

**FORMOSA CHEMICALS & FIBRE
CORPORATION**
**PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT**
DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

FORMOSA CHEMICALS & FIBRE CORPORATION

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR24004592

To the Board of Directors and Shareholders of FORMOSA CHEMICALS & FIBRE CORPORATION

Opinion

We have audited the accompanying parent company only balance sheets of FORMOSA CHEMICALS & FIBRE CORPORATION (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

Assessment of loss allowance for accounts receivable

Description

Refer to Note 4(10) for accounting policy on accounts receivable, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment of accounts receivable, and Note 6(4) for details of loss allowance for accounts receivable. As of December 31, 2024, the Company's accounts receivable amounted to NT\$17,487,459 thousand, net of loss allowance in the amount of NT\$66,840 thousand.

The Company assesses expected credit impairment loss on accounts receivable based on historical experience, forward-looking information and known reason or existing objective evidences. For those accounts which are considered uncollectible, the Company recognises impairment with a credit to accounts receivable. Management evaluates the reasonableness of estimated provision periodically. As the estimation of loss allowance is subject to management's judgement and business indicators, the amount of provision is based on the collectability of accounts receivable, and considering that accounts receivable and loss allowance are material to the financial statements, we considered the loss allowance for accounts receivable a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained the overdue aging report used when management assessed the expected credit impairment loss, assessed whether the logic of data source was consistently applied, and tested its accuracy with proper documents.
2. Assessed the reasonableness of estimates used by management in calculating expected credit impairment loss and obtained supporting documents, including forward-looking information, disputed accounts, overdue accounts, subsequent collection, and other indicators that would show that the customer would be unable to repay on schedule.
3. Performed subsequent collection test in order to verify the adequacy of loss allowance provided for accounts receivable.

Valuation of inventories

Description

Refer to Note 4(13) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for detailed information on allowance for inventory valuation losses. As of December 31, 2024, the inventory and allowance for inventory valuation losses were NT\$17,797,897 thousand and NT\$1,044,148 thousand, respectively.

The Company is primarily engaged in the manufacture and sales of petrochemical plastic products, fibers weaving and cords. Because the price of petrochemical plastic products is subject to the fluctuations in international crude oil prices, and the textile market is competitive, there is a higher risk of inventory valuation loss. The Company recognises inventories at the lower of cost and net realisable value, and the net realisable value is calculated based on average price less selling expenses. Since the net realisable value used in inventory valuation involves subjective judgement and high uncertainty in estimation, and the allowance for inventory valuation loss is material to the financial statements, we considered the valuation of inventory as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of policies and procedures on allowance for inventory valuation loss, including the reasonableness of classification of inventory in determining the net realisable value;
2. Obtained an understanding of the Company's warehousing control procedures, reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the classification of inventory and internal control over inventory.
3. Checked the method in calculating the net realisable value of inventory and assessed the reasonableness of allowance for valuation loss.

Other matter – audits of the other independent auditors

We did not audit the financial statements of certain investments accounted for under the equity method. These investments accounted for under the equity method amounted to NT\$106,814,946 thousand and NT\$121,180,477 thousand, both constituting 27% of total assets as of December 31, 2024 and 2023, respectively, and comprehensive loss were NT\$2,656,605 thousand and NT\$9,800,832 thousand, constituting 5% and 52% of total comprehensive loss for the years then ended, respectively. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other independent auditors.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Juanlu, Man-Yu

Hsu, Sheng-Chung

for and on behalf of PricewaterhouseCoopers, Taiwan

March 7, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	7,204,645	2	\$	1,848,039	-
1110	Financial assets at fair value through profit or loss - current	6(2)		1,846,201	-		1,641,598	-
1120	Current financial assets at fair value through other comprehensive income	6(3)		41,077,176	11		94,639,552	21
1150	Notes receivable, net	6(4)		75,731	-		150,012	-
1160	Notes receivable - related parties	6(4) and 7		28,373	-		122,578	-
1170	Accounts receivable, net	6(4)		6,847,853	2		7,278,874	2
1180	Accounts receivable - related parties	6(4) and 7		10,639,606	3		11,239,112	3
1200	Other receivables	7		3,298,356	1		1,211,760	-
1210	Other receivables - related parties	7		-	-		3,077,427	1
130X	Inventory	6(5)		16,753,749	4		19,535,659	4
1470	Other current assets			4,990,191	1		5,312,327	1
11XX	Total current assets			92,761,881	24		146,056,938	32
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(3)		26,722,194	7		23,244,057	5
1535	Non-current financial assets at amortised cost	6(1)		715,249	-		-	-
1550	Investments accounted for under equity method	6(6)		197,592,811	51		212,740,157	47
1600	Property, plant and equipment	6(7) and 8		63,911,332	16		62,096,791	14
1755	Right-of-use assets	6(8)		12,904	-		14,817	-
1840	Deferred income tax assets	6(24)		1,092,898	-		1,911,776	-
1900	Other non-current assets			7,759,841	2		6,819,918	2
15XX	Total non-current assets			297,807,229	76		306,827,516	68
1XXX	Total assets		\$	390,569,110	100	\$	452,884,454	100

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FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 9,710,800	2	\$ 10,404,900	2
2110	Short-term notes and bills payable	6(9)	32,292,387	8	26,780,338	6
2170	Accounts payable		1,079,476	-	2,565,099	1
2180	Accounts payable - related parties	7	11,091,323	3	9,674,925	2
2200	Other payables	7	4,400,340	1	5,185,834	1
2230	Current income tax liabilities		124,421	-	67,451	-
2280	Current lease liabilities		1,922	-	1,922	-
2320	Long-term liabilities, current portion	6(10)(11)	21,950,000	6	5,300,000	1
2399	Other current liabilities		2,218,576	1	1,871,309	1
21XX	Total current liabilities		82,869,245	21	61,851,778	14
Non-current liabilities						
2530	Corporate bonds payable	6(10)	25,900,000	7	36,850,000	8
2540	Long-term borrowings	6(11)	6,000,000	1	11,000,000	2
2570	Deferred income tax liabilities	6(24)	55,688	-	15,863	-
2580	Non-current lease liabilities		11,524	-	13,412	-
2600	Other non-current liabilities	6(12)	3,184,383	1	3,894,877	1
25XX	Total non-current liabilities		35,151,595	9	51,774,152	11
2XXX	Total liabilities		118,020,840	30	113,625,930	25
Equity						
	Share capital	6(13)				
3110	Common stock		58,611,863	15	58,611,863	13
	Capital surplus	6(14)				
3200	Capital surplus		9,313,342	2	9,272,140	2
	Retained earnings	6(15)				
3310	Legal reserve		71,867,866	19	70,997,369	16
3320	Special reserve		76,745,060	20	76,602,492	17
3350	Unappropriated retained earnings		35,054,049	9	43,627,704	10
	Other equity interest	6(16)				
3400	Other equity interest		21,280,042	5	80,470,908	17
3500	Treasury stocks	6(13)	(323,952)	-	(323,952)	-
3XXX	Total equity		272,548,270	70	339,258,524	75
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 390,569,110	100	\$ 452,884,454	100

The accompanying notes are an integral part of these parent company only financial statements.

FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	\$ 217,590,987	100	\$ 212,980,107	100
5000	Operating costs	6(5)(22)(23) and 7	(211,102,174)	(97)	(204,681,055)	(96)
5900	Net operating margin		6,488,813	3	8,299,052	4
5910	Unrealized loss (profit) from sales		98,057	-	(79,152)	-
5920	Realized profit from sales		79,152	-	42,925	-
5950	Net operating margin		6,666,022	3	8,262,825	4
	Operating expenses	6(12)(22)(23) and 7				
6100	Selling expenses		(5,003,450)	(2)	(4,118,667)	(2)
6200	General and administrative expenses		(3,530,805)	(2)	(3,515,237)	(2)
6000	Total operating expenses		(8,534,255)	(4)	(7,633,904)	(4)
6900	Operating (loss) profit		(1,868,233)	(1)	628,921	-
	Non-operating income and expenses					
7100	Interest income	6(18) and 7	117,359	-	155,356	-
7010	Other income	6(19) and 7	1,627,933	1	5,017,528	2
7020	Other gains and losses	6(20)	1,070,229	-	180,477	-
7050	Finance costs	6(7)(21)	(1,487,409)	(1)	(1,303,800)	-
7070	Share of profit of associates and joint ventures accounted for under equity method	6(6)	1,096,206	1	4,028,695	2
7000	Total non-operating income and expenses		2,424,318	1	8,078,256	4
7900	Profit before income tax		556,085	-	8,707,177	4
7950	Income tax expense	6(24)	(176,674)	-	(158,659)	-
8200	Profit for the year		\$ 379,411	-	\$ 8,548,518	4

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FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
Other comprehensive (loss) income (net)					
Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311 Actuarial gains on defined benefit plans	6(12)	\$ 107,374	-	\$ 24,079	-
8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(16)	(50,080,755)	(23)	6,857,278	3
8330 Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(13,025,219)	(6)	4,270,130	2
8310 Other comprehensive (loss) income that will not be reclassified to profit or loss		(62,998,600)	(29)	11,151,487	5
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Exchange differences on translation	6(16)	3,221,724	1	(1,156,093)	-
8380 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(16)	1,502,340	1	(106,233)	-
8399 Income tax relating to the components of other comprehensive income	6(16)(24)	(696,012)	-	236,747	-
8360 Other comprehensive income (loss) that will be reclassified to profit or loss		4,028,052	2	(1,025,579)	-
8300 Other comprehensive (loss) income for the year		(\$ 58,970,548)	(27)	\$ 10,125,908	5
8500 Total comprehensive (loss) income for the year		(\$ 58,591,137)	(27)	\$ 18,674,426	9
Basic earnings per share (in dollars)	6(25)	Before Tax	After Tax	Before Tax	After Tax
9750 Net income		\$ 0.10	\$ 0.06	\$ 1.49	\$ 1.46
Assuming shares held by subsidiary are not deemed as treasury stock:					
Basic earnings per share (in dollars)					
Net income		\$ 0.09	\$ 0.06	\$ 1.49	\$ 1.46

The accompanying notes are an integral part of these parent company only financial statements.

FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Retained Earnings					Other Equity Interest					
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Revaluation surplus	Treasury stocks	Total
<u>For the year ended December 31, 2023</u>												
Balance at January 1, 2023		\$ 58,611,863	\$ 9,246,656	\$ 70,224,189	\$ 76,461,277	\$ 41,405,257	(\$ 2,930,647)	\$ 72,429,555	\$ 160	\$ 1,002,383	(\$ 323,952)	\$ 326,126,741
Profit for the year		-	-	-	-	8,548,518	-	-	-	-	-	8,548,518
Other comprehensive income (loss) for the year	6(16)	-	-	-	-	134,088	(1,033,854)	11,017,399	8,275	-	-	10,125,908
Total comprehensive income (loss)		-	-	-	-	8,682,606	(1,033,854)	11,017,399	8,275	-	-	18,674,426
Appropriations of 2022 earnings	6(15)											
Legal reserve		-	-	773,180	-	(773,180)	-	-	-	-	-	-
Special reserve		-	-	-	141,215	(141,215)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(5,568,127)	-	-	-	-	-	(5,568,127)
Dividends paid to subsidiaries to adjust capital surplus	6(14)	-	4,324	-	-	-	-	-	-	-	-	4,324
Changes in the net interest of associates recognised under the equity method	6(14)	-	180	-	-	22,725	-	(22,725)	-	-	-	180
Expired cash dividends reclassified to capital surplus	6(14)	-	22,168	-	-	-	-	-	-	-	-	22,168
Expired dividends paid from capital surplus	6(14)	-	(1,873)	-	-	-	-	-	-	-	-	(1,873)
Changes in ownership interests in subsidiaries	6(14)	-	685	-	-	-	-	-	-	-	-	685
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(16)	-	-	-	-	(362)	-	362	-	-	-	-
Balance at December 31, 2023		\$ 58,611,863	\$ 9,272,140	\$ 70,997,369	\$ 76,602,492	\$ 43,627,704	(\$ 3,964,501)	\$ 83,424,591	\$ 8,435	\$ 1,002,383	(\$ 323,952)	\$ 339,258,524
<u>For the year ended December 31, 2024</u>												
Balance at January 1, 2024		\$ 58,611,863	\$ 9,272,140	\$ 70,997,369	\$ 76,602,492	\$ 43,627,704	(\$ 3,964,501)	\$ 83,424,591	\$ 8,435	\$ 1,002,383	(\$ 323,952)	\$ 339,258,524
Profit for the year		-	-	-	-	379,411	-	-	-	-	-	379,411
Other comprehensive income (loss) for the year	6(16)	-	-	-	-	160,834	4,058,276	(63,159,434)	(30,224)	-	-	(58,970,548)
Total comprehensive income (loss)		-	-	-	-	540,245	4,058,276	(63,159,434)	(30,224)	-	-	(58,591,137)
Appropriations of 2023 earnings	6(15)											
Legal reserve		-	-	870,497	-	(870,497)	-	-	-	-	-	-
Special reserve		-	-	-	142,568	(142,568)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(7,326,483)	-	-	-	-	-	(7,326,483)
Changes in the net interest of associates recognised under the equity method	6(14)	-	114	-	-	(634,746)	-	(60,430)	-	-	-	(695,062)
Expired cash dividends reclassified to capital surplus	6(14)	-	20,695	-	-	-	-	-	-	-	-	20,695
Dividends paid to subsidiaries to adjust capital surplus	6(14)	-	5,689	-	-	-	-	-	-	-	-	5,689
Expired dividends paid from capital surplus	6(14)	-	(927)	-	-	-	-	-	-	-	-	(927)
Changes in ownership interests in subsidiaries	6(14)	-	6,420	-	-	-	-	-	-	-	-	6,420
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(14)	-	9,211	-	-	(138,660)	-	-	-	-	-	(129,449)
Disposal of investment in equity instruments designated at fair value through other comprehensive income	6(16)	-	-	-	-	(946)	-	946	-	-	-	-
Balance at December 31, 2024		\$ 58,611,863	\$ 9,313,342	\$ 71,867,866	\$ 76,745,060	\$ 35,054,049	\$ 93,775	\$ 20,205,673	(\$ 21,789)	\$ 1,002,383	(\$ 323,952)	\$ 272,548,270

The accompanying notes are an integral part of these parent company only financial statements.

FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 556,085	\$ 8,707,177
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(22)	5,297,757	5,586,348
Amortization	6(22)	3,020,643	3,300,506
Net gain on financial assets and liabilities at fair value through profit or loss	6(20)	(204,603)	(78,879)
Interest expense	6(21)	1,487,409	1,303,800
Interest income	6(18)	(117,359)	(155,356)
Dividend income	6(19)	(1,208,157)	(4,479,258)
Share of profit or loss of associates accounted for under the equity method	6(6)	(1,096,206)	(4,028,695)
Impairment loss (gain on reversal of impairment loss) on property, plant and equipment	6(7)(20)	96,332	(86,002)
(Gain) loss on disposal and scrap of property, plant and equipment	6(20)	(6,536)	27,904
Gain from disposal of investments	6(20)	(3,933)	-
Realised (gain) loss from sales		(177,209)	36,227
Gain on lease modification	6(20)	-	(353)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		74,281	48,364
Notes receivable-related parties		94,205	63,585
Accounts receivable		431,021	(761,614)
Accounts receivable-related parties		599,506	(385,288)
Other receivables		640,625	118,871
Inventory		2,781,910	(363,197)
Other current assets		748,835	(1,492,036)
Changes in operating liabilities			
Accounts payable		(1,485,623)	1,084,039
Accounts payable-related parties		1,416,398	(3,259,298)
Other payables		504,250	(1,737,391)
Other current liabilities		347,267	(314,121)
Accrued pension liabilities		(604,172)	(419,235)
Cash inflow generated from operations		13,192,726	2,716,098
Interest received		120,765	155,361
Dividends received		7,834,734	10,371,855
Interest paid		(1,495,686)	(1,324,001)
Income tax paid		(383,712)	(297,587)
Net cash flows from operating activities		19,268,827	11,621,726

(Continued)

FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in other receivables-related parties		\$ 3,077,427	(\$ 319,175)
Acquisition of financial assets at amortised cost		(715,249)	-
Shares returned from reduction in financial assets at fair value through other comprehensive income		3,484	6,848
Acquisition of investments accounted for under the equity method		(2,050,000)	(1,899,625)
Proceeds from disposal of investments accounted for under equity method		3,933	-
Acquisition of property, plant and equipment	6(26)	(8,444,112)	(9,184,334)
Proceeds from disposal of property, plant and equipment		12,091	122,926
Increase in other non-current assets		(3,973,270)	(2,994,038)
(Increase) decrease in guarantee deposits paid		(5,492)	37,202
Net cash flows used in investing activities		(12,091,188)	(14,230,196)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings		(694,100)	104,900
Increase (decrease) in short-term notes and bills payable		5,512,049	(4,816,617)
Increase in long-term borrowings		18,000,000	11,000,000
Payment of long-term borrowings		(13,500,000)	(3,000,000)
Payment of corporate bonds payable		(3,800,000)	(4,850,000)
Payment of lease liabilities		(1,934)	(4,763)
Increase (decrease) in other non-current liabilities		1,052	(24,176)
Payment of cash dividends	6(26)	(7,337,173)	(5,585,436)
Expired dividends paid from capital surplus	6(14)	(927)	(1,873)
Net cash flows used in financing activities		(1,821,033)	(7,177,965)
Net increase (decrease) in cash and cash equivalents		5,356,606	(9,786,435)
Cash and cash equivalents at beginning of year		1,848,039	11,634,474
Cash and cash equivalents at end of year		\$ 7,204,645	\$ 1,848,039

The accompanying notes are an integral part of these parent company only financial statements.

FORMOSA CHEMICALS & FIBRE CORPORATION
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

1. History and Organization

Formosa Chemicals & Fibre Corporation (the Company) was founded on March 5, 1965. The Company now has eight business divisions, namely First Chemical Division, Petrochemicals Division, Third Chemical Division, Plastics Division, Textile Division, First Fiber Division, Second Fiber Division, and Engineering & Construction Division. The Company's major businesses are production and sales of petrochemical products, including PTA, PS, AN, Butadiene, SM polymer, SM, benzene, toluene, p-xylene (PX) and o-xylene (OX), as well as nylon fiber, and rayon staple fiber. The Company is also engaged in spinning, weaving, dyeing and finishing.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorised for issuance by the Board of Directors on March 7, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS[®]") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and operating results based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB issued the amendments to:

- (a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has

initiated a payment instruction and specific conditions are met. The conditions for the exception are that the entity making the payment does not have:

- i. the practical ability to withdraw, stop or cancel the payment instruction;
- ii. the practical ability to access the cash used for settlement; and
- iii. significant settlement risk.

