

**FORMOSA CHEMICALS & FIBRE  
CORPORATION AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
MARCH 31, 2026 AND 2025**

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

**FORMOSA CHEMICALS & FIBRE CORPORATION  
AND SUBSIDIARIES**

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## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR26000022

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

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Formosa Chemicals & Fibre Corporation and subsidiaries (the "Group") as at March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of Review***

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Basis for Qualified Conclusion***

As explained in Notes 4(3) and 6(7), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method were not reviewed by independent auditors. Those statements reflect total assets (including investments accounted for using equity method) of NT\$95,780,367 thousand and NT\$100,820,337 thousand, constituting 16% and 20% of the consolidated total assets, and total liabilities of NT\$21,474,976 thousand and NT\$24,437,057 thousand, constituting 13% and 12% of the consolidated total liabilities as at March 31, 2026 and 2025, respectively, and total comprehensive income (including share of profit or loss of associates and joint ventures accounted for using equity method and share of other comprehensive income of associates and joint ventures accounted for using equity method) of NT\$1,796,331 thousand and NT\$219,834 thousand, constituting 5% and (5%) of the consolidated total comprehensive income (loss) for the three-month periods then ended, respectively.

### ***Qualified Conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews and the reports of other independent auditors (refer to the Other matter section), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

***Other matter – reviews of the other independent auditors***

We did not review the financial statements of certain investments accounted for under the equity method which were reviewed by other auditors. Therefore, our conclusion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$90,131,826 thousand and NT\$71,230,158 thousand, constituting 16% and 14% of the consolidated total assets as at March 31, 2026 and 2025, respectively, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$7,121,660 thousand and NT\$1,433,580 thousand, constituting 21% and 32% of the consolidated total comprehensive income for the three-month periods then ended, respectively

Juanlu, Man-Yu

Hsu, Sheng-Chung

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 8, 2026

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

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

**FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	March 31, 2026		December 31, 2025		March 31, 2025		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 16,802,058	3	\$ 17,194,155	3	\$ 26,669,155	5
1110	Financial assets at fair value through profit or loss - current	6(2)	1,899,472	-	1,849,655	-	1,890,485	-
1120	Current financial assets at fair value through other comprehensive income	6(3)	110,006,914	19	98,966,835	18	44,888,533	9
1136	Current financial assets at amortised cost	6(4)	3,404,680	1	3,443,438	1	2,929,306	1
1150	Notes receivable, net	6(5)	5,404,427	1	3,430,354	1	7,100,088	1
1160	Notes receivable - related parties	6(5) and 7	3,854	-	4,714	-	9,720	-
1170	Accounts receivable, net	6(5)	18,297,607	3	13,657,127	3	18,921,447	4
1180	Accounts receivable - related parties	6(5) and 7	9,240,946	2	5,907,634	1	7,210,613	2
1200	Other receivables	7	6,623,157	1	4,007,809	1	6,185,581	1
1210	Other receivables - related parties	7	516,600	-	516,600	-	-	-
130X	Inventory	6(6) and 8	33,900,481	6	33,169,536	6	41,114,857	8
1470	Other current assets		8,739,630	1	6,432,227	1	10,268,078	2
11XX	<b>Total current assets</b>		<u>214,839,826</u>	<u>37</u>	<u>188,580,084</u>	<u>35</u>	<u>167,187,863</u>	<u>33</u>
<b>Non-current assets</b>								
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	59,103,008	10	49,252,910	9	41,985,964	9
1535	Non-current financial assets at amortised cost	6(4) and 8	1,728,872	-	2,038,532	-	3,659,029	1
1550	Investments accounted for under equity method	6(7) and 7	139,527,126	24	133,256,351	25	119,929,268	24
1600	Property, plant and equipment	6(8), 7 and 8	149,597,061	26	148,634,594	28	152,077,838	30
1755	Right-of-use assets	6(9)	1,573,158	-	1,603,063	-	1,679,595	-
1780	Intangible assets		390,139	-	390,341	-	387,819	-
1840	Deferred income tax assets	6(25)	3,601,581	1	4,214,313	1	3,933,212	1
1900	Other non-current assets		10,804,382	2	10,971,798	2	11,070,976	2
15XX	<b>Total non-current assets</b>		<u>366,325,327</u>	<u>63</u>	<u>350,361,902</u>	<u>65</u>	<u>334,723,701</u>	<u>67</u>
1XXX	<b>Total assets</b>		<u>\$ 581,165,153</u>	<u>100</u>	<u>\$ 538,941,986</u>	<u>100</u>	<u>\$ 501,911,564</u>	<u>100</u>

