

**FORMOSA CHEMICALS & FIBRE
CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

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
AND SUBSIDIARIES**

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000441

To the Board of Directors and Shareholders of Formosa Chemicals & Fibre Corporation

Introduction

We have audited the accompanying consolidated balance sheets of Formosa Chemicals & Fibre Corporation and subsidiaries (the “Group”) as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 consolidated financial statements* section of our report. We are independent of the Group 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 Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated 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 Group's 2025 consolidated financial statements are stated as follows:

Assessment of loss allowance for accounts receivable

Description

Refer to Note 4(11) 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(5) for details of loss allowance for accounts receivable. As of December 31, 2025, the Group's accounts receivable amounted to NT\$19,564,761 thousand, net of loss allowance in the amount of NT\$79,651 thousand.

The Group 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 in respect of 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(14) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(6) for detailed information on allowance for inventory valuation losses. As of December 31, 2025, the inventory and allowance for inventory valuation losses were NT\$34,950,547 thousand and NT\$1,781,011 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of petrochemical plastic products, fibers weaving and cords. As the price of petrochemical plastic products is subject to the fluctuations in international crude oil price, and the textile market is competitive, there is a higher risk for inventory valuation loss. The Group 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 realizable value used in inventory valuation involves subjective judgement and high uncertainty in estimation, and the allowance for inventory valuation losses is material to the financial statements, we considered the allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of 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 Group'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 – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for under the equity method amounted to NT\$130,397,924 thousand and NT\$117,558,281 thousand, both constituting 24% of the consolidated total assets as at December 31, 2025 and 2024, respectively, and operating revenue amounted to NT\$5,674,647 thousand and NT\$5,930,607 thousand, both constituting 2% of the consolidated total operating revenue for the years then ended, respectively. The comprehensive income (loss) recognised from these associates and joint ventures accounted for under the equity method amounted to NT\$15,477,615 thousand and (NT\$3,048,887) thousand, constituting 19% and 4% of the consolidated total comprehensive income (loss) for the years ended December 31, 2025 and 2024, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Formosa Chemicals & Fibre Corporation as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 consolidated 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 10, 2026

The accompanying consolidated 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 consolidated 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 AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 17,194,155	3	\$ 24,382,093	5
1110	Financial assets at fair value through profit or loss - current	6(2)	1,849,655	-	1,846,201	-
1120	Current financial assets at fair value through other comprehensive income	6(3)	98,966,835	18	41,753,770	8
1136	Current financial assets at amortised cost	6(4)	3,443,438	1	3,335,507	1
1150	Notes receivable, net	6(5)	3,430,354	1	4,058,094	1
1160	Notes receivable - related parties	6(5) and 7	4,714	-	6,436	-
1170	Accounts receivable, net	6(5)	13,657,127	3	18,006,271	4
1180	Accounts receivable - related parties	6(5) and 7	5,907,634	1	7,800,789	1
1200	Other receivables	7	4,007,809	1	3,944,155	1
1210	Other receivables - related parties	7	516,600	-	-	-
130X	Inventory	6(6) and 8	33,169,536	6	42,310,568	9
1470	Other current assets		6,432,227	1	8,161,576	2
11XX	Total current assets		<u>188,580,084</u>	<u>35</u>	<u>155,605,460</u>	<u>32</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	49,252,910	9	41,886,530	8
1535	Non-current financial assets at amortised cost	6(4) and 8	2,038,532	-	4,315,532	1
1550	Investments accounted for under equity method	6(7) and 7	133,256,351	25	120,564,041	25
1600	Property, plant and equipment	6(8), 7 and 8	148,634,594	28	152,293,328	31
1755	Right-of-use assets	6(9)	1,603,063	-	1,627,501	-
1780	Intangible assets		390,341	-	388,149	-
1840	Deferred income tax assets	6(26)	4,214,313	1	3,869,223	1
1900	Other non-current assets		10,971,798	2	10,399,863	2
15XX	Total non-current assets		<u>350,361,902</u>	<u>65</u>	<u>335,344,167</u>	<u>68</u>
1XXX	Total assets		<u>\$ 538,941,986</u>	<u>100</u>	<u>\$ 490,949,627</u>	<u>100</u>

(Continued)

FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(10) and 8	\$ 32,444,063	6	\$ 36,572,623	7
2110	Short-term notes and bills payable	6(10)	8,484,194	2	32,292,387	7
2150	Notes payable		149,349	-	143,917	-
2170	Accounts payable		4,594,009	1	3,227,902	1
2180	Accounts payable - related parties	7	8,204,405	1	11,874,088	2
2200	Other payables	7	8,256,025	2	9,519,507	2
2220	Other payables - related parties	7	1,918,806	-	2,170,686	-
2230	Current income tax liabilities		75,272	-	360,034	-
2280	Current lease liabilities		139,960	-	183,884	-
2320	Long-term liabilities, current portion	6(12)(13)	22,643,240	4	27,533,694	6
2399	Other current liabilities		3,149,171	1	3,534,925	1
21XX	Total current liabilities		<u>90,058,494</u>	<u>17</u>	<u>127,413,647</u>	<u>26</u>
Non-current liabilities						
2530	Corporate bonds payable	6(12)	25,800,000	5	25,900,000	5
2540	Long-term borrowings	6(13)	38,044,980	7	27,500,817	6
2570	Deferred income tax liabilities	6(26)	458,122	-	474,680	-
2580	Non-current lease liabilities		874,934	-	805,040	-
2600	Other non-current liabilities	6(14)	2,603,579	-	3,369,629	1
25XX	Total non-current liabilities		<u>67,781,615</u>	<u>12</u>	<u>58,050,166</u>	<u>12</u>
2XXX	Total liabilities		<u>157,840,109</u>	<u>29</u>	<u>185,463,813</u>	<u>38</u>
Equity attributable to owners of the parent						
Share capital						
3110	Common stock	6(15)	58,611,863	11	58,611,863	12
Capital surplus						
3200	Capital surplus	6(16)	9,291,029	2	9,313,342	2
Retained earnings						
3310	Legal reserve	6(17)	71,867,866	13	71,867,866	15
3320	Special reserve		76,745,060	14	76,745,060	15
3350	Unappropriated retained earnings		34,476,081	6	35,054,049	7
Other equity interest						
3400	Other equity interest	6(18)	95,198,556	18	21,280,042	4
3500	Treasury stocks	6(15)	(323,952)	-	(323,952)	-
31XX	Equity attributable to owners of the parent		<u>345,866,503</u>	<u>64</u>	<u>272,548,270</u>	<u>55</u>
36XX	Non-controlling interest		<u>35,235,374</u>	<u>7</u>	<u>32,937,544</u>	<u>7</u>
3XXX	Total equity		<u>381,101,877</u>	<u>71</u>	<u>305,485,814</u>	<u>62</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 538,941,986</u>	<u>100</u>	<u>\$ 490,949,627</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for (loss) earnings per share amount)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19) and 7	\$ 287,033,924	100	\$ 348,607,574	100
5000	Operating costs	6(6)(14)(24)(25) and 7	(277,706,973)	(97)	(334,552,632)	(96)
5900	Net operating margin		<u>9,326,951</u>	<u>3</u>	<u>14,054,942</u>	<u>4</u>
	Operating expenses	6(14)(24)(25) and 7				
6100	Selling expenses		(7,712,453)	(3)	(9,602,199)	(3)
6200	General and administrative expenses		(5,658,323)	(2)	(6,007,525)	(2)
6000	Total operating expenses		<u>(13,370,776)</u>	<u>(5)</u>	<u>(15,609,724)</u>	<u>(5)</u>
6900	Operating loss		<u>(4,043,825)</u>	<u>(2)</u>	<u>(1,554,782)</u>	<u>(1)</u>
	Non-operating income and expenses					
7100	Interest income	6(20) and 7	610,743	-	766,673	-
7010	Other income	6(21) and 7	2,410,192	1	2,907,080	1
7020	Other gains and losses	6(22)	(1,990,718)	(1)	76,927	-
7050	Finance costs	6(8)(23) and 7	(3,041,891)	(1)	(3,409,157)	(1)
7060	Share of profit of associates and joint ventures accounted for under equity method		<u>1,047,852</u>	<u>1</u>	<u>2,150,005</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>(963,822)</u>	<u>-</u>	<u>2,491,528</u>	<u>1</u>
7900	(Loss) profit before income tax		<u>(5,007,647)</u>	<u>(2)</u>	<u>936,746</u>	<u>-</u>
7950	Income tax (expense) benefit	6(26)	(763,137)	-	186,641	-
8200	(Loss) profit for the year		<u>(\$ 5,770,784)</u>	<u>(2)</u>	<u>\$ 1,123,387</u>	<u>-</u>
	Other comprehensive income (loss) (net)	6(18)				
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial gains on defined benefit plans		\$ 37,385	-	\$ 107,374	-
8316	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive (loss) income		73,249,180	26	(68,289,316)	(19)
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		<u>15,240,510</u>	<u>5</u>	<u>(6,325,895)</u>	<u>(2)</u>
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>88,527,075</u>	<u>31</u>	<u>(74,507,837)</u>	<u>(21)</u>
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(2,702,375)	(1)	3,636,969	1
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method		(889,876)	-	1,391,442	-
8399	Income tax relating to the components of other comprehensive income	6(26)	<u>365,290</u>	<u>-</u>	<u>(696,012)</u>	<u>-</u>
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		<u>(3,226,961)</u>	<u>(1)</u>	<u>4,332,399</u>	<u>1</u>
8300	Total other comprehensive income (loss) for the year		<u>\$ 85,300,114</u>	<u>30</u>	<u>(\$ 70,175,438)</u>	<u>(20)</u>
8500	Total comprehensive income (loss) for the year		<u>\$ 79,529,330</u>	<u>28</u>	<u>(\$ 69,052,051)</u>	<u>(20)</u>
	Net income attributable to:					
8610	Owners of the parent		(\$ 5,797,137)	(2)	\$ 379,411	-
8620	Non-controlling interest		<u>26,353</u>	<u>-</u>	<u>743,976</u>	<u>-</u>
			<u>(\$ 5,770,784)</u>	<u>(2)</u>	<u>\$ 1,123,387</u>	<u>-</u>
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent		\$ 76,271,139	27	(\$ 58,591,137)	(17)
8720	Non-controlling interest		<u>3,258,191</u>	<u>1</u>	<u>(10,460,914)</u>	<u>(3)</u>
			<u>\$ 79,529,330</u>	<u>28</u>	<u>(\$ 69,052,051)</u>	<u>(20)</u>
	Basic (loss) earnings per share (in dollars)	6(27)				
9710	(Loss) profit for the year from continuing operations		(\$ 0.86)	(\$ 0.99)	\$ 0.16	\$ 0.19
9720	Non-controlling interest		<u>0.08</u>	<u>0.00</u>	<u>0.06</u>	<u>0.13</u>
	(Loss) profit attributable to common shareholders of the parent		<u>(\$ 0.94)</u>	<u>(\$ 0.99)</u>	<u>\$ 0.10</u>	<u>\$ 0.06</u>
	Assuming shares held by subsidiary are not deemed as treasury stock:					
9710	(Loss) profit for the year from continuing operations		(\$ 0.85)	(\$ 0.98)	\$ 0.16	\$ 0.19
	Non-controlling interest		<u>0.09</u>	<u>0.01</u>	<u>0.07</u>	<u>0.13</u>
9750	(Loss) profit attributable to common shareholders of the parent		<u>(\$ 0.94)</u>	<u>(\$ 0.99)</u>	<u>\$ 0.09</u>	<u>\$ 0.06</u>

The accompanying notes are an integral part of these consolidated financial statements.

FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent														
	Notes	Retained Earnings					Other Equity Interest						Non-controlling interest	Total equity
		Common stock	Total capital surplus, additional paid-in capital	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		
For the year ended December 31, 2024														
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	\$ 44,430,192	\$ 383,688,716
Profit for the year		-	-	-	-	379,411	-	-	-	-	-	379,411	743,976	1,123,387
Other comprehensive income (loss) for the year	6(18)	-	-	-	-	160,834	4,058,276	(63,159,434)	(30,224)	-	-	(58,970,548)	(11,204,890)	(70,175,438)
Total comprehensive income (loss)		-	-	-	-	540,245	4,058,276	(63,159,434)	(30,224)	-	-	(58,591,137)	(10,460,914)	(69,052,051)
Appropriations of 2023 earnings	6(17)	-	-	870,497	-	(870,497)	-	-	-	-	-	-	-	-
Legal reserve		-	-	870,497	-	(870,497)	-	-	-	-	-	-	-	-
Special reserve		-	-	-	142,568	(142,568)	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(7,326,483)	-	-	-	-	-	(7,326,483)	-	(7,326,483)
Changes in the net interest of associates recognised under the equity method	6(18)	-	114	-	-	(634,746)	-	(60,430)	-	-	-	(695,062)	-	(695,062)
Expired cash dividends reclassified to capital surplus	6(16)	-	20,695	-	-	-	-	-	-	-	-	20,695	-	20,695
Dividends paid to subsidiaries to adjust capital surplus	6(16)	-	5,689	-	-	-	-	-	-	-	-	5,689	-	5,689
Expired cash dividends paid from capital surplus	6(16)	-	(927)	-	-	-	-	-	-	-	-	(927)	-	(927)
Changes in ownership interests in subsidiaries	6(16)	-	6,420	-	-	-	-	-	-	-	-	6,420	56,779	63,199
Disposal of investment in equity instruments designated at fair value through other comprehensive income		-	-	-	-	(946)	-	946	-	-	-	-	(2,215)	(2,215)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	9,211	-	-	-	-	-	-	-	-	9,211	14,089	23,300
Cash dividends paid by consolidated subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(912,406)	(912,406)
Decrease in non-controlling interest-acquisition of ownership interests in subsidiaries	6(16)(28)	-	-	-	-	(138,660)	-	-	-	-	-	(138,660)	(187,981)	(326,641)
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	\$ 32,937,544	\$ 305,485,814

(Continued)

FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent														
	Retained Earnings					Other Equity Interest							Non-controlling interest	Total equity
	Notes	Common stock	Total capital surplus, additional paid-in capital	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		
For the year ended December 31, 2025														
Balance at January 1, 2025		\$ 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	\$ 32,937,544	\$ 305,485,814
Profit (loss) for the year		-	-	-	-	(5,797,137)	-	-	-	-	-	(5,797,137)	26,353	(5,770,784)
Other comprehensive income (loss) for the year	6(18)	-	-	-	-	158,145	(2,410,691)	84,302,370	18,452	-	-	82,068,276	3,231,838	85,300,114
Total comprehensive income (loss)		-	-	-	-	(5,638,992)	(2,410,691)	84,302,370	18,452	-	-	76,271,139	3,258,191	79,529,330
Appropriation of 2024 earnings	6(17)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(2,930,593)	-	-	-	-	-	(2,930,593)	-	(2,930,593)
Changes in the net interest of associates recognised under the equity method	6(16)(18)	-	(35,038)	-	-	1,638,439	-	(1,638,439)	-	-	-	(35,038)	-	(35,038)
Expired cash dividends reclassified to capital surplus	6(16)	-	12,362	-	-	-	-	-	-	-	-	12,362	-	12,362
Dividends paid to subsidiaries to adjust capital surplus	6(16)	-	2,932	-	-	-	-	-	-	-	-	2,932	-	2,932
Expired cash dividends reclassified to capital surplus	6(16)	-	(2,024)	-	-	-	-	-	-	-	-	(2,024)	-	(2,024)
Changes in ownership interests in subsidiaries	6(16)	-	458	-	-	-	-	-	-	-	-	458	8,959	9,417
Disposal of investment in equity instruments designated at fair value through other comprehensive income	6(18)	-	-	-	-	6,353,178	(6,353,178)	-	-	-	-	-	-	-
Cash dividends paid by consolidated subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(966,968)	(966,968)
Decrease in non-controlling interest-acquisition of ownership interests in subsidiaries	6(16)(28)	-	(1,156)	-	-	-	-	-	-	-	-	(1,156)	(2,598)	(3,754)
Increase in non-controlling interest-disposal of ownership interests in subsidiaries	6(16)(28)	-	153	-	-	-	-	-	-	-	-	153	246	399
Balance at December 31, 2025		\$ 58,611,863	\$ 9,291,029	\$ 71,867,866	\$ 76,745,060	\$ 34,476,081	(\$ 2,316,916)	\$ 96,516,426	(\$ 3,337)	\$ 1,002,383	(\$ 323,952)	\$ 345,866,503	\$ 35,235,374	\$ 381,101,877

The accompanying notes are an integral part of these consolidated financial statements.

FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 5,007,647)	\$ 936,746
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(24)	12,250,874	11,322,929
Amortisation	6(24)	2,778,146	3,874,835
Net gain on financial assets and liabilities at fair value through profit or loss	6(22)	(3,454)	(205,082)
Interest expense	6(23)	3,041,891	3,409,157
Interest income	6(20)	(610,743)	(766,673)
Dividend income	6(21)	(1,267,359)	(1,977,756)
Share of profit or loss of associates accounted for under the equity method		(1,047,852)	(2,150,005)
Impairment loss on property, plant and equipment	6(22)	797,723	21,353
Gain on disposal and scrap of property, plant and equipment	6(22)	(579,170)	(23,630)
Loss (gain) on disposal of investments	6(22)	33,771	(3,933)
Gains on lease modification	6(22)	-	(293)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		627,740	(329,991)
Notes receivable-related parties		1,722	(506)
Accounts receivable		4,349,144	(2,114,028)
Accounts receivable-related parties		1,893,155	549,856
Other receivables		(77,727)	(132,570)
Inventories		9,141,032	1,943,136
Other current assets		1,729,349	1,883,306
Changes in operating liabilities			
Notes payable		5,432	14,592
Accounts payable		1,366,107	(1,385,938)
Accounts payable-related parties		(3,669,683)	1,278,251
Other payables		608,581	(1,381,473)
Other current liabilities		(385,754)	746,364
Accrued pension liabilities		(688,125)	(673,966)
Cash inflow generated from operations		25,287,153	14,834,681
Interest received		678,040	817,083
Dividends received		3,378,375	7,916,641
Interest paid		(3,111,299)	(3,378,270)
Income tax paid		(1,126,796)	(1,025,686)
Net cash flows from operating activities		<u>25,105,473</u>	<u>19,164,449</u>

(Continued)

FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in other receivables-related parties		(\$ 516,600)	\$ 5,247,127
Acquisition of financial assets at fair value through other comprehensive income		(62,464)	(88,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income		8,289,569	238
Shares returned from reduction in financial assets at fair value through other comprehensive income		19,561	3,484
Acquisition of financial assets at amortised cost		-	(723,590)
Proceeds from disposal of financial assets at amortised cost		2,169,069	-
Acquisition of investments accounted for under the equity method	6(7) and 7	(119,146)	(2,783,043)
Proceeds from disposal of investments accounted for under equity method		935,478	3,933
Acquisition of property, plant and equipment	6(29)	(14,314,566)	(12,430,767)
Proceeds from disposal of property, plant and equipment		1,237,121	467,785
Acquisition of intangible assets		(4,085)	(746)
Increase in non-current assets		(3,409,857)	(4,526,162)
Net cash flows used in investing activities		(5,775,920)	(14,829,741)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings		(4,128,560)	306,010
(Decrease) increase in short-term notes and bills payable		(23,808,193)	5,512,049
(Decrease) increase in other payables-related parties		(251,880)	450,095
Increase in corporate bonds payable		12,000,000	-
Payment of corporate bonds payable		(10,950,000)	(3,800,000)
Increase in long-term borrowings		42,117,386	29,468,984
Payment of long-term borrowings		(37,105,790)	(28,369,053)
Payment of lease liabilities		(213,320)	(204,575)
Decrease in other non-current liabilities		(40,540)	(59,628)
Payment of cash dividends	6(29)	(2,939,402)	(7,337,173)
Payment of expired cash dividends reclassified to capital surplus		(2,024)	(927)
Payment of cash dividends - non-controlling interest		(1,062,483)	(908,722)
Acquisition of ownership interests in subsidiaries	6(28)	(3,754)	(326,641)
Disposal of ownership interests in subsidiary equity	6(28)	399	24,486
Net cash flows used in financing activities		(26,388,161)	(5,245,095)
Effect of foreign exchange translations		(129,330)	(1,421,132)
Net (decrease) increase in cash and cash equivalents		(7,187,938)	510,745
Cash and cash equivalents at beginning of year		24,382,093	23,871,348
Cash and cash equivalents at end of year		\$ 17,194,155	\$ 24,382,093

The accompanying notes are an integral part of these consolidated financial statements.

FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

1. History and Organisation

Formosa Chemicals & Fibre Corporation (the “Company”) was founded on March 5, 1965. The Company and its subsidiaries (together referred herein as the “Group”) now has eight business divisions, namely First Chemical Division, Petrochemicals Division, Third Chemical Division, Plastics Division, Textile Division, First Fiber Division and its subsidiaries, Second Fiber Division, and Engineering & Construction Division. The Group’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 Group 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 consolidated financial statements were authorised for issuance by the Board of Directors on March 10, 2026.

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 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 Group’s financial condition and financial performance based on the Group’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 Group

New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of 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
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
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 Group’s financial condition and financial performance based on the Group’s assessment.

Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

- A. 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.
- B. 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.
- C. 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:

- (a) the practical ability to withdraw, stop or cancel the payment instruction;
- (b) the practical ability to access the cash used for settlement; and
- (c) significant settlement risk.

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.

(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 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 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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

A. 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.

B. Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’

The amendments require all amounts (including comparatives) to be translated from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy using the closing rate at the date of the most recent statement of financial position. The amendments also include an exception for entities with a functional and presentation currency that is the currency of a hyperinflationary economy to not re-translate comparatives of foreign operation(s) with the functional currency of a non-hyperinflationary economy. The amendments also require additional disclosures including the

applied translation method and summarised financial information about the foreign operation(s) to which the translation method is applied.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, the consolidated 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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’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) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-

controlling interests having a deficit balance.

- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
The Company	Formosa FCFC Carpet Corp.	Spinning, dyeing, printing, finishing and manufacturing synthetic fibre, rug and carpet	100.00	100.00	The Company holds more than 50% of voting rights.
The Company	Formosa Renewable Energy Corp.	Renewable energy technical services	100.00	100.00	The Company holds more than 50% of voting rights. (Note 2)
The Company	FCFC Investment Corp. (Cayman)	Investing	100.00	100.00	The Company holds more than 50% of voting rights.
The Company	Formosa Green Power Corp.	Renewable-energy-based electricity retailing	100.00	100.00	The Company holds more than 50% of voting rights.

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
The Company	Formosa Biomedical Technology Corp.	Manufacturing and sales of cleaner and cosmetics	88.59	88.59	The Company holds more than 50% of voting rights.
The Company	Formosa Idemitsu Petrochemical Corp.	Wholesale and retail of petrochemical and plastic raw materials	50.00	50.00	The Company has substantial control and thus regards Formosa Idemitsu Petrochemical Corp. as a subsidiary.
The Company	Formosa INEOS Chemicals Corp.	Chemistry, international trade of petrochemistry	50.00	50.00	The Company has substantial control and thus regards Formosa INEOS Chemicals Corp. as a subsidiary.
The Company	Chia-Nan Enterprise Corp.	Hydropower	51.00	51.00	The Company holds more than 50% of voting rights.
The Company	Formosa Industries Corp.	Production and marketing of textile, polyester staple fibre, cotton, hydropower	42.50	42.50	The Company has substantial control and thus regards Formosa Industries Corp. as a subsidiary.
The Company	Formosa Taffeta Co., Ltd.	Production and marketing of Polyamine fabric, Polyester fabric, cotton fabric, blended fabric and tire cord fabric	37.40	37.40	The Company has substantial control and thus regards Formosa Taffeta Corp. as a subsidiary.
FCFC Investment Corp. (Cayman)	Formosa Power (Ningbo) Co., Ltd.	Cogeneration power generation business	100.00	100.00	The company holds more than 50% of voting rights through wholly-owned company - FCFC Investment Corp. (Cayman).

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
FCFC Investment Corp. (Cayman)	Formosa Chemicals & Fibre (Hong Kong) Co., Ltd.	Investing	100.00	100.00	The company holds more than 50% of voting rights through wholly-owned company - FCFC Investment Corp. (Cayman).
Formosa Chemicals & Fibre (Hong Kong) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Producing and marketing of PTA、PS、ABS、Phenol	100.00	100.00	The company holds more than 50% of voting rights through wholly-owned company - FCFC Investment Corp. (Hong Kong).
Formosa Biomedical Technology Corp.	Hong Jing Resources Corp.	Removal and disposal of waste	90.59	90.61	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp. (Notes 1)
Formosa Biomedical Technology Corp.	Formosa Biomedical Technology (SAMOA) Co., Ltd.	Investment	100.00	100.00	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp.
Formosa Biomedical Technology Corp.	Formosa Waters Technology Co., Ltd.	Manufacturing industrial catalyst and wholesale of other chemical products	57.00	57.00	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp.

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Formosa Biomedical Technology Corp.	Formosa Bio & Energy Corp. (Japan)	Manufacturing and sale of battery energy storage systems and related products	57.50	57.45	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp.
Formosa Biomedical Technology Corp.	Ivy Life Sciences Co., Ltd.	Research and development and clinical application of cell therapy technologies	51.31	51.00	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp. (Notes 4)
Formosa Biomedical Technology Corp.	Formosa Eco Life Technology Co., Ltd.	Sales of cleaning supplies	70.00	70.00	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp.
Formosa Biomedical Technology Corp.	Formosa Biomedical Material Technology Corp.	Immunocyte capture and separation technology applications	76.92	52.63	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp. (Notes 3)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Formosa Biomedical Technology (SAMOA) Co., Ltd.	Formosa Biomedical Trading (Shanghai) Co., Ltd.	Importing, exporting and wholesale of healthy food	100.00	100.00	Formosa Biochemical Technology holds more than 50% of voting rights through a 100% owned company- Formosa Biomedical Technology (SAMOA) Co., Ltd.
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Vietnam) Co., Ltd.	Production, processing, sales of yarn spinning, weaving, dyeing and finishing, carpets, curtains and cleaning supplies	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights.
Formosa Taffeta Co., Ltd.	Formosa Development Co., Ltd.	Handling urban land consolidation, housing and building development and rental, new county and community construction and investment, and specific area development	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights.
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Hong Kong) Co., Ltd.	Sales of Nylon and Polyamine fabric	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights.
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Dong Nai) Co., Ltd.	Manufacturing of nylon and polyester filament products	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights.

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
Formosa Taffeta (Hong Kong) Co., Ltd.	Formosa Taffeta (Changshu) Co., Ltd.	Manufacturing and processing fabric of nylon filament knitted cloth, weaving and dyeing as well as post processing of knitted fabric	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights through a 100% owned company - Formosa Taffeta (Hong Kong) Co., Ltd.
Formosa Taffeta (Hong Kong) Co., Ltd.	Formosa Taffeta (Zhong Shan) Co., Ltd.	Manufacturing of nylon and polyester filament greige cloth, coloured cloth, printed cloth and textured processing yarn products	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights through a 100% owned company - Formosa Taffeta (Hong Kong) Co., Ltd.
Formosa Development Co., Ltd.	Public More Internation Co., Ltd.	Employment services and temporary worker services	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights through a 100% owned company - Formosa Development Co., Ltd.

Note 1: On March 14, 2024, the Board of Directors of the Group's subsidiary, Formosa Biomedical Technology Corp., resolved to acquire 21.21% equity interest in Hong Jing Resources Corp. for a cash consideration of \$326,641. The shareholding ratio increased from 71.00% to 92.21%. On September 19, 2024, the subsidiary sold 1.60% equity interest in Hong Jing Resources Corp. at a price of \$40 per share to employees. The shareholding ratio decreased from 92.21% to 90.61%. On July 1, 2025, the subsidiary sold 0.02% equity interest in Hong Jing Resources Corp. at a price of \$40 per share to employees. Accordingly, the shareholding ratio decreased from 90.61% to 90.59%.

Note 2: On May 9, 2024, the Company was approved by the competent authority to establish Formosa Renewable Energy Corporation with an investment amount of \$50,000, and the shareholding ratio was 100%. The entity has been undergoing liquidation since September 1, 2025. As of December 31, 2025, the liquidation has not yet been completed.

Note 3: On November 11, 2024, the Group's subsidiary, Formosa Biomedical Technology Corp., invested in the establishment of Formosa Biomedical Material Technology Corporation with an investment amount of \$50,000, and the shareholding ratio was 100%. Additionally,

on November 25, 2024, the board of directors of Formosa Biomedical Material Technology Corporation resolved to increase capital through intangible assets by \$45,000. The shareholding ratio decreased from 100% to 52.63%. On February 20, 2025, Formosa Biomedical Material Technology Corporation increased working capital amounting to \$100,000. The Board of Directors of the Group resolved to invest \$100,000, and the shareholding ratio increased from 52.63% to 76.92%.

Note 4: On March 28, 2025, the Group's subsidiary, Formosa Biomedical Technology Corp., acquired equity interest in Ivy Life Sciences Co., Ltd. for a cash consideration of \$3,754. The shareholding ratio increased from 51.00% to 51.31%.

C. Subsidiaries not included in the consolidated financial statements: None

D. Adjustments for subsidiaries with different balance sheet dates: None

E. Significant restrictions: None

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2025 and 2024, the non-controlling interest amounted to \$35,235,374 and \$32,937,544, respectively. The information on non-controlling interest and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2025		December 31, 2024	
		Amount	Ownership (%)	Amount	Ownership (%)
Formosa Taffeta Co., Ltd.	Taiwan	\$ 26,405,993	62.60	\$ 23,000,840	62.60

Summarised financial information of the subsidiary:

Balance sheets

	Formosa Taffeta Co., Ltd.	
	December 31, 2025	December 31, 2024
Current assets	\$ 14,605,708	\$ 15,290,355
Non-current assets	42,532,655	37,071,744
Current liabilities	(5,330,155)	(5,964,402)
Non-current liabilities	(9,469,887)	(9,487,180)
Total net assets	\$ 42,338,321	\$ 36,910,517

Statements of comprehensive income

	Formosa Taffeta Co., Ltd.	
	Year ended December 31, 2025	Year ended December 31, 2024
Revenue	\$ 27,543,789	\$ 28,715,705
Profit before income tax	1,061,823	1,653,567
Income tax expense	(196,573)	(163,382)
Profit for the year	865,250	1,490,185
Other comprehensive income (loss), net of tax	5,908,123	(18,106,450)
Total comprehensive income (loss) for the year	\$ 6,773,373	\$ 16,616,265

Statements of cash flows

	Formosa Taffeta Co., Ltd.	
	Year ended December 31, 2025	Year ended December 31, 2024
Net cash provided by operating activities	\$ 2,557,143	\$ 3,308,379
Net cash used in investing activities	(817,837)	(874,297)
Net cash used in financing activities	(1,866,241)	(3,247,575)
Effect of exchange rates on cash and cash equivalents	(170,687)	97,014
Decrease in cash and cash equivalents	(297,622)	(716,479)
Cash and cash equivalents, beginning of year	3,524,678	4,241,157
Cash and cash equivalents, end of year	\$ 3,227,056	\$ 3,524,678

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's 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 re-translated 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 re-translated 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 the group entities, 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 a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) 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 that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- 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 in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;

- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (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.

(6) 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.

(7) 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 Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) 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 Group 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 Group'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 Group measures the financial assets at fair value plus transaction costs. The Group 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 Group 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.

(9) 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 Group'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 Group 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 Group'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.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group 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.

(11) Impairment of financial assets

For accounts receivable or contract assets that have a significant financing component, at each reporting date, the Group 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 Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has not retained control of the financial asset.

(13) 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.

(14) 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 labour, 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.

(15) Investments accounted for using equity method /associates

- A. Associates are all entities over which the Group 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. The Group'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 Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. 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 Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group'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 Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group'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 Group'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.

- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group 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.
- H. When the Group 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.
- I. At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(16) 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 Group 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	3 ~ 15 years
Buildings	10 ~ 60 years
Machinery and equipment	5 ~ 25 years
Transportation equipment	3 ~ 15 years
Other equipment	2 ~ 15 years

(17) 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 Group. 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.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(18) Intangible assets

- A. Computer software
Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life.
- B. Goodwill
Goodwill arises in a business combination accounted for by applying the acquisition method.

(19) Impairment of non-financial assets

- A. The Group 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 amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) 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.

(21) 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.

(22) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Bonds payable

Ordinary corporate bonds issued by the Group 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'.

(24) 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.

(25) 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.

(26) Provisions

Under the Climate Change Response Act and its regulations in the ROC, carbon fees levied are not applicable under IFRIC 21, 'Levies' but are recognised and measured in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. If the estimated annual emissions are probable to exceed the threshold for levying, liabilities in relation to emission fees are estimated and accrued based on the proportion of emissions already incurred to the estimated annual emissions in the interim financial statements.

(27) 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 expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense 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 plans

- 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 Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans 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 Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans 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.

(28) 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. 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 Group 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.

(29) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. 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 carrying amount 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.

(30) Dividends

- A. Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.
- B. For the shareholders' dividends that should be distributed in cash, the Company's Board of Directors would be adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and then reported to the shareholders. The provisions that must be resolved by the shareholders' meeting shall not apply.

(31) Revenue recognition

Sales of goods

- A. The Group 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.

- 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 Group 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.

(32) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group'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. The information is addressed below:

(1) Critical judgements in applying the Group'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 Group must use judgements and assumptions to determine the collectability of accounts receivable. The collectability is affected by various factors: customers' financial conditions, the Group's internal credit ratings, historical experience, etc. When sales are not expected to be collected, the Group 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 Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group 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, 2025, the carrying amount of inventories was \$33,169,536.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and petty cash	\$ 60,730	\$ 43,923
Checking accounts and demand deposits	5,793,310	6,852,402
Cash equivalents		
Time deposits	6,142,321	10,453,621
Bonds repurchased and commercial paper	5,197,794	7,032,147
	<u>\$ 17,194,155</u>	<u>\$ 24,382,093</u>

A. The Group 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, 2025 and 2024, the Group did not recognise any loss allowance.

- B. The Group repatriated the capital in the amount of US\$44,221 thousand in accordance with “The Management, Utilisation, and Taxation of Repatriated Offshore Funds Act” in June 2021. As of December 31, 2025, the undrawn capital amounted to NT\$454,397 thousand, 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 Group participated in the urban renewal project planned for Formosa Plastics Building and entered into a trust contract with Mega International Commercial Bank as well as set the trust accounts. Payments reserved in the trust accounts shall be earmarked, excluding related expenses for payments of construction and taxes, and no payment can be drawn from the trust account during the duration of trust. As of December 31, 2025, the balance of trust accounts was \$694,887. As the trust accounts were pledged to others as collateral, they had been classified as “non-current financial assets at amortised cost”.
- D. As the Group applied for the government subsidy projects from the Ministry of Economic Affairs, certain demand deposits were pledged as collateral. As of December 31, 2025, cash pledged to others as collateral amounting to \$107,517 had been classified as “non-current financial assets at amortised cost”.
- E. The Group has no cash and cash equivalents pledged to others.

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

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Fund	\$ 1,491,063	\$ 1,491,063
Valuation adjustments	358,592	355,138
	<u>\$ 1,849,655</u>	<u>\$ 1,846,201</u>

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

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Fund	<u>\$ 3,454</u>	<u>\$ 204,603</u>

- B. 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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Equity instruments		
Listed stocks	\$ 22,761,486	\$ 24,697,876
Unlisted stocks	825,839	825,839
Valuation adjustment	<u>75,379,510</u>	<u>16,230,055</u>
	<u>\$ 98,966,835</u>	<u>\$ 41,753,770</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 8,163,126	\$ 8,163,126
Unlisted stocks	27,126,635	27,083,732
Valuation adjustment	<u>13,963,149</u>	<u>6,639,672</u>
	<u>\$ 49,252,910</u>	<u>\$ 41,886,530</u>

- A. The Group has elected to classify equity securities investments that are considered to be steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$148,219,745 and \$83,640,300 as at December 31, 2025 and 2024, respectively.
- B. 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:

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income (loss)	<u>\$ 73,249,180</u>	<u>(\$ 68,289,316)</u>
Cumulative gains (losses) reclassified to retained earnings due to derecognition (including loss included in non-controlling interest)	<u>\$ 6,353,178</u>	<u>(\$ 3,161)</u>

- C. As of December 31, 2025 and 2024, 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 Group were \$148,219,745 and \$83,640,300, respectively.
- D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Time deposits with original maturity date of more than three months	\$ 3,443,438	\$ 3,335,507
Non-current items:		
Time deposits	\$ 1,236,128	\$ 3,388,509
Trust accounts	694,887	829,706
Restricted deposits	107,517	97,317
	\$ 2,038,532	\$ 4,315,532

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest income	\$ 146,731	\$ 293,629

B. As of December 31, 2025 and 2024, 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 amortised cost held by the Group were \$5,481,970 and \$7,651,039, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 3,430,354	\$ 4,058,094
Less: Allowance for uncollectible accounts	-	-
	\$ 3,430,354	\$ 4,058,094
Notes receivable-related parties	\$ 4,714	\$ 6,436

	December 31, 2025	December 31, 2024
Accounts receivable	\$ 13,736,778	\$ 18,138,408
Less: Allowance for uncollectible accounts	(79,651)	(132,137)
	\$ 13,657,127	\$ 18,006,271
Accounts receivable-related parties	\$ 5,907,634	\$ 7,800,789

A. As of December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$28,107,910.

B. As of December 31, 2025 and 2024, 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 Group's notes and accounts receivable were \$3,435,068 and \$4,064,530 and accounts receivable were \$19,564,761 and \$25,807,060, respectively.