- (b) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.
- (c) Add new disclosures for certain instruments with contractual terms that can change cash flows such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.
- (d) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These parent company only financial statements have been prepared by the Company in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been

prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional and presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are retranslated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are retranslated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

- (a) The operating results and financial position of all associates and jointly controlled entities that

have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, when the Company retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

- (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor) — operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for using equity method/subsidiaries and associates

- A. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. Unrealised profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted to comply with the Company's accounting policies.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognised in equity.
- E. Upon loss of significant influence over a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss. The amount previously recognised in other comprehensive income in relation to the subsidiary is reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. When the Company loses significant influence over the subsidiary, the profit or loss is reclassified from equity to profit or loss.

- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Company does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- M. Pursuant to the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners’ equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Land Improvements	10 years
Buildings	15 ~ 50 years
Machinery and equipment	5 ~ 15 years
Transportation equipment	3 ~ 15 years
Other equipment	3 ~ 15 years

(16) Leasing arrangements (lessee) — right-of-use assets/lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of Fixed payments, less any lease incentives receivable; The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability; The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognised.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Bonds payable

Ordinary corporate bonds issued by the company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(22) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as other equity.
- iii. Past service costs are recognised immediately in profit or loss.

C. Employees', directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(24) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(25) Treasury shares

Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

Sales of goods

- A. The Company manufactures and sells a variety of petrochemical products, including the spinning, weaving, dyeing and finishing of rayon and nylon fiber. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. The amount of sales revenue recognised is equal to the contract price net of volume discounts and sales discounts and allowances. Volume discounts and sales discounts and allowances are estimated based on historical information, and a refund liability is recognised for expected volume discounts and sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 30 to

120 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

- C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of accounts receivable

In the process of assessing impairment of accounts receivable, the Company must use judgements and assumptions to determine the collectability of accounts receivable. The collectability is affected by various factors: customers' financial conditions, the Company's internal credit ratings, historical experience, etc. When sales are not expected to be collected, the Company recognises a specific allowance for doubtful receivables after the assessment. The assumptions and estimates of loss allowance provided for accounts receivable are based on concerning future events as that on the balance sheet date. Assumptions and estimates may differ from the actual results which may result in material adjustments.

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value.

As of December 31, 2024, the carrying amount of inventories was \$16,753,749.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and petty cash	\$ 178	\$ 179
Checking accounts and demand deposits	1,996,979	1,847,860
Time deposit	2,130,765	-
Cash equivalents		
Commercial papers	3,076,723	-
	<u>\$ 7,204,645</u>	<u>\$ 1,848,039</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. Loss allowance is measured using 12-month expected credit losses. For the years ended December 31, 2024 and 2023, the Company did not recognise any loss allowance.
- B. The Company repatriated the capital in the amount of USD 35,795 thousand in accordance with “The Management, Utilisation, and Taxation of Repatriated Offshore Funds Act” in June 2021. As of December 31, 2024, the undrawn capital amounted to \$306,590, which was restricted under the “The Management, Utilisation, and Taxation of Repatriated Offshore Funds Act”. However, according to IFRS Q&A amended by the competent authority on January 5, 2024, the restriction from the Act did not change the nature of deposits, therefore, the capital was still listed in ‘cash and cash equivalent’.
- C. The Company has entered a trust contract with Mega International Commercial Bank for participation in the Urban Renewal Project of Formosa Plastics Building and has opened a segregated trust account earmarked as trust for its intended purposes, such as covering construction costs, taxes and related expenses. As of December 31, 2024, the balance in the trust account is \$715,249. Due to the restriction on its usage, this amount has been reclassified under “Non-current financial assets at amortized cost”
- D. The Company has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current item:		
Financial assets mandatorily measured at fair value through profit or loss		
Fund	\$ 1,491,063	\$ 1,491,063
Valuation adjustment	355,138	150,535
Total	<u>\$ 1,846,201</u>	<u>\$ 1,641,598</u>

- A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the years ended December 31,	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Fund	\$ 204,603	\$ 78,879

B. The Company did not pledge financial assets at fair value through profit or loss to others as collateral.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Current items:		
Equity instruments		
Listed stocks	\$ 23,864,654	\$ 23,864,654
Unlisted stocks	725,839	725,839
Valuation adjustment	16,486,683	70,049,059
	<u>\$ 41,077,176</u>	<u>\$ 94,639,552</u>
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 20,173,921	\$ 20,177,405
Valuation adjustment	6,548,273	3,066,652
	<u>\$ 26,722,194</u>	<u>\$ 23,244,057</u>

A. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the years ended December 31,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 50,080,755)	\$ 6,857,278

B. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company were \$67,799,370 and \$117,883,609, respectively.

C. The Company did not pledge financial assets at fair value through other comprehensive income to others as collateral.

D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 75,731	\$ 150,012
Less: Allowance for uncollectible accounts	-	-
	<u>\$ 75,731</u>	<u>\$ 150,012</u>
Notes receivable - related parties	<u>\$ 28,373</u>	<u>\$ 122,578</u>
Accounts receivable	\$ 6,914,693	\$ 7,345,714
Less: Allowance for uncollectible accounts	(66,840)	(66,840)
	<u>\$ 6,847,853</u>	<u>\$ 7,278,874</u>
Accounts receivable - related parties	<u>\$ 10,639,606</u>	<u>\$ 11,239,112</u>

A. As of December 31, 2024 and 2023, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to \$17,822,775.

B. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were \$104,104 and \$272,590 and accounts receivable were \$17,487,459 and \$18,517,986, respectively.

C. Information relating to credit risk is provided in Note 12(2).

(5) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 6,297,111	(\$ 44,334)	\$ 6,252,777
Supplies	3,252,586	(686,436)	2,566,150
Work in progress	2,745,014	(158,382)	2,586,632
Finished goods	5,502,095	(154,996)	5,347,099
Other inventory	1,091	-	1,091
	<u>\$ 17,797,897</u>	<u>(\$ 1,044,148)</u>	<u>\$ 16,753,749</u>
	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 7,549,112	(\$ 45,470)	\$ 7,503,642
Supplies	3,573,669	(644,231)	2,929,438
Work in progress	2,642,197	(82,326)	2,559,871
Finished goods	6,646,875	(109,633)	6,537,242
Other inventory	5,466	-	5,466
	<u>\$ 20,417,319</u>	<u>(\$ 881,660)</u>	<u>\$ 19,535,659</u>

Expense and loss incurred on inventories for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31,	
	2024	2023
Cost of inventories sold	\$ 209,403,682	\$ 202,364,181
Loss (gain) on inventory valuation (Note)	162,488	(359,654)
Idle capacity (including annual survey and work stoppage)	1,522,734	2,662,609
Others	13,270	13,919
	<u>\$ 211,102,174</u>	<u>\$ 204,681,055</u>

Note: For the year ended December 31, 2023, disposal of excess inventory resulted in gain from price recovery of inventory.

(6) Investments accounted for using equity method

	December 31, 2024	December 31, 2023
Subsidiaries		
FCFC Investment Corp. (Cayman)	\$ 60,866,947	\$ 61,816,990
Formosa Taffeta Co., Ltd.	13,375,785	19,896,366
Formosa Industries Corp., Vietnam	5,135,670	5,312,398
Formosa Idemitsu Petrochemical Corp.	1,166,887	1,148,552
Formosa INEOS Chemicals Corp.	1,859,716	2,135,486
Formosa Biomedical Technology Corp.	2,746,083	2,770,766
Formosa Carpet Corp.	178,172	180,484
Chia-Nan Enterprise Corp.	357,695	330,975
Formosa Green Power Corp.	4,853	4,878
Formosa Renewable Energy Corp.	50,250	-
Associates		
Formosa Petrochemical Corp.	71,636,022	81,037,549
Mai Liao Power Corp.	16,146,749	13,803,883
Formosa Heavy Industries Corp.	5,775,112	6,775,494
Formosa Resource Corp.	6,403,506	7,714,129
Formosa Synthetic Rubber Corp. (Hong Kong)	1,468,190	1,656,499
FG INC.	3,412,754	3,306,098
Formosa Plastics Transport Corp.	1,400,881	1,278,023
Formosa Group (CAYMAN) Corp.	968,838	835,318
Formosa Environmental Technology Corp.	240,481	234,986
Formosa Fairway Corp.	-	5,572
Formosa Plastics Construction Corp.	1,015,981	1,051,551
Formosa Smart Energy Tech Corp.	3,326,411	1,384,277
Hwa Ya Science Park Management Consulting Co., Ltd.	5,060	4,299
Guo Su Plastic Industry Co., Ltd.	50,768	55,584
	<u>\$ 197,592,811</u>	<u>\$ 212,740,157</u>

- A. The related information on subsidiaries is provided in Note 4(3) of consolidated financial statements for 2024.
- B. The investments accounted for using equity method were based on the investees' audited financial statements for the corresponding periods. The share of profit of subsidiaries and associates accounted for under equity method amounted to \$1,096,206 and \$4,028,695 for the years ended December 31, 2024 and 2023, respectively.
- C. The financial information of the associate that is material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Method of measurement
		December 31, 2024	December 31, 2023		
Formosa Petrochemical Corp.	Taiwan	24.15%	24.15%	Investments accounted for using equity method	Equity method

- D. The summarised financial information of the associate that is material to the Company is shown below:

Balance Sheet

	Formosa Petrochemical Corp.	
	December 31, 2024	December 31, 2023
Current assets	\$ 200,901,284	\$ 252,790,537
Non-current assets	160,254,258	153,763,295
Current liabilities	(44,540,292)	(43,165,010)
Non-current liabilities	(19,654,686)	(27,054,537)
Total net assets	<u>\$ 296,960,564</u>	<u>\$ 336,334,285</u>
Share in associate's net assets	\$ 71,715,976	\$ 81,224,730
Unrealised gain (loss) from sales of upstream transactions eliminations	30,765	(76,462)
Net differences in share capital	(110,719)	(110,719)
Carrying amount of the associate	<u>\$ 71,636,022</u>	<u>\$ 81,037,549</u>

Statement of comprehensive income

	Formosa Petrochemical Corp.	
	For the years ended December 31,	
	2024	2023
Revenue	\$ 661,405,434	\$ 710,310,293
Profit for the year from continuing operations	\$ 5,970,918	\$ 21,888,842
Other comprehensive (loss) income, net of tax	(26,293,192)	12,434,821
Total comprehensive (loss) income	<u>(\$ 20,322,274)</u>	<u>\$ 34,323,663</u>
Dividends received from associates	<u>\$ 4,601,600</u>	<u>\$ 2,530,880</u>

E. The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarised below:

As of December 31, 2024 and 2023, the carrying amount of the Company's individually immaterial associates amounted to \$40,214,731 and \$38,105,713, respectively.

	For the years ended December 31,	
	2024	2023
Profit for the year from continuing operations	\$ 2,678,276	\$ 7,549,639
Other comprehensive income, net of tax	4,704,013	3,976,969
Total comprehensive income	<u>\$ 7,382,289</u>	<u>\$ 11,526,608</u>

F. The fair value of the Company's associate which has quoted market price is as follows:

	December 31, 2024	December 31, 2023
Formosa Petrochemical Corp.	<u>\$ 79,492,633</u>	<u>\$ 185,674,544</u>

G. On August 4, 2023, the Board of Directors of the Company resolved to increase its investment in Formosa Resources Corp. amounting to US\$25,000 thousand, equivalent to \$799,625, in proportion to its original ownership of 25%.

H. On May 5, 2022, the Board of Directors resolved to invest in \$800,000 and \$500,000 in Formosa Smart Energy Tech Corp. in May 2022 and August 2023, respectively, and the shareholding ratio was 20%. On May 3, 2024, the Board of Directors resolved to increase its investment in Formosa Smart Energy Tech Corp. by \$2,000,000 in proportion to its original ownership of 20%.

I. On November 3, 2023, the Board of Directors of the Company resolved to increase its investment in Formosa Plastics Construction Corp. amounting to NT\$500,000 thousand, in proportion to its original ownership of 33.3%.

J. On May 9, 2024, the Company was approved by the authority to establish Formosa Renewable Energy Corporation with an investment amount of \$50,000, and the shareholding ratio was 100%.

K. On March 25, 2024, the Company's responsible unit resolved to fully dispose the 4,698 thousand shares of Formosa Fairway Corp. held by the Company to Chang Gung Medical Technology Co., Ltd. The difference of \$3,933 between the disposal proceeds and the carrying amount was recognised as gain on disposal of investment.

L. The Company received cash dividends of \$9,357,203 and \$5,892,597 for the years ended December 31, 2024 and 2023, respectively, from its investments accounted for using equity method. The cash dividends are recorded as a deduction from the Company's investments accounted for using equity method.

M. As of December 31, 2024 and 2023, no equity investment held by the Company was pledged to others.

(7) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2024</u>						
Cost	\$ 9,617,122	\$ 21,347,638	\$ 192,325,624	\$ 4,804,591	\$ 11,064,676	\$ 239,159,651
Accumulated depreciation and impairment	-	(16,182,804)	(156,929,848)	(3,950,208)	-	(177,062,860)
	<u>\$ 9,617,122</u>	<u>\$ 5,164,834</u>	<u>\$ 35,395,776</u>	<u>\$ 854,383</u>	<u>\$ 11,064,676</u>	<u>\$ 62,096,791</u>
<u>2024</u>						
Opening net book amount	\$ 9,617,122	\$ 5,164,834	\$ 35,395,776	\$ 854,383	\$ 11,064,676	\$ 62,096,791
Additions	-	266,136	343,577	49,622	6,534,695	7,194,030
Disposals	-	-	(5,555)	-	-	(5,555)
Reclassifications	46,223	523,361	6,633,857	86,922	(7,272,167)	18,196
Depreciation charge	-	(550,775)	(4,513,752)	(231,271)	-	(5,295,798)
Impairment loss	-	(41,159)	(35,130)	(11)	(20,032)	(96,332)
Closing net book amount	<u>\$ 9,663,345</u>	<u>\$ 5,362,397</u>	<u>\$ 37,818,773</u>	<u>\$ 759,645</u>	<u>\$ 10,307,172</u>	<u>\$ 63,911,332</u>
<u>At December 31, 2024</u>						
Cost	\$ 9,663,345	\$ 22,137,135	\$ 198,963,555	\$ 4,909,946	\$ 10,327,204	\$ 246,001,185
Accumulated depreciation and impairment	-	(16,774,738)	(161,144,782)	(4,150,301)	(20,032)	(182,089,853)
	<u>\$ 9,663,345</u>	<u>\$ 5,362,397</u>	<u>\$ 37,818,773</u>	<u>\$ 759,645</u>	<u>\$ 10,307,172</u>	<u>\$ 63,911,332</u>
	Land	Buildings	Machinery and equipment	Transportation equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2023</u>						
Cost	\$ 9,520,205	\$ 20,729,024	\$ 191,639,240	\$ 4,717,954	\$ 9,911,909	\$ 236,518,332
Accumulated depreciation and impairment	-	(15,819,823)	(158,627,689)	(3,788,145)	-	(178,235,657)
	<u>\$ 9,520,205</u>	<u>\$ 4,909,201</u>	<u>\$ 33,011,551</u>	<u>\$ 929,809</u>	<u>\$ 9,911,909</u>	<u>\$ 58,282,675</u>
<u>2023</u>						
Opening net book amount	\$ 9,520,205	\$ 4,909,201	\$ 33,011,551	\$ 929,809	\$ 9,911,909	\$ 58,282,675
Additions	-	-	161,329	44,187	9,321,418	9,526,934
Disposals	(2,976)	(19,095)	(128,748)	(11)	-	(150,830)
Reclassifications	99,893	864,872	7,017,406	119,682	(8,168,651)	(66,798)
Depreciation charge	-	(609,239)	(4,732,669)	(239,284)	-	(5,581,192)
Reversal of impairment loss	-	19,095	66,907	-	-	86,002
Closing net book amount	<u>\$ 9,617,122</u>	<u>\$ 5,164,834</u>	<u>\$ 35,395,776</u>	<u>\$ 854,383</u>	<u>\$ 11,064,676</u>	<u>\$ 62,096,791</u>
<u>At December 31, 2023</u>						
Cost	\$ 9,617,122	\$ 21,347,638	\$ 192,325,624	\$ 4,804,591	\$ 11,064,676	\$ 239,159,651
Accumulated depreciation and impairment	-	(16,182,804)	(156,929,848)	(3,950,208)	-	(177,062,860)
	<u>\$ 9,617,122</u>	<u>\$ 5,164,834</u>	<u>\$ 35,395,776</u>	<u>\$ 854,383</u>	<u>\$ 11,064,676</u>	<u>\$ 62,096,791</u>

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	For the years ended December 31,	
	2024	2023
Amount capitalised	\$ 141,402	\$ 135,735
Interest rate	1.39%~1.54%	1.29%~1.40%

- B. Under the regulations, land may only be owned by individuals. Thus, the Company has already obtained ownership of the agricultural land for future plant expansion which was acquired by the Company under the name of a third party, who has pledged the full amount to the Company. As of December 31, 2024 and 2023, the pledged amount was both \$9,618.
- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements—lessee

- A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 2 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Land	\$ 12,904	\$ 14,817

	For the years ended December 31,	
	2024	2023
	Depreciation charge	Depreciation charge
Land	\$ 1,959	\$ 1,947
Buildings	-	3,209
	\$ 1,959	\$ 5,156

- C. For the years ended December 31, 2024 and 2023, the additions to right-of use assets were \$46 and \$0, respectively.
- D. The information on profit and loss accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 208	\$ 297
Expense on short-term lease contracts	9,658	7,197
Expense on variable lease payments	4,518	3,859
Gain on lease modification	-	353

E. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were \$16,318 and \$16,116, respectively.

