Stock Code：TWSE 4755

San Fu Chemical Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 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, 2026 and 2025, the related consolidated statements of comprehensive income for the three months Ended June 30, 2026 and 2025 and for the six months Ended June 30, 2026 and 2025, 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 12 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. The total assets of the subsidiary as of June 30, 2026 and 2025 were NT$ 1,442,935 thousand and NT$ 1,818,432 thousand respectively, accounting for 14% and 23% respectively of the total consolidated assets. Its total liabilities were amounted to NT$ 349,551 thousand and NT$ 332,986 thousand respectively, which amounted to 10% and 10% of the consolidated total liabilities respectively. The total consolidated profit and loss for the reporting periods from April 1 to June 30, 2026 and 2025, and from January 1 to June 30, 2026 and 2025 were amounted to (NT$ 11,642 thousand), (NT$ 50,013 thousand), (NT$ 21,797 thousand), and NT$ (NT$ 154,870 thousand) respectively, accounting for (1%), 78%, (1%) and (30%) of the consolidated net operating income respectively.

In addition, as stated in Note 13 of the consolidated financial statements, the investment balance as of June 30, 2026 and 2025 of San Fu Chemical Co., Ltd. and its subsidiaries recognized by the equity method of accounting were amounted to NT$ 477,288 thousand and NT$ 416,428 thousand 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, 2026 and 2025, and from January 1 to June 30, 2026 and 2025 were amounted to NT$ 7,687 thousand, (NT$ 44,709 thousand), NT$ 25,413 thousand and (NT$ 32,615 thousand) respectively, and the relevant information of the reinvestment business mentioned in the Note 33 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 33, 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, 2026 and 2025, its consolidated financial performance for the three months Ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months Ended June 30, 2026 and 2025 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 Vina San Fu Industrial Gas Company Limited for the six months Ended June 30, 2026 and 2025 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, 2026 and 2025 were NT$ 472,903 thousand and NT$ 431,036 thousand respectively, accounting for 4% and 5% respectively of the total consolidated assets. From April 1 to June 30, 2026 and 2025 and January 1 to June 30, 2026 and 2025, the net operating income was NT$ 50,521thousand, NT$ 36,864 thousand, NT$ 94,122 thousand and NT$ 71,417 thousand respectively, accounting for 4%, 3%, 4% 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 12, 2026

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, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents(Note 6)	$ 961,352	9	$ 930,682	11	$ 718,358	9
1136	Financial assets at amortized cost-current(Note 8)	197,708	2	315,059	4	297,629	4
1140	Contract asset - current(Note 22)	17,379	-	16,255	-	18,435	-
1150	Notes receivable, net(Note 9)	37,187	-	34,360	-	36,243	-
1170	Accounts receivable, net (Note 9)	1,014,495	10	1,059,576	13	1,053,341	13
1180	Receivable from related parties(Note 30)	11,853	-	9,836	-	11,334	-
130X	Inventories(Note 10)	833,091	8	693,971	8	778,918	10
1410	Prepayments(Note 22)	144,107	1	84,600	1	130,518	2
1220	Current income tax assets	552	-	77	-	262	-
1460	Non-current Assets held for sale (Note 11)	99,796	1	-	-	-	-
1470	Other current assets (Note 7)	1,024,896	10	71,496	1	81,142	1
11XX	Total current assets	4,342,416	41	3,215,912	38	3,126,180	39
	NON-CURRENT ASSETS						
1517	Financial asset at fair value through other comprehensive income - noncurrent (Note 7)	2,196,774	21	1,127,684	13	786,682	10
1550	Investments accounted for using the equity method (Note 13)	477,288	5	453,208	6	416,428	5
1600	Property, plant and equipment(Note 14)	3,147,123	30	3,269,216	39	3,244,541	40
1755	Right-of-use asset(Note 15)	255,256	2	244,376	3	245,351	3
1780	Other intangible assets (16)	113,918	1	106,420	1	113,712	1
1840	Deferred income tax assets	25,660	-	25,932	-	36,629	1
1915	Prepayments for equipment	4,262	-	6,178	-	46,529	1
1920	Refundable deposits	9,054	-	6,519	-	14,261	-
1975	Net defined benefit assets - non-current (Note 20)	14,553	-	14,063	-	12,876	-
15XX	Total noncurrent assets	6,243,888	59	5,253,596	62	4,917,009	61
1XXX	**TOTAL**	$ 10,586,304	100	$ 8,469,508	100	$ 8,043,189	100
Code	**LIABILITIES AND EQUITY**						
	CURRENT LIABILITIES						
2100	Short-term loans(Note 17)	$ 1,540,000	15	$ 2,000,000	24	$ 1,980,000	25
2130	Contract liabilities - current(Note 22)	54,320	-	39,874	-	6,357	-
2170	Notes and accounts payable(Note 18)	277,830	3	265,091	3	247,074	3
2180	Accounts payable - related parties(Note 30)	10,143	-	10,272	-	5,556	-
2200	Other payables(Note 19)	648,062	6	290,525	3	614,049	8
2230	Current tax liabilities	76,205	1	47,263	1	68,968	1
2280	Lease liabilities-current(Notes 15 and 30)	21,662	-	20,400	-	18,466	-
2320	Long-term liabilities due within one year or one business cycle(Note 17)	-	-	-	-	25,000	-
2399	Other current liabilities	389	-	1,043	-	1,206	-
21XX	Total current liabilities	2,628,611	25	2,674,468	31	2,966,676	37
	NON-CURRENT LIABILITIES						
2570	Deferred income tax liabilities	718,050	7	210,947	3	150,465	2
2580	Lease liabilities-noncurrent(Notes 15 and 30)	179,491	2	169,184	2	174,139	2
2670	Other noncurrent liabilities	30,052	-	30,087	-	31,055	-
25XX	Total noncurrent liabilities	927,593	9	410,218	5	355,659	4
2XXX	Total liabilities	3,556,204	34	3,084,686	36	3,322,335	41
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT(Note 21)						
	Capital stock						
3110	Ordinary shares	1,007,060	9	1,007,060	12	1,007,060	13
3200	Capital surplus	283,700	3	269,376	3	269,347	3
	Retained earnings						
3310	Legal capital reserve	568,184	5	530,892	6	530,892	7
3320	Special capital reserve	-	-	37,488	1	37,488	-
3350	Unappropriated earnings	3,358,420	32	2,734,296	32	2,506,520	31
3300	Total retained earnings	3,926,604	37	3,302,676	39	3,074,900	38
	Other equity						
3410	Exchange differences on translating foreign operations	12,384	-	(51,336)	(1)	(188,263)	(2)
3420	Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	1,585,639	15	736,422	9	519,163	6
3400	Total other equity	1,598,023	15	685,086	8	330,900	4
31XX	Total Equity of the Business Owner	6,815,387	64	5,264,198	62	4,682,207	58
36XX	NON-CONTROLLING INTERESTS	214,713	2	120,624	2	38,647	1
3XXX	Total equity	7,030,100	66	5,384,822	64	4,720,854	59
	TOTAL	$ 10,586,304	100	$ 8,469,508	100	$ 8,043,189	100

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)

		For the Three Months Ended June 30				For the Six Months Ended June 30			
		2026		2025		2026		2025	
Code		Amount	%	Amount	%	Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 22 and 30)	$ 1,230,639	100	$ 1,244,628	100	$ 2,371,319	100	$ 2,408,175	100
5000	OPERASTING COST (Notes 10, 23, 30)	934,125	76	973,740	78	1,823,187	77	1,877,126	78
5900	GROSS PROFIT	296,514	24	270,888	22	548,132	23	531,049	22
	OPERATING EXPENSES (Notes 23 and 30)								
6100	Selling and marketing expenses	64,340	5	60,008	5	124,046	5	120,171	5
6200	General and administrative expenses	49,373	4	39,640	3	103,843	4	78,093	3
6300	Research & Development Expenses	35,782	3	25,871	2	64,712	3	47,459	2
6450	Expected credit loss" (ECL)	-	-	77	-	2	-	105	-
6000	Total operating expenses	149,495	12	125,596	10	292,603	12	245,828	10
6900	PROFIT FROM OPERATIONS	147,019	12	145,292	12	255,529	11	285,221	12
	NON-OPERATING INCOME AND EXPENSES								
7010	Other income(Note 23 & 30)	15,523	1	4,323	-	20,727	1	8,230	-
7020	Other gains and losses(Note 23)	(500)	-	(98,906)	(8)	13,620	1	(90,113)	(4)
7050	Financial Cost(Note 23)	(8,231)	(1)	(11,043)	(1)	(17,540)	(1)	(21,873)	(1)
7060	Share of profit or loss of affiliated companies and joint ventures Recognized by Equity Method(Note 13)	3,552	-	7,938	1	7,731	-	13,828	1
7100	Interest income	5,585	1	5,073	-	7,926	-	7,326	-
7000	Total non-operating income and expenses	15,929	1	(92,615)	(8)	32,464	1	(82,602)	(4)
7900	PROFIT BEFORE INCOME TAX	162,948	13	52,677	4	287,993	12	202,619	8
7950	INCOME TAX EXPENSE(Note 24)	(42,695)	(3)	(19,467)	(1)	(77,859)	(3)	(59,467)	(2)
8200	NET PROFIT	120,253	10	33,210	3	210,134	9	143,152	6