(Continued)

**FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	March 31, 2026		December 31, 2025		March 31, 2025		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6(10) and 8	\$ 33,492,647	6	\$ 32,444,063	6	\$ 45,927,527	9
2110	Short-term notes and bills payable	6(10)	27,856,975	5	8,484,194	2	31,883,335	6
2150	Notes payable		314,525	-	149,349	-	140,702	-
2170	Accounts payable		5,649,807	1	4,594,009	1	5,900,725	1
2180	Accounts payable - related parties	7	11,717,881	2	8,204,405	1	9,639,952	2
2200	Other payables	7	10,798,607	2	8,256,025	2	11,378,133	2
2220	Other payables - related parties	7	4,284,398	1	1,918,806	-	2,228,097	1
2230	Current income tax liabilities		454,433	-	75,272	-	323,531	-
2280	Current lease liabilities		194,243	-	139,960	-	199,673	-
2320	Long-term liabilities, current portion	6(11)(12)	15,612,956	2	22,643,240	4	18,138,262	4
2399	Other current liabilities		3,677,755	-	3,149,171	1	3,079,740	1
21XX	<b>Total current liabilities</b>		<u>114,054,227</u>	<u>19</u>	<u>90,058,494</u>	<u>17</u>	<u>128,839,677</u>	<u>26</u>
<b>Non-current liabilities</b>								
2530	Corporate bonds payable	6(11)	25,800,000	5	25,800,000	5	20,900,000	4
2540	Long-term borrowings	6(12)	26,687,136	5	38,044,980	7	41,884,941	8
2570	Deferred income tax liabilities	6(25)	482,590	-	458,122	-	469,013	-
2580	Non-current lease liabilities		776,006	-	874,934	-	841,383	-
2600	Other non-current liabilities	6(13)	2,397,804	-	2,603,579	-	2,854,148	1
25XX	<b>Total non-current liabilities</b>		<u>56,143,536</u>	<u>10</u>	<u>67,781,615</u>	<u>12</u>	<u>66,949,485</u>	<u>13</u>
2XXX	<b>Total liabilities</b>		<u>170,197,763</u>	<u>29</u>	<u>157,840,109</u>	<u>29</u>	<u>195,789,162</u>	<u>39</u>
<b>Equity attributable to owners of parent</b>								
Share capital								
3110	Common stock	6(14)	58,611,863	10	58,611,863	11	58,611,863	12
Capital surplus								
3200	Capital surplus	6(15)	9,291,703	2	9,291,029	2	9,314,191	2
Retained earnings								
3310	Legal reserve	6(16)	71,867,866	12	71,867,866	13	71,867,866	14
3320	Special reserve		76,745,060	13	76,745,060	14	76,745,060	15
3350	Unappropriated retained earnings		37,293,602	6	34,476,081	6	31,682,873	6
Other equity interest								
3400	Other equity interest	6(17)	120,153,293	21	95,198,556	18	25,392,662	5
3500	Treasury stocks	6(14)	( 323,952)	-	( 323,952)	-	( 323,952)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>373,639,435</u>	<u>64</u>	<u>345,866,503</u>	<u>64</u>	<u>273,290,563</u>	<u>54</u>
36XX	Non-controlling interest		<u>37,327,955</u>	<u>7</u>	<u>35,235,374</u>	<u>7</u>	<u>32,831,839</u>	<u>7</u>
3XXX	<b>Total equity</b>		<u>410,967,390</u>	<u>71</u>	<u>381,101,877</u>	<u>71</u>	<u>306,122,402</u>	<u>61</u>
Significant contingent liabilities and unrecognised contract commitments								
Significant events after the balance sheet date								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 581,165,153</u>	<u>100</u>	<u>\$ 538,941,986</u>	<u>100</u>	<u>\$ 501,911,564</u>	<u>100</u>

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

**FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS ENDED MARCH 31, 2026 AND 2025**  
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amount)

