. In accordance with the Financial Supervisory Commission Order Jin-Guan-Zheng-Fa-Zi No. 1130385442 on November 8, 2024 and pursuant to Article 14, Paragraph 6 of the Securities and Exchange Act, Taiwan Stock Exchange and Taipei Exchange listed Companies are required to specify in its Articles of Incorporation that a certain percentage of annual earnings shall be allocated for salary adjustments or remuneration for entry-level employees.

II. Please refer to Page 32 of this Handbook [Attachment 5] for the Cross Reference Table for Articles of Incorporation Before/After Amendments.

Resolution:

[Extraordinary Motions]

[Meeting Adjourned]

JUFAN INDUSTRIAL CO., LTD.
Business Report
2024

I. Business plan implementation results:

The Company's consolidated net operating income in 2024 was NT\$1,331,045 thousand, an increase of NT\$319,083 thousand (or 32%) from NT\$1,011,962 thousand in 2023. The net profit for the current period was NT\$108,085 thousand, a increase of NT\$108,085 thousand (or 19%) from NT\$91,038 thousand in 2023.

II. Budget performance: The Company did not disclose financial forecasts for 2024, so there is no budget performance analysis.

III. Financial income, expenditure, and profitability analysis:

Unit: NT\$ Thousand

Items		2024	2023	Rate of Change
Financial income and expenditure	Operating income	1,331,045	1,011,962	31.53%
	Operating cost	909,252	685,946	32.55%
	Gross profit	421,793	326,016	29.38%
	Operating expense	262,975	199,761	31.64%
	Operating profit	158,818	126,255	25.79%
	Non-operating income and expenditure	2,186	(754)	(389.92%)
	Pre-tax profit	161,004	125,501	28.29%
	Post-tax profit	108,085	91,038	18.73%

Unit: %

Items		2024	2023
Profitability	Return on assets (%)	5.74	5.31
	Return on equity (%)	11.13	9.99
	Percentage of net profit before tax to the paid-in capital (%)	53.66	45.18
	Net profit rate (%)	8.12	9.00
	Earnings per share (NT\$)	3.60	3.03

IV. R&D status:

(I) The short-term plan focuses on the research and development of diverse products, including hydraulic, pneumatic, and electric types, as well as the optimization of existing manufacturing processes. By leveraging existing components, the Company aims to develop new product variants to offer customers a wider range of choices. In the medium to long term, the Company plans to develop products for new application areas and provide automated equipment solutions that integrate both products and systems. R&D targets include material straightening machines, system-integrated hydraulic cylinders, high-pressure-resistant hydraulic cylinders, electric cylinders, robotic arm stacking system integration, and data feedback solutions. The Company also plans to leverage its automation system integration capabilities for in-house use—enhancing automated production, material supply, and necessary fixtures—while establishing quality monitoring systems to improve the overall production strategy and line efficiency. Enhancement solution for the overall production line efficiency.

(II) 2024 R&D results:

1. EHA system integration oil pressure cylinder product testing and certification.
2. Aerospace and medical sus compression hydraulic cylinder prototype verification.
3. Mass production and sales of medical grade C hydraulic cylinders.
4. Mass production and sales of medical grade AI hydraulic cylinders.
5. Mass production and sales of hydraulic cylinders for the transportation industry.

6. Rolling process automation for hydraulic cylinders in the shipbuilding industry.
7. Sales of the entire series of JAC air conditioning.
8. Order-to-production of hydraulic cylinders for wind power generation.
9. Development and prototype verification of pistons and piston fixers for the transportation industry.
10. CAD/CAM integration and control testing.
11. The practice of the visual identification system for quality control inspection.

V. Business policy and implementation overview:

In the second half of 2023, major economies began to gradually ease inflation and interest rate pressures. Driven by adjustments in industrial supply chains and the growing demand for green transformation, the global economy in 2024 continues to face challenges such as geopolitical risks (e.g., the Russia–Ukraine conflict) and regional supply chain restructuring. Nevertheless, economic growth momentum remains stable, with inflation in key countries expected to ease further, and business investment and consumer confidence gradually recovering.

Taiwan has benefited from global supply chain realignment and a rebound in end-market demand, leading to stronger economic growth in 2024 compared to 2023. In addition to stronger consumption and investment, high-end manufacturing and technology sectors are continuing to expand their capital investments. Rapid development in wind power, electric vehicles, and smart manufacturing has driven increasing demand for related components and equipment. Overall, Taiwan maintains a competitive edge in high-end manufacturing, renewable energy, and biomedical industries—factors that continue to support the Company’s ongoing growth.

Building on the steady growth achieved in 2023, the Company will, in 2024, continue to focus on high value-added areas such as precision health, green energy, and renewable energy. At the same time, it will deepen digital transformation, strengthen R&D and innovation, expand into new markets and customer bases, and enhance the Company’s overall competitiveness. The main business policy and implementation focus:

(I) Cultivate the Precision Healthcare, Green Energy, and Renewable Energy Industries

1. Secure the position in the supply chain of the wind power industry

In 2023, the Company was certified as a qualified supplier by Siemens Gamesa. In 2024, collaboration will deepen through continued involvement in supplying components for Phase 3, Round 2 of Taiwan’s offshore wind farm projects, supporting the government’s 2050 net-zero carbon emissions goal. To meet delivery timelines and quality standards for large wind turbine parts and assemblies, the Company plans to establish dedicated production lines or optimize existing manufacturing equipment.

2. Expand the market share of medical applications

Building on the 2023 success of stable medical equipment supply to key Japanese clients from our Taiwan plant, the Company plans to further explore other overseas markets and continue developing and introducing several new medical device application orders. Wuxi Jufan is simultaneously enhancing its automation and quality inspection capabilities to meet the demands of leading Chinese medical equipment manufacturers. To address the rapidly growing domestic market in China, the Company will continue expanding production capacity and strengthening local service.

3. Uncover emerging green business opportunities

Beyond the wind power sector, the Company will also focus on potential opportunities in electric vehicles, hydrogen energy, and other renewable energy fields, as well as energy-saving and carbon-reduction technologies. Joint development projects or technology transfer collaborations will be explored to broaden product application scope.

(II) Promote Digital Transformation

1. Deepening smart manufacturing

The Company will continue optimizing its existing AI-powered monitoring system and integrating it with production, logistics, and quality control units to achieve full digitalization across the production workflow—from order intake and scheduling to quality management. This aims to significantly enhance production efficiency and delivery accuracy. Furthermore, the Company is actively introducing self-learning algorithms to build autonomous digital transformation capabilities on top of existing automation infrastructure. This will strengthen predictive maintenance and anomaly detection functions, meeting customer expectations for stringent delivery performance.

2. Adopt ESG information management

After achieving ISO 14001 and ISO 45001 certifications across all plants in 2023, the focus in 2024 will shift toward integrating environmental, occupational safety, and health data into a centralized digital management platform. This will enable real-time monitoring of energy usage, waste disposal, and safety records. ESG performance indicators will be incorporated into KPI assessments to drive data-based

improvements across departments. The Company will also regularly disclose ESG outcomes to enhance transparency and build public trust.

(III) Strengthen Research and Development Innovation

1. Increase investment in R&D resources

The Company will recruit additional R&D personnel with expertise in hydraulic/pneumatic technology, new material applications, and mechatronic integration. Internal R&D infrastructure will also be continuously upgraded to improve research efficiency and accelerate the commercialization of R&D outcomes. A fixed percentage of annual revenue is earmarked for R&D to ensure resource availability for innovative projects. The Company will also conduct early market assessments of promising new technologies and products.

2. Deepening industry-academia cooperation

Through joint R&D projects and co-established labs, the Company will work closely with renowned domestic and international universities and research institutions to foster two-way academic–industry exchange and facilitate the practical application of academic research. In addition, the Company will leverage government-funded programs—such as tech innovation and green energy initiatives—to diversify and deepen its R&D efforts while mitigating development risks and reducing costs.

3. Technology patents and intellectual property rights management

The Company will continue filing and strategically deploying core patents to solidify its leadership in key components and technologies. Internal IP management systems will be strengthened, including employee training, confidentiality agreements, and structured patent filing processes, to prevent potential technology leakage or infringement disputes.

Chairman: Chin-Tsai Hu

Manager: Cheng-Chieh Hu

Accounting Supervisor: Yi-Chen Yang

[Attachment 2]

JUFAN INDUSTRIAL CO., LTD.
Audit Committee Review Report

The board of directors hereby submits the 2024 Business Report, Financial Statements, and Surplus Distribution. The Financial Statements have been audited by CPAs Fang-Ting Ye and Chung-Yu Tien of PwC Taiwan, and their audit report has been issued. The aforementioned Business Report, Financial Statements, and Surplus Distribution have been reviewed by the Audit Committee and found to comply with the relevant laws and regulations. Therefore, this report is hereby submitted for your review and approval according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

JUFAN INDUSTRIAL CO., LTD.'s 2025 Regular Shareholders' Meeting

JUFAN INDUSTRIAL CO., LTD.
Audit Committee convener: Chu-Shan Chiu

March 5, 2025

[Attachment 3]

Independent Auditors' Report
(2025) Financial Report No. 24005135

To JUFAN INDUSTRIAL CO., LTD.:

Audit Opinions

The audit of the Consolidated Balance Sheets as of December 31, 2024 and 2023, as well as the Consolidated Income Statements, Consolidated Equity Change Tables, Consolidated Cash Flow Statements, and Consolidated Financial Statements for 2024 and from January 1 to December 31, 2024 and 2023 (including the summary of major accounting policies) for JUFAN INDUSTRIAL CO., LTD. and its subsidiaries (hereinafter "JUFAN Group) has been completed by this CPA.

It is this CPA's opinion that the aforementioned consolidated financial statements have been prepared in all material respects according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations, and Interpretations Announcements ratified and promulgated by the Financial Supervisory Commission. They fairly present the consolidated financial position of JUFAN GROUP and as of December 31, 2024 and 2023, and the consolidated financial performance and cash flows for 2023 and from January 1 to December 31, 2024 and 2023.

Basis of Audit Opinion

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements. This CPA is an independent auditor of his accounting firm, which is subject to the code of professional ethics of R.O.C. for CPAs who have maintained detached and independent from JUFAN Group and fulfilled other responsibilities provided by the code. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit items refer to the most important audit matters for the 2024 Consolidated Financial Statements of JUFAN Group under the professional judgment of this accountant. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. As such, we do not provide a separate opinion on these matters.

The key audit items of JUFAN Group's 2024 Consolidated Financial Statement are described as follows :

End of Revenue

Description

For accounting policies on revenue recognition, please refer to the revenue recognition description in Note IV (XXV) of the Consolidated Financial Statements. Please refer to the operating income description in Note VI (XVI) of the Consolidated Financial Statements for operating income items.