(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			
		2026		2025		2026		2025	
		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	1,633,782	133	(22,733)	(2)	1,912,108	81	694,576	29
8349	Income tax related to items not reclassified (Note 24)	(382,336)	(31)	4,504	1	(471,307)	(20)	(139,301)	(6)
		1,251,446	102	(18,229)	(1)	1,440,801	61	555,275	23
	Items that may be reclassified to profit and loss in the future								
8361	Exchange differences on translating the financial statements of foreign operations	14,418	1	(154,114)	(13)	55,232	2	(140,443)	(6)
8370	Share of the other comprehensive loss of affiliated companies and joint ventures using the equity method (Note 13)	4,135	-	(52,647)	(4)	17,682	1	(46,443)	(2)
		18,553	1	(206,761)	(17)	72,914	3	(186,886)	(8)
8300	Other comprehensive loss for the year, net of income tax	1,269,999	103	(224,990)	(18)	1,513,715	64	368,389	15
8500	TOTAL COMPREHENSIVE INCOME FOR THIS PERIOD	$ 1,390,252	113	($ 191,780)	(15)	$ 1,723,849	73	$ 511,541	21
8610	Owners of the Company	$ 132,960	11	$ 34,469	3	$ 234,551	10	$ 145,150	6
8620	Non-controlling interests	(12,707)	(1)	(1,259)	-	(24,417)	(1)	(1,998)	-
8600		$ 120,253	10	$ 33,210	3	$ 210,134	9	$ 143,152	6
8710	Owners of the Company	$ 1,402,959	114	($ 190,521)	(15)	$ 1,748,266	74	$ 513,539	21
8720	Non-controlling interests	(12,707)	(1)	(1,259)	-	(24,417)	(1)	(1,998)	-
8700		$ 1,390,252	113	($ 191,780)	(15)	$ 1,723,849	73	$ 511,541	21
	Earnings per share (Note 25)								
9750	Basic	$ 1.32		$ 0.34		$ 2.33		$ 1.44	
9850	Diluted	$ 1.32		$ 0.34		$ 2.33		$ 1.44	

Concluded)

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	Equity Attributable to the Shareholders of the Parent										
		Capital stock			Retained Earnings			Other equity				
		Shares (In thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Sub-Total	Non-controlling Interests	Total Equity
A1	BALANCE JANURAY 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, 2025	100,706	$ 1,007,060	$ 269,347	$ 530,892	$ 37,488	$ 2,506,520	($ 188,263)	$ 519,163	$ 4,682,207	$ 38,647	$ 4,720,854
A1	BALANCE JANUARY 1, 2026	100,706	$ 1,007,060	$ 269,376	$ 530,892	$ 37,488	$ 2,734,296	($ 51,336)	$ 736,422	$ 5,264,198	$ 120,624	$ 5,384,822
M7	Changes in ownership equity of subsidiaries (Note 26)	-	-	-	-	-	(3,947)	-	-	(3,947)	(12,065)	(16,012)
O1	Subsidiary issues employee stock options (Note 20)	-	-	10,857	-	-	-	-	-	10,857	8,023	18,880
E1	Cash capital increase of a subsidiary (Note 26)	-	-	166,565	-	-	-	-	-	166,565	122,548	289,113
Q1	Disposal of investments in equity instruments measured at FVTOCI Note 7)	-	-	-	-	-	600,778	(9,194)	(591,584)	-	-	-
	Other Changes in Capital Surplus											
C3	Donations from Shareholders	-	-	2,060	-	-	-	-	-	2,060	-	2,060
D1	Net income for the six-months ended June 30, 2026	-	-	-	-	-	234,551	-	-	234,551	(24,417)	210,134
D3	Other Comprehensive Income (Loss)for the six-months ended June 30, 2026, after income tax	-	-	-	-	-	-	72,914	1,440,801	1,513,715	-	1,513,715
D5	Other Comprehensive Income (Loss)for the six-months ended June 30, 2026	-	-	-	-	-	234,551	72,914	1,440,801	1,748,266	(24,417)	1,723,849
	Distribution of Available Earnings for 2025											
B1	Recognized Legal capital reserve	-	-	-	37,292	-	(37,292)	-	-	-	-	-
B5	Cash Dividend Distributed to Shareholders	-	-	(165,158)	-	-	(207,454)	-	-	(372,612)	-	(372,612)
B17	Reversal of special surplus reserve	-	-	-	-	(37,488)	37,488	-	-	-	-	-
Z1	BALANCE JUNE 30, 2026	100,706	$ 1,007,060	$ 283,700	$ 568,184	$ -	$ 3,358,420	$ 12,384	$ 1,585,639	$ 6,815,387	$ 214,713	$ 7,030,100

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)

Code		Six Months Ended June 30	
		2026	2025
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net income before income tax	$ 287,993	$ 202,619
A20010	Adjustments for:		
A20100	Depreciation expense	243,930	201,674
A20200	Amortization expense	8,300	7,292
A20300	Expected credit losses	2	105
A20900	Finance costs	17,540	21,873
A21200	Interest income	(7,926)	(7,326)
A21900	Share-based compensation cost	(10,944)	-
A21300	Dividend income	18,880	-
A22300	Share of profit of affiliated companies and joint ventures	(7,731)	(13,828)
A22500	(Gain) Loss on disposal of property, plant and equipment	(1,246)	489
A22600	Recognition of transfer expenses for property, plant and equipment	858	309
A23800	Loss on inventory valuation and obsolescence	7,820	863
A24100	Unrealized foreign currency exchange (gain) loss	(2,201)	71,522
A30000	Change in operating assets and liabilities		
A31125	Contract asset - current	(1,124)	(10,268)
A31130	Notes receivable	(2,827)	473
A31150	Accounts receivable	39,675	44,019
A31160	Accounts receivable – related parties	9,390	(55,073)
A31200	Inventories	(137,104)	(80,441)
A31230	Prepayments	(59,192)	(834)
A31240	Other current assets	(32,584)	5,779
A32125	Contract liability	14,446	(26,436)
A32150	Notes and accounts payable	12,209	(9,942)
A32160	Accounts payable - related parties	(7,085)	48,735
A32180	Other payables	(29,834)	(25,033)
A32230	Other current liabilities	(653)	609
A32240	Net defined benefit liabilities - noncurrent	(490)	(4,769)
A32990	Other noncurrent liabilities	(35)	(286)
A33000	Cash generated from operations	360,067	372,125
A33100	Interest received	7,926	7,326
A33300	Interest paid	(20,448)	(20,007)
A33500	Income taxes paid	(25,115)	(74,791)
AAAA	Net cash generated by operating activities	322,430	284,653

(Continued)

San Fu Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan Dollars)

Code		Six Months Ended June 30	
		2026	2025
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Acquisition of financial assets at amortized cost	$ -	($ 22,459)
B00050	Gain on disposal of financial assets at amortized cost	119,742	-
B02700	Payments for property, plant and equipment	(173,588)	(136,703)
B02800	Gain on disposal of real estate, plant and equipment	4,597	1,432
B03700	Increase or Loss in refundable deposits	(9,730)	(1,155)
B04500	Acquisition of intangible assets	(15,798)	(30,000)
B07100	Increase in prepayments for equipment	(17,258)	(8,200)
B07600	Dividend received	7,058	23,399
BBBB	Net cash used in investing activities	(84,977)	(173,686)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase or Loss in short-term loans	(460,000)	160,000
C01700	Repayment of long-term bank loans	-	(50,000)
C04020	Repayment of the principal portion of lease liabilities	(13,094)	(13,906)
C05400	Acquire equity in a subsidiary	(16,012)	(3,963)
C05800	Change in non-controlling interests	289,113	-
CCCC	NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	(199,993)	92,131
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(6,790)	(5,388)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,670	197,710
E00100	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	930,682	520,648
E00200	CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	$ 961,352	$ 718,358

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to Audit Report of Deloitte & Touche on August 12, 2026)

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

1. GENERAL

San Fu Chemical Co., Ltd. (the "**Company**"), an corporation in Republic of China ("R.O.C."), 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 12 (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 12, 2026.