Items	Notes	Three months ended March 31			
		2026		2025	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(18) and 7	\$ 81,749,811	100	\$ 78,909,389	100
5000 Operating costs	6(6)(13)(23)(24) and 7	( 75,422,038)	( 92)	( 75,888,795)	( 96)
5900 Net operating margin		<u>6,327,773</u>	<u>8</u>	<u>3,020,594</u>	<u>4</u>
Operating expenses	6(13)(23)(24) and 7				
6100 Selling expenses		( 1,892,054)	( 2)	( 2,101,057)	( 2)
6200 General and administrative expenses		( 1,315,288)	( 2)	( 1,366,561)	( 2)
6000 Total operating expenses		<u>( 3,207,342)</u>	<u>( 4)</u>	<u>( 3,467,618)</u>	<u>( 4)</u>
6900 Operating profit (loss)		<u>3,120,431</u>	<u>4</u>	<u>( 447,024)</u>	<u>-</u>
Non-operating income and expenses					
7100 Interest income	6(19) and 7	84,642	-	152,952	-
7010 Other income	6(20) and 7	203,841	-	256,986	-
7020 Other gains and losses	6(21)	286,731	1	51,143	-
7050 Finance costs	6(8)(22) and 7	( 626,741)	( 1)	( 811,340)	( 1)
7060 Share of profit of associates and joint ventures accounted for under equity method		<u>4,225,598</u>	<u>5</u>	<u>374,882</u>	<u>1</u>
7000 Total non-operating income and expenses		<u>4,174,071</u>	<u>5</u>	<u>24,623</u>	<u>-</u>
7900 Profit (loss) before income tax		<u>7,294,502</u>	<u>9</u>	<u>( 422,401)</u>	<u>-</u>
7950 Income tax (expense) benefit	6(25)	( 759,958)	( 1)	<u>33,642</u>	<u>-</u>
8200 Profit (loss) for the period		<u>\$ 6,534,544</u>	<u>8</u>	<u>( \$ 388,759)</u>	<u>-</u>
Other comprehensive income (net)	6(17)				
Components of other comprehensive income that will not be reclassified to profit or loss					
8316 Unrealised gains on financial assets measured at fair value through other comprehensive income		\$ 21,002,568	26	\$ 3,225,433	4
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method		<u>4,421,487</u>	<u>5</u>	<u>463,539</u>	<u>1</u>
8310 Other comprehensive income that will not be reclassified to profit or loss		<u>25,424,055</u>	<u>31</u>	<u>3,688,972</u>	<u>5</u>
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		2,323,229	3	1,003,345	1
8370 Share of other comprehensive income of associates and joint ventures accounted for under equity method		42,899	-	319,761	-
8399 Income tax relating to the components of other comprehensive income	6(17)(25)	( 415,940)	( 1)	( 181,803)	-
8360 Other comprehensive income that will be reclassified to profit or loss		<u>1,950,188</u>	<u>2</u>	<u>1,141,303</u>	<u>1</u>
8300 Total other comprehensive income for the period		<u>\$ 27,374,243</u>	<u>33</u>	<u>\$ 4,830,275</u>	<u>6</u>
8500 Total comprehensive income for the period		<u>\$ 33,908,787</u>	<u>41</u>	<u>\$ 4,441,516</u>	<u>6</u>
Net income (loss) attributable to:					
8610 Owners of the parent		\$ 6,245,039	8	( \$ 441,768)	-
8620 Non-controlling interest		<u>289,505</u>	<u>-</u>	<u>53,009</u>	<u>-</u>
		<u>\$ 6,534,544</u>	<u>8</u>	<u>( \$ 388,759)</u>	<u>-</u>
Total comprehensive income attributable to:					
8710 Owners of the parent		\$ 31,288,970	38	\$ 3,672,050	5
8720 Non-controlling interest		<u>2,619,817</u>	<u>3</u>	<u>769,466</u>	<u>1</u>
		<u>\$ 33,908,787</u>	<u>41</u>	<u>\$ 4,441,516</u>	<u>6</u>
<b>Basic earnings (loss) per share (in dollars)</b>	6(26)				
		Before Tax	After Tax	Before Tax	After Tax
9710 Profit (loss) for the period from continuing operations		\$ 1.25	\$ 1.12	( \$ 0.07)	( \$ 0.07)
9720 Non-controlling interest		<u>0.10</u>	<u>0.05</u>	<u>0.05</u>	<u>0.01</u>
<b>Profit (loss) attributable to common shareholders of the parent</b>		<u>\$ 1.15</u>	<u>\$ 1.07</u>	<u>( \$ 0.12)</u>	<u>( \$ 0.08)</u>
Assuming shares held by subsidiary are not deemed as treasury stock:					
9710 Profit (loss) for the period from continuing operations		\$ 1.24	\$ 1.11	( \$ 0.07)	( \$ 0.07)
Non-controlling interest		<u>0.09</u>	<u>0.04</u>	<u>0.05</u>	<u>0.01</u>
9750 Profit (loss) attributable to common shareholders of the parent		<u>\$ 1.15</u>	<u>\$ 1.07</u>	<u>( \$ 0.12)</u>	<u>( \$ 0.08)</u>

