

Stock Code : TWSE 4755

San Fu Chemical Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2024 and 2023 and Independent Auditors' Review Report

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§ Table of Contents §

Description	Page
Table of Contents	1
Independent Auditors' Review Report	2 -3
Consolidated Balance Sheets	4
Consolidated Statements of Comprehensive Income	5 - 6
Consolidated Statements of Changes in Equity	7
Consolidated Statements of Cash Flows	8 - 9
Notes to Consolidated Financial Statements	10
1. General	10
2. The Authorization of Financial Statements	10
3. Application of New and Revised International Financial Reporting Standards	10 -11
4. Summary of Material Accounting Policy Information	12
5. Material Accounting Judgments and Key Sources of Estimation Uncertainty	13
6. Cash	13
7. Financial Assets at Fair Value through other Comprehensive Income - Noncurrent	13
8. Financial Assets at Amortized Cost	13
9. Notes and Accounts Receivable	14 -15
10. Inventories	15
11. Subsidiaries	16
12. Investments Accounted for Using the Equity Method	17
13. Property, Plant and Equipment	17 -18
14. Lease Arrangements	18 -19
15. Intangible Assets	19- 20
16. Loans	20
17. Notes and Accounts Payable	20
18. Other Payables	21
19. Retirement Benefit Plans	21
20. Equity	21 - 23
21. Revenue	23
22. Net Profit	24 - 26
23. Income Tax	26
24. Earnings Per Share	27
25. Equity Transactions Involving Non-Controlling Interests	28
26. Non-Cash Transaction	28
27. Capital Risk Management	28
28. Financial Instruments	29 - 34
29. Related Party Transactions	34 - 36
30. Pledged Assets	36
31. Significant Assets and Liabilities Denominated in Foreign Currencies	37 - 38
32. Additional Disclosures	38 - 39
a. Information about Significant Transactions and Investees	38
b. Information on Investees	38
c. Information on Investments in Mainland China	38 - 39
d. Information of Major Shareholders	39
33. Operating Segment Information	39 - 40
Tables 1 ~ 7	41 - 48

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
San Fu Chemical Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of San Fu Chemical Co., Ltd. and its subsidiaries (collectively referred to as the "Company"), as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, of changes in equity, and of cash flows or the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the "International Accounting Standard" IAS 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of The Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Opinion

As stated in Note 11 to the consolidated financial statements, the financial statements of the non-significant subsidiaries included in the consolidated financial statements for the same period have not been reviewed by accountants. Its total assets as of September 30, 2024 and 2023 were amounted to NT\$ 1,187,436,000 and NT\$ 1,116,346,000 respectively, amounted to 15% and 15% of the Company's consolidated total assets; and its total liabilities were amounted to NT\$ 188,172,000 and NT\$ 232,465,000 respectively, which amounted to 6% and 7% of the consolidated total liabilities respectively. The total consolidated profit and loss for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023 were amounted to NT\$ (7,523,000), (NT\$ 8,830,000), NT\$ (21,705,000) and NT\$ (17,947,000) respectively, which amounted to (9%), (7%), (6%) and (6%) of the total consolidated comprehensive profit and loss respectively. In addition, as stated in Note 12 of the consolidated financial statements, the investment balance as of September 30, 2024 and 2023 of San Fu Chemical Co., Ltd. and its subsidiaries recognized by the equity method of accounting were amounted to NT\$ 460,994,000 and NT\$ 494,774,000 respectively. The amount of consolidated profits and losses of associates and joint ventures recognized by the equity method of accounting for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023 were amounted to NT\$ 4,002,000, NT\$ 24,439,000, NT\$ 31,809,000 and NT\$ 34,352,000 respectively, and the relevant information of the reinvestment business mentioned in the notes 12 and 32 to the financial statements was based on the recognition and disclosure of the investee company's financial statements during the same period have not been reviewed by accountants.

Conclusion

Based on our reviews and other accountant's review report (see Additional Information), except for the relevant information disclosed in the financial statements of non-significant subsidiaries and investee companies that adopt the equity method as described in the basic paragraph of the reserved conclusions and the relevant information disclosed in Note 32, if reviewed by an accountant, the accompany consolidated financial statements may be adjusted, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of San Fu Chemical Co., Ltd. and its subsidiaries as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months then ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by the Securities Issuers and International Accounting Standard IAS 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Additional Information

Among the subsidiaries included in the consolidated financial statements of Sanfu Chemical Co., Ltd. and its subsidiaries, the financial statements of VinaSanFu Industrial Gas Company Limited for the nine Months Ended September 30, 2024 have not been audited by our auditors, but have been audited by other accountants. Therefore, in the review report issued by the accountant on the above-mentioned consolidated financial statements, the amounts listed in the aforementioned company's financial statements are based on the review reports of other accountants. The total assets of the subsidiary on September 30, 2024 and 2023 were NT\$510,771,000 and NT\$ 523,892,000 respectively, accounting for 7% and 7% of the total consolidated assets. Additionally, the net operating income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were NT\$32,496,000, NT\$ 29,525,000, NT\$95,511,000 and NT\$ 79,560,000 respectively, accounting for 3%, 2%, 3% and 2% of the consolidated net operating income respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are KUO, Yu-Hong and HUANG, Guo-Ning.

Deloitte & Touche
Taipei, Taiwan
Republic of China

Accountant: KUO, Yu-Hong

Accountant : HUANG, Guo-Ning

Financial Supervisory Commission
License number: FSC-Review- 1110348898

Financial Supervisory Commission
License number: FSC-Review- 1100356048

November 07, 2024

Notice to Readers

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

San Fu Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan Dollars)

Code	ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	\$ 454,184	6	\$ 489,222	6	\$ 338,585	5
1136	Financial assets at amortized cost-current (Note 8)	283,772	3	193,565	2	241,781	3
1140	Contract asset - current (Note 21)	3,484	-	10,347	-	22,363	-
1150	Notes receivable, net (Note 9)	33,360	-	37,815	1	30,347	-
1170	Accounts receivable, net (Note 9)	1,074,149	14	1,290,632	17	1,228,667	16
1180	Receivable from related parties (Note 29)	8,472	-	12,820	-	6,471	-
130X	Inventories (Note 10)	682,357	9	678,661	9	601,314	8
1410	Prepayments	619,989	8	580,764	7	564,929	8
1220	Current income tax assets	173	-	124	-	37	-
1470	Other current assets	91,652	1	83,956	1	144,778	2
11XX	Total current assets	<u>3,251,592</u>	<u>41</u>	<u>3,377,906</u>	<u>43</u>	<u>3,179,272</u>	<u>42</u>
	NONCURRENT ASSETS						
1517	Financial asset at fair value through other comprehensive income - noncurrent (Note 7 & 28)	161,503	2	161,197	2	144,429	2
1550	Investments accounted for using the equity method (Note 12)	460,994	6	475,385	6	494,774	7
1600	Property, plant and equipment (Note 13)	3,420,497	44	3,415,372	44	3,321,831	44
1755	Right-of-use asset (Note 14)	331,651	4	128,246	2	137,914	2
1780	Other intangible assets (15)	128,208	2	139,458	2	143,208	2
1840	Deferred income tax assets	27,301	-	31,614	-	23,340	-
1915	Prepayments for equipment	41,336	1	40,487	1	72,911	1
1920	Refundable deposits	13,059	-	19,955	-	17,036	-
15XX	Total noncurrent assets	<u>4,584,549</u>	<u>59</u>	<u>4,411,714</u>	<u>57</u>	<u>4,355,443</u>	<u>58</u>
1XXX	TOTAL	<u>\$ 7,836,141</u>	<u>100</u>	<u>\$ 7,789,620</u>	<u>100</u>	<u>\$ 7,534,715</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term loans (Note 16)	\$ 1,898,000	24	\$ 1,220,044	16	\$ 1,460,258	19
2130	Contract liabilities - current (Note 21)	494,652	6	481,931	6	256,697	4
2170	Notes and accounts payable (Note 17)	205,635	3	435,007	5	355,378	5
2180	Accounts payable - related parties (Note 29)	9,759	-	5,975	-	7,414	-
2200	Other payables (Note 18)	315,780	4	591,080	8	577,577	8
2230	Current tax liabilities (Note 23)	41,063	1	138,753	2	85,921	1
2280	Lease liabilities-current (Notes 14 and 29)	24,853	-	15,026	-	19,036	-
2320	Long-term liabilities due within one year or one business cycle (Note 16)	100,000	1	100,000	1	100,000	1
2399	Other current liabilities	765	-	5,642	-	5,590	-
21XX	Total current liabilities	<u>3,090,507</u>	<u>39</u>	<u>2,993,458</u>	<u>38</u>	<u>2,867,871</u>	<u>38</u>
	NONCURRENT LIABILITIES						
2540	Long-term bank loans (Note 16)	-	-	225,000	3	250,000	3
2570	Deferred income tax liabilities	8,495	-	8,495	-	8,474	-
2580	Lease liabilities-noncurrent (Notes 14 and 29)	243,339	3	48,374	1	50,447	1
2640	Net defined benefit liabilities - noncurrent (Note 19)	140	-	7,626	-	6,389	-
2670	Other noncurrent liabilities	32,760	1	60,870	1	995	-
25XX	Total noncurrent liabilities	<u>284,734</u>	<u>4</u>	<u>350,365</u>	<u>5</u>	<u>316,305</u>	<u>4</u>
2XXX	Total liabilities	<u>3,375,241</u>	<u>43</u>	<u>3,343,823</u>	<u>43</u>	<u>3,184,176</u>	<u>42</u>
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 20)						
	Capital stock						
3110	Common shares	1,007,060	13	1,007,060	13	1,007,060	13
3200	Capital surplus	419,730	5	564,657	7	564,657	7
	Retained earnings						
3310	Legal capital reserve	489,056	6	444,716	6	444,716	6
3320	Special reserve	71,982	1	44,926	1	44,926	1
3350	Unappropriated earnings	2,468,224	32	2,424,570	31	2,295,096	30
3300	Total retained earnings	<u>3,029,262</u>	<u>39</u>	<u>2,914,212</u>	<u>38</u>	<u>2,784,738</u>	<u>37</u>
	Other equity						
3410	Exchange differences on translating foreign operations	(14,054)	-	(45,546)	(1)	8,307	-
3420	Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	(27,936)	(1)	(26,436)	-	(45,369)	-
3400	Total other equity	(41,990)	(1)	(71,982)	(1)	(37,062)	-
31XX	Total Equity of the Business Owner	<u>4,414,062</u>	<u>56</u>	<u>4,413,947</u>	<u>57</u>	<u>4,319,393</u>	<u>57</u>
36XX	NON-CONTROLLING INTERESTS (Note 20)	46,838	1	31,850	-	31,146	1
3XXX	Total equity	<u>4,460,900</u>	<u>57</u>	<u>4,445,797</u>	<u>57</u>	<u>4,350,539</u>	<u>58</u>
	TOTAL	<u>\$ 7,836,141</u>		<u>\$ 7,789,620</u>		<u>\$ 7,534,715</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Audit Report of Deloitte & Touche on November 07, 2024)