JUFAN Group's revenue primarily stems from the design, manufacturing, and sales of pneumatic components, hydraulic components, and integrated electro-pneumatic-hydraulic systems. Revenue recognition is primarily based on the contractual terms of the transaction and is recognized at the time of transfer of control of the goods. It is necessary to verify that the products have been delivered to the customer and that the customer has the authority to accept them. Additionally, we need to ensure that there are no outstanding obligations on the company's part that could affect the customer's acceptance of the products. Since the time required for each shipment varies and involves human work and judgment, there is a significant risk of misstatement in the timing of revenue recognition near the balance sheet date. Moreover, the transaction amounts are usually large, which requires close attention from the auditors. Therefore, this matter is considered vital for this audit.

Responsive Audit Procedures

This CPA's key audit procedures for the specific levels described in the preceding key audit items are listed below:

1. Understand and assess the revenue recognition accounting policy.
2. Understand and assess the internal controls over revenue recognition and test the effectiveness of those controls, including controls over shipments and the timing of revenue recognition.
3. Perform cutoff tests for revenue transactions for specific periods before and after the balance sheet date to ensure that the recognized revenue has been transferred to the customer and the revenue recognition has been recorded in the correct period.

Other Matters—Parent Company Only Financial Report

JUFAN INDUSTRIAL CO., LTD. has formulated its 2024 and 2023 Parent Company Only Financial Statements along with an auditor's report expressing an unqualified opinion of this CPA, which are available for reference.

Management Responsibilities and those Charged with Governance for the Consolidated Financial Statements

The responsibilities of the management level are to comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the guidelines, interpretation, and explanations announced by the International Financial Reporting Standards and International Accounting Standards as recognized and declared effective by the Financial Supervisory Commission during the preparation of the Consolidated Financial Statements; maintain the necessary internal control mechanism related to the formulation of the Consolidated Financial Statements; and ensure that the Consolidated Financial Statements do not contain significant false statements that can lead to fraud or error.

The responsibilities of the management level during the formulation of consolidated financial statements include evaluating JUFAN GROUP's ability to continue its operations, disclosure of the relevant matters, and adopting the accounting basis for continual operation unless the management level intends to liquidate JUFAN GROUP, stop its operations, or there is no other option except to liquidate JUFAN GROUP or stop its operations.

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of JUFAN GROUP.

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

Our objectives are to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance refers to a high degree of assurance. The audit performed according to the TWSA cannot guarantee that material misrepresentations in the Consolidated Financial Statements will be detected. Misstatements can arise from fraud or error. The false representation is considered significant if its individual or total amounts can reasonably be expected to affect the economic decisions made by the users of the Consolidated Financial Statements.

The CPA has exercised professional judgment and skepticism when conducting audits under the TWSA. The CPA also performed the following tasks:

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. Since fraud may involve conspiracy, forgery, intentional omission, misrepresentation, or a breach of internal control, the risk of not detecting material misstatement due to fraud is higher than that due to error.
2. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the JUFAN Group's internal control.
3. Evaluate the appropriateness of accounting policies 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 this accountant believes that such circumstances or conditions contain significant uncertainties, the accountant shall remind the users of the Consolidated Financial Statements to be cautious of the relevant disclosures of the Consolidated Financial Statements in the audit report or revise the audit opinion if such disclosure is inappropriate. Our conclusions are based on the audit evidence obtained up to our auditor's report date. However, future events or conditions may cause JUFAN GROUP to cease to continue as a going concern.
5. Evaluate the overall representation, structure, and content of the Consolidated Financial Statements (including the relevant notes) and determine whether the Consolidated Financial Statements have sufficiently expressed the relevant transactions and events.
6. Acquire sufficient and appropriate audit evidence for the financial information of individuals formed within the Group and issue an opinion regarding the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the Group's audit, as well as forming an audit opinion on the Group's financial statements.

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).

This CPA has provided the statement of independence to the governance unit regarding how the CPAs of this accounting firm who are subject to independence detachment have complied with the CPA's professional code of ethics of R.O.C. and communicated with the governing unit regarding issues that may be considered as having the ability to influence the independence of CPAs and other matters (including the relevant protective measures).

The CPA has determined the key audit items for the 2024 consolidated financial statements of JUFAN GROUP based on the items communicated with the governance unit. 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 may 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.

PwC Taiwan

CPA
Fang-Ting Ye
Chung-Yu Tien

FSC
Approved Certification No.:
Jin-Guan-Zheng-Shen-Zi No. 1110349013
Jin-Guan-Zheng-Shen-Zi No. 1070323061

March 5, 2025

Junfeng Industrial Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT\$ Thousand

Assets	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	VI (I)	\$ 399,451	19	\$ 473,989	26
1110	Financial assets at fair value through profit or loss (FVTPL) - Current	VI (II)	-	-	2,746	-
1136	Financial assets at amortized cost - current	VI (I) (III) & VIII	96,420	4	8,007	1
1150	Net notes receivable	VI (IV) & VIII	143,871	7	173,088	9
1170	Net accounts receivable	VI (IV) & XII	342,048	16	238,512	13
1200	Other receivables		696	-	661	-
1220	Current tax assets	VI(XXIII)	3,908	-	3,694	-
130X	Inventories	VI (V)	272,320	13	227,292	12
1410	Prepayment items		4,272	-	9,848	1
11XX	Total current asset		<u>1,262,986</u>	<u>59</u>	<u>1,137,837</u>	<u>62</u>
Non-current assets						
1535	Financial assets at amortized cost - noncurrent	VI (I) (III) & VIII	50	-	50	-
1600	Property, plant, and equipment	VI (VI) & VIII	797,925	38	666,642	36
1755	Right-of-use asset	VI (VII) & VIII	15,317	1	12,188	1
1780	Intangible assets	VI (VIII)	3,005	-	3,336	-
1840	Deferred tax assets	VI(XXIII)	8,537	-	11,918	1
1915	Prepayments for business facilities	VI (VI)	38,057	2	5,116	-
1920	Refundable deposits		6,416	-	5,779	-
1990	Other noncurrent assets - others		1,407	-	2,186	-
15XX	Total non-current assets		<u>870,714</u>	<u>41</u>	<u>707,215</u>	<u>38</u>
1XXX	Total assets		<u>\$ 2,133,700</u>	<u>100</u>	<u>\$ 1,845,052</u>	<u>100</u>

Junfeng Industrial Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT\$ Thousand

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term loans	VI (IX) & VIII	\$ 177,383	8	\$ 185,860	10
2130	Contractual liabilities - current	VI (XVI)	24,084	1	15,071	1
2150	Notes payable		109,057	5	54,243	3
2170	Accounts payable	VII	306,601	14	198,092	11
2200	Other payable	VI (X)	96,336	5	91,932	5
2230	Current income tax liabilities	VI(XXIII)	16,851	1	2,031	-
2280	Lease liabilities - current	VI (VII)	4,849	-	3,718	-
2310	Advance payment		761	-	709	-
2320	Long-term liabilities due within one year or one business cycle	VI (XI) & VIII	42,145	2	35,124	2
2399	Other current liabilities - others		2,516	-	2,780	-
21XX	Total current liabilities		<u>780,583</u>	<u>36</u>	<u>589,560</u>	<u>32</u>
Non-current liabilities						
2540	Long-term loans	VI (XI) & VIII	226,069	11	242,819	13
2570	Deferred tax liabilities	VI(XXIII)	101,591	5	80,929	5
2580	Lease liabilities – noncurrent	VI (VII)	3,747	-	1,925	-
2640	Net defined benefit liabilities - noncurrent	VI (XII)	3,707	-	5,409	-
2645	Guarantee Deposits		72	-	72	-
25XX	Total non-current liabilities		<u>335,186</u>	<u>16</u>	<u>331,154</u>	<u>18</u>
2XXX	Total liabilities		<u>1,115,769</u>	<u>52</u>	<u>920,714</u>	<u>50</u>
Equity						
Share capital						
3110	Common share capital	VI (XIII)	300,024	14	277,800	15
3200	Capital surplus	VI (XIV)	280,684	13	280,684	15
Retained earnings						
3310	Statutory legal reserve	VI (XIII) (XV)	71,436	4	62,347	3
3320	Special legal reserve		41,478	2	31,809	2
3350	Undistributed profits		346,954	16	313,176	17
Other equity interest						
3400	Other equity interest		(22,645)	(1)	(41,478)	(2)
3XXX	Total equity		<u>1,017,931</u>	<u>48</u>	<u>924,338</u>	<u>50</u>
Significant Contingent Liabilities and Unrecognized Commitments						
3X2X	Total liabilities and equities		<u>\$ 2,133,700</u>	<u>100</u>	<u>\$ 1,845,052</u>	<u>100</u>

The attached notes to the Consolidated Financial Statement are part of this Consolidated Financial Statement. Please refer to them.

Chairman: Chin-Tsai Hu

Manager: Cheng-Chieh Hu

Accounting Supervisor: Yi-Chen Yang

Junfeng Industrial Co., Ltd. and its subsidiaries
Consolidated Comprehensive Income Statement
For the years ended December 31, 2024 and 2023

Unit: NT\$ Thousand
(Except earnings per share in NTD)

Items	Notes	2024		2023	
		Amount	%	Amount	%
4000 Operating income	VI (XVI) & VII	\$ 1,331,045	100	\$ 1,011,962	100
5000 Operating cost	VI (V) (VIII) (XII) (XXI) (XXII) & VII	(909,252)	(68)	(685,946)	(68)
5900 Gross profit		<u>421,793</u>	<u>32</u>	<u>326,016</u>	<u>32</u>
Operating expense	VI (VIII) (XII) (XXI) (XXII), (VII) & XII				
6100 Selling expenses		(84,026)	(7)	(67,573)	(7)
6200 Administrative expenses		(118,858)	(9)	(142,008)	(14)
6300 R&D expenses		(55,979)	(4)	(16,996)	(2)
6450 Expected credit impairment gain (loss)		(4,112)	-	(26,816)	(3)
6000 Total operating expenses		<u>(262,975)</u>	<u>(20)</u>	<u>(199,761)</u>	<u>(20)</u>
6900 Operating profit		<u>158,818</u>	<u>12</u>	<u>126,255</u>	<u>12</u>
Non-operating income and expenditure					
7100 Interest income	VI (III)(XVII)	3,809	-	6,268	1
7010 Other income	VI (XVIII)	3,021	-	3,580	-
7020 Other gains and losses	VI (II)(XIX) & VII XII	3,105	-	(2,157)	-
7050 Financial costs	VI (VII) (XX)	(7,749)	-	(8,445)	(1)
7000 Total non-operating incomes and expenses		<u>2,186</u>	<u>-</u>	<u>(754)</u>	<u>-</u>
7900 Net profit before income tax		<u>161,004</u>	<u>12</u>	<u>125,501</u>	<u>12</u>
7950 Income tax	VI(XXIII)	(52,919)	(4)	(34,463)	(3)
8200 Current net profit		<u>\$ 108,085</u>	<u>8</u>	<u>\$ 91,038</u>	<u>9</u>
Other comprehensive income (loss), net of income tax					
Items not subsequently reclassified to income					
8311 Remeasurement of defined benefit programs	VI (XII)	\$ 14	-	(\$ 186)	-
8349 Income taxes related to the items not reclassified	VI(XXIII)	(3)	-	37	-
Items that may be reclassified subsequently to income					
8361 Exchange differences in translation of the financial statements of foreign operations		23,541	2	(12,086)	(1)
8399 Income tax related to items that may be reclassified	VI(XXIII)	(4,708)	-	2,417	-
8300 Other comprehensive income (loss), net of income tax		<u>\$ 18,844</u>	<u>2</u>	<u>(\$ 9,818)</u>	<u>(1)</u>
8500 Total comprehensive income of the current period		<u>\$ 126,929</u>	<u>10</u>	<u>\$ 81,220</u>	<u>8</u>
Current period net income attributable to:					
8610 Owners of the parent company		<u>\$ 108,085</u>	<u>8</u>	<u>\$ 91,038</u>	<u>9</u>
The current period's total comprehensive income is attributable to:					
8710 Owners of the parent company		<u>\$ 126,929</u>	<u>10</u>	<u>\$ 81,220</u>	<u>8</u>
Earnings per share	VI (XXIV)				
9750 Basic		<u>\$ 3.60</u>		<u>\$ 3.03</u>	
9850 Dilute		<u>\$ 3.60</u>		<u>\$ 3.03</u>	