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

**FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**THREE MONTHS ENDED MARCH 31, 2026 AND 2025**  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent														
Notes	Retained Earnings					Other Equity Interest							Non-controlling interest	Total equity
	Common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Revaluation surplus	Treasury stocks	Total			
<b>Three months ended March 31, 2025</b>														
	\$ 58,611,863	\$ 9,313,342	\$ 71,867,866	\$ 76,745,060	\$ 35,054,049	\$ 93,775	\$ 20,205,673	(\$ 21,789)	\$ 1,002,383	(\$ 323,952)	\$ 272,548,270	\$ 32,937,544	\$ 305,485,814	
	-	-	-	-	( 441,768)	-	-	-	-	( 441,768)	53,009	( 388,759)		
Other comprehensive income for the period 6(17)	-	-	-	-	-	965,698	3,076,503	71,617	-	-	4,113,818	716,457	4,830,275	
Total comprehensive income (loss) for the period	-	-	-	-	( 441,768)	965,698	3,076,503	71,617	-	-	3,672,050	769,466	4,441,516	
Appropriation of 2024 earnings 6(16)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	( 2,930,593)	-	-	-	-	-	( 2,930,593)	-	( 2,930,593)	
Changes in the net interest of associates recognised under the equity method 6(17)	-	-	-	-	1,198	( 1,198)	-	-	-	-	-	-	-	
Dividends paid to subsidiaries to adjust capital surplus 6(15)	-	2,276	-	-	-	-	-	-	-	-	2,276	-	2,276	
Paid expired cash dividends transferred to capital surplus 6(15)	-	( 258)	-	-	-	-	-	-	-	-	( 258)	-	( 258)	
Changes in ownership interests in subsidiaries 6(15)	-	( 16)	-	-	-	-	-	-	-	-	( 16)	( 178)	( 194)	
Difference between consideration and carrying amount of subsidiaries	-	152	-	-	( 13)	-	-	-	-	-	139	-	139	
Cash dividends paid by consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 872,544)	( 872,544)	
Decrease in non-controlling interest-disposal of ownership interests in subsidiaries 6(15)(27)	-	( 1,305)	-	-	-	-	-	-	-	-	( 1,305)	( 2,449)	( 3,754)	
Balance at March 31, 2025	\$ 58,611,863	\$ 9,314,191	\$ 71,867,866	\$ 76,745,060	\$ 31,682,873	\$ 1,059,473	\$ 23,280,978	\$ 49,828	\$ 1,002,383	(\$ 323,952)	\$ 273,290,563	\$ 32,831,839	\$ 306,122,402	
<b>Three months ended March 31, 2026</b>														
	\$ 58,611,863	\$ 9,291,029	\$ 71,867,866	\$ 76,745,060	\$ 34,476,081	(\$ 2,316,916)	\$ 96,516,426	(\$ 3,337)	\$ 1,002,383	(\$ 323,952)	\$ 345,866,503	\$ 35,235,374	\$ 381,101,877	
Profit for the period	-	-	-	-	6,245,039	-	-	-	-	-	6,245,039	289,505	6,534,544	
Other comprehensive income (loss) for the period 6(17)	-	-	-	-	-	1,939,770	23,337,311	( 233,150)	-	-	25,043,931	2,330,312	27,374,243	
Total comprehensive income (loss) for the period	-	-	-	-	6,245,039	1,939,770	23,337,311	( 233,150)	-	-	31,288,970	2,619,817	33,908,787	
Appropriation of 2025 earnings 6(16)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	( 3,516,712)	-	-	-	-	-	( 3,516,712)	-	( 3,516,712)	
Changes in the net interest of associates recognised under the equity method 6(15)(17)	-	( 1,652)	-	-	88,510	( 88,510)	-	-	-	-	( 1,652)	-	( 1,652)	
Dividends paid to subsidiaries to adjust capital surplus 6(15)	-	2,731	-	-	-	-	-	-	-	-	2,731	-	2,731	
Paid expired cash dividends transferred to capital surplus 6(15)	-	( 404)	-	-	-	-	-	-	-	-	( 404)	-	( 404)	
Changes in ownership interests in subsidiaries 6(15)	-	( 1)	-	-	-	-	-	-	-	-	( 1)	( 3)	( 4)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income 6(17)	-	-	-	-	684	( 684)	-	-	-	-	-	88	88	
Cash dividends paid by consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 527,321)	( 527,321)	
Balance at March 31, 2026	\$ 58,611,863	\$ 9,291,703	\$ 71,867,866	\$ 76,745,060	\$ 37,293,602	(\$ 377,146)	\$ 119,764,543	(\$ 236,487)	\$ 1,002,383	(\$ 323,952)	\$ 373,639,435	\$ 37,327,955	\$ 410,967,390	