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 IFRS 9 and IFR 7 "Amendments to the Classification and Measurement of Financial Instruments" and Amendments to IFRS 9 and IFR 7 "Contracts for Renewable Electricity" endorsed and issued into effect by the FSC have no 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 Interpretation	Effective Date Issued by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiaries without Public Accountability" (Including amendments made in 2025)	January 1, 2027
Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates "	January 1, 2027
Amendments to IAS 28 "The Fair Value Option for Investments in Associates and Joint Ventures "	January 1, 2027 (Note 2)

Note 1: Enterprises in the R.O.C. are required to apply IFRS 18 starting from January 1, 2028, with early application permitted.

Note 2: These amendments shall be applied concurrently upon the adoption of IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments, and amendments to IAS 28 "Fair Value Option for Investments in Associates and Joint Ventures"

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

- The consolidated companies shall evaluate whether their primary operating activities include investing in specific types of assets and providing financing to customers, so as to classify the income and expense items in the income statement into operating, investing, financing, income tax, and discontinued 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 conducting public communications outside the financial statements and communicating management's views on a particular aspect of the overall financial performance of the merged company to users of the financial statements, the merged company should disclose information related to management-defined performance measures in a single note to the financial statements. This includes a description of the measure, how it is calculated, its reconciliation with subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of related reconciliations.

In addition, a consequential amendment has been made to IAS 7 "Statement of Cash Flows", requiring:

- the Company to use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Company should be classified as investing activities, while interest and dividends paid should be classified as financing activities. If the merged company is assessed to have a specific principal operating activity, the types of dividend income, interest income, and interest expense reported in the income statement must be considered to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of these cash flows can only be classified in a single activity in the statement of cash flows.

The Company does not plan to early adopt IFRS 18 and its consequential amendments.

Except for the above impact, as of the date the accompanying consolidated financial statements were issued, the Company continues in evaluating other impacts of the above amended standards and 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.

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 20 Regulatory Assets and Regulatory Liabilities	January 1, 2029

Note 1: Unless specified otherwise, the above New, Revised or Amended Standards and Interpretations of the IFRSs will take effect for annual reporting periods starting on or after their respective effective dates.

As of the date this consolidated financial statements was authorized for issue, the Company continues to evaluate the other impacts of various standards and amendments on its financial position and financial performance. The related impacts will be disclosed upon completion of the evaluation.

4. SUMMARY OF MATREIAL 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 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 12 and the attached Table 7.

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, 2025.

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. ATERIAL 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, 2025.

6. CASH

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and petty cash	$ 424	$ 424	$ 431
Demand deposits	960,928	930,258	717,927
	$ 961,352	$ 930,682	$ 718,358

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NON-CURRENT

	June 30, 2026	December 31, 2025	June 30, 2025
Domestic investments			
TWSE/TPEx Listed shares	$ 29,227	$ 26,297	$ 27,226
TWSE/TPEx Unlisted shares	51,958	51,958	62,881
Subtotal	81,185	78,255	90,107
Foreign investments			
Listed shares	2,115,589	1,049,429	696,575
Subtotal	$ 2,196,774	$ 1,127,684	$ 786,682

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. Therefore, these investments of equity instruments were classified as financial assets measured at “Fair Value Through Other Comprehensive Income” (FVTOCI).

The Company adjusted its investment portfolio to diversify risks in 2026, selling a portion of foreign stocks at a fair value of NT$ 901,393 thousand (recognized under other current assets). The related unrealized gains or losses on financial assets measured at fair value through other comprehensive income under other equity, amounting to NT$ 600,778 thousand, were transferred to retained earnings. As of the date the consolidated financial statements were authorized for issue, the Company has deposited the received payment for sale at the securities company.

8. FINANCIAL ASSETS AT AMORTITIZED COST - Current

	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits with original maturities of more than 3 months	$ 183,008	$ 176,786	$ 160,529
Restricted demand deposits	14,700	138,273	137,100
	$ 197,708	$ 315,059	$ 297,629

The ranges of interest rates for the abovementioned time deposits were approximately 1.285% ~ 3.60%, 0.745% ~ 3.80% and 0.745% ~ 4.0% respectively per annum as of June 30, 2026, December 31, 2025 and June 30, 2025.

Refer to Note 31 for information relating to investments in financial assets at amortized cost pledge as security.

9. NOTES AND ACCOUNTS RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable			
Notes receivable - operating	$ 37,187	$ 34,360	$ 36,243
Accounts receivable			
At amortized cost			
Gross carrying amount	$ 1,015,665	$ 1,060,773	$ 1,053,742
Less: Loss allowance	(1,170)	(1,197)	(401)
	$ 1,014,495	$ 1,059,576	$ 1,053,341

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' 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 continue 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 of the Consolidated Company

June 30, 2026

	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	$ 977,975	$ 2,952	$ 33,311	$ 514	$ 913	$1,015,665
Loss allowance (Lifetime ECL)	-	-	-	(257)	(913)	(1,170)
Amortized cost	$ 977,975	$ 2,952	$ 33,311	$ 257	$ -	$ 1,014,495

December 31, 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	$ 1,057,595	$ 1,616	$ -	$ 730	$ 832	$ 1,060,773
Loss allowance (Lifetime ECL)	-	-	-	(365)	(832)	(1,197)
Amortized cost	$ 1,057,595	$ 1,616	$ -	$ 365	$ -	$ 1,059,576

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	$ 1,004,128	$ 48,678	$ 134	$ 401	$ -	$ 1,053,341

Movements of the loss allowance for accounts receivable

	Six Months Ended June 30	
	2026	2025
Balance, beginning of period	$ 1,197	$ 339
Add: the beginning balance of impairment losses in the current year	2	105
Less: Impairment Loss Reversed for the current period	(31)	-
Effect of exchange rate changes	2	(43)
Balance, end of period	$ 1,170	$ 401

10. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Merchandise	$ 3,864	$ 8,294	$ 5,482
Finished goods	372,834	317,993	308,298
Work in progress	8,511	6,825	7,939
Semi-finished goods	13,670	10,198	6,405
Raw materials	370,403	299,558	405,278
Supplies	63,809	51,103	45,516
	$ 833,091	$ 693,971	$ 778,918

The cost of inventories recognized as cost of goods sold (including construction cost) for the periods from April 1 to June 30, 2026 and 2025, and from January 1 to June 30, 2026 and 2025 was $934,125

thousand, $973,740 thousand, $1,823,187 thousand and $1,877,126 thousand respectively.

The cost of goods sold including the allowance for inventory valuation losses for the periods from April 1 to June 30, 2026 and 2025, and from January 1, to June 30, 2026 and 2025 was $6,991thousand, $2,759 thousand, $7,820 thousand and $863 thousand respectively.

11. NON-CURRENT ASSETS HELD FOR SALE

	June 30, 2026	December 31, 2025	June 30, 2025
Land held for sale	$ 98,993	$ -	$ -
Buildings held for sale	803	-	-
Total non-current assets held for sale	$ 99,796	$ -	$ -

On June 26, 2026, the Company entered into a disposal contract with a related party for the land and buildings located in Miaoli County for a total contract price of NT$ 200,000 thousand. The aforementioned land and buildings have been reclassified from property, plant and equipment to non-current assets held for sale. As the disposal price exceeds the carrying amount of the related net assets, no impairment loss was recognized.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

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

Investor	Investee (Name of Subsidiaries)	Nature of Activities	Proportion of Ownership (%)			Refer to
			June 30, 2026	December 31, 2025	June 30, 2025	
San Fu Chemical Co., Ltd.	San Fu Specialty Chemicals Investments Limited	Investment	100%	100%	100%	Note 1
	Vina San 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	100%	100%	98.89%	Note 1 Note 2
	Bio Phoenix Co., Ltd.	Engaged in new drug research and development	56.79%	89.59%	89.59%	Note 1 Note 4
	International Nitto Technology Co., Ltd.	Sales and production of electronic components	100%	100%	100%	
	Lifu Carbonic Acid Co., Ltd.	Production of chemical materials	100%	87%	87%	Note 1 Note 3
San Fu Specialty Chemicals Investments Limited	Sino Star Holding Limited	Investment	100%	100%	100%	
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, and its financial statements were not reviewed by independent auditors.

Note 2: It represents San Fu Chemical Co., Ltd.'s acquisition of shares in San Fu Biotech Co., Ltd. from non-controlling interests on September 1, 2025, which increased its ownership interest from 98.89% to 100%.

Note 3: It represents San Fu Chemical Co., Ltd.'s acquisition of shares in Lifu Carbonic Co., Ltd. from non-controlling interests on March 31, 2026, which increased its ownership interest from 87% to 100%.

Note 4: The Company did not subscribe to the cash capital increase of Bio Phoenix Co., Ltd. in proportion to its original ownership interest on January 26, 2026, which decreased its ownership interest from 89.59% to 56.79%.

