

**FORMOSA CHEMICALS & FIBRE
CORPORATION
PARENT COMPANY ONLY 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

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000459

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

Opinion

We have audited the accompanying parent company only balance sheets of FORMOSA CHEMICALS & FIBRE CORPORATION (the "Company") as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

Assessment of loss allowance for accounts receivable

Description

Refer to Note 4(10) for accounting policy on accounts receivable, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment of accounts receivable, and Note 6(4) for details of loss allowance for accounts receivable. As of December 31, 2025, the Company's accounts receivable amounted to NT\$13,288,310 thousand, net of loss allowance in the amount of NT\$26,809 thousand.

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

How our audit addressed the matter

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

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

Valuation of inventories

Description

Refer to Note 4(13) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for detailed information on allowance for inventory valuation losses. As of December 31, 2025, the inventory and allowance for inventory valuation losses were NT\$13,142,726 thousand and NT\$869,359 thousand, respectively.

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

How our audit addressed the matter

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

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

Other matter – audits of the other independent auditors

We did not audit the financial statements of certain investments accounted for under the equity method. These investments accounted for under the equity method amounted to NT\$119,692,347 thousand and NT\$106,814,946 thousand, both constituting 27% of total assets as of December 31, 2025 and 2024, respectively, and comprehensive income (loss) were NT\$15,441,142 thousand and (NT\$2,656,605) thousand, constituting 20% and 5% of total comprehensive income (loss) for the years then ended, respectively. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other independent auditors.

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

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

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

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

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

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

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

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

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

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

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

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

Juanlu, Man-Yu

Hsu, Sheng-Chung

for and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2026

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

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

FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 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)	\$ 3,208,084	1	\$ 7,204,645	2
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)	98,252,533	22	41,077,176	11
1150	Notes receivable, net	6(4)	43,430	-	75,731	-
1160	Notes receivable - related parties	6(4) and 7	44,821	-	28,373	-
1170	Accounts receivable, net	6(4)	5,662,658	1	6,847,853	2
1180	Accounts receivable - related parties	6(4) and 7	7,625,652	2	10,639,606	3
1200	Other receivables	7	1,636,410	-	3,298,356	1
1210	Other receivables - related parties	7	516,600	-	-	-
130X	Inventory	6(5)	12,273,367	3	16,753,749	4
1470	Other current assets		4,134,359	1	4,990,191	1
11XX	Total current assets		<u>135,247,569</u>	<u>30</u>	<u>92,761,881</u>	<u>24</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	28,245,375	6	26,722,194	7
1535	Non-current financial assets at amortised cost	6(1)	598,482	-	715,249	-
1550	Investments accounted for under equity method	6(6)	207,088,251	47	197,592,811	51
1600	Property, plant and equipment	6(7) and 8	64,351,057	15	63,911,332	16
1755	Right-of-use assets	6(8)	11,691	-	12,904	-
1840	Deferred income tax assets	6(24)	1,332,806	-	1,092,898	-
1900	Other non-current assets		7,882,455	2	7,759,841	2
15XX	Total non-current assets		<u>309,510,117</u>	<u>70</u>	<u>297,807,229</u>	<u>76</u>
1XXX	Total assets		<u>\$ 444,757,686</u>	<u>100</u>	<u>\$ 390,569,110</u>	<u>100</u>

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FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY 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(9)	\$ 10,865,200	2	\$ 9,710,800	2
2110	Short-term notes and bills payable	6(9)	8,484,194	2	32,292,387	8
2170	Accounts payable		1,370,497	-	1,079,476	-
2180	Accounts payable - related parties	7	7,621,990	2	11,091,323	3
2200	Other payables	7	3,988,562	1	4,400,340	1
2230	Current income tax liabilities		-	-	124,421	-
2280	Current lease liabilities		2,085	-	1,922	-
2320	Long-term liabilities, current portion	6(10)(11)	17,100,000	4	21,950,000	6
2399	Other current liabilities		1,650,141	-	2,218,576	1
21XX	Total current liabilities		<u>51,082,669</u>	<u>11</u>	<u>82,869,245</u>	<u>21</u>
Non-current liabilities						
2530	Corporate bonds payable	6(10)	25,800,000	6	25,900,000	7
2540	Long-term borrowings	6(11)	19,482,693	4	6,000,000	1
2570	Deferred income tax liabilities	6(24)	17,140	-	55,688	-
2580	Non-current lease liabilities		10,188	-	11,524	-
2600	Other non-current liabilities	6(12)	2,498,493	1	3,184,383	1
25XX	Total non-current liabilities		<u>47,808,514</u>	<u>11</u>	<u>35,151,595</u>	<u>9</u>
2XXX	Total liabilities		<u>98,891,183</u>	<u>22</u>	<u>118,020,840</u>	<u>30</u>
Equity						
Share capital		6(13)				
3110	Common stock		58,611,863	13	58,611,863	15
Capital surplus		6(14)				
3200	Capital surplus		9,291,029	2	9,313,342	2
Retained earnings		6(15)				
3310	Legal reserve		71,867,866	16	71,867,866	19
3320	Special reserve		76,745,060	17	76,745,060	20
3350	Unappropriated retained earnings		34,476,081	8	35,054,049	9
Other equity interest		6(16)				
3400	Other equity interest		95,198,556	22	21,280,042	5
3500	Treasury stocks	6(13)	(323,952)	-	(323,952)	-
3XXX	Total equity		<u>345,866,503</u>	<u>78</u>	<u>272,548,270</u>	<u>70</u>
Significant contingent liabilities and unrecognized contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 444,757,686</u>	<u>100</u>	<u>\$ 390,569,110</u>	<u>100</u>

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

FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 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(17) and 7	\$ 161,740,163	100	\$ 217,590,987	100
5000	Operating costs	6(5)(22)(23) and 7	(158,465,877)	(98)	(211,102,174)	(97)
5900	Net operating margin		3,274,286	2	6,488,813	3
5910	Unrealized (loss) profit from sales		(87,440)	-	98,057	-
5920	Realized (loss) profit from sales		(98,057)	-	79,152	-
5950	Net operating margin		3,088,789	2	6,666,022	3
	Operating expenses	6(12)(22)(23) and 7				
6100	Selling expenses		(3,778,723)	(3)	(5,003,450)	(2)
6200	General and administrative expenses		(3,351,872)	(2)	(3,530,805)	(2)
6000	Total operating expenses		(7,130,595)	(5)	(8,534,255)	(4)
6900	Operating loss		(4,041,806)	(3)	(1,868,233)	(1)
	Non-operating income and expenses					
7100	Interest income	6(18) and 7	201,690	-	117,359	-
7010	Other income	6(19) and 7	1,421,946	1	1,627,933	1
7020	Other gains and losses	6(20)	(1,136,316)	(1)	1,070,229	-
7050	Finance costs	6(7)(21)	(1,573,323)	(1)	(1,487,409)	(1)
7070	Share of (loss) profit of associates and joint ventures accounted for under equity method	6(6)	(382,911)	-	1,096,206	1
7000	Total non-operating income and expenses		(1,468,914)	(1)	2,424,318	1
7900	(Loss) profit before income tax		(5,510,720)	(4)	556,085	-
7950	Income tax expense	6(24)	(286,417)	-	(176,674)	-
8200	(Loss) profit for the year		<u>(\$ 5,797,137)</u>	<u>(4)</u>	<u>\$ 379,411</u>	<u>-</u>

(Continued)

FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY 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	%
Other comprehensive income (net)					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Actuarial gains on defined benefit plans	6(12)	\$ 37,385	-	\$ 107,374	-
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(16)	66,946,417	41	(50,080,755)	(23)
8330 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		<u>17,476,713</u>	<u>11</u>	<u>(13,025,219)</u>	<u>(6)</u>
8310 Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>84,460,515</u>	<u>52</u>	<u>(62,998,600)</u>	<u>(29)</u>
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation	6(16)	(1,642,543)	(1)	3,221,724	1
8380 Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(16)	(1,114,986)	-	1,502,340	1
8399 Income tax relating to the components of other comprehensive income	6(16)(24)	<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>(2,392,239)</u>	<u>(1)</u>	<u>4,028,052</u>	<u>2</u>
8300 Other comprehensive income (loss) for the year		<u>\$ 82,068,276</u>	<u>51</u>	<u>(\$ 58,970,548)</u>	<u>(27)</u>
8500 Total comprehensive income (loss) for the year		<u>\$ 76,271,139</u>	<u>47</u>	<u>(\$ 58,591,137)</u>	<u>(27)</u>
Basic (loss) earnings per share (in dollars)	6(25)	<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
9750 Net (loss) income		<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:					
Basic (loss) earnings per share (in dollars)					
Net (loss) income		<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 parent company only financial statements.

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

	Notes	Retained Earnings					Other Equity Interest					Total
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Revaluation surplus	Treasury stocks	
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
Profit for the year		-	-	-	-	379,411	-	-	-	-	-	379,411
Other comprehensive income (loss) for the year	6(16)	-	-	-	-	160,834	4,058,276	(63,159,434)	(30,224)	-	-	(58,970,548)
Total comprehensive income (loss)		-	-	-	-	540,245	4,058,276	(63,159,434)	(30,224)	-	-	(58,591,137)
Appropriations of 2023 earnings	6(15)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	870,497	-	(870,497)	-	-	-	-	-	-
Special reserve		-	-	-	142,568	(142,568)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(7,326,483)	-	-	-	-	-	(7,326,483)
Changes in the net interest of associates recognised under the equity method	6(14)	-	114	-	-	(634,746)	-	(60,430)	-	-	-	(695,062)
Expired cash dividends reclassified to capital surplus	6(14)	-	20,695	-	-	-	-	-	-	-	-	20,695
Dividends paid to subsidiaries to adjust capital		-	5,689	-	-	-	-	-	-	-	-	5,689
Expired dividends paid from capital surplus	6(14)	-	(927)	-	-	-	-	-	-	-	-	(927)
Changes in ownership interests in subsidiaries	6(14)	-	6,420	-	-	-	-	-	-	-	-	6,420
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(16)	-	9,211	-	-	(138,660)	-	-	-	-	-	(129,449)
Disposal of investment in equity instruments designated at fair value through other comprehensive income		-	-	-	-	(946)	-	946	-	-	-	-
Balance at December 31, 2024		\$ 58,611,863	\$ 9,313,342	\$ 71,867,866	\$ 76,745,060	\$ 35,054,049	\$ 93,775	\$ 20,205,673	(\$ 21,789)	\$ 1,002,383	(\$ 323,952)	\$ 272,548,270
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
Loss for the year		-	-	-	-	(5,797,137)	-	-	-	-	-	(5,797,137)
Other comprehensive income (loss) for the year	6(16)	-	-	-	-	158,145	(2,410,691)	84,302,370	18,452	-	-	82,068,276
Total comprehensive income (loss)		-	-	-	-	(5,638,992)	(2,410,691)	84,302,370	18,452	-	-	76,271,139
Appropriations of 2024 earnings	6(15)	-	-	-	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(2,930,593)	-	-	-	-	-	(2,930,593)
Changes in the net interest of associates recognised under the equity method	6(14)	-	(35,038)	-	-	1,638,439	-	(1,638,439)	-	-	-	(35,038)
Expired cash dividends reclassified to capital surplus	6(14)	-	12,362	-	-	-	-	-	-	-	-	12,362
Dividends paid to subsidiaries to adjust capital	6(14)	-	2,932	-	-	-	-	-	-	-	-	2,932
Expired dividends paid from capital surplus	6(14)	-	(2,024)	-	-	-	-	-	-	-	-	(2,024)
Changes in ownership interests in subsidiaries	6(14)	-	458	-	-	-	-	-	-	-	-	458
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(14)	-	8,350	-	-	-	-	-	-	-	-	8,350
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)(16)	-	-	-	-	6,353,178	-	(6,353,178)	-	-	-	-
Acquisition of ownership interests in subsidiaries	6(14)	-	(9,353)	-	-	-	-	-	-	-	-	(9,353)
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