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

**FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**THREE MONTHS ENDED MARCH 31, 2026 AND 2025**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2026	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit (loss) before tax		\$ 7,294,502	(\$ 422,401 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(23)	3,153,654	3,212,907
Amortisation	6(23)	635,486	710,536
Net gain on financial assets and liabilities at fair value through profit or loss	6(21)	( 49,817 )	( 44,284 )
Interest expense	6(22)	626,741	811,340
Interest income	6(19)	( 84,642 )	( 152,952 )
Dividend income	6(20)	( 5,040 )	( 2,764 )
Share of profit or loss of associates accounted for under the equity method		( 4,225,598 )	( 374,882 )
Gain on reversal of impairment loss on property, plant and equipment	6(21)	-	( 24 )
(Gain) loss on disposal and scrap of property, plant and equipment	6(21)	( 311 )	412
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 1,974,073 )	( 3,041,994 )
Notes receivable-related parties		860	( 3,284 )
Accounts receivable		( 4,640,480 )	( 915,176 )
Accounts receivable-related parties		( 3,333,312 )	590,176
Other receivables		91,191	( 447,887 )
Inventories		( 730,945 )	1,195,711
Other current assets		( 1,451,525 )	( 2,106,502 )
Changes in operating liabilities			
Notes payable		165,176	( 3,215 )
Accounts payable		1,055,798	2,672,823
Accounts payable-related parties		3,513,476	( 2,234,136 )
Other payables		( 1,248,956 )	( 824,359 )
Other current liabilities		528,584	( 455,185 )
Accrued pension liabilities		( 197,633 )	( 499,137 )
Cash outflow generated from operations		( 876,864 )	( 2,334,277 )
Interest received		139,063	200,053
Dividends received		5,040	2,764
Interest paid		( 618,947 )	( 875,449 )
Income tax paid		( 175,408 )	96,327
Net cash flows used in operating activities		( 1,527,116 )	( 2,910,582 )

(Continued)

**FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**THREE MONTHS ENDED MARCH 31, 2026 AND 2025**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2026	2025
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Proceeds from disposal of financial assets at fair value through other comprehensive income		\$ 1,008	\$ -
Shares returned from reduction in financial assets at fair value through other comprehensive income		-	3,438
Disposal of financial assets at amortised cost		348,418	1,062,704
Acquisition of investments accounted for under the equity method	6(7) and 7	( 222,000 )	( 25,500 )
Acquisition of property, plant and equipment	6(28)	( 3,026,324 )	( 3,040,952 )
Proceeds from disposal of property, plant and equipment		993	18,670
Increase in other non-current assets		( 400,006 )	( 1,322,163 )
Net cash flows used in investing activities		( 3,297,911 )	( 3,303,803 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings		1,048,584	9,354,904
Increase (decrease) in short-term notes and bills payable		19,372,781	( 409,052 )
Increase in other payables-related parties		2,365,592	57,411
Increase in long-term borrowings		12,235,252	11,134,847
Payment of long-term borrowings		( 26,011,195 )	( 6,352,317 )
Payment of bonds payable		( 5,000,000 )	( 5,000,000 )
Payment of lease liabilities		( 54,884 )	( 53,100 )
Decrease in other non-current liabilities		( 8,142 )	( 16,344 )
Payment of cash dividends	6(28)	( 242 )	-
Payment of cash dividends - non-controlling interest		( 2,753 )	( 122,100 )
Payment of expired cash dividends reclassified to capital surplus		( 404 )	( 258 )
Acquisition of ownership interests in subsidiaries	6(27)	-	( 3,754 )
Net cash flows from financing activities		3,944,589	8,590,237
Effect of foreign exchange translations		488,341	( 88,790 )
Net (decrease) increase in cash and cash equivalents		( 392,097 )	2,287,062
Cash and cash equivalents at beginning of period		17,194,155	24,382,093
Cash and cash equivalents at end of period		<u>\$ 16,802,058</u>	<u>\$ 26,669,155</u>