Chairman: WU, Hsin-Hung

Manager: SU, Tien-Bao

Accounting Supervisor: Chang, Ling-Feng

San Fu Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

Code		For the Three Months Ended September 30				For the nine months ended September 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 21 and 29)	\$1,233,465	100	\$1,214,123	100	\$3,568,311	100	\$3,674,610	100
5000	OPERATING COST (Notes 10, 22, 29)	<u>977,383</u>	<u>79</u>	<u>971,307</u>	<u>80</u>	<u>2,792,259</u>	<u>78</u>	<u>2,971,990</u>	<u>81</u>
5900	GROSS PROFIT	<u>256,082</u>	<u>21</u>	<u>242,816</u>	<u>20</u>	<u>776,052</u>	<u>22</u>	<u>702,620</u>	<u>19</u>
	OPERATING EXPENSES (Notes 22 and 29)								
6100	Selling and marketing expenses	61,932	5	55,651	5	184,513	5	165,536	4
6200	General and administrative expenses	43,545	4	42,519	3	127,356	4	128,136	3
6300	Research & Development Expenses	21,511	2	21,272	2	65,511	2	59,171	2
6450	Expected credit loss" (ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>-</u>
6000	Total operating expenses	<u>126,988</u>	<u>11</u>	<u>119,442</u>	<u>10</u>	<u>377,700</u>	<u>11</u>	<u>352,843</u>	<u>9</u>
6900	OPERATING PROFIT	<u>129,094</u>	<u>10</u>	<u>123,374</u>	<u>10</u>	<u>398,352</u>	<u>11</u>	<u>349,777</u>	<u>10</u>
	NON-OPERATING INCOME AND EXPENSES								
7010	Other income (Note 22 & 29)	6,920	1	11,932	1	23,419	1	26,247	1
7020	Other gains and losses (Note 22)	(9,076)	(1)	14,484	1	19,982	1	19,025	-
7050	Financial Cost (Note 22)	(9,900)	(1)	(8,339)	(1)	(27,351)	(1)	(21,330)	(1)
7060	Share of profit or loss of associates and joint ventures Recognized by Equity Method (Note 12)	7,377	1	6,491	1	14,148	-	25,742	1
7100	Interest income	<u>1,924</u>	<u>-</u>	<u>992</u>	<u>-</u>	<u>6,729</u>	<u>-</u>	<u>5,240</u>	<u>-</u>
7000	Total non-operating income and expenses	(<u>2,755</u>)	<u>-</u>	<u>25,560</u>	<u>2</u>	<u>36,927</u>	<u>1</u>	<u>54,924</u>	<u>1</u>
7900	PROFIT BEFORE INCOME TAX	126,339	10	148,934	12	435,279	12	404,701	11
7950	INCOME TAX EXPENSE (Note 23)	(<u>32,326</u>)	(<u>2</u>)	(<u>39,003</u>)	(<u>3</u>)	(<u>120,904</u>)	(<u>3</u>)	(<u>91,149</u>)	(<u>2</u>)
8200	NET PROFIT	<u>94,013</u>	<u>8</u>	<u>109,931</u>	<u>9</u>	<u>314,375</u>	<u>9</u>	<u>313,552</u>	<u>9</u>

(Continued)

Code		For the Three Months Ended September 30				For the nine months ended September 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
8310	Other comprehensive profit or loss								
8316	ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:								
	Unrealized loss on financial assets at fair value through other comprehensive income	(5,859)	(1)	(10,400)	(1)	(1,500)	-	(19,404)	(1)
8360	Items that may be reclassified to profit and loss in the future	(1,304)	-	6,025	1	13,831	-	18,074	1
8361	Exchange differences on translating the financial statements of foreign operations	(3,375)	-	17,948	1	17,661	1	8,610	-
8370	Share of the other comprehensive loss of associates and joint ventures using the equity method	(4,679)	-	23,973	2	31,492	1	26,684	1
8300	Other comprehensive loss for the year, net of income tax	(10,538)	(1)	13,573	1	29,992	1	7,280	-
8500	TOTAL COMPREHENSIVE INCOME FOR THIS PERIOD	\$ 83,475	7	\$ 123,504	10	\$ 344,367	10	\$ 320,832	9
	NET PROFIT ATTRIBUTABLE TO:								
8610	Owners of the Company	\$ 94,626	8	\$ 110,057	9	\$ 316,462	9	\$ 313,924	9
8620	Non-controlling interests	(613)	-	(126)	-	(2,087)	-	(372)	-
8600	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:	\$ 94,013	8	\$ 109,931	9	\$ 314,375	9	\$ 313,552	9
	Owners of the Company	\$ 84,088	7	\$ 124,214	10	\$ 346,454	10	\$ 321,788	9
8710	Non-controlling interests	(613)	-	(710)	-	(2,087)	-	(956)	-
8720	TOTAL EARNINGS PER SHARE	\$ 83,475	7	\$ 123,504	10	\$ 344,367	10	\$ 320,832	9
8700	(Note 24)								
9750	Basic	\$ 0.94		\$ 1.09		\$ 3.14		\$ 3.11	
9850	Diluted	\$ 0.94		\$ 1.09		\$ 3.14		\$ 3.11	

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Audit Report of Deloitte & Touche on November 07, 2024)

Chairman: WU, Hsin-Hung Manager: SU, Tien-Bao Accounting Supervisor: Chang, Ling-Feng

San Fu Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of New Taiwan Dollars)

Equity Attributable to the Shareholders of the Parent												
Code	Description	Capital stock		Retained Earnings				Other equity		Sub-Total	Non-controlling interests	Total Equity
		Shares (In thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
A1	BALANCE AT JANURAY 1, 2023	<u>\$ 100,706</u>	<u>\$1,007,060</u>	\$ 762,268	\$ 358,315	\$ 124,794	\$2,380,458	(\$ 18,377)	(\$ 26,549)	\$4,587,969	\$ 32,102	\$4,620,071
	Other Changes in Capital Surplus											
C3	Donations from Shareholders	-	-	3,801	-	-	-	-	-	3,801	-	3,801
D1	Net income for the nine-months ended September 30, 2023	-	-	-	-	-	313,924	-	-	313,924	(372)	313,552
D3	Other Comprehensive Income (Loss)for the nine-months ended September 30, 2023, after income tax	-	-	-	-	-	-	26,684	(18,820)	7,864	(584)	7,280
D5	Other Comprehensive Income (Loss)for the nine-months ended September 30, 2023	-	-	-	-	-	313,924	26,684	(18,820)	321,788	(956)	320,832
	Distribution of Available Earnings for 2022											
B1	Recognized Legal capital reserve for 2022	-	-	-	86,401	-	(86,401)	-	-	-	-	-
B5	Cash Dividend Distributed to Shareholders	-	-	(201,412)	-	-	(392,753)	-	-	(594,165)	-	(594,165)
B17	Reversal of special surplus reserve	-	-	-	-	(79,868)	79,868	-	-	-	-	-
Z1	BALANCE SEPTEMBER 30, 2023	<u>100,706</u>	<u>1,007,060</u>	<u>\$ 564,657</u>	<u>\$ 444,716</u>	<u>\$ 44,926</u>	<u>\$2,295,096</u>	<u>\$ 8,307</u>	<u>(\$ 45,369)</u>	<u>\$4,319,393</u>	<u>\$ 31,146</u>	<u>\$4,350,539</u>
A1	BALANCE JANUARY 1, 2024	100,706	1,007,060	\$ 564,657	\$ 444,716	\$ 44,926	\$2,424,570	(\$ 45,546)	(\$ 26,436)	\$4,413,947	\$ 31,850	\$4,445,797
M7	Changes in ownership equity of subsidiaries	-	-	81	-	-	-	-	-	81	16,592	16,673
O1	Subsidiary issues employee stock options	-	-	4,151	-	-	-	-	-	4,151	483	4,634
	Other Changes in Capital Surplus											
C3	Donations from Shareholders	-	-	1,900	-	-	-	-	-	1,900	-	1,900
D1	Net income for the nine-months ended September 30, 2024	-	-	-	-	-	316,462	-	-	316,462	(2,087)	314,375
D3	Other Comprehensive Income (Loss)for the nine-months ended September 30, 2024, after income tax	-	-	-	-	-	-	31,492	(1,500)	29,992	-	29,992
D5	Other Comprehensive Income (Loss)for the nine-months ended September 30, 2024	-	-	-	-	-	316,462	31,492	(1,500)	346,454	(2,087)	344,367
	Distribution of Available Earnings for 2023											
B1	Recognized Legal capital reserve	-	-	-	44,340	-	(44,340)	-	-	-	-	-
B3	Recognized Special capital reserve	-	-	-	-	27,056	(27,056)	-	-	-	-	-
B5	Cash Dividend Distributed to Shareholders	-	-	(151,059)	-	-	(201,412)	-	-	(352,471)	-	(352,471)
Z1	BALANCE SEPTEMBER 30, 2024	<u>\$ 100,706</u>	<u>\$1,007,060</u>	<u>\$ 419,730</u>	<u>\$ 489,056</u>	<u>\$ 71,982</u>	<u>\$2,468,224</u>	<u>(\$ 14,054)</u>	<u>(\$ 27,936)</u>	<u>\$4,414,062</u>	<u>\$ 46,838</u>	<u>\$4,460,900</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Audit Report of Deloitte & Touche on November 07, 2024)

Chairman: WU, Hsin-Hung Manager: SU, Tien-Bao Accounting Supervisor: Chang, Ling-Feng

San Fu Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan Dollars)

C o d e	Nine Months Ended September 30		
	2024	2023	
CASH FLOWS FROM OPERATING ACTIVITIES			
A10000	Net income before income tax	\$ 435,279	\$ 404,701
A20010	Adjustments for:		
A20100	Depreciation expense	319,446	278,786
A20200	Amortization expense	11,250	6,792
A20300	Expected credit losses	320	-
A20400	Net loss of financial assets and liabilities at fair value through profit or loss	-	(650)
A20900	Finance costs	27,351	21,330
A21200	Interest income	(6,729)	(5,240)
A21300	Dividend income	(1,534)	(2,395)
A21900	Share-based compensation cost	4,634	-
A22300	Share of profit of associates and joint ventures	(14,148)	(25,742)
A22500	Loss on disposal of property, plant and equipment	6	(127)
A22600	Recognition of transfer expenses for property, plant and equipment	145	100
A23700	Loss on market price decline and obsolete and slow-moving inventories	5,677	3,408
A24100	Unrealized foreign currency exchange gains	(7,188)	(18,265)
A29900	Bargain purchase Gain	(254)	(568)
A30000	Change in operating assets and liabilities		
A31125	Contract asset - current	6,863	(14,190)
A31130	Notes receivable	4,455	12,953
A31150	Accounts receivable	217,892	(37,330)
A31160	Accounts receivable – related parties	8,059	15,216
A31200	Inventories	(8,879)	113,172
A31230	Prepayments	(38,757)	(75,663)
A31240	Other current assets	(7,400)	(39,395)
A32125	Contract liability	12,721	(3,468)
A32150	Notes and accounts payable	(227,396)	(8,904)
A32160	Accounts payable - related parties	(1,807)	(4,739)
A32180	Other payables	(113,174)	1,264
A32230	Other current liabilities	(4,877)	471
A32240	Net defined benefit liabilities - noncurrent	(7,486)	(287)
A32990	Other noncurrent liabilities	(28,110)	(374)
A33000	Cash generated from operations	586,359	620,856
A33100	Interest received	\$ 6,729	\$ 5,240
A33300	Interest paid	(25,632)	(20,585)
A33500	Income taxes paid	(214,353)	(140,326)
AAAA	Net cash generated by operating activities	<u>353,103</u>	<u>465,185</u>

(Continued)

C o d e	Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	- (60,000)
B00040	Purchase of financial assets at amortized cost	(89,065) -
B00200	Disposal of financial assets at fair value through profit or loss	- 12,540
B02700	Payments for property, plant and equipment	(358,113) (466,960)
B02800	Disposal of property, plant and equipment	- 1,231
B03700	Increase or Loss in refundable deposits	- (9,757)
B03800	Decrease in refundable deposits	6,896 -
B04500	Acquisition of intangible assets	(60,000) (30,000)
B07100	Increase in prepayments for equipment	(33,907) (28,256)
B07600	Dividend received	<u>47,734</u> <u>4,034</u>
BBBB	Net cash used in investing activities	(<u>486,455</u>) (<u>577,168</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term loans	678,285 534,920
C01700	Repayment of long-term bank loans	(225,000) (75,000)
C04020	Repayment of the principal portion of lease liabilities	(23,857) (21,084)
C04500	Payments of dividends attributable to owners of parent	(352,471) (594,165)
C09900	Donations	1,900 3,801
C05800	Change in non-controlling interests	<u>16,673</u> <u>-</u>
CCCC	NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	<u>95,530</u> (<u>151,528</u>)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>2,784</u> (<u>42</u>)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(35,038) (263,553)
E00100	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>489,222</u> <u>602,138</u>
E00200	CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>\$ 454,184</u> <u>\$ 338,585</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Audit Report of Deloitte & Touche on November 07, 2024)

Chairman: WU, Hsin-Hung Manager: SU, Tien-Bao Accounting Supervisor: Chang, Ling-Feng

San Fu Chemical Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL

San Fu Chemical Co., Ltd. (the “**Company**”), a Republic of China (“R.O.C.”) corporation, was incorporated on March 17, 2003. The Company is mainly investing in the manufacture and sales of various chemical products. The major shareholders include San Fu Global Co., Ltd. (27.87% shareholding), Pilot Keymark SDN. BHD. (15.81% shareholding), and other individual shareholders.

The consolidated financial statements comprise the company and its subsidiaries as described in Note 11 (collectively referred to as the “**Company**”). The Company is mainly investing in the production and sale of industrial gases, chemical materials and food additives.