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, 2026 and 2025 were $1,442,935 thousand and $1,818,432 thousand respectively, representing 14% and 23% of the consolidated total assets, and its total liabilities were $349,551 thousand and $332,986 thousand respectively, representing 10% and 10% of the consolidated total liabilities respectively. The total comprehensive income recognized from April 1 to June 30, 2026 and 2025 and from January 1 to June 30, 2026 and 2025 was ($11,642 thousand), ($150,013 thousand), ($21,797 thousand) and ($154,870 thousand) respectively, representing (1%), 78%, (1%) and (30%) of the consolidated total comprehensive income respectively.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2026	December 31, 2025	June 30, 2025
Investments in affiliated companies	$ 58,505	$ 58,371	$ 54,791
Investments in joint ventures	418,783	394,837	361,637
	$ 477,288	$ 453,208	$ 416,428

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, 2026 and 2025, and from January 1, to June 30, 2026 and 2025 was $7,687 thousand, ($44,709 thousand), $25,413 thousand and ($32,615 thousand) 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, 2026	December 31, 2025	June 30, 2025
Affiliated companies that are not individually material	$ 58,505	$ 58,371	$ 54,791

b. Investments in joint ventures

	June 30, 2026	December 31, 2025	June 30, 2025
Material joint ventures			
San Fu Ming Electronic Material Co., Ltd.	$ 418,783	$ 394,837	$ 361,637

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 7 - "Information on Investees" and Table 8 - "Information on Investments in Mainland China".

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Transport-ation	Other Equipment	Property under Construc-tion	Total
Cost							
Balance at January 1, 2026	$ 170,300	$ 1,511,087	$ 3,911,763	$ 565,371	$ 689,310	$ 125,997	$ 6,973,828
Reclassifications	-	11,821	40,666	1,887	21,951	(67,365)	8,960
Additions	-	5,014	31,195	33,343	88,246	33,415	191,213
Disposals	-	-	(5,279)	(8,181)	(495)	-	(13,955)
From reclassifications to held for sale	(98,993)	(803)	-	-	-	-	(99,796)
Effect of exchange rate changes	-	3,083	8,523	681	47	96	12,430
Balance at June 30, 2026	$ 71,307	$ 1,530,202	$ 3,986,868	$ 593,101	$ 799,059	$ 92,143	$ 7,072,680
Accumulated depreciation and impairment							
Balance at January 1, 2026	$ -	$ 698,170	$ 2,067,212	$ 423,054	$ 516,176	$ -	$ 3,704,612
Depreciation expenses	-	30,271	126,073	20,317	52,509	-	229,170
Disposals	-	-	(2,110)	(7,999)	(495)	-	(10,604)
Effect of exchange rate changes	-	574	1,623	169	13	-	2,379
Balance at June 30, 2026	$ -	$ 729,015	$ 2,192,798	$ 435,541	$ 568,203	$ -	$ 3,925,557
Net value at June 30, 2026	$ 71,307	$ 801,187	$ 1,794,070	$ 157,560	$ 230,856	$ 92,143	$ 3,147,123
Carrying amount at December 31, 2025 and January 1, 2026, net	$ 170,300	$ 812,917	$ 1,844,551	$ 142,317	$ 173,134	$ 125,997	$ 3,269,216
Cost							
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	$ 170,300	$ 1,481,832	$ 3,655,332	$ 533,002	$ 606,652	$ 287,029	$ 6,734,147
Accumulated depreciation and impairment							
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	$ -	$ 667,499	$ 1,940,924	$ 403,937	$ 477,246	$ -	$ 3,489,606
Carrying amounts at June 30, 2025, net	$ 170,300	$ 814,333	$ 1,714,408	$ 129,065	$ 129,406	$ 287,029	$ 3,244,541

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

Buildings	
Main building	3-45 years
Employee dormitory	25-50 years
Firefighting, air-conditioning and other systems	1-5 years
Engineering system	3-38 years
Transportation	1-10 years
Equipment	1-50 years
Other equipment	1-25 years

Property, plant and equipment pledged as collateral for bank Loans are described in Note 31.

15. LEASE ARRANGEMENTS

a. Right-of-use Assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Land	$ 222,162	$ 220,257	$ 220,567
Buildings	21,778	10,908	9,677
Transportation equipment	11,316	13,211	15,107
	$ 255,256	$ 244,376	$ 245,351

	Six Months Ended June 30	
	2026	2025
Additions to right-of-use assets	$ 24,663	$ 6,585

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Depreciation of right-of-use assets				
Land	$ 4,333	$ 4,208	$ 8,674	$ 8,454
Buildings	2,096	1,840	4,191	3,681
Transportation equipment	947	909	1,895	1,650
	$ 7,376	$ 6,957	$ 14,760	$ 13,785

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, 2026 and 2025.

b. Lease Liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying Amounts			
Current portion	$ 21,662	$ 20,400	$ 18,466
Non-current portion	179,491	169,184	174,139
	$ 201,153	$ 189,584	$ 192,605

Ranges of discount rates for lease liabilities are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Land	1.71%～2.018%	1.71%～1.843%	1.71%～1.843%
Buildings	1.03%～1.915%	1.03%～1.83%	1.03%～1.71%
Transportation equipment	1.03%～1.83%	1.03%～1.83%	1.03%～1.83%

c. Another Lease Information

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	$ 1,943	$ 2,225	$ 4,115	$ 3,979
Expenses relating to low-value asset leases	$ 270	$ 306	$ 578	$ 615
Total cash outflow for leases			($ 19,786)	($ 18,500)

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.

16. INTANGIBLE ASSETS

	Patent	Computer Software	Amount
Cost			
Balance at January 1, 2026	$ 150,000	$ -	$ 150,000
Acquired separately	15,000	798	15,798
Balance at June 30, 2026	$ 165,000	$ 798	$ 165,798
Accumulated amortization and impairment			
Balance at January 1, 2026	$ 43,580	$ -	$ 43,580
Amortization expense	8,239	61	8,300
Balance at June 30, 2026	$ 51,819	$ 61	$ 51,880
Carry amount at January 1, 2026, net	$ 106,420	$ -	$ 106,420
Carry amount at t June 30, 2026, net	$ 113,181	$ 737	$ 113,918
Cost			
Balance at January 1, 2025	$ 150,000	$ -	$ 150,000
Accumulated amortization and impairment			
Balance at January 1, 2025	$ 28,996	$ -	$ 28,996
Amortization expense	7,292	-	7,292
Balance at June 30, 2025	$ 36,288	$ -	$ 36,288
Carry amount at January 1, 2025, net	$ 121,004	$ -	$ 121,004
Carry amount at June 30, 2025, net	$ 113,712	$ -	$ 113,712

In April 2023, San Fu Biotech Co., Ltd. signed a patent agreement with REGiMMUNE Corporation (a Japanese company), acquiring the rights to develop and commercialize a drug for the prevention of acute Graft-versus-Host Disease (aGvHD) 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, 2026, and December 31, 2025, and June 30, 2025, the amounts paid were NT$ 120,000 thousand, NT$ 120,000 thousand, and NT$ 120,000 thousand respectively. In February 2025, San Fu Biotech Co., Ltd. divided and transferred the patent rights to Bio Phoenix Co., Ltd.

In January 2026, Bio Phoenix Co., Ltd. executed an addendum to the patent licensing agreement with REGiMMUNE Corporation of Japan. Under this agreement, San Fu Biomedical acquired the production license for REGiMMUNE's patent regarding the 'Prevention of Acute Graft-Versus-Host Disease (aGVHD)' for designated countries within the Asian region, for a total consideration of NT$ 15,000 thousand . The contract was officially signed on January 15, 2026, and the payment was settled in full on February 12, 2026.

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

Patent right	10 years
Computer Software	3 years

17. BANK LOANS

a. Short-term loans

	June 30, 2026	December 31, 2025	June 30, 2025
Secured loans (Note 31)			
Bank loans	$ 290,000	$ 350,000	$ 350,000
Unsecured loans			
Bank loans	1,250,000	1,650,000	1,630,000
	$ 1,540,000	$ 2,000,000	$ 1,980,000

The range of general working capital loan interest rates for the abovementioned bank loans was 1.80%～2.08%, 1.80%～2.08% and 1.85%～2% per annum as of June 30, 2026, and December 31, 2025 and June 30, 2025, respectively.

b. Long-term loans

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured loans			
Bank loans	$ -	$ -	$ 25,000
Less: Current portion matured within a year	-	-	(25,000)
Long-term bank loans	$ -	$ -	$ -

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

18. NOTES AND ACCOUNTS PAYABLE

	June 30, 2026	December 31, 2025	June 30, 2025
Notes payable	$ 362	$ 362	$ 787
Accounts payable	277,468	264,729	246,287
	$ 277,830	$ 265,091	$ 247,074

The average payment period of purchasing raw materials and supplies was 2 months. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Other payables	$ 201,203	$ 233,903	$ 209,907
Dividend payable	372,612	-	352,471
Payable for constructions	11,777	22,702	33,078
Payable for purchases of equipment	62,470	33,920	18,593
	$ 648,062	$ 290,525	$ 614,049

20. RETIREMENT BENEFIT PLANS

The pension expenses related to the defined contribution and benefit plans recognized from April 1 to June 30, 2026 and 2025 and from January 1 to June 30, 2026 and 2025 are calculated based on the pension cost rates determined by actuarial calculation on December 31, 2025 and 2024, and the amount was (NT$ 15 thousand), NT$ 20 thousand, (NT$ 29 thousand) and NT$ 40 thousand respectively.