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

(6) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 9,895,327	(\$ 218,098)	\$ 9,677,229
Materials	7,447,349	(631,286)	6,816,063
Work in progress	5,012,245	(20,407)	4,991,838
Finished goods	12,304,785	(911,220)	11,393,565
Other inventory	290,841	-	290,841
	<u>\$ 34,950,547</u>	<u>(\$ 1,781,011)</u>	<u>\$ 33,169,536</u>
	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 15,007,403	(\$ 167,577)	\$ 14,839,826
Materials	7,915,708	(689,777)	7,225,931
Work in progress	7,126,923	(158,382)	6,968,541
Finished goods	13,874,889	(957,407)	12,917,482
Other inventory	358,788	-	358,788
	<u>\$ 44,283,711</u>	<u>(\$ 1,973,143)</u>	<u>\$ 42,310,568</u>

A. Expense and loss incurred on inventories for the years ended December 31, 2025 and 2024 were as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Cost of inventories sold	\$ 274,097,287	\$ 332,022,607
(Gain on reversal of) loss on inventory valuation (Note)	(191,579)	110,167
Idle capacity (including annual survey and work stoppage)	2,733,240	2,189,518
Others	1,068,025	230,340
	<u>\$ 277,706,973</u>	<u>\$ 334,552,632</u>

Note: For the year ended December 31, 2025, the disposal of excess inventory resulted in gain from price recovery of inventory.

B. As of December 31, 2025 and 2024, inventories pledged are described in Note 8.

(7) Investments accounted for using equity method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Formosa Heavy Industries Corp.	\$ 5,760,307	\$ 5,775,112
Formosa Plastics Transport Corp.	1,475,162	1,400,881
Formosa Petrochemical Corp.	85,771,126	71,636,022
Mai Liao Power Corp.	18,010,331	16,146,749
Hwa Ya Science Park Management Consulting Co., Ltd.	5,247	5,060
Formosa Environmental Technology Corp.	247,608	240,481
Formosa Synthetic Rubber Corp. (Hong Kong)	1,314,670	1,468,190
Formosa Resources Corp.	4,062,093	6,403,506
Formosa Group (Cayman) Corp.	-	968,838
Formosa Plastics Construction Corp.	1,042,992	1,015,981
Guo Su Plastic Industry Co., Ltd.	3,302	50,768
FG INC.	3,603,375	3,754,088
Formosa Smart Energy Tech Corp.	4,160,742	4,176,413
Beyoung International Corp.	98,394	92,351
Formosatree Co., Ltd.	234,881	235,987
Formosa Advanced Technologies Co., Ltd.	5,135,955	4,723,400
Nan Ya Optical Corp.	208,249	208,865
Kuang Yueh Co., Ltd.	1,496,495	1,443,702
Schoeller Textil AG	608,263	817,647
Health Saver Medical Co., Ltd.	17,159	-
	<u>\$ 133,256,351</u>	<u>\$ 120,564,041</u>

A. Associates

(a) The basic information of the associate that is material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Method of measurement
		December 31, 2025	December 31, 2024		
Formosa Petrochemical Corp.	Taiwan	24.15%	24.15%	Investments accounted for using equity method	Equity method

- (b) The summarised financial information of the associate that is material to the Group is shown below:

Balance sheets

	Formosa Petrochemical Corp.	
	December 31, 2025	December 31, 2024
Current assets	\$ 250,972,699	\$ 200,901,284
Non-current assets	155,285,361	160,254,258
Current liabilities	(37,762,267)	(44,540,292)
Non-current liabilities	(12,703,706)	(19,654,686)
Total net assets	<u>\$ 355,792,087</u>	<u>\$ 296,960,564</u>
Share in associate's net assets	\$ 85,923,789	\$ 71,715,976
Unrealised (gain) loss from sale of upstream transactions eliminations	(41,944)	30,765
Net differences in share capital	(110,719)	(110,719)
Carrying amount of the associate	<u>\$ 85,771,126</u>	<u>\$ 71,636,022</u>

Statements of comprehensive income

	Formosa Petrochemical Corp.	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Revenue	\$ 623,414,243	\$ 661,405,434
Profit for the year from continuing operations	\$ 9,875,335	\$ 5,970,918
Other comprehensive income (loss), net of tax	56,574,456	(26,293,192)
Total comprehensive income (loss)	<u>\$ 66,449,791</u>	<u>(\$ 20,322,274)</u>
Dividends received from associates	<u>\$ 1,840,640</u>	<u>\$ 4,601,600</u>

- (c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of December 31, 2025 and 2024, the carrying amount of the Group's individually immaterial associates amounted to \$47,485,225 and \$48,928,019, respectively.

	For the year ended December 31, 2025	For the year ended December 31, 2024
(Loss) profit for the year from continuing operations	(\$ 4,298,804)	\$ 3,699,634
Other comprehensive income, net of tax	2,438,897	2,865,364
Total comprehensive (loss) income	<u>(\$ 1,859,907)</u>	<u>\$ 6,564,998</u>

(d) The fair value of the Group's associates which have quoted market price was as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Formosa Petrochemical Corp.	\$ 109,978,230	\$ 79,492,633
Kuang Yueh Co., Ltd.	1,515,709	1,861,035
Formosa Advanced Technologies Co., Ltd.	<u>8,809,291</u>	<u>3,839,598</u>
	<u>\$ 120,303,230</u>	<u>\$ 85,193,266</u>

- B. On May 3, 2024, the Board of Directors of the Group resolved to increase its investment in Formosa Smart Energy Tech Corp. by \$2,500,000 in proportion to its original ownership of 25%.
- C. On April 11, 2024, the Board of Directors of the Group's subsidiary, Formosa Biomedical Technology Corp., resolved to invest \$237,000 in Formosatree Co., Ltd. during April and July 2024, and the shareholding ratio was 30%.
- D. On March 25, 2024, the Board of Directors of the Company resolved to sell all of its 4,698 thousand shares of Formosa Fairway Corporation to Chang Gung Medical Technology Co., Ltd. The difference of \$3,933 between the proceeds from disposal and the book value was recognised as gain on disposal of investment.
- E. Guo Su Plastic Industry Co., Ltd. resolved to reduce capital by \$55,000 to offset against accumulated deficit, at the stockholders' meeting on October 20, 2025. On the same date, the board of directors resolved a cash capital increase of \$20,000. The Company did not increase the capital in proportion to its original shareholding, resulting in a decrease in its ownership interest from 49.00% to 24.50%, and a reduction in capital surplus of \$35,642.
- F. As approved by the competent authority, Formosa Plastics Group (Cayman) Company has undergone dissolution and liquidation, which was completed on December 23, 2025. The Company recognized a loss on disposal of investment amounting to \$33,771, representing the difference between the carrying amount of the investment and the proceeds from liquidation of \$935,478.
- G. On January 3, 2025, the Board of Directors of the Group's second-tier subsidiary, Formosa Biomedical Material Technology Corp., resolved to invest \$25,500 in Health Saver Medical Co., Ltd., and the shareholding ratio was 35.7%. Health Saver Medical Co., Ltd. conducted a cash capital increase of \$7,000 in August 2025. However, the Group's second-tier subsidiary, Formosa Biomedical Material Technology Corp., did not subscribe to the capital increase in proportion to its original shareholding, resulting in a decrease in its ownership interest from 35.71% to 30.61%.
- H. On June 3, 2025, the Board of Directors of the Group's subsidiary, Formosa Biomedical Technology Corp., resolved to reinvest \$8,000 in Beyoung International Corp., and the shareholding ratio increased from 30.00% to 35.62%.
- I. As of December 31, 2025 and 2024, no equity investments held by the Group were pledged to others.

(8) Property, plant and equipment

	<u>Land and land improvements</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment and other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
<u>At January 1, 2025</u>						
Cost	\$ 12,039,625	\$ 56,484,384	\$ 348,075,365	\$ 12,352,792	\$ 31,376,877	\$ 460,329,043
Accumulated depreciation and impairment	(89,788)	(33,992,278)	(263,463,219)	(10,470,398)	(20,032)	(308,035,715)
	<u>\$ 11,949,837</u>	<u>\$ 22,492,106</u>	<u>\$ 84,612,146</u>	<u>\$ 1,882,394</u>	<u>\$ 31,356,845</u>	<u>\$ 152,293,328</u>
<u>2025</u>						
Opening net book amount	\$ 11,949,837	\$ 22,492,106	\$ 84,612,146	\$ 1,882,394	\$ 31,356,845	\$ 152,293,328
Additions	-	89,794	1,295,124	200,720	11,046,630	12,632,268
Disposals	(17,960)	(1,398)	(631,663)	(6,931)	-	(657,952)
Reclassifications	81,398	305,077	19,542,581	384,318	(20,366,599)	(53,225)
Depreciation charge	-	(1,583,401)	(10,006,543)	(434,253)	-	(12,024,197)
Impairment loss	-	(24,516)	(773,153)	(54)	-	(797,723)
Net exchange differences	(24)	(667,012)	(1,406,147)	(26,728)	(657,994)	(2,757,905)
Closing net book amount	<u>\$ 12,013,251</u>	<u>\$ 20,610,650</u>	<u>\$ 92,632,345</u>	<u>\$ 1,999,466</u>	<u>\$ 21,378,882</u>	<u>\$ 148,634,594</u>
<u>At December 31, 2025</u>						
Cost	\$ 12,102,821	\$ 55,779,863	\$ 360,745,768	\$ 12,569,041	\$ 21,398,914	\$ 462,596,407
Accumulated depreciation and impairment	(89,570)	(35,169,213)	(268,113,423)	(10,569,575)	(20,032)	(313,961,813)
	<u>\$ 12,013,251</u>	<u>\$ 20,610,650</u>	<u>\$ 92,632,345</u>	<u>\$ 1,999,466</u>	<u>\$ 21,378,882</u>	<u>\$ 148,634,594</u>

	<u>Land and land improvements</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment and other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
<u>At January 1, 2024</u>						
Cost	\$ 12,186,316	\$ 52,726,832	\$ 323,994,942	\$ 12,071,134	\$ 41,561,134	\$ 442,540,358
Accumulated depreciation and impairment	(166,554)	(31,962,459)	(252,119,362)	(10,065,677)	-	(294,314,052)
	<u>\$ 12,019,762</u>	<u>\$ 20,764,373</u>	<u>\$ 71,875,580</u>	<u>\$ 2,005,457</u>	<u>\$ 41,561,134</u>	<u>\$ 148,226,306</u>
<u>2024</u>						
Opening net book amount	\$ 12,019,762	\$ 20,764,373	\$ 71,875,580	\$ 2,005,457	\$ 41,561,134	\$ 148,226,306
Additions	-	281,801	899,205	204,598	10,921,968	12,307,572
Disposals	(218,768)	-	(106,278)	(17,779)	(101,330)	(444,155)
Reclassifications	71,466	2,610,641	19,690,923	138,036	(22,389,370)	121,696
Depreciation charge	-	(1,590,613)	(9,034,288)	(478,031)	-	(11,102,932)
Reversal of impairment loss	77,316	(41,159)	(37,467)	(11)	(20,032)	(21,353)
Net exchange differences	61	467,063	1,324,471	30,124	1,384,475	3,206,194
Closing net book amount	<u>\$ 11,949,837</u>	<u>\$ 22,492,106</u>	<u>\$ 84,612,146</u>	<u>\$ 1,882,394</u>	<u>\$ 31,356,845</u>	<u>\$ 152,293,328</u>
<u>At December 31, 2024</u>						
Cost	\$ 12,039,625	\$ 56,484,384	\$ 348,075,365	\$ 12,352,792	\$ 31,376,877	\$ 460,329,043
Accumulated depreciation and impairment	(89,788)	(33,992,278)	(263,463,219)	(10,470,398)	(20,032)	(308,035,715)
	<u>\$ 11,949,837</u>	<u>\$ 22,492,106</u>	<u>\$ 84,612,146</u>	<u>\$ 1,882,394</u>	<u>\$ 31,356,845</u>	<u>\$ 152,293,328</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:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Amount capitalised	<u>\$ 300,921</u>	<u>\$ 246,919</u>
Interest rate	<u>1.44%~4.67%</u>	<u>1.39%~5.17%</u>

B. Under the regulations, land may only be owned by individuals. Thus, the Group has already obtained ownership of the agricultural land for future plant expansion which was acquired by the Group under the name of a third party, who has pledged the full amount to the Company. As of December 31, 2025 and 2024, the pledged assets amounted to \$817,918.

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

D. The Group recognised impairment loss and reversal gain of impairment loss for the years ended December 31, 2025 and 2024 as follows:

	<u>Year ended December 31, 2025</u>	
	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive</u>
Impairment loss – building	\$ 24,516	\$ -
Impairment loss – machinery equipment	773,561	-
Reversal gain of impairment loss – machinery equipment	(408)	-
Impairment loss – transportation equipment and other equipment	54	-
	<u>\$ 797,723</u>	<u>\$ -</u>
	<u>Year ended December 31, 2024</u>	
	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive</u>
Reversal gain of impairment loss – land	(\$ 77,316)	\$ -
Impairment loss – building	41,159	-
Impairment loss – machinery equipment	37,467	-
Impairment loss – transportation equipment and other equipment	11	-
Impairment loss – construction in progress and equipment to be inspected	20,032	-
	<u>\$ 21,353</u>	<u>\$ -</u>

The impairment loss and reversal gain of impairment loss reported by operating segments are as follows:

	<u>Year ended December 31, 2025</u>	
	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive</u>
Textile division	(\$ 408)	\$ -
Other division (PC-3)	798,131	-
	<u>\$ 797,723</u>	<u>\$ -</u>

	<u>Year ended December 31, 2024</u>	
	Recognised in profit or loss	Recognised in other comprehensive
Textile division	\$ 85,222	\$ -
Rayon project dep.	11,110	-
Other division (Formosa Taffeta)	(77,316)	
Other division (Formosa INEOS Chemicals)	2,337	-
	<u>\$ 21,353</u>	<u>\$ -</u>

(9) Leasing arrangements-lessee

A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 2 to 56 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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	Carrying amount	Carrying amount
Land	\$ 1,439,198	\$ 1,507,146
Buildings	163,347	119,466
Transportation equipment	518	889
	<u>\$ 1,603,063</u>	<u>\$ 1,627,501</u>
	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
	Depreciation charge	Depreciation charge
Land	\$ 200,165	\$ 200,083
Buildings	26,141	19,543
Transportation equipment	371	371
	<u>\$ 226,677</u>	<u>\$ 219,997</u>

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$228,393 and \$241,587, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 16,033	\$ 14,710
Expense on short-term lease contracts	84,118	91,437
Expense on variable lease payments	15,526	18,485
Gain on lease modification	-	293

E. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$328,997 and \$329,207, respectively.

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

Type of loans	December 31, 2025	Interest rate range	Collateral
Bank loans			
OA loans	\$ 261,566	-	None
Secured loans	70,000	2.11%	Note 8
Unsecured loans	32,112,497	1.76~4.87%	None
Total short-term loans	<u>\$ 32,444,063</u>		
Short-term notes and bills payable	\$ 8,500,000	1.5%~1.76%	None
Short-term notes and bills payable discount	(15,806)		
Net short-term notes and bills payable	<u>\$ 8,484,194</u>		
Type of loans	December 31, 2024	Interest rate range	Collateral
Bank overdrafts	\$ 257,923	2.30%	None
Bank loans			
OA loans	296	5.24%	None
Secured loans	100,000	1.95%~2.11%	Note 8
Unsecured loans	36,214,404	1.65%~6.10%	None
Total short-term loans	<u>\$ 36,572,623</u>		
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	<u>\$ 32,292,387</u>		

(11) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss as of December 31, 2025 and 2024: None.

A. Amounts recognised in profit or loss and other comprehensive income in relation to financial liabilities at fair value through profit or loss are as follows:

Items	For the year ended December 31, 2025	For the year ended December 31, 2024
Forward foreign exchange contracts	\$ -	\$ 479

B. The forward exchange contracts are buy and sell JYP to hedge the change of exchange rate due to import and export transactions, but not adopting hedge accounting.

(12) Bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bonds payable		
Domestic unsecured nonconvertible corporate bonds	\$ 37,900,000	\$ 36,850,000
Less: Current portion	(12,100,000)	(10,950,000)
	<u>\$ 25,800,000</u>	<u>\$ 25,900,000</u>

The terms of nonconvertible corporate bonds were as follows:

Description	Issuance date	Maturity date	Yield rate (%)	Issued principal amount	December 31, 2025	December 31, 2024	Note
<u>2013</u>							
Second issued domestic unsecured nonconvertible corporate bonds	2014.1.17	2025.1.17 ~ 2026.1.17	2.03	\$ 10,000,000	\$ 5,000,000	\$ 10,000,000	Serial bonds, to be settled 50%, 50%
<u>2014</u>							
First 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%
<u>2019</u>							
First issued domestic unsecured nonconvertible corporate bonds - B	2019.5.13	2025.5.13 ~ 2026.5.13	0.83	3,000,000	1,500,000	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	Serial bonds, to be settled 50%, 50%

Description	Issuance date	Maturity date	Yield rate (%)	Issued principal amount	December 31,		Note
					2025	2024	
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%
<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	3,000,000	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%
<u>2025</u>							
First issued domestic unsecured nonconvertible corporate bonds	2025.7.2	2029.7.2 ~ 2030.7.2	2.08	5,100,000	5,100,000	-	Serial bonds, to be settled 50%, 50%
Second issued domestic unsecured nonconvertible corporate bonds - A	2025.10.1 6	2029.10.1 6 ~ 2030.10.1 6	1.90	4,400,000	4,400,000	-	Serial bonds, to be settled 50%, 50%
Second issued domestic unsecured nonconvertible corporate bonds - B	2025.10.1 6	2034.10.1 6 ~ 2035.10.1 6	2.03	2,500,000	2,500,000	-	Serial bonds, to be settled 50%, 50%
					37,900,000	36,850,000	
Less: Current portion of bonds payable					(12,100,000)	(10,950,000)	
					<u>\$ 25,800,000</u>	<u>\$ 25,900,000</u>	

(13) Long-term bank loans and notes payable

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	December 31, 2025
Long-term bank loans				
Unsecured loans				
Taipei Fubon Bank	Jul. 14, 2023 ~ Jul. 14, 2028, each 50% of principal is payable starting from 4 years and 5 years after the first drawdown	LIBOR+0.78% (if TAIFX is higher than LIBOR+0.42%, the difference between TAIFX and LIBOR+0.42% is payable by the borrower)	None	\$ 6,325,204
Mega International Commercial Bank	Dec. 13, 2021 ~ Dec. 13, 2026, the first payment (2024) is 4 years after the first drawdown and principal is payable semi-annually in 5 installments	2.50%	"	2,106,622
Huaxia Bank	Feb. 21, 2025 ~ Sep. 21, 2027, the first payment (2025) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.35%	"	346,713
China Construction Bank	Mar. 14, 2025 ~ Jan. 3, 2027, the first payment (2026) is nine months after the first drawdown and principal is payable semi-annually in 3 installments.	2.60%	"	531,138
Industrial Bank	Apr. 28, 2025 ~ May 27, 2026, the first payment (2025) is six months after the first drawdown and principal is payable semi-annually in 3 installments.	2.20%	"	344,356