The Company’s shares started to be traded on the Taiwan Stock Exchange (“TWSE”) on November 27, 2013. The consolidated financial statements are presented in the New Taiwan Dollars.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on November 6, 2024.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “**IFRS Accounting Standards**”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the Improvement to the Amendments to IFRS 16 “Lease: Sale and Leaseback and Sublease”, the Amendments to IAS 1 “Classification of Liabilities as Current or Noncurrent”, the Amendments to IAS 1 “Non-current Liabilities with Covenants” and the Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements” endorsed and issued into effect by the FSC did not have a significant effect on the Company’s accounting policies.

- b. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB) and endorsed into effect from 2025 by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IAS 21: “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: Applicable for annual reporting periods beginning on or after January 1, 2025. When first applying the amendment, comparative periods should not be restated. Instead, the impact should be recognized in the exchange differences arising from the translation of a foreign operation under retained earnings or equity (as appropriate) and the relevant affected assets and liabilities as of the date of initial application.

- c. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards -Volume 11	January 1, 2026
Amendments to IFRS 9 and IFR 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “The initial application of IFRS 17 and IFRS 9 - Comparison Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability”	January 1, 2027

Note 1: Unless Specified Otherwise, the above New, Revised or Amended Standards and Interpretations of the IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosures in Financial Statements:

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other”, only if it cannot find a more informative label.
- Addition of the Increase Disclosure of Management-Defined Performance Measures: When a consolidated entity engages in public communication outside the financial statements, or when communicating management's view on a specific aspect of the consolidated entity's overall financial performance to financial statement users, the entity should disclose in a single note to the financial statements the relevant information about the performance measures defined by management. This includes a description of the measures, how it is calculated, its reconciliation with subtotals or totals specified by IFRS accounting standards, and the impact of the related reconciliation items on income tax and non-controlling interests.

Except for the above impact, as of the date the accompanying consolidated financial statements were issued, the Company continues in evaluating the impact on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Company completes its evaluation.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, 'Interim Financial Reporting'⁵ endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards endorsed and issued into effect by the FSC.

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities,
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of Consolidation

For details of subsidiaries, shareholding ratios and scope of business, please refer to Note 11 and the attached Table 5.

d. Other Significant Accounting Policies

In addition to the following descriptions, please refer to the summary description of material accounting policy information in the consolidated financial report for the year ended December 31, 2023.

1) Retirement Benefits

Pension cost for an interim period is calculated based on a year-to-date basis using the actually pension cost rate at the end of the prior financial year, and calculated based on the beginning of the year to the end of the current period, and the major market fluctuations in the current period, the major plan amendments and the settlement or other major one-time matters will be properly adjusted

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the average annual effective income tax rate applied to the pre-tax income tax of the interim period.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Please refer to the Material Accounting Judgments and Key Sources of Estimation Uncertainty described in the Consolidated Financial Statements for the year ended December 31, 2023.

6. CASH

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and petty cash	\$ 737	\$ 681	\$ 648
Demand deposits	<u>453,447</u>	<u>488,541</u>	<u>337,937</u>
	<u>\$ 454,184</u>	<u>\$ 489,222</u>	<u>\$ 338,585</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NONCURRENT

	September 30, 2024	December 31, 2023	September 30, 2023
Domestic investments			
Listed shares	\$ 30,585	\$ 32,085	\$ 25,011
Unlisted shares	<u>70,412</u>	<u>70,412</u>	<u>57,726</u>
Subtotal	<u>100,997</u>	<u>102,497</u>	<u>82,737</u>
Foreign investments			
Unlisted shares	<u>60,506</u>	<u>58,700</u>	<u>61,692</u>
	<u>\$ 161,503</u>	<u>\$ 161,197</u>	<u>\$ 144,429</u>

The investments in equity instruments are held for medium to long-term strategic purposes and expect to make profits through long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at “Fair Value Through Other Comprehensive Income” (FVTOCI) as they believe that recognizing short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Company’ strategy of holding these investments for long-term purposes. These investments of equity instruments were classified as financial assets at “Fair Value Through Other Comprehensive Income” (FVTOCI)

8. FINANCIAL ASSETS AT AMORTITIZED COST - Current

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits with original maturities of more than 3 months	\$ 149,072	\$ 68,165	\$ 69,381
Restricted demand deposits	<u>134,700</u>	<u>125,400</u>	<u>172,400</u>
	<u>\$ 283,772</u>	<u>\$ 193,565</u>	<u>\$ 241,781</u>

The ranges of interest rates for the abovementioned time deposits were approximately 0.745~4.0% , 0.62% ~ 4.0% and 0.62% ~ 3.50% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

Refer to Note 30 for information relating to investments in financial assets at amortized cost pledge as security.

9. NOTES AND ACCOUNTS RECEIVABLE

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
Notes receivable - operating	\$ <u>33,360</u>	\$ <u>37,815</u>	\$ <u>30,347</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 1,074,325	\$ 1,296,342	\$ 1,234,377
Less: Loss allowance	(<u>176</u>)	(<u>5,710</u>)	(<u>5,710</u>)
	<u>\$ 1,074,149</u>	<u>\$ 1,290,632</u>	<u>\$ 1,228,667</u>

The average credit period of sales of goods was 30 to 150 days. In order to effectively reduce credit risks, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes that the Company's credit risk was significantly reduced.

The Company measured the loss allowance for trade receivables at an amount equal to lifetime ECLs (expected credit losses). The expected credit losses on accounts receivable are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The Company writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has declared bankruptcy and reported to the court. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

Aging analysis of loss allowance for accounts receivable

September 30, 2024

	Not Past Due	Past due 1~90 Days	Past due 91~180 Days	Past due 181~365 Days	Past due Over 365 Days	Total
ECLs Rate	-	-	-	50%	100%	-
Gross Carrying Amount	\$1,070,280	\$ 3,693	\$ -	\$ 352	\$ -	\$1,074,325
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(176)</u>	<u>-</u>	<u>(176)</u>
Amortized cost	<u>\$1,070,280</u>	<u>\$ 3,693</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>\$ -</u>	<u>\$1,074,149</u>

December 31, 2023

	Not Past Due	Past due 1~90 Days	Past due 91~180 Days	Past due 181~365 Days	Past due Over 365 Days	Total
ECLs Rate	-	-	-	50%	100%	-
Gross Carrying Amount	\$1,281,807	\$ 8,744	\$ 81	\$ -	\$ 5,710	\$1,296,342
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,710)</u>	<u>(5,710)</u>
Amortized cost	<u>\$1,281,807</u>	<u>\$ 8,744</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,290,632</u>

September 30, 2023

	Not Past Due	Past due 1~90 Days	Past due 91~180 Days	Past due 181~365 Days	Past due Over 365 Days	Total
ECLs Rate	-	-	-	50%	100%	-
Gross Carrying Amount	\$1,221,644	\$ 7,023	\$ -	\$ -	\$ 5,710	\$1,234,377
Loss allowance (Lifetime ECL)	-	-	-	-	(5,710)	(5,710)
Amortized cost	<u>\$1,221,644</u>	<u>\$ 7,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,228,667</u>

Movements of the loss allowance for accounts receivable

	<u>Nine Months Ended September 30</u>	
	2024	2023
Balance, beginning of period	\$ 5,710	\$ 6,200
Add: the Balance, beginning of period of impairment losses in the current year	320	-
Less: Actual write-offs for the current period	(5,853)	(490)
Effect of exchange rate changes	(1)	-
Balance, end of period	<u>\$ 176</u>	<u>\$ 5,710</u>

10. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Merchandise	\$ 88,631	\$ 40,739	\$ 13,421
Finished goods	293,601	248,095	244,872
Work in progress	9,486	6,988	7,518
Semi-finished goods	956	1,538	2,315
Raw materials	237,740	340,055	290,408
Supplies and spare parts	<u>51,943</u>	<u>41,246</u>	<u>42,780</u>
	<u>\$ 682,357</u>	<u>\$ 678,661</u>	<u>\$ 601,314</u>

The cost of inventories recognized as cost of goods sold (including construction cost) for the periods from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023 was \$977,383,000, \$971,307,000, \$2,792,259,000, and \$2,971,990,000 respectively.

The cost of goods sold including the allowance for net inventory losses (reversal of write-down of inventories) for the periods from July 1 to September 30, 2024 and 2023, and from January 1, to September 30, 2024 and 2023 was (\$467,000), \$ 0, \$5,677,000 and \$3,408,000 respectively.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The main body of preparation of this consolidated financial statement is as follows:

<u>Investor</u>	<u>Investee (Name of Subsidiaries)</u>	<u>Nature of Activities</u>	<u>Proportion of Ownership (%)</u>			<u>Notes</u>
			<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	
San Fu Chemical Co., Ltd.	San Fu Specialty Chemicals Investments Limited	Investment	100%	100%	100%	Note 1
	VinaSanFu Industrial Gas Company Limited	Production of industrial gases	100%	100%	100%	
	VinaSanFu Material Company Limited	Production of chemical materials	100%	100%	100%	Note 1
	San Fu Biotech Co., Ltd.	Sales and production of food additives	90%	93%	93%	Note 1 Note 2
	International Nitto Technology Co., Ltd.	Sales and production of electronic components	100%	100%	100%	
	Lifu Carbonic Acid Co., Ltd.	Production of chemical materials	87%	87%	87%	Note 1
San Fu Specialty Chemicals Investments Limited	Sino Star Holding Limited	Investment	100%	100%	100%	Note 1
VinaSanFu Material Company Limited	VinaSanFu Material Trading Co., Ltd	Production of chemical materials	100%	100%	100%	Note 1

Note 1: It is a non-significant subsidiary whose financial statements have not been reviewed by accountants.

Note 2: On March 19, 2024, the company did not subscribe the common stocks issued by San Fu Biotech Co., Ltd. for cash capital increase in proportion to its shareholding, resulting in a decrease in its shareholding percentage from 93% to 90%.

Among the above-mentioned consolidated financial statements preparation entities, except for the company's consolidated financial statements which have been reviewed by accountants, the standalone financial statements of other subsidiaries that are not individually material have not been reviewed by accountants. Its total assets for the nine-month period ended September 30, 2024 and 2023 was \$1,187,436,000 and \$1,116,346,000 respectively, amounted to 15% and 15% of the total consolidated assets respectively. The total liabilities were \$188,172,000 and \$232,465,000 respectively, which amounted to 6% and 7% of the consolidated total liabilities respectively. For the periods from July 1 to September 30, 2024 and 2023, and from January 1, to September 30, 2024 and 2023, the total recognized comprehensive profit and loss was (\$7,523,000), (\$8,830,000), (\$21,705,000) and (\$17,947,000) respectively, which amounted to (9%), (7%), (6%) and (6%) of the total consolidated comprehensive profit and loss, respectively.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in associates	\$ 56,993	\$ 56,764	\$ 56,614
Investments in joint ventures	<u>404,001</u>	<u>418,621</u>	<u>438,160</u>
	<u>\$ 460,994</u>	<u>\$ 475,385</u>	<u>\$ 494,774</u>

The amount of total consolidated comprehensive income for the investments in associates and joint ventures recognized for the periods from July 1 to September 30, 2024 and 2023, and from January 1, to September 30, 2024 and 2023 was \$4,002,000, \$24,439,000, \$31,809,000 and \$34,352,000 respectively.

The Company' management believes there will be no material impact on the equity method accounting or the calculation of the amount of profit or loss and other comprehensive income from the financial statements of those investments which have not been audited.

a. Investments in associates

	September 30, 2024	December 31, 2023	September 30, 2023
Associates that are not individually material	<u>\$ 56,993</u>	<u>\$ 56,764</u>	<u>\$ 56,614</u>

b. Investments in joint ventures

	September 30, 2024	December 31, 2023	September 30, 2023
Material joint ventures			
Sanfuming Electronic Material Co., Ltd.	<u>\$ 404,001</u>	<u>\$ 418,621</u>	<u>\$ 438,160</u>

For further information about the business nature of the above-mentioned joint venture, the main business place and the country information of the company registration etc., please refer to the attached Table 5 - "Information on Investees"; Table 6 - "Information on Investments in Mainland China" , Table 7 - "Information On Major Shareholders".