21. EQUITY

a. Capital stock

Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Authorized shares (in thousands)	120,000	120,000	120,000
Authorized capital stocks	$ 1,200,000	$ 1,200,000	$ 1,200,000
Issued and paid-in capital stocks (in thousands)	100,706	100,706	100,706
Issued capital	$ 1,007,060	$ 1,007,060	$ 1,007,060

b. Capital Surplus

	June 30, 2026	December 31, 2025	June 30, 2025
Capital stocks may be used to offset a deficit, distributed or transferred as cash dividends (1)			
Issuance of shares above par	$ 511	$ 165,669	$ 165,669
Donations (Note 30)	46,604	44,544	44,644
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	13,305	2,448	2,448
The difference between the actual price of equity acquired or disposed of by subsidiaries and the book value	508	508	379
Surplus may be used to offset a deficit only			
Others - exercise of disgorgements (2)	$ 30	$ 30	$ 30
Recognition of changes in ownership interests in subsidiaries (3)	165,787	(778)	(778)
	$ 283,700	$ 269,376	$ 269,347

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 23 (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 2025 and 2024 were as follows:

	Fiscal Year 2025	Fiscal Year 2024
Legal capital reserve	$ 37,292	$ 41,836
Special capital reserve	$ 37,488)	($34,494)
Cash dividends	$ 207,454	$ 201,412
Cash dividends per share (NT$)	$ 2.06	$ 2.0

The above-mentioned cash dividends were resolved to be distributed by the board of directors on February 25, 2026, and February 26, 2025 respectively. The remaining profit distribution items for the years 2025 and 2024 were resolved by the shareholders' meetings on June 12, 2026, and June 19, 2025, respectively.

The Company's regular shareholders' meetings resolved on June 12, 2026 and June 9, 2025 to issue cash out of the capital reserves NT$ 165,158 thousand and NT$ 151,039 thousand respectively, and to issue cash dividends per share at NT$ 1.64 and NT$ 1.5 respectively.

The board of directors decided in the first to third quarters of 2025 not to distribute earnings for those quarters, leaving them for consideration in subsequent quarters.

On August 12, 2026, the board of directors resolved not to distribute the earnings from January 1, 2026, to June 30, 2026.

d. Special capital reserve

	Six Months Ended June 30 2026	Six Months Ended June 30 2025
Beginning Balance	$ 37,488	$ 71,982
Reversal of special surplus reserve		
Reversal of other deductible equity items	(37,488)	(34,494)
Ending Balance	$ -	$ 37,488

e. Non-controlling interests (Minority Interests)

	Six Months Ended June 30 2026	Six Months Ended June 30 2025
Beginning Balance	$ 120,624	$ 44,987
Portion attributable to non-controlling interests		
Net loss for the period	(24,417)	(1,998)
Subscription to subsidiary's cash capital increase by non-controlling interests (Note 26)	122,548	-
Subscription to subsidiary's employee stock options by non-controlling interests	8,023	-
Acquisition of non-controlling interests in subsidiaries (Note 26)	(12,065)	(4,342)
Ending Balance	$ 214,713	$ 38,647

22. REVENUE

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Revenue from sale of goods	$ 1,148,524	$ 1,205,497	$ 2,256,240	$ 2,285,619
Construction contract revenue	82,115	39,131	115,079	122,556
	$ 1,230,639	$ 1,244,628	$ 2,371,319	$ 2,408,175

Contract Balances

	June 30, 2026	December 31, 2025	June 30, 2025
Contract assets			
Construction engineering - current	$ 17,379	$ 16,255	$ 18,435
Contract liabilities			
Construction engineering - current	$ 2,011	$ 369	$ -
Sale of goods- current	52,309	39,505	6,357
	$ 54,320	$ 39,874	$ 6,357

As of June 30, 2026, December 31, 2025, and June 30, 2025, the amounts of advance payments made by the Company to suppliers for construction projects were NT$ 20,586 thousand, NT$ 20,586 thousand and NT$ 6,200 thousand respectively.

23. NET PROFIT

a. Other Income

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Dividend income	$ 10,944	$ -	$ 10,944	$ -
Income from rendering of services	1,650	1,441	3,279	3,050
Others	2,929	2,882	6,504	5,180
	$ 15,523	$ 4,323	$ 20,727	$ 8,230

b. Other Gains and Losses

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Net (Losses) Gains on foreign exchange	($ 1,385)	($ 98,207)	$ 12,457	($ 89,407)
Gains (Losses) on disposal of Properties, plants and equipment	908	(489)	1,246	(489)
Others	(23)	(210)	(83)	(217)
	($ 500)	($ 98,906)	$ 13,620	($ 90,113)

c. Depreciation and Amortization

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Properties, plants and equipment	$ 117,542	$ 93,374	$ 229,170	$ 187,889
Right-of-use assets	7,376	6,957	14,760	13,785
Other tangible assets	4,223	3,646	8,300	7,292
	$ 129,141	$ 103,977	$ 252,230	$ 208,966
Analysis of depreciation by function				
Operating costs	$ 106,646	$ 83,101	$ 207,355	$ 166,511
Operating expenses	18,272	17,230	36,575	35,163
	$ 124,918	$ 100,331	$ 243,930	$ 201,674
Amortization expenses summarized by function				
Operating expenses	$ 4,223	$ 3,646	$ 8,300	$ 7,292

d. Employee Benefits Expense

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Post-employment benefits				
Defined contribution plans	$ 4,288	$ 4,239	$ 8,552	$ 8,323
Defined benefit plans (Note 20)	(15)	20	(29)	40
Short-term benefits				
Salaries	113,883	95,065	231,120	202,144
Labor and health insurance	10,009	9,502	19,517	18,834
Others	14,454	9,356	29,638	21,998
Total employee benefits expense	$ 142,619	$ 118,182	$ 288,798	$ 251,339
Analysis of employee benefits expense by function				
Operating costs	$ 71,402	$ 64,064	$ 146,134	$ 140,309
Operating expenses	71,217	54,118	142,664	111,030
	$ 142,619	$ 118,182	$ 288,798	$ 251,339

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. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company resolved to amend the Articles of Incorporation at the 2025 shareholders' meeting, stipulating that no less than 40% of the employee compensation appropriated for the year shall be allocated to base-level employees.

The employees' compensation and the remuneration of directors for the six-month ended June 30, 2026 and 2025 were approved by the Company's Board of Directors, respectively as follows:

Estimation ratio

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Employees' compensation	1.56%	1.59%
Remuneration of directors and supervisors	1.56%	1.59%

Amount

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Employees' compensation	$ 2,750	$ 800	$ 4,950	$ 3,300
Remuneration of directors and supervisors	$ 2,750	$ 800	$ 4,950	$ 3,300

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 25, 2026 and February 26, 2025, and those meetings resulted in the actual amounts of the employees' compensation and remuneration of directors paid for the fiscal years 2025 and 2024 were respectively as follows:

	For the Fiscal Year	
	2025 Cash	2024 Cash
Employees' compensation	$ 10,700	$ 11,347
Remuneration of directors and supervisors	10,700	11,347

The Company held Board of Directors' Meetings on February 25, 2026 and February 26, 2025, and those meetings resulted in the actual amounts of the employees' compensation and remuneration of directors paid for the fiscal years 2026 and 2025 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			
	2025		2024	
	Employees' compensation	Remuneration of directors and supervisors	Employees' compensation	Remuneration of directors and supervisors
Amounts approved in the Board of Directors' meeting	$ 10,700	$ 10,700	$ 11,347	$ 11,347
Amounts recognized in the annual consolidated financial statements	$ 9,700	$ 9,700	$ 11,290	$ 11,290

Information on the employees' compensation and remuneration of directors for the years ended December 31, 2025 and 2026 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	
	2026	2025	2026	2025
Interest on bank loans	$ 7,247	$ 10,171	$ 15,541	$ 20,128
Interest on lease liabilities	984	872	1,999	1,745
	$ 8,231	$ 11,043	$ 17,540	$ 21,873