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

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

	Notes	Year ended December 31	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		(\$ 5,510,720)	\$ 556,085
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(22)	5,343,334	5,297,757
Amortization	6(22)	2,208,769	3,020,643
Net gain on financial assets and liabilities at fair value through profit or loss	6(20)	(3,454)	(204,603)
Interest expense	6(21)	1,573,323	1,487,409
Interest income	6(18)	(201,689)	(117,359)
Dividend income	6(19)	(945,897)	(1,208,157)
Share of profit or loss of associates accounted for under the equity method	6(6)	382,911	(1,096,206)
Impairment loss on property, plant and equipment	6(7)(20)	797,723	96,332
Gain on disposal and scrap of property, plant and equipment	6(20)	(533,714)	(6,536)
Loss (gain) from disposal of investments	6(20)	33,771	(3,933)
Realised loss (gain) from sales		185,497	(177,209)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		32,301	74,281
Notes receivable-related parties		(16,448)	94,205
Accounts receivable		1,185,195	431,021
Accounts receivable-related parties		3,013,954	599,506
Other receivables		1,512,747	640,625
Inventory		4,480,382	2,781,910
Other current assets		712,833	748,835
Changes in operating liabilities			
Accounts payable		291,021	(1,485,623)
Accounts payable-related parties		(3,469,333)	1,416,398
Other payables		(171,327)	504,250
Other current liabilities		(568,435)	347,267
Accrued pension liabilities		(636,024)	(604,172)
Cash inflow generated from operations		9,696,720	13,192,726
Interest received		199,260	120,765
Dividends received		4,599,335	7,834,734
Interest paid		(1,584,168)	(1,495,686)
Income tax paid		(29,377)	(383,712)
Net cash flows from operating activities		<u>12,881,770</u>	<u>19,268,827</u>

(Continued)

FORMOSA CHEMICALS & FIBRE CORPORATION
PARENT COMPANY ONLY 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)	\$ 3,077,427
Acquisition of financial assets at amortised cost		-	(715,249)
Disposal of financial assets at amortised cost		116,767	-
Acquisition of financial assets at fair value through other comprehensive income		(61,250)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		8,289,569	-
Shares returned from reduction in financial assets at fair value through other comprehensive income		19,561	3,484
Acquisition of investments accounted for under the equity method		-	(2,050,000)
Proceeds from disposal of investments accounted for under equity method		935,478	3,933
Acquisition of property, plant and equipment	6(26)	(7,200,233)	(8,444,112)
Proceeds from disposal of property, plant and equipment		945,163	12,091
Increase in other non-current assets		(2,324,356)	(3,973,270)
Increase in guarantee deposits paid		(5,394)	(5,492)
Net cash flows from (used in) investing activities		198,705	(12,091,188)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings		1,154,400	(694,100)
(Decrease) increase in short-term notes and bills payable		(23,808,193)	5,512,049
Increase in long-term borrowings		29,182,693	18,000,000
Payment of long-term borrowings		(21,700,000)	(13,500,000)
Increase in corporate bonds payable		12,000,000	-
Payment of corporate bonds payable		(10,950,000)	(3,800,000)
Payment of lease liabilities		(2,028)	(1,934)
(Decrease) increase in other non-current liabilities		(12,481)	1,052
Payment of cash dividends	6(26)	(2,939,402)	(7,337,173)
Expired dividends paid from capital surplus	6(14)	(2,025)	(927)
Net cash flows used in financing activities		(17,077,036)	(1,821,033)
Net (decrease) increase in cash and cash equivalents		(3,996,561)	5,356,606
Cash and cash equivalents at beginning of year		7,204,645	1,848,039
Cash and cash equivalents at end of year		\$ 3,208,084	\$ 7,204,645

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

FORMOSA CHEMICALS & FIBRE CORPORATION
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

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

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 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 Company's financial condition and financial performance based on the Company's assessment.

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

New standards, interpretations and amendments endorsed by the FSC effective from 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 Company’s financial condition and financial performance based on the Company’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) 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.
- (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:
 - i. the practical ability to withdraw, stop or cancel the payment instruction;
 - ii. the practical ability to access the cash used for settlement; and

iii. significant settlement risk.

(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 Company's financial condition and financial performance based on the Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. Summary of Material Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

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

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

(3) Foreign currency translation

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

A. Foreign currency transactions and balances

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

using the historical exchange rates at the dates of the initial transactions.

- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets 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.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that

meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

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

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

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

(8) Financial assets at amortised cost

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

(9) Accounts and notes receivable

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

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

(12) Leasing arrangements (lessor) – operating leases

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

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials,

direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

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

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

- made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
 - I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
 - J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
 - K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
 - L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
 - M. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(15) Property, plant and equipment

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

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

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

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

cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

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. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(17) Impairment of non-financial assets

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

(18) Borrowings

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

(19) Notes and accounts payable

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

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

(20) Bonds payable

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

(21) Derecognition of financial liabilities

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

(22) Non-hedging derivatives

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

(23) 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.

(24) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

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

C. Employees', directors' and supervisors' remuneration

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

(25) Income tax

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

settle on a net basis or realise the asset and settle the liability simultaneously.

- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(26) 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.

(27) Dividends

- A. Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.
- A. 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 provision that must be resolved by the shareholders' meeting shall not apply.

(28) Revenue recognition

Sales of goods

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

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

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of accounts receivable

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

B. Evaluation of inventories

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

As of December 31, 2025, the carrying amount of inventories was \$12,273,367.

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	\$ 215	\$ 178
Checking accounts and demand deposits	1,319,980	1,996,979
Time deposit	1,887,889	2,130,765
Cash equivalents		
Commercial papers	-	3,076,723
	<u>\$ 3,208,084</u>	<u>\$ 7,204,645</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. Loss allowance is measured using 12-month expected credit losses. For the years ended December 31, 2025 and 2024, the Company did not recognise any loss allowance.

B. The Company repatriated the capital in the amount of USD 35,795 thousand in accordance with “The Management, Utilisation, and Taxation of Repatriated Offshore Funds Act” in June 2021. As of December 31, 2025, the undrawn capital amounted to \$283,972, which was restricted under the “The Management, Utilisation, and Taxation of Repatriated Offshore Funds Act”. However, according to IFRS Q&A amended by the competent authority on January 5, 2024, the restriction from the Act did not change the nature of deposits, therefore, the capital was still listed in ‘cash and cash equivalent’.

C. The Company has entered into a trust contract with Mega International Commercial Bank for participation in the Urban Renewal Project of Formosa Plastics Building and has opened a segregated trust account earmarked as trust for its intended purposes, such as covering construction costs, taxes and related expenses. As of December 31, 2025, the balance in the trust account is \$598,482. Due to the restriction on its usage, this amount has been reclassified under “Non-current financial assets at amortized cost”

D. The Company has no cash and cash equivalents pledged to others.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current item:		
Financial assets mandatorily measured at fair value through profit or loss		
Fund	\$ 1,491,063	\$ 1,491,063
Valuation adjustment	358,592	355,138
Total	<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 years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Fund	\$ <u>3,454</u>	\$ <u>204,603</u>

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

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Equity instruments		
Listed stocks	\$ 21,928,264	\$ 23,864,654
Unlisted stocks	725,839	725,839
Valuation adjustment	<u>75,598,430</u>	<u>16,486,683</u>
	<u>\$ 98,252,533</u>	<u>\$ 41,077,176</u>
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 20,215,610	\$ 20,173,921
Valuation adjustment	<u>8,029,765</u>	<u>6,548,273</u>
	<u>\$ 28,245,375</u>	<u>\$ 26,722,194</u>

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

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income (loss)	\$ <u>66,946,417</u>	(\$ <u>50,080,755</u>)
Cumulative gains reclassified to retained earnings due to derecognition	\$ <u>6,353,178</u>	\$ <u>-</u>

- B. As at 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 Company were \$126,497,908 and \$67,799,370, respectively.

- C. The Company did not pledge financial assets at fair value through other comprehensive income to others as collateral.
- D. The Company sold a total of 61,972 thousand shares of Nanya Technology Corporation in the open market during 2025. The Company recognised a gain on disposal of investments amounting to \$6,353,178, which was recorded under retained earnings.
- E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 43,430	\$ 75,731
Less: Allowance for uncollectible accounts	-	-
	<u>\$ 43,430</u>	<u>\$ 75,731</u>
Notes receivable - related parties	<u>\$ 44,821</u>	<u>\$ 28,373</u>
Accounts receivable	\$ 5,689,467	\$ 6,914,693
Less: Allowance for uncollectible accounts	(26,809)	(66,840)
	<u>\$ 5,662,658</u>	<u>\$ 6,847,853</u>
Accounts receivable - related parties	<u>\$ 7,625,652</u>	<u>\$ 10,639,606</u>

- 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 \$18,857,416.
- B. As at 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 Company's notes receivable were \$88,251 and \$104,104 and accounts receivable were \$13,288,310 and \$17,487,459, respectively.
- C. Information relating to credit risk is provided in Note 12(2).