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	December 31, 2025
Industrial Bank	May 19, 2025 ~ Jun. 18, 2026, the first payment (2025) is six months after the first drawdown and principal is payable semi-annually in 3 installments.	2.20%	None	\$ 201,229
Bank of Ningbo	Aug. 4, 2025 ~ Aug. 4, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.24%	"	268,364
Huaxia Bank	Aug. 21, 2025 ~ Aug. 20, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.25%	"	214,692
Huaxia Bank	Sep. 3, 2025 ~ Aug. 20, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.25%	"	98,400
China Everbright Bank	Sep. 4, 2025 ~ Mar. 1, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 3 installments.	2.25%	"	391,016

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	December 31, 2025
The Export-Import Bank of China	Sep. 8, 2025 ~ Sep. 7, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.24%	None	\$ 2,236,371
China Everbright Bank	Sep. 18, 2025 ~ Mar. 9, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 3 installments.	2.25%	"	470,868
The Export-Import Bank of China	May 25, 2022 ~ Oct. 16, 2026, principal is payable at maturity date	2.80%	"	2,370,553
Taiwan Cooperative Bank	Jul. 26, 2023 ~ Jul. 26, 2026, principal is payable at maturity date	1.85%	"	4,000,000
China Trust Bank	Jan 15, 2025 ~ Jan. 15, 2026, principal is payable at maturity date	1.97%	"	1,000,000
Bank of Taiwan	Sep. 25, 2024 ~ Sep. 12, 2027, principal is payable at maturity date	1.75%	"	6,000,000
Sino Pac Bank	Sep. 12, 2025 ~ Sep. 12, 2027, payable in full at maturity	2.09%	"	300,000
E.SUN Bank	Jul. 11, 2024 ~ Jul. 9, 2027, payable in full at maturity	2.04%	"	1,000,000
KGI Bank	Nov. 6, 2025 ~ Aug. 6, 2027, payable in full at maturity	1.91%	"	500,000
Bangkok Bank	Dec. 4, 2025 ~ Dec. 2, 2027, payable in full at maturity	2.03%	"	400,000
Mega International Commercial Bank	Jun. 20, 2025 ~ Jun. 2, 2027, payable in full at maturity	2.03%	"	800,000

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	December 31, 2025
Far Eastern International Bank	Sep. 20, 2024 ~ Sep. 20, 2027, payable in full at maturity	2.06%	None	\$ 1,200,000
Hua Nan Commercial Bank	Mar. 13, 2025 ~ Mar. 13, 2027, principal is payable at maturity date	2.00%	"	1,500,000
First Commercial Bank	Jun. 5, 2025 ~ Jun. 5, 2027, principal is payable at maturity date	1.97%	"	2,000,000
Mizuho Bank	Nov. 6, 2025 ~ Sep. 12, 2027, principal is payable at maturity date	1.91%		
				500,000
				35,105,526
Less: Current portion of long-term loans				(10,543,239)
				<u>\$ 24,562,287</u>

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	December 31, 2025
Other long-term Loans				
Commercial paper payable				
China Bills	Mar. 26, 2025 ~ Mar. 25, 2028, not less than 31 days, issued in installments	1.75%	None	\$ 2,000,000
Grand Bills	Apr. 11, 2025 ~ Apr. 10, 2028, not higher than 90 days, issued in installments	1.72%	"	2,500,000
Mega Bills	Oct. 20, 2025 ~ Jan. 16, 2026, not less than 61 days, not higher than 90 days, issued in installments	1.63%	"	4,000,000
Mega Bills	Apr. 11, 2025 ~ Feb. 12, 2026, not less than 61 days, not higher than 90 days, issued in installments	1.64%	"	5,000,000
Less: Amortization of discount on commercial paper payable				(17,307)
				13,482,693
				<u>\$ 38,044,980</u>

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	December 31, 2024
Long-term bank loans				
Unsecured loans				
Taipei Fubon Bank	Jul. 14, 2023 ~ Jul. 14, 2028, each 50% of principal is payable starting from 4 years and 5 years after the first drawdown	LIBOR+0.78% (if TAIFX is higher than LIBOR+0.42%, the difference between TAIFX and LIBOR+0.42% is payable by the borrower)	None	\$ 6,597,269
First Commercial Bank	Jul. 15, 2020 ~ Jul. 15, 2025, the first payment (2023) is 4 years after the first drawdown and principal is payable semi-annually in 5 installments	3.04%	"	695,130
Mega International Commercial Bank	Dec. 13, 2021 ~ Dec. 13, 2026, the first payment (2024) is 4 years after the first drawdown and principal is payable semi-annually in 5 installments	2.50%	"	4,295,690
The Export-Import Bank of China	May. 25, 2022 ~ Oct. 16, 2026, principal is payable at maturity date	2.85%	"	7,296,422
Bank of Taiwan	Sep. 25, 2024 ~ Sep. 12, 2025, principal is payable at maturity date	1.75%	"	6,000,000
Taiwan Cooperative Bank	Jul. 26, 2023 ~ Jul. 26, 2025, principal is payable at maturity date	1.84%	"	11,000,000

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	December 31, 2024
Hua Nan Commercial Bank	Mar. 13, 2024 ~ Mar. 13, 2026, principal is payable at maturity date	2.00%	None	\$ 1,500,000
First Commercial Bank	Jun. 5, 2024 ~ Jun. 5, 2026, principal is payable at maturity date	1.97%	"	2,000,000
Sino Pac Bank	Sep. 12, 2024 ~ Sep. 12, 2026, payable in full at maturity	2.09%	"	300,000
E.SUN Bank	Jul. 11, 2024 ~ Jul. 9, 2027, payable in full at maturity	2.04%	"	1,000,000
China Trust Bank	Sep. 6, 2024 ~ Sep. 6, 2026, payable in full at maturity	2.08%	"	400,000
KGI Bank	Aug. 6, 2024 ~ Aug. 6, 2026, payable in full at maturity	2.04%	"	1,000,000
Bangkok Bank	Dec. 4, 2023 ~ Dec. 2, 2025, payable in full at maturity	2.08%	"	400,000
Mega International Commercial Bank	Jun. 21, 2024 ~ Jun. 21, 2026, payable in full at maturity	2.12%	"	400,000
Far Eastern International Bank	Sep. 20, 2024 ~ Sep. 15, 2027, payable in full at maturity	2.05%	"	1,200,000
				<u>44,084,511</u>
Less: Current portion of long-term loans				(<u>16,583,694</u>)
				<u>\$ 27,500,817</u>

- A. On March 14, 2025, the Company signed a \$2,000,000 commercial paper issuance agreement with China Bills Finance Corporation, who agreed to act as an underwriter of commercial paper issued by the Company. Under the terms of the agreement, the Company must issue commercial paper with maturity of no less than 31 days in the contractual period. The agreement period is from March 26, 2025 to March 25, 2028. If the Company does not issue the full amount or interrupt the issuance (non-termination) during the period the agreement is in effect, it is required to pay a penalty to the other party at an annual interest rate of 1% based on the unfulfilled credit limit quarterly. If the Company terminates the agreement, it is required to immediately pay a

penalty in lump sum to the other party at an annual interest rate of 1% from the termination date to the expiration date of the agreement period.

- B. On March 21, 2025, the Company signed a \$2,500,000 non-guarantee commercial paper issuance agreement with Grand Bills Finance Corporation, who agreed to act as an underwriter of commercial paper issued by the Company. Under the terms of the agreement, the Company must issue commercial paper with maturity of no higher than 90 days in the contractual period. The agreement period is from April 11, 2025 to April 10, 2028. If the Company does not issue as agreed in the agreement, it is required to pay a commitment fee to the other party at an annual interest rate of 0.5% at the end of each quarter, which is based on the unissued amount for the actual period of non-issuance. If the Company defaults the agreement, the other party may refuse to fulfill the agreement and request the Company to settle all debts in lump sum according to the agreement. If the Company defaults the agreement, the Company shall be responsible for fully repaying the amount of all unredeemed notes when the commercial paper, which was underwritten and purchased according to the agreement, cannot be redeemed as scheduled, and the Company shall pay a delay interest to the bearer at an annual interest rate of 6% from the maturity date of the notes to the date of the repayment. Additionally, the Company is required to additionally pay a penalty of 10% of the delay interest. If the repayment of the notes is delayed for more than six months, the Company is required to additionally pay a penalty of 20% of the delay interest.
- C. The Company entered into a \$15,000,000 commercial paper revolving issuance agreement on July 21, 2025 with five underwriting institutions, namely Mega Bills Finance Corporation, International Bills Finance Corporation, China Bills Finance Corporation, Taiwan Bills Finance Corporation, and E.Sun Commercial Bank, Ltd., under which the bills finance companies act as certified underwriters for the issuance of commercial paper. Pursuant to the agreement, the Company is required to issue commercial paper within the contract period, with each issuance having a tenor of no less than 61 days and no more than 90 days. The contract period is from October 20, 2025 to October 21, 2030. If the actual utilized underwriting balance does not reach the total committed underwriting facility, the Company shall pay a commitment fee on the shortfall at an annual rate of 0.60%, calculated from the day following the expiry of three months after such shortfall arises to the end of the underwriting period, in lump sum. In the event the Company suspends issuance, the suspended portion of the underwriting facility may no longer be utilized, and a commitment fee at an annual rate of 0.60% shall be charged on such suspended amount from the date of suspension to the end of the underwriting period, payable in a lump sum. If there is no agreed-upon event for suspension by the Company, but any individual underwriter fails to perform its underwriting obligations in accordance with the agreement, such underwriter shall pay a commitment fee on the difference between its actual underwriting balance and committed underwriting amount at an annual rate of 0.60%, based on the actual number of days of suspension, in lump sum. In the event of default by the Company, the Company's right to utilize the underwriting facility shall be immediately and automatically suspended, and the syndicate of

underwriters may, by majority resolution, terminate the agreement or renegotiate the underwriting facility, interest rates, and fees without being bound by other terms of the agreement. If the Company fails to pay underwriting fees or other related charges as required under the agreement, such amounts may be added to the principal of this contract and shall accrue interest at the default interest rate. If any principal or interest remains unpaid and overdue for six months (inclusive) or less, a penalty shall be charged at 10% of the default interest rate; for any period exceeding six months, a penalty at 20% of the default interest rate shall be charged on the portion exceeding six months.

- D. In accordance with the IFRS Q&A ‘Questions on the classification of liabilities arising from funds obtained through the enterprises’ revolving issuance of commercial paper’ issued by Accounting Research and Development Foundation of the R.O.C. (ARDF) on December 31, 2025, the Group’s commercial paper of \$13,482,693 should be classified as current liabilities. However, pursuant to the applicable regulations in relation to the aforementioned Q&A issued by the Securities and Futures Bureau, Financial Supervisory Commission, the Group elected to classify these borrowings as non-current liabilities.

(14) Pensions

- A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, 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 Law. 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 and its domestic subsidiaries contribute 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 and its domestic subsidiaries 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 and its domestic subsidiaries will make contributions for the deficit by next March.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 7,061,970	\$ 7,878,733
Fair value of plan assets	(4,737,426)	(4,759,535)
Net defined benefit liability	<u>\$ 2,324,544</u>	<u>\$ 3,119,198</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>Year ended December 31, 2025</u>			
Balance at January 1	\$ 7,878,733	(\$ 4,759,535)	\$ 3,119,198
Current service cost	31,829	-	31,829
Interest expense (income)	114,240	(69,650)	44,590
	<u>8,024,802</u>	<u>(4,829,185)</u>	<u>3,195,617</u>
Remeasurements:			
Return on plan assets	-	(338,157)	(338,157)
Change in financial assumptions	41,324	-	41,324
Experience adjustments	181,593	-	181,593
	<u>222,917</u>	<u>(338,157)</u>	<u>(115,240)</u>
Pension fund contribution	-	(77,535)	(77,535)
Paid pension	(1,185,749)	507,451	(678,298)
Balance at December 31	<u>\$ 7,061,970</u>	<u>(\$ 4,737,426)</u>	<u>\$ 2,324,544</u>
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2024</u>			
Balance at January 1	\$ 8,249,516	(\$ 4,466,003)	\$ 3,783,513
Current service cost	41,133	-	41,133
Interest expense (income)	103,119	(56,410)	46,709
	<u>8,393,768</u>	<u>(4,522,413)</u>	<u>3,871,355</u>
Remeasurements:			
Return on plan assets	-	(395,311)	(395,311)
Change in financial assumptions	(47,819)	-	(47,819)
Experience adjustments	431,981	-	431,981
	<u>384,162</u>	<u>(395,311)</u>	<u>(11,149)</u>
Pension fund contribution	-	(86,676)	(86,676)
Paid pension	(899,197)	244,865	(654,332)
Balance at December 31	<u>\$ 7,878,733</u>	<u>(\$ 4,759,535)</u>	<u>\$ 3,119,198</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' 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 utilization 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 authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are 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, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Discount rate	1.25%	1.45%
Future salary increases	2.85%	2.85%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.35%	Decrease 0.35%
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 56,902)	\$ 58,392	\$ 207,172	(\$ 82,670)

	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	(\$ 67,330)	\$ 69,165	\$ 101,463	(\$ 97,765)

The sensitivity analysis above is 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 methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$78,005.
- B. (a) From July 1, 2005, the Company and its domestic subsidiaries have 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 and its domestic subsidiaries contribute 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 Company’s mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage was 10~20% for the years ended December 31, 2025 and 2024. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024 were \$478,652 and \$467,495, respectively.

(15) Capital stock

- A. As of December 31, 2025, the Company’s authorised and paid-in capital was \$58,611,863, and total issued stocks was 5,861,186 thousand shares with a par value of \$10 per share. All proceeds from shares issued have been collected.

Movements in the number of the Company’s ordinary shares (thousand) outstanding are as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
At January 1 (December 31)	<u>\$ 5,861,186</u>	<u>\$ 5,861,186</u>

- B. Changes in the treasury stocks (thousand) for the years ended December 31, 2025 and 2024 are set forth below:

Reason for reacquisition	Subsidiary	For the year ended December 31, 2025			
		Beginning shares	Additions	Disposal	Ending shares
Parent company shares held by subsidiaries reclassified from long-term investment to treasury stock	Formosa Taffeta Co.	<u>12,169,610</u>	<u>-</u>	<u>-</u>	<u>12,169,610</u>

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

C. The market value of treasury stocks was \$32.1 and \$27.3 (in dollars) per share at December 31, 2025 and 2024, respectively.

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

(16) 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 Group 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, 2025					
	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 or acquisition of subsidiaries	Others
At January 1, 2025	\$ 2,710,554	\$ 5,514,032	\$ 382,553	\$ 398,401	\$ 9,514	\$ 298,288
Dividends allocated to subsidiaries	-	-	2,276	-	-	-
Effect from net stockholding of associates recognised under the equity method	-	-	-	(35,038)	-	-
Changes in ownership interests in subsidiaries	-	-	656	458	(1,003)	-
Expired cash dividends reclassified to capital surplus	-	-	-	-	-	(2,024)
Overdue dividends are transferred to capital surplus	-	-	-	-	-	12,362
At December 31, 2025	<u>\$ 2,710,554</u>	<u>\$ 5,514,032</u>	<u>\$ 385,485</u>	<u>\$ 363,821</u>	<u>\$ 8,511</u>	<u>\$ 308,626</u>

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 or acquisition 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 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>

(17) 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. However, if the amount of the legal reserve is equal to the paid-in capital, this provision shall not apply. In addition, the remaining balance is to be set aside as special reserve if necessary. The remaining balance for current year, after allocating for interest on capital, shall be accumulated with remaining balance of previous year and to be distributed as shareholders' bonus proposed by the Board of Directors. The distribution of cash dividends shall be adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and then reported to the shareholders. The distribution of stock dividends shall be reported to the shareholders for resolution.

The special reserve includes:

- (a) Reserve for a special purpose;
- (b) 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;
- (c) 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
- (d) 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 bonus and special reserves shall be distributed to stockholders. The Company would prefer cash dividends. 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 2024 and 2023 earnings had been resolved at the stockholders' meeting on June 10, 2025 and June 18, 2024, respectively. Details are as follows:

	For the years ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ -		\$ 870,497	
Special reserve	-		142,568	
Cash dividends	<u>2,930,593</u>	\$ 0.50	<u>7,326,483</u>	\$ 1.25
	<u>\$ 2,930,593</u>		<u>\$ 8,339,548</u>	

Information about the appropriation of employees' bonus 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 2025 net income was approved by the Board of Directors during its meeting on March 10, 2026 as follows:

	For the year ended December 31, 2025				
	Amount	Dividends per share (in dollars)			
Cash dividends	<u>\$ 3,516,712</u>	\$ 0.60			
(18) Other equity items					
	Hedging reserve	Unrealised gain	Currency translation	Revaluation surplus	Total
At January 1, 2025	(\$ 21,789)	\$ 20,205,673	\$ 93,775	\$ 1,002,383	\$ 21,280,042
Revaluation:					
–Group	-	69,227,723	-	-	69,227,723
–Associates	-	15,074,647	-	-	15,074,647
Revaluation transferred to retained earnings:					
–Group	-	(6,353,178)	-	-	(6,353,178)
–Associates	-	(1,638,439)	-	-	(1,638,439)
Cash flow hedges:					
–Associates	18,452	-	-	-	18,452
Currency translation differences:					
–Group	-	-	(1,867,653)	-	(1,867,653)
–Tax of Group	-	-	365,290	-	365,290
–Associates	-	-	(908,328)	-	(908,328)
At December 31, 2025	<u>(\$ 3,337)</u>	<u>\$ 96,516,426</u>	<u>(\$ 2,316,916)</u>	<u>\$ 1,002,383</u>	<u>\$ 95,198,556</u>

	Hedging reserve	Unrealised gain	Currency translation	Revaluation surplus	Total
At January 1, 2024	\$ 8,435	\$ 83,424,591	(\$ 3,964,501)	\$ 1,002,383	\$ 80,470,908
Revaluation:					
–Group	-	(56,840,645)	-	-	(56,840,645)
–Associates	-	(6,318,789)	-	-	(6,318,789)
Revaluation transferred to retained earnings:					
–Group	-	946	-	-	946
–Associates	-	(60,430)	-	-	(60,430)
Cash flow hedges:					
–Associates	(30,224)	-	-	-	(30,224)
Currency translation differences:					
–Group	-	-	3,332,622	-	3,332,622
–Tax of Group	-	-	(696,012)	-	(696,012)
–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>

(19) Operating revenue

	For the years ended December 31,	
	2025	2024
Sales revenue	\$ 286,312,988	\$ 347,771,980
Service revenue	473,667	521,900
Other operating revenue	247,269	313,694
	<u>\$ 287,033,924</u>	<u>\$ 348,607,574</u>

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

(20) Interest income

	For the years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 392,076	\$ 350,638
Interest income from financial assets measured at amortised cost	146,731	293,629
Interest from current account with others	1,967	83,581
Other interest income	69,969	38,825
	<u>\$ 610,743</u>	<u>\$ 766,673</u>

(21) Other income

	For the years ended December 31,	
	2025	2024
Rent income	\$ 121,373	\$ 123,320
Dividend income	1,267,359	1,977,756
Other income	1,021,460	806,004
	<u>\$ 2,410,192</u>	<u>\$ 2,907,080</u>

(22) Other gains and losses

	For the years ended December 31,	
	2025	2024
Gain on disposal of property, plant and equipment	\$ 579,170	\$ 23,630
Net currency exchange (loss) gain	(1,408,212)	228,710
Net gain on financial assets and liabilities at fair value through profit or loss	3,454	205,082
(Loss) gain on disposals of investments	(33,771)	3,933
Impairment loss recognised in profit or loss, property, plant and equipment	(797,723)	(21,353)
Gain on lease modification	-	293
Other losses	(333,636)	(363,368)
	<u>(\$ 1,990,718)</u>	<u>\$ 76,927</u>

(23) Finance costs

	For the years ended December 31,	
	2025	2024
Interest expense:		
Bank loans	\$ 2,652,464	\$ 2,861,331
Corporate bonds	395,200	446,865
Current account with others	54,875	56,682
Discount	207,731	249,918
Other interest expenses	32,542	41,280
	<u>3,342,812</u>	<u>3,656,076</u>
Less: Capitalisation of qualifying assets	(300,921)	(246,919)
	<u>\$ 3,041,891</u>	<u>\$ 3,409,157</u>

(24) Expenses by nature

	For the years ended December 31,	
	2025	2024
Depreciation charges on property, plant and equipment and right-of-use assets	\$ 12,250,874	\$ 11,322,929
Employee benefit expense	12,606,021	13,582,916
Amortisation	2,778,146	3,874,835
	<u>\$ 27,635,041</u>	<u>\$ 28,780,680</u>

(25) Employee benefit expense

	For the years ended December 31,	
	2025	2024
Wages and salaries	\$ 10,620,674	\$ 11,411,256
Labor and health insurance fees	949,638	980,531
Pension costs	555,071	555,337
Other personnel expenses	480,638	635,792
	<u>\$ 12,606,021</u>	<u>\$ 13,582,916</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of the current year's pre-tax profit before deducting employees' compensation, if any, 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, of which no lower than 0.02% and no higher than 0.2% of the current year's pre-tax profit before deducting employees' compensation shall be distributed for adjusting the salaries or distributing the compensation to the rank-and-file employees. If the Company has an accumulated deficit, earnings should be reserved to cover deficit.