(9) Short-term loans and short-term notes and bills payable

Type of loans	December 31, 2024	Interest rate range	Collateral
Unsecured loans	\$ 9,710,800	1.75%~1.85%	None
Short-term notes and bills payable	\$ 32,450,000	1.66%~1.88%	None
Short-term notes and bills payable discount	(157,613)		
Net short-term notes and bills payable	\$ 32,292,387		

Type of loans	December 31, 2023	Interest rate range	Collateral
Unsecured loans	\$ 10,404,900	1.62%~1.69%	None
Short-term notes and bills payable	\$ 26,850,000	1.40%~1.56%	None
Short-term notes and bills payable discount	(69,662)		
Net short-term notes and bills payable	\$ 26,780,338		

(10) Bonds payable

Bonds payable	December 31, 2024	December 31, 2023
Domestic unsecured nonconvertible corporate bonds	\$ 36,850,000	\$ 40,650,000
Less: Current portion	(10,950,000)	(3,800,000)
	\$ 25,900,000	\$ 36,850,000

The terms of domestic unsecured nonconvertible corporate bonds were as follows:

Description	Issuance date	Maturity date	Yield rate (%)	Issued principal amount	December 31, 2024	December 31, 2023	Note
<u>2014</u>							
First issued domestic unsecured nonconvertible corporate bonds	2014.1.17	2025.1.17 ~ 2026.1.17	2.03	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	Serial bonds, to be settled 50%, 50%
Second issued domestic unsecured nonconvertible corporate bonds - A	2014.7.4	2023.7.4 ~ 2024.7.4	1.81	1,400,000	-	700,000	Serial bonds, to be settled 50%, 50%
Second issued domestic unsecured nonconvertible corporate bonds - B	2014.7.4	2028.7.4 ~ 2029.7.4	2.03	4,600,000	4,600,000	4,600,000	Serial bonds, to be settled 50%, 50%

Description	Issuance date	Maturity date	Yield rate (%)	Issued principal amount	December 31, 2024	December 31, 2023	Note
<u>2019</u>							
First issued domestic unsecured nonconvertible corporate bonds - A	2019.5.13	2023.5.13 ~ 2024.5.13	0.75	\$ 3,300,000	\$ -	\$ 1,650,000	Serial bonds, to be settled 50%, 50%
First issued domestic unsecured nonconvertible corporate bonds - B	2019.5.13	2025.5.13 ~ 2026.5.13	0.83	3,000,000	3,000,000	3,000,000	Serial bonds, to be settled 50%, 50%
First issued domestic unsecured nonconvertible corporate bonds - C	2019.5.13	2028.5.13 ~ 2029.5.13	0.93	700,000	700,000	700,000	Serial bonds, to be settled 50%, 50%
<u>2020</u>							
First issued domestic unsecured nonconvertible corporate bonds - A	2020.9.3	2024.9.3 ~ 2025.9.3	0.52	2,900,000	1,450,000	2,900,000	Serial bonds, to be settled 50%, 50%
<u>2020</u>							
First issued domestic unsecured nonconvertible corporate bonds - B	2020.9.3	2026.9.3 ~ 2027.9.3	0.60	5,200,000	5,200,000	5,200,000	Serial bonds, to be settled 50%, 50%
First issued domestic unsecured nonconvertible corporate bonds - C	2020.9.3	2029.9.3 ~ 2030.9.3	0.67	1,900,000	1,900,000	1,900,000	Serial bonds, to be settled 50%, 50%

Description	Issuance date	Maturity date	Yield rate (%)	Issued principal amount	December 31, 2024	December 31, 2023	Note
<u>2021</u>							
First issued domestic unsecured nonconvertible corporate bonds - A	2021.5.10	2025.5.10 ~ 2026.5.10	0.48	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	Serial bonds, to be settled 50%, 50%
First issued domestic unsecured nonconvertible corporate bonds - B	2021.5.10	2027.5.10 ~ 2028.5.10	0.56	4,000,000	4,000,000	4,000,000	Serial bonds, to be settled 50%, 50%
Less: Current portion of bonds payable					(10,950,000)	(3,800,000)	
					<u>\$ 25,900,000</u>	<u>\$ 36,850,000</u>	

(11) Long-term bank loans and notes payable

Type of loans	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2024
Long-term bank loan				
Unsecured loans				
Bank of Taiwan	Sep. 25, 2024~Sep. 12, 2027, the borrowings are repayable in full upon maturity	1.75%	None	\$ 6,000,000
Taiwan Cooperative Bank	Jul. 26, 2023 ~ Jul. 26, 2025, principal payable at maturity date	1.84%	None	11,000,000
				17,000,000
Less: Current portion of long-term loans				(11,000,000)
				<u>\$ 6,000,000</u>

Type of loans	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2023
Long-term bank loan				
Unsecured loans				
Bank of Taiwan	Jul. 26, 2023~Jul. 26, 2025, the borrowings are repayable in full upon maturity	1.63%	None	\$ 2,000,000
Taiwan Cooperative Bank	Jul. 26, 2023 ~ Jul. 26, 2025, principal payable at maturity date	1.79%	None	9,000,000
Mizuho Bank, Ltd.	Jul. 28, 2022~Dec. 15, 2024, the borrowings are repayable in full upon maturity	1.77%	None	1,500,000
				12,500,000
Less: Current portion of long-term loans				(1,500,000)
				<u>\$ 11,000,000</u>

(12) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are determined as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	\$ 6,328,830	\$ 6,754,340
Fair value of plan assets	(3,268,257)	(2,982,221)
Net defined benefit liability	<u>\$ 3,060,573</u>	<u>\$ 3,772,119</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>For the year ended December 31, 2024</u>			
Balance at January 1	\$ 6,754,340	(\$ 2,982,221)	\$ 3,772,119
Current service cost	36,669	-	36,669
Interest expense (income)	<u>84,429</u>	<u>(37,587)</u>	<u>46,842</u>
	<u>6,875,438</u>	<u>(3,019,808)</u>	<u>3,855,630</u>
Remeasurements:			
Return on plan assets	-	(260,627)	(260,627)
Change in financial assumptions	(46,051)	-	(46,051)
Experience adjustments	<u>199,304</u>	<u>-</u>	<u>199,304</u>
	<u>153,253</u>	<u>(260,627)</u>	<u>(107,374)</u>
Pension fund contribution	-	(46,429)	(46,429)
Paid pension	<u>(699,861)</u>	<u>58,607</u>	<u>(641,254)</u>
	<u>(699,861)</u>	<u>12,178</u>	<u>(687,683)</u>
Balance at December 31	<u>\$ 6,328,830</u>	<u>(\$ 3,268,257)</u>	<u>\$ 3,060,573</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>For the year ended December 31, 2023</u>			
Balance at January 1	\$ 7,159,101	(\$ 2,943,674)	\$ 4,215,427
Current service cost	48,184	-	48,184
Interest expense (income)	89,489	(37,111)	52,378
	<u>7,296,774</u>	<u>(2,980,785)</u>	<u>4,315,989</u>
Remeasurements:			
Return on plan assets	-	(29,040)	(29,040)
Experience adjustments	4,961	-	4,961
	<u>4,961</u>	<u>(29,040)</u>	<u>(24,079)</u>
Pension fund contribution	-	(48,198)	(48,198)
Paid pension	(547,395)	75,802	(471,593)
	<u>(547,395)</u>	<u>27,604</u>	<u>(519,791)</u>
Balance at December 31	<u>\$ 6,754,340</u>	<u>(\$ 2,982,221)</u>	<u>\$ 3,772,119</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2024	2023
Discount rate	1.45%	1.25%
Future salary increases	2.85%	2.85%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with the Taiwan Annuity Table and experience.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis is as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.35%	Decrease 0.35%
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 57,563)	\$ 59,143	\$ 86,365	(\$ 83,829)
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 69,014)	\$ 71,051	\$ 103,002	(\$ 99,695)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumption of analysing sensitivity is the same with last year.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2025 are \$47,650.

B. (a) From July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2024 and 2023 were \$168,138 and \$170,003, respectively.

(13) Capital stock

A. As of December 31, 2024, the authorised and paid-in capital was \$58,611,863, consisting of 5,861,186 thousand shares with a par value of \$10 per share. All proceeds from shares issued have been collected.

B. Changes in the treasury stocks for the years ended December 31, 2024 and 2023 are set forth below:

For the year ended December 31, 2024					
<u>Reason for reacquisition</u>	<u>Subsidiary</u>	<u>Beginning shares</u>	<u>Additions</u>	<u>Disposal</u>	<u>Ending shares</u>
Parent company shares held by subsidiaries reclassified from long-term investment to treasury stock	Formosa Taffeta Co., Ltd.	<u>12,169,610</u>	<u>-</u>	<u>-</u>	<u>12,169,610</u>

For the year ended December 31, 2023					
<u>Reason for reacquisition</u>	<u>Subsidiary</u>	<u>Beginning shares</u>	<u>Additions</u>	<u>Disposal</u>	<u>Ending shares</u>
Parent company shares held by subsidiaries reclassified from long-term investment to treasury stock	Formosa Taffeta Co., Ltd.	<u>12,169,610</u>	<u>-</u>	<u>-</u>	<u>12,169,610</u>

C. The market value of treasury stocks were \$27.3 and \$62.3 (in dollars) per share at December 31, 2024 and 2023, respectively.

D. The above treasury stocks of the parent company were acquired by subsidiaries.

(14) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

For the year ended December 31, 2024						
	Share premium	Conversion premium of corporate bonds	Treasury share transactions	Effect from net stockholding of associates recognised using equity method	Difference between stock price and book value for disposal of subsidiaries	Others
At January 1, 2024	\$2,710,554	\$ 5,514,032	\$ 376,454	\$ 392,277	\$ 303	\$ 278,520
Dividends allocated to subsidiaries	-	-	5,689	-	-	-
Effect from disposal of net stockholding of associates recognised under the equity method	-	-	-	114	-	-
Changes in ownership interests in subsidiaries	-	-	410	6,010	9,211	-
Expired cash dividends reclassified to capital surplus	-	-	-	-	- (	927)
Overdue dividends are transferred to capital surplus	-	-	-	-	-	20,695
At December 31, 2024	<u>\$2,710,554</u>	<u>\$ 5,514,032</u>	<u>\$ 382,553</u>	<u>\$ 398,401</u>	<u>\$ 9,514</u>	<u>\$ 298,288</u>
For the year ended December 31, 2023						
	Share premium	Conversion premium of corporate bonds	Treasury share transactions	Effect from net stockholding of associates recognised using equity method	Difference between stock price and book value for disposal of subsidiaries	Others
At January 1, 2023	\$2,710,554	\$ 5,514,032	\$ 370,900	\$ 392,782	\$ 163	\$ 258,225
Dividends allocated to subsidiaries	-	-	4,324	-	-	-
Effect from disposal of net stockholding of associates recognised under the equity method	-	-	-	180	-	-
Changes in ownership interests in subsidiaries	-	-	1,230 (	685)	140	-
Expired cash dividends reclassified to capital surplus	-	-	-	-	- (	1,873)
Overdue dividends are transferred to capital surplus	-	-	-	-	-	22,168
At December 31, 2023	<u>\$2,710,554</u>	<u>\$ 5,514,032</u>	<u>\$ 376,454</u>	<u>\$ 392,277</u>	<u>\$ 303</u>	<u>\$ 278,520</u>

(15) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remaining balance is to be set aside as special reserve if necessary; and distributed to shareholders as interest on capital. The remaining balance for current year, after allocating for interest on capital, shall be accumulated with remaining balance of previous year. Bonus distributed shall be proposed by the Board of Directors and resolved by the stockholders.

The special reserve includes:

- i. Reserve for a special purpose;
 - ii. Investment income recognised under equity method and deferred income tax assets arising from unused investment tax credits which are deemed unrealised and transferred to special reserve. Such investment income and deferred income tax assets are reclassified to unappropriated earnings only when they are realised;
 - iii. Net unrealised gains from financial instruments transactions. The special reserve for unrealised gains from financial instruments is reduced when the accumulated value of the unrealised gains also decreases; and
 - iv. Other special reserves as stipulated by other laws.
- B. The Company is in the mature stage and the profit is stable. The Board of Directors shall establish the cash dividend or stock dividend percentage. At least 50% of the distributable earnings after deducting the legal reserve, directors' and supervisors' remuneration, employee compensation and special reserves shall be distributed to stockholders. The Company would prefer cash dividend. If the Company requires funds for significant investments or needs to improve its financial structure, part of the dividend will be in the form of stocks which shall not exceed 50% of the total dividends.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The appropriations of 2023 and 2022 earnings had been resolved at the stockholders' meeting on June 18, 2024 and May 26, 2023, respectively. Details are as follows:

For the years ended December 31,				
2023			2022	
	Amount	Dividends per share (in dollar)	Amount	Dividends per share (in dollar)
Legal reserve	\$ 870,497		\$ 773,180	
Special reserve	142,568		141,215	
Cash dividends	7,326,483	\$ 1.25	5,568,127	\$ 0.95
	<u>\$ 8,339,548</u>		<u>\$ 6,482,522</u>	

Information about the appropriation of employees' compensation and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

- F. The appropriations of the 2024 net income was approved during the Board of Directors' meeting on March 7, 2025 as follows:

For the year ended December 31, 2024		
	Amount	Dividends per share (in dollar)
Legal reserve	\$ -	
Special reserve	-	
Cash dividends	2,930,593	\$ 0.50
	<u>\$ 2,930,593</u>	

(16) Other equity items

	<u>Hedging reserve</u>	<u>Unrealised gain (loss)</u>	<u>Currency translation</u>	<u>Revaluation surplus</u>	<u>Total</u>
At January 1, 2024	\$ 8,435	\$ 83,424,591	(\$ 3,964,501)	\$ 1,002,383	\$ 80,470,908
Revaluation:					
–Parent company	-	(50,080,755)	-	-	(50,080,755)
–Subsidiaries	-	(6,759,890)	-	-	(6,759,890)
–Associates	-	(6,318,789)	-	-	(6,318,789)
Revaluation transferred to retained earnings:					
–Subsidiaries	-	946	-	-	946
–Associates	-	(60,430)	-	-	(60,430)
Cash flow hedges:					
–Associates	(30,224)	-	-	-	(30,224)
Currency translation differences:					
–Parent company	-	-	3,221,724	-	3,221,724
–Tax of parent company	-	-	(696,012)	-	(696,012)
–Subsidiaries	-	-	110,898	-	110,898
–Associates	-	-	1,421,666	-	1,421,666
At December 31, 2024	<u>(\$ 21,789)</u>	<u>\$ 20,205,673</u>	<u>\$ 93,775</u>	<u>\$ 1,002,383</u>	<u>\$ 21,280,042</u>
	<u>Hedging reserve</u>	<u>Unrealised gain (loss)</u>	<u>Currency translation</u>	<u>Revaluation surplus</u>	<u>Total</u>
At January 1, 2023	\$ 160	\$ 72,429,555	(\$ 2,930,647)	\$ 1,002,383	\$ 70,501,451
Revaluation:					
–Parent company	-	6,857,278	-	-	6,857,278
–Subsidiaries	-	109,835	-	-	109,835
–Associates	-	4,050,286	-	-	4,050,286
Revaluation transferred to retained earnings:					
–Subsidiaries	-	362	-	-	362
–Associates	-	(22,725)	-	-	(22,725)
Cash flow hedges:					
–Associates	8,275	-	-	-	8,275
Currency translation differences:					
–Parent company	-	-	(1,156,093)	-	(1,156,093)
–Tax of parent company	-	-	236,747	-	236,747
–Subsidiaries	-	-	(41,011)	-	(41,011)
–Associates	-	-	(73,497)	-	(73,497)
At December 31, 2023	<u>\$ 8,435</u>	<u>\$ 83,424,591</u>	<u>(\$ 3,964,501)</u>	<u>\$ 1,002,383</u>	<u>\$ 80,470,908</u>

(17) Operating revenue

	For the years ended December 31,	
	2024	2023
Revenue from contracts with customers	\$ 217,578,852	\$ 212,962,508
Other operating revenue	12,135	17,599
	<u>\$ 217,590,987</u>	<u>\$ 212,980,107</u>

The Company derives revenue from the transfer of goods and services at a point in time.

(18) Interest income

	For the years ended December 31,	
	2024	2023
Interest income from bank deposits	\$ 79,894	\$ 88,023
Interest from current account with others	31,944	40,133
Other interest income	5,521	27,200
	<u>\$ 117,359</u>	<u>\$ 155,356</u>

(19) Other income

	For the years ended December 31,	
	2024	2023
Rental revenue	\$ 171,196	\$ 190,697
Dividend income	1,208,157	4,479,258
Other revenue	248,580	347,573
	<u>\$ 1,627,933</u>	<u>\$ 5,017,528</u>

(20) Other gains and losses

	For the years ended December 31,	
	2024	2023
Net currency exchange gain	\$ 1,085,979	\$ 160,436
Gain (loss) on disposal of property, plant and equipment	6,536 (	27,904)
Gain on disposals of investments	3,933	-
Gain on lease modification	-	353
Net gain on financial assets at fair value through profit or loss	204,603	78,879
(Loss) gain on reversal of impairment loss recognised in profit, property, plant and equipment (	96,332)	86,002
Other losses	(134,490)	(117,289)
	<u>\$ 1,070,229</u>	<u>\$ 180,477</u>

(21) Finance costs

	For the years ended December 31,	
	2024	2023
Interest expense:		
Bank loans	\$ 462,761	\$ 286,673
Corporate bond	446,865	485,623
Discount	221,547	198,958
Banker's acceptances	470,807	444,233
Other interest expenses	26,831	24,048
	1,628,811	1,439,535
Less: Capitalisation of qualifying assets	(141,402)	(135,735)
Finance costs	\$ 1,487,409	\$ 1,303,800

(22) Expenses by nature

	For the years ended December 31,	
	2024	2023
Depreciation charges on property, plant and equipment and right-of-use assets	\$ 5,297,757	\$ 5,586,348
Employee benefit expense	6,860,787	7,016,052
Amortisation	3,020,643	3,300,506
	\$ 15,179,187	\$ 15,902,906

(23) Employee benefit expense

	For the years ended December 31,	
	2024	2023
Wages and salaries	\$ 5,897,181	\$ 6,004,973
Labor and health insurance fees	428,493	449,478
Pension costs	251,649	270,565
Other personnel expenses	283,464	291,036
	\$ 6,860,787	\$ 7,016,052

- A. In accordance with the Articles of Incorporation of the Company, a ratio of profit before income tax of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation. The ratio shall not be lower than 0.05% and shall not be higher than 0.5% for employees' compensation.
- B. For the years ended December 31, 2024 and 2023, employees' remuneration was accrued at \$557 and \$8,716, respectively. The aforementioned amount was recognised in salary expenses. For the years ended December 31, 2024 and 2023, the employees' compensation was estimated and accrued based on approximately 0.1% of the retained earnings. Employees' compensation for 2023 as resolved by the Board of Directors was in agreement with the amount of \$8,716 recognised in profit or loss for 2023. Employees' compensation for 2023 had been distributed.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31,	
	2024	2023
Current tax:		
Current tax on profits for the year	\$ 126,381	\$ 220,080
Tax on undistributed surplus earnings	7,620	20,857
Prior year income tax (over) under estimation	(120,018)	23,705
Total current tax	<u>13,983</u>	<u>264,642</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>162,691</u>	(105,983)
Total deferred tax	<u>162,691</u>	(105,983)
Income tax expense	<u>\$ 176,674</u>	<u>\$ 158,659</u>

