

Stock Code : TWSE 4755

San Fu Chemical Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2025 and 2024 and Independent Auditors' Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated financial statements of San Fu Chemical Co., Ltd. and its subsidiaries (collectively, the “**Company**”), as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and of cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (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 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 Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of the 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 for 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 June 30, 2025 and 2024 were amounted to NT\$ 1,818,432,000 and NT\$ 1,226,445,000 respectively, amounted to 23% and 16% of the Company’s consolidated total assets. Its total liabilities were amounted to NT\$ 332,986,000 and NT\$ 212,005,000 respectively, which amounted to 10% and 6% of the consolidated total liabilities respectively. The total consolidated profit and loss for the reporting periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024 were amounted to (NT\$ 150,013,000), (NT\$ 8,970,000), (154,870,000) and (NT\$ 14,182,000) respectively, which amounted to 78%, (7%), (30%) and (5%) 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 June 30, 2025 and 2024 of San Fu Chemical Co., Ltd. and its subsidiaries recognized by the equity method of accounting were amounted to NT\$ 416,428,000 and NT\$ 457,179,000 respectively. The amount of consolidated profits and losses of affiliated companies and joint ventures recognized by the equity method of accounting for the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024 were amounted to (NT\$ 44,709,000), NT\$ 9,357,000, (NT\$ 32,615,000) and NT\$ 27,807,000 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 without being reviewed by an accountant.

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 consolidated financial statements may be adjusted, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated statement of financial position of San Fu Chemical Co., Ltd. and its subsidiaries as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by 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 San Fu Chemical Co., Ltd. and its subsidiaries, the financial statements of VinaSan Fu Industrial Gas Company Limited for the six months ended June 30, 2025 and 2024 were not reviewed by our accountants, but were reviewed 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 as of June 30, 2025 and 2024 were NT\$ 431,036,000 and NT\$ 512,734,000 respectively, accounting for 5% and 7% respectively of the total consolidated assets. From April 1 to June 30, 2025 and 2024 and January 1 to June 30, 2025 and 2024, the net operating income was NT\$ 36,864,000, NT\$ 31,953,000, NT\$ 71,417,000 and NT\$ 63,015,000 respectively, accounting for 3%, 3%, 3% and 3% of the consolidated net operating income respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are YEH, Shu-Juan and HUANG, Guo-Ning.

Deloitte & Touche
Taipei, Taiwan
Republic of China

Accountant: YEH, Shu-Juan

Accountant : HUANG, Guo-Ning

Securities & Futures Institute
License number: FSC-Review-0990031652

Financial Supervisory Commission
License number: FSC-Review- 1100356048

August 11, 2025

Notice to Readers

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

This is the translation of the financial statements. CPAs do not audit or review on this translation.

San Fu Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan Dollars)

Code	ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash and cash equivalents (Note 6)	\$ 718,358	9	\$ 520,648	7	\$ 311,500	4
1136	Financial assets at amortized cost-current (Note 8)	297,629	4	293,634	4	278,240	4
1140	Contract asset - current (Note 21)	18,435	-	8,167	-	8,114	-
1150	Notes receivable, net (Note 9)	36,243	-	36,716	-	41,723	-
1170	Accounts receivable, net (Note 9)	1,053,341	13	1,124,860	15	1,130,522	15
1180	Receivable from related parties (Note 29)	11,334	-	6,517	-	8,532	-
130X	Inventories (Note 10)	778,918	10	703,758	10	693,008	9
1410	Prepayments (Note 21)	130,518	2	131,922	2	603,696	8
1220	Current income tax assets	262	-	543	-	98	-
1470	Other current assets	81,142	1	90,414	1	89,300	1
11XX	Total current assets	<u>3,126,180</u>	<u>39</u>	<u>2,917,179</u>	<u>39</u>	<u>3,164,733</u>	<u>41</u>
NONCURRENT ASSETS							
1517	Financial asset at fair value through other comprehensive income - noncurrent (Note 7)	786,682	10	154,712	2	168,892	2
1550	Investments accounted for using the equity method (Note 12)	416,428	5	472,442	6	457,179	6
1600	Property, plant and equipment (Note 13)	3,244,541	40	3,391,968	46	3,419,204	44
1755	Right-of-use asset (Note 14)	245,351	3	260,584	4	334,261	4
1780	Other intangible assets (15)	113,712	1	121,004	2	131,958	2
1840	Deferred income tax assets	36,629	1	21,181	-	25,614	-
1915	Prepayments for equipment	46,529	1	41,336	1	49,268	1
1920	Refundable deposits	14,261	-	13,226	-	17,921	-
1975	Net defined benefit assets - non-current (Note 19)	12,876	-	8,107	-	-	-
15XX	Total noncurrent assets	<u>4,917,009</u>	<u>61</u>	<u>4,484,560</u>	<u>61</u>	<u>4,604,297</u>	<u>59</u>
1XXX	TOTAL	<u>\$ 8,043,189</u>	<u>100</u>	<u>\$ 7,401,739</u>	<u>100</u>	<u>\$ 7,769,030</u>	<u>100</u>
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
2100	Short-term loans (Note 16)	\$ 1,980,000	25	\$ 1,820,000	25	\$ 1,320,000	17
2130	Contract liabilities - current (Note 21)	6,357	-	32,793	-	489,074	7
2170	Notes and accounts payable (Note 17)	247,074	3	259,461	4	344,918	5
2180	Accounts payable - related parties (Note 29)	5,556	-	10,584	-	6,778	-
2200	Other payables (Note 18)	614,049	8	329,637	4	714,217	9
2230	Current tax liabilities (Note 23)	68,968	1	71,667	1	73,914	1
2280	Lease liabilities-current (Notes 14 and 29)	18,466	-	21,644	-	22,062	-
2320	Long-term liabilities due within one year or one business cycle (Note 16)	25,000	-	75,000	1	100,000	1
2399	Other current liabilities	1,206	-	723	-	1,217	-
21XX	Total current liabilities	<u>2,966,676</u>	<u>37</u>	<u>2,621,509</u>	<u>35</u>	<u>3,072,180</u>	<u>40</u>
NONCURRENT LIABILITIES							
2540	Long-term bank loans (Note 16)	-	-	-	-	25,000	-
2570	Deferred income tax liabilities	150,465	2	8,605	-	8,495	-
2580	Lease liabilities-noncurrent (Notes 14 and 29)	174,139	2	176,537	2	248,566	3
2640	Net defined benefit liabilities - noncurrent (Note 19)	-	-	-	-	7,311	-
2670	Other noncurrent liabilities	31,055	-	31,341	1	30,622	1
25XX	Total noncurrent liabilities	<u>355,659</u>	<u>4</u>	<u>216,483</u>	<u>3</u>	<u>319,994</u>	<u>4</u>
2XXX	Total liabilities	<u>3,322,335</u>	<u>41</u>	<u>2,837,992</u>	<u>38</u>	<u>3,392,174</u>	<u>44</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 20)							
Capital stock							
3110	Ordinary shares	<u>1,007,060</u>	<u>13</u>	<u>1,007,060</u>	<u>14</u>	<u>1,007,060</u>	<u>13</u>
3200	Capital surplus	<u>269,347</u>	<u>3</u>	<u>418,027</u>	<u>6</u>	<u>419,230</u>	<u>5</u>
Retained earnings							
3310	Legal capital reserve	530,892	7	489,056	6	489,056	6
3320	Special capital reserve	37,488	-	71,982	1	71,982	1
3350	Unappropriated earnings	<u>2,506,520</u>	<u>31</u>	<u>2,570,124</u>	<u>35</u>	<u>2,373,598</u>	<u>31</u>
3300	Total retained earnings	<u>3,074,900</u>	<u>38</u>	<u>3,131,162</u>	<u>42</u>	<u>2,934,636</u>	<u>38</u>
Other equity							
3410	Exchange differences on translating foreign operations	(188,263)	(2)	(1,377)	-	(9,375)	-
3420	Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	<u>519,163</u>	<u>6</u>	(<u>36,112</u>)	(<u>1</u>)	(<u>22,077</u>)	-
3400	Total other equity	<u>330,900</u>	<u>4</u>	(<u>37,489</u>)	(<u>1</u>)	(<u>31,452</u>)	-
31XX	Total Equity of the Business Owner	<u>4,682,207</u>	<u>58</u>	<u>4,518,760</u>	<u>61</u>	<u>4,329,474</u>	<u>56</u>
36XX	NON-CONTROLLING INTERESTS (Note 20)	<u>38,647</u>	<u>1</u>	<u>44,987</u>	<u>1</u>	<u>47,382</u>	-
3XXX	Total equity	<u>4,720,854</u>	<u>59</u>	<u>4,563,747</u>	<u>62</u>	<u>4,376,856</u>	<u>56</u>
1XXX	TOTAL	<u>\$ 8,043,189</u>	<u>100</u>	<u>\$ 7,401,739</u>	<u>100</u>	<u>\$ 7,769,030</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Audit Report of Deloitte & Touche on August 11, 2025)