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery 6 and Equipment	Transport- ation Equipment	Other Equipment	Property under Construc- tion in Progress	Total
<u>Cost</u>							
Balance at January 1, 2024	\$ 170,300	\$1,450,818	\$3,112,089	\$467,715	\$492,935	\$663,008	\$6,356,865
Reclassifications	-	16,678	66,912	39,738	21,836	(112,251)	32,913
Additions	-	5,461	36,933	11,837	35,764	167,785	257,780
Disposals	-	-	(244)	(2,634)	(4,241)	-	(7,119)
Effect of exchange rate changes	-	2,945	8,285	338	26	163	11,757
Balance at September 30, 2024	<u>\$ 170,300</u>	<u>\$1,475,902</u>	<u>\$3,223,975</u>	<u>\$516,994</u>	<u>\$546,320</u>	<u>\$718,705</u>	<u>\$6,652,196</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ -	\$580,063	\$1,608,253	\$356,513	\$396,664	\$ -	\$2,941,493
Depreciation expenses	-	46,075	180,335	27,102	42,963	-	296,475
Disposals	-	-	(244)	(2,628)	(4,241)	-	(7,113)
Effect of exchange rate changes	-	191	618	34	1	-	844
Balance at September 30, 2024	<u>\$ -</u>	<u>\$626,329</u>	<u>\$1,788,962</u>	<u>\$381,021</u>	<u>\$435,387</u>	<u>\$ -</u>	<u>\$3,231,699</u>
Carrying amounts at September 30, 2024	<u>\$ 170,300</u>	<u>\$849,573</u>	<u>\$1,435,013</u>	<u>\$135,973</u>	<u>\$110,933</u>	<u>\$718,705</u>	<u>\$3,420,497</u>
Carrying amounts at December 31, 2023 and January 1, 2024	<u>\$ 170,300</u>	<u>\$870,755</u>	<u>\$1,503,836</u>	<u>\$111,202</u>	<u>\$ 96,271</u>	<u>\$663,008</u>	<u>\$3,415,372</u>

<u>Cost</u>							
Balance at January 1, 2023	\$ 162,700	\$ 1,260,299	\$ 2,484,822	\$ 415,203	\$ 464,338	\$ 908,434	\$ 5,695,796
Reclassifications	7,600	165,195	502,891	14,656	3,669	(678,896)	15,115
Additions	-	10,252	20,051	11,534	12,109	482,009	535,955
Disposals	-	(55)	(85,793)	(800)	(1,758)	-	(88,406)
Effect of exchange rate changes	-	2,943	8,222	265	4	28	11,462
Balance at September 30, 2023	<u>\$ 170,300</u>	<u>\$ 1,438,634</u>	<u>\$ 2,930,193</u>	<u>\$ 440,858</u>	<u>\$ 478,362</u>	<u>\$ 711,575</u>	<u>\$ 6,169,922</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ -	\$ 519,688	\$ 1,488,689	\$ 325,844	\$ 343,547	\$ -	\$ 2,677,768
Depreciation expenses	-	45,132	146,489	23,316	41,991	-	256,928
Disposals	-	(55)	(84,689)	(800)	(1,758)	-	(87,302)
Effect of exchange rate changes	-	159	511	26	1	-	697
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 564,924</u>	<u>\$ 1,551,000</u>	<u>\$ 348,386</u>	<u>\$ 383,781</u>	<u>\$ -</u>	<u>\$ 2,848,091</u>
Carrying amounts at September 30, 2023, net	<u>\$ 170,300</u>	<u>\$ 873,710</u>	<u>\$ 1,379,193</u>	<u>\$ 92,472</u>	<u>\$ 94,581</u>	<u>\$ 711,575</u>	<u>\$ 3,321,831</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings

Main building	3-45 years
Employee dormitory	25-50 years
Firefighting, air-conditioning and other systems	1-8 years
Engineering system	3-38 years
Transportation	3-10 years
Equipment	1-50 years
Other equipment	1-25 years

Property, plant and equipment pledged as collateral for bank Loans are described in Note 30.

14. LEASE ARRANGEMENTS

a. Right-of-use Assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Land	\$ 305,449	\$ 118,013	\$ 126,119
Buildings	15,199	6,979	7,527
Transportation equipment	<u>11,003</u>	<u>3,254</u>	<u>4,268</u>
	<u>\$ 331,651</u>	<u>\$ 128,246</u>	<u>\$ 137,914</u>
	<u>Nine Months Ended September 30</u>		
	2024	2023	
Additions to right-of-use assets	<u>\$ 241,282</u>	<u>\$ 20,543</u>	
	<u>Three Months Ended Sep. 30</u>		<u>Nine Months Ended Sep. 30</u>
	2024	2023	2024
Depreciation of right-of-use assets			
Land	\$ 4,772	\$ 5,117	\$ 14,211
Buildings	1,840	1,426	5,719
Transportation equipment	<u>1,012</u>	<u>1,011</u>	<u>3,041</u>
	<u>\$ 7,624</u>	<u>\$ 7,554</u>	<u>\$ 22,971</u>
			<u>\$ 21,858</u>

b. Lease Liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying Amounts</u>			
Current portion	\$ 24,853	\$ 15,026	\$ 19,036
Noncurrent portion	<u>243,339</u>	<u>48,374</u>	<u>50,447</u>
	<u>\$ 268,192</u>	<u>\$ 63,400</u>	<u>\$ 69,483</u>

Ranges of discount rates for lease liabilities are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	1.03% ~ 1.843%	1.03%	1.03% ~ 2.5%
Buildings	1.03% ~ 1.71%	1.03% ~ 1.705%	1.03%
Transportation equipment	1.03% ~ 1.71%	1.03%	1.03%

c. Another Lease Information

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 1,662</u>	<u>\$ 2,025</u>	<u>\$ 4,728</u>	<u>\$ 4,591</u>
Expenses relating to low-value asset leases	<u>\$ 309</u>	<u>\$ 301</u>	<u>\$ 928</u>	<u>\$ 914</u>
Total cash outflow for leases			<u>(\$ 29,513)</u>	<u>(\$ 26,589)</u>

The Company has selected to lease certain transportation equipment and buildings which qualify as short-term leases and certain photocopiers which qualify as low-value asset leases, and to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. **INTANGIBLE ASSETS**

	<u>Patent Right</u>
<u>Cost</u>	
Balance at January 1, 2024 and September 30, 2024	<u>\$ 150,000</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2024	\$ 10,542
Amortization expense	<u>11,250</u>
Balance at September 30, 2024	<u>\$ 21,792</u>
Balance at January 1, 2024	<u>\$ 139,458</u>
Balance at September 30, 2024	<u>\$ 128,208</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ -
Additions	<u>150,000</u>
Balance at September 30, 2023	<u>\$ 150,000</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2023	\$ -
Amortization expense	<u>6,792</u>
Balance at September 30, 2023	<u>\$ 6,792</u>
Balance at January 1, 2023	<u>\$ -</u>
Balance at September 30, 2023	<u>\$ 143,208</u>

In April 2023, San Fu Biotech Co., Ltd. signed a patent agreement with REGiMMUNE Corporation (a Japanese company), acquiring the rights to develop and commercialize a drug for the prevention of acute graft-versus-host disease (GvHD) in certain Asian countries. The total contract amount is NT\$150 million, with the patent fee paid according to the schedule stipulated in the contract. As of September 30, 2024, and December 31, 2023, the amounts paid were NT\$90 million and NT\$30 million, respectively.

The amortization expense is recognized on a straight-line basis over the following useful lives:

Patent right	10 years
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16. LOANS

a. Short-term loans

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Secured loans (Note 30)</u>			
Bank loans	\$ 350,000	\$ 265,000	\$ 115,000
<u>Unsecured loans</u>			
Bank loans	<u>1,548,000</u>	<u>955,044</u>	<u>1,345,258</u>
	<u>\$ 1,898,000</u>	<u>\$ 1,220,044</u>	<u>\$ 1,460,258</u>

The range of general working capital loan interest rates for the abovementioned bank loans was 1.74% ~ 2.04%, 0.85% ~ 1.85% and 0.85% ~ 1.75% per annum as of September 30, 2024, and December 31, 2023 and September 30, 2023, respectively.

b. Long-term loans

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured loans</u>			
Bank loans	\$ 100,000	\$ 325,000	\$ 350,000
Less: Current portion matured within a year	(<u>100,000</u>)	(<u>100,000</u>)	(<u>100,000</u>)
Long-term bank loans	<u>\$ -</u>	<u>\$ 225,000</u>	<u>\$ 250,000</u>

The range of the interest rates for the above-mentioned long-term bank loans was 1.86%, 1.735% ~ 2.002% and 1.735 ~ 2% per annum as of September 30, 2024, and December 31, 2023 and September 30, 2023, respectively.

17. NOTES AND ACCOUNTS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
Notes payable	\$ 1,166	\$ 487	\$ -
Accounts payable	<u>204,469</u>	<u>434,520</u>	<u>355,378</u>
	<u>\$ 205,635</u>	<u>\$ 435,007</u>	<u>\$ 355,378</u>

The average payment period of purchasing raw materials and supplies was two months. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Accrued Expenses	\$ 265,269	\$ 440,236	\$ 385,659
Payable for constructions	19,319	13,695	35,557
Payable for purchases of equipment	<u>31,192</u>	<u>137,149</u>	<u>156,361</u>
	<u>\$ 315,780</u>	<u>\$ 591,080</u>	<u>\$ 577,577</u>

19. RETIREMENT BENEFIT PLANS

The pension expenses related to the defined contribution and benefit plans recognized from July 1 to September 30, 2024 and 2023 and from January 1 to September 30, 2024 and 2023 are calculated based on the pension cost rates determined by actuarial calculation on December 31, 2023 and 2022, and the amount was NT\$923,000, NT\$ 147,000, NT\$ 1,066,000 and NT\$ 439,000 respectively.

20. EQUITY

a. Capital stock

Common shares

	September 30, 2024	December 31, 2023	September 30, 2023
Authorized shares (in thousands)	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Authorized capital	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Issued and paid shares (in thousands)	<u>100,706</u>	<u>100,706</u>	<u>100,706</u>
Issued capital	<u>\$ 1,007,060</u>	<u>\$ 1,007,060</u>	<u>\$ 1,007,060</u>

b. Capital Surplus

	September 30, 2024	December 31, 2023	September 30, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of shares above par	\$ 316,728	\$ 467,787	\$ 467,787
Donations (Note 29)	42,644	40,744	40,744
<u>May be used to offset a deficit</u>			
Exercised employee share options	54,804	54,804	54,804
Expired employee share options	2,151	2,151	2,151
Others - exercise of disgorgements (2)	30	30	30
Recognition of changes in ownership interests in subsidiaries (3)	(778)	(859)	(859)
<u>May not be used for any purpose</u>			
Employee restricted shares for subsidiaries	<u>4,151</u>	<u>-</u>	<u>-</u>
	<u>\$ 419,730</u>	<u>\$ 564,657</u>	<u>\$ 564,657</u>

1. Capital surplus in excess of par or from donations may be used to offset a deficit. When the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred once a year to Capital stock within a certain percentage of the Company's paid-in capital.
2. The benefits obtained by exercising disgorgements are essentially the investment of the holder of the right of claim to the company, which does not meet the definition of income in the conceptual framework. The company shall recognize the benefits obtained from exercising the disgorgements as capital reserves, and properly disclose its facts and effects.

3. This type of capital surplus is the amount of equity transaction impact recognized due to changes in the company's equity when the company has not actually acquired or disposed of equity in a subsidiary company, or the adjusted amount recognized by the company using the equity method to recognize the capital reserves of subsidiaries

c. Retained Earnings and Dividends Policy

According to the Company's Articles of Incorporation, the profit distribution or loss recovery is carried out after the end of each quarter. The Company authorizes the board of directors, by special resolution, to distribute all or part of the dividends in cash and report it to the shareholders' meeting. If there is a surplus in the annual final accounts, it should first be used to offset accumulated losses, then 10% should be allocated to the legal reserve (unless the legal reserve has reached the company's total paid-in capital, in which case this requirement is waived), and then a special reserve should be set aside or reversed in accordance with the regulations. For the Company's policy on employee and director remuneration distribution, refer to Note 22(5) on employee and director remuneration.

The distribution of the Company's dividends depends on the current year's surplus and the principle of distribution is to keep dividends stable. As the Company is currently growing, the Company takes into consideration of its future capital demand and long-term financial planning while allocating dividends. In principle, cash dividends should be no less than 5% of the total dividends distributed. However, shareholders may adjust the percentage of appropriation depending on the Company's actual profit and capital situation.

An appropriation of earnings to a legal capital reserve shall be made until the Legal capital reserve equals the Company's paid-in capital. The Legal capital reserve may be used to offset deficits. If the Company has no deficit and the Legal capital reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When the Company makes a special surplus reserve for the net deductions from other equity accumulated in the previous period, it only makes a provision for the undistributed earnings of the previous period.