(b) The income tax charge relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2024	2023
Currency translation differences	<u>\$ 696,012</u>	(<u>\$ 236,747</u>)

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate	\$ 111,217	\$ 1,741,435
Effect from items disallowed by tax regulation	(111,077)	(1,627,338)
Non-deductible withholding income tax for offshore income	288,932	-
Tax on undistributed surplus earnings	7,620	20,857
Prior year income tax (over) under estimation	(120,018)	23,705
Income tax expense	<u>\$ 176,674</u>	<u>\$ 158,659</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and investment tax credits are as follows:

For the year ended December 31, 2024				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences				
Deferred tax assets:				
Loss on inventory	\$ 176,332	\$ 32,498	\$ -	\$ 208,830
Currency translation differences	842,286	-	(696,012)	146,274
Unrealised gain from downstream transactions	15,830	(15,830)	-	-
Unfunded pension expense	471,545	(119,173)	-	352,372
Impairment loss	84,817	4,403	-	89,220
Unrealised exchange loss	53,200	(53,200)	-	-
Others	267,766	28,436	-	296,202
Subtotal	<u>1,911,776</u>	<u>(122,866)</u>	<u>(696,012)</u>	<u>1,092,898</u>
Deferred tax liabilities:				
Difference in useful life for depreciation	(\$ 15,863)	\$ 7,419	\$ -	(\$ 8,444)
Unrealised loss from downstream transactions	-	(19,611)	-	(19,611)
Unrealised exchange gain	-	(27,633)	-	(27,633)
Subtotal	<u>(\$ 15,863)</u>	<u>(\$ 39,825)</u>	<u>\$ -</u>	<u>(\$ 55,688)</u>
Total	<u>\$ 1,895,913</u>	<u>(\$ 162,691)</u>	<u>(\$ 696,012)</u>	<u>\$ 1,037,210</u>

For the year ended December 31, 2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences				
Deferred tax assets:				
Loss on inventory	\$ 248,262	(\$ 71,930)	\$ -	\$ 176,332
Currency translation differences	605,539	-	236,747	842,286
Unrealised gain from downstream transactions	-	15,830	-	15,830
Unfunded pension expense	553,849	(82,304)	-	471,545
Impairment loss	118,011	(33,194)	-	84,817
Unrealised exchange loss	18,623	34,577	-	53,200
Others	40,928	226,838	-	267,766
Subtotal	<u>1,585,212</u>	<u>89,817</u>	<u>236,747</u>	<u>1,911,776</u>
Deferred tax liabilities:				
Difference in useful life for depreciation	(\$ 23,444)	\$ 7,581	\$ -	(\$ 15,863)
Unrealised loss from downstream transactions	(8,585)	8,585	-	-
Subtotal	<u>(\$ 32,029)</u>	<u>\$ 16,166</u>	<u>\$ -</u>	<u>(\$ 15,863)</u>
Total	<u>\$ 1,553,183</u>	<u>\$ 105,983</u>	<u>\$ 236,747</u>	<u>\$ 1,895,913</u>

D. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority, expect for the fiscal years 2021 and 2023.

(25) Earnings per share

A. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

For the years ended December 31, 2024 and 2023, the earnings per share are calculated as follows:

For the year ended December 31, 2024					
	Amount		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
<u>Basic earnings per share</u>					
Net income	<u>\$ 556,085</u>	<u>\$ 379,411</u>	<u>5,849,017</u>	<u>\$ 0.10</u>	<u>\$ 0.06</u>

	For the year ended December 31, 2023				
	Amount		Weighted average number of ordinary shares outstanding	Earnings per share (in dollars)	
	Before tax	After tax	(shares in thousands)	Before tax	After tax
Basic earnings per share					
Net income	\$ 8,707,177	\$ 8,548,518	5,849,017	\$ 1.49	\$ 1.46

- B. Employees' compensation could be distributed in the form of stock. Since there is no significant impact when calculating diluted earnings per share, basic earnings per share equals diluted earnings per share.
- C. If stocks of the parent company held by subsidiaries are not treated as treasury stocks, the calculation of basic earnings per share for the years ended December 31, 2024 and 2023 is as follows:

	For the year ended December 31, 2024				
	Amount		Weighted average number of ordinary shares outstanding	Earnings per share (in dollars)	
	Before tax	After tax	(shares in thousands)	Before tax	After tax
<u>Basic earnings per share</u>					
Net income	\$ 556,085	\$ 379,411	5,861,186	\$ 0.09	\$ 0.06

	For the year ended December 31, 2023				
	Amount		Weighted average number of ordinary shares outstanding	Earnings per share (in dollars)	
	Before tax	After tax	(shares in thousands)	Before tax	After tax
<u>Basic earnings per share</u>					
Net income	\$ 8,707,177	\$ 8,548,518	5,861,186	\$ 1.49	\$ 1.46

(26) Supplemental cash flow information

- A. Investing activities with partial cash payments:

	For the years ended December 31,	
	2024	2023
Purchase of fixed assets	\$ 7,194,030	\$ 9,526,934
Add: Opening balance of payable on equipment	1,987,336	1,644,736
Less: Ending balance of payable on equipment	(737,254)	(1,987,336)
Cash paid during the year	\$ 8,444,112	\$ 9,184,334

B. Financing activities with partial cash payments:

	For the years ended December 31,	
	2024	2023
Distribution of cash dividends	\$ 7,326,483	\$ 5,568,127
Add: Opening balance of dividends payable	58,655	75,964
Less: Ending balance of dividends payable	(47,965)	(58,655)
Cash dividends paid during the year	<u>\$ 7,337,173</u>	<u>\$ 5,585,436</u>

(27) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Bonds payable (including current portion)	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2024	\$10,404,900	\$26,780,338	\$40,650,000	\$12,500,000	\$ 90,335,238
Changes in cash flow from financing activities	(694,100)	5,512,049	(3,800,000)	4,500,000	5,517,949
At December 31, 2024	<u>\$ 9,710,800</u>	<u>\$32,292,387</u>	<u>\$36,850,000</u>	<u>\$17,000,000</u>	<u>\$ 95,853,187</u>

	Short-term borrowings	Short-term notes and bills payable	Bonds payable (including current portion)	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2023	\$10,300,000	\$31,596,955	\$45,500,000	\$ 4,500,000	\$ 91,896,955
Changes in cash flow from financing activities	104,900	(4,816,617)	(4,850,000)	8,000,000	(1,561,717)
At December 31, 2023	<u>\$10,404,900</u>	<u>\$26,780,338</u>	<u>\$40,650,000</u>	<u>\$12,500,000</u>	<u>\$ 90,335,238</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Subsidiary
Formosa Power (Ningbo) Co., Ltd.	"
Formosa Industries Corp., Vietnam	"
Formosa Biomedical Technology Corp. and its subsidiary	"
Formosa Idemitsu Petrochemical Corp.	"
Formosa INEOS Chemicals Corp.	"
Formosa Carpet Corp.	"
Chia-Nan Enterprise Corp.	"
Formosa Green Power Corp.	"
Formosa Taffeta Co., Ltd. and its subsidiary	"
Formosa Renewable Energy Corp.	"
Formosa Petrochemical Corp.	Associate
Formosa Heavy Industries Corp.	"
Formosa Plastics Transport Corp.	"
Formosa Synthetic Rubber (Hong Kong) Corp.	"
Mai-Liao Power Corp.	"
Formosa Group Corp. (Cayman)	"
Formosa Environmental Technology Co.	"
Hwa Ya Science Park Management Consulting Co, Ltd.	"
Formosa Plastics Construction Corp.	"
Formosa Resources Corp.	"
Formosa Steel IB Pty Ltd.	"
Formosa Advanced Technologies Co., Ltd.	"
FG INC.	"
Guo Su Plastic Industry Co., Ltd.	"
Formosa Smart Energy Tech Corp.	"
Formosa AdvEnergy Technology Corp.	"
Formosa Lithium Iron Oxide Corp.	"
CH algae Co., Ltd.	"
InnoGT Co., Ltd.	"
Formosa Plastics Corp.	Other related party
Nan Ya Plastics Corp.	"
Nan Ya Plastics (Hui Zhou) Corp.	"
Nan Ya Plastics (Ningbo) Corp.	"
Ming Chi University Of Technology	"
Chang Gung University	"
Yue Chi Development Corp	"
PFG Fiber Glass Corp.	"
Formosa Plastics Marine Corp.	"
Formosa Plastics Marine Co., Ltd.	"
Mai Liao Harbor Administration Corp.	"

Names of related parties	Relationship with the Company
Formosa Plastics Building Parking Lot	Other related party
Formosa Network Technology Corp.	"
FPG Travel Service Co., Ltd.	"
Formosa Sumco Technology Corporation	"
Formosa Asahi Spandex Co., Ltd.	"
Formosa Plastics Logistics Corp.	"
Formosa Daikin Advanced Chemicals Co., Ltd.	"
Inteplast Taiwan Corporation	"
Formosa Oil (Asia Pacific) Corporation	"
Asia Pacific Development Corp.	"
Ya Tai Development Corp.	"
Bio Trust International Corp.	"
Formosa Ha Tinh (Cayman) Limited	"
Formosa Ha Tinh Steel Corp.	"

(2) Significant related party transactions

A. Sales of goods:

	For the years ended December 31,	
	2024	2023
Sales of goods:		
— Subsidiaries		
Formosa Chemicals Industries (Ningbo) Co., Ltd.	\$ 32,219,795	\$ 29,446,724
Others	10,290,787	11,661,566
— Associates		
Formosa Petrochemical Corp.	34,951,759	32,129,651
Others	8,323	298
— Other related parties		
Nan Ya Plastics Corp.	23,404,477	24,008,251
Others	5,007,893	3,924,467
	<u>\$ 105,883,034</u>	<u>\$ 101,170,957</u>

The selling prices and terms for related parties are the same with non-related parties. The collection terms for overseas related parties are described in Note 13(1).

B. Purchases of goods:

	For the years ended December 31,	
	2024	2023
Purchases of goods:		
— Subsidiaries	\$ 4,476,713	\$ 4,364,961
— Associates		
Formosa Petrochemical Corp.	140,590,191	139,662,953
— Other related parties	8,688,402	9,343,403
	<u>\$ 153,755,306</u>	<u>\$ 153,371,317</u>

The payment terms for related parties are within 30~60 days of purchase. The purchase prices and terms for related parties are the same with non-related parties.

C. Receivables from related parties:

	December 31, 2024	December 31, 2023
Receivables from related parties:		
— Subsidiaries		
Formosa Chemicals Industries (Ningbo) Co., Ltd.	\$ 4,002,573	\$ 4,359,918
Others	1,356,022	1,246,512
— Associates		
Formosa Petrochemical Corp.	2,844,930	3,520,956
Others	20	22
— Other related parties		
Nan Ya Plastics Corp.	1,820,523	1,920,188
Others	643,911	314,094
	<u>\$ 10,667,979</u>	<u>\$ 11,361,690</u>

The receivables from related parties are mainly from sales of goods and receivables for payments on behalf of others for construction design services. Receivables for sales are due 30~120 days from the date of sales.

D. Payables to related parties:

	December 31, 2024	December 31, 2023
Payables to related parties:		
— Subsidiaries	\$ 413,132	\$ 337,544
— Associates		
Formosa Petrochemical Corp.	9,785,023	8,629,971
— Other related parties	893,168	707,410
	<u>\$ 11,091,323</u>	<u>\$ 9,674,925</u>

The payables to related parties arise mainly from purchase transactions and are due 30~60 days after the date of purchase. The payables bear no interest.

E. Expansion and repair project

(a) Expansion and repair project:

	For the years ended December 31,	
	2024	2023
Expansion and repair works of factory sites:		
— Associates	\$ 468,915	\$ 808,658
— Other related parties	114,142	352,343
	<u>\$ 583,057</u>	<u>\$ 1,161,001</u>

(b) Ending balance of payables for expansion and repair project:

	December 31, 2024	December 31, 2023
Payables to related parties:		
— Associates	\$ 3,703	\$ -
— Other related parties	1,131	31,612
	<u>\$ 4,834</u>	<u>\$ 31,612</u>

The Company contracted the expansion and repair works of the factory sites to related parties. The payment terms are in accordance with the industry practice with payment due within a month after inspection.

F. Financing

(a) Loans to related parties

	December 31, 2024	December 31, 2023
— Associates		
Formosa Steel IB Pty Ltd.	\$ -	\$ 1,622,500
— Other related parties		
Formosa Plastics Marine Co., Ltd.	-	1,454,927
	<u>\$ -</u>	<u>\$ 3,077,427</u>

(b) Interest income

	For the years ended December 31,	
	2024	2023
— Subsidiaries	\$ -	\$ 123
— Associates		
Formosa Heavy Industries Corp.	-	7,847
Formosa Steel IB Pty Ltd.	26,138	5,849
— Other related parties		
Formosa Plastics Marine Co., Ltd.	5,659	26,155
	<u>\$ 31,797</u>	<u>\$ 39,974</u>

The loan terms to related parties are in accordance with the contract's repayment schedule after the loan was made; interest were collected at 1.99% ~ 2.17% and 1.86% ~ 1.99% per annum for the years ended December 31, 2024 and 2023, respectively.

G. Operating expenses

	For the years ended December 31,	
	2024	2023
Transportation charges		
— Other related parties		
Formosa Plastics Marine Corp.	\$ 1,731,629	\$ 1,441,063

H. Rental revenue

	For the years ended December 31,	
	2024	2023
— Subsidiaries		
Formosa INEOS Chemicals Corp.	\$ 15,530	\$ 15,841
Formosa Biomedical Technology Corp.	51,490	50,542
Others	6,984	3,336
	74,004	69,719
— Associates		
Formosa Petrochemical Corp.	136	17,946
Others	21,084	10,427
	21,220	28,373
— Other related parties		
Nan Ya Plastics Corp.	11,558	26,004
Formosa Plastics Building Parking Lot	-	13,736
Formosa Network Technology Corp.	15,400	15,400
Others	34,161	25,532
	61,119	80,672
	\$ 156,343	\$ 178,764

The rental prices charged to related parties are determined considering the local rental prices and payments, and are collected monthly.

I. Property transactions:

(a) Purchase of property, plant and equipment

	For the years ended December 31,	
	2024	2023
Associates	\$ 596,777	\$ 758,898

(b) Acquisition of financial assets

				2024
	Items	Number of shares	Name of the securities	Additional amount
Formosa Smart Energy Tech Corp.	Investments accounted for using equity method	200,000,000	Shares of Formosa Smart Energy Tech Corp.	\$ 2,000,000
				2023
	Items	Number of shares	Name of the securities	Additional amount
Formosa Smart Energy Tech Corp.	Investments accounted for using equity method	60,000,000	Shares of Formosa Smart Energy Tech Corp.	\$ 600,000
Formosa Plastics Construction Corp.	Investments accounted for using equity method	50,000,000	Shares of Formosa Plastics Construction Corp.	500,000
Formosa Resources Corp.	Investments accounted for using equity method	79,860,000	Shares of Formosa Resources Corp.	799,625
				<u>\$ 1,899,625</u>

J. Sales of materials:

The amounts of raw materials sold and the accounts receivable at the period-end from the investees located in China and Vietnam are listed below:

		For the years ended December 31,	
		2024	2023
Sales of materials:			
— Subsidiaries		<u>\$ 111,249</u>	<u>\$ 579,854</u>
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
Receivable from sales of materials:			
— Subsidiaries		<u>\$ 54,435</u>	<u>\$ 26,182</u>

K. Details of the Company providing endorsements / guarantees and issuing promissory note for related parties are provided in Notes 9(3) and (4).

(3) Key management compensation

	For the years ended December 31,	
	2024	2023
Salaries	\$ 160,107	\$ 144,726
Post-employment benefits	1,608	1,520
Total	<u>\$ 161,715</u>	<u>\$ 146,246</u>

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged assets	Book value		Purpose
	December 31, 2024	December 31, 2023	
Property, plant and equipment	<u>\$ 5,737,666</u>	<u>\$ 5,737,666</u>	Collaterals for bank loans

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

The details of commitments and contingencies as of December 31, 2024 were as follows:

- (1) Capital expenditures contracted for property, plant and equipment at the balance sheet date but not yet incurred amounted to \$4,821,945.
- (2) The outstanding letters of credit for major raw materials and equipment purchases amounted to USD 4,064 thousand, JPY 49,179 and EUR 520 thousand.
- (3) The endorsements and guarantees to others are as follows:

	December 31, 2024	December 31, 2023
Formosa Group Corp. (Cayman)	<u>\$ 8,195,250</u>	<u>\$ 7,683,750</u>

- (4) The promissory notes issued for others are as follows:

- A. The Company's indirect investees, Formosa Ha Tinh (Cayman) Limited Co. and Formosa Ha Tinh Steel Corporation, were provided with a bank loan facility of USD 4,848,500 thousand and USD 3,537,500 thousand to meet the operation needs, respectively. To secure the rights of its shareholders, the Company is required to issue a promissory note to ensure the borrower will fulfill its obligation for repayment.
- B. The Company's consolidated entity, Formosa Industries Corp. and Formosa Chemicals Industries (Ningbo) CO., Ltd., were provided with a bank loan facility of USD 200,000 thousand and RMB 3,100,000 thousand to meet the operation needs. To secure the rights of its shareholders, the Company is required to issue a promissory note to ensure the borrower will fulfill its obligation for repayment.
- C. The Group's indirect investees, Formosa Resources Corp., Formosa Steel IB Pty Ltd. and Formosa Resources Australia Pty Ltd., were provided with a bank loan facility of USD 430,000 thousand and USD 1,195,000 thousand and USD 550,000 thousand to meet the operation needs, respectively. To secure the rights of its shareholders, the Company is required to issue a promissory note to ensure the borrower will fulfill its obligation for repayment.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The Board of Directors has resolved the appropriations of 2024 earnings on March 7, 2025. Details are provided in Note 6(15) F.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During the years ended December 31, 2024 and 2023, the Company's strategy, which was unchanged from 2023, was to maintain the gearing ratio at 25% and 21%, respectively.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 1,846,201	\$ 1,641,598
Financial assets at fair value through other comprehensive income	67,799,370	117,883,609
Financial assets at amortised cost	28,911,084	25,023,581
	<u>\$ 98,556,655</u>	<u>\$ 144,548,788</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	\$ 112,493,723	\$ 107,827,071
Lease liabilities	13,446	15,334
	<u>\$ 112,507,169</u>	<u>\$ 107,842,405</u>

Note: Financial assets measured at amortised cost include cash and cash equivalents, accounts and notes receivable (including related parties), other receivables(including related parties), current financial assets at amortised cost, and refundable deposits. Financial liabilities measured at amortised cost include short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables, long-term borrowings (including those maturing within one year or one business cycle),

corporate bonds payable (including those maturing within one year or one business cycle), and guarantee deposits received.