- The attached notes to the Consolidated Financial Statement are part of this Consolidated Financial Statement. Please refer to them.

Chairman: Chin-Tsai Hu

Manager: Cheng-Chieh Hu

Accounting Supervisor: Yi-Chen Yang

Junfeng Industrial Co., Ltd. and its subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2024 and 2023

Unit: NT\$ Thousand

	Notes	Equity attributable to the parent company							Total
		Capital surplus			Retained earnings			Other equity interest	
		Common share capital	Issuance premium	Others	Statutory legal reserve	Special legal reserve	Undistributed profits	Exchange differences in translation of the financial statements of foreign operations	
2023									
Balance as of January 1, 2023		\$ 277,800	\$ 280,287	\$ 397	\$ 52,753	\$ 38,053	\$ 281,197	(\$ 31,809)	\$ 898,678
Net profit for 2023		-	-	-	-	-	91,038	-	91,038
Other comprehensive income for 2023		-	-	-	-	-	(149)	(9,669)	(9,818)
2023 Total Comprehensive Income		-	-	-	-	-	90,889	(9,669)	81,220
2022 Earnings Assignment and Distribution:									
Statutory legal reserve		-	-	-	9,594	-	(9,594)	-	-
Special legal reserve reversed	VI (XV)	-	-	-	-	(6,244)	6,244	-	-
Cash dividends	VI (XV)	-	-	-	-	-	(55,560)	-	(55,560)
Balance as of December 31, 2023		<u>\$ 277,800</u>	<u>\$ 280,287</u>	<u>\$ 397</u>	<u>\$ 62,347</u>	<u>\$ 31,809</u>	<u>\$ 313,176</u>	<u>(\$ 41,478)</u>	<u>\$ 924,338</u>
2024									
Balance as of January 1, 2024		\$ 277,800	\$ 280,287	\$ 397	\$ 62,347	\$ 31,809	\$ 313,176	(\$ 41,478)	\$ 924,338
Net profit for 2024		-	-	-	-	-	108,085	-	108,085
Other comprehensive income for 2024		-	-	-	-	-	11	18,833	18,844
2024 Total Comprehensive Income		-	-	-	-	-	108,096	18,833	126,929
2024 Earnings Assignment and Distribution:									
Statutory legal reserve		-	-	-	9,089	-	(9,089)	-	-
Special legal reserve	VI (XV)	-	-	-	-	9,669	(9,669)	-	-
Cash dividends	VI (XV)	-	-	-	-	-	(33,336)	-	(33,336)
Stock dividends	VI (XIII) (XV)	22,224	-	-	-	-	(22,224)	-	-
Balance as of December 31, 2024		<u>\$ 300,024</u>	<u>\$ 280,287</u>	<u>\$ 397</u>	<u>\$ 71,436</u>	<u>\$ 41,478</u>	<u>\$ 346,954</u>	<u>(\$ 22,645)</u>	<u>\$ 1,017,931</u>

The attached notes to the Consolidated Financial Statement are part of this Consolidated Financial Statement. Please refer to them.

Chairman: Chin-Tsai Hu

Manager: Cheng-Chieh Hu

Accounting Supervisor: Yi-Chen Yang

Junfeng Industrial Co., Ltd. and its subsidiaries
Consolidated Cash Flow Statement
For the years ended December 31, 2024 and 2023

Unit: NT\$ Thousand

<u>Cash Flow from Operating Activities</u>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Income before income tax		\$ 161,004	\$ 125,501
Adjustments			
Adjustments to reconcile income			
Net loss of financial assets (interests) measured by financial asset at fair value	VI (II)(XIX)	(68)	13
Expected credit impairment gain(loss)	XII	4,112	(26,816)
Inventory valuation losses	VI (V)	2,247	3,971
Depreciation expense	VI (VI) (VII) (XXI)	55,759	53,822
Net loss (gains) from disposal of property, plant, and equipment	VI (XIX)	(95)	885
Amortization items	VI (VIII) (XXI)	677	612
Interest income	VI (XVII)	(3,809)	(6,268)
Interest expense	VI (XX)	7,749	8,445
Changes in assets/debts having to do with business activities			
Changes in operating assets, net changes			
Financial assets at fair value through profit or loss (FVTPL)		2,814	-
Notes receivable		29,217	9,843
Trade receivable	(	108,049)	2,965
Other receivables	(	35)	(33)
Inventories	(	48,009)	(10,677)
Prepayment items		5,576	4,077
Net changes in operating liabilities			
Contractual liabilities - current		9,013	6,131
Notes payable		54,814	(41,703)
Accounts payable		108,509	34,322
Other payable	(	3,713)	(8,693)
Advance payment		52	171
Net defined benefit liabilities - noncurrent	(	1,688)	(1,663)
Cash inflow generated from operations		283,503	154,905
Interest received		3,809	6,268
Interest paid	(	7,708)	(8,456)
Refund income tax		6,141	-
Income tax paid	(	25,719)	(47,502)
Net cash inflow from operating activities		<u>260,026</u>	<u>105,215</u>

(Continued)

Junfeng Industrial Co., Ltd. and its subsidiaries
Consolidated Cash Flow Statement
For the years ended December 31, 2024 and 2023

Unit: NT\$ Thousand

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<u>Cash flows from investing activities</u>			
Decrease (increase) in financial assets measured at amortized cost		(\$ 88,413)	\$ 16,364
Cash payment for acquisition of property, plant, and equipment	VI (XXV)	(159,592)	(24,741)
Proceeds from disposal of property, plant and equipment		95	252
Acquisition of intangible assets	VI (VIII)	(224)	(748)
Increase in prepayments for equipment		(49,979)	(6,506)
Decrease (increase) in refundable deposits		(637)	645
Other noncurrent assets - other reduction (increase)		779	(215)
Net cash outflow from investment activities		<u>(297,971)</u>	<u>(14,949)</u>
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term loans	VI (XXVI)	(8,477)	19,665
Repaid principal of lease	VI (XXVI)	(5,659)	(5,635)
Proceeds from long-term borrowings	VI (XXVI)	25,600	22,180
Repayments of long-term borrowings	VI (XXVI)	(35,329)	(21,393)
Increase (decrease) in margin deposits (including the account "Other current liabilities - Others")	VI (XXVI)	(264)	163
Cash dividends paid	VI (XV)	(33,336)	(55,560)
Net cash outflow from financing activities		<u>(57,465)</u>	<u>(40,580)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>20,872</u>	<u>(10,720)</u>
Increase (decrease) in cash and cash equivalents in the current period		(74,538)	38,966
Cash and cash equivalents at the beginning of the year	VI (I)	<u>473,989</u>	<u>435,023</u>
Cash and cash equivalents at the end of the year	VI (I)	<u>\$ 399,451</u>	<u>\$ 473,989</u>

The attached notes to the Consolidated Financial Statement are part of this Consolidated Financial Statement. Please refer to them.

Chairman: Chin-Tsai Hu

Manager: Cheng-Chieh Hu

Accounting Supervisor: Yi-Chen Yang

Independent Auditors' Report

(2025) Cai-Shen-Bao-Zi No. 24004973

To JUFAN INDUSTRIAL CO., LTD.:

Audit Opinions

The CPA has completed the audit for JUFAN INDUSTRIAL CO., LTD.'s Parent Company Only Balance Sheets as of December 31, 2024 and 2023, as well as the Parent Company Only Consolidated Income Statements, Parent Company Only Equity Change Tables, Parent Company Only Cash Flow Statements, and the notes to the Parent Company Only Financial Statements (including the summary of major accounting policies) from January 1 to December 31, 2024 and 2023.

In the opinion of this CPA, all major aspects of the preceding Parent Company Only Financial Statements are formulated in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers; and are sufficient to present the Parent Company Only Financial Status of JUFAN INDUSTRIAL CO., LTD. as of December 31, 2024 and 2023, as well as its Parent Company Only Financial Performances and Parent Company Only Cash Flows from January 1 to December 31, 2024 and 2023.

Basis of Audit Opinion

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Parent Company Only Financial Statements. This CPA is an independent auditor of his accounting firm, subject to the code of professional ethics of R.O.C. for CPAs who have maintained detached and independent from JUFAN INDUSTRIAL CO., LTD. and fulfilled other responsibilities provided by the code. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit items refer to the most important audit matters for the 2024 Parent Company Only Financial Statements of JUFAN INDUSTRIAL CO., LTD., under the professional judgment of this CPA. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole and in forming our response thereon. As such, we do not provide a separate opinion on these matters.

The key audit items of JUFAN INDUSTRIAL CO., LTD.'s 2024 Parent Company Only Financial Statements are described as follows:

End of Revenue

Description

Please refer to Note IV (XXV), "Revenue Recognition" in the Parent Company Only Financial Statements, for details on the Company's revenue recognition policy. For details on the "Sales Revenue" item, please refer to Note VI (XVI), "Sales Revenue" in the Parent Company Only Financial Statements.