(5) Inventories

	<u>December 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 4,410,915	(\$ 133,952)	\$ 4,276,963
Supplies	2,830,543	(626,927)	2,203,616
Work in progress	1,786,882	(20,407)	1,766,475
Finished goods	4,112,911	(88,073)	4,024,838
Other inventory	1,475	-	1,475
	<u>\$ 13,142,726</u>	<u>(\$ 869,359)</u>	<u>\$ 12,273,367</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 6,297,111	(\$ 44,334)	\$ 6,252,777
Supplies	3,252,586	(686,436)	2,566,150
Work in progress	2,745,014	(158,382)	2,586,632
Finished goods	5,502,095	(154,996)	5,347,099
Other inventory	1,091	-	1,091
	<u>\$ 17,797,897</u>	<u>(\$ 1,044,148)</u>	<u>\$ 16,753,749</u>

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

	For the years ended December 31,	
	2025	2024
Cost of inventories sold	\$ 156,625,207	\$ 209,403,682
(Gain) loss on inventory valuation (Note)	(174,789)	162,488
Idle capacity (including annual survey and work stoppage)	1,999,744	1,522,734
Others	15,715	13,270
	<u>\$ 158,465,877</u>	<u>\$ 211,102,174</u>

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

(6) Investments accounted for using equity method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries		
FCFC Investment Corp. (Cayman)	\$ 57,261,575	\$ 60,866,947
Formosa Taffeta Co., Ltd.	15,387,187	13,375,785
Formosa Industries Corp., Vietnam	4,608,800	5,135,670
Formosa Idemitsu Petrochemical Corp.	750,887	1,166,887
Formosa INEOS Chemicals Corp.	1,692,885	1,859,716
Formosa Biomedical Technology Corp.	2,529,364	2,746,083
Formosa Carpet Corp.	167,212	178,172
Chia-Nan Enterprise Corp.	369,279	357,695
Formosa Green Power Corp.	4,767	4,853
Formosa Renewable Energy Corp.	50,676	50,250
Associates		
Formosa Petrochemical Corp.	85,771,126	71,636,022
Mai Liao Power Corp.	18,010,331	16,146,749
Formosa Heavy Industries Corp.	5,760,307	5,775,112
Formosa Resource Corp.	4,062,093	6,403,506
Formosa Synthetic Rubber Corp. (Hong Kong)	1,314,670	1,468,190
FG INC.	3,262,038	3,412,754
Formosa Plastics Transport Corp.	1,475,162	1,400,881
Formosa Group (CAYMAN) Corp.	-	968,838
Formosa Environmental Technology Corp.	247,608	240,481
Formosa Plastics Construction Corp.	1,042,992	1,015,981
Formosa Smart Energy Tech Corp.	3,310,743	3,326,411
Hwa Ya Science Park Management Consulting Co., Ltd.	5,247	5,060
Guo Su Plastic Industry Co., Ltd.	3,302	50,768
	<u>\$ 207,088,251</u>	<u>\$ 197,592,811</u>

A. The related information on subsidiaries is provided in Note 4(3) of consolidated financial statements for 2025.

B. The investments accounted for using equity method were based on the investees' audited financial statements for the corresponding periods. The share of profit of subsidiaries and associates accounted for under equity method amounted to \$382,911 and \$1,096,206 for the years ended December 31, 2025 and 2024, respectively.

C. The financial information of the associate that is material to the Company is as follows:

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

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

Balance Sheet

	Formosa Petrochemical Corp.	
	December 31, 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 (loss) gain from sales 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>

Statement of comprehensive income

	Formosa Petrochemical Corp.	
	For the years ended December 31,	
	2025	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>

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

As of December 31, 2025 and 2024, the carrying amount of the Company's individually immaterial associates amounted to \$38,494,493 and \$40,214,731, respectively.

	For the years ended December 31,	
	2025	2024
(Loss) profit for the year from continuing operations	(\$ 4,883,264)	\$ 2,678,276
Other comprehensive income, net of tax	3,181,060	4,704,013
Total comprehensive (loss) income	(\$ 1,702,204)	\$ 7,382,289

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

	December 31, 2025	December 31, 2024
Formosa Petrochemical Corp.	\$ 109,978,230	\$ 79,492,633

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

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

I. On May 9, 2024, the Company was approved by the authority to establish Formosa Renewable Energy Corporation with an investment amount of \$50,000, and the shareholding ratio was 100%. The Company's board of directors during its meeting on August 29, 2025 resolved to dissolve the investee due to operational considerations, and the dissolution was approved by the authority on September 1, 2025. As of December 31, 2025, the liquidation procedures have not yet been completed.

J. 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.

K. 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.

L. The Company received cash dividends of \$3,653,438 and \$9,357,203 for the years ended December 31, 2025 and 2024, respectively, from its investments accounted for using equity method. The cash dividends are recorded as a deduction from the Company's investments accounted for using equity method.

M. As of December 31, 2025 and 2024, no equity investment held by the Company was pledged to others.

(7) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
<u>At January 1, 2025</u>						
Cost	\$ 9,663,345	\$ 22,137,135	\$ 198,963,555	\$ 4,909,946	\$ 10,327,204	\$ 246,001,185
Accumulated depreciation and impairment	-	(16,774,738)	(161,144,782)	(4,150,301)	(20,032)	(182,089,853)
	<u>\$ 9,663,345</u>	<u>\$ 5,362,397</u>	<u>\$ 37,818,773</u>	<u>\$ 759,645</u>	<u>\$ 10,307,172</u>	<u>\$ 63,911,332</u>
<u>2025</u>						
Opening net book amount	\$ 9,663,345	\$ 5,362,397	\$ 37,818,773	\$ 759,645	\$ 10,307,172	\$ 63,911,332
Additions	-	31,702	481,835	27,192	6,451,069	6,991,798
Disposals	(17,960)	(584)	(391,870)	(1,035)	-	(411,449)
Reclassifications	81,398	71,426	5,129,063	120,205	(5,403,727)	(1,635)
Depreciation charge	-	(539,151)	(4,604,293)	(197,822)	-	(5,341,266)
Impairment loss	-	(24,516)	(773,561)	(54)	-	(798,131)
Reversal of Impairment loss	-	-	408	-	-	408
Closing net book amount	<u>\$ 9,726,783</u>	<u>\$ 4,901,274</u>	<u>\$ 37,660,355</u>	<u>\$ 708,131</u>	<u>\$ 11,354,514</u>	<u>\$ 64,351,057</u>
<u>At December 31, 2025</u>						
Cost	\$ 9,726,783	\$ 22,236,403	\$ 202,850,230	\$ 4,989,456	\$ 11,374,546	\$ 251,177,418
Accumulated depreciation and impairment	-	(17,335,129)	(165,189,875)	(4,281,325)	(20,032)	(186,826,361)
	<u>\$ 9,726,783</u>	<u>\$ 4,901,274</u>	<u>\$ 37,660,355</u>	<u>\$ 708,131</u>	<u>\$ 11,354,514</u>	<u>\$ 64,351,057</u>
	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
<u>At January 1, 2024</u>						
Cost	\$ 9,617,122	\$ 21,347,638	\$ 192,325,624	\$ 4,804,591	\$ 11,064,676	\$ 239,159,651
Accumulated depreciation and impairment	-	(16,182,804)	(156,929,848)	(3,950,208)	-	(177,062,860)
	<u>\$ 9,617,122</u>	<u>\$ 5,164,834</u>	<u>\$ 35,395,776</u>	<u>\$ 854,383</u>	<u>\$ 11,064,676</u>	<u>\$ 62,096,791</u>
<u>2024</u>						
Opening net book amount	\$ 9,617,122	\$ 5,164,834	\$ 35,395,776	\$ 854,383	\$ 11,064,676	\$ 62,096,791
Additions	-	266,136	343,577	49,622	6,534,695	7,194,030
Disposals	-	-	(5,555)	-	-	(5,555)
Reclassifications	46,223	523,361	6,633,857	86,922	(7,272,167)	18,196
Depreciation charge	-	(550,775)	(4,513,752)	(231,271)	-	(5,295,798)
Impairment loss	-	(41,159)	(35,130)	(11)	(20,032)	(96,332)
Closing net book amount	<u>\$ 9,663,345</u>	<u>\$ 5,362,397</u>	<u>\$ 37,818,773</u>	<u>\$ 759,645</u>	<u>\$ 10,307,172</u>	<u>\$ 63,911,332</u>
<u>At December 31, 2024</u>						
Cost	\$ 9,663,345	\$ 22,137,135	\$ 198,963,555	\$ 4,909,946	\$ 10,327,204	\$ 246,001,185
Accumulated depreciation and impairment	-	(16,774,738)	(161,144,782)	(4,150,301)	(20,032)	(182,089,853)
	<u>\$ 9,663,345</u>	<u>\$ 5,362,397</u>	<u>\$ 37,818,773</u>	<u>\$ 759,645</u>	<u>\$ 10,307,172</u>	<u>\$ 63,911,332</u>

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

	For the years ended December 31,	
	2025	2024
Amount capitalised	\$ 133,282	\$ 141,402
Interest rate	1.44%~1.62%	1.39%~1.54%

- B. Under the regulations, land may only be owned by individuals. Thus, the Company has already obtained ownership of the agricultural land for future plant expansion which was acquired by the Company under the name of a third party, who has pledged the full amount to the Company. As of December 31, 2025 and 2024, the pledged amount was both \$9,618.
- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.
- D. The Company recognised impairment loss and reversal gain of impairment loss for the years ended December 31, 2025 and 2024, respectively as follows:

	Year ended December 31, 2025	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss – bulding	\$ 24,516	\$ -
Impairment loss – machinery equipment	773,561	-
Reversal gain of impairment loss – machinery equipment	(408)	-
Impairment loss – transportation equipment	54	-
	<u>\$ 797,723</u>	<u>\$ -</u>
	Year ended December 31, 2024	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss – bulding	\$ 41,159	\$ -
Impairment loss – machinery equipment	35,130	-
Impairment loss – transportation equipment	11	-
Impairment loss – construction in progress and equipment to be inspected	20,032	-
	<u>\$ 96,332</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 income</u>
Textile Division	(\$ 408)	\$ -
Rayon Project Dept.	-	-
Other division (PC-3)	798,131	-
	<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 income</u>
Textile Division	\$ 85,222	\$ -
Rayon Project Dept.	11,110	-
Other division (PC-3)	-	-
	<u>\$ 96,332</u>	<u>\$ -</u>

(8) Leasing arrangements – lessee

A. The Company leases asset is land. Rental contracts are typically made for periods of 2 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The lease term of the land leased by the Company does not exceed 12 months.

C. 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>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	<u>\$ 11,691</u>	<u>\$ 12,904</u>
	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	<u>\$ 2,068</u>	<u>\$ 1,959</u>

D. For the years ended December 31, 2025 and 2024, the additions to right-of use assets were \$855 and \$46, respectively.

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

	For the years ended December 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 193	\$ 208
Expense on short-term lease contracts	7,160	9,658
Expense on variable lease payments	4,666	4,518

F. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were \$14,047 and \$16,318, respectively.