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investment in foreign operations.
- ii. Management has set up a policy to manage its foreign exchange risk against its functional currency. Each entity hedges its entire foreign exchange risk exposure.

- iii. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, VND and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024			
	Foreign Currency			
	Amount (In Thousands)	Exchange Rate	Book Value (NTD)	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	317,322	32.78	\$ 10,401,815
JPY : NTD		25,412	0.21	5,337
EUR : NTD		1,207	34.07	41,122
<u>Non-monetary items</u>				
RMB : NTD	\$	13,322,505	4.56	\$ 60,750,623
USD : NTD		148,900	32.78	4,880,942
VND : NTD		3,978,055,771	0.0013	5,171,473
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	\$	14,193	32.78	\$ 465,247
JPY : NTD		66,645	0.21	13,995
EUR : NTD		131	34.07	4,463

- iv. Total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023 amounted to \$1,085,979 and \$160,436, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

For the year ended December 31, 2024				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	104,018	\$ -
JPY : NTD	1%		53	-
EUR : NTD	1%		411	-
<u>Non-monetary items</u>				
RMB : NTD	1%	\$	-	\$ 607,506
USD : NTD	1%		-	48,809
VND : NTD	1%		-	51,715
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	4,652	\$ -
JPY : NTD	1%		140	-
EUR : NTD	1%		45	-
For the year ended December 31, 2023				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	390,362	\$ -
JPY : NTD	1%		50	-
EUR : NTD	1%		235	-
<u>Non-monetary items</u>				
RMB : NTD	1%	\$	-	\$ 632,443
USD : NTD	1%		-	49,626
VND : NTD	1%		-	53,124
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	21,107	\$ -
JPY : NTD	1%		57	-

Price risk

- i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, components of equity for the years ended December 31, 2024 and 2023 would have increased/decreased by \$14,770 and \$13,133, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$677,994 and \$1,178,836, respectively, as a result of other comprehensive income classified as available-for-sale equity investment and equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During the years ended December 31, 2024 and 2023, the Company's borrowings at variable rate were denominated in the NTD.
- ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of instruments stated at fair value through other comprehensive income.
- ii. The Company manages its credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of the new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial

position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Company adopts assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2024 and 2023, the Company's written-off financial assets that are still under recourse procedures amounted to \$4,924 and \$4,924, respectively.
- v. The Company used the forecastability of Taiwan Directorate General of Budget, Accounting and Statistics and Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~60 days past due</u>	<u>61~90 days past due</u>	<u>Over 91 days past due</u>
<u>At December 31, 2024</u>					
Expected loss rate	0.15%	0.05%	0.09%	-	77.27%
Total book value	\$ 17,427,847	\$ 144,512	\$ 34,229	\$ -	\$ 51,815
Loss allowance	\$ 26,699	\$ 74	\$ 32	\$ -	\$ 40,035
<u>At December 31, 2023</u>					
Expected loss rate	0.05%	0.03%	0.03%	-	51.19%
Total book value	\$ 18,488,985	\$ 152,049	\$ 104,332	\$ -	\$ 112,050
Loss allowance	\$ 9,396	\$ 48	\$ 36	\$ -	\$ 57,360

- vi. Movements in relation to the Company applying the simplified approach to provide loss allowance for notes and accounts receivable and contract assets are as follows:

	<u>For the year ended December 31, 2024</u>		
	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Notes receivable</u>
At January 1	\$ 66,840	\$ -	\$ -
Reversal of impairment loss	-	-	-
At December 31	\$ 66,840	\$ -	\$ -
<u>For the year ended December 31, 2023</u>			
	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Notes receivable</u>
At January 1	\$ 67,152	\$ -	\$ -
Reversal of impairment loss	(312)	-	-
At December 31	\$ 66,840	\$ -	\$ -

The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not past due	\$ 17,427,847	\$ 18,488,985
Up to 30 days	144,512	152,049
31 to 60 days	34,229	104,332
61 to 90 days	-	-
Over 91 days	51,815	112,050
	<u>\$ 17,658,403</u>	<u>\$ 18,857,416</u>

The above ageing analysis was based on past due date.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, loans to related parties, time deposits and cash equivalents, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- iii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
<u>December 31, 2024</u>				
Lease liability	\$ 2,100	\$ 2,090	\$ 5,013	\$ 4,994
Bonds payable	10,950,000	9,500,000	11,850,000	4,550,000
Long-term borrowings	11,000,000	-	6,000,000	-

Non-derivative financial liabilities:

<u>December 31, 2023</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
Lease liability	\$ 2,126	\$ 4,167	\$ 3,540	\$ 6,455
Bonds payable	3,800,000	10,950,000	21,350,000	4,550,000
Long-term borrowings	1,500,000	11,000,000	-	-

Except for the aforementioned liabilities, the Company's non-derivative financial liabilities will mature within one year.

- iv. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds and derivative instruments with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset for the asset or liability, either directly or indirectly. The fair value of the Company's investment in off-the-run government bonds, corporate bonds, bank debentures, convertible bonds and most derivative instruments is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data

- B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties) and other payables (including related parties) are approximate to their fair values. The carrying amounts of long-term borrowings (including current portion) and lease liabilities are reasonable basis for fair value estimate given that their interest rates are approximate to market rates.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurement</u>				
Financial assets at fair value through profit or loss				
Fund	\$ -	\$ 1,846,201	\$ -	\$ 1,846,201
Financial assets at fair value through other				
Equity securities	<u>39,739,216</u>	<u>1,337,960</u>	<u>26,722,194</u>	<u>67,799,370</u>
	<u>\$ 39,739,216</u>	<u>\$ 3,184,161</u>	<u>\$ 26,722,194</u>	<u>\$ 69,645,571</u>
<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurement</u>				
Financial assets at fair value through profit or loss				
Fund	\$ -	\$ 1,641,598	\$ -	\$ 1,641,598
Financial assets at fair value through other				
Equity securities	<u>92,478,330</u>	<u>2,161,222</u>	<u>23,244,057</u>	<u>117,883,609</u>
	<u>\$ 92,478,330</u>	<u>\$ 3,802,820</u>	<u>\$ 23,244,057</u>	<u>\$ 119,525,207</u>

D. The methods and assumptions the Company used to measure fair value are as follows:

- i. The instruments the Company used market quoted prices as their fair value (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants, the inputs used in the valuation method to measure these financial instruments are normally observable in the market.

- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.
 - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment or valuation is necessary in order to reasonably represent the fair value if financial and non-financial instruments at the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vi. The Company takes into account adjustments for credit risks of the counterparty and the Company's credit quality.
- E. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	<u>For the year ended December 31, 2024</u>
	<u>Non-derivative equity instrument</u>
At January 1	\$ 23,244,057
Gain or loss recognised in other comprehensive income	
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	3,481,621
Proceeds from capital reduction	(3,484)
At December 31	<u>\$ 26,722,194</u>

	<u>For the year ended December 31, 2023</u>	
	<u>Non-derivative equity instrument</u>	
At January 1	\$	19,828,417
Gain or loss recognised in other comprehensive income		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income		3,422,488
Proceeds from capital reduction	(	6,848)
At December 31	\$	<u>23,244,057</u>

G. For the years ended December 31, 2024 and 2023, there was no transfer from Level 3.

H. The Company Treasury is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value. The Treasury sets up valuation policies, valuation processes and rules for measuring fair value of financial instruments and ensure compliance with the related requirements in IFRS. The related valuation results are reported to Accounting Division monthly. Accounting Division is responsible for managing and reviewing valuation processes.

- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:				
Unlisted shares	\$ 18,448,448	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability, control premium	The higher the multiple, the higher the fair value
	1,306,609	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
	6,967,137	Net asset value	Not applicable	Not applicable

	<u>December 31, 2023</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:				
Unlisted shares	\$ 14,717,827	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability, control premium	The higher the multiple, the higher the fair value
	1,338,551	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
	7,187,679	Net asset value	Not applicable	Not applicable

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2024		
		Recognised in other comprehensive income		
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability, control premium	±1%	\$ 184,484	\$ 184,484
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	±1%	\$ 13,066	\$ 13,066
		December 31, 2023		
		Recognised in other comprehensive income		
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability, control premium	±1%	\$ 147,178	\$ 147,178
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	±1%	\$ 13,386	\$ 13,386

13. Supplementary Disclosures

(1) Significant transactions information

In accordance with Rules Governing the Preparation of Financial Statements by Securities Issuers, significant transactions for the year ended December 31, 2024 are stated as follows.

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant intragroup transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

(4) Major shareholders information

Major shareholders information: Please refer to table 11.

14. Segment Information

None.

Formosa Chemicals and Fibre Corporation
Loans to others
For the year ended December 31, 2024

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2024 (Note 3)	Balance at December 31, 2024 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
0	The Company	Formosa Carpet Corp.	Other receivables-related parties	Yes	\$ 100,000	\$ 100,000	\$ -	1.99~2.18	2	1	Additional operating capital	\$ -	-	\$ -	\$ 27,254,827	\$ 109,019,309	-
0	The Company	Formosa Biomedical Technology Corp.	Other receivables-related parties	Yes	500,000	500,000	-	1.99~2.18	2	1	Additional operating capital	-	-	-	27,254,827	\$ 109,019,309	-
0	The Company	Hong Jing Resources Corp.	Other receivables-related parties	Yes	500,000	500,000	-	1.99~2.18	2	1	Additional operating capital	-	-	-	27,254,827	109,019,309	-
0	The Company	Formosa Plastics Construction Corp.	Other receivables-related parties	Yes	5,200,000	150,000	-	1.99~2.18	2	1	Additional operating capital	-	-	-	54,509,654	109,019,309	-
0	The Company	Formosa Heavy Industries Corp.	Other receivables-related parties	Yes	7,600,000	5,700,000	-	1.99~2.18	2	1	Additional operating capital	-	-	-	54,509,654	109,019,309	-
0	The Company	Formosa Petrochemical Corp.	Other receivables-related parties	Yes	6,000,000	4,500,000	-	1.99~2.18	1	2	Additional operating capital	-	-	-	68,137,068	136,274,136	-
0	The Company	Formosa Plastics Corp.	Other receivables-related parties	Yes	6,000,000	4,500,000	-	1.99~2.18	1	2	Additional operating capital	-	-	-	68,137,068	136,274,136	-
0	The Company	Nan Ya Plastics Corp.	Other receivables-related parties	Yes	6,000,000	4,500,000	-	1.99~2.18	1	2	Additional operating capital	-	-	-	68,137,068	136,274,136	-
0	The Company	Formosa Steel IB PTY LTD.	Other receivables-related parties	Yes	1,622,500	-	-	1.99~2.17	2	1	Additional operating capital	-	-	-	54,509,654	109,019,309	-
0	The Company	Formosa Plastics Marine Corp.	Other receivables-related parties	Yes	1,724,487	-	-	1.99~2.13	2	1	Additional operating capital	-	-	-	54,509,654	109,019,309	-

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2024 (Note 3)	Balance at December 31, 2024 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
2	Formosa Power (Ningbo) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Receivables from related party	Yes	\$ 4,560,200	\$ 4,560,200	\$ 4,560,200	2.48~2.76	2	1	Additional operating capital	\$ -	-	\$ -	\$ 5,880,502	\$ 5,880,502	-
2	Formosa Power (Ningbo) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Receivables from related party	Yes	3,160,920	-	-	2.48~2.76	2	1	Additional operating capital	-	-	-	5,880,502	5,880,502	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Name of account in which the loans are recognised including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3 : Maximum outstanding balance of loans to others during the year period ended December 31, 2024

Note 4 : The nature of loans:

(1) Related to business transactions is "1".

(2) Short-term financing is "2".

Note 5 : Amount of business transactions with the borrower :

(1) No business transactions is "1".

(2) Business transactions amount is provided in Note 13 (1) G.

Note 6 : Provided that loans to others are for necessary short-term financing by nature, shall specifically note necessary reasons for the loans and purposes of the borrowers, for example, repayment of loans, acquisition of equipment, and financing for operation, etc.

Note 7 : The calculation of line of credit:

The limit on loans granted by the Company to a single party, related party and party with business transactions shall not be more than 25% of the Company's net assets, and limit to others is 20% of the Company's net assets.

The ceiling on loans granted by the Company to others shall not be more than 50% of the Company's net assets, and ceiling on loans granted a short-term financing borrower with no business transactions shall not be more than 40% of the Company's net assets.

The ceiling on loans granted by a subsidiary to others shall not be more than 100% of the Company's net assets, and ceiling on loans granted a short-term financing borrower with no business transactions shall not be more than 40% of the Company's net assets.

Note 8 : The amount was resolved by the Board of Directors.

Formosa Chemicals and Fibre Corporation
Provision of endorsements and guarantees to others
For the year ended December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2024 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2024	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 5)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	The Company	Formosa Group (Cayman) Limited	6	\$ 177,156,377	\$ 8,209,000	\$ 8,195,250	\$ 8,195,250	\$ -	3.01	\$ 354,312,754	N	N	N	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Zhongshan) Co., Ltd.	2	23,991,836	1,083,555	917,980	-	-	2.49	47,983,672	Y	N	Y	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Vietnam) Co., Ltd.	2	23,991,836	1,672,035	1,672,035	163,243	-	4.53	47,983,672	Y	N	N	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Changshu) Co., Ltd.	2	23,991,836	1,805,925	1,803,175	90,415	-	4.89	47,983,672	Y	N	Y	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Dong Nai) Co., Ltd.	2	23,991,836	4,350,638	4,344,013	1,850,143	-	11.77	47,983,672	Y	N	N	-

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: In accordance with Company's procedures of endorsements and guarantees, limit on the Company's total guarantee amount is 130% of the Company's net assets, the limit on endorsement/guarantee to a single party is 50% of the aforementioned total amount. For companies having business relationship with the Company and thus being provided endorsements/guarantees, the limit on endorsements to a single party is the higher value of purchasing or selling.

Note 4: Year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: 'Y' represents cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, or provision to the party in Mainland China.

Formosa Chemicals and Fibre Corporation
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
For the year ended December 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
The Company	Mega Private US Dollar Money Market Funds	-	Financial assets at fair value through profit or loss - current	4,554,251	\$ 1,846,201	-	\$ 1,846,201	-
The Company	Stocks_Formosa Plastics Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	486,978,694	17,287,743	7.65	17,287,743	-
The Company	Stocks_Nan Ya Plastics Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	413,327,750	12,358,500	5.21	12,358,500	-
The Company	Stocks_Nan Ya Technology Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	334,815,409	9,793,351	10.81	9,793,351	-
The Company	Stocks_Formosa Union Chemical Corp.	-	Financial assets at fair value through other comprehensive income - current	14,723,422	299,622	3.09	299,622	-
The Company	Stocks_Asia Pacific Investment Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	63,621,500	1,337,960	14.97	1,337,960	-
The Company	Stocks_Mai-Liao Harbor Administration Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	39,562,740	1,053,556	17.98	1,053,556	-
The Company	Stocks_Formosa Plastic Corp. U.S.A	Other related parties	Financial assets at fair value through other comprehensive income - non-current	8,999	3,235,223	2.92	3,235,223	-
The Company	Stocks_Taiwan Stock Exchange Corp.	-	Financial assets at fair value through other comprehensive income - non-current	26,639,541	5,270,900	2.00	5,270,900	-
The Company	Stocks_Taiwan Aerospace Corp.	-	Financial assets at fair value through other comprehensive income - non-current	1,070,151	30,050	0.79	30,050	-
The Company	Stocks_Yi-Jih Development Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	63,174	16,995	1.51	16,995	-
The Company	Stocks_Chinese Television System Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,376,202	28,396	1.41	28,396	-
The Company	Stocks_Formosa Plastics Maritime Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	4,496,333	253,054	18.22	253,054	-
The Company	Stocks_Formosa Development Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	20,471,043	191,404	18.00	191,404	-
The Company	Stocks_Formosa Network Technology Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	2,925,000	455,247	12.50	455,247	-
The Company	Stocks_Formosa Plastics Marine Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	16,234,425	599,862	15.00	599,862	-
The Company	Stocks_Formosa Ocean Group Marine Investment Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	2,622	8,820,458	19.00	8,820,458	-

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
The Company	Stocks_Guangyuan Investment Corp.	-	Financial assets at fair value through other comprehensive income - non-current	3,750,000	\$ 38,362	3.91	\$ 38,362	-
The Company	Stocks_Mega Growth Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	1,041,825	8,949	1.97	8,949	-
The Company	Stocks_Formosa Ha Tinh(Cayman) Limited	Other related parties	Financial assets at fair value through other comprehensive income - non-current	621,178,219	6,719,738	11.43	6,719,738	-
Formosa Biomedical Technology Corp.	Stocks_Formosa Union Chemical Corp.	-	Financial assets at fair value through other comprehensive income - current	865,373	17,610	0.18	17,610	-
Formosa Biomedical Technology Corp.	Maxigen Biotech Inc.	-	Financial assets at fair value through profit or loss - current	8,702,040	425,965	9.76	425,965	-
Formosa Biomedical Technology Corp.	Stocks_Formosa Network Technology Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	122,120	19,007	0.52	19,007	-
Formosa Biomedical Technology Corp.	Stocks_Taiwan Leader Biotech Corp.	-	Financial assets at fair value through other comprehensive income - non-current	1,008,000	36,439	4.24	36,439	-
Formosa Biomedical Technology Corp.	Stocks_Apexcella Biomedical Inc.	-	Financial assets at fair value through other comprehensive income - non-current	3,600,000	9,324	5.00	9,324	-
Formosa Biomedical Technology Corp.	Stocks_United Performance Materials Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	423,720	5,953	0.46	5,953	-
Formosa Biomedical Technology Corp.	Stocks_United Biopharma (Cayman), Inc.	-	Financial assets at fair value through other comprehensive income - non-current	23,559,814	-	11.27	-	-
Formosa Biomedical Technology Corp.	Stocks_UBI Pharma Inc.	-	Financial assets at fair value through other comprehensive income - non-current	3,418,109	107,431	2.89	107,431	-
Formosa Biomedical Technology Corp.	Stock_Formosa Smart Energy Tech Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	85,000,000	834,700	5.00	834,700	-
Formosa Biomedical Technology Corp.	Stocks_Fun Lead Change CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	700,000	28,000	12.73	28,000	-
Formosa Biomedical Technology Corp.	Stocks_Silicon Based Molecular Sensoring Technology CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	7,500,000	60,000	14.92	60,000	-
Formosa Taffeta Co., Ltd.	Stocks_Formosa Chemicals & Fibre Corp.	Ultimate parent company	Financial assets at fair value through other comprehensive income - current	12,169,610	332,230	0.21	332,230	3
Formosa Taffeta Co., Ltd.	Stocks_Pacific Electric Wire & Cable Corp., Ltd.	-	Financial assets at fair value through other comprehensive income - current	35	-	-	-	-
Formosa Taffeta Co., Ltd.	Stocks_Formosa Plastics Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	640	23	-	23	-
Formosa Taffeta Co., Ltd.	Stocks_Nan Ya Plastics Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	482,194	14,418	0.01	14,418	-
Formosa Taffeta Co., Ltd.	Stocks_Asia Pacific Investment Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	10,000,000	210,300	2.35	210,300	-
Formosa Taffeta Co., Ltd.	Stocks_Nan Ya Technology Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	7,711,010	225,547	0.25	225,547	-

Table 3, Page 2

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Formosa Taffeta Co., Ltd.	Stocks_Formosa Petrochemical Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	365,267,576	\$ 12,619,995	3.83	\$ 12,619,995	-
Formosa Taffeta Co., Ltd.	Stocks_Syntronix Corporation	-	Financial assets at fair value through other comprehensive income - non-current	234,166	8,062	0.54	8,062	-
Formosa Taffeta Co., Ltd.	Stocks_Toa Resin Corp., Ltd.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	14,400	45,026	10.00	45,026	-
Formosa Taffeta Co., Ltd.	Stocks_Shin Yun Natural Gas Corp.	-	Financial assets at fair value through other comprehensive income - non-current	995,829	26,828	1.20	26,828	-
Formosa Taffeta Co., Ltd.	FG INC	Other related parties	Financial assets at fair value through other comprehensive income - non-current	600	273,006	3.00	273,006	-
Formosa Taffeta Co., Ltd.	NKFG Co	Other related parties	Financial assets at fair value through other comprehensive income - non-current	1,838,426	19,818	1.16	19,818	-
Formosa Taffeta Co., Ltd.	Stocks_Formosa Ha Tinh (Cayman) Limited	Other related parties	Financial assets at fair value through other comprehensive income - non-current	209,010,676	2,261,297	3.85	2,261,297	-
Formosa Development Co., Ltd.	Stocks_Formosa Taffeta Co., Ltd.	Parent company	Financial assets at fair value through other comprehensive income - non-current	2,193,228	40,246	0.13	40,246	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities, as defined in IAS 39 "Financial instruments: Recognition and Measurement".