JUFAN INDUSTRIAL CO., LTD.'s sales revenue is primarily derived from designing, manufacturing, and selling pneumatic components, hydraulic components, and integrated electro-pneumatic-hydraulic systems. Revenue recognition is primarily based on the contractual terms of the transaction and is recognized at the time of transfer of control of the goods. It is necessary to verify that the products have been delivered to the customer and that the customer has the authority to accept them. Additionally, we need to ensure that there are no outstanding obligations on the company's part that could affect the customer's acceptance of the products. Since the time required for each shipment varies and involves human work and judgment, there is a significant risk of misstatement in the timing of revenue recognition near the balance sheet date. Moreover, the transaction amounts are usually large, which requires close attention from the auditors. Therefore, this matter is considered vital for this audit.

Responsive Audit Procedures

This CPA's key audit procedures for the specific levels described in the preceding key audit items are listed below:

1. Understand and assess the revenue recognition accounting policy.
2. Understand and assess the internal controls over revenue recognition and test the effectiveness of those controls, including controls over shipments and the timing of revenue recognition.
3. Perform cutoff tests for revenue transactions for specific periods before and after the balance sheet date to ensure that the recognized revenue has been transferred to the customer and the revenue recognition has been recorded in the correct period.

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

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of Parent Company Only Financial Statements free from materials misstatement, whether due to fraud or error.

The responsibilities of the management level during the formulation of the Parent Company Only Financial Statements include evaluating JUFAN INDUSTRIAL CO., LTD.'s ability to continue its operations, disclosure of the relevant matters, and adopt the accounting basis for continual operation unless the management level intends to liquidate JUFAN INDUSTRIAL CO., LTD., stop its operations, or there is no other practical option except settlement or liquidation.

The governance units (including the Audit Committee) of JUFAN INDUSTRIAL CO., LTD. are responsible for supervising the financial reporting process.

CPA's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance whether the Parent Company Only Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance refers to a high degree of assurance. The audit performed according to the TWSA cannot guarantee that material misrepresentations in Parent Company Only Financial Statements will be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Parent Company Only Financial Statements.

The CPA has exercised professional judgment and skepticism when conducting audits under the TWSA. The CPA also performed the following tasks:

1. Identify the risks of material misstatements that may lead to fraud or error for the Parent Company Only Financial Statements, design and implement appropriate countermeasures for the risks found, and acquire sufficient and appropriate audit evidence as the basis for the audit opinion. Since fraud may involve conspiracy, forgery, intentional omission, misrepresentation, or a breach of internal control, the risk of not detecting material misstatement due to fraud is higher than that due to error.
2. The CPA must understand the organization's internal control unit being audited to design the appropriate audit procedure under the circumstances. The objective is not to express an opinion on the effectiveness of the internal control unit for JUFAN INDUSTRIAL CO.
3. Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
4. Determine the appropriateness of management's ongoing use of its accounting policies and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may cast significant doubt or concern on the ability of JUFAN INDUSTRIAL CO. to continue. If we conclude that a material uncertainty exists, we must draw attention in our auditor's report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to our auditor's report date. However, future events or circumstances may lead JUFAN INDUSTRIAL CO. to no longer be able to continue to operate.
5. Evaluate the overall representation, structure, and content of the Parent Company Only Financial Statements (including the relevant notes) and determine whether the Parent Company Only Financial Statements have sufficiently expressed the relevant transactions and events.
6. Acquire sufficient and appropriate audit evidence for the financial information of JUFAN INDUSTRIAL CO. and issue an opinion regarding the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the parent company's audit; we remain solely responsible for our audit opinion.

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

This CPA has provided the statement of independence to the governance unit regarding how the CPAs of this accounting firm who are subject to independence detachment have complied with the CPA's professional code of ethics of R.O.C. and communicated with the governing unit regarding issues that may be considered as having the ability to influence the independence of CPAs and other matters (including the relevant protective measures).

This CPA has decided on the key audit items for the 2024 Parent Company Only Financial Statements of JUFAN INDUSTRIAL CO. based on the items communicated with the governance unit. 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 may 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.

PwC Taiwan

Fang-Ting Ye

CPA

Chung-Yu Tien

FSC

Approved Certification No.:

Jin-Guan-Zheng-Shen-Zi No. 1110349013

Jin-Guan-Zheng-Shen-Zi No. 1070323061

March 5, 2025

JUFAN INDUSTRIAL CO., LTD.
Parent company only balance sheet
December 31, 2024 and 2023

Unit: NT\$ Thousand

Assets	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	VI (I)	\$ 61,827	4	\$ 64,840	4
1110	Financial assets at fair value through profit or loss (FVTPL) - Current	VI (II)	-	-	2,746	-
1136	Financial assets at amortized cost - current	VI (I) (III) & VIII	3,656	-	8,007	1
1150	Net notes receivable	VI (IV)	8,474	-	13,961	1
1170	Net accounts receivable	VI (IV) & XII	89,078	6	71,805	5
1210	Other receivables - related parties	VII	32,376	2	23,036	2
1220	Current tax assets	VI(XXIII)	3,908	-	3,694	-
130X	Inventories	VI (V)	104,119	7	117,468	8
1410	Prepayment items		2,512	-	2,818	-
11XX	Total current asset		<u>305,950</u>	<u>19</u>	<u>308,375</u>	<u>21</u>
Non-current assets						
1535	Financial assets at amortized cost - noncurrent	VI (I) (III) & VIII	50	-	50	-
1550	Investment accounted for using the equity method	VI (VI) & VII	739,566	47	600,975	40
1600	Property, plant, and equipment	VI (VII) & VIII	534,462	34	559,054	38
1755	Right-of-use asset	VI (VIII)	4,148	-	3,337	-
1780	Intangible assets	VI (IX)	253	-	105	-
1840	Deferred tax assets	VI(XXIII)	5,019	-	9,536	1
1920	Refundable deposits		3,937	-	3,407	-
1990	Other noncurrent assets - others		61	-	91	-
15XX	Total non-current assets		<u>1,287,496</u>	<u>81</u>	<u>1,176,555</u>	<u>79</u>
1XXX	Total assets		<u>\$ 1,593,446</u>	<u>100</u>	<u>\$ 1,484,930</u>	<u>100</u>

(Continued)

JUFAN INDUSTRIAL CO., LTD.
Parent company only balance sheet
December 31, 2024 and 2023

Unit: NT\$ Thousand

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term loans	VI (X) & VIII	\$ 110,000	7	\$ 121,000	8
2130	Contractual liabilities - current	VI (XVI)	7,747	-	8,079	1
2150	Notes payable		2,937	-	2,638	-
2170	Accounts payable	VII	43,869	3	36,268	3
2200	Other payable		43,499	3	37,976	3
2230	Current income tax liabilities	VI(XXIII)	5,612	-	-	-
2280	Lease liabilities - current	VI (VIII)	2,538	-	2,371	-
2310	Advance payment		761	-	709	-
2320	Long-term liabilities due within one year or one business cycle	VI (XI) & VIII	42,145	3	35,124	2
21XX	Total current liabilities		<u>259,108</u>	<u>16</u>	<u>244,165</u>	<u>17</u>
Non-current liabilities						
2540	Long-term loans	VI (XI) & VIII	226,069	14	242,819	16
2570	Deferred tax liabilities	VI(XXIII)	84,933	6	67,145	5
2580	Lease liabilities – noncurrent	VI (VIII)	1,626	-	982	-
2640	Net defined benefit liabilities - noncurrent	VI (XII)	3,707	-	5,409	-
2645	Guarantee Deposits		72	-	72	-
25XX	Total non-current liabilities		<u>316,407</u>	<u>20</u>	<u>316,427</u>	<u>21</u>
2XXX	Total liabilities		<u>575,515</u>	<u>36</u>	<u>560,592</u>	<u>38</u>
Equity						
Share capital						
3110	Common share capital	VI (XIII)	300,024	19	277,800	19
3200	Capital surplus	VI (XIV)	280,684	18	280,684	19
Retained earnings						
3310	Statutory legal reserve	VI (XIII) (XV)	71,436	4	62,347	4
3320	Special legal reserve		41,478	3	31,809	2
3350	Undistributed profits		346,954	22	313,176	21
Other equity interest						
3400	Other equity interest	VI (VI)	(22,645)	(2)	(41,478)	(3)
3XXX	Total equity		<u>1,017,931</u>	<u>64</u>	<u>924,338</u>	<u>62</u>
3X2X	Total liabilities and equities		<u>\$ 1,593,446</u>	<u>100</u>	<u>\$ 1,484,930</u>	<u>100</u>

The notes to the Parent Company Only Financial Statements attached shall constitute an integral part of the statements, please refer to them.

Chairman: Chin-Tsai Hu

Manager: Cheng-Chieh Hu

Accounting Supervisor: Yi-Chen Yang

JUFAN INDUSTRIAL CO., LTD.
Parent company only statement of comprehensive income
For the years ended December 31, 2024 and 2023

Unit: NT\$ Thousand
(Except earnings per share in NTD)

Items	Notes	2024		2023	
		Amount	%	Amount	%
4000 Operating income	VI (XVI) & VII	\$ 411,330	100	\$ 346,479	100
5000 Operating cost	VI (V) (XII) (XXI) (XXII) & VII	(295,375)	(72)	(252,527)	(73)
5900 Gross profit		<u>115,955</u>	<u>28</u>	<u>93,952</u>	<u>27</u>
Operating expense	VI (IX) (XII) (XXI) (XXII) & XII				
6100 Selling expenses		(29,747)	(7)	(29,058)	(8)
6200 Administrative expenses		(49,247)	(12)	(47,099)	(14)
6300 R&D expenses		(18,198)	(4)	(16,996)	(5)
6450 Expected credit impairment gain		29	-	358	-
6000 Total operating expenses		<u>(97,163)</u>	<u>(23)</u>	<u>(92,795)</u>	<u>(27)</u>
6900 Operating profit		<u>18,792</u>	<u>5</u>	<u>1,157</u>	<u>-</u>
Non-operating income and expenditure					
7100 Interest income	VI (III)(XVII)	595	-	688	-
7010 Other income	VI (XVIII) & VII	32,932	8	24,526	7
7020 Other gains and losses	VI (II)(XIX) & VII XII	3,234	1	(927)	-
7050 Financial costs	VI (VIII) (XX)	(5,723)	(2)	(6,198)	(2)
7070 The proportion of income from subsidiaries, associates, and joint ventures accounted for under the equity method	VI (VI)	<u>85,675</u>	<u>21</u>	<u>78,769</u>	<u>23</u>
7000 Total non-operating incomes and expenses		<u>116,713</u>	<u>28</u>	<u>96,858</u>	<u>28</u>
7900 Net profit before income tax		<u>135,505</u>	<u>33</u>	<u>98,015</u>	<u>28</u>
7950 Income tax	VI(XXIII)	(27,420)	(7)	(6,977)	(2)
8200 Current net profit		<u>\$ 108,085</u>	<u>26</u>	<u>\$ 91,038</u>	<u>26</u>
Other comprehensive income (loss), net of income tax					
Items not subsequently reclassified to income					
8311 Remeasurement of defined benefit programs	VI (XII)	\$ 14	-	(\$ 186)	-
8349 Income taxes related to the items not reclassified	VI(XXIII)	(3)	-	37	-
Items that may be reclassified subsequently to income					
8361 Exchange differences in translation of the financial statements of foreign operations	VI (VI)	23,541	6	(12,086)	(4)
8399 Income tax related to items that may be reclassified	VI(XXIII)	(4,708)	(1)	2,417	1
8300 Other comprehensive income (loss), net of income tax		<u>\$ 18,844</u>	<u>5</u>	<u>(\$ 9,818)</u>	<u>(3)</u>
8500 Total comprehensive income of the current period		<u>\$ 126,929</u>	<u>31</u>	<u>\$ 81,220</u>	<u>23</u>
Earnings per share					
9750 Basic	VI (XXIV)	\$	3.60	\$	3.03
9850 Dilute		\$	3.60	\$	3.03

The notes to the Parent Company Only Financial Statements attached shall constitute an integral part of the statements, please refer to them.