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 June 30				For the Six Months Ended June 30			
		2025	%	2024	%	2025	%	2024	%
		Amount		Amount		Amount		Amount	
4000	OPERATING REVENUE (Notes 21 and 29)	\$1,244,628	100	\$1,202,733	100	\$2,408,175	100	\$2,334,846	100
5000	OPERATING COST (Notes 10, 22, 29)	<u>973,740</u>	<u>78</u>	<u>940,203</u>	<u>78</u>	<u>1,877,126</u>	<u>78</u>	<u>1,814,876</u>	<u>78</u>
5900	GROSS PROFIT	<u>270,888</u>	<u>22</u>	<u>262,530</u>	<u>22</u>	<u>531,049</u>	<u>22</u>	<u>519,970</u>	<u>22</u>
	OPERATING EXPENSES (Notes 22 and 29)								
6100	Selling and marketing expenses	60,008	5	63,341	5	120,171	5	122,581	5
6200	General and administrative expenses	39,640	3	38,869	3	78,093	3	83,811	4
6300	Research & Development Expenses	25,871	2	21,417	2	47,459	2	44,000	2
6450	Expected credit loss" (ECL)	<u>77</u>	<u>-</u>	<u>177</u>	<u>-</u>	<u>105</u>	<u>-</u>	<u>320</u>	<u>-</u>
6000	Total operating expenses	<u>125,596</u>	<u>10</u>	<u>123,804</u>	<u>10</u>	<u>245,828</u>	<u>10</u>	<u>250,712</u>	<u>11</u>
6900	PROFIT FROM OPERATIONS	<u>145,292</u>	<u>12</u>	<u>138,726</u>	<u>12</u>	<u>285,221</u>	<u>12</u>	<u>269,258</u>	<u>11</u>
	NON-OPERATING INCOME AND EXPENSES								
7010	Other income (Note 22 & 29)	4,323	-	6,578	1	8,230	-	16,499	1
7020	Other gains and losses (Note 22)	(98,906)	(8)	8,423	1	(90,113)	(4)	29,058	1
7050	Financial Cost (Note 22)	(11,043)	(1)	(8,570)	(1)	(21,873)	(1)	(17,451)	(1)
7060	Share of profit or loss of affiliated companies and joint ventures Recognized by Equity Method (Note 12)	7,938	1	5,062	-	13,828	1	6,771	1
7100	Interest income	<u>5,073</u>	<u>-</u>	<u>3,277</u>	<u>-</u>	<u>7,326</u>	<u>-</u>	<u>4,805</u>	<u>-</u>
7000	Total non-operating income and expenses	(<u>92,615</u>)	(<u>8</u>)	<u>14,770</u>	<u>1</u>	(<u>82,602</u>)	(<u>4</u>)	<u>39,682</u>	<u>2</u>
7900	PROFIT BEFORE INCOME TAX	52,677	4	153,496	13	202,619	8	308,940	13
7950	INCOME TAX EXPENSE (Note 23)	(<u>19,467</u>)	(<u>1</u>)	(<u>43,515</u>)	(<u>4</u>)	(<u>59,467</u>)	(<u>2</u>)	(<u>88,578</u>)	(<u>4</u>)
8200	NET PROFIT	<u>33,210</u>	<u>3</u>	<u>109,981</u>	<u>9</u>	<u>143,152</u>	<u>6</u>	<u>220,362</u>	<u>9</u>

(Continued)

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 June 30				For the Six Months Ended June 30			
	2025	%	2024	%	2025	%	2024	%
	Amount		Amount		Amount		Amount	
	Other comprehensive profit or loss							
8310	ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:							
8316	Unrealized loss on financial assets at fair value through other comprehensive income							
	(22,733)	(2)	8,504	1	694,576	29	4,359	-
8349	Income tax related to items not reclassified (Note 23)							
	4,504	1	-	-	(139,301)	(6)	-	-
	(18,229)	(1)	8,504	1	555,275	23	4,359	-
8360	Items that may be reclassified to profit and loss in the future							
8361	Exchange differences on translating the financial statements of foreign operations							
	(154,114)	(13)	(1,821)	-	(140,443)	(6)	15,135	1
8370	Share of the other comprehensive loss of affiliated companies and joint ventures using the equity method (Note 12)							
	(52,647)	(4)	4,295	-	(46,443)	(2)	21,036	1
	(206,761)	(17)	2,474	-	(186,886)	(8)	36,171	2
8300	Other comprehensive loss for the year, net of income tax							
	(224,990)	(18)	10,978	1	368,389	15	40,530	2
8500	TOTAL COMPREHENSIVE INCOME FOR THIS PERIOD							
	(\$ 191,780)	(15)	\$ 120,959	10	\$ 511,541	21	\$ 260,892	11
	NET PROFIT ATTRIBUTABLE TO:							
8610	Owners of the Company							
	\$ 34,469	3	\$ 110,596	9	\$ 145,150	6	\$ 221,836	9
8620	Non-controlling interests							
	(1,259)	-	(615)	-	(1,998)	-	(1,474)	-
8600	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:							
	\$ 33,210	3	\$ 109,981	9	\$ 143,152	6	\$ 220,362	9
8710	Owners of the Company							
	(\$ 190,521)	(15)	\$ 121,574	10	\$ 513,539	21	\$ 262,366	11
8720	Non-controlling interests							
	(1,259)	-	(615)	-	(1,998)	-	(1,474)	-
8700	EARNINGS PER SHARE (Note 24)							
	(\$ 191,780)	(15)	\$ 120,959	10	\$ 511,541	21	\$ 260,892	11
9750	Basic							
	\$ 0.34		\$ 1.10		\$ 1.44		\$ 2.20	
9850	Diluted							
	\$ 0.34		\$ 1.10		\$ 1.44		\$ 2.20	

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Audit Report of Deloitte & Touche on August 11, 2025)

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)

Code	Description	Capital stock		Equity Attributable to the Shareholders of the Parent					Other equity	Sub-Total	Non-controlling Interests	Total Equity
		Shares (In thousands)	Amount	Capital Surplus	Legal Capital Reserve	Retained Earnings Special Capital Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations				
A1	BALANCE JANURAY 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	-	-	3,033	-	-	-	-	-	3,033	13,640	16,673
O1	Subsidiary issues employee stock options	-	-	599	-	-	-	-	-	599	3,366	3,965
	Other Changes in Capital Surplus											
C3	Donations from Shareholders	-	-	2,000	-	-	-	-	-	2,000	-	2,000
D1	Net income for the six-months ended June 30, 2024	-	-	-	-	-	221,836	-	-	221,836	(1,474)	220,362
D3	Other Comprehensive Income (Loss)for the six-months ended June 30, 2024, after income tax	-	-	-	-	-	-	36,171	4,359	40,530	-	40,530
D5	Other Comprehensive Income (Loss)for the six-months ended June 30, 2024	-	-	-	-	-	221,836	36,171	4,359	262,366	(1,474)	260,892
	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 JUNE 30, 2024	<u>100,706</u>	<u>\$ 1,007,060</u>	<u>\$ 419,230</u>	<u>\$ 489,056</u>	<u>\$ 71,982</u>	<u>\$ 2,373,598</u>	<u>(\$ 9,375)</u>	<u>(\$ 22,077)</u>	<u>\$ 4,329,474</u>	<u>\$ 47,382</u>	<u>\$ 4,376,856</u>
A1	BALANCE JANUARY 1, 2025	100,706	\$ 1,007,060	\$ 418,027	\$ 489,056	\$ 71,982	\$ 2,570,124	(\$ 1,377)	(\$ 36,112)	\$ 4,518,760	\$ 44,987	\$ 4,563,747
M5	Actual acquisition of partial equity of the subsidiary	-	-	379	-	-	-	-	-	379	(4,342)	(3,963)
	Other Changes in Capital Surplus											
C3	Donations from Shareholders	-	-	2,000	-	-	-	-	-	2,000	-	2,000
D1	Net income for the six-months ended June 30, 2025	-	-	-	-	-	145,150	-	-	145,150	(1,998)	143,152
D3	Other Comprehensive Income (Loss)for the six-months ended June 30, 2025, after income tax	-	-	-	-	-	-	(186,886)	555,275	368,389	-	368,389
D5	Other Comprehensive Income (Loss)for the six-months ended June 30, 2025	-	-	-	-	-	145,150	(186,886)	555,275	513,539	(1,998)	511,541
	Distribution of Available Earnings for 2024											
B1	Recognized Legal capital reserve	-	-	-	41,836	-	(41,836)	-	-	-	-	-
B5	Cash Dividend Distributed to Shareholders	-	-	(151,059)	-	-	(201,412)	-	-	(352,471)	-	(352,471)
B17	Reversal of special surplus reserve	-	-	-	-	(34,494)	34,494	-	-	-	-	-
Z1	BALANCE JUNE 30, 2024	<u>100,706</u>	<u>\$ 1,007,060</u>	<u>\$ 269,347</u>	<u>\$ 530,892</u>	<u>\$ 37,488</u>	<u>\$ 2,506,520</u>	<u>(\$ 188,263)</u>	<u>\$ 519,163</u>	<u>\$ 4,682,207</u>	<u>\$ 38,647</u>	<u>\$ 4,720,854</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Audit Report of Deloitte & Touche on August 11, 2025)

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	Six Months Ended June 30		
	2025	2024	
CASH FLOWS FROM OPERATING ACTIVITIES			
A10000	Net income before income tax	\$ 202,619	\$ 308,940
A20010	Adjustments for:		
A20100	Depreciation expense	201,674	210,694
A20200	Amortization expense	7,292	7,500
A20300	Expected credit losses	105	320
A20900	Finance costs	21,873	17,451
A21200	Interest income	(7,326)	(4,805)
A21900	Share-based compensation cost	-	3,965
A22300	Share of profit of affiliated companies and joint ventures	(13,828)	(6,771)
A22500	Loss on disposal of property, plant and equipment	489	6
A22600	Recognition of transfer expenses for property, plant and equipment	309	-
A23700	Loss on market price decline and obsolete and slow-moving inventories	863	6,144
A24100	Unrealized foreign currency exchange loss (gain)	71,522	(27,087)
A29900	Bargain purchase Gain	-	(254)
A30000	Change in operating assets and liabilities		
A31125	Contract asset - current	(10,268)	2,233
A31130	Notes receivable	473	(3,908)
A31150	Accounts receivable	44,019	171,526
A31160	Accounts receivable – related parties	(55,073)	18,532
A31200	Inventories	(80,441)	(20,259)
A31230	Prepayments	(834)	(22,808)
A31240	Other current assets	5,779	(5,115)
A32125	Contract liability	(26,436)	7,143
A32150	Notes and accounts payable	(9,942)	(88,527)
A32160	Accounts payable - related parties	48,735	(1,398)
A32180	Other payables	(25,033)	(107,286)
A32230	Other current liabilities	609	(4,425)
A32240	Net defined benefit liabilities - noncurrent	(4,769)	(315)
A32990	Other noncurrent liabilities	(286)	(30,248)
A33000	Cash generated from operations	372,125	431,248
A33100	Interest received	7,326	4,805
A33300	Interest paid	(20,007)	(17,774)
A33500	Income taxes paid	(74,791)	(147,414)
AAAA	Net cash generated by operating activities	<u>284,653</u>	<u>270,865</u>