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

FORMOSA CHEMICALS & FIBRE CORPORATION AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025

(Expressed in thousands of New Taiwan dollars)

1. History and Organisation

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on May 8, 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<sup>®</sup>”) 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 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

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

- A. Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.
- B. Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.
- C. Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

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

- D. Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

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

None.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

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

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

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

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

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

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

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim Financial Reporting’ that came into effect as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

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

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations 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 Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference

between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Formosa FCFC Carpet Corp.	Spinning, dyeing, printing, finishing and manufacturing synthetic fibre, rug and carpet	100.00	100.00	100.00	The Company holds more than 50% of voting rights. (Note 5)
The Company	Formosa Renewable Energy Corp.	Renewable energy technical services	100.00	100.00	100.00	The Company holds more than 50% of voting rights. (Notes 2 and 5)
The Company	FCFC Investment Corp. (Cayman)	Investing	100.00	100.00	100.00	The Company holds more than 50% of voting rights.(Note 5)
The Company	Formosa Green Power Corp.	Renewable-energy-based electricity retailing	100.00	100.00	100.00	The Company holds more than 50% of voting rights. (Note 5)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Formosa Biomedical Technology Corp.	Manufacturing and sales of cleaner and cosmetics	88.59	88.59	88.59	The Company holds more than 50% of voting rights. (Note 5)
The Company	Formosa Idemitsu Petrochemical Corp.	Wholesale and retail of petrochemical and plastic raw materials	50.00	50.00	50.00	The Company has substantial control and thus regards Formosa Idemitsu Petrochemical Corp. as a subsidiary. (Note 5)
The Company	Formosa INEOS Chemicals Corp.	Chemistry, international trade of petrochemistry	50.00	50.00	50.00	The Company has substantial control and thus regards Formosa INEOS Chemicals Corp. as a subsidiary. (Note 5)
The Company	Chia-Nan Enterprise Corp.	Hydropower	51.00	51.00	51.00	The Company holds more than 50% of voting rights. (Note 5)
The Company	Formosa Industries Corp.	Production and marketing of textile, polyester staple fibre, cotton, hydropower	42.50	42.50	42.50	The Company has substantial control and thus regards Formosa Industries Corp. as a subsidiary. (Note 5)
The Company	Formosa Taffeta Co., Ltd.	Production and marketing of Polyamine fabric, Polyester fabric, cotton fabric, blended fabric and tire cord fabric	37.40	37.40	37.40	The Company has substantial control and thus regards Formosa Taffeta Corp. as a subsidiary.
FCFC Investment Corp. (Cayman)	Formosa Power (Ningbo) Co., Ltd.	Cogeneration power generation business	100.00	100.00	100.00	The company holds more than 50% of voting rights through wholly-owned company - FCFC Investment Corp. (Cayman). (Note 5)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
FCFC Investment Corp. (Cayman)	Formosa Chemicals & Fibre (Hong Kong) Co., Ltd.	Investing	100.00	100.00	100.00	The company holds more than 50% of voting rights through wholly-owned company - FCFC Investment Corp. (Cayman).
Formosa Chemicals & Fibre (Hong Kong) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Producing and marketing of PTA、PS、ABS、Phenol	100.00	100.00	100.00	The company holds more than 50% of voting rights through wholly-owned company - FCFC Investment Corp. (Hong Kong).
Formosa Biomedical Technology Corp.	Hong Jing Resources Corp.	Removal and disposal of waste	90.59	90.59	90.61	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp. (Notes 1 and 5)
Formosa Biomedical Technology Corp.	Formosa Biomedical Technology (SAMOA) Co., Ltd.	Investment	100.00	100.00	100.00	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp. (Note 5)
Formosa Biomedical Technology Corp.	Formosa Waters Technology Co., Ltd.	Manufacturing industrial catalyst and wholesale of other chemical products	57.00	57.00	57.00	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp. (Note 5)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
Formosa Biomedical Technology Corp.	Formosa Bio & Energy Corp. (Japan)	Manufacturing and sale of battery energy storage systems and related products	57.50	57.50	57.45	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp. (Note 5)
Formosa Biomedical Technology Corp.	Ivy Life Sciences Co., Ltd.	Research and development and clinical application of cell therapy technologies	51.31	51.31	51.31	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp. (Notes 4 and 5)
Formosa Biomedical Technology Corp.	Formosa Eco Life Technology Co., Ltd.	Sales of cleaning supplies	70.00	70.00	70.00	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp. (Note 5)
Formosa Biomedical Technology Corp.	Formosa Biomedical Material Technology Corp.	Immunocyte capture and separation technology applications	76.92	76.92	76.92	The Company holds more than 50% of voting rights through an 88.59% voting rights owned company - Formosa Biochemical Technology Corp. (Notes 3 and 5)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
Formosa Biomedical Technology (SAMOA) Co., Ltd.	Formosa Biomedical Trading (Shanghai) Co., Ltd.	Importing, exporting and wholesale of healthy food	100.00	100.00	100.00	Formosa Biochemical Technology holds more than 50% of voting rights through a 100% owned company- Formosa Biomedical Technology (SAMOA) Co., Ltd. (Note 5)
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Vietnam) Co., Ltd.	Production, processing, sales of yarn spinning, weaving, dyeing and finishing, carpets, curtains and cleaning supplies	100.00	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights. (Note 5)
Formosa Taffeta Co., Ltd.	Formosa Development Co., Ltd.	Handling urban land consolidation, housing and building development and rental, new county and community construction and investment, and specific area development	100.00	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights. (Note 5)
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Hong Kong) Co., Ltd.	Sales of Nylon and Polyamine fabric	100.00	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights. (Note 5)
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Dong Nai) Co., Ltd.	Manufacturing of nylon and polyester filament products	100.00	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights. (Note 5)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
Formosa Taffeta (Hong Kong) Co., Ltd.	Formosa Taffeta (Changshu) Co., Ltd.	Manufacturing and processing fabric of nylon filament knitted cloth, weaving and dyeing as well as post processing of knitted fabric	100.00	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights through a 100% owned company - Formosa Taffeta (Hong Kong) Co., Ltd. (Note 5)
Formosa Taffeta (Hong Kong) Co., Ltd.	Formosa Taffeta (Zhong Shan) Co., Ltd.	Manufacturing of nylon and polyester filament greige cloth, coloured cloth, printed cloth and textured processing yarn products	100.00	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights through a 100% owned company - Formosa Taffeta (Hong Kong) Co., Ltd. (Note 5)
Formosa Development Co., Ltd.	Public More Internation Co., Ltd.	Employment services and temporary worker services	100.00	100.00	100.00	Formosa Taffeta Co., Ltd. holds more than 50% of voting rights through a 100% owned company - Formosa Development Co., Ltd. (Note 5)