Chairman: Chin-Tsai Hu

Manager: Cheng-Chieh Hu

Accounting Supervisor: Yi-Chen Yang

JUFAN INDUSTRIAL CO., LTD.
Parent company only statement of changes in equity
For the years ended December 31, 2024 and 2023

Unit: NT\$ Thousand

	Notes	Capital surplus			Retained earnings			Other equity interest	Total
		Common share capital	Issuance premium	Others	Statutory legal reserve	Special legal reserve	Undistributed profits	Exchange differences in translation of the financial statements of foreign operations	
<u>2023</u>									
Balance as of January 1, 2023		\$ 277,800	\$ 280,287	\$ 397	\$ 52,753	\$ 38,053	\$ 281,197	(\$ 31,809)	\$ 898,678
Net profit for 2023		-	-	-	-	-	91,038	-	91,038
Other comprehensive income for 2023		-	-	-	-	-	(149)	(9,669)	(9,818)
2023 Total Comprehensive Income		-	-	-	-	-	90,889	(9,669)	81,220
2022 Earnings Assignment and Distribution:									
Statutory legal reserve		-	-	-	9,594	-	(9,594)	-	-
Special legal reserve reversed	VI (XV)	-	-	-	-	(6,244)	6,244	-	-
Cash dividends	VI (XV)	-	-	-	-	-	(55,560)	-	(55,560)
Balance as of December 31, 2023		\$ 277,800	\$ 280,287	\$ 397	\$ 62,347	\$ 31,809	\$ 313,176	(\$ 41,478)	\$ 924,338
<u>2024</u>									
Balance as of January 1, 2024		\$ 277,800	\$ 280,287	\$ 397	\$ 62,347	\$ 31,809	\$ 313,176	(\$ 41,478)	\$ 924,338
Net profit for 2024		-	-	-	-	-	108,085	-	108,085
Other comprehensive income for 2024		-	-	-	-	-	11	18,833	18,844
2024 Total Comprehensive Income		-	-	-	-	-	108,096	18,833	126,929
2024 Earnings Assignment and Distribution:									
Statutory legal reserve		-	-	-	9,089	-	(9,089)	-	-
Special legal reserve	VI (XV)	-	-	-	-	9,669	(9,669)	-	-
Cash dividends	VI (XV)	-	-	-	-	-	(33,336)	-	(33,336)
Stock dividends	VI (XIII) (XV)	22,224	-	-	-	-	(22,224)	-	-
Balance as of December 31, 2024		\$ 300,024	\$ 280,287	\$ 397	\$ 71,436	\$ 41,478	\$ 346,954	(\$ 22,645)	\$ 1,017,931

The notes to the Parent Company Only Financial Statements attached shall constitute an integral part of the statements, please refer to them.

Chairman: Chin-Tsai Hu

Manager: Cheng-Chieh Hu

Accounting Supervisor: Yi-Chen Yang

JUFAN INDUSTRIAL CO., LTD.
Parent company only statement of cash flows
For the years ended December 31, 2024 and 2023

Unit: NT\$ Thousand

	Notes	2024	2023
<u>Cash Flow from Operating Activities</u>			
Income before income tax		\$ 135,505	\$ 98,015
Adjustments			
Adjustments to reconcile income			
Net loss of financial assets (interests) measured by financial asset at fair value	VI (II)(XIX)	(68)	13
Expected credit impairment gain	XII	(29)	(358)
Inventory valuation losses	VI (V)	1,207	2,307
The proportion of income from subsidiaries, associates, and joint ventures accounted for under the equity method	VI (VI)		
Depreciation expense	VI (VII) (VIII) (XXI)	(85,675)	(78,769)
Net gains from disposal of property, plant, and equipment	VI (XIX)	33,585	32,879
Amortization items	VI (IX)(XXI)	(95)	(33)
Interest income	VI (XVII)	76	30
Interest expense	VI (XX)	(595)	(688)
Changes in assets/debts having to do with business activities		5,723	6,198
Changes in operating assets, net changes			
Financial assets at fair value through profit or loss (FVTPL)		2,814	-
Notes receivable		5,487	1,531
Trade receivable		(17,244)	5,635
Other receivables		-	38
Other receivables - related parties		(9,340)	(861)
Inventories		12,142	(9,794)
Prepayment items		306	(451)
Net changes in operating liabilities			
Contractual liabilities - current		(332)	5,004
Notes payable		299	(1,023)
Accounts payable		7,601	(643)
Other payable		5,537	(80)
Advance payment		52	171
Net defined benefit liabilities - noncurrent		(1,688)	(1,663)
Cash inflow generated from operations		95,268	57,458
Interest received		595	688
Interest paid		(5,682)	(6,209)
Income tax paid		(4,428)	(15,287)
Net cash inflow from operating activities		<u>85,753</u>	<u>36,650</u>

(Continued)

JUFAN INDUSTRIAL CO., LTD.
Parent company only statement of cash flows
For the years ended December 31, 2024 and 2023

Unit: NT\$ Thousand

	Notes	2024	2023
<u>Cash flows from investing activities</u>			
Decrease in financial assets measured at amortized cost		\$ 4,351	\$ 16,364
Acquisition of investment using equity method - subsidiary	VI (VI)	(29,375)	(1,132)
Cash payment for acquisition of property, plant, and equipment	VI (XXV)	(2,954)	(18,466)
Proceeds from disposal of property, plant and equipment		95	250
Acquisition of intangible assets	VI (IX)	(224)	(135)
Increase in prepayments for equipment		(2,960)	(471)
Decrease (increase) in refundable deposits		(530)	798
Other non current assets - other reduction		30	29
Net cash outflow from investment activities		(31,567)	(2,763)
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term loans	VI (XXVI)	(11,000)	21,000
Repaid principal of lease	VI (XXVI)	(3,134)	(3,110)
Proceeds from long-term borrowings	VI (XXVI)	25,600	22,180
Repayments of long-term borrowings	VI (XXVI)	(35,329)	(21,393)
Cash dividends paid	VI (XV)	(33,336)	(55,560)
Net cash outflow from financing activities		(57,199)	(36,883)
Decrease in cash and cash equivalents in the current period		(3,013)	(2,996)
Cash and cash equivalents at the beginning of the year	VI (I)	64,840	67,836
Cash and cash equivalents at the end of the year	VI (I)	\$ 61,827	\$ 64,840

The notes to the Parent Company Only Financial Statements attached shall constitute an integral part of the statements, please refer to them.

Chairman: Chin-Tsai Hu

Manager: Cheng-Chieh Hu

Accounting Supervisor: Yi-Chen Yang

JUFAN INDUSTRIAL CO., LTD.
Earnings distribution schedule
2024

Unit: NT\$

Item	Amount	
	Subtotal	Total
Beginning undistributed earnings		\$ 238,857,349
Net profit after tax for the current period (2024)	\$ 108,085,002	
Other comprehensive income for 2024 - remeasurement of defined benefit plans	11,212	108,096,214
Subtotal		346,953,563
Less: 10% set aside as statutory legal reserve	(10,809,621)	
Add: Reversal special reserve	18,832,944	8,023,323
Amount of surplus available for distribution this year		354,976,886
Allocation Items		
Shareholder dividends - cash (NT\$2.2 per share)	(66,005,280)	
Allocation Amount Subtotal		(66,005,280)
Undistributed earnings at the end of the period		\$ 288,971,606

Chairman: Chin-Tsai Hu

Manager: Cheng-Chieh Hu

Accounting Supervisor: Yi-Chen Yang

JUFAN INDUSTRIAL CO., LTD.
Cross Reference Table for Articles of Incorporation Amendments

Article After Amendment	Current Article	Description
<p>Article 28. If the Company is profitable for the year, it shall allocate not less than 1% as employee remuneration, and the board of directors shall pass a resolution on whether the allocation distribution should be made in stocks or cash. The subject of distribution must be Company employees meeting certain conditions. The board of directors shall pass a resolution to allocate no more than 3% of the aforesaid profit as remuneration for the directors and supervisors. Proposals for distributing employee and director remunerations shall be submitted to the shareholders' meeting. <u>In the amount of employee remuneration referred to in the preceding paragraph, no less than 50% of the amount shall be distributed as remuneration to grassroot employees.</u> However, priority shall be given to reserving the funds to cover the accumulated losses and allocating employee and director remunerations according to the preceding ratio. Employee remuneration may be distributed in the form of stocks or cash, and the recipients may include employees of controlled or affiliated companies who meet specific criteria set by the Board of Directors.</p>	<p>Article 28. If the Company is profitable for the year, it shall allocate not less than 1% as employee remuneration, and the board of directors shall pass a resolution on whether the allocation distribution should be made in stocks or cash. The subject of distribution must be Company employees meeting certain conditions. The board of directors shall pass a resolution to allocate no more than 3% of the aforesaid profit as remuneration for the directors and supervisors. Proposals for distributing employee and director remunerations shall be submitted to the shareholders' meeting. However, priority shall be given to reserving the funds to cover the accumulated losses and allocating employee and director remunerations according to the preceding ratio. The recipients of employee remuneration in the form of stocks or cash may include employees of controlled or affiliated companies who meet certain conditions as determined by the Board of Directors.</p>	<p>In accordance with Paragraph 6, Article 14 of the Securities and Exchange Act, the Company shall specify in its Articles of Incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or remuneration to entry-level employees.</p>
<p>Article 31: The Articles of Incorporation were enacted on April 8, 1983. The 1st amendment was made on June 25, 1983. The 2nd amendment was made on February 25, 1987. The 3rd amendment was made on November 3, 1987. The 4th amendment was made on July 25, 1988. The 5th amendment was made on May 21, 1991. The 6th amendment was made on April 22, 1995. The 7th amendment was made on August 6, 1996. The 8th amendment was made on October 2, 1998. The 9th amendment was made on June 11, 2004. The 10th amendment was made on September 12, 2004. The 11th amendment was made on October</p>	<p>Article 31: The Articles of Incorporation were enacted on April 8, 1983. The 1st amendment was made on June 25, 1983. The 2nd amendment was made on February 25, 1987. The 3rd amendment was made on November 3, 1987. The 4th amendment was made on July 25, 1988. The 5th amendment was made on May 21, 1991. The 6th amendment was made on April 22, 1995. The 7th amendment was made on August 6, 1996. The 8th amendment was made on October 2, 1998. The 9th amendment was made on June 11, 2004. The 10th amendment was made on September 12, 2004. The 11th amendment was made on October</p>	<p>The date of amendment to the Articles of Incorporation is added.</p>