(Continued)

San Fu Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan Dollars)

C o d e	Six Months Ended June 30		
	2025	2024	
CASH FLOWS FROM INVESTING ACTIVITIES			
B00040	Purchase of financial assets at amortized cost	(\$ 22,459)	(\$ 79,434)
B02700	Payments for property, plant and equipment	(136,703)	(267,764)
B02800	Gain on disposal of real estate, plant and equipment	1,432	-
B03700	Increase or Loss in refundable deposits	(1,155)	-
B03800	Decrease in refundable deposits	-	2,034
B04500	Acquisition of intangible assets	(30,000)	(30,000)
B07100	Increase in prepayments for equipment	(8,200)	(24,140)
B07600	Dividend received	<u>23,399</u>	<u>46,013</u>
BBBB	Net cash used in investing activities	(<u>173,686</u>)	(<u>353,291</u>)
CASH FLOWS FROM FINANCING ACTIVITIES			
C00100	Increase or Loss in short-term loans	160,000	100,285
C01700	Repayment of long-term bank loans	(50,000)	(200,000)
C04020	Repayment of the principal portion of lease liabilities	(13,906)	(15,716)
C05400	Acquire equity in a subsidiary	(3,963)	-
C05800	Change in non-controlling interests	<u>-</u>	<u>16,673</u>
CCCC	NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	<u>92,131</u>	(<u>98,758</u>)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(<u>5,388</u>)	<u>3,462</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	197,710	(177,722)
E00100	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>520,648</u>	<u>489,222</u>
E00200	CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>\$ 718,358</u>	<u>\$ 311,500</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Audit Report of Deloitte & Touche on August 11, 2025)

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 SIX-MONTHS ENDED JUNE 30, 2025 AND 2024

(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. (32.52% shareholding), Pilot Keymark SDN. BHD. (11.16% 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 August 8, 2025.

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”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the Amendments to IAS 21: “Lack of Exchangeability” endorsed and issued into effect by the FSC did not have a significant effect on the Company’s accounting policies.

- b. The IFRSs issued by International Accounting Standards Board (IASB) and endorsed into effect from 2026 by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFR 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFR 7 “Contracts for Renewable Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards -Volume 11	January 1, 2026
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

As of the date of approval of this consolidated financial report, the Company is continuing to evaluate the impact of the amendment on its financial position and financial performance.

- c. The IFRSs 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)
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 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.
- Increased 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 MATRIAL 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 6.

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, 2024.

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 income 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, 2024.

6. CASH

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and petty cash	\$ 431	\$ 428	\$ 747
Demand deposits	<u>717,927</u>	<u>520,220</u>	<u>310,753</u>
	<u>\$ 718,358</u>	<u>\$ 520,648</u>	<u>\$ 311,500</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Domestic investments			
TWSE/TPEX Listed shares	\$ 27,226	\$ 29,155	\$ 36,444
TWSE/TPEX Unlisted shares	<u>62,881</u>	<u>62,881</u>	<u>70,412</u>
Subtotal	<u>90,107</u>	<u>92,036</u>	<u>106,856</u>
Foreign investments			
Listed shares	696,575	-	-
Unlisted shares	<u>-</u>	<u>62,676</u>	<u>62,036</u>
Subtotal	<u>696,575</u>	<u>62,676</u>	<u>62,036</u>
	<u>\$ 786,682</u>	<u>\$ 154,712</u>	<u>\$ 168,892</u>

The investments in equity instruments are held for medium to long-term strategic purposes and expects to make profits through long-term investment. Accordingly, the management elected to designate these investments in equity instruments measured 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 measured at “Fair Value Through Other Comprehensive Income” (FVTOCI). In addition, foreign investments in TWSE/TPEX unlisted stocks were converted into TWSE/TPEX listed stocks in January 2025 due to public offerings.

8. FINANCIAL ASSETS AT AMORTITIZED COST - Current

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits with original maturities of more than 3 months	\$ 160,529	\$ 157,329	\$ 152,840
Restricted demand deposits	<u>137,100</u>	<u>136,305</u>	<u>125,400</u>
	<u>\$ 297,629</u>	<u>\$ 293,634</u>	<u>\$ 278,240</u>

The ranges of interest rates for the abovementioned time deposits were approximately 0.745~4.0% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

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

9. NOTES AND ACCOUNTS RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 36,243</u>	<u>\$ 36,716</u>	<u>\$ 41,723</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 1,053,742	\$ 1,125,199	\$ 1,130,697
Less: Loss allowance	<u>(401)</u>	<u>(339)</u>	<u>(175)</u>
	<u>\$ 1,053,341</u>	<u>\$ 1,124,860</u>	<u>\$ 1,130,522</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.

Loss Allowance of Accounts Receivable

June 30, 2025

	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	\$1,004,128	\$ 48,678	\$ 134	\$ 802	\$ -	\$1,053,742
Loss allowance (Lifetime ECL)	-	-	-	(401)	-	(401)
Amortized cost	<u>\$1,004,128</u>	<u>\$ 48,678</u>	<u>\$ 134</u>	<u>\$ 401</u>	<u>\$ -</u>	<u>\$1,053,341</u>

December 31, 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	\$1,121,502	\$ 2,963	\$ 56	\$ 678	\$ -	\$1,125,199
Loss allowance (Lifetime ECL)	-	-	-	(339)	-	(339)
Amortized cost	<u>\$1,121,502</u>	<u>\$ 2,963</u>	<u>\$ 56</u>	<u>\$ 339</u>	<u>\$ -</u>	<u>\$1,124,860</u>

June 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	\$1,128,744	\$ 1,603	\$ -	\$ 350	\$ -	\$1,130,697
Loss allowance (Lifetime ECL)	-	-	-	(175)	-	(175)
Amortized cost	<u>\$1,128,744</u>	<u>\$ 1,603</u>	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$1,130,522</u>

Movements of the loss allowance for accounts receivable

	Six Months Ended June 30	
	2025	2024
Balance, beginning of period	\$ 339	\$ 5,710
Add: the beginning balance of impairment losses in the current year	105	320
Less: Actual write-offs for the current period	-	(5,853)
Effect of exchange rate changes	(43)	(2)
Balance, end of period	<u>\$ 401</u>	<u>\$ 175</u>

10. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Merchandise	\$ 5,482	\$ 69,757	\$ 82,803
Finished goods	308,298	277,949	285,099
Work in progress	7,939	7,115	11,386
Semi-finished goods	6,405	3,039	2,496
Raw materials	405,278	300,429	260,236
Supplies	<u>45,516</u>	<u>45,469</u>	<u>50,988</u>
	<u>\$ 778,918</u>	<u>\$ 703,758</u>	<u>\$ 693,008</u>

The cost of inventories recognized as cost of goods sold (including construction cost) for the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024 was \$973,740,000, \$940,203,000, \$1,877,126,000 and \$1,814,876,000 respectively.

The cost of goods sold including the allowance for inventory valuation losses for the periods from April 1 to June 30, 2025 and 2024, and from January 1, to June 30, 2025 and 2024 was \$2,759,000, \$ 4,218,000, \$863,000 and \$6,144,000 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>Refer to</u>
			<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	
San Fu Chemical Co., Ltd.	San Fu Specialty Chemicals Investments Limited	Investment	100%	100%	100%	Note 1
	VinaSan Fu Industrial Gas Company Limited	Production of industrial gases	100%	100%	100%	
	VinaSan Fu Material Company Limited	Production of chemical materials	100%	100%	100%	Note 1
	San Fu Biotech Co., Ltd.	Sales and production of food additives	99%	90%	90%	Note 1 Note 2 Note 3
	Bio Phoenix Co., Ltd.	Engaged in new drug research and development	90%	-	-	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
VinaSan Fu Material Company Limited	VinaSan Fu 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: San Fu Biotech Co., Ltd. was split-off and established a new company Bio Phoenix on February 3, 2025 to adjust the group's organizational structure.

Note 3: San Fu Chemical Co., Ltd. repurchased San Fu Biotech Co., Ltd. shares from non-controlling shareholders on June 12, 2025, increasing its equity stake from 89.59% to 98.89%.

Among the entities included in the above-mentioned consolidated financial statements, only the financial statements of San Fu Chemical Co., Ltd. and International Nitto Technology Co., Ltd. have been reviewed by our accountants. The consolidated financial statements of VinaSan Fu Industrial Gas Company Limited has been reviewed by another accountant. The financial statements of the remaining non-material subsidiaries have not been reviewed by our accountants. Its total assets as of June 30, 2025 and 2024 were \$1,818,432,000 and \$1,226,445,000 respectively, representing 23% and 16% of the consolidated total assets, and its total liabilities were \$332,986,000 and \$212,005,000 respectively, representing 10% and 6% of the consolidated total liabilities respectively. The total comprehensive income recognized from April 1 to June 30, 2025 and 2024 and from January 1 to June 30, 2025 and 2024 was (\$150,013,000), (\$8,970,000), (\$154,870,000) and (\$14,182,000) respectively, representing 78%, (7%), (30%) and (5%) of the consolidated total comprehensive income respectively.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2025	December 31, 2024	June 30, 2024
Investments in affiliated companies	\$ 54,791	\$ 58,972	\$ 55,651
Investments in joint ventures	<u>361,637</u>	<u>413,470</u>	<u>401,528</u>
	<u>\$ 416,428</u>	<u>\$ 472,442</u>	<u>\$ 457,179</u>

The amount of total consolidated comprehensive income for the investments in affiliated companies and joint ventures recognized for the periods from April 1 to June 30, 2025 and 2024, and from January 1, to June 30, 2025 and 2024 was (\$44,709,000), \$9,357,000, (\$32,615,000) and \$27,807,000 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 affiliated companies

	June 30, 2025	December 31, 2024	June 30, 2024
Affiliated companies that are not individually material	<u>\$ 54,791</u>	<u>\$ 58,972</u>	<u>\$ 55,651</u>

b. Investments in joint ventures

	June 30, 2025	December 31, 2024	June 30, 2024
Material joint ventures			
San Fu Ming Electronic Material Co., Ltd.	<u>\$ 361,637</u>	<u>\$ 413,470</u>	<u>\$ 401,528</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 6 - "Information on Investees" and Table 7 - "Information on Investments in Mainland China".