Note 2: The column is left blank if the issuer of marketable securities is non-related party.

Note 3: The Company's stocks held by the subsidiaries—Formosa Taffeta Co., Ltd. are deemed as treasury stocks. Details are provided in Note 6 (15).

Formosa Chemicals and Fibre Corporation

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2024		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2024		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
The Company	Formosa Smart Energy Tech Corp.	Investments measured by equity method	Formosa Smart Energy Tech Corp.	Associates	140,000,000	\$ 1,384,277	200,000,000	\$ 2,000,000	-	\$ -	-	\$ -	-	340,000,000	\$ 3,326,411
Formosa Biomedical Technology Corp.	HONG JING RESOURCES CO., LTD.	Investments measured by equity method	HONG JING RESOURCES CO., LTD.	None	27,336,218	652,377	8,166,027	326,641	-	-	-	-	-	34,888,245	859,127
Formosa Biomedical Technology Corp.	HONG JING RESOURCES CO., LTD.	Investments measured by equity method	HONG JING RESOURCES CO., LTD.	None	27,336,218	652,377	-	-	614,000	24,486	14,089	-	-	34,888,245	859,127
Formosa Biomedical Technology Corp.	Formosatree CO., LTD.	Investments measured by equity method	Formosatree CO., LTD.	Associates	-	-	23,700,000	237,000	-	-	-	-	-	23,700,000	235,987
Formosa Biomedical Technology Corp.	Formosa Smart Energy Tech Corp.	Financial assets at fair value through other comorehensuve income - non-current	-	-	35,000,000	347,200	50,000,000	500,000	-	-	-	-	-	85,000,000	834,700

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach \$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In case that shares were issued with no par value or a par value other than NT\$10 per share, the 20% of paid-in capital level shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Formosa Chemicals and Fibre Corporation
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
For the year ended December 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Percentage of total notes/accounts receivable (payable)	Footnote (Note 1)
			Purchases (sales)	Amount			Unit price	Credit term	Balance			
The Company	Formosa Plastics Corp.	Other related parties	Sales	(\$ 3,130,254) (	1)	30 days	\$ -	-	\$ 193,842		1	-
The Company	Nan Ya Plastics Corp.	Other related parties	Sales	(23,404,477) (	11)	30 days	-	-	1,820,523		10	-
The Company	Formosa Taffeta Co., Ltd.	Subsidiary	Sales	(626,791)	-	60 days	-	-	Notes receivable 28,373		27	-
									Accounts receivable 260,632		1	-
The Company	Formosa Taffeta (Dong Nai) Co., Ltd.	Subsidiary	Sales	(162,346)	-	60 days	-	-	-		-	-
The Company	Formosa Petrochemical Corp.	Associates	Sales	(34,951,759) (	16)	30 days	-	-	2,844,930		16	-
The Company	Formosa Chemicals Industries (Ningbo) Co., Ltd	Subsidiary	Sales	(32,219,795) (	15)	90 days	-	-	4,002,573		23	-
The Company	Formosa Chemicals Industries Co.,Ltd	Subsidiary	Sales	(719,900)	-	30 days	-	-	278,286		2	-
The Company	PFG Fiber Glass Corp.	Other related parties	Sales	(304,070)	-	30 days	-	-	24,788		-	-
The Company	Formosa Idemitsu Petrochemical Corp.	Subsidiary	Sales	(8,656,180) (	4)	30 days	-	-	755,402		4	-
The Company	Formosa Plastics Corp., U.S.A.	Other related parties	Sales	(1,163,703) (	1)	30 days	-	-	345,948		2	-
The Company	Nan Ya Plastics Corp., U.S.A	Other related parties	Sales	(313,922)	-	30 days	-	-	77,296		-	-

							Differences in transaction terms compared to third party transactions					
Transaction									Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote (Note 1)	
The Company	Formosa Plastics Corp.	Other related parties	Purchases	\$ 3,492,183	2	30 days	\$ -	-	(\$ 321,203) (	2)	-	
The Company	Nan Ya Plastics Corp.	Other related parties	Purchases	5,196,219	3	30 days	-	-	(571,966) (	4)	-	
The Company	Formosa Petrochemical Corp.	Associates	Purchases	140,590,191	74	30 days	-	-	(9,785,022) (	76)	-	
Formosa Biomedical Technology Corp.	Formosa Lithium Iron Oxide Corp.	Other related parties	Sales	(358,530) (	11)	30 days	-	-	-	-	-	
Formosa Biomedical Technology Corp.	Nan Ya Technology Corp.	Other related parties	Sales	(118,291) (	4)	30 days	-	-	3	-	-	
Formosa Waters Technology Co., Ltd.	Formosa Petrochemical Corp.	Associates	Sales	(102,981) (	26)	30 days	-	-	-	-	-	
Formosa INEOS Chemicals Corp.	The Company	Parent company	Sales	(732,363) (	14)	30 days	-	-	65,944	-	-	
Formosa INEOS Chemicals Corp.	INEOS ACETYLS (MALAYSIA) SDN BHD	Associates	Sales	(2,257,667) (	54)	90 days after shipped	-	-	468,968	58	-	
Formosa INEOS Chemicals Corp.	Formosa Plastics Corp.	Other related parties	Sales	(239,292) (	4)	15 days	-	-	-	-	-	
Formosa INEOS Chemicals Corp.	Nan Ya Plastics Corp.	Other related parties	Sales	(106,184) (	2)	30 days	-	-	6,422	1	-	
Formosa INEOS Chemicals Corp.	Formosa Petrochemical Corp.	Associates	Sales	(638,013) (	12)	30 days	-	-	67,884	-	-	
Formosa INEOS Chemicals Corp.	Formosa Petrochemical Corp.	Associates	Purchases	2,514,901	60	45 days	-	-	(192,405) (	83)	-	
Formosa Power (Ningbo) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Associates	Sales	(4,292,158) (	53)	30 days	-	-	378,710	49	-	
Formosa Power (Ningbo) Co., Ltd.	Formosa Plastics (Ningbo) Co., Ltd.	Other related parties	Sales	(2,795,253) (	34)	30 days	-	-	278,396	36	-	
Formosa Power (Ningbo) Co., Ltd.	Nan Ya Plastics (Ningbo) Corp.	Other related parties	Sales	(800,218) (	10)	30 days	-	-	89,423	12	-	
Formosa Chemicals Industries (Ningbo) Co., Ltd.	The Company	Parent company	Sales	(644,159) (	1)	30 days	-	-	-	-	-	

Table 5, Page 2

							Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote (Note 1)	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term						
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Nan Ya Plastics (Ningbo) Corp.	Other related parties	Sales	(\$ 9,876,097) (	9)	90 days	\$ -	-	\$ 941,134	9	-	
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Formosa Industries Corp.	Associates	Sales	(597,422) (	1)	30 days	-	-	41,616	-	-	
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Formosa Plastics Corp.	Other related parties	Purchases	1,073,889	1	90 days	-	-	(107,194) (	2)	-	
Formosa Industries Corp.	The Company	Parent company	Sales	(1,580,129) (	9)	60 days	-	-	202,244	8	-	
Formosa Industries Corp.	Formosa Taffeta (Dong Nai) Co., Ltd.	Associates	Sales	(479,312) (	3)	60 days	-	-	62,117	2	-	
Formosa Industries Corp.	Formosa Plastics Corp.	Other related parties	Purchases	234,014	1	30 days	-	-	(40,644) (	3)	-	
Formosa Industries Corp.	Nan Ya Plastics Corp.	Other related parties	Sales	(266,817) (	1)	30 days			45,438	2	-	
Formosa Industries Corp.	Nan Ya Plastics Corp.	Other related parties	Purchases	251,429	2	30 days	-	-	(54,149) (	3)	-	
Formosa Industries Corp.	Nan Ya Draw-Textured Yarn (Kunshan) Co., Ltd	Other related parties	Purchases	609,667	4	60 days		(	184,358) (	12)	-	
Formosa Idemitsu Petrochemical Corp.	The Company	Parent company	Sales	(1,408,827) (	16)	30 days	-	-	144,598	22	-	
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals Japan Co., Ltd.	Associates	Sales	(361,172) (	4)	30 days after closing date	-	-	36,769	6	-	
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals Taiwan Corp.	Associates	Sales	(1,153,948) (	13)	30 days after closing date	-	-	170,726	27	-	

Table 5, Page 3

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)			Footnote (Note 1)
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)	
Formosa Idemitsu Petrochemical Corp.	Idemitsu Kosan Co., Ltd.	Associates	Sales	(\$ 599,802)	(7)	30 days after closing date	\$ -	-	\$ 35,337		5	-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals (Hong Kong) Co., Ltd.	Associates	Sales	(567,896)	(7)	30 days after closing date	-	-	82,595		13	-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals (U.S.A) Co., Ltd.	Associates	Sales	(300,993)	(3)	30 days after closing date	-	-	20,649		3	-
Formosa Taffeta Co., Ltd.	Quang Viet Enterprise Co., Ltd.	Associates	Sales	(193,717)	(1)	Pay by mail transfer 60 days after delivery	-	-	26,093		2	-
Formosa Taffeta Co., Ltd.	Yugen Co., Ltd.	Other related parties	Sales	(219,240)	(1)	Pay 120 days after delivery	-	-	46,107		3	-
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Dong Nai) Corp.	Subsidiary	Sales	(141,863)	(1)	60 days after monthly billings	-	-	14,455		1	-
Formosa Taffeta Co., Ltd.	Formosa Petrochemical Corp.	Other related parties	Purchases	9,614,261	57	Pay every 15 days by mail transfer	-	- (	527,118)	(	53)	-
Formosa Taffeta Co., Ltd.	Nan Ya Plastics Corp.	Other related parties	Purchases	500,341	3	Pay by mail transfer on the 15th of the following month	-	- (	38,009)	(	4)	-
Formosa Taffeta Co., Ltd.	Formosa Plastics Corp.	Other related parties	Purchases	210,945	1	Pay by mail transfer on the 15th of the following month	-	- (	10,941)	(	1)	-
Formosa Taffeta (Zhong Shan) Co., Ltd.	Formosa Taffeta (Changshu) Co., Ltd.	Associates	Sales	(168,002)	(11)	60 days after monthly billings	-	-	22,502		10	-

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)	Footnote (Note 1)
Formosa Taffeta (Zhong Shan) Co., Ltd.	Formosa Taffeta Co., Ltd.	Parent company	Sales	(\$ 198,434)	(13)	60 days after monthly billings	\$ -	-	\$ 68,082		30	-
Formosa Taffeta (Vietnam) Co., Ltd.	Kuang Yueh (Vietnam) Co., Ltd.	Other related parties	Sales	(150,864)	(5)	60 days after monthly billings	-	-	44,797		10	-
Formosa Taffeta (Dong Nai) Co., Ltd.	Formosa Taffeta (Vietnam) Co., Ltd.	Associates	Sales	(407,098)	(13)	60 days after monthly billings	-	-	32,924		6	-
Formosa Taffeta (Dong Nai) Co., Ltd.	Kuang Yueh (Vietnam) Co., Ltd.	Other related parties	Sales	(192,909)	(6)	60 days after monthly billings	-	-	51,173		9	-

Note 1: The disclosed transaction is the revenue side and related transactions are no longer disclosed.

Formosa Chemicals and Fibre Corporation
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
For the year ended December 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			(Note 1)			Amount	Action taken		
The Company	Formosa Plastics Corp.	Other related parties	\$	193,842	2.93	\$	-	\$	-
The Company	Nan Ya Plastics Corp.	Other related parties		1,820,523	2.42		-		-
The Company	Formosa Taffeta Co., Ltd.	Subsidiary	Notes receivable	28,373	1.46		-		-
			Accounts receivable	260,632		-	-	58,553	-
The Company	Formosa Petrochemical Corp.	Associates		2,844,930	2.66		-		-
The Company	Formosa Industries Corp.	Subsidiary	Accounts receivable	278,286	1.54		-		-
			Other receivables	122,580		-	-	20,780	-
The Company	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Subsidiary		4,002,573	2.57		-		-
The Company	Formosa Plastic Corp. U.S.A.	Other related parties		345,948	2.88		-		-
The Company	Formosa Idemitsu Petrochemical Corp.	Subsidiary		755,402	2.27		-		-
Formosa INEOS Chemicals Corp.	INEOS ACETYLS (MALAYSIA) SDN BHD	Associates		468,968	2.96		-		-
Formosa Idemitsu Petrochemical Corp.	The company	Parent company		144,598	1.97		-		-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals Taiwan Corp.	Associates		170,726	2.28		-		-
Formosa Power (Ningbo) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Associates		378,710	2.29		-		-
Formosa Power (Ningbo) Co., Ltd.	Formosa Plastics (Ningbo) Co., Ltd.	Other related parties		278,396	2.52		-		-
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Nan Ya Plastics (Ningbo) Corp.	Other related parties		941,134	3.26		-		-
Formosa Industries Corp.	The company	Associates		202,244	3.65		-		-

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties....

Formosa Chemicals and Fibre Corporation
Significant inter-company transactions during the reporting period
For the year ended December 31, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	The Company	Formosa Chemicals Industries (Ningbo) Co., Ltd.	1	Sales revenue	(\$ 32,219,795)	In regular terms	(9)
0	The Company	Formosa Idemitsu Petrochemical Corp.	1	Sales revenue	(8,656,180)	In regular terms	(2)

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: If the transaction amount in this sheet reaches 3% of consolidated operating income or total assets, it is considered material.

Formosa Chemicals and Fibre Corporation
Information on investees (Excluding those in Mainland China)
For the year ended December 31, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024		Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value				
The Company	Formosa Taffeta Co., Ltd.	Taiwan	Spinning	\$ 719,003	\$ 719,003	630,022,431	37.40	\$ 13,375,785	\$ 1,490,185	\$ 551,640	-	
The Company	Formosa Heavy Industries Corp.	Taiwan	Machinery	2,497,721	2,497,721	661,334,402	32.91	5,775,112	(1,650,957)	(543,330)	-	
The Company	Formosa Fairway Corporation	Taiwan	Transportation	-	33,320	-	0.00	-	(9,613)	(3,204)	-	
The Company	Formosa Plastics Transport Corp.	Taiwan	Transportation	299,272	299,272	6,566,384	33.33	1,400,881	322,179	107,382	-	
The Company	Formosa Petrochemical Corp.	Taiwan	Chemistry	25,842,468	25,842,468	2,300,799,801	24.15	71,636,022	5,970,918	1,549,764	-	
The Company	Mai-Liao Power Corp.	Taiwan	Electricity generation	5,985,531	5,985,531	764,201,100	24.94	16,146,749	12,795,766	3,191,358	-	
The Company	FCFC Investment Corp. (Cayman)	Cayman Islands	Investments	34,012,602	34,012,602	56,000	100.00	60,866,947	(1,470,387)	(1,470,387)	-	
The Company	Hwa Ya Science Park Management Consulting Co, Ltd.	Taiwan	Management	340	340	33,000	33.00	5,060	489	161	-	
The Company	Chia-Nan Enterprise Corporation	Taiwan	Electricity generation	321,413	339,190	21,163,000	51.00	357,695	93,889	47,884	-	
The Company	Formosa Idemitsu Petrochemical Corp.	Taiwan	Wholesale and retail of petrochemical and plastic raw materials	299,999	299,999	60,000,000	50.00	1,166,887	39,794	17,903	-	
The Company	Formosa Industries Corp.	Vietnam	Textile, polyester staple fibre, cotton, and electricity generation	8,435,801	8,435,801	-	42.50	5,135,670	(747,837)	(317,831)	-	
The Company	Formosa INEOS Chemicals Corp.	Taiwan	Chemistry, international of petrochemistry	1,201,500	1,201,500	120,150,000	50.00	1,859,716	61,656	32,021	-	