JUFAN INDUSTRIAL CO., LTD.
Cross Reference Table for Articles of Incorporation Amendments

Article After Amendment	Current Article	Description
26, 2004. The 12th amendment was made on April 23, 2013. The 13th amendment was made on June 30, 2014. The 14th amendment was made on June 30, 2015. The 15th amendment was made on October 3, 2015. The 16th amendment was made on December 11, 2015. The 17th amendment was made on June 14, 2018. The 18th amendment was made on June 14, 2019. The 19th amendment was made on May 20, 2021. The 20th amendment was made on May 27, 2022. The 21st amendment was made on December 28, 2022. <u>The 22nd amendment was made on May 22, 2025.</u>	26, 2004. The 12th amendment was made on April 23, 2013. The 13th amendment was made on June 30, 2014. The 14th amendment was made on June 30, 2015. The 15th amendment was made on October 3, 2015. The 16th amendment was made on December 11, 2015. The 17th amendment was made on June 14, 2018. The 18th amendment was made on June 14, 2019. The 19th amendment was made on May 20, 2021. The 20th amendment was made on May 27, 2022. The 21st amendment was made on December 28, 2022.	

JUFAN INDUSTRIAL CO., LTD.

Articles of Incorporation (before amendment)

Chapter I. General

- Article 1. This Company is organized according to the Company Act under the name of JUFAN INDUSTRIAL CO., LTD. The Company's English name is JUFAN INDUSTRIAL CO., LTD.
- Article 2. The business items operated by this Company are as follows:
1. CA02050 Valves Manufacturing.
 2. CA02990 Other Metal Products Manufacturing.
 3. CB01010 Mechanical Equipment Manufacturing.
 4. CB01990 Other Machinery Manufacturing.
 5. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery.
 6. CC01080 Electronics Components Manufacturing.
 7. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
 8. CD01030 Motor Vehicles and Parts Manufacturing.
 9. CD01060 Aircraft and Parts Manufacturing.
 10. F401010 International Trade.
 11. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The Company may provide external guarantees within the scope approved by the competent authority due to business needs, and its operations shall be handled according to the Company's endorsement guarantee operation procedures.
- Article 4. The total amount of the Company's reinvestment is not subject to the restriction of Article 13 of the Company Act, which shall not exceed 40% of the Company's paid-in capital.
- Article 5. The Company's main office is located in Tainan City, Taiwan. Where necessary, the Company may establish branches within or out of the country, subject to approval by the board of directors.
- Article 6. The Company's announcement methods shall be handled according to the

Company Act and the provisions provided by the securities regulatory authorities.

Chapter 2. Shares

- Article 7. The Company's total capital is set at NT\$500,000,000, divided into 50,000,000 shares, with an amount of NT\$10 per share. The board of directors shall be authorized to issue shares in installments based on business needs.
- Article 8. The Company's stocks must be registered, numbered, signed, or stamped by a director representing the company and issued after being certified by a bank that is legally responsible for the issuance of stocks.
The Company's stocks are exempt from printing stock certificates according to the relevant laws and regulations, but registration must be made with the centralized securities depository institution.
- Article 9. Once the Company has been publicly traded, if the shares are proposed to be delisted, a resolution must be passed by the shareholders' meeting before it can be done. This provision shall remain unchanged during the emerging stock or TWSE (TPEX) listing period.
- Article 10. Changes to the information recorded in the Company's shareholders register shall be suspended within 30 days prior to the convening of a regular shareholders' meeting; within 15 days prior to the convening of a special shareholders' meeting; or within 5 days prior to the base date for the distribution of dividends, bonuses, or other Company benefits.
After the public issuance of the Company's shares, changes to the information recorded in the shareholders register shall be suspended within 60 days prior to the convening of a regular shareholders' meeting; within 30 days prior to the convening of a special shareholders' meeting; or within 5 days prior to the base date for the distribution of dividends, bonuses, or other Company benefits.

Chapter 3. Shareholders' Meeting

- Article 11. Shareholders' meetings are divided into regular and special meetings. The regular shareholders' meeting shall be held once a year and convened by the board of directors according to the law within six months after the end of the fiscal year. A special shareholders' meeting is convened when

necessary.

After the Company's shares are listed on TWSE (TPEX), electronic voting shall be one of the methods for exercising voting rights. The method of exercising voting rights shall be according to the Company Act and the regulations of the competent authority.

For shareholders' meetings, a notice notifying shareholders of the date, location, and reason for the meeting to all shareholders in writing or electronically shall be issued at least 20 days before the regular shareholders' meeting date and at least 10 days before the special shareholders' meeting date.

When a shareholders' meeting mentioned in the preceding paragraph is convened after the Company becomes publicly listed, a notice notifying shareholders of the date, location, and reason for the meeting to all shareholders in writing or electronically shall be issued at least 30 days before the regular shareholders' meeting date and at least 15 days before the special shareholders' meeting date.

The shareholders' meeting summons notice may be issued electronically if the counterparty agrees. After the Company's stocks are publicly issued for shareholders holding less than one thousand shares, the summons mentioned in the preceding paragraph may be notified in the form of an announcement.

Article 11-1. The Company's shareholders' meetings may be held via video conference or other methods announced by the Ministry of Economic Affairs.

Article 12. A shareholder unable to attend the shareholders' meeting for any reason may issue a power of attorney stating the scope of the authorization according to Article 177 of the Company Act and entrust a proxy to attend via a proxy form with the shareholder's signature and seal.

After the company publicly issues shares, the method for shareholders to attend by proxy shall be according to Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Article 13. The Company's shareholders shall have one voting right per share. However, the Company shareholders shall have no voting rights if they are subject to Article 179 of the Company Act and relevant laws and

regulations.

Article 14. Unless otherwise specified in the Company Act, any resolution at a shareholders' meeting shall be adopted by a majority of the shareholders present, who represent over half of the total number of the Company's outstanding shares, and shall be executed based on the majority of the voting rights from the shareholders present.

If the Company intends to delist its shares after going public, it must follow the provisions of Article 156 of the Company Act. A shareholders' meeting must be held with the attendance of shareholders representing more than two-thirds of the total issued shares, and a majority vote of the shareholders present must approve the delisting.

Article 15. Except as otherwise provided by the Company Act, the chairman of the board of directors shall chair shareholders' meetings. If the chairman is absent or unable to exercise his/her duties for other reasons, the chairman shall designate one director to act as a proxy. If the chairman does not designate a proxy, the directors shall elect one of their number to act as the temporary chair.

If a person convenes the shareholders' meeting with the right to convene other than the board of directors, the chairman shall be the person with the right to convene. If two or more persons have the right to convene meetings, one of such persons shall be elected as the chairman.

Article 16. Shareholders' meeting resolutions shall be compiled into detailed minutes and signed or sealed by the meeting chairman before disseminating them to each shareholder no later than 20 days after the meeting.

The production and distribution of meeting minutes may be conducted electronically.

The minutes shall detail the date and venue of the meeting, the meeting chairman's name, the method of resolution, and the summary and results of meeting agendas. These minutes shall be retained permanently.

The retention period for shareholders' attendance sheets and proxy forms shall be at least one year. However, if a shareholder files a lawsuit pursuant to Article 189, the ballots shall be retained until the litigation concludes.

After the Company's shares are publicly listed, the meeting minutes may be disseminated via public announcements.

Chapter 4. Directors and Audit Committee

- Article 17. The Company has 7 to 9 directors, all of whom are elected by the shareholders' meeting with the ability to act for a term of 3 years, and can be re-elected.
- The Company has established an Audit Committee according to the relevant provisions of the Securities and Exchange Act. The members of the Audit Committee are composed of all independent directors and have formulated rules for exercising their powers. The authority and responsibilities of the Audit Committee shall be exercised according to the Company Act, the Securities and Exchange Act, other relevant laws and regulations, and the Company's Articles of Incorporation. The Company's board of directors may establish various functional committees, and these functional committees shall formulate rules for exercising their powers, which shall be implemented after approval by the board of directors.
- Article 18. The Company has established independent directors among the aforementioned board positions according to Article 14-2 of the Securities and Exchange Act. The number of independent directors shall not be less than three and shall not be less than one-fifth of the total number of board seats. Matters related to professional qualifications, shareholding, term of office, concurrent position restrictions, nomination and election methods, and other requirements for independent directors shall be handled according to the regulations of the securities competent authority. Directors shall be adopted via the candidate nomination system as stipulated in Article 192-1 of the Company Act. The implementation of related matters shall be handled according to the relevant provisions of the Company Act, Securities and Exchange Act, and other related laws and regulations.
- Article 19. The Company's directors shall be elected using the single-name cumulative voting method. Each share has voting rights equal to the number of directors to be elected. Shareholders may vote for one candidate or distribute their votes among multiple candidates. The candidates who receive the most votes shall be elected as directors. Independent directors and non-independent directors are elected together, and the number of seats to be elected for each category is calculated separately.

If the term of a director has expired and a replacement cannot be reelected for any reason, his/her executive duties shall be extended until a new director takes office.

The Company's total shareholding ratio of all directors shall comply with the regulations established by the securities regulatory authority.

Article 20. The directors shall organize the board of directors. One chairman shall be appointed during a board of directors meeting with over two-thirds of the directors present and with the support of over half of all attending directors, and the chairman shall represent the Company externally.

Article 21: In case the chairman is on leave or absent or cannot exercise his/her power and authority for any cause, the proxy thereof shall be handled according to the provision of Article 208 of the Company Act.

A board of directors meeting may be held via video conferencing.

Directors who have attended the meeting via video conferencing shall be deemed as having attended the meeting in person.

Directors who cannot attend a board meeting may entrust other directors to represent them at the meeting unless otherwise provided by law. They must provide written authorization for each meeting, specifying the scope of the authorization and listing the reasons for the meeting. Each director may be authorized to entrust one other director.

Article 22. The board of directors is authorized to determine the remuneration of all directors based on the extent of their participation in the Company's operations and the value of their contributions, considering industry standards.

The board of directors shall also consider the recommendations of the Remuneration Committee.

Article 23. The board of directors meetings shall be convened by the chairman. However, the first board meeting of each term shall be convened by the director who received the most votes in the election.