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Transport- ation	Other Equipment	Property under Construc- tion	Total
<u>Cost</u>							
Balance at January 1, 2025	\$ 170,300	\$1,489,536	\$3,232,973	\$523,021	\$571,788	\$734,260	\$6,721,878
Reclassifications	-	12,855	476,818	10,748	18,904	(517,221)	2,104
Additions	-	3,412	20,297	9,733	20,648	70,287	124,377
Disposals	-	(160)	(6,619)	(5,234)	(4,393)	-	(16,406)
Effect of exchange rate changes	-	(23,811)	(68,137)	(5,266)	(295)	(297)	(97,806)
Balance at June 30, 2025	<u>\$ 170,300</u>	<u>\$1,481,832</u>	<u>\$3,655,332</u>	<u>\$533,002</u>	<u>\$606,652</u>	<u>\$287,029</u>	<u>\$6,734,147</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2025	\$ -	\$ 641,221	\$1,847,768	\$389,890	\$451,031	\$ -	\$3,329,910
Depreciation expenses	-	29,315	109,011	18,892	30,671	-	187,889
Disposals	-	(160)	(5,963)	(3,969)	(4,393)	-	(14,485)
Effect of exchange rate changes	-	(2,877)	(9,892)	(876)	(63)	-	(13,708)
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 667,499</u>	<u>\$1,940,924</u>	<u>\$403,937</u>	<u>\$477,246</u>	<u>\$ -</u>	<u>\$3,489,606</u>
Net value at June 30, 2025	<u>\$ 170,300</u>	<u>\$ 814,333</u>	<u>\$1,714,408</u>	<u>\$129,065</u>	<u>\$129,406</u>	<u>\$287,029</u>	<u>\$3,244,541</u>
Carrying amount at December 31, 2024 and January 1, 2025, net	<u>\$ 170,300</u>	<u>\$ 848,315</u>	<u>\$1,385,205</u>	<u>\$133,131</u>	<u>\$ 120,757</u>	<u>\$734,260</u>	<u>\$3,391,968</u>

<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	-	2,755	13,019	10,330	11,177	(21,922)	15,359
Additions	-	3,516	25,629	7,396	25,837	115,975	178,353
Disposals	-	-	(244)	(656)	(3,962)	-	(4,862)
Effect of exchange rate changes	-	1,458	4,075	87	10	115	5,745
Balance at June 30, 2024	<u>\$ 170,300</u>	<u>\$ 1,458,547</u>	<u>\$ 3,154,568</u>	<u>\$ 484,872</u>	<u>\$ 525,997</u>	<u>\$ 757,176</u>	<u>\$ 6,551,460</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	-	30,727	119,577	18,196	26,847	-	195,347
Disposals	-	-	(244)	(650)	(3,962)	-	(4,856)
Effect of exchange rate changes	-	65	201	7	(1)	-	272
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 610,855</u>	<u>\$ 1,727,787</u>	<u>\$ 374,066</u>	<u>\$ 419,548</u>	<u>\$ -</u>	<u>\$ 3,132,256</u>
Carrying amounts at June 30, 2024, net	<u>\$ 170,300</u>	<u>\$ 847,692</u>	<u>\$ 1,426,781</u>	<u>\$ 110,806</u>	<u>\$ 106,449</u>	<u>\$ 757,176</u>	<u>\$ 3,419,204</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	5 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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amounts</u>			
Land	\$ 220,567	\$ 237,054	\$ 305,207
Buildings	9,677	13,359	17,040
Transportation equipment	15,107	10,171	12,014
	<u>\$ 245,351</u>	<u>\$ 260,584</u>	<u>\$ 334,261</u>

	Six Months Ended June 30	
	2025	2024
Additions to right-of-use assets	<u>\$ 6,585</u>	<u>\$ 236,783</u>

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Depreciation of right-of-use assets				
Land	\$ 4,208	\$ 5,294	\$ 8,454	\$ 9,439
Buildings	1,840	2,432	3,681	3,879
Transportation equipment	909	1,012	1,650	2,029
	<u>\$ 6,957</u>	<u>\$ 8,738</u>	<u>\$ 13,785</u>	<u>\$ 15,347</u>

Except for the additions to right-of-use assets and depreciation expenses listed above, there was no significant sublease or impairment of the Company's right-of-use assets from January 1 to June 30, 2025 and 2024.

b. Lease Liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying Amounts</u>			
Current portion	\$ 18,466	\$ 21,644	\$ 22,062
Noncurrent portion	<u>174,139</u>	<u>176,537</u>	<u>248,566</u>
	<u>\$ 192,605</u>	<u>\$ 198,181</u>	<u>\$ 270,628</u>

Ranges of discount rates for lease liabilities are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.71% ~ 1.843%	1.03% ~ 1.843%	1.03% ~ 1.843%
Buildings	1.03% ~ 1.71%	1.03% ~ 1.71%	1.03% ~ 1.71%
Transportation equipment	1.03% ~ 1.83%	1.03% ~ 1.71%	1.03% ~ 1.71%

c. Another Lease Information

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
Expenses relating to short-term leases	<u>\$ 2,225</u>	<u>\$ 754</u>	<u>\$ 3,979</u>	<u>\$ 3,066</u>
Expenses relating to low-value asset leases	<u>\$ 306</u>	<u>\$ 314</u>	<u>\$ 615</u>	<u>\$ 619</u>
Total cash outflow for leases			<u>(\$ 18,500)</u>	<u>(\$ 19,401)</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, 2025 and June 30, 2025	<u>\$ 150,000</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2025	\$ 28,996
Amortization expense	<u>7,292</u>
Balance at June 30, 2025	<u>\$ 36,288</u>
Carry amount at January 1, 2025, net	<u>\$ 121,004</u>
Carry amount at t June 30, 2025, net	<u>\$ 113,712</u>

(continued)

<u>Cost</u>	
Balance at January 1, 2024 and June 30, 2024	\$ <u>150,000</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2024	\$ 10,542
Amortization expense	<u>7,500</u>
Balance at June 30, 2024	<u>\$ 18,042</u>
Carry amount at January 1, 2024, net	<u>\$ 139,458</u>
Carry amount at June 30, 2024, net	<u>\$ 131,958</u>
	(Concluded)

In April 2024, 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 June 30, 2025, and December 31, 2024, and June 30, 2024, the amounts paid were NT\$ 120,000,000, NT\$ 90,000,000 and NT\$ 60,000,000 respectively. In February 2025, San Fu Biotech Co., Ltd. divided and transferred the patent rights to Bio Phoenix Co., Ltd.

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

Patent right	10 years
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16. BANK LOANS

a. Short-term loans

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Secured loans (Note 30)</u>			
Bank loans	\$ 350,000	\$ 350,000	\$ 310,000
<u>Unsecured loans</u>			
Bank loans	<u>1,630,000</u>	<u>1,470,000</u>	<u>1,010,000</u>
	<u>\$ 1,980,000</u>	<u>\$ 1,820,000</u>	<u>\$ 1,320,000</u>

The range of general working capital loan interest rates for the abovementioned bank loans was 1.85% ~ 2%, 1.74% ~ 1.98% and 1.73% ~ 1.975% per annum as of June 30, 2025, and December 31, 2024 and June 30, 2024, respectively.

b. Long-term loans

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Unsecured loans</u>			
Bank loans	\$ 25,000	\$ 75,000	\$ 125,000
Less: Current portion matured within a year	(<u>25,000</u>)	(<u>75,000</u>)	(<u>100,000</u>)
Long-term bank loans	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>

The interest rates for the above-mentioned long-term bank loans were respectively 1.86% per annum as of June 30, 2025, and December 31, 2024 and June 30, 2024, respectively.

17. NOTES AND ACCOUNTS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
Notes payable	\$ 787	\$ 787	\$ 487
Accounts payable	<u>246,287</u>	<u>258,674</u>	<u>344,431</u>
	<u>\$ 247,074</u>	<u>\$ 259,461</u>	<u>\$ 344,918</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

	June 30, 2025	December 31, 2024	June 30, 2024
Other payables	\$ 209,907	\$ 265,640	\$ 281,046
Dividend payable	352,471	-	352,471
Payable for constructions	33,078	39,264	44,528
Payable for purchases of equipment	<u>18,593</u>	<u>24,733</u>	<u>36,172</u>
	<u>\$ 614,049</u>	<u>\$ 329,637</u>	<u>\$ 714,217</u>

19. RETIREMENT BENEFIT PLANS

The pension expenses related to the defined contribution and benefit plans recognized from April 1 to June 30, 2025 and 2024 and from January 1 to June 30, 2025 and 2024 are calculated based on the pension cost rates determined by actuarial calculation on December 31, 2024 and 2023, and the amount was NT\$ 20,000, NT\$ 72,000, NT\$ 40,000 and NT\$ 143,000 respectively.