B. For the year ended December 31, 2025, employees' remuneration (bonuses) was not accrued due to the loss before tax. For the year ended December 31, 2024, employees' remuneration (bonuses) was accrued at \$557. The aforementioned amount was recognised in salary expenses.

For the year ended December 31, 2024, the employees' compensation was estimated and accrued based on approximately 0.1% of the distributable profit.

Employees' compensation for 2024 as resolved by the Board of Directors was in agreement with the amount of \$557 recognised in profit or loss for 2024. Employees' compensation for 2024 has been distributed.

Information about the appropriations of employees' bonus 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.

(26) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense (benefit):

	For the years ended December 31,	
	2025	2024
Current tax:		
Current tax on profit for the year	\$ 637,608	\$ 762,920
Land value increment tax included in current income tax	21,743	15,924
Tax on undistributed surplus earnings	-	15,541
Adjustments in respect of prior years	182,683	(101,157)
Total current tax	842,034	693,228
Deferred tax:		
Origination and reversal of temporary differences	3,642	(890,949)
Effect of exchange rate	(82,539)	11,080
Total deferred tax	(78,897)	(879,869)
Income tax expense (benefit)	\$ 763,137	(\$ 186,641)

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

	For the years ended December 31,	
	2025	2024
Currency translation differences	(\$ 365,290)	\$ 696,012

B. Reconciliation between income tax expense (benefit) and accounting profit

	For the years ended December 31,	
	2025	2024
Tax calculated based on loss before tax and statutory tax rate	(\$ 1,205,378)	(\$ 22,939)
Expenses disallowed by tax regulation	1,113,610	(579,692)
Taxable loss not recognised as deferred tax assets	570,496	513
Effect from loss deduction	85,804	196,428
Realisable changes from deferred tax assets	(5,821)	(191)
Land value increment tax	21,743	15,924
Additional tax on undistributed earnings	-	15,541
Non-deductible withholding income tax for offshore income	-	288,932
Adjustments in respect of prior years	182,683	(101,157)
Income tax benefit	\$ 763,137	(\$ 186,641)

	For the year ended December 31, 2024			
	January 1	Recognised		December 31
		in profit or loss	in other comprehensive income	
	Deferred tax liabilities:			
Temporary differences:				
Investment income accounted for using equity method	(\$ 325,309)	(\$ 7,867)	\$ -	(\$ 333,176)
Depreciation useful life difference	(15,863)	7,420	-	(8,443)
Unrealised gains on financial assets	(469)	469	-	-
Unrealised exchange gain	-	(38,588)	-	(38,588)
Others	(12)	(94,461)	-	(94,473)
	(\$ 341,653)	(\$ 133,027)	\$ -	(\$ 474,680)
	<u>\$ 3,199,606</u>	<u>\$ 890,949</u>	<u>(\$ 696,012)</u>	<u>\$ 3,394,543</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

Year incurred	Amount filed/ assessed	December 31, 2025		
		Unused amount	Tax assets	Expiry year
2017	Assessed	\$ 5,105	\$ 5,105	2027
2018	Assessed	2,815	2,815	2028
2019	Assessed	953	953	2029
2020	Assessed	6,548	6,548	2030
2021	Assessed	10,618	10,618	2031
2022	Assessed	501,716	8,224	2027 & 2032
2023	Assessed	2,862,114	1,853	2028 & 2033
2024	Amount filed	4,363,167	2,656	2029 & 2034
2025	Amount filed	3,414,001	2,163,146	2030 & 2035
		<u>\$ 11,167,037</u>	<u>\$ 2,201,918</u>	

Year incurred	Amount filed/ assessed	December 31, 2024		
		Unused amount	Tax assets	Expiry year
2015	Assessed	\$ 1,584	\$ 1,584	2025
2017	Assessed	5,105	5,105	2027
2018	Assessed	2,815	2,815	2028
2019	Assessed	953	953	2029
2020	Assessed	6,548	6,548	2030
2021	Assessed	10,618	10,618	2031
2022	Assessed	501,716	8,224	2027 & 2032
2023	Amount filed	2,862,114	1,853	2028 & 2033
2024	Amount filed	4,363,167	2,656	2029 & 2034
		<u>\$ 7,754,620</u>	<u>\$ 40,356</u>	

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deductible temporary differences	\$ <u>7,000</u>	\$ <u>11,529</u>

F. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(27) (Loss) earnings per share

A. Basic earnings (loss) per share

Basic earnings (loss) 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 year.

	<u>For the year ended December 31, 2025</u>				
	<u>Amount</u>		<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Loss per share (in dollars)</u>	
	<u>Before tax</u>	<u>After tax</u>		<u>Before tax</u>	<u>After tax</u>
<u>Basic loss per share</u>					
Consolidated net loss	(\$ 5,007,647)	(\$ 5,770,784)		(\$ 0.86)	(\$ 0.99)
Net income of non-controlling interest	<u>503,073</u>	<u>26,353</u>		<u>0.09</u>	<u>0.00</u>
Loss attributable to ordinary shareholders of the parent	<u>(\$ 5,510,720)</u>	<u>(\$ 5,797,137)</u>	<u>5,849,017</u>	<u>(\$ 0.94)</u>	<u>(\$ 0.99)</u>
	<u>For the year ended December 31, 2024</u>				
	<u>Amount</u>		<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>	
	<u>Before tax</u>	<u>After tax</u>		<u>Before tax</u>	<u>After tax</u>
<u>Basic earnings per share</u>					
Consolidated net income	\$ 936,746	\$ 1,123,387		\$ 0.16	\$ 0.19
Net income of non-controlling interest	<u>380,661</u>	<u>743,976</u>		<u>0.06</u>	<u>0.13</u>
Profit attributable to ordinary shareholders of the parent	<u>\$ 556,085</u>	<u>\$ 379,411</u>	<u>5,849,017</u>	<u>\$ 0.10</u>	<u>\$ 0.06</u>

B. Employees' bonus 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 (loss) per share for the years ended December 31, 2025 and 2024 is as follows:

	For the year ended December 31, 2025				
	Amount		Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)	
	Before tax	After tax		Before tax	After tax
<u>Basic loss per share</u>					
Consolidated net loss	(\$ 5,007,647)	(\$ 5,770,784)		(\$ 0.85)	(\$ 0.98)
Net income of non-controlling interest	503,073	26,353		0.09	0.01
Loss attributable to ordinary shareholders of the parent	<u>(\$ 5,510,720)</u>	<u>(\$ 5,797,137)</u>	<u>5,861,186</u>	<u>(\$ 0.94)</u>	<u>(\$ 0.99)</u>
	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>					
Consolidated net income	\$ 936,746	\$ 1,123,387		\$ 0.16	\$ 0.19
Net income of non-controlling interest	380,661	743,976		0.07	0.13
Profit attributable to ordinary shareholders of the parent	<u>\$ 556,085</u>	<u>\$ 379,411</u>	<u>5,861,186</u>	<u>\$ 0.09</u>	<u>\$ 0.06</u>

(28) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

On March 28, 2025, the Group's subsidiary, Formosa Biomedical Technology Corp., acquired a 0.31% equity interest in its subsidiary, Ivy Life Sciences Co., Ltd., for a total cash consideration of \$3,754. The carrying amount of non-controlling interest was \$2,449 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$2,449 and a decrease in the equity attributable to owners of the parent by \$1,305. The effect of changes in interests in the Group on the equity attributable to owners of the parent for the year ended December 31, 2025 is shown below:

	For the year ended December 31, 2025	
Carrying amount of non-controlling interest acquired	\$	2,449
Consideration paid to non-controlling interest	(	3,754)
Decrease in unappropriated retained earnings	<u>(\$</u>	<u>1,305)</u>

On March 14, 2024, the Group's subsidiary, Formosa Biomedical Technology Corp., acquired a 21.21% equity interest in its subsidiary, HONG JING RESOURCES CO., LTD., for a total cash consideration of \$326,641. The carrying amount of non-controlling interest was \$187,981 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$187,981 and a decrease in the equity attributable to owners of the parent by \$138,660. The effect of changes in interests in the Group on the equity attributable to owners of the parent for the year ended December 31, 2024 is shown below:

	<u>For the year ended December 31, 2024</u>	
Carrying amount of non-controlling interest acquired	\$	187,981
Consideration paid to non-controlling interest	(	326,641)
Decrease in unappropriated retained earnings	(\$	<u>138,660)</u>

B. Disposal of equity interest in a subsidiary (that did not result in a loss of control)

On July 1, 2025 and September 19, 2024, the Group's subsidiary, Formosa Biomedical Technology Corp., disposed 0.02% and 1.60% of shares of its subsidiary—Hong Jing Resources Corp. for a total cash consideration of \$399 and \$24,486, respectively. The carrying amount of non-controlling interest in Hong Jing Resources Corp. was \$226 and \$14,089, respectively at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$226 and \$14,089, an increase in the equity attributable to owners of the parent by \$173 and a decrease in the equity attributable to owners of the parent by \$10,397. The effect of changes in interests in the Group's subsidiary, Formosa Biomedical Technology Corp., on the equity attributable to owners of the parent for the years ended December 31, 2025 and 2024 is shown below:

	<u>For the years ended December 31,</u>			
	<u>2025</u>		<u>2024</u>	
Carrying amount of non-controlling interest disposed	\$	226	\$	14,089
Consideration received from non-controlling interest	(	399)	(	24,486)
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	(\$	<u>173)</u>	(\$	<u>10,397)</u>

(29) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the years ended December 31,	
	2025	2024
Purchase of fixed assets	\$ 12,632,268	\$ 12,307,572
Add: Opening balance of payable on equipment	2,523,803	2,646,998
Less: Ending balance of payable on equipment	(841,505)	(2,523,803)
Cash paid during the year	<u>\$ 14,314,566</u>	<u>\$ 12,430,767</u>

B. Financing activities with partial cash payments

	For the years ended December 31,	
	2025	2024
Cash dividends distributed	\$ 2,930,593	\$ 7,326,483
Add: Opening balance of cash dividends payable	47,965	58,655
Less: Ending balance of cash dividends payable	(39,156)	(47,965)
Cash dividends paid	<u>\$ 2,939,402</u>	<u>\$ 7,337,173</u>

(30) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Bonds payable (including current portion)</u>	<u>Long-term borrowings (including current portion)</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2025	\$ 36,572,623	\$ 32,292,387	\$ 36,850,000	\$ 44,084,511	\$ 149,799,521
Changes in cash flow from financing activities	(4,128,560)	(23,808,193)	1,050,000	5,011,596	(21,875,157)
Impact of changes in foreign exchange rate	<u>-</u>	<u>-</u>	<u>-</u>	<u>(507,888)</u>	<u>(507,888)</u>
At December 31, 2025	<u>\$ 32,444,063</u>	<u>\$ 8,484,194</u>	<u>\$ 37,900,000</u>	<u>\$ 48,588,219</u>	<u>\$ 127,416,476</u>
			<u>Bonds payable (including current portion)</u>	<u>Long-term borrowings (including current portion)</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2024	\$ 36,266,613	\$ 26,780,338	\$ 40,650,000	\$ 41,927,141	\$ 145,624,092
Changes in cash flow from financing activities	306,010	5,512,049	(3,800,000)	1,099,931	3,117,990
Impact of changes in foreign exchange rate	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,057,439</u>	<u>1,057,439</u>
At December 31, 2024	<u>\$ 36,572,623</u>	<u>\$ 32,292,387</u>	<u>\$ 36,850,000</u>	<u>\$ 44,084,511</u>	<u>\$ 149,799,521</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Formosa Petrochemical Corp.	Associate
Formosa Heavy Industries Corp.	"
Formosa Heavy Industries (Ningbo) Corp.	"
Formosa Plastics Transport Corp.	"
Formosa Synthetic Rubber (Ningbo) Corp.	"
Mai Liao Power Corp.	"
Formosa Environmental Technology Corp.	"
Hwa Ya Science Park Management Consulting Corp.	"
Formosa Resources Corp.	"
Formosa Steel IB Pty Ltd.	"
Formosa Plastics Construction Corp.	"
Formosa Fairway Corporation (Note 1)	"
Formosa Group (Cayman) Corp. (Note 3)	"
Guo Su Plastic Industry Co., Ltd.	"
FG Inc.	"
Formosa Advanced Technologies Co., Ltd.	"
Schoeller Textil AG	"
Nan Ya Optical Corp.	"
Formosa Smart Energy Tech Corp.	"
Formosa AdvEnergy Technology Corp.	"
Formosa Lithium Iron Oxide Corp.	"
Formosa Green Power Corp.	"
Beyoung International Corp.	"
Changshu Yu Yuan Co., Ltd.	"
Formosatree Co., Ltd.	"
Health Saver Medical Co., Ltd.	"
Formosa Plastics Corp.	Other related party
Nan Ya Plastics Corp.	"
Nan Ya Plastics (Hui Zhou) Corp.	"
Nan Ya Plastics (Nan Tong) Corp.	"
Nan Ya Plastics Corp., U.S.A.	"
Nan Ya Plastics (Ningbo) Corp.	"
Nan Ya Technology Corp.	"
Nan Ya PCB Corp.	"
Nan Ya Electronic Materials Co., Ltd.	"
Formosa Petrochemical Transportation Corporation	"
Chang Gung University	"

Names of related parties	Relationship with the Group
Chang Gung Memorial Hospital	Other related party
Chang Gung Biotechnology Co., Ltd.	"
Yue Chi Development Corp.	"
PFG Fiber Glass Corp.	"
Formosa Plastics Marine Corp.	"
Formosa Plastics Marine Co., Ltd.	"
Mai Liao Harbor Administration Corp.	"
Formosa Network Technology Corp.	"
Formosa Plastics Building Parking Lot	"
FPG Travel Service Co., Ltd.	"
Formosa Daikin Advanced Chemicals Co., Ltd.	"
Formosa Sumco Technology Corporation	"
Formosa Asahi Spandex Co., Ltd.	"
Formosa Plastics Transport (Ningbo) Co., Ltd.	"
Formosa Electronic (Ningbo) Co., Ltd	"
Idemitsu Formosa Specialty Chemicals Corporation	"
Formosa Tokuyama Advanced Chemicals Co., Ltd.	"
Inteplast Taiwan Corporation	"
Formosa Oil (Asia Pacific) Corporation	"
Asia Pacific Development Corp.	"
Ya Tai Development Co., Ltd.	"
Bio Trust International Corp.	"
Formosa Ha Tinh (Cayman) Ltd.	"
Formosa Ha Tinh Steel Corp. - TW	"
Formosa Ha Tinh Steel Corp.	"
BP Chemicals (Malaysia) SDN Corp.	"
INEOS Acetyls (Malaysia) SDN Bhd	"
Idemitsu Kosan Co., Ltd.	"
Idemitsu Chemicals (Hong Kong) Co., Ltd.	"
Idemitsu Chemicals U.S.A. Corp.	"
Yugen Co., Ltd.	"
Yumaowu Enterprise Co., Ltd.	"
Yu Yuang Textile Co., Ltd.	"
Yu Maowu Complex Co., Ltd.	"
NKFG Corporation	"
Schoeller Asia Co., Ltd	"
Zur Schanze AG (Note 2)	"
Zum Felsen AG (Note 2)	"
Kuang Yueh (Vietnam) Co., Ltd.	"

Names of related parties	Relationship with the Group
Jiaying Quang Viet Garment Co., Ltd.	Other related party
Great King Garment Co., Ltd.	"
Bellmart Industrial Co., Ltd.	"
Toa Resin Corp.	"
Hua Ya Power Corp.	"
Asia Pacific Technology Corp.	"
Kong You Industrial Co., Ltd.	"
Formosa Industries (Ningbo) Co., Ltd.	"
Nan Ya Plastics (Anshan) Co., Ltd.	"
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	"
Nan Ya Plastics Film (Nantong) Co., Ltd.	"
Nan Ya Plastics Film (Hui Zhou) Co., Ltd.	"
Nan Ya Chemical Fiber (Kunshan) Co., Ltd.	"
Nan Ya Draw-Textured Yarn (Kunshan) Co., Ltd.	"
Nan Ya Plastics (Xiamen) Co., Ltd.	"
Formosa Heavy Industries (Guangzhou) Co., Ltd.	"
Asia Pacific Investment Co.	"
Nan Ya Printed Circuit Board Corp.	"
Taisuwang Commerce and Trade Co., Ltd.	"
Huaya Steel Co., Ltd.	"
Fujian Fuxin Special Steel Co., Ltd.	"
Kraton Formosa Polymers Corporation	"
Formosa Steel Corporation	"
Formosa Plastics Corporation, U.S.A.	"
Silicon Based Molecular Sensing Technology Co., Ltd.	"
Fun Lead Change Co., Ltd.	"
SIMOSA OIL Co., Ltd.	"

Note 1 : As the Group disposed Formosa Fairway Corporation on March 25, 2024, Formosa Fairway Corporation was no longer an associate of the Group from that date.