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

Type of loans	December 31, 2025	Interest rate range	Collateral
Unsecured loans	\$ <u>10,865,200</u>	1.76%~2.10%	None
Short-term notes and bills payable	\$ 8,500,000	1.50%~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
Unsecured loans	\$ <u>9,710,800</u>	1.75%~1.85%	None
Short-term notes and bills payable	\$ 32,450,000	1.66%~1.88%	None
Short-term notes and bills payable discount	(157,613)		
Net short-term notes and bills payable	\$ <u>32,292,387</u>		

(10) Bonds payable

	December 31, 2025	December 31, 2024
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 domestic unsecured nonconvertible corporate bonds were as follows:

Description	Issuance date	Maturity date	Yield rate (%)	Issued principal amount	December 31, 2025	December 31, 2024	Note
<u>2014</u>							
First issued domestic unsecured nonconvertible corporate bonds	2014.1.17	2025.1.17 ~ 2026.1.17	2.03	\$ 10,000,000	\$ 5,000,000	\$ 10,000,000	Serial bonds, to be settled 50%, 50%
Second issued domestic unsecured nonconvertible corporate bonds - B	2014.7.4	2028.7.4 ~ 2029.7.4	2.03	4,600,000	4,600,000	4,600,000	Serial bonds, to be settled 50%, 50%
<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%
First issued domestic unsecured nonconvertible corporate bonds - B	2020.9.3	2026.9.3 ~ 2027.9.3	0.60	5,200,000	5,200,000	5,200,000	Serial bonds, to be settled 50%, 50%
First issued domestic unsecured nonconvertible corporate bonds - C	2020.9.3	2029.9.3 ~ 2030.9.3	0.67	1,900,000	1,900,000	1,900,000	Serial bonds, to be settled 50%, 50%

Description	Issuance date	Maturity date	Yield rate (%)	Issued principal amount	December 31, 2025	December 31, 2024	Note
<u>2021</u>							
First issued domestic unsecured nonconvertible corporate bonds - A	2021.5.10	2025.5.10 ~ 2026.5.10	0.48	\$ 6,000,000	\$ 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	2025.10.16	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	2025.10.16	2029.10.1 6 ~ 2030.10.1 6	2.03	2,500,000			Serial bonds, to be settled 50%, 50%
					<u>2,500,000</u>	<u>-</u>	
					37,900,000	36,850,000	
Less: Current portion of bonds payable					<u>(12,100,000)</u>	<u>(10,950,000)</u>	
					<u>\$ 25,800,000</u>	<u>\$ 25,900,000</u>	

(11) Long-term bank loans and notes payable

Type of loans	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2025
Long-term bank loan				
Unsecured loans				
Bank of Taiwan	Sep. 25, 2024~Sep. 12, 2027, the borrowings are repayable in full upon maturity	1.75%	None	\$ 6,000,000
Taiwan Cooperative Bank	Jul. 26, 2023 ~ Jul. 26, 2025, principal payable at maturity date	1.85%	None	4,000,000
CTBC Bank Co., Ltd.	Jan. 15, 2025 ~ Jan. 15, 2026, the borrowings are repayable in full upon maturity	1.97%	None	1,000,000
				<u>11,000,000</u>
Less: Current portion of long-term loans				<u>(5,000,000)</u>
				<u>6,000,000</u>
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 less than 90 days, issued in installments	1.42%	None	2,500,000
Mega Bills	Oct. 20, 2025 ~ Jan. 16, 2026, not less than 90 days and higher than 90 days, issued in installments	1.63%	None	4,000,000
Mega Bills	Nov. 25, 2025 ~ Feb. 12, 2026, not less than 90 days and higher than 90 days, issued in installments	1.64%	None	5,000,000
				<u>13,500,000</u>
Less: Amortization of discount on commercial paper payable				<u>(17,307)</u>
				<u>13,482,693</u>
				<u>\$ 19,482,693</u>

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

(12) Pensions

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 5,659,532	\$ 6,328,830
Fair value of plan assets	(3,272,368)	(3,268,257)
Net defined benefit liability	<u>\$ 2,387,164</u>	<u>\$ 3,060,573</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>For the year ended December 31, 2025</u>			
Balance at January 1	\$ 6,328,830	(\$ 3,268,257)	\$ 3,060,573
Current service cost	27,726	-	27,726
Interest expense (income)	91,768	(47,735)	44,033
	<u>6,448,324</u>	<u>(3,315,992)</u>	<u>3,132,332</u>
Remeasurements:			
Return on plan assets	-	(229,359)	(229,359)
Change in financial assumptions	39,815	-	39,815
Experience adjustments	152,159	-	152,159
	<u>191,974</u>	<u>(229,359)</u>	<u>(37,385)</u>
Pension fund contribution	-	(42,625)	(42,625)
Paid pension	(980,766)	315,608	(665,158)
	<u>(980,766)</u>	<u>272,983</u>	<u>(707,783)</u>
Balance at December 31	<u>\$ 5,659,532</u>	<u>(\$ 3,272,368)</u>	<u>\$ 2,387,164</u>
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>For the year ended December 31, 2024</u>			
Balance at January 1	\$ 6,754,340	(\$ 2,982,221)	\$ 3,772,119
Current service cost	36,669	-	36,669
Interest expense (income)	84,429	(37,587)	46,842
	<u>6,875,438</u>	<u>(3,019,808)</u>	<u>3,855,630</u>
Remeasurements:			
Return on plan assets	-	(260,627)	(260,627)
Change in financial assumptions	(46,051)	-	(46,051)
Experience adjustments	199,304	-	199,304
	<u>153,253</u>	<u>(260,627)</u>	<u>(107,374)</u>
Pension fund contribution	-	(46,429)	(46,429)
Paid pension	(699,861)	58,607	(641,254)
	<u>(699,861)</u>	<u>12,178</u>	<u>(687,683)</u>
Balance at December 31	<u>\$ 6,328,830</u>	<u>(\$ 3,268,257)</u>	<u>\$ 3,060,573</u>

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

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
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 the Taiwan Annuity Table and experience.

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

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.35%</u>	<u>Decrease 0.35%</u>
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 49,639)	\$ 50,957	\$ 74,246	(\$ 72,162)
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 57,563)	\$ 59,143	\$ 86,365	(\$ 83,829)

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

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

- (f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2026 are \$43,057.
- B. (a) From July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2025 and 2024 were \$162,641 and \$168,138, respectively.

(13) Capital stock

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

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:

For the year ended December 31, 2025					
Reason for reacquisition	Subsidiary	Beginning shares	Additions	Disposal	Ending shares
Parent company shares held by subsidiaries reclassified from long-term investment to treasury stock	Formosa Taffeta Co., Ltd.	<u>12,170</u>	<u>-</u>	<u>-</u>	<u>12,170</u>
For the year ended December 31, 2024					
Reason for reacquisition	Subsidiary	Beginning shares	Additions	Disposal	Ending shares
Parent company shares held by subsidiaries reclassified from long-term investment to treasury stock	Formosa Taffeta Co., Ltd.	<u>12,170</u>	<u>-</u>	<u>-</u>	<u>12,170</u>

- C. The market value of treasury stocks were \$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 acquired by subsidiaries.

(14) Capital surplus

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

	For the year ended December 31, 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 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

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

(15) Retained earnings

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

The special reserve includes:

- i. Reserve for a special purpose;
- ii. Investment income recognised under equity method and deferred income tax assets arising from unused investment tax credits which are deemed unrealised and transferred to special reserve. Such investment income and deferred income tax assets are reclassified to unappropriated earnings only when they are realised;
- iii. Net unrealised gains from financial instruments transactions. The special reserve for unrealised gains from financial instruments is reduced when the accumulated value of the unrealised gains also decreases; and
- iv. Other special reserves as stipulated by other laws.

- B. The Company is in the mature stage and the profit is stable. The Board of Directors shall establish the cash dividend or stock dividend percentage. At least 50% of the distributable earnings after deducting the legal reserve, directors' and supervisors' remuneration, employee compensation and special reserves shall be distributed to stockholders. The Company would prefer cash dividend. If the Company requires funds for significant investments or needs to improve its financial structure, part of the dividend will be in the form of stocks which shall not exceed 50% of the total dividends.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The appropriations of 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	2,930,593	\$ 0.50	7,326,483	\$ 1.25
	<u>\$ 2,930,593</u>		<u>\$ 8,339,548</u>	

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

- F. The appropriations of the 2025 earnings was approved during the Board of Directors' meeting on March 10, 2026 as follows:

	For the year ended December 31, 2025	
	Amount	Dividends per share (in dollar)
Cash dividends	\$ 3,516,712	\$ 0.60

(16) Other equity items

	<u>Hedging reserve</u>	<u>Unrealised gain (loss)</u>	<u>Currency translation</u>	<u>Revaluation surplus</u>	<u>Total</u>
At January 1, 2025	(\$ 21,789)	\$ 20,205,673	\$ 93,775	\$ 1,002,383	\$ 21,280,042
Revaluation:					
–Parent company	-	66,946,417	-	-	66,946,417
–Subsidiaries	-	2,281,306	-	-	2,281,306
–Associates	-	15,074,647	-	-	15,074,647
Revaluation transferred to retained earnings:					
–Parent company	-	(6,353,178)	-	-	(6,353,178)
–Subsidiaries	-	-	-	-	-
–Associates	-	(1,638,439)	-	-	(1,638,439)
Cash flow hedges:					
–Associates	18,452	-	-	-	18,452
Currency translation differences:					
–Parent company	-	-	(1,642,543)	-	(1,642,543)
–Tax of parent company	-	-	365,290	-	365,290
–Subsidiaries	-	-	(225,110)	-	(225,110)
–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>
	<u>Hedging reserve</u>	<u>Unrealised gain (loss)</u>	<u>Currency translation</u>	<u>Revaluation surplus</u>	<u>Total</u>
At January 1, 2024	\$ 8,435	\$ 83,424,591	(\$ 3,964,501)	\$ 1,002,383	\$ 80,470,908
Revaluation:					
–Parent company	-	(50,080,755)	-	-	(50,080,755)
–Subsidiaries	-	(6,759,890)	-	-	(6,759,890)
–Associates	-	(6,318,789)	-	-	(6,318,789)
Revaluation transferred to retained earnings:					
–Subsidiaries	-	946	-	-	946
–Associates	-	(60,430)	-	-	(60,430)
Cash flow hedges:					
–Associates	(30,224)	-	-	-	(30,224)
Currency translation differences:					
–Parent company	-	-	3,221,724	-	3,221,724
–Tax of parent company	-	-	(696,012)	-	(696,012)
–Subsidiaries	-	-	110,898	-	110,898
–Associates	-	-	1,421,666	-	1,421,666
At December 31, 2024	<u>(\$ 21,789)</u>	<u>\$ 20,205,673</u>	<u>\$ 93,775</u>	<u>\$ 1,002,383</u>	<u>\$ 21,280,042</u>

(17) Operating revenue

	For the years ended December 31,	
	2025	2024
Revenue from contracts with customers	\$ 161,727,136	\$ 217,578,852
Other operating revenue	13,027	12,135
	<u>\$ 161,740,163</u>	<u>\$ 217,590,987</u>

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

(18) Interest income

	For the years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 186,481	\$ 79,894
Interest from current account with others	1,960	31,944
Other interest income	13,249	5,521
	<u>\$ 201,690</u>	<u>\$ 117,359</u>

(19) Other income

	For the years ended December 31,	
	2025	2024
Rental revenue	\$ 177,447	\$ 171,196
Dividend income	945,897	1,208,157
Other revenue	298,602	248,580
	<u>\$ 1,421,946</u>	<u>\$ 1,627,933</u>

(20) Other gains and losses

	For the years ended December 31,	
	2025	2024
Net currency exchange (loss) gain	(\$ 721,891)	\$ 1,085,979
Gain on disposal of property, plant and equipment	533,714	6,536
(Loss) gain on disposals of investments	(33,771)	3,933
Net gain on financial assets at fair value through profit or loss	3,454	204,603
Impairment loss recognised in profit and loss, property, plant and equipment	(797,723)	(96,332)
Other losses	(120,099)	(134,490)
	<u>(\$ 1,136,316)</u>	<u>\$ 1,070,229</u>

(21) Finance costs

	For the years ended December 31,	
	2025	2024
Interest expense:		
Bank loans	\$ 591,358	\$ 462,761
Corporate bond	395,200	446,865
Discount	188,691	221,547
Banker's acceptances	514,643	470,807
Other interest expenses	16,713	26,831
	<u>1,706,605</u>	<u>1,628,811</u>
Less: Capitalisation of qualifying assets	(133,282)	(141,402)
Finance costs	<u>\$ 1,573,323</u>	<u>\$ 1,487,409</u>

(22) Expenses by nature

	For the years ended December 31,	
	2025	2024
Depreciation charges on property, plant and equipment and right-of-use assets	\$ 5,343,334	\$ 5,297,757
Employee benefit expense	6,478,578	6,860,787
Amortisation	2,208,769	3,020,643
	<u>\$ 14,030,681</u>	<u>\$ 15,179,187</u>

(23) Employee benefit expense

	For the years ended December 31,	
	2025	2024
Wages and salaries	\$ 5,594,798	\$ 5,897,181
Labor and health insurance fees	409,312	428,493
Pension costs	234,400	251,649
Other personnel expenses	240,068	283,464
	<u>\$ 6,478,578</u>	<u>\$ 6,860,787</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of the current year's pretax 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, the Company incurred a loss before tax; therefore, no employees' compensation was accrued. For the year ended December 31 2024, employees' remuneration 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 retained earnings.