20. EQUITY

a. Capital stock

Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Authorized shares (in thousands)	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Authorized capital stocks	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Issued and paid-in capital stocks (in thousands)	<u>100,706</u>	<u>100,706</u>	<u>100,706</u>
	<u>\$ 1,007,060</u>	<u>\$ 1,007,060</u>	<u>\$ 1,007,060</u>
Issued capital			

b. Capital Surplus

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Capital stocks may be used to offset a deficit, distributed or transferred as cash dividends (1)</u>			
Issuance of shares above par	\$ 165,669	\$ 316,728	\$ 316,728
Donations (Note 29)	44,644	42,644	42,744
Exercised employee share options	54,804	54,804	54,804
Expired employee share options	2,151	2,151	2,151
Employee stock option for subsidiaries	2,448	2,448	599
The difference between the actual price of equity acquired or disposed of by subsidiaries and the book value	379	-	-
<u>May be used to offset a deficit only</u>			
Others - exercise of disgorgements (2)	30	30	30
Recognition of changes in ownership interests in subsidiaries (3)	(778)	(778)	2,174
	<u>\$ 269,347</u>	<u>\$ 418,027</u>	<u>\$ 419,230</u>

1. Such capital surplus 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. If there is a subsequent reversal of the balance of other shareholders' equity deductions,

the reversed portion may be distributed as earnings.

The appropriations of earnings for the fiscal years 2024 and 2023 were as follows:

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
Legal capital reserve	\$ 41,836	\$ 44,340
Special capital reserve	(\$ 34,494)	\$ 27,056
Cash dividends	\$ 201,412	\$ 201,412
Cash dividends per share (NT\$)	\$ 2.0	\$ 2.0

The above-mentioned cash dividends were resolved to be distributed by the board of directors on February 26, 2025, and February 27, 2024, respectively. The remaining profit distribution items for the years 2024 and 2023 were resolved by the shareholders' meetings on June 9, 2025, and June 12, 2024, respectively.

The Company's regular shareholders' meetings resolved on June 9, 2025 and June 12, 2024 to issue cash out of the capital reserves NT\$ 151,039,000 and NT\$ 151,059,000 respectively, and to issue cash dividends per share at NT\$ 1.5 and NT\$ 1.5 respectively.

The board of directors decided in the first to third quarters of 2024 not to distribute earnings for those quarters, leaving them for consideration in subsequent quarters.

On August 8, 2025, the board of directors resolved not to distribute the earnings from January 1, 2025, to June 30, 2025.

d. Special capital reserve

	<u>Six Months Ended June 30</u> <u>2025</u>	<u>Six Months Ended June 30</u> <u>2024</u>
Beginning Balance	\$ 71,982	\$ 44,926
Recognized Special Revenue		
Recognized other deductible equity items	-	27,056
Reversal of special surplus reserve		
Reversal of other deductible equity items	(34,494)	-
Ending Balance	<u>\$ 37,488</u>	<u>\$ 71,982</u>

e. Non-controlling interests (Minority Interests)

	<u>Six Months Ended June 30</u> <u>2025</u>	<u>Six Months Ended June 30</u> <u>2024</u>
Beginning Balance	\$ 44,987	\$ 31,850
Portion attributable to non-controlling interests		
Net loss for the period	(1,998)	(1,474)
Subscription to subsidiary's cash capital increase by non-controlling interests	-	10,173
Subscription to subsidiary's employee stock options by non-controlling interests	-	6,500
Acquisition of non-controlling interests in subsidiaries (Note 25)	(4,342)	-
Changes in ownership equity of subsidiaries	-	(3,033)
Employee stock option compensation cost for subsidiaries	-	3,366
Ending Balance	<u>\$ 38,647</u>	<u>\$ 47,382</u>

21. REVENUE

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
Revenue from sale of goods	\$ 1,205,497	\$ 1,147,857	\$ 2,285,619	\$ 2,272,761
Construction contract revenue	<u>39,131</u>	<u>54,876</u>	<u>122,556</u>	<u>62,085</u>
	<u>\$ 1,244,628</u>	<u>\$ 1,202,733</u>	<u>\$ 2,408,175</u>	<u>\$ 2,334,846</u>

Contract Balances

	June 30, 2025	December 31, 2024	June 30, 2024
Contract assets			
Construction engineering - current	<u>\$ 18,435</u>	<u>\$ 8,167</u>	<u>\$ 8,114</u>
Contract liabilities			
Construction engineering - current	\$ -	\$ 3,829	\$ 3,954
Sale of goods- current	<u>6,357</u>	<u>28,964</u>	<u>485,120</u>
	<u>\$ 6,357</u>	<u>\$ 32,793</u>	<u>\$ 489,074</u>

As of June 30, 2025, December 31, 2024, and June 30, 2024, the amounts of advance payments made by the Company to suppliers for construction projects were NT\$ 6,200,000, NT\$ 6,200,000 and NT\$ 458,652,000 respectively.

22. NET PROFIT

a. Other Income

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
Rendering of services	\$ 1,441	\$ 1,564	\$ 3,050	\$ 3,116
Others	<u>2,882</u>	<u>5,014</u>	<u>5,180</u>	<u>13,383</u>
	<u>\$ 4,323</u>	<u>\$ 6,578</u>	<u>\$ 8,230</u>	<u>\$ 16,499</u>

b. Other Gains and Losses

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
Net (Losses) Gains on foreign exchange	(\$ 98,207)	\$ 8,514	(\$ 89,407)	\$ 29,304
Loss on foreign exchange	(489)	-	(489)	(6)
Loss on disposal of Properties, plants and equipment	(210)	(91)	(217)	(240)
Others	<u>(\$ 98,906)</u>	<u>\$ 8,423</u>	<u>(\$ 90,113)</u>	<u>\$ 29,058</u>

c. Depreciation and Amortization

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
Properties, plants and equipment	\$ 93,374	\$ 98,279	\$ 187,889	\$ 195,347
Right-of-use assets	6,957	8,738	13,785	15,347
Other tangible assets	<u>3,646</u>	<u>3,750</u>	<u>7,292</u>	<u>7,500</u>
	<u>\$ 103,977</u>	<u>\$ 110,767</u>	<u>\$ 208,966</u>	<u>\$ 218,194</u>
Analysis of depreciation by function				
Operating costs	\$ 83,101	\$ 89,101	\$ 166,511	\$ 175,610
Operating expenses	<u>17,230</u>	<u>17,916</u>	<u>35,163</u>	<u>35,084</u>
	<u>\$ 100,331</u>	<u>\$ 107,017</u>	<u>\$ 201,674</u>	<u>\$ 210,694</u>
Amortization expenses summarized by function				
Operating expenses	<u>\$ 3,646</u>	<u>\$ 3,750</u>	<u>\$ 7,292</u>	<u>\$ 7,500</u>

d. Employee Benefits Expense

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Post-employment benefits				
Defined contribution plans	\$ 4,239	\$ 4,171	\$ 8,323	\$ 8,123
Defined benefit plans (Note 19)	20	72	40	143
Short-term benefits				
Salaries	95,065	93,382	202,144	206,169
Labor and health insurance	9,502	9,103	18,834	18,050
Others	9,356	11,203	21,998	25,438
Total employee benefits expense	<u>\$ 118,182</u>	<u>\$ 117,931</u>	<u>\$ 251,339</u>	<u>\$ 257,923</u>
Analysis of employee benefits expense by function				
Operating costs	\$ 64,064	\$ 61,212	\$ 140,309	\$ 135,074
Operating expenses	54,118	56,719	111,030	122,849
	<u>\$ 118,182</u>	<u>\$ 117,931</u>	<u>\$ 251,339</u>	<u>\$ 257,923</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 six-month period ended June 30, 2025 and 2024, which was approved by the Board of Directors, respectively, were as follows:

Estimation ratio

	<u>Six Months Ended June 30, 2025</u>	<u>Six Months Ended June 30, 2024</u>
Employees' compensation	1.59%	1.60%
Remuneration of directors and supervisors	1.59%	1.60%

Amount

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Employees' compensation	<u>\$ 800</u>	<u>\$ 2,100</u>	<u>\$ 3,300</u>	<u>\$ 5,050</u>
Remuneration of directors and supervisors	<u>\$ 800</u>	<u>\$ 2,100</u>	<u>\$ 3,300</u>	<u>\$ 5,050</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 26, 2025 and February 27, 2024, and those meetings resulted in the actual amounts of the employees' compensation and remuneration of directors paid for the fiscal years 2024 and 2023 were respectively as follows:

	<u>For the Fiscal Year</u>	
	<u>2024</u>	<u>2023</u>
Employees' compensation	\$ 11,347	\$ 11,626
Remuneration of directors and supervisors	11,347	11,626

The Company held Board of Directors' Meetings on February 26, 2025 and February 27, 2024, and those meetings resulted in the actual amounts of the employees' compensation and remuneration of directors paid for the fiscal years 2025 and 2024 to differ from the amounts recognized in the

consolidated financial statements for the years ended December 31, 2025 and 2024, respectively. Since the difference was not significant, therefore, it was adjusted to profit and loss for the years ended December 31, 2025 and 2024 respectively.

	For the Year Ended December 31			
	2024		2023	
	Employees' compensation	Remuneration of directors and supervisors	Employees' compensation	Remuneration of directors and supervisors
Amounts approved in the Board of Directors' meeting	<u>\$ 11,347</u>	<u>\$ 11,347</u>	<u>\$ 11,626</u>	<u>\$ 11,626</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 11,290</u>	<u>\$ 11,290</u>	<u>\$ 11,300</u>	<u>\$ 11,300</u>

Information on the employees' compensation and remuneration of directors for the years ended December 31, 2025 and 2024 approved by the Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

f. Finance Costs

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 10,171	\$ 7,278	\$ 20,128	\$ 15,084
Interest on lease liabilities	<u>872</u>	<u>1,292</u>	<u>1,745</u>	<u>2,367</u>
	<u>\$ 11,043</u>	<u>\$ 8,570</u>	<u>\$ 21,873</u>	<u>\$ 17,451</u>

23. INCOME TAX

a. Income Tax Recognized in Profit or Loss

Income tax expense consisted of the following:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 32,400	\$ 39,520	\$ 72,058	\$ 78,994
Adjustments for prior periods	<u>298</u>	<u>3,335</u>	<u>298</u>	<u>3,584</u>
	<u>\$ 32,698</u>	<u>\$ 42,855</u>	<u>\$ 72,356</u>	<u>\$ 82,578</u>
Deferred income tax				
In respect of the current period	<u>(13,231)</u>	<u>660</u>	<u>(12,889)</u>	<u>6,000</u>
Income tax expense recognized in the profit and loss	<u>\$ 19,467</u>	<u>\$ 43,515</u>	<u>\$ 59,467</u>	<u>\$ 88,578</u>

b. Income Tax Recognized in Other Comprehensive Income

	Six Months Ended June 30	Six Months Ended June 30
	2025	2024
Deferred income tax		
- Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	<u>\$ 139,301</u>	<u>\$ -</u>

c. Income Tax Assessments

The Income tax returns filed by International Nitto Technology Company Limited, San Fu Biotech Co., Ltd. and Lifu Carbonate Co., Ltd. up to the fiscal year 2023, and the income tax returns filed by the Company up to the fiscal year 2022 have been assessed by the tax authorities and have been recognized accordingly.