Note 2 : Due to the equity planning adjustments, another original shareholder of Schoeller Textile AG, Albers & Co AG, split into Zur Schanze AG and Zum Felsen AG. Consequently, Schoeller Textile AG is now held by the above two companies.

Note 3: Formosa Group (Cayman) Corp. completed its liquidation on December 23, 2025.

(2) Significant related party transactions

A. Sales of goods:

	For the years ended December 31,	
	2025	2024
Sales of goods:		
— Associates		
Formosa Petrochemical Corp.	\$ 27,474,443	\$ 35,727,633
Others	2,906,296	3,151,950
— Other related parties		
Nan Ya Plastics Corp.	15,996,029	23,861,189
Others	17,723,548	22,820,069
	<u>\$ 64,100,316</u>	<u>\$ 85,560,841</u>

The Group sells goods to related parties. Except for terms to certain related parties which are longer, prices are the same with third parties.

B. Purchases of goods:

	For the years ended December 31,	
	2025	2024
Purchases of goods:		
— Associates		
Formosa Petrochemical Corp.	\$ 122,489,056	\$ 152,733,352
Others	2,166	4,298
— Other related parties	8,176,903	11,868,233
	<u>\$ 130,668,125</u>	<u>\$ 164,605,883</u>

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

C. Receivables from related parties:

	December 31, 2025	December 31, 2024
Receivables from related parties:		
— Associates		
Formosa Petrochemical Corp.	\$ 2,191,691	\$ 2,915,178
Others	367,971	353,192
— Other related parties		
Nan Ya Plastics Corp.	1,148,072	1,874,346
Others	2,204,614	2,664,509
	<u>\$ 5,912,348</u>	<u>\$ 7,807,225</u>

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 sale; receivables for payments on behalf of others for construction design services are due 270 days from the services rendered. The receivables do not bear interest and no collaterals were pledged. No provision was accrued for receivables from related party.

D. Payables to related parties:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payables to related parties:		
— Associates		
Formosa Petrochemical Corp.	\$ 7,551,191	\$ 10,505,876
Others	-	137
— Other related parties	<u>653,214</u>	<u>1,368,075</u>
	<u>\$ 8,204,405</u>	<u>\$ 11,874,088</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:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Expansion and repair works of factory sites		
— Associates	\$ 388,071	\$ 468,915
— Other related parties	<u>255,104</u>	<u>114,142</u>
	<u>\$ 643,175</u>	<u>\$ 583,057</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payables to related parties:		
— Associates	\$ 7,516	\$ 3,703
— Other related parties	<u>3,110</u>	<u>1,131</u>
	<u>\$ 10,626</u>	<u>\$ 4,834</u>

The Group 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:

i. Ending balance of accounts receivable - related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
— Associates		
Formosa Heavy Industries Co., Ltd.	\$ 516,600	\$ -

ii. Interest income

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
— Associates		
Formosa Heavy Industries Corp.	\$ 1,911	\$ -
Formosa Steel IB Pty Ltd.	-	26,138
— Other related parties		
Formosa Industries (Ningbo) Co., Ltd.	-	51,571
Formosa Plastics Marine Co., Ltd.	-	5,659
	<u>\$ 1,911</u>	<u>\$ 83,368</u>

The loan terms to related parties are in accordance with the contract's repayment schedule after the loan is made; interest was collected at 2.18% and 2.48% ~ 2.96% per annum for the years ended December 31, 2025 and 2024, respectively.

(b) Loans from related parties:

i. Ending balance of accounts payable - related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
— Associates	\$ 1,601,241	\$ 1,607,493
— Other related parties	317,565	563,193
	<u>\$ 1,918,806</u>	<u>\$ 2,170,686</u>

ii. Interest expense

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
— Associates	\$ 36,606	\$ 40,957
— Other related parties	10,410	10,922
	<u>\$ 47,016</u>	<u>\$ 51,879</u>

The loan terms from related parties are in accordance with the contract's repayment schedule after the loan is made; interest is paid at a rate of 2.1%~2.68% and 2.48%~2.96% per annum for the years ended December 31, 2025 and 2024, respectively.

G. Operating expenses

	For the years ended December 31,	
	2025	2024
Transportation charges		
— Other related parties		
Formosa Plastics Marine Corp.	\$ 1,198,490	\$ 1,743,691
Formosa Plastics Transport (Ningbo) Corp.	802,392	1,094,055
Others	136,072	100,980
	<u>\$ 2,136,954</u>	<u>\$ 2,938,726</u>

H. Rental revenue

	For the years ended December 31,	
	2025	2024
— Associates		
Formosa Petrochemical Corp.	\$ 136	\$ 136
Formosa Plastics Transport Corp.	12,366	12,445
Formosa Lithium Iron Oxide Corp.	13,327	-
Formotree Co., Ltd.	11,328	-
Others	2,212	8,639
	<u>39,369</u>	<u>21,220</u>
— Other related parties		
Nan Ya Plastics Corp.	12,305	11,558
Formosa Network Technology Corp.	15,400	15,400
Chang Gung Niotechnology Co., Ltd.	10,502	-
Others	11,952	34,162
	<u>50,159</u>	<u>61,120</u>
	<u>\$ 89,528</u>	<u>\$ 82,340</u>

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

I. Property transactions:

(a) Acquisition of property, plant and equipment:

	For the years ended December 31,	
	2025	2024
Purchase of property, plant and equipment		
— Associates	\$ 882,599	\$ 643,741
— Other related parties	3,040	1,137
	<u>\$ 885,639</u>	<u>\$ 644,878</u>

(b) Disposal of property, plant and equipment:

	For the year ended December 31, 2025	
	Proceeds from disposal	Gain or loss from disposal
— Other related parties	\$ 23,118	\$ 2,571

	For the year ended December 31, 2024	
	Proceeds from disposal	Gain or loss from disposal
— Other related parties	\$ 94,668	\$ -

(c) Acquisition of financial assets:

	Accounts	No. of shares	Objects	For the year ended
				December 31, 2025
				Consideration
Health Saver Medical Co., Ltd.	Investments accounted for using equity method	1,500,000	Share of Health Saver Medical Co., Ltd	\$ 25,500
Beyoung International Corp.	Investments accounted for using equity method	800,000	Share of Beyoung International Corp.	8,000
QUANG VIET ENTERPRISE CO., LTD.	Investments accounted for using equity method	1,359,458	Share of QUANG VIET ENTERPRISE CO., LTD.	85,646
				<u>\$ 119,146</u>

				For the year ended December 31, 2024
	Accounts	No. of shares	Objects	Consideration
Formosa Smart Energy Tech Corp	Investments accounted for using equity method	250,000,000	Shares of Formosa Smart Energy Tech Corp	\$ 2,500,000
Formosatree Co., Ltd.	Investments accounted for using equity method	23,700,000	Shares of Formosatree Co., Ltd.	237,000
Silicon-Based Molecular Sensing Technology Co., Ltd.	Non-current financial assets at fair value through other comprehensive income	7,500,000	Shares of Silicon-Based Molecular Sensing	60,000
				<u>\$ 2,797,000</u>

J. Details of affiliates endorsed/guaranteed and commitment letter for the associate are provided in Notes 9(3) and (4).

(3) Key management compensation

	For the years ended December 31,	
	2025	2024
Salaries	\$ 161,458	\$ 184,342
Post-employment benefits	2,244	1,608
	<u>\$ 163,702</u>	<u>\$ 185,950</u>

8. Pledged Assets

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

Pledged assets	Book value		Purpose
	December 31, 2025	December 31, 2024	
Property, plant and equipment	\$ 5,870,726	\$ 5,871,427	Collateral for bank loans
Inventory	14,133	14,133	Collateral for bank loans
Non-current financial assets at amortised cost - Time deposits	2,110	1,500	Guarantee deposits for natural gas
Non-current financial assets at amortised cost	107,517	97,317	Performance Guarantee
	<u>\$ 5,994,486</u>	<u>\$ 5,984,377</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

The details of commitments and contingencies as of December 31, 2025 were as follows:

- (1) Capital expenditures of property, plant and equipment that were contracted but not yet paid amounted to NTD 3,889,016 thousand, RMB 350,414 thousand and VND 124,085,675 thousand.
- (2) The outstanding letters of credit for major raw materials and equipment purchases amounted to USD 100,745 thousand, JPY 417,769 thousand, EUR 382 thousand.
- (3) The provision of endorsements and guarantees to others are as follows:

	December 31, 2025	December 31, 2024
Formosa Group (Cayman) Corp.	\$ -	\$ 8,195,250
Formosa Taffeta (Zhong Shan) Co., Ltd.	880,040	-
Formosa Taffeta (Vietnam) Co., Ltd.	942,900	163,243
Formosa Taffeta (Changshu) Co., Ltd.	1,100,050	90,415
Formosa Taffeta (Dong Nai) Co., Ltd.	3,253,005	1,850,143
	<u>\$ 6,175,995</u>	<u>\$ 10,299,051</u>

- (4) The promissory notes issued for others are as follows:
 - A. The Group's indirect investees, Formosa Ha Tinh (Cayman) Limited Co. and Formosa Ha Tinh Steel Corporation, were provided with a bank loan facility of USD 5,172,500 thousand and USD 2,887,500 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 Group's consolidated entities, Formosa Industries Corp. and Formosa Chemicals Industries (Ningbo) Co., Ltd., were provided with a bank loan facility of USD 200,000 thousand and RMB 2,000,000 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 555,000 thousand, USD 1,435,000 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.

(5) Contingencies - litigation

- A. Taiwan Cooperative Bank Co., Ltd. (hereinafter referred to as TCB) filed a civil lawsuit against the Group's subsidiary, Formosa Taffeta Co., Ltd. ("Formosa Taffeta") with the Taipei District Court in September 2019. TCB claimed that the former employees of Formosa Taffeta colluded with New Site Industries Inc. (hereinafter referred to as New Site) and New Brite Industries Inc. (hereinafter referred to as New Brite) to make false statements. TCB was misled with the fact that New Site and New Brite has accounts receivable due from Formosa Taffeta, causing damage to

TCB. Therefore, TCB claimed that Formosa Taffeta should be jointly and severally liable with the obligation of indemnity. However, this case arose purely as a result of the personal behavior of the former employee. In its adjudication dated October 29, 2024, the Taiwan High Court has ordered that Formosa Taffeta is jointly liable to compensate TCB for the amount of \$290,657 and any requested interest. However, based on legal opinion, it should be noted that the second instance ruling still did not fully consider several vital defenses raised by Formosa Taffeta and proportional responsibility of both parties. Formosa Taffeta filed a third appeal on December 13, 2024. The Supreme Court set aside the second instance judgment and remanded the case to the High Court on November 19, 2025. As of March 10, 2026, the case has not yet proceeded to trial. As such, the ultimate outcome of the appeal and amount of the lawsuit cannot presently be determined. Formosa Taffeta has retained legal counsel to submit a strong defense to safeguard its interests.

- B. DBS (Taiwan) Commercial Bank Co., Ltd. (hereinafter referred to as DBS) filed a civil lawsuit against the Group's subsidiaries, Formosa Taffeta Co., Ltd. ("Formosa Taffeta") and Formosa Taffeta Dong Nai Co., Ltd. ("Formosa Taffeta Dong Nai") with the Taipei District Court in September 2019. The former employees of Formosa Taffeta and Formosa Taffeta Dong Nai colluded with New Site Industries Inc. (hereinafter referred to as New Site) to make false statements. DBS was misled with the fact that New Site has accounts receivable due from Formosa Taffeta and Formosa Taffeta Dong Nai, causing damage to DBS. Therefore, DBS claimed that Formosa Taffeta should be jointly and severally liable with the obligation of indemnity. However, this case arose purely as a result of the personal behavior of the former employee. In its adjudication dated December 30, 2022, the Taipei District Court has rejected the claims filed by DBS. Consequently, DBS filed an appeal in January 2023. The ultimate outcome of the appeal and amount of the lawsuit cannot presently be determined. However, Formosa Taffeta and Formosa Dong Nai have engaged lawyers to submit a strong defense to protect their rights and interests.
- C. O-Bank filed a civil lawsuit against the Group's subsidiaries, Formosa Taffeta Co., Ltd. ("Formosa Taffeta") and Formosa Taffeta Dong Nai Co., Ltd. ("Formosa Taffeta Dong Nai") with the Taipei District Court in February 2020. The former employees of Formosa Taffeta and Formosa Taffeta Dong Nai colluded with I Chin Young Inc. (hereinafter referred to as I Chin Young) to make false statements. O-Bank was misled with the fact that I Chin Young has accounts receivable due from Formosa Taffeta and Formosa Taffeta Dong Nai, causing damage to O-Bank. Therefore, O-Bank claimed that Formosa Taffeta and Formosa Taffeta Dong Nai should be jointly and severally liable with the obligation of indemnity. However, this case arose purely as a result of the personal behavior of the former employee. In its adjudication dated February 10, 2023, the Taipei District Court has rejected the claims filed by O-Bank. O-bank has filed an appeal in accordance with related laws. The ultimate outcome of the appeal and amount of the lawsuit cannot presently be determined. However, Formosa Taffeta and Formosa Dong Nai have engaged lawyers to submit a strong defense to protect their rights and interests.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The Board of Directors has resolved the appropriations of 2025 earnings on March 10, 2026. Details are provided in Note 6(17)F.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group 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.

The Group's management strategy of its debt-to-capital ratio for the year ended December 31, 2025 is the same as that for the year ended December 31, 2024. As of December 31, 2025 and 2024, the Group's debt-to-capital ratio was 22% and 29%, respectively.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 1,849,655	\$ 1,846,201
Financial assets at fair value through other comprehensive income	148,219,745	83,640,300
Financial assets at amortised cost	<u>50,357,541</u>	<u>65,994,657</u>
	<u>\$ 200,426,941</u>	<u>\$ 151,481,158</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	\$ 150,684,790	\$ 176,920,607
Lease liability	<u>1,014,894</u>	<u>988,924</u>
	<u>\$ 151,699,684</u>	<u>\$ 177,909,531</u>

Note: Financial assets measured at amortised cost include cash and cash equivalents, financial assets measured at amortised cost, accounts and notes receivable (including related parties), other receivables (including related parties), and refundable deposits. Financial liabilities measured at amortised cost include short-term borrowings, short-term notes and bills payable, accounts payable (including related parties), notes payable, other payables

(including related parties), 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 Group'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. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk.
- (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 Group'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 Group is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries 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.
- 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 Group'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, 2025			
	Foreign Currency Amount (In thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 292,225	31.44	\$ 9,187,554
USD : RMB	25,576	31.44	804,109
USD : VND	20,608	31.44	647,916
<u>Non-monetary items</u>			
RMB : NTD	\$ 9,901,421	4.47	\$ 44,259,352
USD : NTD	150,478	31.44	4,731,028
VND : NTD	4,805,212,351	0.0012	5,766,255
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 13,145	31.44	\$ 413,279
USD : VND	263,353	31.44	8,279,818

December 31, 2024			
	Foreign Currency Amount (In thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 377,880	32.78	\$ 12,386,906
JPY : NTD	479,043	0.21	100,599
USD : RMB	20,149	32.78	660,484
USD : VND	26,073	32.78	854,673
<u>Non-monetary items</u>			
RMB : NTD	\$ 13,334,488	4.56	\$ 60,805,265
USD : NTD	155,644	32.78	5,102,010
VND : NTD	4,863,568,237	0.0013	6,322,639
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 14,193	32.78	\$ 465,247
USD : VND	263,311	32.78	8,631,335

- iv. Total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024 amounted to (\$1,408,212) and \$228,710, respectively.

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

For the year ended December 31, 2025

	Sensitivity analysis		
	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 91,876	\$ -
USD : RMB	1%	8,041	-
USD : VND	1%	6,479	-
<u>Non-monetary items</u>			
RMB : NTD	1%	\$ -	\$ 442,594
USD : NTD	1%	-	47,310
VND : NTD	1%	-	57,663
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 4,133	\$ -
USD : VND	1%	82,798	-

For the year ended December 31, 2024

	Sensitivity analysis		
	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 123,869	\$ -
JPY : NTD	1%	1,000	-
USD : RMB	1%	6,605	-
USD : VND	1%	8,547	-
<u>Non-monetary items</u>			
RMB : NTD	1%	\$ -	\$ 608,053
USD : NTD	1%	-	51,020
VND : NTD	1%	-	63,226
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 4,652	\$ -
USD : VND	1%	86,313	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

- ii. The Group's investments in equity securities comprise domestic listed, beneficiary certificate and fund. 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, 2025 and 2024 would have increased/decreased by \$14,797 and \$14,770, 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 \$1,482,197 and \$836,403, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group 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 Group to fair value interest rate risk. During the years ended December 31, 2025 and 2024, the Group's borrowings at variable rate were denominated in the NTD and USD.
- ii. The Group'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.
- iii. For the years ended December 31, 2025 and 2024, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years then ended would have been \$388,706 and \$352,676 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group 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, classified as the contract cash flows of instruments stated at amortised cost at fair value through other comprehensive income.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their 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 Group adopts the assumption under IFRS 9, that is, to assess whether there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2025 and 2024, the Group's written-off financial assets that are still under recourse procedures amounted to \$44,955 and \$4,924, respectively.
- v. The Group used the forecastability of Directorate-General of Budget, Accounting and Statistics, Executive Yuan and Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. As of December 31, 2025 and 2024, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	Over 91 days past due
<u>At December 31, 2025</u>				
Expected loss rate	0.08%~30.00%	0.05%~8.96%	0.05%~100.00%	49.21%~100.00%
Total book value	\$ 22,822,578	\$ 184,731	\$ 33,098	\$ 39,074
Loss allowance	\$ 56,655	\$ 658	\$ 475	\$ 21,863
<u>At December 31, 2024</u>				
Expected loss rate	0.15%~24.00%	0.05%~24.00%	0.09%~100.00%	77.27%~100.00%
Total book value	\$ 29,718,678	\$ 178,289	\$ 47,047	\$ 59,713
Loss allowance	\$ 77,290	\$ 686	\$ 6,228	\$ 47,933

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

	December 31, 2025	December 31, 2024
Not past due	\$ 22,822,578	\$ 29,718,678
Up to 30 days	184,731	178,289
31 to 90 days	33,098	47,047
Over 91 days	39,074	59,713
	\$ 23,079,481	\$ 30,003,727

The above ageing analysis was based on past due date.