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024		Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value				
The Company	Formosa Environmental Technology Co.	Taiwan	Disposals of wastes and sewage	\$ 417,145	\$ 417,145	41,714,475	24.34	\$ 240,481	\$ 19,705	\$ 4,796	-	
The Company	Formosa Biomedical Technology Corp.	Taiwan	Manufacturing and sale of cosmetics	1,566,879	1,566,879	147,556,136	88.59	2,746,083	314,569	278,683	-	
The Company	Formosa Carpet Corp.	Taiwan	Yarn spinning mills, finishing of textiles and carpet manufacturing	300,000	300,000	22,037,185	100.00	178,172	(3,120)	(3,120)	-	
The Company	Guo Su Plastic Industry Co., Ltd.	Taiwan	Manufacture of synthetic resin and plastic products	95,000	95,000	3,675,000	49.00	50,768	(9,828)	(4,816)	-	
The Company	Formosa Synthetic Rubber (Hong Kong) Co., Ltd.	Hong Kong	Investments	4,214,914	4,214,914	138,333,334	33.34	1,468,190	(490,063)	(163,388)	-	
The Company	Formosa Resources Corporation	Taiwan	Mining industry and its trading, wholesale of chemical material and international trading	9,099,071	9,099,071	909,907,125	25.00	6,403,506	(8,052,194)	(2,013,048)	-	
The Company	Formosa Group Corp. (Cayman)	Cayman Islands	Investments	377	377	12,500	25.00	968,838	305,395	76,349	-	
The Company	Formosa Plastics Construction Corp.	Taiwan	Development and sale of rebuilt housing, buildings and plants under urban redevelopment	1,100,000	1,100,000	110,000,000	33.33	1,015,981	(26,397)	(8,798)	-	
The Company	FG INC.	United States	Investments	3,413,031	3,413,031	6,000	30.00	3,412,754	(383,760)	(119,434)	-	
The Company	Formosa Smart Energy Tech Corp.	Taiwan	Renewable energy - investment, research and development of energy storage equipment	3,400,000	1,400,000	340,000,000	20.00	3,326,411	(469,121)	(114,604)	-	
The Company	Formosa Green Power Corp.	Taiwan	Renewable-energy-based electricity retailing corporation	5,000	5,000	500,000	100.00	4,853	(25)	(25)	-	
The Company	Formosa Renewable Energy Corp.	Taiwan	Renewable energy technical services	50,000	-	5,000,000	100.00	50,250	250	250	-	

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024		Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value				
FCFC Investment Corp. (Cayman)	Formosa Chemicals & Fibre (Hong Kong) Co., Ltd.	Hong Kong	Investments	\$ 29,959,815	\$ 29,959,815	-	100.00	\$ 46,107,531	(\$ 2,644,050)	(\$ 2,644,050)		-
Formosa Biomedical Technology Corp.	Beyoung International Corp.	Taiwan	International trading	90,000	90,000	467,400	30.00	92,352	(5,355)	(1,607)		-
Formosa Biomedical Technology Corp.	Hong Jing Resources Corp.	Taiwan	Recycle of spent catalyst	812,517	476,196	34,888,245	90.61	859,127	168,046	150,148		-
Formosa Biomedical Technology Corp.	Formosa Biomedical Technology (Samoa) Co., Ltd.	Samoa	Investments	29,610	29,610	-	100.00	20,871	5,014	5,014		-
Formosa Biomedical Technology Corp.	Formosa Waters Technology Co., Ltd.	Taiwan	1.Industrial Catalyst 2.Wholesale of Other Chemical Products	7,650	7,650	765,001	57.00	37,400	34,796	19,834		-
Formosa Biomedical Technology Corp.	Ivy Life Sciences Co., Ltd.	Taiwan	Research and development and clinical application of cell therapy technologies	755,032	755,032	62,342,000	51.00	755,552	6,961	3,551		-
Formosa Biomedical Technology Corp.	Formosa Bio& Energy Crop. (Japan)	Japan	Manufacturing and sale of battery energy storage systems and related products	17,568	17,568	72,105	57.45	4,201	(4,951)	(2,845)		-
Formosa Biomedical Technology Corp.	Formosa Eco Life Technology Co., Ltd	Taiwan	Sales of cleaning supplies	12,926	12,926	1,292,597	70.00	8,755	(1,959)	(1,371)		-
Formosa Biomedical Technology Corp.	Formosatree CO., LTD.	Taiwan	Operation of energy storage	237,000	-	23,700,000	30.00	235,987	(3,375)	(1,013)		-
Formosa Biomedical Technology Corp.	Formosa Biomedical Maritrial Technology Corp.	Taiwan	Immunocyte capture and separation technology applications	50,000	-	5,000,000	52.63	50,023	23	23		-

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024		Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value				
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Hong Kong) Co., Ltd.	Hong Kong	Sale of spun fabrics and filament textile	\$ 2,758,947	\$ 2,758,947	-	100.00	\$ 3,917,478	\$ 227,523	\$ 227,523	-	
Formosa Taffeta Co., Ltd.	Formosa Advanced Technologies Co., Ltd.	Taiwan	IC assembly, testing and modules	1,762,711	1,762,711	135,686,472	30.68	4,707,305	900,345	276,226	-	
Formosa Taffeta Co., Ltd.	Formosa Development Co., Ltd.	Taiwan	1.Handling urban land consolidation 2.Development, rent and sale of industrial plants, residences and building	114,912	114,912	16,100,000	100.00	170,359	8,340	7,243	-	
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Vietnam) Co., Ltd.	Vietnam	Production, processing, further processing various yarn and cotton cloth, dyeing and finishing clothes, curtains, towels, bed covers and carpets	1,709,221	1,709,221	-	100.00	2,538,006	178,987	178,987	-	
Formosa Taffeta Co., Ltd.	Kuang Yueh Co., Ltd.	Taiwan	Processing and production of ready-to-wear, processing and trading of cotton cloth, and import and export of the aforementioned products	213,771	213,771	18,595,352	17.98	1,441,990	401,988	75,655	-	
Formosa Taffeta Co., Ltd.	Formosa Industries Corp.	Vietnam	Synthetic fiber, spinning, weaving, dyeing and finishing and electricity generation	1,987,122	1,987,122	-	10.00	1,286,333	(745,614)	(74,561)	-	
Formosa Taffeta Co., Ltd.	Schoeller Textil AG	Switzerland	Textile R&D, production and sales	1,285,507	1,285,507	21,874	50.00	817,647	(347,803)	(173,901)	-	
Formosa Taffeta Co., Ltd.	Nan Ya Optical Corp.	Taiwan	LED lighting system, lighting piping engineering design planning, manufacturing and installation	309,370	263,327	8,840,262	19.18	208,865	78,702	14,438	-	

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024		Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value				
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Dong Nai) Co., Ltd.	Vietnam	Production, processing and sale of various dyeing and finishing textiles and yarn	\$ 2,806,938	\$ 2,806,938	-	100.00	\$ 2,682,054	(\$ 39,542)	(\$ 39,542)		-
Formosa Development Co., Ltd.	Formosa Advanced Technologies Co., Ltd.	Taiwan	IC assembly, testing and modules	21,119	21,119	469,500	0.11	16,095	900,345	956		-
Formosa Development Co., Ltd.	Public More Internation Co., Ltd.	Taiwan	Employment service, manpower allocation and agency service	5,000	5,000	-	100.00	16,518	5,419	5,419		-
Public More Internation Co., Ltd.	Kuang Yueh Co., Ltd.	Taiwan	Processing and production of ready-to-wear, processing and trading of cotton cloth, and import and export of the aforementioned products	1,591	1,591	15,000	0.01	1,712	401,988	61		-

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1)The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2024' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2)The 'Net profit (loss) of the investee for the year ended December 31, 2024' column should fill in amount of net profit (loss) of the investee for this period.
- (3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2024' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Formosa Chemicals and Fibre Corporation
Information on investments in Mainland China
For the year ended December 31, 2024

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Formosa Power (Ningbo) Co., Ltd.	Cogeneration power generation business	\$ 4,834,511	1	\$ 4,051,414	\$ -	\$ -	\$ 4,051,414	\$ 1,173,662	100.00	\$ 1,173,662	\$ 14,701,255	\$ 1,596,328	-
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Production and market of PTA	35,575,404	1	29,959,815	-	-	29,959,815	(2,644,050)	100.00	(2,644,050)	46,107,531	2,003,898	-
Formosa Synthetic Rubber (Ningbo) Co., Ltd.	Production and sale of synthetic rubber	12,777,478	4	4,163,050	-	-	4,163,050	(490,063)	33.34	(163,388)	1,468,190	-	-
Formosa Biomedical Trading (Shanghai) Co., Ltd.	Investments	29,610	1	29,610	-	-	29,610	5,014	100.00	5,014	20,871	-	-
Formosa Taffeta (Zhong Shan) Co., Ltd.	Production and sale of polyester and polyamide fabrics	1,402,085	2	1,402,085	-	-	1,402,085	179,031	100.00	179,031	2,580,472	43,914	3

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to					Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024					
					Remitted to Mainland China	Remitted back to Taiwan							
Formosa Taffeta (Changshu) Co., Ltd.	Weaving and dyeing as well as post dressing of high-grade loomage face fabric	\$ 1,302,019	2	\$ 1,334,739	\$ -	\$ -	\$ 1,334,739	\$ 49,543	100.00	\$ 49,543	\$ 1,190,979	\$ -	4

Note 1: Investment methods are classified into the following three categories.

(1) Directly invest in a company in Mainland China..

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

(4) Formosa Power (Ningbo) Co., Ltd. is an investee company in Mainland China through the Company's investee - FCFC Investment Corp. (Cayman).

Formosa Chemicals Industries (Ningbo) Co., Ltd., Formosa PS (Ningbo) Co., Ltd., Formosa ABS Plastics (Ningbo) Co., Ltd. and Formosa Phenol (Ningbo) Limited Co. were investee companies in Mainland China through the Company's investee - FCFC Investment Corp. (Cayman). After share structure adjustment in 2008 and 2014, the parent company of the 4 investees became Formosa Chemicals & Fibre (Hong Kong) Co., Ltd. Formosa Chemicals & Fibre (Hong Kong) Co., Ltd. is a wholly-owned subsidiary through reinvestment of FCFC Investment Corp. (Cayman).

The Company reorganised its investment structure through a merger of 4 investees in Mainland China, namely, Formosa Chemicals Industries (Ningbo) Co., Ltd., Formosa ABS Plastics (Ningbo) Co., Ltd., Formosa PS (Ningbo) Co., Ltd. and Formosa Phenol (Ningbo) Limited Co. After the effective date of January 2, 2018, Formosa Chemicals Industries (Ningbo) Co., Ltd. was the surviving entity.

The proposal had been resolved by Board of Directors on November 4, 2016. (Samoa) Co., Ltd..

Formosa Synthetic Rubber (Ningbo) Co., Ltd. is an investee company in Mainland China through the investee - Formosa Synthetic Rubber (Hong Kong) Co., Ltd..

Formosa Biomedical Trading (Shanghai) Co., Ltd. is an investee company in Mainland China through the investee - Formosa Biomedical (Samoa) Co., Ltd..

Formosa Taffeta (Changshu) Co., Ltd. is an investee company in Mainland China through the subsidiary - Formosa Taffeta (Hong Kong) Co., Ltd..

The Company is the surviving company after the consolidation of Changshu Yu Yuan Development Co., Ltd. and Changshu Fushun Enterprise Management Co., Ltd. It's paid-in capital is RMB\$13,592,920.

Note 2: Investment income recognized in current period is based on the financial reports audited by CPAs of the Taiwan parent company .

Note 3: The Company's paid-in capital, accumulative remittance from Taiwan as of January 1, 2024 and December 31, 2024 all amount to US\$46,400,000.

(The remittance of US\$46,388,800 and the capitalised value of machinery and equipment of US\$11,200)

Note 4: The Company's paid-in capital, accumulative remittance from Taiwan as of January 1, 2024 and December 31, 2024 all amount to US\$42,000,000. In order to effectively utilise the residential land of the Company,

Formosa Chemicals & Fibre Co. split the residential land and established Changshu Fushun Enterprise Management Co., Ltd. by capitalizing the residential land in the first quarter, 2015.

Formosa Chemicals & Fibre Co. reduced the capital of Formosa Taffeta (Changshu) Co., Ltd. by US\$900,000, so the Company's paid-in capital amounts to \$41,100,000.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
The Company	\$ 38,174,279	\$ 46,668,015	Note

Note: Corporations that are qualified with operations headquarters certification issued by the Industrial Development Bureau, Ministry of Economic Affairs, R.O.C.

Formosa Chemicals and Fibre Corporation

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

For the year ended December 31, 2024

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing					
	Amount	%	Amount	%	Balance at December 31, 2024	%	Balance at December 31, 2024	Purpose	Maximum balance during the year ended December 31, 2024	Balance at December 31, 2024	Interest rate	Interest during the year ended December 31, 2024	Others	
Investee in Mainland China														
Formosa Taffeta (Zhongshan) Co., Ltd.	\$ 6,919	0.02	\$ -	-	\$ 400	0.03	\$ 917,980	For short-term loans from financial institutions	\$ -	\$ -	-	\$ -	-	
Formosa Taffeta (Changshu) Co., Ltd.	9,232	0.03	8,799	0.99	1,004	0.07	1,803,175	For short-term loans from financial institutions	-	-	-	-	-	

Formosa Chemicals and Fibre Corporation
Information on Major Shareholders
For the year ended December 31, 2024

Table 11

Name of Major Shareholder	Shares	
	Number of Shares	Ownership (%)
Chang Gung Medical Foundation	1,089,142,009	18.58%
Qin's International Investment Holdings Ltd.	371,938,814	6.35%

FORMOSA CHEMICALS & FIBRE CORPORATION
CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

Statement 1

Items	Description	Amount
Cash on hand		\$ 86
Revolving funds		92
Cash in banks	Checking deposits and demand deposits	279,157
	Foreign currency demand deposits:	
	USD, exchange rate: \$32.78	1,688,356
	EUR, exchange rate: \$34.07	23,851
	JPY, exchange rate: \$0.21	5,303
	RMB, exchange rate: \$4.56	312
	Time deposits	
	USD 30,000 thousand, interest rate: 4.81%, exchange rate: 32.78, matured on January 7, 2025	983,430
	USD 20,000 thousand, interest rate: 4.68%, exchange rate: 32.78, matured on January 6, 2025	655,620
	USD 15,000 thousand, interest rate: 4.82%, exchange rate: 32.78, matured on January 3, 2025	491,715
Cash equivalents	Commercial papers	
	1.20%, matured on January 16, 2025	500,000
	1.23%, matured on January 16, 2025	499,932
	1.20%, matured on January 16, 2025	499,956
	1.15%, matured on January 16, 2025	498,835
	1.20%, matured on January 16, 2025	578,000
	1.30%, matured on January 16, 2025	<u>500,000</u>
Total		<u>\$7,204,645</u>

FORMOSA CHEMICALS & FIBRE CORPORATION
STATEMENT OF CHANGES IN FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Investee	Beginning Balance		Addition		Decrease		Ending Balance		Percentage of Ownership	Amount	Fair Value Amount	Collateral or endorsement provided
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount				
Current items:												
Formosa Plastics Corp.	486,978,694	\$ 9,155,094	-	\$ -	-	\$ -	486,978,694		7.65%	\$ 9,155,094	\$ 17,287,743	None
Nan Ya Plastics Corp.	413,327,750	4,231,685	-	-	-	-	413,327,750		5.21%	4,231,685	12,358,500	"
Nan Ya Technology Corp.	334,815,409	10,461,715	-	-	-	-	334,815,409		10.81%	10,461,715	9,793,351	"
Formosan Union Chemical Corp.	14,723,422	16,160	-	-	-	-	14,723,422		3.09%	16,160	299,622	"
Asia Pacific Investment Corp.	63,621,500	725,839	-	-	-	-	63,621,500		14.97%	725,839	1,337,960	"
Subtotal		24,590,493		-		-				24,590,493	\$ 41,077,176	
Adjustments for change in value of financial assets		70,049,059		-		(53,562,376)				16,486,683		
Total		\$ 94,639,552		\$ -		(\$ 53,562,376)				\$ 41,077,176		
Non-current items:												
Mai-Liao Harbor Administration Corp.	39,562,740	\$ 539,260	-	\$ -	-	\$ -	39,562,740		17.98%	\$ 539,260	\$ 1,053,556	None
Formosa Plastic Corp. U.S.A.	8,999	818,316	-	-	-	-	8,999		2.92%	818,316	3,235,223	"
Taiwan Stock Exchange Corporation.	23,164,820	1,800	3,474,721	-	-	-	26,639,541		2.00%	1,800	5,270,900	"
Taiwan Aerospace Corp.	1,070,151	10,702	-	-	-	-	1,070,151		0.79%	10,702	30,050	"
Yi-Jih Development Corp.	63,174	690	-	-	-	-	63,174		1.51%	690	16,995	"
Chinese Television System Corp.	2,376,202	38,419	-	-	-	-	2,376,202		1.41%	38,419	28,396	"
Formosa Plastics Maritime Corp.	355,880	1,750	4,140,453	-	-	-	4,496,333		18.22%	1,750	253,054	"
Formosa Development Corp.	20,471,042	90,010	-	-	-	-	20,471,042		18.00%	90,010	191,404	"
Formosa Network Technology Corp.	2,925,000	13,331	-	-	-	-	2,925,000		12.50%	13,331	455,247	"
Formosa Plastics Marine Corp.	11,656,800	15,000	4,577,625	-	-	-	16,234,425		15.00%	15,000	599,862	"

FORMOSA CHEMICALS & FIBRE CORPORATION
STATEMENT OF CHANGES IN FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Cont.)
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Investee	<u>Beginning Balance</u>		<u>Addition</u>		<u>Decrease</u>		<u>Ending Balance</u>		Percentage of Ownership	Amount	Fair Value Amount	Collateral or endorsement provided
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount				
Formosa Ocean Group Marine Investment Corp.	2,622	\$ 856,948	-	\$ -	-	\$ -	2,622		19.00%	\$ 856,948	\$ 8,820,458	None
Guangyuan Investment Corp.	3,750,000	37,500	-	-	-	-	3,750,000		3.91%	37,500	38,362	"
Mega Growth Venture Capital Co., Ltd.	1,390,250	13,902	-	-	(348,425)	(3,484)	1,041,825		1.97%	10,418	8,949	"
Formosa Ha Tinh (Cayman) Limited	621,178,219	17,739,777	-	-	-	-	621,178,219		11.43%	17,739,777	6,719,738	"
Subtotal		20,177,405		-		(3,484)				20,173,921	\$ 26,722,194	
Adjustments for change in value of financial assets		3,066,652		3,481,621		-				6,548,273		
Total		<u>\$ 23,244,057</u>		<u>\$ 3,481,621</u>		<u>(\$ 3,484)</u>				<u>\$ 26,722,194</u>		

FORMOSA CHEMICALS & FIBRE CORPORATION

NOTES RECEIVABLE

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Client Name	Description	Amount	Note
General customers			
CMC MAGNETICS CORP.	Payments to suppliers	\$ 8,942	
CHENG FONG PLASTICS CO., LTD.	Payments to suppliers	17,639	
Entire Technology Co., Ltd.	Payments to suppliers	34,088	
TAIWAN JHONSIN CO., LTD.	Payments to suppliers	4,681	
Jvan An International Co., Ltd.	Payments to suppliers	4,457	
			Balance of each client
Others	Payments to suppliers	5,924	has not exceeded 5%
Subtotal		75,731	of total account balance
Less: Loss allowance		-	
Total		<u>\$ 75,731</u>	
Related party			
Formosa Taffeta Co., Ltd.	Payments to suppliers	\$ 28,373	
Less: Loss allowance		-	
Total		<u>\$ 28,373</u>	

Aforementioned notes receivable were all generated from operating activities.