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 had been distributed.

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

(24) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Current tax:		
Current tax on profits for the year	\$ -	\$ 126,381
Land value increment tax is included in profit or loss	19,557	-
Tax on undistributed surplus earnings	-	7,620
Prior year income tax under (over) estimation	<u>180,026</u>	<u>(120,018)</u>
Total current tax	<u>199,583</u>	<u>13,983</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>86,834</u>	<u>162,691</u>
Total deferred tax	<u>86,834</u>	<u>162,691</u>
Income tax expense	<u>\$ 286,417</u>	<u>\$ 176,674</u>

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

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

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2025	2024
Tax calculated based on (loss) profit before tax and statutory tax rate	(\$ 1,102,144)	\$ 111,217
Effect from items disallowed by tax regulation	1,188,978	(111,077)
Non-deductible withholding income tax for offshore income	-	288,932
Land value increment tax	19,557	-
Tax on undistributed surplus earnings	-	7,620
Prior year income tax under (over) estimation	180,026	(120,018)
Income tax expense	<u>\$ 286,417</u>	<u>\$ 176,674</u>

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

	For the year ended December 31, 2025			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences				
Deferred tax assets:				
Loss on inventory	\$ 208,830	(\$ 32,733)	\$ -	\$ 176,097
Currency translation differences	146,274	-	365,290	511,564
Unrealised gain from downstream transactions	-	17,488	-	17,488
Unfunded pension expense	352,372	(125,808)	-	226,564
Impairment loss	89,220	136,329	-	225,549
Others	296,202	(268,941)	-	27,261
Tax Losses	-	148,283	-	148,283
Subtotal	<u>1,092,898</u>	<u>(125,382)</u>	<u>365,290</u>	<u>1,332,806</u>
Deferred tax liabilities:				
Difference in useful life for depreciation	(\$ 8,444)	\$ 6,252	\$ -	(\$ 2,192)
Unrealised loss from downstream transactions	(19,611)	19,611	-	-
Unrealised exchange gain	(27,633)	12,685	-	(14,948)
Subtotal	<u>(\$ 55,688)</u>	<u>\$ 38,548</u>	<u>\$ -</u>	<u>(\$ 17,140)</u>
Total	<u>\$ 1,037,210</u>	<u>(\$ 86,834)</u>	<u>\$ 365,290</u>	<u>\$ 1,315,666</u>

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

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

December 31, 2025				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2025	Assessed	\$ 741,415	\$ -	2035

For the year ended December 31, 2024: None.

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

(25) (Loss) earnings per share

A. Basic (loss) earnings per share

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

For the years ended December 31, 2025 and 2024, the earnings per share are calculated 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>					
Net loss	<u>(\$ 5,510,720)</u>	<u>(\$ 5,797,137)</u>	<u>5,849,017</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>					
Net income	<u>\$ 556,085</u>	<u>\$ 379,411</u>	<u>5,849,017</u>	<u>\$ 0.10</u>	<u>\$ 0.06</u>

B. Employees' compensation could be distributed in the form of stock. Since there is no significant impact when calculating diluted earnings per share, basic earnings per share equals diluted earnings per share.

C. If stocks of the parent company held by subsidiaries are not treated as treasury stocks, the calculation of basic earnings per share for the years ended December 31, 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>					
Net loss	<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>					
Net income	<u>\$ 556,085</u>	<u>\$ 379,411</u>	<u>5,861,186</u>	<u>\$ 0.09</u>	<u>\$ 0.06</u>

(26) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the years ended December 31,	
	2025	2024
Purchase of fixed assets	\$ 6,991,798	\$ 7,194,030
Add: Opening balance of payable on equipment	737,254	1,987,336
Less: Ending balance of payable on equipment	(528,819)	(737,254)
Cash paid during the year	<u>\$ 7,200,233</u>	<u>\$ 8,444,112</u>

B. Financing activities with partial cash payments:

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

(27) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Bonds payable (including current portion)	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2025	\$ 9,710,800	\$ 32,292,387	\$36,850,000	\$17,000,000	\$ 95,853,187
Changes in cash flow from financing activities	<u>1,154,400</u>	<u>(23,808,193)</u>	<u>1,050,000</u>	<u>7,482,693</u>	<u>(14,121,100)</u>
At December 31, 2025	<u>\$10,865,200</u>	<u>\$ 8,484,194</u>	<u>\$37,900,000</u>	<u>\$24,482,693</u>	<u>\$ 81,732,087</u>

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

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Subsidiary
Formosa Power (Ningbo) Co., Ltd.	"
Formosa Industries Corp., Vietnam	"
Formosa Biomedical Technology Corp. and its subsidiary	"
Formosa Idemitsu Petrochemical Corp.	"
Formosa INEOS Chemicals Corp.	"
Formosa Carpet Corp.	"
Chia-Nan Enterprise Corp.	"
Formosa Green Power Corp.	"
Formosa Taffeta Co., Ltd. and its subsidiary	"
Formosa Renewable Energy Corp. (Note 1)	"
Formosa Petrochemical Corp.	Associate
Formosa Heavy Industries Corp.	"
Formosa Plastics Transport Corp.	"
Mai-Liao Power Corp.	"
Formosa Group Corp. (Cayman) (Note 2)	"
Formosa Plastics Construction Corp.	"
Formosa Steel IB Pty Ltd.	"
Formosa Advanced Technologies Co., Ltd.	"
Guo Su Plastic Industry Co., Ltd.	"
Formosa Smart Energy Tech Corp.	"
Formosa AdvEnergy Technology Corp.	"
Formosa Lithium Iron Oxide Corp.	"
Formosatree CO., LTD.	"
Formosa Plastics Corp.	Other related party
Nan Ya Phonics Inc.	"
Nan Ya Plastics Corp.	"
PFG Fiber Glass Corp.	"
Formosa Plastics Marine Corp.	"
Formosa Plastics Marine Co., Ltd.	"
Mai Liao Harbor Administration Corp.	"
Formosa Network Technology Corp.	"
FPG Travel Service Co., Ltd.	"
Formosa Sumco Technology Corporation	"
Formosa Asahi Spandex Co., Ltd.	"
Formosa Daikin Advanced Chemicals Co., Ltd.	"
Inteplast Taiwan Corporation	"
Asia Pacific Development Corp.	"
Bio Trust International Corp.	"

Note 1: The board of directors during its meeting on August 29, 2025 resolved to dissolve Formosa Renewable Energy Corp., and the dissolution was approved by the authority on September 1, 2025. As of December 31, 2025, the liquidation procedures have not yet been completed.

Note 2: Formosa Group (Cayman) Corp. completed its liquidation on December 23, 2025.

(2) Significant related party transactions

A. Sales of goods:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Sales of goods:		
— Subsidiaries		
Formosa Chemicals Industries (Ningbo) Co., Ltd.	\$ 10,302,076	\$ 32,219,795
Others	8,390,094	10,290,787
— Associates		
Formosa Petrochemical Corp.	26,881,746	34,951,759
Others	14,408	8,323
— Other related parties		
Nan Ya Plastics Corp.	15,363,957	23,404,477
Others	3,601,415	5,007,893
	<u>\$ 64,553,696</u>	<u>\$ 105,883,034</u>

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

B. Purchases of goods:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Purchases of goods:		
— Subsidiaries	\$ 2,682,029	\$ 4,476,713
— Associates		
Formosa Petrochemical Corp.	111,810,667	140,590,191
— Other related parties	5,952,615	8,688,402
	<u>\$ 120,445,311</u>	<u>\$ 153,755,306</u>

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

C. Receivables from related parties:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Receivables from related parties:		
– Subsidiaries		
Formosa Chemicals Industries (Ningbo) Co., Ltd.	\$ 2,282,446	\$ 4,002,573
Others	1,676,151	1,356,022
– Associates		
Formosa Petrochemical Corp.	2,138,271	2,844,930
Others	180	20
– Other related parties		
Nan Ya Plastics Corp.	1,099,034	1,820,523
Others	474,391	643,911
	<u>\$ 7,670,473</u>	<u>\$ 10,667,979</u>

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

D. Payables to related parties:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payables to related parties:		
– Subsidiaries	\$ 277,322	\$ 413,132
– Associates		
Formosa Petrochemical Corp.	6,952,208	9,785,023
– Other related parties	392,460	893,168
	<u>\$ 7,621,990</u>	<u>\$ 11,091,323</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	255,104	114,142
	<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	3,110	1,131
	<u>\$ 10,626</u>	<u>\$ 4,834</u>

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

F. Financing

(a) Loans to related parties

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

(b) 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 Plastics Marine Co., Ltd.	-	5,659
	<u>\$ 1,911</u>	<u>\$ 31,797</u>

The loan terms to related parties are in accordance with the contract's repayment schedule after the loan was made; interest was collected at 2.18% and 1.99% ~ 2.17% per annum for the years ended December 31, 2025 and 2024, respectively.