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

	For the year ended December 31, 2025		
	Accounts receivable	Contract assets	Notes receivable
At January 1	\$ 132,137	\$ -	\$ -
Write-offs	(40,031)	-	-
Reversal of impairment loss	(12,000)	-	-
Effect of exchange rate changes	(455)	-	-
At December 31	<u>\$ 79,651</u>	<u>\$ -</u>	<u>\$ -</u>
	For the year ended December 31, 2024		
	Accounts receivable	Contract assets	Notes receivable
At January 1	\$ 130,989	\$ -	\$ -
Effect of exchange rate changes	1,148	-	-
At December 31	<u>\$ 132,137</u>	<u>\$ -</u>	<u>\$ -</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Group'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 Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group'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 Group treasury. Group 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 Group'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>December 31, 2025</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	\$ 214,823	\$ 286,521	\$ 426,350	\$ 538,598
Bonds payable	12,635,000	4,991,050	19,519,310	2,278,375
Long-term borrowings	10,543,239	21,399,685	16,645,295	-

Non-derivative financial liabilities:

<u>December 31, 2024</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	\$ 260,284	\$ 251,587	\$ 500,811	\$ 535,451
Bonds payable	11,380,460	12,394,570	13,187,115	956,365
Long-term borrowings	16,583,694	12,703,549	14,797,268	-

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

- iv. The Group 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 Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in stock investment, private equity fund market, 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, 2025</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	\$ -	\$ 1,849,655	\$ -	\$ 1,849,655
Financial assets at fair value through other comprehensive income				
Equity securities	116,209,040	1,784,410	30,226,295	148,219,745
	<u>\$ 116,209,040</u>	<u>\$ 3,634,065</u>	<u>\$ 30,226,295</u>	<u>\$ 150,069,400</u>
<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 comprehensive income				
Equity securities	53,051,051	1,548,260	29,040,989	83,640,300
	<u>\$ 53,051,051</u>	<u>\$ 3,394,461</u>	<u>\$ 29,040,989</u>	<u>\$ 85,486,501</u>

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

(a) The instruments the Group used market quoted prices as their fair values (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

(b) 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 measured by using valuation techniques can be referred to current fair value of 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.

(c) 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 Group 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.

- (d) 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.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group'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 Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the years ended December 31, 2025 and 2024, 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, 2025 and 2024:

	<u>For the year ended December 31, 2025</u>	
	<u>Non-derivative equity instrument</u>	
At January 1	\$	29,040,989
Gains and losses 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		1,204,867
Proceeds from capital reduction	(	19,561)
At December 31	<u>\$</u>	<u>30,226,295</u>

	<u>For the year ended December 31, 2024</u>	
	<u>Non-derivative equity instrument</u>	
At January 1	\$	25,392,622
Gains and losses 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		3,372,129
Acquired during the year		588,000
Sold during the year	(	238)
Proceeds from capital reduction	(	3,484)
Transfers out/in from level 3	(	308,040)
At December 31	\$	<u>29,040,989</u>

G. UBI Pharma Inc. terminated the trading of its stocks in the securities trading market starting from May 2024, and there was insufficient observable market information. Thus, the Group's subsidiary, Formosa Biochemical Technology Corp., had transferred the fair value from Level 2 into Level 3 at the end of the month when the event occurred. As the private placement securities originally held by the Group's subsidiary, Formosa Biochemical Technology Corp., had been offered publicly and had been applied for listing on the stock exchange in September 2024, the Company had transferred the fair value from Level 3 into Level 1.

H. The Group 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:

	Fair value at December 31, 2025	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument :					
Unlisted shares	\$ 20,851,279	\$ 18,814,337	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	The higher the multiple, the higher the fair value
	1,058,131	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
	8,316,885	8,920,043	Net asset value	Not applicable	Not applicable

J. The Group 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, 2025	
				<u>Recognised in other comprehensive income</u>	
		<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets					
Equity instruments	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		± 1%	\$ 208,513	\$ 208,513
Equity instruments	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%	\$ 10,581	\$ 10,581
				December 31, 2024	
				<u>Recognised in other comprehensive income</u>	
		<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets					
Equity instruments	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		± 1%	\$ 188,143	\$ 188,143
Equity instruments	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

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: Refer to table 2.

- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 5.
- F. Significant intragroup transactions during the reporting periods: Refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 9.

14. Segment Information

(1) General information

The Group's reportable segments are strategic business units and provide different products and services. Strategic business units are separately managed because each unit needs different techniques and marketing strategies. The Group's reportable segments are as follows:

1st Petrochemical Div: responsible for production of benzene, p-xylene and o-xylene.

2nd Petrochemical Div: responsible for production of styrene, synthetic phenolic and acetone.

3rd Petrochemical Div: responsible for production of purified terephthalic acid.

Plastics Division: responsible for production of ABS resin, polypropylene and PS.

Formosa Taffeta Co., Ltd.: responsible for production of blended fabric, spun fabric, cross-woven fabric, polyamine and polyester fabric, epidemic fabric, designer sportswear fabric, high-tech and function fabric, tire cord fabric, pure cotton yarn, blended yarn, various functional yarn, fireproof fabric, anti-static cloth and industrial fabric, and operation of petrol stations to sell petroleum, diesel fuel, kerosene and small package of petroleum products and provide car wash services.

Green Energy Division: responsible for solar energy and small hydropower generation.

(2) Measurement of segment information

The Group has not yet amortised tax expenses or non-recurring gains and losses to reportable segments. Further, not all reportable segments' profit or loss include significant non-cash items besides depreciation and amortization. Reporting amount and reports for operating decision-maker are the same.

The Group's operating segment profit or loss is measured based on operating income before tax for performance assessment basis. The Group considers the sale and transfer among segments as transactions with third parties and measured at market price.

(3) Information about segment profit or loss, assets and liabilities

For the year ended December 31, 2025

	1st Petrochemical Div	2nd Petrochemical Div	3rd Petrochemical Div	Plastics Division	Formosa Taffeta Co., Ltd.	Green Energy Division	Other divisions	Reconciliation and offset	Total
External revenue	\$ 61,254,205	\$ 47,812,039	\$ 58,593,867	\$ 61,390,347	\$ 20,175,330	\$ 322,210	\$ 37,485,926	\$ -	\$ 287,033,924
Internal revenue	52,529,502	12,275,536	1,272,675	7,816,799	119,919	19,302	13,694,510	(87,728,243)	-
Total revenue	<u>\$ 113,783,707</u>	<u>\$ 60,087,575</u>	<u>\$ 59,866,542</u>	<u>\$ 69,207,146</u>	<u>\$ 20,295,249</u>	<u>\$ 341,512</u>	<u>\$ 51,180,436</u>	<u>(\$ 87,728,243)</u>	<u>\$ 287,033,924</u>
Segment profit (loss)	<u>(\$ 1,984,456)</u>	<u>(\$ 2,951,954)</u>	<u>(\$ 1,693,578)</u>	<u>(\$ 1,716,941)</u>	<u>\$ 942,948</u>	<u>\$ 169,131</u>	<u>\$ 945,631</u>	<u>\$ 1,281,572</u>	<u>(\$ 5,007,647)</u>
Segment profit (loss):									
Total depreciation and amortisation	<u>\$ 3,062,157</u>	<u>\$ 2,514,395</u>	<u>\$ 2,321,790</u>	<u>\$ 2,569,709</u>	<u>\$ 771,311</u>	<u>\$ 80,237</u>	<u>\$ 3,709,421</u>	<u>\$ -</u>	<u>\$ 15,029,020</u>
Interest expense	<u>\$ 321,834</u>	<u>\$ 305,685</u>	<u>\$ 347,004</u>	<u>\$ 363,041</u>	<u>\$ 175,789</u>	<u>(\$ 2,488)</u>	<u>\$ 1,531,026</u>	<u>\$ -</u>	<u>\$ 3,041,891</u>
Investment income accounted for using equity method									<u>\$ 1,047,852</u>
Not included in segments' income measurement, but regularly provided to operating decision-maker:									
Income tax expense									<u>\$ 763,137</u>
Total assets of segments	<u>\$ 35,767,623</u>	<u>\$ 29,803,619</u>	<u>\$ 45,370,202</u>	<u>\$ 46,687,952</u>	<u>\$ 54,323,201</u>	<u>\$ 1,268,545</u>	<u>\$ 420,487,699</u>	<u>(\$ 94,766,855)</u>	<u>\$ 538,941,986</u>

For the year ended December 31, 2024

	1st Petrochemical Div	2nd Petrochemical Div	3rd Petrochemical Div	Plastics Division	Formosa Taffeta Co., Ltd.	Green Energy Division	Other divisions	Reconciliation and offset	Total
External revenue	\$ 59,737,899	\$ 71,222,282	\$ 71,374,482	\$ 82,916,119	\$ 21,125,452	\$ 215,253	\$ 42,016,087	\$ -	\$ 348,607,574
Internal revenue	87,799,095	16,796,483	2,424,337	9,457,505	177,358	71,858	15,479,850	(132,206,486)	-
Total revenue	<u>\$ 147,536,994</u>	<u>\$ 88,018,765</u>	<u>\$ 73,798,819</u>	<u>\$ 92,373,624</u>	<u>\$ 21,302,810</u>	<u>\$ 287,111</u>	<u>\$ 57,495,937</u>	<u>(\$ 132,206,486)</u>	<u>\$ 348,607,574</u>
Segment profit (loss)	<u>\$ 1,891,356</u>	<u>(\$ 2,178,628)</u>	<u>(\$ 2,755,479)</u>	<u>(\$ 1,671,404)</u>	<u>\$ 1,555,197</u>	<u>\$ 143,229</u>	<u>\$ 3,197,416</u>	<u>\$ 755,059</u>	<u>\$ 936,746</u>
Segment profit (loss):									
Total depreciation and amortisation	<u>\$ 3,125,658</u>	<u>\$ 3,210,580</u>	<u>\$ 3,075,860</u>	<u>\$ 2,547,622</u>	<u>\$ 797,930</u>	<u>\$ 23,987</u>	<u>\$ 2,416,127</u>	<u>\$ -</u>	<u>\$ 15,197,764</u>
Interest expense	<u>\$ 359,881</u>	<u>\$ 331,607</u>	<u>\$ 485,447</u>	<u>\$ 575,844</u>	<u>\$ 193,577</u>	<u>\$ 353</u>	<u>\$ 1,462,448</u>	<u>\$ -</u>	<u>\$ 3,409,157</u>
Investment income accounted for using equity method									<u>\$ 2,150,005</u>
Not included in segments' income measurement, but regularly provided to operating decision-maker:									
Income tax expense									<u>(\$ 186,641)</u>
Total assets of segments	<u>\$ 40,355,770</u>	<u>\$ 32,176,914</u>	<u>\$ 48,408,932</u>	<u>\$ 51,681,354</u>	<u>\$ 49,278,396</u>	<u>\$ 267,927</u>	<u>\$ 370,985,772</u>	<u>(\$ 102,205,438)</u>	<u>\$ 490,949,627</u>

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

(5) Information on products and services

	For the years ended December 31,	
	2025	2024
Sales revenue	\$ 286,312,988	\$ 347,771,980
Service revenue	473,667	521,900
Other operating income	247,269	313,694
	<u>\$ 287,033,924</u>	<u>\$ 348,607,574</u>

(6) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 108,302,339	\$ 88,567,935	\$ 144,778,599	\$ 82,224,223
China	130,167,831	56,371,024	145,592,519	59,196,459
Others	48,563,754	16,660,837	58,236,456	23,288,159
	<u>\$ 287,033,924</u>	<u>\$ 161,599,796</u>	<u>\$ 348,607,574</u>	<u>\$ 164,708,841</u>

(7) Major customer information

The information on customers with over 10% of sales revenue in the statement of comprehensive income for the years ended December 31, 2025 and 2024: None.

Formosa Chemicals and Fibre Corporation and subsidiaries

Loans to others

For the year ended December 31, 2025

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, 2025 (Note 3)	Balance at December 31, 2025 (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 Item Value		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
0	The Company	Formosa Plastics Corp.	Other receivables-related parties	Yes	\$ 6,000,000	\$ 4,500,000	\$ -	2.18	1	2	Additional operating capital	\$ -	-	\$ -	\$ 86,466,626	\$ 172,933,252	-
0	The Company	Nan Ya Plastics Corp.	Other receivables-related parties	Yes	6,000,000	4,500,000	-	2.18	1	2	Additional operating capital	-	-	-	86,466,626	172,933,252	-
0	The Company	Formosa Biomedical Technology Corp.	Other receivables-related parties	Yes	500,000	500,000	-	2.18	2	1	Additional operating capital	-	-	-	34,586,650	138,346,602	-
0	The Company	Formosa Heavy Industries Corp.	Other receivables-related parties	Yes	8,116,600	6,216,600	516,600	2.18	2	1	Additional operating capital	-	-	-	69,173,301	138,346,602	-
0	The Company	Formosa Carpet Corp.	Other receivables-related parties	Yes	100,000	100,000	-	2.18	2	1	Additional operating capital	-	-	-	34,586,650	138,346,602	-
0	The Company	Hong Jing Resources Corp.	Other receivables-related parties	Yes	500,000	500,000	-	2.18	2	1	Additional operating capital	-	-	-	34,586,650	138,346,602	-
0	The Company	Formosa Plastics Construction Corp.	Other receivables-related parties	Yes	200,000	150,000	-	2.18	2	1	Additional operating capital	-	-	-	69,173,301	138,346,602	-
0	The Company	Formosa Petrochemical Corp.	Other receivables-related parties	Yes	6,000,000	4,500,000	-	2.18	1	2	Additional operating capital	-	-	-	86,466,626	172,933,252	-
1	Formosa Power (Ningbo) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co.,	Receivables from related party	Yes	4,622,600	4,025,430	4,025,430	2.1~2.48	2	1	Additional operating capital	-	-	-	5,819,897	5,819,897	-

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2025 (Note 3)	Balance at December 31, 2025 (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			
2	Formosa Biomedical Technology Corp.	Hong Jing Resources Corp.	Other receivables- related parties	Yes	\$ 98,700	\$ -	\$ -	2.18	2	1	Additional operating capital	\$ -	-	\$ -	\$ 1,135,046	\$ 1,135,046	-

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, 2025

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 a the Company to subsidiary or among the Company's subsidiaries shall not be more than 10% 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 and subsidiaries
Provision of endorsements and guarantees to others
For the year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name (Note 2)	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, 2025 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2025 (Note 5)	Actual amount drawn down (Note 6)	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 7)	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	\$ 224,813,228	\$ 8,295,500	\$ -	\$ -	\$ -	-	\$ 449,626,456	N	N	N	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Zhongshan) Co., Ltd.	2	27,519,908	929,740	880,040	-	-	2.08	55,039,817	Y	N	Y	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Vietnam) Co., Ltd.	2	27,519,908	1,693,455	942,900	129,279	-	2.23	55,039,817	Y	N	N	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Changshu) Co., Ltd.	2	27,519,908	1,494,225	1,100,050	41,813	-	2.60	55,039,817	Y	N	Y	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Dong Nai) Co., Ltd.	2	27,519,908	4,399,663	3,253,005	1,328,182	-	7.68	55,039,817	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 and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

For the year ended December 31, 2025

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, 2025				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	\$ 1,849,655	-	\$ 1,849,655	-
The Company	Stocks_Formosa Plastics Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	486,978,694	18,992,169	7.65	18,992,169	-
The Company	Stocks_Nan Ya Plastics Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	413,327,750	24,882,331	5.21	24,882,331	-
The Company	Stocks_Nan Ya Technology Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	272,843,409	52,658,778	8.81	52,658,778	-
The Company	Stocks_Formosa Union Chemical Corp.	-	Financial assets at fair value through other comprehensive income - current	14,723,422	245,145	3.09	245,145	-
The Company	Stocks_Asia Pacific Investment Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	63,621,500	1,474,110	14.97	1,474,110	-
The Company	Stocks_Mai-Liao Harbor Administration Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	39,562,740	1,017,949	17.98	1,017,949	-
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	7,636,039	2.92	7,636,039	-
The Company	Stocks_Taiwan Stock Exchange Corp.	-	Financial assets at fair value through other comprehensive income - non-current	34,631,403	2,965,487	2.00	2,965,487	-
The Company	Stocks_Taiwan Aerospace Corp.	-	Financial assets at fair value through other comprehensive income - non-current	1,070,151	39,007	0.79	39,007	-
The Company	Stocks_Yi-Jih Development Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	63,174	16,996	1.51	16,996	-
The Company	Stocks_Chinese Television System Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,376,202	19,532	1.41	19,532	-
The Company	Stocks_Formosa Plastics Maritime Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	4,766,450	40,181	18.22	40,181	-
The Company	Stocks_Formosa Development Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	20,471,042	214,890	18.00	214,890	-
The Company	Stocks_Formosa Network Technology Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	2,925,000	371,446	12.50	371,446	-

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
The Company	Stocks_Formosa Plastics Marine Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	16,234,425	\$ 392,711	15.00	\$ 392,711	-
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	9,179,041	19.00	9,179,041	-
The Company	Stocks_Guangyuan Investment Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,343,750	21,258	3.91	21,258	-
The Company	Stocks_Mega Growth Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	491,932	3,085	1.97	3,085	-
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	6,249,152	11.43	6,249,152	-
The Company	Stocks_Luminescence Technology Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,500,000	78,600	9.04	78,600	-
Formosa Biomedical Technology Corp.	Stocks_Formosa Union Chemical Corp.	-	Financial assets at fair value through other comprehensive income - current	865,373	14,409	0.18	14,409	-
Formosa Biomedical Technology Corp.	Stocks_Maxigen Biotech Inc.	-	Financial assets at fair value through other comprehensive income - current	8,702,040	372,448	9.70	372,448	-
Formosa Biomedical Technology Corp.	Stocks_Formosa Smart Energy Tech Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	85,000,000	829,600	5.00	829,600	-
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	15,509	0.52	15,509	-
Formosa Biomedical Technology Corp.	Stocks_Taiwan Leader Biotech Corp.	-	Financial assets at fair value through other comprehensive income - non-current	1,008,000	27,367	4.24	27,367	-
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	3,669	0.47	3,669	-
Formosa Biomedical Technology Corp.	Stocks_United Biopharma (Cayman), Inc.	-	Financial assets at fair value through other comprehensive income - non-current	24,295,154	-	10.58	-	-
Formosa Biomedical Technology Corp.	Stocks_UBI Pharma Inc.	-	Financial assets at fair value through other comprehensive income - non-current	3,418,109	81,385	2.89	81,385	-
Formosa Biomedical Technology Corp.	Stocks_Apexcella Biomedical Inc.	-	Financial assets at fair value through other comprehensive income - non-current	3,600,000	1,908	6.50	1,908	-
Formosa Biomedical Technology Corp.	Stocks_Silicon Based Molecular Sensing Technology Co.. LTD.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	7,500,000	17,925	14.92	17,925	-
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	-

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
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	\$ 390,643	0.21	\$ 390,643	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	25	-	25	-
Formosa Taffeta Co., Ltd.	Stocks_Nan Ya Plastics Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	482,194	29,029	0.01	29,029	-
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	231,700	2.35	231,700	-
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	1,488,225	0.25	1,488,225	-
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	17,459,791	3.83	17,459,791	-
Formosa Taffeta Co., Ltd.	Stocks_Syntronix Corporation	-	Financial assets at fair value through other comprehensive income - non-current	234,166	4,704	0.54	4,704	-
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	44,649	10.00	44,649	-
Formosa Taffeta Co., Ltd.	Stocks_Shin Yun Natural Gas Corp.	-	Financial assets at fair value through other comprehensive income - non-current	1,045,620	27,155	1.20	27,155	-
Formosa Taffeta Co., Ltd.	Stocks_FG INC	Other related parties	Financial assets at fair value through other comprehensive income - non-current	600	261,214	3.00	261,214	-
Formosa Taffeta Co., Ltd.	Stocks_NKFG Co	Other related parties	Financial assets at fair value through other comprehensive income - non-current	1,838,426	13,494	1.16	13,494	-
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	2,102,145	3.85	2,102,145	-
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	34,872	0.13	34,872	-