The appropriations of earnings for the fiscal years 2023 and 2022 were as follows:

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>
Legal capital reserve	\$ 44,340	\$ 86,401
Special capital reserve	\$ 27,056	(\$ 79,868)
Cash dividends	\$ 201,412	\$ 392,753
Cash dividends per share (NT\$)	\$ 2.0	\$ 3.9

The above-mentioned cash dividends were resolved to be distributed by the board of directors on February 27, 2024, and February 24, 2023, respectively. The remaining profit distribution items for the years 2023 and 2022 were resolved by the shareholders' meetings on June 12, 2024, and June 16, 2023, respectively.

The Company's regular shareholders' meetings resolved on June 12, 2024 and June 16, 2023 to issue cash out of the capital reserves NT\$ 151,059,000 and NT\$ 201,412,000 respectively, and to issue cash dividends per share at NT\$ 1.5 and NT\$ 2.0 respectively.

The board of directors decided in the first to third quarters of 2023 not to distribute earnings for those quarters, leaving them for consideration in subsequent quarters.

On November 6, 2024, the board of directors resolved not to distribute the earnings from January 1, 2024, to September 30, 2024.

d. Special reserve

	<u>Nine Months Ended</u> <u>September 30,</u> <u>2024</u>	<u>Nine Months Ended</u> <u>September 30,</u> <u>2023</u>
Balance, beginning of period	\$ 44,926	\$ 124,794
Recognized special reserve		
Recognized other deductible equity items	27,056	-
Reversal of special reserve		
Reversal of other deductible equity items	-	(79,868)
Balance, end of period	<u>\$ 71,982</u>	<u>\$ 44,926</u>

e. Non-controlling interests (Minority Interests)

	<u>Nine Months Ended</u> <u>September 30</u> <u>2024</u>	<u>Nine Months Ended</u> <u>September 30</u> <u>2023</u>
Balance, beginning of period	\$ 31,850	\$ 32,102
Portion attributable to non-controlling interests		
Net loss for the period	(2,087)	(372)
Subscription to subsidiary's cash capital increase by non-controlling interests (Refer to Note 25)	10,173	-
Subscription to subsidiary's employee stock options by non-controlling interests (Refer to Note 25)	6,500	-
Changes in ownership equity of subsidiaries (Refer to Note 25)	(81)	-
Employee stock option compensation cost for subsidiaries	483	-
Other comprehensive income		
Unrealized gain (loss) on financial assets at FVTOCI	-	(584)
Balance, end of period	<u>\$ 46,838</u>	<u>\$ 31,146</u>

21. REVENUE

	<u>Three Months Ended</u> <u>September 30</u>		<u>Nine Months Ended</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue from sale of goods	\$ 1,098,210	\$ 1,167,805	\$ 3,370,971	\$ 3,541,598
Construction contract revenue	<u>135,255</u>	<u>46,318</u>	<u>197,340</u>	<u>133,012</u>
	<u>\$ 1,233,465</u>	<u>\$ 1,214,123</u>	<u>\$ 3,568,311</u>	<u>\$ 3,674,610</u>

Contract Balances

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Contract assets			
Construction engineering - current	<u>\$ 3,484</u>	<u>\$ 10,347</u>	<u>\$ 22,363</u>
Contract liabilities			
Construction engineering - current	\$ 490,961	\$ 477,869	\$ 253,778
Sale of goods- current	<u>3,691</u>	<u>4,062</u>	<u>2,919</u>
	<u>\$ 494,652</u>	<u>\$ 481,931</u>	<u>\$ 256,697</u>

As of September 30, 2024, December 31, 2023, and September 30, 2023, the amounts of advance payments made by the consolidated company to suppliers for construction projects were NT\$458,652,000, NT\$432,548,000, and NT\$432,548,000, respectively.

22. NET PROFIT

a. Other Income

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Dividend income	\$ 1,534	\$ 2,395	\$ 1,534	\$ 2,395
Rendering of services	1,592	4,254	4,708	12,723
Others	3,794	5,283	17,177	11,129
	<u>\$ 6,920</u>	<u>\$ 11,932</u>	<u>\$ 23,419</u>	<u>\$ 26,247</u>

b. Other Gains and Losses

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Gains on foreign exchange	\$ 6,612	\$ 14,396	\$ 47,222	\$ 18,723
(Loss) on foreign exchange	(15,644)	-	(26,950)	-
Gains (Loss) on disposal of Properties, plants and equipment	-	127	(6)	127
Gains on disposal of financial assets at fair value through profit or loss	-	-	-	650
Others	(44)	(39)	(284)	(475)
	<u>(\$ 9,076)</u>	<u>\$ 14,484</u>	<u>\$ 19,982</u>	<u>\$ 19,025</u>

c. Depreciation and Amortization

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Properties, plants and equipment	\$ 101,128	\$ 92,748	\$ 296,475	\$ 256,928
Right-of-use assets	7,624	7,554	22,971	21,858
Other tangible assets	3,750	3,750	11,250	6,792
	<u>\$ 112,502</u>	<u>\$ 104,052</u>	<u>\$ 330,696</u>	<u>\$ 285,578</u>
Analysis of depreciation by function				
Operating costs	\$ 90,873	\$ 83,342	\$ 266,483	\$ 226,862
Operating expenses	17,879	16,960	52,963	51,924
	<u>\$ 108,752</u>	<u>\$ 100,302</u>	<u>\$ 319,446</u>	<u>\$ 278,786</u>
Amortization expenses summarized by function				
Operating expenses	<u>\$ 3,750</u>	<u>\$ 3,750</u>	<u>\$ 11,250</u>	<u>\$ 6,792</u>

d. Employee Benefits Expense

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Post-employment benefits				
Defined contribution plans	\$ 3,788	\$ 3,844	\$ 11,911	\$ 11,393
Defined benefit plans (Note 19)	923	147	1,066	439
Short-term benefits				
Salaries	101,110	97,142	307,279	289,227
Labor and health insurance	8,079	8,003	26,129	25,660
Others	<u>13,508</u>	<u>13,865</u>	<u>38,946</u>	<u>39,591</u>
Total employee benefits expense	<u>\$ 127,408</u>	<u>\$ 123,001</u>	<u>\$ 385,331</u>	<u>\$ 366,310</u>
Analysis of employee benefits expense by function				
Operating costs	\$ 66,306	\$ 61,739	\$ 201,380	\$ 184,898
Operating expenses	<u>61,102</u>	<u>61,262</u>	<u>183,951</u>	<u>181,412</u>
	<u>\$ 127,408</u>	<u>\$ 123,001</u>	<u>\$ 385,331</u>	<u>\$ 366,310</u>

e. Employees' Compensation and Remuneration of Directors and Supervisors

The Company accrued employees' compensation and remuneration of directors at rates of 1%~3% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and the remuneration of directors for the nine-month period ended September 30, 2024 and 2023, which was approved by the Board of Directors, respectively, were as follows:

Estimation ratio

	<u>Nine Months Ended</u>	<u>Nine Months Ended</u>
	<u>September 30,</u>	<u>September 30,</u>
	<u>2024</u>	<u>2023</u>
Employees' compensation	1.69%	1.98%
Remuneration of directors and supervisors	1.69%	1.98%

Amount

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Employees' compensation	<u>\$ 2,500</u>	<u>\$ 3,000</u>	<u>\$ 7,550</u>	<u>\$ 8,200</u>
Remuneration of directors and supervisors	<u>\$ 2,500</u>	<u>\$ 3,000</u>	<u>\$ 7,550</u>	<u>\$ 8,200</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The Company held Board of Directors' meetings on February 27, 2024 and February 24, 2023, and those meetings resulted in the actual amounts of the employees' compensation and remuneration of directors paid for the fiscal years 2023 and 2022 are as respectively follows:

	<u>For the Fiscal Year</u>	
	<u>2023</u>	<u>2022</u>
	<u>Cash</u>	<u>Cash</u>
Employees' compensation	\$ 11,626	\$ 21,457
Remuneration of directors and supervisors	11,626	\$ 21,457

The Company held Board of Directors' Meetings on February 27, 2024 and February 24, 2023, and those meetings resulted in the actual amounts of the employees' compensation and remuneration of directors paid for the fiscal years 2024 and 2023 to differ from the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023, respectively. Since the difference was not significant, therefore, it was adjusted to profit and loss for the years ended December 31, 2024 and 2023 respectively.

	For the Year Ended December 31			
	2023		2022	
	Employees' compensation	Remuneration of directors and supervisors	Employees' compensation	Remuneration of directors and supervisors
Amounts approved in the Board of Directors' meeting	<u>\$ 11,626</u>	<u>\$ 11,626</u>	<u>\$ 21,457</u>	<u>\$ 21,457</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 11,300</u>	<u>\$ 11,300</u>	<u>\$ 20,500</u>	<u>\$ 20,500</u>

Information on the employees' compensation and remuneration of directors for the years ended December 31, 2024 and 2023 approved by the Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

f. Finance Costs

	<u>Three Months Ended</u> <u>September 30</u>		<u>Nine Months Ended</u> <u>September 30</u>	
	2024	2023	2024	2023
Interest on bank loans	\$ 8,694	\$ 8,132	\$ 23,778	\$ 20,726
Interest on lease liabilities	<u>1,206</u>	<u>207</u>	<u>3,573</u>	<u>604</u>
	<u>\$ 9,900</u>	<u>\$ 8,339</u>	<u>\$ 27,351</u>	<u>\$ 21,330</u>

23. INCOME TAX

a. Income Tax Recognized in Profit or Loss

Income tax expense consisted of the following:

	<u>Three Months Ended</u> <u>September 30</u>		<u>Nine Months Ended</u> <u>September 30</u>	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 34,013	\$ 35,577	\$ 113,007	\$ 92,599
Adjustments for prior periods	<u>-</u>	<u>-</u>	<u>3,584</u>	<u>(4,699)</u>
	<u>34,013</u>	<u>35,577</u>	<u>116,591</u>	<u>87,900</u>
Deferred tax				
In respect of the current period	(1,687)	<u>3,426</u>	<u>4,313</u>	<u>3,249</u>
Income tax expense recognized in the profit and loss	<u>\$ 32,326</u>	<u>\$ 39,003</u>	<u>\$ 120,904</u>	<u>\$ 91,149</u>

b. Income Tax Assessments

The Income tax returns of Lifu Carbonate Co., Ltd. and International Nitto Technology Company Limited up to the fiscal year 2022 and the income tax returns of the Company and San Fu Biotech Co., Ltd., up to the fiscal year 2021 have been assessed by the tax authorities and have been recognized accordingly.

24. EARNINGS PER SHARE

	Unit: NT\$ Per Share			
	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	2024	2023	2024	2023
Basic earnings per share				
Basic EPS	\$ <u>0.94</u>	\$ <u>1.09</u>	\$ <u>3.14</u>	\$ <u>3.11</u>
Diluted earnings per share				
Diluted EPS	\$ <u>0.94</u>	\$ <u>1.09</u>	\$ <u>3.14</u>	\$ <u>3.11</u>

The earnings and weighted average number of common shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Periods

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	2024	2023	2024	2023
Net Profit attributed to the Owners of the Company	\$ <u>94,626</u>	\$ <u>110,057</u>	\$ <u>316,462</u>	\$ <u>313,924</u>

The Weighted Average Number of Common shares outstanding (in thousands shares) is as follows:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	2024	2023	2024	2023
Weighted average number of common shares used in the computation of basic earnings per share	100,706	100,706	100,706	100,706
Effect of all dilutive potential common shares				
Employees' compensation	<u>55</u>	<u>61</u>	<u>72</u>	<u>93</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>100,761</u>	<u>100,767</u>	<u>100,778</u>	<u>100,799</u>

If the Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. EQUITY TRANSACTIONS INVOLVING NON-CONTROLLING INTERESTS

On March 19, 2024, San Fu Biotech Co., Ltd. issued common stocks for cash capital increase and, in accordance with regulations, reserved a portion of the new shares for employee subscription, resulting in a decrease in the consolidated company's shareholding from 93.48% to 89.59%.