G. Operating expenses

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Transportation charges		
— Other related parties		
Formosa Plastics Marine Corp.	\$ 1,192,311	\$ 1,731,629

H. Rental revenue

	For the years ended December 31,	
	2025	2024
— Subsidiaries		
Formosa INEOS Chemicals Corp.	\$ 15,530	\$ 15,530
Formosa Biomedical Technology Corp.	51,575	51,490
Others	6,984	6,984
	<u>74,089</u>	<u>74,004</u>
— Associates		
Formosa Plastics Transport Corporation	12,366	12,445
Others	13,675	8,775
	<u>26,041</u>	<u>21,220</u>
— Other related parties		
Nan Ya Plastics Corp.	12,305	11,558
Formosa Network Technology Corp.	15,400	15,400
Others	35,783	34,161
	<u>63,488</u>	<u>61,119</u>
	<u>\$ 163,618</u>	<u>\$ 156,343</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) Purchase of property, plant and equipment

	For the years ended December 31,	
	2025	2024
Associates	<u>\$ 885,639</u>	<u>\$ 596,777</u>

(b) Acquisition of financial assets

For the year ended December 31, 2025: None.

	Items	Number of shares	Name of the securities	2024
				Additional amount
Formosa Smart Energy Tech Corp.	Investments accounted for using equity method	200,000,000	Shares of Formosa Smart Energy Tech Corp.	<u>\$ 2,000,000</u>

J. Sales of materials:

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

	For the years ended December 31,	
	2025	2024
Sales of materials:		
– Subsidiaries	\$ 335,100	\$ 111,249
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Receivable from sales of materials:		
– Subsidiaries	\$ 35,629	\$ 54,435

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

(3) Key management compensation

	For the years ended December 31,	
	2025	2024
Salaries	\$ 137,468	\$ 160,107
Post-employment benefits	2,244	1,608
Total	\$ 139,712	\$ 161,715

8. Pledged Assets

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

Pledged assets	Book value		Purpose
	December 31, 2025	December 31, 2024	
Property, plant and equipment	\$ 5,737,666	\$ 5,737,666	Collaterals for bank loans

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 contracted for property, plant and equipment at the balance sheet date but not yet incurred amounted to \$3,645,661.
- (2) The outstanding letters of credit for major raw materials and equipment purchases amounted to USD 6,600 thousand, JPY400,244 thousand and EUR 382 thousand.
- (3) The endorsements and guarantees to others are as follows:

	December 31, 2025	December 31, 2024
Formosa Group Corp. (Cayman)	\$ -	\$ 8,195,250

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

A. The Company's indirect investees, Formosa Ha Tinh (Cayman) Limited Co. and Formosa Ha Tinh Steel Corporation, were provided with a bank loan facility of USD 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 Company's consolidated entity, Formosa Industries Corp. and Formosa Chemicals Industries (Ningbo) CO., Ltd., were provided with a bank loan facility of USD 200,000 thousand and RMB 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 and 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.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The Board of Directors has resolved the offsetting of 2025 losses on March 10, 2026. Details are provided in Note 6(15) F.

12. Others

(1) Capital management

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

During the years ended December 31, 2025 and 2024, the Company's strategy, which was unchanged from 2024, was to maintain the gearing ratio at 19% and 25%, 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	126,497,908	67,799,370
Financial assets at amortised cost	<u>18,844,320</u>	<u>28,911,084</u>
	<u>\$ 147,191,883</u>	<u>\$ 98,556,655</u>
 <u>Financial liabilities</u>		
Financial liabilities at amortised cost	\$ 94,763,407	\$ 112,493,723
Lease liabilities	<u>12,273</u>	<u>13,446</u>
	<u>\$ 94,775,680</u>	<u>\$ 112,507,169</u>

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

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investment in foreign operations.
- ii. Management has set up a policy to manage its foreign exchange risk against its functional currency. Each entity hedges its entire foreign exchange risk exposure.
- iii. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, VND and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025		
	Foreign Currency		
	<u>Amount (In Thousands)</u>	<u>Exchange Rate</u>	<u>Book Value (NTD)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 225,833	31.44	\$ 7,100,190
JPY : NTD	68,658	0.20	13,732
EUR : NTD	927	36.70	34,021
<u>Non-monetary items</u>			
RMB : NTD	\$ 12,808,346	4.47	\$ 57,253,307
USD : NTD	145,570	31.44	4,576,721
VND : NTD	3,840,666,667	0.0012	4,608,800
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 123,643	31.44	\$ 3,887,336
JPY : NTD	22,302	0.20	4,460
EUR : NTD	1,136	36.70	41,691

December 31, 2024

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

iv. Total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024 amounted to (\$721,891) and \$1,085,979, 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%	\$	71,002	\$ -
JPY : NTD	1%		137	-
EUR : NTD	1%		340	-
<u>Non-monetary items</u>				
RMB : NTD	1%	\$	-	\$ 572,533
USD : NTD	1%		-	45,767
VND : NTD	1%		-	46,088
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	38,873	\$ -
JPY : NTD	1%		45	-
EUR : NTD	1%		417	-

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%	\$ 104,018	\$ -
JPY : NTD	1%	53	-
EUR : NTD	1%	411	-
<u>Non-monetary items</u>			
RMB : NTD	1%	\$ -	\$ 607,506
USD : NTD	1%	-	48,809
VND : NTD	1%	-	51,715
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 4,652	\$ -
JPY : NTD	1%	140	-
EUR : NTD	1%	45	-

Price risk

- i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, components of equity for the years ended December 31, 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 \$1,264,979 and \$677,994, respectively, as a result of other comprehensive income classified as available-for-sale equity investment and equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose

the Company to fair value interest rate risk. During the years ended December 31, 2025 and 2024, the Company's borrowings at variable rate were denominated in the NTD.

- ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of instruments stated at fair value through other comprehensive income.
- ii. The Company manages its credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of the new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Company adopts assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2025 and 2024, the Company's written-off financial assets that are still under recourse procedures amounted to \$44,955 and \$4,924, respectively.
- v. The Company used the forecastability of Taiwan Directorate General of Budget, Accounting and Statistics and Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2025 and 2024, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~60 days past due	61~90 days past due	Over 91 days past due
<u>At December 31, 2025</u>					
Expected loss rate	0.08%	0.05%	0.05%	-	49.21%
Total book value	\$ 13,162,753	\$ 174,089	\$ 32,639	\$ -	\$ 33,889
Loss allowance	\$ 10,028	\$ 87	\$ 16	\$ -	\$ 16,678

	Not past due	Up to 30 days past due	31~60 days past due	61~90 days past due	Over 91 days past due
<u>At December 31, 2024</u>					
Expected loss rate	0.15%	0.05%	0.09%	-	77.27%
Total book value	\$ 17,427,847	\$ 144,512	\$ 34,229	\$ -	\$ 51,815
Loss allowance	\$ 26,699	\$ 74	\$ 32	\$ -	\$ 40,035

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

	<u>For the year ended December 31, 2025</u>		
	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Notes receivable</u>
At January 1	\$ 66,840	\$ -	\$ -
Write-offs	(40,031)	-	-
At December 31	<u>\$ 26,809</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>For the year ended December 31, 2024</u>		
	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Notes receivable</u>
At January 1 (December 31)	<u>\$ 66,840</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 13,162,753	\$ 17,427,847
Up to 30 days	174,089	144,512
31 to 60 days	32,639	34,229
61 to 90 days	-	-
Over 91 days	33,889	51,815
	<u>\$ 13,403,370</u>	<u>\$ 17,658,403</u>

The above ageing analysis was based on past due date.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, loans to related parties, time deposits and cash equivalents, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- iii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>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	\$ 2,248	\$ 2,248	\$ 4,850	\$ 3,532
Bonds payable	12,635,000	4,991,050	19,519,310	2,728,375
Long-term borrowings	5,000,000	10,500,000	9,000,000	-

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	\$ 2,100	\$ 2,090	\$ 5,013	\$ 4,994
Bonds payable	10,950,000	9,500,000	11,850,000	4,550,000
Long-term borrowings	11,000,000	-	6,000,000	-

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

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

(3) Fair value estimation

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

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

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

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

B. Financial instruments not measured at fair value

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

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

<u>December 31, 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	<u>96,778,423</u>	<u>1,552,710</u>	<u>28,166,775</u>	<u>126,497,908</u>
	<u>\$96,778,423</u>	<u>\$ 3,402,365</u>	<u>\$28,166,775</u>	<u>\$ 128,347,563</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	<u>39,739,216</u>	<u>1,337,960</u>	<u>26,722,194</u>	<u>67,799,370</u>
	<u>\$39,739,216</u>	<u>\$ 3,184,161</u>	<u>\$26,722,194</u>	<u>\$ 69,645,571</u>

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

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

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants, the inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment or valuation is necessary in order to reasonably represent the fair value if financial and non-financial instruments at the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- vi. The Company takes into account adjustments for credit risks of the counterparty and the Company’s credit quality.

E. For the years ended December 31, 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	\$	26,722,194
Gain or loss recognised in other comprehensive income		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income		1,464,142
Proceeds from capital reduction	(	19,561)
At December 31	<u>\$</u>	<u>28,166,775</u>
	<u>For the year ended December 31, 2024</u>	
	<u>Non-derivative equity instrument</u>	
At January 1	\$	23,244,057
Gain or loss recognised in other comprehensive income		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income		3,481,621
Proceeds from capital reduction	(	3,484)
At December 31	<u>\$</u>	<u>26,722,194</u>

G. For the years ended December 31, 2025 and 2024, there was no transfer from Level 3.

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

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

	<u>December 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:				
Unlisted shares	\$ 20,585,514	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability, control premium	The higher the multiple, the higher the fair value
	1,058,131	Discounted cash flow	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value
	6,523,130	Net asset value	Not applicable	Not applicable

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

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

		<u>December 31, 2025</u>		
		Recognised in other comprehensive income		
		<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
	<u>Input</u>			
Financial assets				
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability, control premium	±1%	<u>\$ 205,855</u>	<u>\$ 205,855</u>
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	±1%	<u>\$ 10,581</u>	<u>\$ 10,581</u>
		<u>December 31, 2024</u>		
		Recognised in other comprehensive income		
		<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
	<u>Input</u>			
Financial assets				
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability, control premium	±1%	<u>\$ 184,484</u>	<u>\$ 184,484</u>
Equity instrument	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	±1%	<u>\$ 13,066</u>	<u>\$ 13,066</u>

13. Supplementary Disclosures

(1) Significant transactions information

In accordance with Rules Governing the Preparation of Financial Statements by Securities Issuers, significant transactions for the year ended December 31, 2025 are stated as follows.

A. Loans to others: Please refer to table 1.

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

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please 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: Please refer to table 4.

E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

F. Significant intragroup transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

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

14. Segment Information

None.