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 and subsidiaries
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, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			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	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance		
The Company	Formosa Plastics Corp.	Other related parties	Sales	(\$ 2,200,721) (	1)	30 days	\$ -	-	\$ 179,038	1	-
The Company	Nan Ya Plastics Corp.	Other related parties	Sales	(15,363,957) (	9)	30 days	-	-	1,099,034	8	-
The Company	Formosa Taffeta Co., Ltd.	Subsidiary	Sales	(634,354)	-	60 days	-	-	Notes receivable 44,821	51	-
									Accounts receivable 128,908	1	-
The Company	Formosa Petrochemical Corp.	Associates	Sales	(26,881,746) (	17)	30 days	-	-	2,138,271	16	-
The Company	Formosa Chemicals Industries (Ningbo) Co., Ltd	Subsidiary	Sales	(10,302,076) (	6)	90 days	-	-	2,282,446	17	-
The Company	Formosa Chemicals Industries Co.,Ltd	Subsidiary	Sales	(511,142)	-	30 days	-	-	157,325	1	-
The Company	Formosa Idemitsu Petrochemical Corp.	Subsidiary	Sales	(6,986,662) (	4)	30 days	-	-	1,282,826	10	-
The Company	Formosa Plastics Corp., U.S.A.	Other related parties	Sales	(821,754) (	1)	30 days	-	-	214,142	2	-
The Company	Nan Ya Plastics Corporation, America	Subsidiary	Sales	(144,080)	-	30 days	-	-	50,278	-	-
The Company	PFG Fiber Glass Corp.	Other related parties	Sales	(321,091)	-	30 days	-	-	26,748	-	-
The Company	Formosa Taffeta (Dong Nai) Co., Ltd.	Subsidiary	Sales	(142,206)	-	60 days	-	-	38,112	-	-
The Company	Formosa Plastics Corp.	Other related parties	Purchases	2,894,610	2	30 days	-	-	(188,783) (	2)	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
			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	Nan Ya Plastics Corp.	Other related parties	Purchases	\$ 3,058,005	2	30 days	\$ -	-	(\$ 203,677)	(2)	-
The Company	Formosa Petrochemical Corp.	Associates	Purchases	111,810,667	80	30 days	-	-	(6,952,208)	(73)	-
Formosa Waters Technology Co., Ltd.	The Company	Parent company	Sales	(130,293)	(26)	15 days	-	-	-	-	-
Formosa Idemitsu Petrochemical Corp.	The Company	Parent company	Sales	(383,482)	(6)	30 days	-	-	14,848	3	-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals Taiwan Corp.	Associates	Sales	(1,031,663)	(16)	30 days after closing date	-	-	70,795	14	-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals Japan Corp.	Associates	Sales	(332,228)	(5)	30 days after closing date	-	-	32,578	7	-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Compounding Plastics (Guangzhou) Co., Ltd	Associates	Sales	(529,459)	(8)	30 days after closing date	-	-	96,715	19	-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals (U.S.A) Corp.	Associates	Sales	(247,384)	(4)	30 days after closing date	-	-	25,478	5	-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Kosan Co., Ltd.	Associates	Sales	(619,263)	(10)	30 days after closing date	-	-	139,293	28	-
Formosa INEOS Chemicals Corp.	The Company	Parent company	Sales	(516,924)	(14)	30 days	-	-	-	-	-
Formosa INEOS Chemicals Corp.	INEOS ACETYLS (MALAYSIA) SDN BHD	Associates	Sales	(1,434,143)	(38)	90 days after shipped	-	-	400,127	59	-
Formosa INEOS Chemicals Corp.	INEOS Trading (Shanghai) Company Limited	Associates	Sales	(108,842)	(3)	90 days after monthly billings	-	-	108,842	-	-
Formosa INEOS Chemicals Corp.	Nan Ya Plastics Corp	Other related parties	Sales	(158,178)	(4)	30 days	-	-	9,733	1	-
Formosa INEOS Chemicals Corp.	Formosa Plastics Corp.	Other related parties	Sales	(212,614)	(6)	15 days	-	-	16,654	-	-
Formosa INEOS Chemicals Corp.	Formosa Petrochemical Corp.	Associates	Sales	(419,217)	(11)	45 days	-	-	43,963	-	-

Table 4, Page 2

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 INEOS Chemicals Corp.	Formosa Petrochemical Corp.	Associates	Purchases	\$ 1,850,343	56	45 days	\$ -	-	(\$ 186,150)	(67)	-	
Formosa Biomedical Technology Corp	Nan Ya Technology Corp.	Other related parties	Sales	(125,265)	(5)	30 days	-	-	1,755	-	-	
Formosa Biomedical Technology Corp	Nan Ya Plastics Corp.	Other related parties	Purchases	121,212	7	30 days	-	-	(15,720)	(7)	-	
Formosa Power (Ningbo) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Associates	Sales	(3,480,240)	(49)	30 days	-	-	291,811	40	-	
Formosa Power (Ningbo) Co., Ltd.	Formosa Plastics (Ningbo) Co., Ltd.	Other related parties	Sales	(2,561,439)	(36)	30 days	-	-	272,239	37	-	
Formosa Power (Ningbo) Co., Ltd.	Nan Ya Plastics (Ningbo) Corp.	Other related parties	Sales	(770,636)	(11)	30 days	-	-	58,398	8	-	
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Nan Ya Technology Corp.	Other related parties	Sales	(187,484)	-	30 days	-	-	12,383	-	-	
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Formosa Plastics Port (Ningbo) Co., Ltd.	Other related parties	Sales	(96,477)	-	30 days	-	-	107,359	-	-	
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Nan Ya Plastics (Ningbo) Corp	Other related parties	Sales	(6,995,087)	(8)	90 days	-	-	449,583	6	-	
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Formosa Plastics Corp.	Other related parties	Purchases	167,431	-	90 days	-	-	(2,891)	-	-	
Formosa Industries Corp.	The Company	Parent company	Sales	(1,578,960)	(10)	60 days	-	-	210,227	14	-	
Formosa Industries Corp.	Formosa Taffeta (Dong Nai) Co., Ltd.	Associates	Sales	(438,146)	(3)	60 days	-	-	56,103	4	-	

Table 4, 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 Industries Corp.	Nan Ya Plastics Corp.	Other related parties	Sales	(\$ 385,067)	(3)	60 days	\$ -	-	\$ 37,980	2	-	
Formosa Industries Corp.	Formosa Plastics Corp.	Other related parties	Purchases	202,815	2	30 days	-	-	(17,812)	(2)	-	
Formosa Industries Corp.	Nan Ya Plastics Corp.	Other related parties	Purchases	587,234	5	30 days	-	-	(104,844)	(12)	-	
Formosa Industries Corp.	Nan Ya Draw-Textured Yarn (Kunshan) Co., Ltd	Other related parties	Purchases	264,738	2	60 days	-	-	(46,673)	(6)	-	

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

Formosa Chemicals and Fibre Corporation and subsidiaries
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
For the year ended December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025		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	\$	179,038	11.80	\$ -	\$ -	\$ 179,038	\$ -
The Company	Nan Ya Plastics Corp.	Other related parties		1,099,034	10.52	-	-	1,099,034	-
The Company	Formosa Taffeta Co., Ltd.	Subsidiary		Notes receivable 44,821	2.74	-	-	19,878	-
				Accounts receivable 128,908		-	-	64,333	-
The Company	Formosa Petrochemical Corp.	Associates		Accounts receivable 2,138,271	10.79	-	-	2,138,271	-
The Company	Formosa Industries Corp.	Subsidiary		Accounts receivable 157,325	2.35	-	-	117,801	-
				Other receivables 121,865		-	-	88,775	-
The Company	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Subsidiary		Accounts receivable 2,282,446	3.28	-	-	1,404,631	-
The Company	Formosa Idemitsu Petrochemical Corp.	Subsidiary		Accounts receivable 1,282,826	88.68	-	-	1,282,826	-
				Other receivables 862,919	6.86	-	-	862,919	-
The Company	Formosa Plastic Corp. U.S.A.	Other related parties		214,142	2.93	-	-	31,927	-
Formosa INEOS Chemicals Corp.	INEOS SINGAPORE PTE. LTD	Associates		108,842	7.50	-	-	-	-
Formosa INEOS Chemicals Corp.	INEOS ACETYLS (MALAYSIA) SDN BHD	Associates		400,127	0.46	-	-	77,473	-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Kosan Co., Ltd.	Associates		139,293	7.09	-	-	99,393	-
Formosa Power (Ningbo) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Associates		291,811	10.38	-	-	274,278	-
Formosa Power (Ningbo) Co., Ltd.	Formosa Plastics (Ningbo) Co., Ltd.	Other related parties		272,239	9.30	-	-	272,239	-
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Other related parties		449,583	10.06	-	-	449,583	-
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Formosa Plastics Port (Ningbo) Co., Ltd.	Other related parties		107,359	3.95	-	-	-	-
Formosa Industries Corp.	The company	Parent company		210,227	7.66	-	-	168,402	-

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 and subsidiaries
 Significant inter-company transactions during the reporting period
 For the year ended December 31, 2025

Table 6

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	(\$ 10,302,076)	In regular terms	(4)

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 and subsidiaries
Information on investees (Excluding those in Mainland China)
For the year ended December 31, 2025

Table 7

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, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
The Company	Formosa Taffeta Co., Ltd.	Taiwan	Spinning	\$ 719,003	\$ 719,003	630,022,431	37.40	\$ 15,387,187	\$ 865,250	\$ 321,328	-
The Company	Formosa Heavy Industries Corp.	Taiwan	Machinery	2,497,721	2,497,721	661,334,402	32.91	5,760,306	(105,944)	(34,866)	-
The Company	Formosa Plastics Transport Corp.	Taiwan	Transportation	299,272	299,272	6,566,384	33.33	1,475,162	242,674	80,883	-
The Company	Formosa Petrochemical Corp.	Taiwan	Chemistry	25,842,468	25,842,468	2,300,799,801	24.15	85,771,126	9,875,335	2,312,409	-
The Company	Mai-Liao Power Corp.	Taiwan	Electricity generation	5,985,531	5,985,531	868,820,230	24.94	18,010,331	3,048,346	760,257	-
The Company	FCFC Investment Corp. (Cayman)	Cayman Islands	Investments	34,012,602	34,012,602	58,000	100.00	57,261,575	(1,299,808)	(1,299,808)	-
The Company	Hwa Ya Science Park Management Consulting Co, Ltd.	Taiwan	Management	340	340	33,000	33.00	5,247	589	194	-
The Company	Chia-Nan Enterprise Corporation	Taiwan	Electricity generation	321,413	321,413	21,163,000	51.00	369,279	107,200	54,672	-
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	750,887	(875,076)	(416,157)	-
The Company	Formosa Industries Corp.	Vietnam	Textile, polyester staple fibre, cotton, and electricity generation	8,435,801	8,435,801	-	42.50	4,608,800	(133,163)	(56,593)	-
The Company	Formosa INEOS Chemicals Corp.	Taiwan	Chemistry, international of petrochemistry	1,201,500	1,201,500	120,150,000	50.00	1,692,885	(281,477)	(138,757)	-

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025		Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	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	\$ 247,608	\$ 28,913	\$ 7,037	-	
The Company	Formosa Biomedical Technology Corp.	Taiwan	Manufacturing and sale of cosmetics	1,566,879	1,566,879	147,556,136	88.59	2,529,364	200,546	177,664	-	
The Company	Formosa Carpet Corp.	Taiwan	Yarn spinning mills, finishing of textiles and carpet manufacturing	300,000	300,000	22,037,185	100.00	167,212	(10,474)	(10,474)	-	
The Company	Guo Su Plastic Industry Co., Ltd.	Taiwan	Manufacture of synthetic resin and plastic products	95,000	95,000	980,000	24.50	3,302	(24,129)	(11,823)	-	
The Company	Formosa Synthetic Rubber (Hong Kong) Co., Ltd.	Hong Kong	Investments	4,214,914	4,214,914	138,333,334	33.34	1,314,670	(465,673)	(155,257)	-	
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	4,062,093	(7,627,797)	(1,906,949)	-	
The Company	Formosa Group Corp. (Cayman)	Cayman Islands	Investments	-	377	-	-	-	164,074	40,980	-	
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	1,042,992	48,459	16,151	-	
The Company	FG INC.	United States	Investments	3,413,031	3,413,031	6,000	30.00	3,262,038	(18,137)	(5,644)	-	
The Company	Formosa Smart Energy Tech Corp.	Taiwan	Renewable energy - investment, research and development of energy storage equipment	3,400,000	3,400,000	340,000,000	20.00	3,310,743	(485,056)	(118,497)	-	
The Company	Formosa Renewable Energy Corp.	Taiwan	Renewable energy technical services	50,000	50,000	5,000,000	100.00	50,676	425	425	-	

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	of the investee for the year ended December 31, 2025	recognised by the Company for the year ended December 31, 2025	
The Company	Formosa Green Power Corp.	Taiwan	Renewable-energy-based electricity retailing corporation	\$ 5,000	\$ 5,000	500,000	100.00	\$ 4,767	(\$ 86)	(\$ 86)	-
FCFC Investment Corp. (Cayman)	Formosa Chemicals & Fibre (Hong Kong) Co., Ltd.	Hong Kong	Investments	29,959,815	29,959,815	-	100.00	42,707,699	(2,451,627)	(2,451,627)	-
Formosa Biomedical Technology Corp.	Beyoung International Corp.	Taiwan	International trading	98,000	90,000	1,267,400	35.62	98,394	(6,270)	(2,173)	-
Formosa Biomedical Technology Corp.	Hong Jing Resources Corp.	Taiwan	Recycle of spent catalyst	812,118	812,517	34,878,245	90.59	853,033	128,262	116,205	-
Formosa Biomedical Technology Corp.	Formosa Biomedical Technology (Samoa) Co., Ltd.	Samoa	Investments	29,610	29,610	-	100.00	32,083	11,320	11,320	-
Formosa Biomedical Technology Corp.	Formosa Waters Technology Co., Ltd.	Taiwan	1. Industrial Catalyst Manufacturing 2. Wholesale of Other Chemical Products	7,650	7,650	2,524,506	57.00	55,924	40,215	22,923	-
Formosa Biomedical Technology Corp.	Formosa Bio& Energy Crop. (Japan)	Japan	Manufacturing and sale of battery energy storage systems and related products	28,025	17,568	123,105	57.50	12,840	(2,711)	(1,560)	-
Formosa Biomedical Technology Corp.	Ivy Life Sciences Co., Ltd.	Taiwan	Research and development and clinical application of cell therapy technologies	758,785	755,032	62,716,224	51.31	760,046	4,007	2,045	-

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025		Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value				
Formosa Biomedical Technology Corp.	Formosa Eco Life Technology Co., Ltd	Taiwan	Sales of cleaning supplies	\$ 12,926	\$ 12,926	1,292,597	70.00	\$ 7,676	(\$ 1,540)	(\$ 1,078)	-	
Formosa Biomedical Technology Corp.	Formosatree Co., LTD.	Taiwan	Operation of energy Storage	237,000	237,000	23,700,000	30.00	234,881	(3,688)	(1,106)	-	
Formosa Biomedical Technology Corp.	Formosa Biomedical Material Technology Corp.	Taiwan	Immunocyte capture and separation technology applications	150,000	50,000	15,000,000	76.92	143,781	(8,108)	(6,266)	-	
Formosa Biomedical Material Technology Corp.	Health Saver Medical Co., Ltd.	Taiwan	Research and development and manufacturing of high-end medical equipment	25,500	-	1,500,000	30.61	17,160	(14,332)	(3,617)	-	
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	3,935,356	312,772	312,772	-	
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	5,118,437	602,632	184,888	-	
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	192,957	34,098	32,343	-	
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	2,554,262	196,229	196,229	-	

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025		Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value				
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	\$ 299,348	\$ 213,771	19,953,715	17.59	\$ 1,494,736	\$ 320,221	\$ 58,718	-	
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	1,187,554 (	135,237) (	13,524)	-
Formosa Taffeta Co., Ltd.	Schoeller Textil AG	Switzerland	Textile R&D, production and sales	1,285,507	1,285,507	21,874	50.00	608,263 (	374,253) (	185,236)	-
Formosa Taffeta Co., Ltd.	Nan Ya Optical Corp.	Taiwan	LED lighting system, lighting piping engineering design planning, manufacturing and installation	309,370	309,370	8,840,262	19.18	208,249	56,368	10,812	-	
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	2,473,831 (	16,989) (	16,989)	-
Formosa Development Co., Ltd.	Formosa Advanced Technologies Co., Ltd.	Taiwan	IC assembly, testing and modules	21,119	21,119	469,500	0.11	17,518	602,632	640	-	
Formosa Development Co., Ltd.	Public More Internation Co., Ltd.	Taiwan	Employment service, manpower allocation and agency service	5,000	5,000	-	100.00	16,306	4,967	4,967	-	

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Public More Internation Co., Ltd.	Kuang Yueh Co., Ltd.	Taiwan	Processing and production of ready- towear, processing and trading of cotton cloth, and import and export of the aforementioned products	\$ 1,660	\$ 1,591	16,095	0.01	\$ 1,759	\$ 320,221	\$ 49	-

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, 2025' 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, 2025' 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, 2025' 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 and subsidiaries

Information on investments in Mainland China

For the year ended December 31, 2025

Table 8

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, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	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	\$ 1,151,819	100.00	\$ 1,151,819	\$ 14,549,742	\$ 5,273,162	-
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Production and market of PTA	35,575,404	1	29,959,815	-	-	29,959,815	(2,451,627)	100.00	(2,451,627)	42,707,699	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	(465,673)	33.00	(155,255)	1,314,670	-	-
Formosa Biomedical Trading (Shanghai) Co., Ltd.	Investments	29,610	1	29,610	-	-	29,610	11,320	100.00	11,320	32,083	-	-
Formosa Taffeta (Zhong Shan) Co., Ltd.	Production and sale of polyester and polyamide fabrics	1,402,085	2	1,402,085	-	-	1,402,085	202,243	100.00	202,243	2,514,981	248,838	3

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
				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	\$ 99,037	100.00	\$ 99,037	\$ 1,269,714	\$ -	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. Its 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, 2025 and December 31, 2025 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, 2025 and December 31, 2025 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	Investment amount of remittance from Taiwan to Mainland China as of December 31, 2025	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	\$ 44,756,080	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 and subsidiaries

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

For the year ended December 31, 2025

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at December 31, 2025	%	Balance at December 31, 2025	Purpose	Maximum balance during the year ended December 31, 2025	Balance at December 31, 2025	Interest rate	Interest during the year ended December 31, 2025	Others
Formosa Taffeta (Zhongshan) Co., Ltd.	\$ 5,277	0.03	\$ -	-	\$ 284	0.02	\$ 880,040	For short-term loans from financial institutions	\$ -	\$ -	-	\$ -	-
Formosa Taffeta (Changshu) Co., Ltd.	3,254	0.02	-	-	397	0.03	1,100,050	For short-term loans from financial institutions	-	-	-	-	-