24. EARNINGS PER SHARE

	Unit: NT\$ Per Share			
	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Basic earnings per share				
Basic earnings per share	\$ 0.34	\$ 1.10	\$ 1.44	\$ 2.20
Diluted earnings per share				
Diluted earnings per share	\$ 0.34	\$ 1.10	\$ 1.44	\$ 2.20

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

Net Profit for the Periods

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Net Profit attributed to the Owner of the Company	\$ 34,469	\$ 110,596	\$ 145,150	\$ 221,836

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

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	100,706	100,706	100,706	100,706
Effect of potentially dilutive ordinary shares				
Employees' compensation	29	36	57	62
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>100,735</u>	<u>100,742</u>	<u>100,763</u>	<u>100,768</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 June 12, 2025, the Company repurchased shares of San Fu Biotech Co., Ltd. from non-controlling shareholders, increasing the Company's shareholding from 89.59% to 98.89%.

Since this transaction did not change the Company's control over the subsidiary, it was treated as an equity transaction.

	<u>San Fu Biotech Co., Ltd.</u>
Cash consideration paid	(\$ 3,963)
Amount of non-controlling interests to be transferred out based on the change in the relative ownership equity of the subsidiary	<u>4,342</u>
Equity transaction difference	<u>\$ 379</u>
<u>Equity transaction difference adjustment account</u>	
Capital surplus - the difference between the actual price of equity acquired or disposed of by subsidiaries and the book value	<u>\$ 379</u>

26. NON-CASH TRANSACTION

For the six-month period ended June 30, 2025 and 2024, the Company engaged in the following non-cash investing and financing activities:

- a. The Company reclassified and paid for property, plant and equipment partly for the six-month period ended June 30, 2025 and 2024 were as follows (please refer to Notes 13):

	<u>Six-month Ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Amount transferred for Prepayments for equipment after acceptance test	<u>\$ 2,413</u>	<u>\$ 15,359</u>
(Reclassification)		

- b. The cash dividends distributed by the resolutions of the shareholders' meeting and the Board of Directors' meeting have not yet been paid as of June 30, 2025 and June 30, 2024. (Refer to Notes 18 and 20)

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>June 30, 2025</u>				
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
TWSE/TPEX listed/OTC shares	\$ 27,226	\$ -	\$ -	\$ 27,226
TWSE/TPEX unlisted/OTC shares	-	-	62,881	62,881
Foreign listed/OTC shares	<u>696,575</u>	<u>-</u>	<u>-</u>	<u>696,575</u>
Total	<u>\$ 723,801</u>	<u>\$ -</u>	<u>\$ 62,881</u>	<u>\$ 786,682</u>
<u>December 31, 2024</u>				
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
TWSE/TPEX listed/OTC shares	\$ 29,155	\$ -	\$ -	\$ 29,155
TWSE/TPEX unlisted/OTC shares	-	-	62,881	62,881
Foreign unlisted/OTC shares	<u>-</u>	<u>-</u>	<u>62,676</u>	<u>62,676</u>
Total	<u>\$ 29,155</u>	<u>\$ -</u>	<u>\$ 125,557</u>	<u>\$ 154,712</u>
<u>June 30, 2024</u>				
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
TWSE/TPEX listed/OTC shares	\$ 36,444	\$ -	\$ -	\$ 36,444
TWSE/TPEX unlisted/OTC shares	-	-	70,412	70,412
Foreign unlisted/OTC shares	<u>-</u>	<u>-</u>	<u>62,036</u>	<u>62,036</u>
Total	<u>\$ 36,444</u>	<u>\$ -</u>	<u>\$ 132,448</u>	<u>\$ 168,892</u>

There were no transfers of financial assets at fair value measurement between Levels 1 and 2 for the period from January 1 to June 30 in the fiscal year 2024. From January 1 to June 30, 2025, due to the public offering and listing of foreign stocks held on January 22, 2025 and because of the active market quotations, the Company was transferred from Level 3 to Level 1.

2) Adjustment of Financial Instruments Applied for Level 3 at FVTOCI

	<u>Financial assets at FVTOCI</u>	
	<u>Through other Profits or Loss</u>	
	<u>Six-Month Ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 125,557	\$ 129,112
Recognized in profit or loss (other gains and losses)	-	3,336
Transferred out of Level 3 (Note)	(<u>62,676</u>)	<u>-</u>
Ending balance	<u>\$ 62,881</u>	<u>\$ 132,448</u>

Note: As the equity instrument has an active market quotation, its fair value measurement level is moved from Level 3 to Level 1.

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

The TWSE/TPEX 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.

	June 30, 2025	June 30, 2024
Discount for lack of marketability	25%	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:

	June 30, 2025	June 30, 2024
Discount for lack of marketability 1% decrease	<u>\$ 179</u>	<u>\$ 106</u>
Non-controlling interests discount 1% decrease	<u>\$ 168</u>	<u>\$ 100</u>

c. Categories of Financial Instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 2,131,166	\$ 1,995,601	\$ 1,788,438
Financial assets at FVTOCI-			
Equity instrument investment	786,682	154,712	168,892
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	2,871,679	2,494,682	2,510,913

Note 1: The balance includes cash, financial assets measured at amortized cost - current, notes receivable and accounts and accounts receivable - net amount of related parties and refundable deposits.

Note 2: The balance includes short-term loans, notes payable and accounts payable, accounts payable - related parties, long-term loans due within a year, other payables and long-term loans, which are measured at amortized cost.

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

The Company's business activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to item a) described below), interest rates (refer to item b) described below), and another price risk (refer to item c) described below).

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 were 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>Six Months Ended June 30</u>	
		2025	2024
Profit, loss and equity		<u>\$12,812</u> (i)	<u>\$ 16,007</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 June 30 in the fiscal years 2025 and 2024 were \$ 21,873,000 and \$ 17,451,000 respectively, which constitute only

0.91% and 0.75% of consolidated net sales revenue. Therefore, the interest rate risk has no significant impact on the Company.

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

	June 30, 2025	December 31, 2024	Unit: 1,000 NT\$ June 30, 2024
Fair value interest rate risk			
- Financial liabilities	\$ 372,605	\$ 378,181	\$ 400,628
Cash flow interest rate risk			
- Financial liabilities	1,825,000	1,715,000	1,315,000

Sensitivity Analysis

The sensitivity analysis was determined based on the Company' 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. The rate of change used when reporting interest rates internally to key management levels within the Company is a five basis point increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had been five basis points higher/lower and all other variables were held constant, the Company' pre-tax profit for the six-month period from January 1 to June 30 in the fiscal years 2025 and 2024 would decrease/increase by \$ 456,000 and \$ 329,000, 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 are therefore not expected to have significant price risk.

Sensitivity Analysis

The following sensitivity analysis is conducted based on the equity price risk as of the balance sheet date.

If equity prices had been 5% higher/lower, pre-tax other comprehensive income for the six-month period from January 1 to June 30 in the fiscal years 2025 and 2024 would have increased/decreased by \$39,334,000 and \$8,445,000 respectively, because of the increase/decrease 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' 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 clients A, B and C 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 clients A, B and C, the concentration of credit risk to other clients did not exceed 10% of total accounts receivable. The percentage of the balance of accounts receivable from the accounts of the clients A, B and C was 55% of the balance of accounts receivable of the Company. The credit risk is expected to be immaterial as the clients A, B and C 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 June 30, 2025, December 31, 2024 and June 30, 2024, the Company had available unutilized short-term bank loan facilities in the amount of \$1,700,085,000 and \$1,413,897,000 and \$1,862,134,000, 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.

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
Lease liabilities	\$ 2,361	\$ 4,216	\$ 15,184	\$ 70,307	\$ 139,388
Variable interest rate liabilities	270,000	1,450,000	105,000	-	-
Fixed interest rate liabilities	-	180,000	-	-	-
	<u>\$ 272,361</u>	<u>\$1,634,216</u>	<u>\$ 120,184</u>	<u>\$ 70,307</u>	<u>\$ 139,388</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 21,761</u>	<u>\$ 70,307</u>	<u>\$ 139,388</u>

December 31, 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	\$ 2,288	\$ 4,561	\$ 18,147	\$ 68,848	\$ 144,404
Variable interest rate liabilities	565,000	1,000,000	150,000	-	-
Fixed interest rate liabilities	-	180,000	-	-	-
	<u>\$ 567,288</u>	<u>\$1,184,561</u>	<u>\$ 168,147</u>	<u>\$ 68,848</u>	<u>\$ 144,404</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 24,996</u>	<u>\$ 68,848</u>	<u>\$ 144,404</u>