The convener of the board meeting shall specify the purpose of the meeting and notify all directors 7 days in advance. However, in an emergency, the board meeting may be convened at anytime.

The meeting notice under this paragraph may be given in writing by fax or email.

Article 24. Unless otherwise specified by the regulations, the board of directors'

resolutions are passed only if over half of the board members are present during the meeting and the majority of the attending directors vote in favor.

Article 25. The Company shall purchase liability insurance policies that cover the directors' term of service and, therefore, insure itself against liabilities incurred by the directors during service.

Chapter 5. Managers

Article 26. The Company shall appoint managerial officers. The managerial officers' appointment, discharge, and remuneration shall be handled according to Article 29 of the Company Act.

Chapter 6. Accounting

Article 27. The Company's board of directors shall formulate the various forms listed below at the end of each fiscal year and submit them to the auditor for inspection at least 30 days before the regular shareholders' meeting and then submit them to the regular shareholders' meeting for acknowledgment:

I. Business report.

II. Financial statement.

III. Proposal for surplus distribution or loss supplement.

The Company's surplus distribution or loss supplement shall be made after the end of each fiscal year.

Article 28. If the Company is profitable for the year, it shall allocate not less than 1% as employee remuneration, and the board of directors shall pass a resolution on whether the allocation distribution should be made in stocks or cash. The subject of distribution must be Company employees meeting certain conditions. The board of directors shall pass a resolution to allocate no more than 3% of the aforesaid profit as remuneration for the directors and supervisors. Proposals for distributing employee and director remunerations shall be submitted to the shareholders' meeting.

However, priority shall be given to reserving the funds to cover the accumulated losses and allocating employee and director remunerations according to the preceding ratio.

The recipients of employee remuneration in stocks or cash may include

employees of controlled or affiliated companies that meet certain conditions determined by the board of directors.

Article 29

If the Company has a surplus in its annual financial statements, it shall first pay taxes, make up for losses from previous years, set aside 10% of the statutory surplus reserve, and set aside or revert special surplus reserves according to laws and regulations. If there is still a surplus, the surplus shall be added to the accumulated undistributed profits from previous years to distribute dividends and bonuses to shareholders. The amount of such distribution shall be determined by the board of directors, who shall prepare a profit distribution plan and present it to the shareholders' meeting for approval prior to distribution.

The Company's dividend policy is formulated in light of its current and future development plans, investment environment, capital needs, domestic and foreign competitive landscape, and shareholder interests. The dividend distributed to shareholders shall not be less than 10% of the distributable profit for the current year. However, if the distributable profit is less than 10% of the paid-in capital, the company may resolve to transfer all of the distributable profit to retained earnings and not distribute it. The cash dividend ratio shall not be less than 10% when distributing profits.

Chapter 7. Miscellaneous

Article 30.

Any issues not covered in this Articles of Incorporation shall be governed by the Company Act and other relevant laws and regulations.

Article 31:

The Articles of Incorporation were enacted on April 8, 1983.

The 1st amendment was made on June 25, 1983.

The 2nd amendment was made on February 25, 1987.

The 3rd amendment was made on November 3, 1987.

The 4th amendment was made on July 25, 1988.

The 5th amendment was made on May 21, 1991.

The 6th amendment was made on April 22, 1995.

The 7th amendment was made on August 6, 1996.

The 8th amendment was made on October 2, 1998.

The 9th amendment was made on June 11, 2004.

The 10th amendment was made on September 12, 2004.

The 11th amendment was made on October 26, 2004.

The 12th amendment was made on April 23, 2013.
The 13th amendment was made on June 30, 2014.
The 14th amendment was made on June 30, 2015.
The 15th amendment was made on October 3, 2015.
The 16th amendment was made on December 11, 2015.
The 17th amendment was made on June 14, 2018.
The 18th amendment was made on June 14, 2019.
The 19th amendment was made on May 20, 2021.
The 20th amendment was made on May 27, 2022.
The 21st amendment was made on December 28, 2022.

JUFAN INDUSTRIAL CO., LTD.

Chairman: Chin-Tsai Hu

[Appendix 2]

JUFAN INDUSTRIAL CO., LTD.
Rules and Procedures of Shareholders' Meeting

- Article 1 The Rules are established in accordance with Article 5 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to establish a sound governance system for the shareholders' meeting, enhance supervisory functions, and strengthen management functions.
- Article 2 Unless otherwise provided by laws or the Articles of Incorporation, the proceedings of the Company's shareholders' meetings shall be conducted in accordance with these Rules.
- Article 3 Unless otherwise provided by law, the Company's shareholders' meetings shall be convened by the Board of Directors.
- Article 4 The Company shall transmit an electronic file containing the shareholders' meeting notice, proxy form, and explanatory materials relating to ratification matters, discussion matters, and election or dismissal of directors and supervisors, to the Market Observation Post System (MOPS) at least 30 days before a regular shareholders' meeting or at least 15 days before a special shareholders' meeting. The Company shall transmit an electronic file containing the shareholders' meeting handbook and supplementary meeting materials to the MOPS at least 21 days before a regular shareholders' meeting and at least 15 days before a special shareholders' meeting. The Company shall prepare the shareholders' meeting handbook and supplementary meeting materials at least 15 days prior to the meeting date, making them available for shareholders to inspect at any time, displaying them at the Company and its appointed professional shareholder services agent, and distributing them on-site at the shareholders' meeting.
- The meeting notice and public announcement shall specify the reasons for convening the meeting; the meeting notice may be issued electronically if the counterparty consents.
- Article 5 The election or dismissal of directors or supervisors, amendment of the Articles of Incorporation, capital reduction, application for termination of public offering status, approval of directors engaging in competing businesses, distribution of dividends or reserves by issuance of new shares, dissolution, merger, spin-off, or any matters under Article 185, Paragraph 1 of the Company Act, matters under Articles 26-1 and 43-6 of the Securities and Exchange Act, and matters under Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers must be listed in the meeting notice along with the essential contents thereof,

and shall not be proposed as ad hoc motions. Where the meeting notice for the shareholders' meeting specifies a full re-election of directors and supervisors and specifies the date of assumption of office, after the re-election is completed at that meeting, the date of assumption of office shall not be changed by extempore motion or by any other means.

Article 6 Shareholders holding one percent or more of the total issued shares may submit one proposal in writing for discussion at a regular shareholders' meeting. If more than one proposal is submitted, none shall be included in the meeting agenda. If a shareholder's proposal falls under any of the circumstances specified in Article 172-1, Paragraph 4 of the Company Act, the Board of Directors may exclude it from the meeting agenda. Shareholders may submit proposals urging the Company to promote public interests or fulfill its corporate social responsibilities. Such proposals shall comply with the procedural requirements under Article 172-1 of the Company Act and shall be limited to one item only. Any proposal containing more than one item will not be included in the agenda.

Prior to the book closure date before convening a regular shareholders' meeting, the Company shall announce the procedures for accepting shareholder proposals, including the written or electronic submission methods, the place of submission, and the submission period. The period for accepting proposals shall not be less than 10 days.

Each shareholder proposal shall be limited to 300 words. Proposals exceeding 300 words shall not be included in the meeting agenda. The proposing shareholder shall attend the shareholders' meeting in person or appoint a proxy to attend and participate in the discussion of the proposal.

The Company shall inform the proposing shareholders of the status of their proposals before the meeting notice is issued and shall list proposals that conform to these Rules, and are to be discussed at the meeting, in the meeting notice. For shareholder proposals not included in the meeting agenda, the Board of Directors shall explain the reasons for exclusion at the shareholders' meeting.

Article 7 A shareholder may issue a proxy form printed by the Company, specifying the scope of authorization, to appoint a proxy to attend the shareholders' meeting. Each shareholder may execute only one proxy form and appoint only one proxy, and shall deliver the proxy form to the Company no later than five days before the date of the shareholders' meeting. In case of duplicate proxy forms, the first one delivered to the Company shall prevail. However, if a shareholder makes a declaration to revoke a prior proxy appointment, such declaration shall prevail.

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 in writing or electronically,

the shareholder shall submit a written notice of revocation to the Company no later than two days before the meeting date. If the revocation notice is submitted after the deadline, the proxy shall prevail.

Article 8 The venue for a shareholders' meeting shall be the premises of the Company, or a place convenient for shareholders to attend and suitable for holding a shareholders' meeting. The meeting shall not commence earlier than 9:00 a.m. or later than 3:00 p.m. The opinions of the independent directors shall be fully considered when determining the venue and time of the meeting.

Article 9 The Company shall specify in the meeting notice the time and place for shareholders to check in at the meeting and other matters requiring attention.

The time for accepting shareholder check-ins referred to in the preceding paragraph shall commence at least thirty minutes prior to the start of the meeting. The check-in location shall be clearly marked, and sufficient and competent personnel shall be assigned to handle the check-in process. Shareholders or their proxies (hereinafter collectively referred to as "shareholders") shall attend the shareholders' meeting by presenting an attendance certificate, sign-in card, or other identification documents for attendance. A solicitor of proxy forms shall also bring identification documents for verification purposes.

The Company shall prepare a sign-in book for attending shareholders to sign; attending shareholders may submit a sign-in card in lieu of signing in. The Company shall provide attending shareholders with the meeting handbook, annual report, attendance certificate, speech slips, ballots, and other meeting materials. If there is an election of directors or supervisors, election ballots shall also be provided.

If the shareholder is a government agency or corporate entity, the number of representatives attending the shareholders' meeting shall not be limited to one. When a corporate entity is entrusted to attend the shareholders' meeting as a proxy, it may only appoint one representative to attend.

Article 10 If the shareholders' meeting is convened by the Board of Directors, the presiding chair shall be the Chairperson of the Board. If the Chairperson is on leave or otherwise unable to exercise his or her powers, the Chairperson shall designate one director to act as proxy; if no proxy is designated, the directors shall elect one from among themselves to act as presiding chair.

If the presiding chair is a director acting by proxy as referred to in the preceding paragraph, such director shall have held office for at least six months and shall be familiar with the Company's financial and business status. The same shall apply if the presiding chair is a representative of a corporate director.

Article 11 For a shareholders' meeting convened by the Board of Directors, it is advisable that

the Chairperson personally preside, and that more than half of the directors, at least one supervisor, and at least one member from each functional committee attend the meeting in person. The attendance shall be recorded in the minutes of the shareholders' meeting.

Article 12 If the shareholders' meeting is convened by a person other than a member the Board of Directors but with the right to convene, the presiding chair shall be that person. If there are two or more convening persons, they shall elect one from among themselves to act as presiding chair.

Article 13 The Company may designate its retained attorneys, certified public accountants, or relevant personnel to attend the shareholders' meeting.