24. 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	
	2026	2025	2026	2025
Current tax				
In respect of the current period	$ 43,336	$ 32,400	$ 76,599	$ 72,058
Adjustments for prior periods	482	298	626	298
	43,818	32,698	77,225	72,356
Deferred income tax				
In respect of the current period	(1,123)	(13,231)	634	(12,889)
Income tax expense recognized In the profit and loss	$ 42,695	$ 19,467	$ 77,859	$ 59,467

b. Income Tax Recognized in Other Comprehensive Income

	Six Months Ended June 30 2026	Six Months Ended June 30 2025
Deferred income tax		
- Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	$ 471,307	$ 139,301

d. Income Tax Assessments

The Income tax returns filed by the Company, International Nitto Technology Company Limited, San Fu Biotech Co., Ltd. and Lifu Carbonate Co., Ltd. up to the fiscal year 2024 have been assessed by the tax authorities and have been recognized accordingly.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Basic earnings per share				
Basic earnings per share	$ 1.32	$ 0.34	$ 2.33	$ 1.44
Diluted earnings per share				
Diluted earnings per share	$ 1.32	$ 0.34	$ 2.33	$ 1.44

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	
	2026	2025	2026	2025
Net Profit attributed to the Owner of the Company	$ 132,960	$ 34,469	$ 234,551	$ 145,150

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

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
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	35	29	58	57
Weighted average number of ordinary shares used in the computation of diluted earnings per share	100,741	100,735	100,764	100,763

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.

26. EQUITY TRANSACTIONS INVOLVING NON-CONTROLLING INTERESTS

On March 31, 2026, the Company repurchased shares of Lifu Carbonic Co., Ltd. from non-controlling shareholders, increasing the Company's shareholding from 87% to 100%.

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

	Lifu Carbonic Co., Ltd.
Cash consideration paid	($16,012)
Amount of non-controlling interests to be transferred out based on the change in the relative ownership equity of the subsidiary	12,065
Equity transaction difference	($3,947)
Equity transaction difference adjustment account	
Undistributed Earnings	($3,947)

Bio Phoenix Co., Ltd. conducted to issue common stocks for cash increase on January 26, 2026, and reserved a portion of the new shares for employee subscription in accordance with relevant laws and regulations. The Company did not subscribe to the new shares in proportion to its original ownership interest, resulting in a decrease in the Company's ownership interest from 89.59% to 56.79%.

	Bio Phoenix Co., Ltd.
Cash consideration received	$ 289,113
Amount of non-controlling interests transferred out calculated based on the relative changes in the carrying amount of the subsidiary's net assets	(122,548)
Differences arising from equity transactions	$ 166,565
Adjustments to accounts for differences arising from equity transactions	
Capital surplus – recognition of changes in ownership interests in subsidiaries	$ 166,565

On June 12, 2025, the Company acquired shares in San Fu Biotech Co., Ltd. from non-controlling interests, which increased the Company's ownership interest from 89.59% to 98.89%.

As the aforementioned transaction did not result in a loss of control by Company over the subsidiary, the Company treated the transaction as an equity transaction.

	San Fu Biotech Co., Ltd.
Cash consideration paid	($ 3,963)
Amount of non-controlling interests transferred out calculated based on the relative changes in the carrying amount of the subsidiary's net assets	4,342
Differences arising from equity transactions	$ 379
Adjustments to accounts for differences arising from equity transactions	
Capital surplus – difference between the consideration and carrying amount of net assets subsidiaries of upon actual acquisition or disposal	$ 379

27. NON-CASH TRANSACTION

For the six-month period Ended June 30, 2026 and 2025, 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, 2026 and 2025 were as follows (please refer to Notes 14):

	Six-month Ended June 30	
	2026	2025
Amount transferred for Prepayments for equipment after acceptance test	$ 9,818	$ 2,413
(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, 2026 and June 30, 2025. (Refer to Notes 19 and 21)

28. 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.

29. 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 reliable estimated.

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

1) Fair Value Hierarchy

	Level 1	Level 2	Level 3	Total
June 30, 2026				
Financial assets at FVTOCI				
Investments in equity instruments				
TWSE/TPEx listed/OTC shares	$ 29,227	$ -	$ -	$ 29,227
TWSE/TPEx unlisted/OTC shares	-	-	51,958	51,958
Foreign listed/OTC shares	2,115,589	-	-	2,115,589
Total	$ 2,144,816	$ -	$ 51,958	$ 2,196,774
December 31, 2025				
Financial assets at FVTOCI				
Investments in equity instruments				
TWSE/TPEx listed/OTC shares	$ 26,297	$ -	$ -	$ 26,297
TWSE/TPEx unlisted/OTC shares	-	-	51,958	51,958
Foreign unlisted/OTC shares	1,049,429	-	-	1,049,429
Total	$ 1,075,726	$ -	$ 51,958	$ 1,127,684
June 30, 2025				
Financial assets at FVTOCI				
Investments in equity instruments				
TWSE/TPEx listed/OTC shares	$ 27,226	$ -	$ -	$ 27,226
TWSE/TPEx unlisted/OTC shares	-	-	62,881	62,881
Foreign unlisted/OTC shares	696,575	-	-	696,575
Total	$ 723,801	$ -	$ 62,881	$ 786,682

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 2026. 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

	Financial assets at FVTOCI Through other Profits or Loss Six-Month Ended June 30	
	2026	2025
Beginning balance	$ 51,958	$ 125,557
Transferred out of Level 3 (Note)	-	(62,676)
Ending balance	$ 51,958	$ 62,881

Note: As the equity instrument has an active market quotation, its fair value measurement level is transferred 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, 2026	June 30, 2025
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, 2026	June 30, 2025
Discount for lack of marketability		
1% decrease	$ 109	$ 179
Non-controlling interests discount		
1% decrease	$ 102	$ 168

c. Categories of Financial Instruments

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at amortized cost (Note 1)	$ 2,231,649	$ 2,356,032	$ 2,131,166
Financial assets at FVTOCI			
Equity instrument investment	2,196,774	1,127,684	786,682
Financial liabilities			
Financial liabilities at amortized cost (Note 2)	2,476,035	2,565,888	2,871,679

Note 1) The balances include cash, financial assets at amortized cost - current, account and notes receivables, receivables - from related parties and refundable deposits.

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

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 32.

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$

The Impact of The New Taiwan Dollar on The US Dollar

	Six Months Ended June 30	
	2026	**2025**
Profit, loss and equity	$ 13,550 (i)	$ 12,812 (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 2026 and 2025 were NT$ 17,540 thousand and NT$ 21,873 thousand respectively, which constitute only 0.74% and 0.91% 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:

Unit: 1,000 NT$

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Fair value interest rate risk			
- Financial liabilities	$ 1,741,153	$ 189,584	$ 372,605
Cash flow interest rate risk			
- Financial liabilities	-	2,000,000	1,825,000

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 based on five-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 2026 and 2025 would decrease by NT$ 0 and NT$ 456 thousand respectively.

c) Other Price Risks

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 2026 and 2025 would have increased/decreased by NT$ 109,839 thousand and NT$ 39,334 thousand 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 49% 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, 2026, December 31, 2025 and June 30, 2025, the Company had available unutilized short-term bank loan facilities in the amount of $2,202,833 thousand and $1,935,279 thousand and $1,700,085 thousand 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, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
Lease liabilities	$ 2,443	$ 4,495	$ 18,403	$ 76,027	$ 142,318
Variable interest rate liabilities	-	-	-	-	-
Fixed interest rate liabilities	250,000	1,160,000	130,000	-	-
	$ 252,443	$1,164,495	$ 148,403	$ 76,027	$ 142,318

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 25,341	$ 76,027	$ 142,318

December 31, 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	$ 2,260	$ 4,273	$ 17,035	$ 68,807	$ 134,373
Variable interest rate liabilities	870,000	900,000	230,000	-	-
Fixed interest rate liabilities	-	-	-	-	-
	$ 872,260	$ 904,273	$ 247,035	$ 68,807	$ 134,373

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 23,568	$ 68,807	$ 134,373

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	-	-	-
	$ 272,361	$ 1,634,216	$ 120,184	$ 70,307	$ 139,388

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 21,761	$ 70,307	$ 139,388

30. 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 Corp.	Other related parties
Fulu Cultural Foundation	Other related parties

b. Business Transaction

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Sales				
Affiliated companies	$ 78	$ 50	$ 174	$ 59
Joint ventures	554	136	554	136
Investors with significant influence over the Company	10	66	32	66
Other related parties	62	40	104	83
	$ 704	$ 292	$ 864	$ 344
Purchase				
Affiliated companies	$ 2,939	$ 8,137	$ 6,225	$ 17,638
Other related parties	1,074	-	1,074	564
	$ 4,013	$ 8,137	$ 7,299	$ 18,202
Other revenue				
Joint ventures				
San Fu Ming Electronic Material Co., Ltd.	$ 1,650	$ 1,441	$ 3,279	$ 3,050
Other expenses				
Investors with significant influence over the Company	$ 285	$ 285	$ 2,061	$ 1,646