Formosa Chemicals and Fibre Corporation

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
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

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 Sensoring 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	-

Table 3, Page 2

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 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

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)			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)		
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

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
 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
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) 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 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 products	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
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	Accumulated 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

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	-	-	-	-	-

FORMOSA CHEMICALS & FIBRE CORPORATION
CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 1			
Items	Description	Amount	
Cash on hand		\$ 123	
Revolving funds		92	
Cash in banks	Checking deposits and demand deposits	329,864	
	Foreign currency demand deposits:		
	USD, exchange rate: \$31.44	954,748	
	EUR, exchange rate: \$36.70	21,111	
	JPY, exchange rate: \$0.20	13,711	
	RMB, exchange rate: \$4.47	546	
	Time deposits:		
	USD 15,051 thousand, interest rate: 4.1%, exchange rate: 31.44, matured on January 2, 2026	473,179	
	USD 20,000 thousand, interest rate: 4.2%, exchange rate: 31.44, matured on January 7, 2026	628,760	
	USD 15,000 thousand, interest rate: 4.08%, exchange rate: 31.44, matured on January 12, 2026	471,570	
	USD 10,000 thousand, interest rate: 4.09%, exchange rate: 31.44, matured on January 13, 2026	314,380	
Total		<u>\$ 3,208,084</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
STATEMENT OF CHANGES IN FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 2

Investee	Beginning Balance		Addition		Decrease		Ending Balance			Fair Value Amount	Collateral or endorsement provided
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Percentage of Ownership	Amount		
Current items:											
Formosa Plastics Corp.	486,978,694	\$ 9,155,094	-	\$ -	-	\$ -	486,978,694	7.65%	\$ 9,155,094	\$ 18,992,169	None
Nan Ya Plastics Corp.	413,327,750	4,231,685	-	-	-	-	413,327,750	5.21%	4,231,685	24,882,331	"
Nan Ya Technology Corp.	334,815,409	10,461,715	-	-	(61,972,000)	(1,936,390)	272,843,409	8.81%	8,525,325	52,658,778	"
Formosan Union Chemical Corp.	14,723,422	16,160	-	-	-	-	14,723,422	3.09%	16,160	245,145	"
Asia Pacific Investment Corp.	63,621,500	725,839	-	-	-	-	63,621,500	14.97%	725,839	1,474,110	"
Subtotal		24,590,493		-	(1,936,390)				22,654,103	\$ 98,252,533	"
Adjustments for change in value of financial assets		16,486,683		59,111,747		-			75,598,430		
Total		\$ 41,077,176		\$ 59,111,747		\$ (1,936,390)			\$ 98,252,533		
Non-current items:											
Mai-Liao Harbor Administration Corp.	39,562,740	\$ 539,260	-	\$ -	-	\$ -	39,562,740	17.98%	\$ 539,260	\$ 1,017,950	None
Formosa Plastic Corp. U.S.A.	8,999	818,316	-	-	-	-	8,999	2.92%	818,316	7,636,039	"
Taiwan Stock Exchange Corporation.	26,639,541	1,800	7,991,862	-	-	-	34,631,403	2.00%	1,800	2,965,487	"
Taiwan Aerospace Corp.	1,070,151	10,702	-	-	-	-	1,070,151	0.79%	10,702	39,007	"
Yi-Jih Development Corp.	63,174	690	-	-	-	-	63,174	1.51%	690	16,996	"
Chinese Television System Corp.	2,376,202	38,419	-	-	-	-	2,376,202	1.41%	38,419	19,532	"
Formosa Plastics Maritime Corp.	4,496,333	1,750	270,117	-	-	-	4,766,450	18.22%	1,750	40,181	"
Formosa Development Corp.	20,471,042	90,010	-	-	-	-	20,471,042	18.00%	90,010	214,890	"
Formosa Network Technology Corp.	2,925,000	13,331	-	-	-	-	2,925,000	12.50%	13,331	371,446	"
Formosa Plastics Marine Corp.	16,234,425	15,000	-	-	-	-	16,234,425	15.00%	15,000	392,711	"

FORMOSA CHEMICALS & FIBRE CORPORATION
STATEMENT OF CHANGES IN FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Cont.)
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 2

Investee	Beginning Balance		Addition		Decrease		Ending Balance			Fair Value Amount	Collateral or endorsement provided
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Percentage of Ownership	Amount		
Formosa Ocean Group Marine Investment Corp.	2,622	\$ 856,948	-	\$ -	-	\$ -	2,622	19.00%	\$ 856,948	\$ 9,179,041	None
Guangyuan Investment Corp.	3,750,000	37,500	-	-	(1,406,250)	(14,062)	2,343,750	3.91%	23,438	21,258	"
Mega Growth Venture Capital Co., Ltd.	1,041,825	10,418	-	-	(549,893)	(5,499)	491,932	1.97%	4,919	3,085	"
Luminescence Technology Corp.	-	-	2,500,000	61,250			2,500,000	9.04%	61,250	78,600	"
Formosa Ha Tinh (Cayman) Limited	621,178,219	<u>17,739,777</u>		<u>-</u>		<u>-</u>	621,178,219	11.43%	<u>17,739,777</u>	<u>6,249,152</u>	"
Subtotal		20,173,921		61,250		(19,561)			20,215,610	<u>\$ 28,245,375</u>	
Adjustments for change in value of financial assets		<u>6,548,273</u>		<u>1,481,492</u>		<u>-</u>			<u>8,029,765</u>		
Total		<u>\$ 26,722,194</u>		<u>\$ 1,542,742</u>		<u>(\$ 19,561)</u>			<u>\$ 28,245,375</u>		

FORMOSA CHEMICALS & FIBRE CORPORATION

NOTES RECEIVABLE

DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars)

Statement 3

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
General customers			
Cheng Fong Plastics Co., Ltd.	Payments to suppliers	\$ 15,613	
Taiwan Trusty Co., Ltd.	Payments to suppliers	7,331	
Intai Technology Corp.	Payments to suppliers	6,713	
CMC Magnetics Corporation	Payments to suppliers	5,851	
Chao An International Co., Ltd.	Payments to suppliers	4,247	
			Balance of each client has not exceeded 5% of total account balance
Others	Payments to suppliers	<u>3,675</u>	
Subtotal		43,430	
Less: Loss allowance		-	
Total		<u>\$ 43,430</u>	
Related party			
Formosa Taffeta Co., Ltd.	Payments to suppliers	\$ 44,821	
Less: Loss allowance		-	
Total		<u>\$ 44,821</u>	

Aforementioned notes receivable all were generated from operating activities.

FORMOSA CHEMICALS & FIBRE CORPORATION
ACCOUNTS RECEIVABLE
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 4

Client Name	Description	Amount	Note
General customers			
GREAT WORLD LEADER LTD.	Payments to suppliers	\$ 783,975	
TAITA CHEMICAL COMPANY, LIMITED	Payments to suppliers	271,825	
XIN LONG GUANG PLASTICS CO., LTD.	Payments to suppliers	262,320	
W-YIN (CHEMICAL) COMPANY LIMITED	Payments to suppliers	241,914	
			Balance of each client has not exceeded 5% of total account balance
Others	Payments to suppliers	<u>4,129,433</u>	
Subtotal		5,689,467	
Less: Loss allowance		<u>(26,809)</u>	
Total		<u>\$ 5,662,658</u>	
Related parties			
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Payments to suppliers	\$ 2,282,446	
Formosa Petrochemical Corp.	Payments to suppliers	2,138,271	
Nan Ya Plastics Corp.	Payments to suppliers	1,282,826	
Formosa Idemitsu Petrochemical Corporation	Payments to suppliers	1,099,034	
			Balance of each client has not exceeded 5% of total account balance
Others	Payments to suppliers	<u>823,075</u>	
Subtotal		7,625,652	
Less: Loss allowance		<u>-</u>	
Total		<u>\$ 7,625,652</u>	

Aforementioned accounts receivables all were generated from operating activities.

FORMOSA CHEMICALS & FIBRE CORPORATION
INVENTORIES
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 5

Items	Amount		Basis of market price
	Cost	Market price	
Raw materials	\$ 4,410,915	\$ 4,377,743	Net realisable value
Supplies	2,830,543	2,830,478	Net realisable value
Work in progress	1,786,882	1,766,475	Net realisable value
Finished goods	4,112,911	4,024,838	Net realisable value
Other inventories	1,475	1,475	Net realisable value
Subtotal	13,142,726	<u>\$ 13,001,009</u>	
Allowance for valuation loss	(869,359)		
Total	<u>\$ 12,273,367</u>		

FORMOSA CHEMICALS & FIBRE CORPORATION
CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 6

Investee	Beginning Balance		Addition		Decrease		Investment profit (loss) accounted for using equity method	Others (Note 1)	Ending Balance			Market Value or Net Assets Value	Collateral or endorsement provided
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount			No. of shares	Percentage of Ownership	Amount		
Formosa Taffeta Co., Ltd.	630,022,431	\$ 13,375,785	-	\$ -	-	(\$ 504,018)	\$ 321,328	\$ 2,194,092	630,022,431	37.40	\$ 15,387,187	\$ 15,749,159	None
Formosa Heavy Industries Corp.	661,334,402	5,775,112	-	-	-	-	(34,866)	20,061	661,334,402	32.91	5,760,307	5,844,038	"
Formosa Plastics Transport Corp.	6,566,384	1,400,881	-	-	-	-	80,883	(6,602)	6,566,384	33.33	1,475,162	1,475,162	"
Formosa Petrochemical Corp.	2,300,799,801	71,636,022	-	-	-	(1,840,640)	2,312,409	13,663,335	2,300,799,801	24.15	85,771,126	85,923,789	"
Mai-Liao Power Corp.	764,201,100	16,146,749	104,619,130	-	-	-	760,257	1,103,325	868,820,230	24.94	18,010,331	18,010,331	"
FCFC Investment Corp. (Cayman)	58,000	60,866,947	-	-	-	(971,261)	(1,299,808)	(1,334,303)	58,000	100.00	57,261,575	57,257,441	"
Hwa Ya Science Park Management Consulting Co., Ltd.	33,000	5,060	-	-	-	-	194	(7)	33,000	33.00	5,247	5,247	"
Chia-Nan Enterprise Corporation	21,163,000	357,695	-	-	-	(43,088)	54,672	-	21,163,000	51.00	369,279	369,279	"
Formosa Idemitsu Petrochemical Corp.	60,000,000	1,166,887	-	-	-	-	(416,157)	157	60,000,000	50.00	750,887	733,166	"
Formosa Industries Corp., Vietnam	-	5,135,670	-	-	-	-	(56,594)	(470,276)	-	42.50	4,608,800	4,664,031	"
Formosa INEOS Chemicals Corp.	120,150,000	1,859,716	-	-	-	(28,831)	(138,757)	757	120,150,000	50.00	1,692,885	1,689,991	"
Formosa Environmental Technology Co.	41,714,475	240,481	-	-	-	-	7,037	90	41,714,475	24.34	247,608	247,608	"
Formosa Biomedical Technology Corp.	147,556,136	2,746,083	-	-	-	(265,601)	177,664	(128,782)	147,556,136	88.59	2,529,364	2,531,915	"
Formosa FCFC Carpet Corp.	22,037,185	178,172	-	-	-	-	(10,474)	(486)	22,037,185	100.00	167,212	169,607	"
Guo Su Plastic Industry Co., Ltd	3,675,000	50,768	-	(2,695,000)	-	-	(11,824)	(35,642)	980,000	24.50	3,302	3,302	"
Formosa Synthetic Rubber (Hong Kong) Co., Ltd.	138,333,334	1,468,190	-	-	-	-	(155,256)	1,736	138,333,334	33.30	1,314,670	1,314,670	"
Formosa Resources Corporation	909,907,125	6,403,506	-	-	-	-	(1,906,949)	(434,464)	909,907,125	25.00	4,062,093	4,062,093	"