Article 14 The Company shall, starting from the time it accepts shareholder check-ins, make an uninterrupted audio and video recording of the entire shareholder check-in process, the proceedings of the meeting, and the voting and ballot-counting processes. The audio and video recordings referred to in the preceding paragraph, together with the sign-in book of attending shareholders and proxy forms for attending by proxy, shall be preserved for at least one year. However, if a shareholder initiates litigation pursuant to Article 189 of the Company Act, the materials shall be preserved until the conclusion of the litigation.

Article 15 Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares represented by the attending shareholders shall be calculated based on the sign-in book or the sign-in cards submitted, together with the number of shares whose voting rights were exercised in writing or electronically. Once the appointed meeting time has arrived, the presiding chair shall immediately call the meeting to order and simultaneously announce relevant information, including the number of shares present and the number of shares without voting rights present. However, if the attending shareholders do not represent a majority of the total number of issued shares, the presiding chair may announce a postponement of the meeting. The number of such postponements shall be limited to two, and the total time of postponements shall not exceed one hour. If after two postponements the attending shareholders still do not represent more than one-third of the total number of issued shares, the presiding chair shall declare the meeting adjourned. If, after two postponements as specified in the preceding paragraph, the quorum is still not met but the attending shareholders represent more than one-third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act, and all shareholders shall be notified of the tentative resolution, with another shareholders' meeting to be convened within one

month.

If, before the conclusion of the meeting, the attending shareholders come to represent a majority of the total number of issued shares, the presiding chair may resubmit the tentative resolution for a formal resolution by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 16 Where a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be determined by the Board of Directors. Relevant motions (including extempore motions and amendments to original motions) shall be voted on item by item. The meeting shall proceed according to the scheduled agenda and shall not be changed without a resolution of the shareholders' meeting.

Where a shareholders' meeting is convened by a convening authority other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis. Before the completion of deliberation on the agenda specified in the preceding two paragraphs (including extempore motions), the presiding chair may not declare the meeting adjourned without a resolution. If the presiding chair violates the rules of procedure and declares the meeting adjourned, other members of the Board of Directors shall promptly assist the attending shareholders in electing a new presiding chair by agreement of a majority of the voting rights represented by the attending shareholders, and continue the meeting.

Article 17 The presiding chair shall provide sufficient explanation and discussion opportunities for each motion, amendment to a motion, or extempore motion proposed by shareholders. When the presiding chair deems that the matter is ready for a vote, he or she may announce the end of the discussion, submit the matter for resolution, and arrange an adequate amount of time for voting.

Article 18 Before speaking, an attending shareholder must complete a speaker's slip specifying the subject of the speech, shareholder account number (or attendance card number), and account name. The presiding chair shall determine the order of speeches.

An attending shareholder who submits a speaker's slip but does not actually speak shall be deemed not to have spoken. If the content of the speech differs from that stated on the speaker's slip, the actual speech shall prevail.

Each shareholder may not speak more than twice on the same motion without the consent of the presiding chair, and each speech shall not exceed five minutes. However, if a shareholder's speech violates the rules or exceeds the scope of the agenda item, the presiding chair may terminate the speech. When an attending shareholder is speaking, other shareholders shall not speak or interfere unless they have obtained the consent of both the presiding chair and the speaking shareholder. The presiding chair shall halt any violations.

Where a corporate shareholder has appointed two or more representatives to attend

the shareholders' meeting, only one representative may speak on the same motion. After a shareholder has spoken, the presiding chair may personally respond or designate relevant personnel to respond.

Article 19 Voting at a shareholders' meeting shall be calculated based on the number of shares held.

When a resolution is made at a shareholders' meeting, the number of shares held by shareholders without voting rights shall not be included in the total number of issued shares.

Where a shareholder has a personal interest in any agenda item and such interest may prejudice the interests of the Company, that shareholder shall not participate in the voting on that item and may not act as a proxy for another shareholder in exercising voting rights on that item.

The number of shares without voting rights present shall not be counted toward the number of voting rights represented by attending shareholders.

Except for trust enterprises or stock agencies approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the total number of voting rights represented by such proxy shall not exceed three percent of the total voting rights represented by the issued shares. Any portion in excess shall not be counted.

Article 20 Shareholders are entitled to one vote per share; however, those subject to restrictions or those without voting rights as listed in Article 179, Paragraph 2 of the Company Act are excluded from this provision.

Article 21 When the Company holds a shareholders' meeting, it may adopt the exercise of voting rights by correspondence or electronic means; if voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder who exercises their voting rights by correspondence or electronic means shall be deemed to have attended the shareholders' meeting in person. However, the shareholder shall be deemed to have waived their rights and abstained from voting on any extempore motions and amendments to the original motions at the shareholders' meeting.

The expression of intent by shareholders exercising their voting rights by correspondence or electronic means as under the preceding paragraph must be delivered to the Company at least two days prior to the scheduled date of the meeting. If there are multiple submissions, the earliest received shall prevail. This provision does not apply to declarations that cancel the intent of expression before the declaration is made.

Article 22 After a shareholder has exercised their voting rights by written or electronic means,

if they wish to attend the shareholders' meeting in person, they must revoke the expression of intent to exercise voting rights under Paragraph 2 of the preceding article in the same manner as the exercise of voting rights, at least two days prior to the scheduled date of the meeting. If the revocation is made after the deadline, the voting rights exercised by written or electronic means shall prevail. If voting rights are exercised by correspondence or electronic means, and a proxy form is used to appoint an agent to attend the shareholders' meeting, the voting rights exercised by the proxy shall prevail.

Article 23 Unless otherwise provided by the Company Act or the Company's Articles of Incorporation, a motion is passed by a majority of the voting rights represented by the attending shareholders. When voting, the presiding chair or the chair's designated personnel shall first announce the total number of voting rights represented by the attending shareholders for each proposal, followed by the voting. The results of the votes cast for, against, and abstained shall be disclosed on the Market Observation Post System (MOPS) on the same day after the meeting.

When there is an amendment or substitute to the same proposal, the chair shall determine the voting order together with the original proposal. However, if any proposal has been passed, the other proposals shall be considered rejected, and no further voting is required.

Article 24 The personnel responsible for vote monitoring and vote counting shall be appointed by the presiding chair, and all vote counters must be shareholders.

The vote counting for motions or elections at the shareholders' meeting shall be conducted publicly at the meeting venue, and the results of the voting, including the statistical tally of the votes, shall be announced on the spot after the counting is completed, and a record shall be kept.

Article 25 If there is an election of directors or supervisors at the shareholders' meeting, the election results, including the names of those elected as directors and supervisors, their respective vote totals, and the names of those not elected and their respective vote totals, shall be announced on-site in accordance with the Company's relevant election regulations.

The election ballots as referred to in the preceding paragraph shall be sealed and signed by the scrutineers and properly stored for at least one year. However, if a shareholder initiates litigation pursuant to Article 189 of the Company Act, the materials shall be preserved until the conclusion of the litigation.

Article 26 Resolutions from the shareholders' meeting shall be compiled into minutes, signed or sealed by the presiding chair, and distributed to all shareholders no later than 20 days after the meeting. The production and distribution of meeting minutes may be

conducted electronically. The Company may distribute the aforementioned meeting minutes by public announcement through the MOPS.

The minutes shall accurately record the year, month, day, and venue of the meeting, the presiding chair's name, the method of resolution, the key points of the meeting, and all voting results (including the vote tallies). The minutes shall be permanently retained during the Company's existence.

Article 27 If any resolution at the shareholders' meeting constitutes material information under applicable laws, regulations, or the regulations of the competent authority, the Company shall upload the content to the MOPS within the prescribed time period.

Article 28 Service personnel at the shareholders' meeting shall wear identification badges or arm bands.

The presiding chair may direct the ushers or security personnel to assist in maintaining order at the venue. When the ushers or security personnel assist in maintaining order at the venue, they shall wear arm bands or identification badges marked with the words "Usher." If the venue is equipped with sound amplifying equipment, the presiding chair may terminate any shareholder's speech unless the shareholder is using the equipment provided by the Company.

If a shareholder violates the rules of procedure and refuses to comply with the presiding chair's correction, and disrupts the meeting despite being stopped, the presiding chair may instruct the ushers or security personnel to escort the shareholder from the venue.

Article 29 During the meeting, the presiding chair may announce a break at their discretion. In the event of a force majeure situation, the presiding chair may rule to temporarily suspend the meeting and, based on the circumstances, announce a time at which the meeting will resume. If the scheduled venue for the shareholders' meeting is no longer available before the conclusion of the meeting agenda (including any ad hoc motions), the shareholders' meeting may resolve to continue the meeting at another venue. The shareholders' meeting may, in accordance with Article 182 of the Company Act, resolve to postpone or reconvene the meeting within five days.

Article 30 These rules shall be implemented after approval by the shareholders' meeting, and amendments shall follow the same procedure.

[Appendix 3]

JUFAN INDUSTRIAL CO., LTD.
Director Shareholding Status Table

Base date: March 24, 2025

Job title	Name	Date elected	Shares held	Shareholding ratio
Chairman	Chin-Tsai Hu	2023/05/29	3,275,758	10.92%
Director	Yong Bai Investment Co., Ltd. Representative: Cheng-Chieh Hu	2023/05/29	6,233,139	20.78%
Director	Jun Yong Sheng Investment Co., Ltd. Representative: Cheng-Chieh Hu	2023/05/29	889,306	2.96%
Director	Fu-Chin Liu	2023/05/29	56,700	0.19%
Director	Te-Jung Chen	2023/05/29	0	0.00%
Independent Director	Ming-Chi Tsai	2023/05/29	0	0.00%
Independent Director	Chu-Shan Chiu	2023/05/29	0	0.00%
Independent Director	Hao-Ping Lu	2023/05/29	0	0.00%
Independent Director	Hsi-Fu Hsieh	2023/05/29	0	0.00%
Total shares held by all directors			10,454,903	34.85%

Description:

- I. The Company's paid-in capital is NT\$300,024,000; and the number of shares issued is 30,002,400.
- II. As of the record date for the upcoming regular shareholders' meeting (March 24, 2025), all directors' individual and aggregate shareholdings are shown in the table above. All directors' aggregate minimum shareholding requirement is 3,600,000 shares in compliance with Article 26 of the Securities and Exchange Act and the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."
- III. The company has established an Audit Committee to replace the duties of the supervisors.

[Appendix 4]

Shareholders' Proposal-Related Information

- I. According to Articles 172-1 of the Company Act, shareholders holding more than 1% of the total shares issued by the Company may submit proposals for consideration at regular shareholders' meetings by submitting a written request to the Company.
- II. Each shareholder may submit only one proposal, which shall be limited to 300 words. Proposals exceeding one proposal or 300 words shall not be considered for inclusion in the meeting agenda.
- III. The proposal submission period for the upcoming regular shareholders' meeting is from March 11, 2025, to March 20, 2025.
- IV. During the period for accepting shareholder proposals referred to above, no shareholder proposal was received.