	<u>San Fu Biotech Co., Ltd.,</u>
Cash consideration received	\$ 16,673
Amount of non-controlling interests to be transferred out based on the change in the relative ownership equity of the subsidiary	(<u>16,592</u>)
Equity transaction difference	<u>\$ 81</u>
 <u>Equity transaction difference adjustment account</u>	
Capital surplus - recognition of changes in ownership equity of the subsidiary	<u>\$ 81</u>

26. NON-CASH TRANSACTION

For the nine-month period ended September 30, 2024 and 2023, the Company engaged in the following non-cash investing and financing activities:

The Company reclassified and paid for property, plant and equipment partly for the nine-month ended September 30, 2024 and 2023 were as follows (please refer to Notes 13):

	<u>Nine-month Ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Amount transferred for Prepayments for equipment after acceptance test		
(Reclassification)	<u>\$ 33,058</u>	<u>\$ 15,215</u>

27. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

As for the strategy of the Company' capital structure management, the Company set its suitable market share according to its industry scale, the growth of the industry and the blueprint of the product development. The Company estimates the required capacity, the equipment and related capital expenditure to be used. Then the Company calculates the working capitals and cash based on the industry character to support a complete plan for its long-term development. Finally, the Company estimates not only the possible contribution margin, operating profit ratio and cash flows according to the product competitiveness but also risk factors such as the fluctuation of the business circle and the life circle of the product to decide the suitable capital structure. The management inspects capital structures periodically and considers the possible costs and risks taken by different capital structures. In general, the Company adopts a prudent risk management strategy.

28. FINANCIAL INSTRUMENTS

a. Fair Value of Financial Instruments - Not Measured at Fair Value

The Company considers that the carrying amounts of financial assets and liabilities not measured at fair value approximate their fair values or the fair values cannot be reliably estimated.

b. Fair Value of Financial Instruments - Measured at Fair Value on A Recurring Basis

1) Fair Value Hierarchy

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>September 30, 2024</u>				
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 30,585	\$ -	\$ -	\$ 30,585
Domestic unlisted shares	-	-	70,412	70,412
Foreign unlisted shares	-	-	<u>60,506</u>	<u>60,506</u>
Total	<u>\$ 30,585</u>	<u>\$ -</u>	<u>\$130,918</u>	<u>\$161,503</u>

<u>December 31, 2023</u>				
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 32,085	\$ -	\$ -	\$ 32,085
Domestic unlisted shares	-	-	70,412	70,412
Foreign unlisted shares	-	-	<u>58,700</u>	<u>58,700</u>
Total	<u>\$ 32,085</u>	<u>\$ -</u>	<u>\$129,112</u>	<u>\$161,197</u>

<u>September 30, 2023</u>				
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 25,011	\$ -	\$ -	\$ 25,011
Domestic unlisted shares	-	-	57,726	57,726
Foreign unlisted shares	-	-	<u>61,692</u>	<u>61,692</u>
Total	<u>\$ 25,011</u>	<u>\$ -</u>	<u>\$119,418</u>	<u>\$144,429</u>

There were no transfers of financial assets at fair value measurement between Levels 1 and 2 for the period from January 1 to September 30 in the fiscal years 2024 and 2023.

2) Financial Instruments Applied for Level 3 Adjustment at FVTOCI

	<u>Financial assets at FVTOCI</u>	
	<u>Through other Profits or Loss</u>	
	<u>Nine-Month Ended September 30</u>	
	<u>2024</u>	<u>2023</u>
<u>Financial assets – Equity instrument</u>		
Balance, beginning of period	\$ 129,112	\$ 65,407
Increase in current period	-	60,000
Recognized FVTOCI	-	(8,971)
Foreign exchange difference	<u>1,806</u>	<u>2,982</u>
Balance, end of period	<u>\$ 130,918</u>	<u>\$ 119,418</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

- (A) The domestic unlisted (over the counter) equity investment adopts the income method, and calculates the present value of the expected income from holding this investment by discounting the cash flow. Significant unobservable inputs are as follows. When the liquidity discount or the non-controlling interest discount decreases, the fair value of these investments will increase.

	September 30, 2024	September 30, 2023
Liquidity Discount	25%	19%~25%
Non-controlling interests discount	20%	20%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	September 30, 2024	September 30, 2023
Liquidity Discount		
1% decrease	<u>\$ 96</u>	<u>\$ 77</u>
Non-controlling interests discount		
1% decrease	<u>\$ 90</u>	<u>\$ 72</u>

- (B) The foreign unlisted (over the counter) equity investment is based on the market method, and its fair value is mainly assessed with reference to the recent financing activities of the invested target or the market transaction price and market conditions of similar targets. The evaluation method chosen by the Consolidated Companies after careful evaluation, therefore, the fair value measurement is reasonable, but the evaluation results may be different when different evaluation models or fair values are used.

c. Categories of Financial Instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 1,853,937	\$ 2,024,054	\$ 1,845,851
Financial assets at FVTOCI-			
Equity instrument investment	161,503	161,197	144,429
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	2,529,174	2,577,106	2,750,627

Note 1) The balances include loans and receivables at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost - current, account and notes receivables, and receivables from related parties.

Note 2) The balances include financial liabilities at amortized cost, which comprise short-term loans, notes payables, account payables - related parties, long-term liabilities due within one year, others payable and long-term bank loans.

d. Financial Risk Management Objectives and Policies

The Company's major financial instruments include bank time deposits, equity investments, account receivables, accounts payables and bank loans. The Company's financial management department provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which

analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors is solely responsible for established and monitored the framework of risk management of the Company, the Board of Directors authorized the chairman develop and monitored the risk management policy of the Company with the operation center of the Company, and regularly reported the situation to the Board of Directors.

The Company's financial risk management policies are developed for identifying and analyzing the financial risks to the Company, evaluating the impacts of the financial risks, and executing the financial-risk aversion policies. The financial risk management is periodically reviewed to reflect changes to the market and the operations. Through the internal controls, such as training and setting up managing requirements and procedures, the Company are engaged in developing a disciplined and constructive control environment, in order to have all employees understand own responsibilities.

The Company's Board of Directors monitors the management on managing the compliance to the financial risk management policies and procedures and reviews the appropriateness of risk management structure.

1) Market Risk Management

The Company's business activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, and another price risk.

a) Foreign Currency Risk

The Company has assets and liabilities not recorded in the same functional currency as that of the Company, thus, it is exposed to risks due to exchange rate fluctuation.

To manage risks within an acceptable level, the Company uses the natural hedge against its currency risk. The Company monitors and evaluates the movements of exchange rates and the weakness or strength of a currency's performance in line with natural hedging.

The carrying amounts of the Company' foreign currency denominated monetary assets and monetary liabilities which were not in the same functional currency as the Company' entity at the end of the reporting period are shown in Note 31.

Sensitivity Analysis

The Company was mainly exposed to the U.S. dollar. The following table shows the Company' sensitivity to a 5% increase and decrease in New Taiwan dollars (the functional currency of the Company) against the relevant foreign currencies. A 5% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and was adjusted at the end of the reporting period for a 5% change in foreign currency rates. The number in the table indicates the change in pretax profit associated with the 5% appreciation of the New Taiwan dollar against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be positive.

	Unit: 1,000 NT\$	
	<u>The Impact of The New Taiwan Dollar on The US Dollar</u>	
	<u>Nine Months Ended September 30</u>	
	2024	2023
Profit, loss and equity	<u>\$20,825</u> (i)	<u>\$ 12,164</u> (i)

(i) This was mainly attributable to the exposure on outstanding receivables and payables in Currency USD which were not hedged at the end of the reporting period.

b) Interest Rate Risk

The Company is exposed to interest rate risk because entities in the Company borrow funds at both fixed and floating interest rates. The financial costs for the period from January 1 to September 30 in the fiscal years 2024 and 2023 were \$ 27,351,000 and \$ 21,330,000 respectively, which only constitute 0.77% and 0.58% of consolidated net sales revenue. Therefore, the interest rate risk has no significant impact on the Company.

The carrying amounts of the Company's financial liabilities with exposure to interest rates at the end of the balance sheet reporting period were as follows:

	September 30, 2024	December 31, 2023	Unit: 1,000 NT\$ September 30, 2023
Fair value interest rate risk			
- Financial liabilities	\$ 668,192	\$ 558,444	\$ 1,044,741
Cash flow interest rate risk			
- Financial liabilities	1,598,000	1,050,000	835,000

Sensitivity Analysis

The sensitivity analysis was determined based on the Company's exposure to interest rate changes for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period had been outstanding for the whole period. If interest rates had been five basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the nine-month period from January 1 to September 30 in the fiscal years 2024 and 2023 would decrease/increase by \$ 599,000 and \$ 313,000, respectively.

c) Other Price Risk

The Company is exposed to price risk due to equity securities investment of domestic listed companies. The Company has established an immediate control mechanism and is therefore not expected to have significant price risk.

Sensitivity Analysis

If equity prices had been 5% higher/lower, pre-tax other comprehensive income for the nine-month period from January 1 to September 30 in the fiscal years 2024 and 2023 would have increased/decreased by \$8,075,000 and \$7,221,000 respectively, because of the changes in fair value of financial assets at FVTOCI.

2) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in financial loss to the Company. As of the end of the reporting period, the Company's maximum exposure to credit risk, which will cause a financial loss to the Company because of the counterparties' failure to discharge their obligations, could arise from the carrying amount of the financial assets recognized in the balance sheets. The policies adopted by the Company are to trade with reputable objects only, and continue to supervise the credit risk insurance and the credit rating of the counterparty.

Apart from the companies A and B of the Company, the Company has no significant credit risk exposure from any single counterparty or any group of counterparties with similar characteristics. Apart from the companies A and B, the concentration of credit risk to other clients did not exceed 10% of total accounts receivable. The balance of accounts receivable from customers A and B accounts for 48% of the balance of accounts receivable of the consolidated company. The credit risk is expected to be immaterial as the companies A and B are all reliable and trustworthy counterparties.

3) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the Company' short-, medium- and long-term funding and liquidity management requirements. The Company manages in liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecasted and actual cash flows as well as matching the maturity profiles of financial assets and liabilities. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Company had available unutilized short-term bank loan facilities in the amount of \$1,278,380,000, \$ 1,775,573,000 and \$ 1,537,773,000, respectively.

The following table shows the remaining contractual maturity of the Company for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay.

September 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
Lease liabilities	\$ 2,525	\$ 5,050	\$ 22,027	\$ 83,140	\$215,878
Variable interest rate liabilities	460,000	1,038,000	100,000	-	-
Fixed interest rate liabilities	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 662,525</u>	<u>\$1,243,050</u>	<u>\$ 122,027</u>	<u>\$ 83,140</u>	<u>\$215,878</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 29,602</u>	<u>\$ 83,140</u>	<u>\$ 215,878</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
Lease liabilities	\$ 1,738	\$ 3,247	\$ 10,459	\$ 29,384	\$ 20,629
Variable interest rate liabilities	235,000	445,000	145,000	225,000	-
Fixed interest rate liabilities	<u>200,000</u>	<u>295,044</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 436,738</u>	<u>\$ 743,291</u>	<u>\$ 155,459</u>	<u>\$ 254,384</u>	<u>\$ 20,629</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 15,444</u>	<u>\$ 29,384</u>	<u>\$ 20,629</u>

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
Lease liabilities	\$ 2,380	\$ 4,762	\$ 12,493	\$ 30,086	\$ 22,216
Variable interest rate liabilities	225,000	285,000	75,000	250,000	-
Fixed interest rate liabilities	<u>280,000</u>	<u>665,351</u>	<u>29,907</u>	<u>-</u>	<u>-</u>
	<u>\$507,380</u>	<u>\$955,113</u>	<u>\$117,400</u>	<u>\$280,086</u>	<u>\$ 22,216</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 19,635</u>	<u>\$ 30,086</u>	<u>\$ 22,216</u>

29. RELATED PARTY TRANSACTIONS

The transaction, account balance, income and expenses between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Company and the other related parties are disclosed below.

a. Related Party Name and Categories

Related Party Name	Related Party Categories
San Fu Global Ltd.	Investors with significant influence over the Company
Zhang Chun Ming	Investors with significant influence over the Company
Hongchong Enterprise Co., Ltd.	Associates
ShianYun Joint Stock Company (Vietnam)	Associates
Sanfuming Electronic Material Co., Ltd.	Joint venture
China Fangda (International) Investment Development Corporation	Other related party
Fulu Cultural Foundation	Other related party

b. Business Transaction

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	2024	2023	2024	2023
<u>Sales</u>				
Associates	\$ 145	\$ 86	\$ 201	\$ 158
Joint ventures	297	-	3,891	2,635
Other related party	43	-	85	-
	<u>\$ 485</u>	<u>\$ 86</u>	<u>\$ 4,177</u>	<u>\$ 2,793</u>
<u>Purchases</u>				
Associates	\$ 11,632	\$ 10,403	\$ 29,100	\$ 30,906
Joint ventures	-	-	-	200
Other related party	495	-	1,585	-
	<u>\$ 12,127</u>	<u>\$ 10,403</u>	<u>\$ 30,685</u>	<u>\$ 31,106</u>

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	2024	2023	2024	2023
<u>Other revenue</u>				
Investors with significant influence over the Company	\$ -	\$ -	\$ 254	\$ -
Joint ventures				
Sanfuming Electronic Material Co., Ltd.	1,592	1,554	4,708	4,730
	<u>\$ 1,592</u>	<u>\$ 1,554</u>	<u>\$ 4,962</u>	<u>\$ 4,730</u>

<u>Service expense</u>				
(recognized as other expense)				
Investors with significant influence over the Company	\$ 286	\$ 286	\$ 857	\$ 857

Related party transactions were not materially different from those non-related parties with third parties unless otherwise agreed.