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

	June 30, 2026	December 31, 2025	June 30, 2025
Receivables from related parties			
Joint ventures	$ 374	$ 3,668	$ -
Investors with significant influence over the Company	4	3	-
Affiliated companies	-	29	-
	$ 378	$ 3,700	$ -
Other receivables from related parties			
Investors with significant influence over the Company	$ 2,060	$ -	$ 2,000
Joint ventures	9,415	6,136	9,334
	11,475	6,136	11,334
	$ 11,853	$ 9,836	$ 11,334
Payables to related parties			
Investors with significant influence over the Company	$ 572	$ 285	$ 286
Other related parties	1,074	-	-
Affiliated companies	8,497	9,987	5,270
	$ 10,143	$ 10,272	$ 5,556

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, 2026	December 31, 2025	June 30, 2025
Lease liabilities	Investors with significant influence			
	San Fu Global Co., Ltd.	$ 40,227	$ 44,066	$ 42,998
	Others	4,923	-	547
		$ 45,150	$ 44,066	$ 43,545

	Three Months Ended June 30		Six Months Ended June 30	
Related Party Category/Name	2026	2025	2026	2025
Interest Expense				
Investors with significant influence				
San Fu Global Co., Ltd.	$ 178	$ 188	$ 365	$ 383
Others	24	2	48	6
	$ 202	$ 190	$ 413	$ 389

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 NT$ 2,060 thousand and NT$ 2,000 thousand for the six-month period from January 1 to June 30, 2026 and 2025 respectively, and the revenue was credited in capital surplus-donations.

e. Compensation of Key Management Personnel

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 11,747	$ 9,524	$ 21,102	$ 18,563
Post-employment benefits	309	279	590	593
	$ 12,056	$ 9,803	$ 21,692	$ 19,156

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

31. 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, 2026	December 31, 2025	June 30, 2025
Pledged deposits (classified as financial assets at amortized cost)	$ 14,700	$ 138,273	$ 137,100
Land	40,349	40,349	40,349
Buildings, net	32,229	32,613	34,513
	$ 87,278	$ 211,235	$ 211,962

32. 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, 2026

	Foreign Currencies	Exchange Rate		Carrying Amount
Foreign Currency Assets				
Monetary items				
USD	$ 9,232	31.800	(USD: NTD)	$ 293,578
Non-monetary items				
Investments in affiliated companies and joint ventures using the equity method				
CNY	89,554	0.147	(CNY: USD)	418,783
VND	36,497,0714	0.0012	(VND: NTD)	43,614
Foreign Currency Liabilities				
Monetary items				
USD	708	31.900	(USD: NTD)	22,585

December 31, 2025

	Foreign Currencies	Exchange Rate		Carrying Amount
Foreign Currency Assets				
Monetary items				
USD	$ 11,871	31.380	(USD: NTD)	$ 372,512
Non-monetary items				
Investments in affiliated companies and joint ventures using the equity method				
CNY	88,299	0.142	(CNY: USD)	394,837
VND	36,270,638	0.0011	(VND: NTD)	42,618
Foreign Currency Liabilities				
Monetary items				
USD	1,068	31.480	(USD: NTD)	33,621

June 30, 2025

	Foreign Currencies	Exchange Rate		Carrying Amount
Foreign Currency Assets				
Monetary items				
USD	$ 9,329	29.250	(USD: NTD)	$ 272,873
Non-monetary items				
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
Foreign Currency Liabilities				
Monetary items				
USD	567	29.350	(USD: NTD)	16,641

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

	For the three-month period				
	From April 1 to June 30, 2026		From April 1 to June 30, 2025		
Foreign Currencies	Exchange Rate	Net (Loss)/Gain from Foreign Exchange	Exchange Rate		Net (Loss)/Gain from Foreign Exchange
USD	31,800 (USD: NTD)	($ 5,287)	29.250	(USD: NTD)	($ 68,338)
JPY	0.194 (JPY: NTD)	(24)	0.201	(JPY: NTD)	(11)

	For the six-month period				
	From January 1 to June 30, 2026		From January 1 to June 30, 2025		
Foreign Currencies	Exchange Rate	Net (Loss)/Gain from Foreign Exchange	Exchange Rate		Net (Loss)/Gain from Foreign Exchange
USD	31,800 (USD: NTD)	$ 2,220	29.250	(USD: NTD)	($ 71,511)
JPY	0.194 (JPY: NTD)	(19)	0.201	(JPY: NTD)	(11)

33. 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): See Table 4 attached;

5) Receivables from related parties amounting to at least NT$ 100 million or 20% of the paid-in capital : See Table 5 attached;

6) Intercompany relationships and significant intercompany transactions: See Table 6 attached;

b. Information on investees: See Table 7 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 8 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

34. 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' 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' revenue and results from continuing operations by reportable segments:

	Fine Chemicals	Basic Chemicals	Write off by Segment	Total
For the six-month period from January 1 to June 30, 2026				
Revenue of general customers	$ 1,701,921	$ 669,398	$ -	$ 2,371,319
Revenue of segment	272,161	11,260	(283,421)	-
Total	$ 1,974,082	$ 680,658	($ 283,421)	$ 2,371,319
Profit from operations	$ 312,552	($ 57,023)	$ -	$ 255,529
Other income				20,727
Other gain and losses				13,620
Financial cost				(17,540)
Profit and loss share of affiliates and joint ventures using the equity method				7,731
Interest income				7,926
Income before income tax				$ 287,993
For the six-month period from January 1 to June 30, 2025				
Revenue of general customers	$ 1 ,709,759	$ 698,416	$ -	$ 2,408,175
Revenue of segment	103,535	2,375	(105,910)	-
Total	$ 1,813,294	$ 700,791	($ 105,910)	$ 2,408,175
Profit from operations	$ 308,916	($ 23,695)	$ -	$ 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				7,326
Income before income tax				$ 202,619

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, 2026	December 31, 2025	June 30, 2025
Segment assets			
Fine chemicals	$ 4,377,327	$ 4,375,907	$ 4,373,560
Basic chemicals	2,336,018	2,197,650	2,168,890
Investment	3,872,959	1,895,951	1,500,739
Consolidated total assets	$ 10,586,304	$ 8,469,508	$ 8,043,189

San Fu Chemical Co., Ltd. and Subsidiaries

LENDING FUNDS TO OTHER PARTIES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(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	$ 20,000	$20,000	$ 7,000	1.975%	Short-term financing is required	$ -	Operating capital	$ -	-	$ -	$ 681,539	$ 2,726,155	(Note 3)
0	San Fu Chemical Co., Ltd.	International Nitto Technology Co., Ltd.	Other receivables	Y	400,000	400,000	180,000	1.975%	Short-term financing is required	101,507	Operating capital	-	-	-	681,539	2,726,155	(Note 3)
0	San Fu Chemical Co., Ltd.	San Fu Biotech Co., Ltd.	Other receivables	Y	50,000	50,000	-	-	Short-term financing is required	6,735	Operating capital	-	-	-	681,539	2,726,155	(Note 3)
0	San Fu Chemical Co., Ltd.	Bio Phoenix Co., Ltd.	Other receivables	Y	300,000	300,000	-	-	Short-term financing is required	-	Operating capital	-	-	-	681,539	2,726,155	(Note 3)
0	San Fu Chemical Co., Ltd.	VinaSan Fu Industrial Gas Company Limited	Other receivables	Y	400,000	400,000	240,468 (US$ 7,550 thousand) (Note 4)	2%	Short-term financing is required	-	Operating capital	-	-	-	681,539	2,726,155	(Note 3)
0	San Fu Chemical Co., Ltd.	VinaSan Fu Material Company Limited	Other receivables	Y	400,000	400,000	108,290 (US$ 3,400 thousand) (Note 4)	2%	Short-term financing is required	2,250	Operating capital	-	-	-	681,539	2,726,155	(Note 3)
0	San Fu Chemical Co., Ltd.	VinaSan Fu Material Trading Company Limited	Other receivables	Y	100,000	100,000	38,220 (US$ 1,200 thousand) (Note 4)	2%	Short-term financing is required	-	Operating capital	-	-	-	681,539	2,726,155	(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, 2026 (USD$1 = NT$ 31.850)

San Fu Chemical Co., Ltd. and Subsidiaries

ENDORSEMENTS/GURANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(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.	$ 681,539	$ 300,000	$ 300,000	$ 130,000	$ -	4.40%	$ 2,726,155	Y	N	N	
0	San Fu Chemical Co., Ltd.	International Nitto Technology Co., Ltd.	ditto	681,539	400,000	400,000	330,000	-	5.87%	2,726,155	Y	N	N	
0	San Fu Chemical Co., Ltd.	VinaSan Fu Industrial Gas Company Limited	ditto	681,539	200,000	200,000	-	-	2.93%	2,726,155	Y	N	N	
0	San Fu Chemical Co., Ltd.	VinaSan Fu Material Company Limited	ditto.	681,539	200,000	200,000	-	-	2.93%	2,726,155	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, 2026
(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, 2026				Note
				Shares/Units	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	29,227	0.45%	29,227	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	45,260	4.46%	45,260	
Sino Star Holding Limited	Hubei Xingfu Electronic Material Co., Ltd.	-	Financial assets at fair value through other comprehensive income	3,400,000	2,115,589	0.94%	2,115,589	Note 2 Note 3

Note 1: For further information on investments in subsidiaries, associates and joint venture please refer to Tables 7 and 8.