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

Note 2: On May 9, 2024, the Company was approved by the competent authority to establish Formosa Renewable Energy Corporation with an investment amount of \$50,000, and the shareholding ratio was 100%. The entity has been undergoing liquidation since September 1, 2025. As of March 31, 2026, the liquidation has not yet been completed.

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

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

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

Note 5: The financial statements of the entity as of and for the three-month periods ended March 31, 2026 and 2025 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

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

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

E. Significant restrictions: None

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

As of March 31, 2026, December 31, 2025 and March 31, 2025, the non-controlling interest amounted to \$37,327,955, \$35,235,374 and \$32,831,839, respectively. The information on non-controlling interest and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		March 31, 2026		December 31, 2025	
		Amount	Ownership (%)	Amount	Ownership (%)
Formosa Taffeta Co., Ltd.	Taiwan	<u>\$ 28,331,392</u>	62.60	<u>\$ 26,405,993</u>	62.60
				Non-controlling interest	
				March 31, 2025	
Name of subsidiary	Principal place of business			Amount	Ownership (%)
Formosa Taffeta Co., Ltd.	Taiwan			<u>\$ 22,966,810</u>	62.60

Summarised financial information of the subsidiary:

Balance sheets

	Formosa Taffeta Co., Ltd.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 15,272,141	\$ 14,605,708	\$ 15,857,920
Non-current assets	45,874,459	42,532,655	37,840,140
Current liabilities	( 6,346,633)	( 5,330,155)	( 7,386,012)
Non-current liabilities	( 9,381,217)	( 9,469,887)	( 9,452,116)
Total net assets	<u>\$ 45,418,750</u>	<u>\$ 42,338,321</u>	<u>\$ 36,859,932</u>

Statements of comprehensive income

	Formosa Taffeta Co., Ltd.	
	For the three-month period ended March 31, 2026	For the three-month period ended March 31, 2025
Revenue	\$ 6,979,321	\$ 7,687,773
Profit before income tax	386,155	241,504
Income tax expense	( 49,552)	( 54,431)
Profit for the period	336,603	187,073
Other comprehensive income, net of tax	3,586,162	1,110,118
Total comprehensive income for the period	<u>\$ 3,922,765</u>	<u>\$ 1,297,191</u>