	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
	<u>2024</u>	<u>2023</u>	<u>2023</u>
<u>Receivables from related parties</u>			
Joint ventures	\$ 3,713	\$ 6,564	\$ 1,801
Associates	51	110	47
	<u>3,764</u>	<u>6,674</u>	<u>1,848</u>

<u>Other receivables from related parties</u>			
Investors with significant influence over the Company			
Joint ventures	4,708	6,146	4,623
	<u>\$ 8,472</u>	<u>\$ 12,820</u>	<u>\$ 6,471</u>

<u>Payables to related parties</u>			
Investors with significant influence over the Company			
Associates	\$ -	\$ -	\$ 643
	9,759	5,975	6,771
	<u>\$ 9,759</u>	<u>\$ 5,975</u>	<u>\$ 7,414</u>

The outstanding accounts payable from related parties are unsecured and the outstanding accounts receivable from related parties are unsecured. No impairment loss was recognized for accounts receivable from related parties.

c. Lease Arrangements

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
		<u>2024</u>	<u>2023</u>	<u>2023</u>
Lease liabilities	Investors with significant influence			
	Sanfu Global Co., Ltd.	\$ 32,062	\$ 51,826	\$ 53,526
	Others	912	-	172
		<u>\$ 32,974</u>	<u>\$ 51,826</u>	<u>\$ 53,698</u>

<u>Related Party Category/Name</u>	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	2024	<u>September 30</u> 2023	2024	<u>September 30</u> 2023
<u>Interest Expense</u>				
Investors with significant influence				
Sanfu Global Co., Ltd.	\$ 139	\$ 154	\$ 419	\$ 406
Others	<u>4</u>	<u>1</u>	<u>15</u>	<u>4</u>
	<u>\$ 143</u>	<u>\$ 155</u>	<u>\$ 434</u>	<u>\$ 410</u>

d. Others

Investors with significant influence signed a trust agreement of marketable securities with CTBC Bank on September 29, 2016. The Company is a beneficiary of interest. The trust interest revenue was \$1,900,000 and \$3,801,000 for the nine-month period from January 1 to September 30, 2024 and 2023 respectively, and the revenue was credited in capital surplus - donations.

e. Compensation of Key Management Personnel

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	2024	<u>September 30</u> 2023	2024	<u>September 30</u> 2023
Short-term employee benefits	\$ 7,119	\$ 7,973	\$ 26,337	\$ 29,998
Post-employment benefits	<u>337</u>	<u>388</u>	<u>1,116</u>	<u>1,164</u>
	<u>\$ 7,456</u>	<u>\$ 8,361</u>	<u>\$ 27,453</u>	<u>\$ 31,162</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. PLEDGED ASSETS

The following assets were provided as collateral for bank Loans and performance bond under the sales agreement:

	<u>September 30,</u> 2024	<u>December 31,</u> 2023	<u>September 30,</u> 2023
Pledged deposits (classified as financial assets at amortized cost)	\$ 134,700	\$ 125,400	\$ 172,400
Land	40,349	40,349	40,349
Buildings, net	<u>35,511</u>	<u>38,220</u>	<u>39,123</u>
	<u>\$ 210,560</u>	<u>\$ 203,969</u>	<u>\$ 251,872</u>

31. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

The following information was summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

September 30, 2024

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>		<u>Carrying Amount</u>
<u>Foreign Currency Assets</u>				
<u>Monetary items</u>				
USD	\$ 14,046	31.600	(USD: NTD)	\$ 443,854
<u>Non-monetary items</u>				
Investments in associates and joint ventures using the equity method				
CNY	89,447	0.143	(CNY: USD)	404,001
VND	33,874,308	0.0013	(VND: NTD)	42,851
<u>Foreign Currency Liabilities</u>				
<u>Monetary items</u>				
USD	863	31.700	(USD: NTD)	27,357

December 31, 2023

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>		<u>Carrying Amount</u>
<u>Foreign Currency Assets</u>				
<u>Monetary items</u>				
USD	\$ 10,048	30.655	(USD: NTD)	\$ 308,021
JPY	546,144	0.215	(JPY: NTD)	117,530
<u>Non-monetary items</u>				
Investments in associates and joint ventures using the equity method				
CNY	96,563	0.141	(CNY: USD)	418,621
VND	33,551,004	0.0012	(VND: NTD)	41,771
<u>Foreign Currency Liabilities</u>				
<u>Monetary items</u>				
USD	716	30.755	(USD: NTD)	22,021
JPY	562,383	0.219	(JPY: NTD)	123,274

September 30, 2023

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>		<u>Carrying Amount</u>
<u>Foreign Currency Assets</u>				
<u>Monetary items</u>				
USD	\$ 8,609	32.22	(USD: NTD)	\$ 277,382
JPY	463,531	0.214	(JPY: NTD)	99,288
<u>Non-monetary items</u>				
Investments in associates and joint ventures using the equity method				
CNY	\$ 97,487	0.139	(CNY: USD)	\$ 438,160
VND	32,344,061	0.0013	(VND: NTD)	42,209
<u>Foreign Currency Liabilities</u>				
<u>Monetary items</u>				
USD	\$ 1,055	32.32	(USD: NTD)	\$ 34,098
JPY	516,242	0.218	(JPY: NTD)	112,644

The significant (unrealized) foreign exchange gains (losses) were as follows:

Foreign Currencies	For the three-month period From July 1 to September 30, 2024		For the three-month period From July 1 to September 30, 2023	
	Exchange Rate	Net Foreign Exchange Gain/Loss	Exchange Rate	Net Foreign Exchange Gain/Loss
USD	31.60 (USD: NTD)	(\$ 19,875)	32.22 (USD: NTD)	\$ 13,835
JPY	0.220 (JPY: NTD)	(24)	0.214 (JPY: NTD)	1,619

Foreign Currencies	For the nine-month period From January 1 to September 30, 2024		For the nine-month period From January 1 to September 30, 2023	
	Exchange Rate	Net Foreign Exchange Gain/Loss	Exchange Rate	Net Foreign Exchange Gain/Loss
USD	31.60 (USD: NTD)	\$ 5,057	32.22 (USD: NTD)	\$ 19,960
JPY	0.220 (JPY: NTD)	2,131	0.214 (JPY: NTD)	(1,695)

32. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

- 1) Financings provided: See Table 1 attached;
- 2) Endorsements/guarantees provided: See Table 2 attached;
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): See Table 3 attached;
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 9) Trading in derivative instruments: (None)
- 10) Intercompany relationships and significant intercompany transactions: See Table 4 attached;

b. Information on investees: See Table 5 attached;

c. Information on investments in Mainland China

- 1) Information on any investee company in Mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the Mainland China area: See Table 6 attached;

- 2) Any of the following significant transactions with investee companies in Mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None):
- The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - The amount of property transactions and the amount of the resultant gains or losses
 - The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
 - Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders:

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table 7 attached;

33. OPERATING SEGMENT INFORMATION

Information reported to the chief operating decision maker for resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Company's reportable segments were as follows:

Fine (High Precision) chemicals: mainly engaged in the manufacture, processing and trading of chemical cleaning and etching agents.

Basic chemicals: mainly engaged in the manufacture, processing and trading of food additive

a. Segment Revenue and Results

The following was an analysis of the Company's revenue and results from continuing operations by reportable segments:

	<u>Fine Chemicals</u>	<u>Basic Chemicals</u>	<u>Write off by Segment</u>	<u>Total</u>
<u>For the nine-month period from January 1 to September 30, 2024</u>				
Revenue of general customers	\$2,695,175	\$ 873,136	\$ -	\$3,568,311
Revenue of segment	<u>131,221</u>	<u>19,671</u>	(<u>150,892</u>)	<u>-</u>
Total	<u>\$2,826,396</u>	<u>\$ 892,807</u>	(<u>\$ 150,892</u>)	<u>\$3,568,311</u>
Operating profit	<u>\$ 528,048</u>	(<u>\$ 129,696</u>)	<u>\$ -</u>	\$ 398,352
Other income				23,419
Other gain and losses				19,982
Financial cost				(27,351)
Profit and loss share of affiliates and joint ventures using the equity method				14,148
Interest income				<u>6,729</u>
Income before income tax				<u>\$435,279</u>

**For the nine-month
period from January 1 to
September 30, 2023**

Revenue of general customers	\$ 2,867,354	\$ 807,256	\$ -	\$ 3,674,610
Revenue of segment	<u>66,354</u>	<u>32,603</u>	(<u>98,957</u>)	=
Total	<u>\$ 2,933,708</u>	<u>\$ 839,859</u>	(<u>\$ 98,957</u>)	<u>\$ 3,674,610</u>
Operating profit	<u>\$ 479,891</u>	(<u>\$ 130,114</u>)	<u>\$ -</u>	\$ 349,777
Other income				26,247
Other gain and losses				19,025
Financial cost				(21,330)
Profit and loss share of affiliates and joint ventures using the equity method				25,742
Interest income				<u>5,240</u>
Income before income tax				<u>\$ 404,701</u>

Segment profit refers to the profit before tax earned by each segment, excluding other income, other gains and losses, financial costs, carrying amount of profit or loss of investments of affiliate companies and joint ventures using equity method of accounting, income tax expense, bargain purchase gain and tax expenses etc. The measured amount serves as a basis for the chief operating decision maker to allocate resources and assess segment performance.

b. Segment Total Assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Segment assets</u>			
Fine chemicals	\$ 4,736,349	\$ 4,874,689	\$ 4,551,535
Basic chemicals	2,193,523	2,084,784	2,102,196
Investment	<u>906,269</u>	<u>830,147</u>	<u>880,984</u>
Consolidated total assets	<u>\$ 7,836,141</u>	<u>\$ 7,789,620</u>	<u>\$ 7,534,715</u>

San Fu Chemical Co., Ltd. and Subsidiaries

FINANCINGS PROVIDED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 1

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Balance, end of period	Amount Actually Drawn	Interest Rate (%)	Nature of Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)	Note
													Item	Value			
0	San Fu Chemical Co., Ltd.	Lifu Carbonic Acid Co., Ltd.	Other receivables	Y	\$ 10,000	\$ 10,000	\$ 5,000	1.75%	Short-term financing is required	\$ -	Operating capital	\$ -	-	\$ -	\$ 441,406	\$ 1,765,625	(Note 3)
0	San Fu Chemical Co., Ltd.	International Nitto Technology Co., Ltd.	Other receivables	Y	300,000	300,000	130,000	1.75%~1.875%	Short-term financing is required	-	Operating capital	-	-	-	441,406	1,765,625	(Note 3)
0	San Fu Chemical Co., Ltd.	VinaSanFu Industrial Gas Company Limited	Other receivables	Y	400,000	400,000	227,880 (US\$7,200,000 (Note 4)	2%	Short-term financing is required	-	Operating capital	-	-	-	441,406	1,765,625	(Note 3)
0	San Fu Chemical Co., Ltd.	VinaSanFu Material Company Limited	Other receivables	Y	400,000	400,000	101,280 (US\$3,200,000 (Note 4)	2%	Short-term financing is required	-	Operating capital	-	-	-	441,406	1,765,625	(Note 3)
0	San Fu Chemical Co., Ltd.	VinaSanFu Material Trading Company Limited	Other receivables	Y	100,000	100,000	58,553 (US\$1,850,000 (Note 4)	2%	Short-term financing is required	-	Operating capital	-	-	-	441,406	1,765,625	(Note 3)

Note 1: The items are numbered as follows:

- a. Issuer is numbered as "0".
- b. Investee companies are numbered from "1".