FORMOSA CHEMICALS & FIBRE CORPORATION
CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 6

Investee	Beginning Balance		Addition		Decrease		Investment profit (loss) accounted for using equity method	Others (Note 1)	Ending Balance			Collateral or endorsement provided	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount			No. of shares	Percentage of Ownership	Amount		Market Value or Net Assets Value
Formosa Group Corp. (Cayman)	12,500	\$ 968,838	-	\$ -	(12,500)	(\$ 969,248)	\$ 40,980	(\$ 40,570)	-	-	\$ -	\$ -	None
Formosa Plastics Construction Corp.	110,000,000	1,015,981	-	-	-	-	16,151	10,860	110,000,000	33.33	1,042,992	1,042,983	"
FG INC.	6,000	3,412,754	-	-	-	-	(5,644)	(145,072)	6,000	30.00	3,262,038	3,389,006	"
Formosa Smart Energy Tech Corp	340,000,000	3,326,411	-	-	-	-	(118,497)	102,829	340,000,000	20.00	3,310,743	4,063,758	"
Formosa Green Power Corp.	500,000	4,853	-	-	-	-	(86)	-	500,000	100.00	4,767	4,767	"
Formosa Renewable Energy Corp.	5,000,000	50,250	-	-	-	-	426	-	5,000,000	100.00	50,676	50,676	"
		<u>\$ 197,592,811</u>		<u>\$ -</u>		<u>(\$ 4,622,687)</u>	<u>(\$ 382,911)</u>	<u>\$ 14,501,038</u>			<u>\$ 207,088,251</u>	<u>\$ 208,602,019</u>	

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

FORMOSA CHEMICALS & FIBRE CORPORATION
STATEMENT OF CHANGES IN COST, ACCUMULATED DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 7

Items	Beginning Balance	Addition	Decrease	Reclassification	Ending Balance	Note
Cost						
Land	\$ 9,663,345	\$ -	(\$ 17,960)	\$ 81,398	\$ 9,726,783	Please refer to Note 8
Buildings and structures	22,137,135	31,702	(3,860)	71,426	22,236,403	
Machinery and equipment	198,963,555	481,835	(585,188)	3,990,028	202,850,230	
Transportation equipment	467,636	-	(6,029)	-	461,607	
Other equipment	4,442,310	27,192	(49,356)	107,703	4,527,849	
Construction in progress and equipment under acceptance	10,327,204	6,451,069	-	(5,403,727)	11,374,546	
	<u>246,001,185</u>	<u>6,991,798</u>	<u>(662,393)</u>	<u>(1,153,172)</u>	<u>251,177,418</u>	
Accumulated depreciation						
Buildings and structures	(16,565,147)	(539,151)	3,276	-	(17,101,022)	
Machinery and equipment	(159,516,318)	(4,604,293)	193,318	1,139,035	(162,788,258)	
Transportation equipment	(403,016)	(16,480)	6,014	-	(413,482)	
Other equipment	(3,740,003)	(181,342)	48,336	12,502	(3,860,507)	
	<u>(180,224,484)</u>	<u>(5,341,266)</u>	<u>250,944</u>	<u>1,151,537</u>	<u>(184,163,269)</u>	
Accumulated impairment						
Buildings and structures	(209,591)	(24,516)	-	-	(234,107)	
Machinery and equipment	(1,628,464)	(773,561)	408	-	(2,401,617)	
Transportation equipment	(1,624)	-	-	-	(1,624)	
Other equipment	(5,658)	(54)	-	-	(5,712)	
Construction in progress and equipment under acceptance	(20,032)	-	-	-	(20,032)	
	<u>(1,865,369)</u>	<u>(798,131)</u>	<u>408</u>	<u>-</u>	<u>(2,663,092)</u>	
Net amount of property, plant and equipment	<u>\$ 63,911,332</u>	<u>\$ 852,401</u>	<u>(\$ 411,041)</u>	<u>(\$ 1,635)</u>	<u>\$ 64,351,057</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
ACCOUNTS PAYABLE AND PAYABLES TO RELATED PARTIES
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 8

Client Name	Description	Amount	Note
General customers			
Others	Payments to suppliers	<u>\$ 1,397,343</u>	Balance of each supplier has not exceeded 5% of total account balance
Related parties			
Formosa Petrochemical Corp.	Payments to suppliers	\$ 6,952,208	
Nan Ya Plastics Corp.	Payments to suppliers	203,677	
Others	Payments to suppliers	<u>466,105</u>	Balance of each supplier has not exceeded 5% of total account balance
		<u>\$ 7,621,990</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 9

Items	Unit	Volume	Amount	Note
Para-Xylene (PX)	MT	1,279,364	\$ 33,174,755	
Acrylonitrile Butadiene Styrene	MT	225,334	11,311,851	
Styrene Monomer	MT	683,142	19,986,033	
Recovery of Light Oil	MT	1,132,202	21,167,740	
Polypropylene (PP)	MT	272,209	9,452,382	
Purified Terephthalic Acid (PTA)	MT	508,568	10,857,124	
Polycarbonate (PC)	MT	96,696	6,188,532	
Polystyrene (PS)	MT	227,216	8,354,186	
Phenol	MT	326,561	8,183,382	
Isophthalic Acid (PIA)	MT	250,431	6,843,106	
Acetone	MT	197,053	3,603,896	
Nylon Fully Oriented Yarn	MT	36,457	3,354,094	
Electricity	MH	1,960,596	5,875,997	
Ortho-Xylene (OX)	MT	194,420	5,261,672	
Hydrogen	MT	46,843	2,449,698	
Debutanization	MT	104,723	1,653,860	
Rayon Staple Fiber	MT	4,252	226,283	
Nylon Chip	MT	3,778	163,221	
Heavy Aromatic Oil	MT	84,889	1,111,594	
Synthetic Fibre Yarn	BL	33,315	399,736	
Benzene	MT	5,000	125,410	
Nylon Draw Textured Yarn	MT	3,995	624,202	
Sodium Sulphate	MT	2,374	7,110	
Spun Fabric	KY	96	25,531	
Others			3,017,178	
Sales revenue			163,418,573	
Less: Sales returns			(141,107)	
Sales discounts and allowances			(1,550,330)	
Operating revenue, net			161,727,136	
Other operating revenue			13,027	
Total operating revenue			<u>\$ 161,740,163</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 10

Items	Amount	Note
Materials at the beginning of the year	\$ 6,297,111	
Add: Purchases in the year	178,855,126	
Internal inventory transferred	20,018,094	
Less: Materials at the end of the year	(4,410,915)	
Disposed	(88,934)	
Transferred to manufacturing expenses	(4,370,378)	
Raw materials used	196,300,104	
Direct labor	1,476,120	
Manufacturing expense	28,441,897	
Manufacturing cost	226,218,121	
Add: Beginning work in Progress	2,745,014	
Less: Ending work in Progress	(1,786,882)	
Transferred of operating expenses	(294)	
Transferred to manufacturing expenses	(566,594)	
Cost of finished goods	226,609,365	
Add: Finished goods at beginning of year	5,502,095	
Less: Finished goods at end of year	(4,112,911)	
Samples sent	(5,240)	
Cost for self-use - Direct material	(20,018,094)	
Cost for self-use - sub-material	(51,332,510)	
Scraps	(17,498)	
Cost of goods sold	156,625,207	
Reversal gain on inventory valuation	(174,789)	
Idle capacity (including annual survey and work stoppage)	1,999,744	
Other operating costs	15,715	
Operating costs	<u>\$ 158,465,877</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 11

Items	Amount	Note
Main sub-material	\$ 4,922,470	
Depreciation	5,153,472	
Utilities expense	5,640,583	
Vapor expense	4,339,992	
Maintenance expense	1,603,696	
Indirect labor	1,855,870	
Research and development	128,093	
Others	<u>4,797,721</u>	None of the balances of others is greater than 5% of this account balance.
	<u>\$ 28,441,897</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 12

Items	Amount	Note
Freight	\$ 2,559,411	
Export expenses	591,511	
Wages and salaries	241,444	
Others	386,357	None of the balances of others is greater than 5% of this account balance.
	<u>\$ 3,778,723</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 13

Items	Amount	Note
Wages and salaries	\$ 1,778,399	
Research and development	361,381	
Maintenance	140,389	
Donation	216,278	
Depreciation	163,765	
Others	691,660	None of the balances of others is greater than 5% of this account balance.
	<u>\$ 3,351,872</u>	

FORMOSA CHEMICALS & FIBRE CORPORATION
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 14

Function	Year ended December 31, 2025			Year ended December 31, 2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Nature						
Employee benefit expense						
Salary expenses	\$ 3,299,622	\$ 2,295,176	\$ 5,594,798	\$ 3,533,532	\$ 2,363,649	\$ 5,897,181
Labour and health insurance fees	255,457	153,855	409,312	275,034	153,459	428,493
Pension costs	142,416	91,984	234,400	161,619	90,030	251,649
Directors' remuneration	-	8,240	8,240	-	7,545	7,545
Other personnel expenses	157,045	74,783	231,828	190,050	85,689	275,739
Depreciation expense	\$ 5,153,471	\$ 189,863	\$ 5,343,334	\$ 5,118,409	\$ 179,348	\$ 5,297,757
Amortisation charge	\$ 2,208,769	\$ -	\$ 2,208,769	\$ 3,020,643	\$ -	\$ 3,020,643

Note:

- A. As at December 31, 2025 and 2024, the Company had 3,930 and 4,300 employees, respectively, including 3 and 3 non-employee directors for current year and previous year, respectively.
- B. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
- (a) Average employee benefit expense in current year was \$1,648 thousand ((Total employee benefit expense in current year–Total directors' compensation in current year) / (Number of employees in current year–Number of non-employee directors in current year)).
Average employee benefit expense in previous year was \$1,595 thousand ((Total employee benefit expense in previous year–Total directors' compensation in previous year) / (Number of employees in previous year – Number of non-employee directors in previous year)).
- (b) Average employee salaries in current year was \$1,425 thousand (Total employee salaries in current year / (Number of employees in current year–Number of non-employee directors in current year))
Average employee salaries in previous year was \$1,372 thousand (Total employee salaries in previous year / (Number of employees in previous year–Number of non-employee directors in previous year)).
- (c) Adjustments of average employee salaries was 3.86%((Average employee salaries in current year-Average employee salaries in previous year) / Average employee salaries in previous year).
- (d) For the years ended December 31, 2025 and 2024, there was no supervisors' remuneration for both years.

FORMOSA CHEMICALS & FIBRE CORPORATION
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 14

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

i. Directors:

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

ii. Managers:

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

iii. Employees:

Except for the monthly fixed salary and compensation, the Company's employees receive annual bonus, festival bonus, unused compensated absences and management rewards.

The monthly fixed salary and compensation are adjusted with reference to Consumer Price Index, salary standard and salary adjustment in the industry and related economic data.

Explanation:

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