Note 2: The fair value is calculated using closing market prices on June 30, 2026 .

Note 3: This represents Huaxing Company's sale of 2,850 thousand shares of Hubei Xingfu Electronic Materials Co., Ltd. stock in 2026, which resulted in a decrease in its shareholding percentage from 1.74% to 0.94%.

San Fu Chemical Co., Ltd. and Subsidiaries

MARKETABLE SECURITIES HELD
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 4

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction Notes/(Note 1)		Accounts Payable or Receivable		Remarks (Note 2)
			Purchases/ Sales	Amount	Percentage of total purchases (sales) %	Payment Terms	Unit Price	Payment Terms	Ending Balance	Ratio of notes and accounts receivable (payable) to total notes and accounts receivable (payable) %	
San Fu Chemical Co., Ltd.	International Nitto Technology Co., Ltd.	Subsidiary	Purchase	$ 101,507	6.54%	Net 30 days from invoice date	-	-	$ 17,285	6%	

Note 1: Where the terms of a related party transaction differ from those of a non-related party transaction, the differences and the reasons thereof shall be specified in the "Unit Price" and "Credit Period" columns.

Note 2: In the case of any advance receipts (or prepayments), the reasons, contractual terms, amounts, and differences from regular transaction types shall be specified in the "Remarks" column.

Note 3: "Paid-in capital" refers to the paid-in capital of the parent company. If the issuer's shares have no par value or the par value per share is not NT$ 10, the threshold of 20% of paid-in capital regarding the transaction amount shall be calculated as 10% of the equity attributable to owners of the parent on the balance sheet.

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, 2026
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 5

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	$ 181,403	Note 2	$ -	-	$ -	$ -
	VinaSan Fu Industrial Gas Company Limited	Subsidiary	243,413	Note 2	-	-	-	-
	VinaSan Fu Material Company Limited	Subsidiary	110,906	Note 3	1,906	Remind about overdue payment	-	-

Note 1: It has been eliminated when preparing the consolidated financial statements.

Note 2: It represents the balance of other receivables, which includes the loan to the related party and the accrued interest receivable.

Note 3: The Company has accounts receivable of NT$ 1,906 thousand arising from sales transactions with related parties, and other receivables of NT$ 109,000 thousand, which includes the loan to the related party and the accrued interest receivable.

San Fu Chemical Co., Ltd. and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 6

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.	San Fu Biotech Co., Ltd.	1	Purchase	$ 6,110	90 days after the invoice date	0.26%
		International Nitto Technology Co., Ltd.	1	Other receivables - related parties, net	181,403	According to the contract	1.71%
				Accounts payable - net to related parties	17,285	30 days after the invoice date	0.16%
				Purchases	101,507	30 days after the invoice date	4.28%
		Lifu Carbonic Acid Co., Ltd.	1	Other receivables - related parties, net	7,053	According to the contract	0.07%
		VinaSan Fu Industrial Gas Company Ltd.	1	Other receivables - related parties, net	243,413	According to the contract	2.30%
		VinaSan Fu Material Company Ltd.	1	Other receivables - related parties, net	109,000	According to the contract	1.03%
		VinaSan Fu Material Trading Company Ltd.	1	Other receivables - related parties, net	38,497	According to the contract	0.36%
				Accounts payable - net to related parties	7,602	30 days after the invoice date	0.07%
1	VinaSan Fu Material Company Ltd.	VinaSan Fu Material Trading Company Ltd.	2	Accounts payable - net to related parties	29,308	30 days after the invoice date	0.28%

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 INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 7

Investor Company	Investee Company (Note 2)	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	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%	$ 2,951,342	$ 19,923	$ 19,923	Note 1
	VinaSan Fu Industrial Gas Company Limited	Vietnam	Investing in industrial gas production	US$ 13,650,000	US$ 13,650,000	-	100%	196,271	(9,827)	(9,827)	Note 1
	VinaSan Fu Material Company Limited	Vietnam	Investing in the production of chemical materials	US$ 12,200,000	US$ 12,200,000	-	100%	171,701	(15,287)	(15,287)	Note 1
	San Fu Biotech Co., Ltd.	Taiwan	Investing in the manufacture and sale of food additives	7,374	7,374	1,030,000	100%	95,821	24,559	24,559	Note 1,
	Bio Phoenix Co., Ltd.	Taiwan	Research and development of new drugs and medicine	241,890	241,890	24,188,998	56.79%	282,175	(62,844)	(38,502)	Note 1, Notes 3
	International Nitto Technology Co., Ltd	Taiwan	Investing in electronic component manufacturing business	1,277,904	1,277,904	101,000,000	100%	939,588	(22,800)	(22,800)	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%	14,891	943	471	
	Lifu Carbonic Acid Co., Ltd.	Taiwan	Investing in carbon dioxide gas, carbonic acid fire extinguisher, dry ice manufacturing and its sales and marketing	93,265	77,523	2,000	100%	92,241	(1,148)	(1,073)	Note 1, Note 4
	Shian Yun Joint Stock Company	Vietnam	Investing in industrial gas production	US$ 1,232,000	US$ 1,232,000	2,659,974	33.33%	43,614	1,189	396	
San Fu Specialty Chemicals Investments Limited	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%	418,783	13,727	6,864	Note 2
	Sino Star Holding Limited	Samoa	Investment activities	US$ 1,868,000	US$ 1,868,000	1,867,838	100%	2,346,965	9,986	9,986	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%	15,635	(73)	(73)	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 8.

Note 3: San Fu Biotech Co., Ltd. did not subscribe the common stocks issued by Bio Phoenix Co., Ltd. for capital increase on January 26, 2026, therefore, the ownership percentage was decreased to 56.79% from 89.59%.

Note 4: San Fu Chemical Co., Ltd. repurchased shares of Lifu Carbonic Acid Co., Ltd from non-controlling shareholders on March 31, 2026, increasing its equity interest from 87% to 100%.

San Fu Chemical Co., Ltd. and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2026
Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 8

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, 2026 (Note 1)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2026 (Note 1)	Net Income (Loss) of the Investee	Percentage of Ownership %	Investment Gain (Loss) (Note 3)	Carrying Amount as of June 30, 2026 (Note 1)	Accumulated Inward Remittance of Earnings as of June 30, 2026
					Outflow	Inflow						
San Fu Ming Electronic Material Co., Ltd.	Engaged in the operation of international trade business	$ 286,650 (US$9,000,000) (Note 1 and Note 4)	Through the third company reinvest in mainland companies	$ 20,734 (US$651,000)	$ -	$ -	$ 20,734 (US$651,000)	$ 13,727	50	$ 6,864	$ 418,783 (US$13,149,000)	$ -
Hubei Xingfu Electronic Material Co., Ltd.	Engaged in the production and sales of chemical products	1,682,640 (CNY 360,000,000) (Notes 2 and 8)	Through the third company reinvest in mainland companies	59,432 (US$1,866,000)	-	-	59,432 (US$1,866,000)	- (Note 7)	0.94	-	2,115,589 (US$66,424,000)	-

Accumulated Investment in Mainland China as of June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
$ 185,813 (US$5,834,000) (Notes 5 and 6)	$ 304,454 (US$ 9,559,000)	$ 4,218,060

Note 1: The exchange rate on June 30, 2026 was USD$1=NT$ 31.850

Note 2: The exchange rate on June 30, 2026 was CNY$1=NT$ 4.674

Note 3: The average exchange rate was based on the USD$1=NT$ 31.614 for the six-month period from January 1 to June 30, 2026.

Note 4: In April 2012, the company raised US$651 thousand of capital (all new shares were subscribed by Hubei Xingfu Electronic Materials Co., Ltd.). In October 2012, the Company converted US$1,698 thousand 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 thousand 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: Hubei Xingfu Electronic Material Co., Ltd. has issued common stocks for cash capital increase in amount of CNY 100,000 thousand 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.