



Shin Foong Specialty and Applied Materials Co., Ltd.

2023 Annual General Meeting Meeting Handbook

Time: May 30, 2023 at 11 a.m. (Tuesday)

Venue: No. 101, Ln. 120, Fu'an Rd., Zhutian Township, Pingtung County 911161,

Taiwan (R.O.C.)(Angel Garden Leisure Farm Angel Church)

Type of Meeting: Physical Shareholders' Meeting

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(A complete financial report is available at: <http://newmops.tse.com.tw>)

Shin Foong Specialty and Applied Materials Co., Ltd.

2023 Annual General Meeting Agenda

Time: 11:00 a.m. (Tuesday), May 30, 2023

Location: No. 101, Lane 120, Fu'an Road, Fengming Village, Zhutian Township,
Pingtung County (Angel Garden)

Type of Meeting: Physical Shareholders' Meeting

Meeting Proceeding:

- I. Chairperson's opening remarks
- II. Items to Report
 - (I) Presentation of the Company's 2022 business report and financial statements.
 - (II) Presentation of Audit Committee's 2022 examination report.
 - (III) Presentation of the Company's 2022 earnings appropriation plan.
 - (IV) Presentation of the Company's 2022 employee compensation and directors remuneration proposal.
 - (V) Amendment to certain clauses of the Company's Rules for Meetings of Board of Directors.
- III. Items to Ratifications
 - (I) Adoption of 2022 Financial Statements.
 - (II) Adoption of the Proposal for Distribution of 2022 Profits.
- IV. Special Motions
- V. Adjournment

Items to Report

- I. Subject: Presentation of the Company's 2022 business report and financial statements. (Proposed by the board of directors)

Details:

(I) In 2022, the Company recorded the operating revenues of NT\$1,702,563 thousand, the gross profit of NT\$429,387 thousand with a gross profit margin of 25.2%, the operating profit of NT\$198,703 thousand with an operating margin of 11.7%, net non-operating income is \$91,001 thousand, the net profit before tax is \$289,704 thousand, Income tax is \$114,711 thousand, Net profit after tax is \$174,993 thousand, negative growth of 95.0% from \$3,476,386 thousand of last year. Net profit margin is 10.3% and after tax earnings of NT\$1.65 per share. which is an decrease of \$31.09 per share compared to \$32.74 per share of last year.

(II) Please refer to Appendix 1 for the Business Report.

- II. Subject: Presentation of Audit Committee's 2022 examination report. (Proposed by the board of directors)

Details:

(I) The Company's financial statements for the year 2022 have been audited by CPAs and reviewed by the Audit Committee together with the business report and earnings appropriation plan. Please refer to Appendices 6-7 for the Independent Auditor's Report and Audit Committee's examination report.

(II) The Audit Committee convener shall recite the review report.

- III. Subject: Presentation of the Company's 2022 earnings appropriation plan. (Proposed by the board of directors)

Details:

(I) The Company reported a net income of NT\$174,993,209 for 2022, and after adding undistributed earnings of NT\$2,639,140,518 and adding NT\$10,057,348 of actuarial gains/losses on the pension plan, and deducting disposal of FVOCI financial assets was NT\$267 , the total distributable amount came to NT\$2,824,190,808. After the provision of a legal reserve amounting NT\$18,505,029, it is proposed to distribute cash dividend of NT\$1.50 per common share, totaling NT\$159,261,212, and the remaining NT\$2,646,424,567 will be retained for distribution in the following years. Please refer to Appendix 8 for details.

- (II) The amount of cash dividend payments shall be calculated and truncated to the nearest NT\$1. Fractions that do not amount to a full NT\$1 shall be recognized as other income.
 - (III) The dividend in cash amounting NT\$159,261,212, equivalent to NT\$1.50 per share will be distributed based on shareholders and number of shareholding recorded on the shareholder registry as of the ex-dividend date. The abovementioned distribution ratio is calculated using the actual outstanding shares of 106,174,141 shares as of February 21, 2023.
 - (IV) According to articles of Incorporation, cash dividend was approved by the board of directors, and report to the shareholders' meeting, it is proposed that July 27 of the current year shall be fixed as the base date for dividend distribution.
 - (V) Please kindly review.
- IV. Subject: Presentation of the Company's 2022 employee compensation and directors remuneration proposal. (Proposed by the board of directors)
- Details: It is proposed to allocate NT\$2,996,000 and NT\$5,500,000 for 2022 employee compensation and directors remuneration, respectively. Such a proposal was approved by the 3th meeting of the 4rd Remuneration Committee as well as the board of directors.
- V. Subject: Amendment to certain clauses of the Company's Rules for Meetings of Board of Directors. (Proposed by the board of directors)
- Illustration:
- (I) Certain clauses of the Company's Rules for Meetings of Board of Directors are amended in accordance with requirements of the letter from the Taiwan Stock Exchange Tai-Zheng-Shang-Yi-Zi No. 1110015595 dated 8 August 2022.
 - (II) The amended Rules for Meetings of Board of Directors and a comparison table showing amended clauses are enclosed as Appendix 9.

Items to Ratifications

- I. Subject: Adoption of 2022 Financial Statements. (Proposed by the board of directors)

Details: The Company's 2022 financial statements, which have been audited by CPAs, together with the business report were reviewed by the Audit Committee, and no irregularities were found. All relevant information (including the business report, balance sheet, statement of comprehensive income, statement of changes in equity, and statement of cash flows) have been presented in Appendices 1-5 and were submitted for acknowledgment.

Resolution:

- II. Subject: Adoption of the Proposal for Distribution of 2022 Profits. (Proposed by the board of directors)

Details:

- (I) The Company's 2022 earnings appropriation plan was approved by the board of directors and examined by the Audit Committee, and please refer to Appendix 8 in the Meeting Handbook.
- (II) The motion is open for acknowledgment.

Resolution:

Special Motions