FORMOSA CHEMICALS & FIBRE CORPORATION

ACCOUNTS RECEIVABLE

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

Client Name	Description	Amount	Note
General customers			
GOLDEN LEE INTERNATIONAL CO., LTD.	Payments to suppliers	\$ 573,041	
XIN LONG GUANG PLASTICS CO., LTD.	Payments to suppliers	397,421	
TAITA CHEMICAL COMPANY, LIMITED	Payments to suppliers	421,383	
BHILOSA INDUSTRIES PVT, LTD.	Payments to suppliers	567,456	
Others	Payments to suppliers	4,955,392	Balance of each client has not exceeded 5% of total account balance
Subtotal		6,914,693	
Less: Loss allowance		(66,840)	
Total		<u>\$ 6,847,853</u>	
Related parties			
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Payments to suppliers	\$ 4,002,573	
Formosa Petrochemical Corp.	Payments to suppliers	2,844,930	
Nan Ya Plastics Corp.	Payments to suppliers	1,820,523	
Formosa Idemitsu Petrochemical Corporation	Payments to suppliers	755,402	
Others	Payments to suppliers	1,216,178	Balance of each client has not exceeded 5% of total account balance
Subtotal		10,639,606	
Less: Loss allowance		-	
Total		<u>\$ 10,639,606</u>	

Aforementioned accounts receivable were all generated from operating activities.

FORMOSA CHEMICALS & FIBRE CORPORATION
INVENTORIES

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Items	Amount		Basis of market price
	Cost	Market price	
Raw materials	\$ 6,297,111	\$ 6,252,777	Net realisable value
Supplies	3,252,586	3,252,515	Net realisable value
Work in progress	2,745,014	2,586,632	Net realisable value
Finished goods	5,502,095	5,347,099	Net realisable value
Other inventories	1,091	1,091	Net realisable value
Subtotal	17,797,897	<u>\$ 17,440,114</u>	
Allowance for valuation loss	(1,044,148)		
Total	<u>\$ 16,753,749</u>		

FORMOSA CHEMICALS & FIBRE CORPORATION
CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

	Beginning Balance		Addition		Decrease		Investment profit (loss) accounted for using equity method			Ending Balance			Market Value or Net Assets Value	Collateral or endorsement provided						
	Investee	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	Others (Note 1)	No. of shares	Percentage of Ownership	Amount									
Formosa Taffeta Co., Ltd.	630,022,431	\$	19,896,366	-	\$	-	- (\$	315,011)	\$	551,640	(\$	6,757,210)	630,022,431	37.40	\$	13,375,785	\$	13,714,750	None	
Formosa Heavy Industries Corp.	661,334,402		6,775,494	-		-	-	-	(	543,330)	(	457,052)	661,334,402	32.91		5,775,112		5,858,843	"	
Formosa Fairway Corporation	4,697,951		5,572	-		-	(	4,697,951)	-	(	3,204)	(	2,368)	-		-		-	-	
Formosa Plastics Transport Corp.	6,566,384		1,278,023	-		-	-	-		107,382		15,476	6,566,384	33.33		1,400,881		1,400,881	None	
Formosa Petrochemical Corp.	2,300,799,801		81,037,549	-		-	-	(	4,601,600)		1,549,764	(	6,349,691)	2,300,799,801	24.15		71,636,022		71,715,976	"
Mai-Liao Power Corp.	764,201,100		13,803,883	-		-	-	(	1,114,205)		3,191,358		265,713	764,201,100	24.94		16,146,749		16,146,749	"
FCFC Investment Corp. (Cayman)	56,000		61,816,990	-		-	-	(	2,730,626)	(	1,470,387)		3,250,970	56,000	100.00		60,866,947		60,808,786	"
Hwa Ya Science Park Management Consulting Co., Ltd.	33,000		4,299	-		-	-	-		161		600	33,000	33.00		5,060		5,060	"	
Chia-Nan Enterprise Corporation	21,163,000		330,975	-		-	-	(	21,163)		47,884	(	1)	21,163,000	51.00		357,695		357,695	"
Formosa Idemitsu Petrochemical Corp.	60,000,000		1,148,552	-		-	-	-		17,903		432	60,000,000	50.00		1,166,887		1,170,547	"	
Formosa Industries Corp., Vietnam	-		5,312,398	-		-	-	-	(	317,831)		141,103	-	42.50		5,135,670		5,082,892	"	
Formosa INEOS Chemicals Corp.	120,150,000		2,135,486	-		-	-	(	308,997)		32,021		1,206	120,150,000	50.00		1,859,716		1,858,803	"
Formosa Environmental Technology Co.	41,714,475		234,986	-		-	-	-		4,796		699	41,714,475	24.34		240,481		240,481	"	
Formosa Biomedical Technology Corp.	147,556,136		2,770,766	-		-	-	(	265,601)		278,683	(	37,765)	147,556,136	88.59		2,746,083		2,748,693	"
Formosa FCFC Carpet Corp.	22,037,185		180,484	-		-	-	-	(	3,120)		808	22,037,185	100.00		178,172		180,081	"	
Guo Su Plastic Industry Co., Ltd	3,675,000		55,584	-		-	-	-	(	4,816)		-	3,675,000	49.00		50,768		5,326	"	
Formosa Synthetic Rubber (Hong Kong) Co., Ltd.	138,333,334		1,656,499	-		-	-	-	(	163,388)	(	24,921)	138,333,334	33.33		1,468,190		1,468,190	"	
Formosa Resources Corporation	909,907,125		7,714,129	-		-	-	-	(	2,013,048)		702,425	909,907,125	25.00		6,403,506		6,403,506	"	

FORMOSA CHEMICALS & FIBRE CORPORATION
CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Investee	Beginning Balance		Addition		Decrease		Profit (loss) accounted for using equity method	Others (Note 1)	Ending Balance			Market Value or Net Assets Value	Collateral or endorsement provided
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount			No. of shares	Percentage of Ownership	Amount		
Formosa Group Corp. (Cayman)	12,500	\$ 835,318	-	\$ -	-	\$ -	\$ 76,349	\$ 57,171	12,500	25.00	\$ 968,838	\$ 968,838	"
Formosa Plastics Construction Corp.	110,000,000	1,051,551	-	-	-	-	(8,798)	(26,772)	110,000,000	33.33	1,015,981	1,015,972	"
FG INC.	6,000	3,306,098	-	-	-	-	(119,434)	226,090	6,000	30.00	3,412,754	3,539,722	"
Formosa Smart Energy Tech Corp	140,000,000	1,384,277	200,000,000	2,000,000	-	-	(114,604)	56,738	340,000,000	20.00	3,326,411	4,079,426	"
Formosa Green Power Corp.	500,000	4,878	-	-	-	-	(25)	-	500,000	100.00	4,853	4,853	"
Formosa Renewable Energy Corp.	-	-	5,000,000	50,000	-	-	250	-	5,000,000	100.00	50,250	50,250	"
		<u>\$ 212,740,157</u>		<u>\$ 2,050,000</u>		<u>(\$ 9,357,203)</u>	<u>\$ 1,096,206</u>	<u>(\$ 8,936,349)</u>			<u>\$ 197,592,811</u>	<u>\$ 198,826,320</u>	

Note 1: This pertains to share of other comprehensive income of subsidiaries and associates accounted for using equity method, capital surplus-changes in net share equity of associates accounted for using equity method and unrealised

FORMOSA CHEMICALS & FIBRE CORPORATION
STATEMENT OF CHANGES IN COST, ACCUMULATED DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Items	Beginning Balance	Addition	Decrease	Reclassification	Ending Balance	Note
Cost						
Land	\$ 9,617,122	\$ -	\$ -	\$ 46,223	\$ 9,663,345	Please refer to Note 8
Buildings and structures	21,347,638	266,136	-	523,361	22,137,135	
Machinery and equipment	192,325,624	343,577	(338,274)	6,632,628	198,963,555	
Transportation equipment	472,172	4,815	(12,711)	3,360	467,636	
Other equipment	4,332,419	44,807	(19,539)	84,623	4,442,310	
Construction in progress and equipment under acceptance	11,064,676	6,534,695	-	(7,272,167)	10,327,204	
	<u>239,159,651</u>	<u>7,194,030</u>	<u>(370,524)</u>	<u>18,028</u>	<u>246,001,185</u>	
Accumulated depreciation						
Buildings and structures	(16,014,372)	(550,775)	-	-	(16,565,147)	
Machinery and equipment	(155,336,514)	(4,513,752)	332,719	1,229	(159,516,318)	
Transportation equipment	(395,120)	(20,607)	12,711	-	(403,016)	
Other equipment	(3,547,817)	(210,664)	19,539	(1,061)	(3,740,003)	
	<u>(175,293,823)</u>	<u>(5,295,798)</u>	<u>364,969</u>	<u>168</u>	<u>(180,224,484)</u>	
Accumulated impairment						
Buildings and structures	(168,432)	(41,159)	-	-	(209,591)	
Machinery and equipment	(1,593,334)	(35,130)	-	-	(1,628,464)	
Transportation equipment	(1,613)	(11)	-	-	(1,624)	
Other equipment	(5,658)	-	-	-	(5,658)	
Construction in progress and equipment under acceptance	-	(20,032)	-	-	(20,032)	
	<u>(1,769,037)</u>	<u>(96,332)</u>	<u>-</u>	<u>-</u>	<u>(1,865,369)</u>	
Net amount of property, plant and equipment	<u>\$ 62,096,791</u>	<u>\$ 1,801,900</u>	<u>(\$ 5,555)</u>	<u>\$ 18,196</u>	<u>\$ 63,911,332</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
ACCOUNTS PAYABLE AND PAYABLES TO RELATED PARTIES
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
General customers			
Others	Payments to suppliers	<u>\$ 1,079,476</u>	Balance of each supplier has not exceeded 5% of total account balance
Related parties			
Formosa Petrochemical Corp.	Payments to suppliers	\$ 9,785,023	
Nan Ya Plastics Corp.	Payments to suppliers	571,966	
Others	Payments to suppliers	<u>734,334</u>	Balance of each supplier has not exceeded 5% of total account balance
		<u>\$ 11,091,323</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION

OPERATING REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Items	Unit	Volume	Amount	Note
Para-Xylene (PX)	MT	1,388,840	\$ 43,959,905	
Acrylonitrile Butadiene Styrene	MT	285,823	15,192,013	
Styrene Monomer	MT	786,034	28,440,846	
Recovery of Light Oil	MT	1,327,697	28,968,377	
Polypropylene (PP)	MT	335,219	12,156,996	
Purified Terephthalic Acid (PTA)	MT	563,761	13,935,298	
Polycarbonate (PC)	MT	134,441	8,656,180	
Polystyrene (PS)	MT	278,950	11,996,053	
Phenol	MT	448,415	13,744,102	
Isophthalic Acid (PIA)	MT	257,781	8,541,605	
Acetone	MT	281,849	7,384,631	
Nylon Fully Oriented Yarn	MT	38,320	3,786,467	
Electricity	MH	1,861,218	5,637,056	
Ortho-Xylene (OX)	MT	222,954	7,180,660	
Hydrogen	MT	48,501	2,906,599	
Debutanization	MT	86,515	1,577,900	
Rayon Staple Fiber	MT	18,862	1,054,790	
Nylon Chip	MT	5,859	285,463	
Heavy Aromatic Oil	MT	95,047	1,445,780	
Synthetic Fibre Yarn	BL	39,793	526,519	
Meta-Xylene	MT	20,000	594,030	
Nylon Draw Textured Yarn	MT	3,964	604,127	
Sodium Sulphate	MT	11,524	48,610	
Spun Fabric	KY	66	20,288	
Others			1,282,038	
Sales revenue			219,926,333	
Less: Sales returns			(74,318)	
Sales discounts and allowances			(2,273,163)	
Operating revenue, net			217,578,852	
Other operating revenue			12,135	
Total operating revenue			\$ 217,590,987	

FORMOSA CHEMICALS & FIBRE CORPORATION
OPERATING COSTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Items	Amount	Note
Materials at the beginning of the year	\$ 7,549,112	
Add: Purchases during the year	247,891,332	
Internal inventory transferred	25,603,891	
Less: Materials at the end of the year	(6,297,111)	
Disposed	(101,188)	
Transferred to manufacturing expenses	(6,853,849)	
Raw materials used	267,792,187	
Direct labor	1,650,738	
Manufacturing expense	33,234,629	
Manufacturing cost	302,677,554	
Add: Beginning work in progress	2,642,197	
Less: Ending work in progress	(2,745,014)	
Transferred to administrative expenses	(244)	
Transferred to manufacturing expenses	(629,921)	
Cost of finished goods	301,944,572	
Add: Finished goods at beginning of year	6,646,875	
Less: Finished goods at end of year	(5,502,095)	
Samples sent	(6,482)	
Cost for self-use - Direct material	(25,603,891)	
Cost for self-use - sub-material	(68,056,089)	
Scraps	(19,208)	
Cost of goods sold	209,403,682	
Loss on inventory valuation	162,488	
Idle capacity (including annual survey and work stoppage)	1,522,734	
Other operating costs	13,270	
Operating costs	<u>\$ 211,102,174</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

Items	Amount	Note
Main sub-material	\$ 6,346,499	
Depreciation	5,118,409	
Utilities expense	6,347,264	
Vapor expense	5,644,063	
Maintenance expense	1,758,168	
Indirect labor	1,920,493	
Research and development	95,493	
		None of the balances of each expense account is greater than 5% of this account balance.
Others	6,004,240	
	\$ 33,234,629	

FORMOSA CHEMICALS & FIBRE CORPORATION
SELLING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 12

Items	Amount	Note
Freight	\$ 3,701,771	
Export expenses	698,090	
Wages and salaries	232,921	
Others	370,668	None of the balances of each expense account is greater than 5% of this account balance.
	<u>\$ 5,003,450</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 13

Items	Amount	Note
Wages and salaries	\$ 1,861,327	
Research and development	386,977	
Maintenance expense	193,971	
Depreciation	153,129	
		None of the balances of each expense account is greater than 5% of this account balance.
Others	935,401	
	<u>\$ 3,530,805</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 14

Function Nature	Year ended December 31, 2024			Year ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Salary expenses	\$ 3,533,532	\$ 2,363,649	\$ 5,897,181	\$ 3,691,176	\$ 2,313,797	\$ 6,004,973
Labour and health insurance fees	275,034	153,459	428,493	291,148	158,330	449,478
Pension costs	161,619	90,030	251,649	175,652	94,913	270,565
Directors' remuneration	-	7,545	7,545	-	6,550	6,550
Other personnel expenses	190,050	85,869	275,919	194,843	89,643	284,486
Depreciation expense	\$ 5,118,409	\$ 179,348	\$ 5,297,757	\$ 5,375,064	\$ 211,284	\$ 5,586,348
Amortisation charge	\$ 3,020,643	\$ -	\$ 3,020,643	\$ 3,300,506	\$ -	\$ 3,300,506

Note:

- A. As at December 31, 2024 and 2023, the Company had 4,300 and 4,553 employees, respectively, including 3 and 2 non-employee directors, respectively.
- B. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
- (a) Average employee benefit expense in current year was \$1,595 thousand ((Total employee benefit expense in current year–Total directors' compensation in current year) / (Number of employees in current year–Number of non-employee directors in current year)).
Average employee benefit expense in previous year was \$1,540 thousand ((Total employee benefit expense in previous year–Total directors' compensation in previous year) / (Number of employees in previous year – Number of non-employee directors in previous year)).
- (b) Average employee salaries in current year was \$1,372 thousand (Total employee salaries in current year / (Number of employees in current year–Number of non-employee directors in current year)).
Average employee salaries in previous year was \$1,319 thousand (Total employee salaries in previous year / (Number of employees in previous year–Number of non-employee directors in previous year)).
- (c) Adjustments of average employee salaries was 4.02%((Average employee salaries in current year-Average employee salaries in previous year) / Average employee salaries in previous year).
- (d) For the years ended December 31, 2024 and 2023, there was no supervisors' remuneration for both years.

FORMOSA CHEMICALS & FIBRE CORPORATION
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 14

(e) The Company's salary and remuneration policy (including directors, managers and employees)

i. Directors:

- (i) The Company's independent directors are granted a monthly fixed remuneration and an additional travel allowance according to their actual attendance to the Board of Directors.
- (ii) According to the Company's Articles of Incorporation, remaining directors' remuneration was authorised to be decided by the Board of Directors based on their participation frequency in the Company's operation and contribution to the Company's operation and were referred to the common standard in the same industry. Additionally, travel allowance was received according to their actual attendance to the Board of Directors.
- (iii) On June 6, 2008, directors' remuneration was canceled to be distributed from earnings as approved by the shareholders.

ii. Managers:

Managers' remuneration is determined based on the Company's Articles of Incorporation and the Company Act Article 29, except for the monthly fixed salary and remuneration, there were also annual bonus, unused compensated absences and management rewards. Additionally, the monthly fixed salary and remuneration are suggested to be adjusted by the remuneration committee based on the salary adjustment standard of all employees every year.

iii. Employees:

Except for the monthly fixed salary and compensation, the Company's employees receive annual bonus, festival bonus, unused compensated absences and management rewards. The monthly fixed salary and compensation are adjusted with reference to Consumer Price Index, salary standard and salary adjustment in the industry and related economic data.

Explanation:

- A. For the employee's number information in the notes of the table, the Company adopted the average employee number to calculate employee's number, which is in agreement with employee benefit expense and employees' salary expenses.
- B. According to IFRS 19, employees can provide service in ways of full-time, part-time, permanent, irregular or contingent, including directors and other managements. Therefore, 'employees' in the table included directors, managers, normal employees and contract employees, but, excluded supervisors, temporary workers, contract workers or outsourcing.
- C. 'Directors' remuneration' refers to the remuneration, severance pay, directors' rewards and business execution expenses which were received by all directors, however, the salary from being employed, labour and health insurance, pension and other benefit expenses are excluded.
- D. 'Supervisors' remuneration' are remuneration, rewards and business execution expenses which were received by all supervisors.