June 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	\$ 2,606	\$ 4,844	\$ 19,278	\$ 86,081	\$ 219,097
Variable interest rate liabilities	545,000	610,000	135,000	25,000	-
Fixed interest rate liabilities	-	130,000	-	-	-
	<u>\$ 547,606</u>	<u>\$ 744,844</u>	<u>\$ 154,278</u>	<u>\$ 111,081</u>	<u>\$ 219,097</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 26,728</u>	<u>\$ 86,081</u>	<u>\$ 219,097</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
Chang Chun Ming	Investors with significant influence over the Company
Hongchong Enterprise Co., Ltd.	Affiliated companies
ShianYun Joint Stock Company (Vietnam)	Affiliated companies
San Fu Ming Electronic Material Co., Ltd.	Joint venture
China Fangda (Int'l) Investment Development Corporation	Other related party
Fulu Cultural Foundation	Other related party

b. Business Transaction

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
<u>Sales</u>				
Affiliated companies	\$ 50	\$ 56	\$ 59	\$ 56
Joint ventures	136	3,416	136	3,594
Investors with significant influence over the Company	66	-	66	-
Other related party	40	42	83	42
	<u>\$ 292</u>	<u>\$ 3,514</u>	<u>\$ 344</u>	<u>\$ 3,692</u>
<u>Purchase</u>				
Affiliated companies	\$ 8,137	\$ 11,135	\$ 17,638	\$ 17,468
Other related party	-	654	564	1,090
	<u>\$ 8,137</u>	<u>\$ 11,789</u>	<u>\$ 18,202</u>	<u>\$ 18,558</u>

(Continued)

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
<u>Other revenue</u>				
Investors with significant influence over the Company	\$ -	\$ 63	\$ -	\$ 254
Joint ventures				
San Fu Ming Electronic Material Co., Ltd.	<u>1,441</u>	<u>1,564</u>	<u>3,050</u>	<u>3,116</u>
	<u>\$ 1,441</u>	<u>\$ 1,627</u>	<u>\$ 3,050</u>	<u>\$ 3,370</u>
<u>Service expense</u>				
(recognized as other expense)				
Investors with significant influence over the Company	<u>\$ 285</u>	<u>\$ 285</u>	<u>\$ 571</u>	<u>\$ 571</u>
				(Concluded)

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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Receivables from related parties</u>			
Joint ventures	\$ -	\$ 190	\$ 3,416
Affiliated companies	<u>-</u>	<u>43</u>	<u>-</u>
	<u>-</u>	<u>233</u>	<u>3,416</u>
<u>Other receivables from related parties</u>			
Investors with significant influence over the Company	\$ 2,000	\$ -	\$ 2,000
Joint ventures	<u>9,334</u>	<u>6,284</u>	<u>3,116</u>
	<u>11,334</u>	<u>6,284</u>	<u>5,116</u>
	<u>\$ 11,334</u>	<u>\$ 6,517</u>	<u>\$ 8,532</u>
<u>Payables to related parties</u>			
I Investors with significant influence over the Company	\$ 286	\$ 588	\$ -
Affiliated companies	<u>5,270</u>	<u>9,996</u>	<u>6,778</u>
	<u>\$ 5,556</u>	<u>\$ 10,584</u>	<u>\$ 6,778</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

Line Item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities	Investors with significant influence			
	San Fu Global Co., Ltd.	\$ 42,998	\$ 46,734	\$ 50,440
	Others	<u>547</u>	<u>1,090</u>	<u>1,628</u>
		<u>\$ 43,545</u>	<u>\$ 47,824</u>	<u>\$ 52,068</u>

Related Party Category/Name	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
<u>Interest Expense</u>				
Investors with significant influence				
San Fu Global Co., Ltd.	\$ 188	\$ 217	\$ 383	\$ 431
Others	<u>2</u>	<u>8</u>	<u>6</u>	<u>16</u>
	<u>\$ 190</u>	<u>\$ 225</u>	<u>\$ 389</u>	<u>\$ 447</u>

The resolution and payment methods for rent in a lease agreement between the Company and its related parties shall be the same as those in a general lease transaction.

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 \$2,000,000 and \$2,000,000 for the six-month period from January 1 to June 30, 2025 and 2024 respectively, and the revenue was credited in capital surplus-donations.

e. Compensation of Key Management Personnel

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
Short-term employee benefits	\$ 9,524	\$ 10,585	\$ 18,563	\$ 19,218
Post-employment benefits	<u>279</u>	<u>390</u>	<u>593</u>	<u>779</u>
	<u>\$ 9,803</u>	<u>\$ 10,975</u>	<u>\$ 19,156</u>	<u>\$ 19,997</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 AS COLLATERAL OR FOR SECURITY

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

	June 30, 2025	December 31, 2024	June 30, 2024
Pledged deposits (classified as financial assets at amortized cost)	\$ 137,100	\$ 136,305	\$ 125,400
Land	40,349	40,349	40,349
Buildings, net	<u>34,513</u>	<u>34,608</u>	<u>36,414</u>
	<u>\$ 211,962</u>	<u>\$ 211,262</u>	<u>\$ 202,163</u>

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities of each individual group entity of the Company denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2025

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>		<u>Carrying Amount</u>
<u>Foreign Currency Assets</u>				
<u>Monetary items</u>				
USD	\$ 9,329	29.250	(USD: NTD)	\$ 272,873
<u>Non-monetary items</u>				
Investments in affiliated companies and joint ventures using the equity method				
CNY	88,355	0.140	(CNY: USD)	361,637
VND	36,024,434	0.0011	(VND: NTD)	39,807
<u>Foreign Currency Liabilities</u>				
<u>Monetary items</u>				
USD	567	29.350	(USD: NTD)	16,641

December 31, 2024

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>		<u>Carrying Amount</u>
<u>Foreign Currency Assets</u>				
<u>Monetary items</u>				
USD	\$ 12,241	32.735	(USD: NTD)	\$ 400,709
<u>Non-monetary items</u>				
Investments in affiliated companies and joint ventures using the equity method				
CNY	90,657	0.139	(CNY: USD)	413,470
VND	34,438,735	0.0013	(VND: NTD)	43,565
<u>Foreign Currency Liabilities</u>				
<u>Monetary items</u>				
USD	1,251	32.835	(USD: NTD)	41,077

June 30, 2024

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>		<u>Carrying Amount</u>
<u>Foreign Currency Assets</u>				
<u>Monetary items</u>				
USD	\$ 10,643	32.400	(USD: NTD)	\$ 344,833
<u>Non-monetary items</u>				
Investments in affiliated companies and joint ventures using the equity method				
CNY	88,185	0.140	(CNY: USD)	401,528
VND	33,627,092	0.0013	(VND: NTD)	42,202
<u>Foreign Currency Liabilities</u>				
<u>Monetary items</u>				
USD	760	32.500	(USD: NTD)	24,700
JPY	7,438	0.204	(JPY: NTD)	1,515

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

		For the three-month period			
		From April 1 to June 30, 2025		From April 1 to June 30, 2024	
Foreign Currencies	<u>Exchange Rate</u>	<u>Net Foreign Exchange (Losses)</u>	<u>Exchange Rate</u>	<u>Net Foreign Exchange gains</u>	
USD	29.250 (USD: NTD)	(\$68,338)	32.400 (USD: NTD)	\$3,254	
JPY	0.201 (JPY: NTD)	(11)	0.200 (JPY: NTD)	1,877	

		For the six-month period			
		From January 1 to June 30, 2025		From January 1 to June 30, 2024	
Foreign Currencies	<u>Exchange Rate</u>	<u>Net Foreign Exchange (Losses)</u>	<u>Exchange Rate</u>	<u>Net Foreign Exchange gains</u>	
USD	29.250 (USD: NTD)	(\$71,511)	32.400 (USD: NTD)	\$24,932	
JPY	0.201 (JPY: NTD)	(11)	0.200 (JPY: NTD)	2,155	

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, affiliated companies and joint ventures): See Table 3 attached;
- 4) Total purchases from or sales to related parties amounting to at least NT\$ 100 million or 20% of the paid-in capital (None)
- 5) Receivables from related parties amounting to at least NT\$ 100 million or 20% of the paid-in capital : See Table 4 attached;
- 6) Intercompany relationships and significant intercompany transactions: See Table 5 attached;

b. Information on investees: See Table 6 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 7 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):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
 - f) 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

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 six-month period from January 1 to June 30, 2025</u>				
Revenue of general customers	\$ 1,709,759	\$ 698,416	\$ -	\$ 2,408,175
Revenue of segment	<u>103,535</u>	<u>2,375</u>	(105,910)	<u>-</u>
Total	<u>\$ 1,813,294</u>	<u>\$ 700,791</u>	<u>(\$ 105,910)</u>	<u>\$ 2,408,175</u>
Profit from operations	<u>\$ 308,916</u>	<u>(\$ 23,695)</u>	<u>\$ -</u>	\$ 285,221
Other income				8,230
Other gain and losses				(90,113)
Financial cost				(21,873)
Profit and loss share of affiliates and joint ventures using the equity method				13,828
Interest income				<u>7,326</u>
Income before income tax				<u>\$ 202,619</u>
<u>For the six-month period from January 1 to June 30, 2024</u>				
Revenue of general customers	\$ 1,751,446	\$ 583,400	\$ -	\$ 2,334,846
Revenue of segment	<u>84,391</u>	<u>15,135</u>	(99,526)	<u>-</u>
Total	<u>\$ 1,835,837</u>	<u>\$ 598,535</u>	<u>(\$ 99,526)</u>	<u>\$ 2,334,846</u>
Profit from operations	<u>\$ 351,284</u>	<u>(\$ 82,026)</u>	<u>\$ -</u>	\$ 269,258
Other income				16,499
Other gain and losses				29,058
Financial cost				(17,451)
Profit and loss share of affiliates and joint ventures using the equity method				6,771
Interest income				<u>4,805</u>
Income before income tax				<u>\$ 308,940</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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Segment assets</u>			
Fine chemicals	\$ 4,373,560	\$ 4,536,663	\$ 4,646,276
Basic chemicals	2,168,890	1,944,288	2,218,443
Investment	<u>1,500,739</u>	<u>920,788</u>	<u>904,311</u>
Consolidated total assets	<u>\$ 8,043,189</u>	<u>\$ 7,401,739</u>	<u>\$ 7,769,030</u>