Note 2: The maximum amount for financing provided to others:

- a. The maximum amount of financing provided by the Company shall not exceed 40% of the Company's net worth.
- b. The maximum amounts of financing provided by the Company and its subsidiaries are as follows:
 - i. The maximum amount of financing provided to all businesses shall not exceed 10% of the Company's net worth. The maximum amount of financing provided to an individual shall not exceed 10% of the Company's net worth, and the gross transaction amount (the higher of purchase amount or sales amount between the two parties) for the past year.
 - ii. In the case of financing companies with short-term financing needs, the maximum amount of financing provided to such companies shall not exceed 40% of their net worth, the maximum amount of financing provided to an individual shall not exceed 10% of the Company's net worth.

Note 3: Other receivables have been eliminated when preparing the consolidated financial statements.

Note 4: Calculated based on the foreign currency exchange rate dated September 30, 2024 (USD\$1 = NT\$31.65)

San Fu Chemical Co., Ltd. and Subsidiaries

ENDORSEMENTS/GURANTEES PROVIDED

FOR NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 2

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2)	Maximum Balance for the Period (Foreign Currencies in Thousands)	Balance, end of period	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
0	San Fu Chemical Co., Ltd.	San Fu Biotech Co., Ltd.	A subsidiary in which the Parent Company holds directly and indirectly over 90% of an equity interest.	\$ 441,406	\$ 400,000	\$ 400,000	\$ 290,000	\$	9.06%	\$ 1,765,625	Y	N	N	
0	San Fu Chemical Co., Ltd.	International Nitto Technology Co., Ltd.	ditto	441,406	300,000	300,000	230,000		6.80%	1,765,625	Y	N	N	
0	San Fu Chemical Co., Ltd.	VinaSanFu Industrial Gas Company Limited	ditto	441,406	200,000	200,000	189,900		4.53%	1,765,625	Y	N	N	
0	San Fu Chemical Co., Ltd.	VinaSanFu Material Company Limited	ditto.	441,406	200,000	200,000	189,900		4.53%	1,765,625	Y	N	N	

Note 1: The items are numbered as follows:

- a. Issuer is numbered as "0".
- b. Investee companies are numbered from "1".

Note 2: The maximum amount for guarantees provided to others:

- a. The maximum amount of guarantee provided by the Company shall not exceed 40% of the Company's net worth.
- b. The maximum amount of guarantee provided to all subsidiaries shall not exceed 40% of the Company's net worth. The maximum amount of guarantee provided to an individual shall not exceed 10% of the Company's net worth.

San Fu Chemical Co., Ltd. and Subsidiaries

MARKETABLE SECURITIES HELD

FOR NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 3

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	As of September 30, 2024				Note
				Shares/Units (in thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value	
San Fu Chemical Co., Ltd.	E'Dale Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income	642,060	\$ 6,698	3.45%	\$ 6,698	Note 2
	Savior Lifetec Corporation	-	Financial assets at fair value through other comprehensive income	1,429,177	30,585	0.45%	30,585	
	Global Graphene Group	-	Financial assets at fair value through other comprehensive income	18,490	-	1.42%	-	
Sanfu Biotech Co., Ltd.	Regimmune Limited	-	Financial assets at fair value through other comprehensive income	1,075,130	63,714	4.72%	63,714	
Sino Star Holding Limited	Hubei Xingfu Electronic Material Co., Ltd.	-	Financial assets at fair value through other comprehensive income	-	60,506	2.40%	60,506	

Note 1: The information for investments in subsidiaries, associates and joint venture is included in Tables 5 and 6.

Note 2: The fair value is calculated based on closing prices on September 30, 2024.

San Fu Chemical Co., Ltd. and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 4

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Financial Statement Item	Amount	Payment Terms	
0	San Fu Chemical Co., Ltd.	San Fu Biotech Co., Ltd.	1	Accounts receivable - parties, net	\$ 3,770	90 days after the invoice date	0.05%
				Other receivables - parties, net	25	According to the contract	0.00%
				Accounts payable - parties, net	1,125	90 days after the invoice date	0.01%
				Sales revenue	16,965	90 days after the invoice date	0.48%
				Purchase	1,433	90 days after the invoice date	0.04%
				Rent expense	1,115	90 days after the invoice date	0.03%
				Entertainment expense	681	90 days after the invoice date	0.02%
				Depreciation - right-of-use assets	1,055	90 days after the invoice date	0.03%
						International Nitto Technology Co., Ltd.	1
Outsourcing processing fee	90,566	90 days after the invoice date	2.54%				
Sales revenue	3,524	90 days after the invoice date	0.10%				
Purchase	12,327	90 days after the invoice date	0.35%				
Accounts receivable—net from related parties	18	90 days after the invoice date	0.00%				
Interest revenue	1,625	According to the contract	0.05%				
Other receivables—net from related parties	131,330	According to the contract	1.68%				
		Lifu Carbonic Acid Co., Ltd.	1	Interest revenue	47	According to the contract	0.00%
				Other receivables	5,047	According to the contract	0.06%
		VinaSanFu Industrial Gas Company Ltd.	1	Other receivables - related parties, net	229,483	According to the contract	2.93%
				Interest income	3,541	According to the contract	0.10%
				Other revenue	223	30 days after the invoice date	0.01%

(Continued)

San Fu Chemical Co., Ltd. and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 4

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statement Item	Amount	Payment Terms	% of Total Sales or Assets
1	VinaSanFu Industrial Gas Company Ltd	VinaSanFu Industrial Material Company Ltd.	1	Other receivables—net from related parties	102,237	According to the contract	1.30%
				Interest revenue	1,576	According to the contract	0.04%
				Purchase	986	30 days after the invoice date	0.03%
		VinaSanFu Industrial Material Trading Company Ltd.	1	Other revenue	90	30 days after the invoice date	0.00%
				Other receivables—net from related parties	\$ 59,077	According to the contract	0.75%
				Interest revenue	790	According to the contract	0.02%
VinaSanFu Industrial Material Trading Company Ltd.	2	Sales revenue	4,571	60 days after the invoice date	0.13%		
		Accounts receivable—net from related parties	1,849	60 days after the invoice date	0.02%		
		Other revenue	11	30 days after the invoice date	0.00%		
2	VinaSanFu Industrial Material Company Ltd.	VinaSanFu Industrial Material Trading Company Ltd.	2	Sales revenue	581	30 days after the invoice date	0.02%
				Accounts receivable—net from related parties	1,982	30 days after the invoice date	0.03%
				Other revenue	11	30 days after the invoice date	0.00%
				Purchase	20,414	30 days after the invoice date	0.57%
				Accounts payable – related parties, net	23,945	30 days after the invoice date	0.31%

(Concluded)

Note 1: “1” represents the transactions from parent company to Subsidiaries.

Note 2: When the consolidated financial statements are prepared, they were all written off.

San Fu Chemical Co., Ltd. and Subsidiaries

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES

FOR NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 5

Investor Company	Investee Company (Note 2)	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Shares of Profits (Losses) Recognized	Note
				September 30, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
San Fu Chemical Co., Ltd.	San Fu Specialty Chemicals Investments Limited	Samoa	Investment activities	US\$ 2,351,000	US\$ 2,351,000	2,350,840	100%	\$ 619,607	\$ 11,609	\$ 11,609	Note 1
	VinaSanFu Industrial Gas Company Limited	Vietnam	investing in industrial gas production	US\$ 13,650,000	US\$ 13,650,000	-	100%	267,715	(28,645)	(28,645)	Note 1
	VinaSanFu Material Company Limited	Vietnam	investing in the production of chemical materials	US\$ 12,200,000	US\$ 12,200,000	-	100%	273,032	(11,977)	(11,977)	Note 1
	San Fu Biotech Co., Ltd.	Taiwan	investing in the manufacture and sale of food additives	244,827	210,000	25,111,793	89.59%	293,757	(16,508)	(14,770)	Note 1, Note 3
	International Nitto Technology Co., Ltd	Taiwan	investing in electronic component manufacturing business	1,277,904	1,277,904	120,000,000	100%	1,039,869	(81,048)	(81,048)	Note 1
	Hongchong Enterprise Co., Ltd.	Taiwan	Liquid oxygen, oxygen, liquid nitrogen and other gas trading business	10,527	10,527	1,200,000	50%	14,142	488	244	
	Lifu Carbonic Acid Co., Ltd.	Taiwan	investing in carbon dioxide gas, carbonic acid fire extinguisher, dry ice manufacturing and its sales and marketing	77,523	77,523	1,740	87%	85,001	(2,688)	(2,339)	Note 1
San Fu Specialty Chemicals Investments Limited	Shian Yun Joint Stock Company	Vietnam	investing in industrial gas production	US\$ 1,232,000	US\$ 1,232,000	2,659,974	33.33%	42,851	1,592	531	
	Sanfuming Electronic Material Co., Ltd.	Shanghai, China	investing in the operation of international trade business	US\$ 2,151,000	US\$ 2,151,000	-	50%	404,001	26,747	13,373	Note 2
	Sino Star Holding Limited	Samoa	Investment activities	US\$ 1,868,000	US\$ 1,868,000	1,867,838	100%	61,627	10	10	Note 1
	Vinasanfu Materials Trading Co., Ltd	Vietnam	investing in the production of chemical materials	US\$ 400,000	US\$ 400,000	-	100%	28,836	4,562	4,562	Note 1

Note 1: When the consolidated financial statements are prepared, they were all written off.

Note 2: Information of investments in Mainland China is included in Table 6.

Note 3: On March 19, 2024, the company did not subscribe the common stocks issued by San Fu Biotech Co., Ltd. for cash capital increase in proportion to its shareholding, resulting in a decrease in its shareholding percentage from 93% to 90%.

San Fu Chemical Co., Ltd. and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR NINE MONTHS ENDED SEPTEMBER 30, 2024

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 6

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024 (Note 1)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2024 (Note 1)	Net Income (Losses) of the Investee Company	Percentage of Ownership %	Share of Profits/Losses (Note 3)	Carrying Amount as of Balance as of September 30, 2024 (Note 1)	Accumulated Inward Remittance of Earnings as of September 30, 2024
					Outflow	Inflow						
Sanfuming Electronic Material Co., Ltd.	Engaged in the operation of international trade business	\$ 284,850 (US\$ 9,000,000) (Note 1 and Note 4)	Through the third company reinvest in mainland companies	\$ 20,604 (US\$ 651,000)	\$ -	\$ -	\$ 20,604 (US\$ 651,000)	\$ 26,747	50	\$ 13,373	\$ 404,001 (US\$ 12,765,000)	\$ -
Hubei Xingfu Electronic Material Co., Ltd.	Engaged in the production and sales of chemical products	1,171,820 (RMB 260,000,000) (Note 2)	Through the third company reinvest in mainland companies	59,059 (US\$ 1,866,000)	-	-	59,059 (US\$ 1,866,000)	- (Note 7)	2.4	-	60,506 (US\$ 1,912,000)	-

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
\$184,646 (US\$ 5,834,000) (Notes 5 and 6)	\$302,542 (US\$ 9,559,000)	\$2,,676,540

Note 1: The exchange rate on September 30, 2024 was USD\$1=NT\$31.65

Note 2: The exchange rate on September 30, 2024 was RMB\$1=NT\$4.507

Note 3: The average exchange rate was based on the USD\$1=NT\$32.034 for the nine-month period from January 1 to September 30, 2024.

Note 4: In April 2012, the company raised US\$651,000 of capital (all new shares were subscribed by Hubei Xingfu Electronic Materials Co., Ltd.). In October 2012, the Company converted US\$1,698,000 of retained earnings into capital stock. In April 2013, the Company increased its capital by US\$3,000,000, and in July 2018, the Company transferred US\$3,000,000 of retained earnings into capital.

Note 5: This includes accumulated outward remittance for investments in Keyron Top Chemical (Shanghai) Co., Ltd. (US\$2,017,000). The company was liquidated in August 2006.

Note 6: The investment in Shandong Fangda Jinke Additive Co., Ltd. was remitted from Taiwan (US\$1,300,000). The company was liquidated in January 2017.

Note 7: The financial assets are measured at fair value through other comprehensive profit or loss.

San Fu Chemical Co., Ltd. and Subsidiaries

INFORMATION ON MAJOR SHAREHOLDERS FOR NINE MONTHS ENDED SEPTEMBER 30, 2024

TABLE 7

Name of Major Shareholders	Shares	
	Total Shares owned	Ownership Percentage (%)
Sanfu Global Co., Ltd.	28,067,315	27.87%
Pilot Keymark SDN. BHD.	15,929,000	15.81%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of common shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The Capital stock in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.