San Fu Chemical Co., Ltd. and Subsidiaries

LENDING FUNDS TO OTHER PARTIES

FOR THE SIX MONTHS ENDED JUNE 30, 2025

(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	Ending Balance	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	1.975%	Short-term financing is required	\$ -	Operating capital	\$ -	-	\$ -	\$ 468,221	\$ 1,872,883	(Note 3)
0	San Fu Chemical Co., Ltd.	International Nitto Technology Co., Ltd.	Other receivables	Y	300,000	300,000	280,000	1.975%	Short-term financing is required	90,748	Operating capital	-	-	-	468,221	1,872,883	(Note 3)
0	San Fu Chemical Co., Ltd.	San Fu Biotech Co., Ltd.	Other receivables	Y	220,000	220,000	-	-	Short-term financing is required	1,874	Operating capital	-	-	-	468,221	1,872,883	(Note 3)
0	San Fu Chemical Co., Ltd.	VinaSan Fu Industrial Gas Company Limited	Other receivables	Y	400,000	400,000	210,960 (US\$7,200,000) (Note 4)	2%	Short-term financing is required	-	Operating capital	-	-	-	468,221	1,872,883	(Note 3)
0	San Fu Chemical Co., Ltd.	VinaSan Fu Material Company Limited	Other receivables	Y	400,000	400,000	84,970 (US\$2,900,000) (Note 4)	2%	Short-term financing is required	944	Operating capital	-	-	-	468,221	1,872,883	(Note 3)
0	San Fu Chemical Co., Ltd.	VinaSan Fu Material Trading Company Limited	Other receivables	Y	100,000	100,000	35,160 (US\$1,200,000) (Note 4)	2%	Short-term financing is required	2,308	Operating capital	-	-	-	468,221	1,872,883	(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:
 - (1) 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.
 - (2) 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 June 30, 2025 (USD\$1 = NT\$ 29.3)

San Fu Chemical Co., Ltd. and Subsidiaries

ENDORSEMENTS/GURANTEES PROVIDED

FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

TABLE 2

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	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.	\$ 468,221	\$ 400,000	\$ 400,000	\$ 210,000	\$ -	8.54%	\$ 1,872,883	Y	N	N	
0	San Fu Chemical Co., Ltd.	International Nitto Technology Co., Ltd.	ditto	468,221	300,000	300,000	230,000	-	6.41%	1,872,883	Y	N	N	
0	San Fu Chemical Co., Ltd.	VinaSan Fu Industrial Gas Company Limited	ditto	468,221	200,000	200,000	-	-	4.27%	1,872,883	Y	N	N	
0	San Fu Chemical Co., Ltd.	VinaSan Fu Material Company Limited	ditto.	468,221	200,000	200,000	-	-	4.27%	1,872,883	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 not exceeds 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 THE SIX MONTHS ENDED JUNE 30, 2025

(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 June 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	
	Savior Lifetec Corporation	-	Financial assets at fair value through other comprehensive income	1,429,177	27,226	0.45%	27,226	Note 2
	Global Graphene Group	-	Financial assets at fair value through other comprehensive income	18,490	-	1.42%	-	
San Fu Biotech Co., Ltd.	Regimmune Limited	-	Financial assets at fair value through other comprehensive income	1,075,130	56,183	4.46%	56,183	
Sino Star Holding Limited	Hubei Xingfu Electronic Material Co., Ltd.	-	Financial assets at fair value through other comprehensive income	6,250,000	696,575	1.74%	696,575	Note 2

Note 1: The information for investments in subsidiaries, affiliated companies and joint venture is included in Tables 6 and 7.

Note 2: The fair value is calculated based on closing prices on June 30, 2025.

San Fu Chemical Co., Ltd. and Subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

TABLE 4

Company Name	Related Party	Nature of Relationships	Ending Balance (Note 2)	Turnover Days	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
San Fu Chemical Co., Ltd.	International Nitto Technology Co., Ltd.	Subsidiary	\$ 281,846	N/A	\$ -	-	\$ -	\$ -
	VinaSan Fu Industrial Gas Company Limited	Subsidiary	213,244	N/A	-	-	-	-

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

Note 2: This represents the balance of other receivables after adding interest receivable to lending funds to other parties

San Fu Chemical Co., Ltd. and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

TABLE 5

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions					
				Financial Statement Item	Amount	Payment Terms	% of Total Sales or Assets		
0	San Fu Chemical Co., Ltd.	International Nitto Technology Co., Ltd.	1	Other receivables - related parties, net	\$ 281,846	According to the contract	3.50%		
				Sales revenue	7,125	90 days after the invoice date	0.30%		
				Accounts payable - net to related parties	13,098	90 days after the invoice date	0.16%		
				Purchases	47,279	90 days after the invoice date	1.96%		
				Outsourcing processing fees	36,344	90 days after the invoice date	1.51%		
0	San Fu Chemical Co., Ltd.	Lifu Carbonic Acid Co., Ltd.	1	Other receivables - related parties, net	5,028	According to the contract	0.06%		
				VinaSan Fu Industrial Gas Company Ltd.	Other receivables - related parties, net	213,244	According to the contract	2.65%	
					VinaSan Fu Material Company Ltd.	Other receivables - related parties, net	85,455	According to the contract	1.06%
					VinaSan Fu Material Trading Company Ltd.	Other receivables - related parties, net	35,342	According to the contract	0.44%
1	VinaSan Fu Material Company Ltd.	VinaSan Fu Material Trading Company Ltd.	2	Accounts payable - net to related parties	31,497	30 days after the invoice date	0.39%		
				Cost of Goods Sold	9,678	30 days after the invoice date	0.40%		

Note 1: The items are numbered as follows:

- a. Parent Company is numbered as "0".
- b. Subsidiaries are numbered from "1".

Note 2: There are two types of relationships with the transaction parties, just indicate the type:

1. Parent company to subsidiary
2. Subsidiary to subsidiary

Note 3: The above transactions have been fully written-off when preparing the consolidated financial statements.

Note 4: The Company may decide whether to list the major transactions in this table based on the principle of materiality or not.

San Fu Chemical Co., Ltd. and Subsidiaries

INFORMATION ON INVESTEEES

FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

TABLE 6

Investor Company	Investee Company (Note 2)	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2025	December 31, 2024	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%	\$ 1,224,119	\$ 12,750	\$ 12,750	Note 1
	VinaSan Fu Industrial Gas Company Limited	Vietnam	Investing in industrial gas production	US\$ 13,650,000	US\$ 13,650,000	-	100%	198,617	(24,374)	(24,374)	Note 1
	VinaSan Fu Material Company Limited	Vietnam	Investing in the production of chemical materials	US\$ 12,200,000	US\$ 12,200,000	-	100%	195,169	(29,101)	(29,101)	Note 1
	San Fu Biotech Co., Ltd.	Taiwan	Investing in the manufacture and sale of food additives	6,900	244,827	1,018,551	98.89%	47,460	2,975	2,785	Note 1, Notes 3 and 4
	Bí Phoenix Co., Ltd.	Taiwan	Research and development of new drugs and medicine	241,890	-	24,188,998	89.59%	221,865	(18,536)	(16,606)	Note 1, Notes 3
	International Nitto Technology Co., Ltd	Taiwan	Investing in electronic component manufacturing business	1,277,904	1,277,904	120,000,000	100%	979,822	(29,644)	(29,644)	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%	14,984	1,729	865	
	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%	82,522	(1,985)	(1,727)	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%	39,807	2,643	881	
	San Fu Ming Electronic Material Co., Ltd.	Shanghai, China	Investing in the operation of international trade business	US\$ 2,151,000	US\$ 2,151,000	-	50%	361,637	24,165	12,082	Note 2
	Sino Star Holding Limited	Samoa	Investment activities	US\$ 1,868,000	US\$ 1,868,000	1,867,838	100%	697,618	4	4	Note 1
VinaSan Fu Material Company Limited	VinaSan Fu Materials Trading Co., Ltd	Vietnam	Investing in the production of chemical materials	US\$ 400,000	US\$ 400,000	-	100%	16,291	(7,493)	(7,493)	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 7.

Note 3: San Fu Biotech Co., Ltd. was split-off and established a new company Bio Phoenix on February 3, 2025 to adjust the group's organizational structure.

Note 4: San Fu Chemical Co., Ltd. repurchased shares of San Fu Biotech Co., Ltd. from non-controlling shareholders on June 12, 2025, increasing its equity interest from 89.59% to 98.89%.

San Fu Chemical Co., Ltd. and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

TABLE 7

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, 2025 (Note 1)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2025 (Note 1)	Net Income (Loss) of the Investee	Percentage of Ownership %	Investment Gain (Loss) (Note 3)	Carrying Amount as of June 30, 2025 (Note 1)	Accumulated Inward Remittance of Earnings as of June 30, 2025
					Outflow	Inflow						
San Fu Ming Electronic Material Co., Ltd.	Engaged in the operation of international trade business	\$ 263,700 (US\$ 9,000,000) (Note 1 and Note 4)	Through the third company reinvest in mainland companies	\$ 19,074 (US\$ 651,000)	\$ -	\$ -	\$ 19,074 (US\$ 651,000)	\$ 24,165	50	\$ 12,082	\$ 361,637 (US\$ 12,343,000)	\$ -
Hubei Xingfu Electronic Material Co., Ltd.	Engaged in the production and sales of chemical products	1,467,000 (RMB 360,000,000) (Notes 2 and 8)	Through the third company reinvest in mainland companies	54,674 (US\$ 1,866,000)	-	-	54,674 (US\$ 1,866,000)	- (Note 7)	1.74	-	696,575 (US\$ 23,774,000)	-

Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
\$170,936 (US\$ 5,834,000) (Notes 5 and 6)	\$ 280,079 (US\$ 9,559,000)	\$ 2,832,512

Note 1: The exchange rate on June 30, 2025 was USD\$1=NT\$ 29.300

Note 2: The exchange rate on June 30, 2025 was RMB\$1=NT\$ 4.075

Note 3: The average exchange rate was based on the USD\$1=NT\$ 31.859 for the six-month period from January 1 to June 30, 2025.

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.

Note 8: The company has completed a cash capital increase of RMB 100,000,000 on January 22, 2025 without the participation of the Company, and was simultaneously listed as one of the listed companies trading on the Shanghai Stock Exchange.