Statements of cash flows

	Formosa Taffeta Co., Ltd.	
	For the three-month period ended March 31, 2026	For the three-month period ended March 31, 2025
Net cash (used in) provided by operating activities	(\$ 119,531)	\$ 326,563
Net cash used in investing activities	( 311,021)	( 99,581)
Net cash provided by (used in) financing activities	305,446	( 40,819)
Effect of exchange rates on cash and cash equivalents	112,854	40,062
(Decrease) increase in cash and cash equivalents	( 12,252)	226,225
Cash and cash equivalents, beginning of the period	3,227,056	3,524,678
Cash and cash equivalents, end of the period	<u>\$ 3,214,804</u>	<u>\$ 3,750,903</u>

#### (4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

##### A. Foreign currency transactions and balances

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

##### B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and jointly controlled entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

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

(6) Cash equivalents

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

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

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

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

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

(9) Financial assets at amortised cost

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

(10) Accounts and notes receivable

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

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

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

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

(13) Leasing arrangements(lessor)-operating leases

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

(14) Inventories

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

(15) Investments accounted for using equity method /associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

I. At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(16) Property, plant and equipment

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

Land improvements	3 ~ 15 years
Buildings	10 ~ 60 years
Machinery and equipment	5 ~ 25 years
Transportation equipment	3 ~ 15 years
Other equipment	2 ~ 15 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of Fixed payments, less any lease incentives receivable; The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability; The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.
- When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(18) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

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

(21) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

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

(23) Bonds payable

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

(24) Derecognition of financial liabilities

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

(25) Non-hedging derivatives

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

(26) Provisions

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

(27) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees', directors' and supervisors' remuneration

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

(28) Income tax

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

- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.
- G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(29) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(30) Dividends

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

(31) Revenue recognition

Sales of goods

- A. The Group manufactures and sells a variety of petrochemical products, including the spinning, weaving, dyeing and finishing of rayon and nylon fiber. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

- B. The amount of sales revenue recognised is equal to the contract price net of volume discounts and sales discounts and allowances. Volume discounts and sales discounts and allowances are estimated based on historical information, and a refund liability is recognised for expected volume discounts and sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 30 to 120 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(32) Business combinations

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

(33) Operating segments

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

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The information is addressed below:

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

None.

### (2) Critical accounting estimates and assumptions

#### A. Impairment assessment of accounts receivable

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

#### B. Evaluation of inventories

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

As of March 31, 2026, the carrying amount of inventories was \$33,900,481.

## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash on hand and petty cash	\$ 36,865	\$ 60,730	\$ 72,158
Checking accounts and demand deposits	8,439,197	5,793,310	9,072,432
Cash equivalents			
Time deposits	5,249,971	6,142,321	15,323,672
Bonds repurchased and commercial paper	3,076,025	5,197,794	2,200,893
	<u>\$ 16,802,058</u>	<u>\$ 17,194,155</u>	<u>\$ 26,669,155</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. Loss allowance is measured using 12-month expected credit losses. For the three-month periods ended March 31, 2026 and 2025, the Group did not recognise any loss allowance.
- B. The Group repatriated the capital in the amount of US\$44,221 thousand in accordance with “The Management, Utilisation, and Taxation of Repatriated Offshore Funds Act” in June 2021. As of March 31, 2026 and 2025, the undrawn capital amounted to \$280,601 and \$462,216, respectively, which was restricted under the “The Management, Utilisation, and Taxation of Repatriated Offshore Funds Act”. However, according to IFRS Q&A amended by the competent authority on January 5, 2024, the restriction from the Act did not change the nature of deposits, therefore, the capital was still listed in ‘cash and cash equivalent’.
- C. The Group participated in the urban renewal project planned for Formosa Plastics Building and entered into a trust contract with Mega International Commercial Bank as well as set the trust accounts. Payments reserved in the trust accounts shall be earmarked, excluding related expenses for payments of construction and taxes, and no payment can be drawn from the trust account during the duration of trust. As of March 31, 2026 and 2025, the balance of trust accounts was \$694,887 and \$776,603, respectively. As the trust accounts were pledged to others as collateral, they had been classified as “non-current financial assets at amortised cost”.
- D. As the Group applied for the government subsidy projects from the Ministry of Economic Affairs, certain demand deposits were pledged as collateral. As of March 31, 2026 and 2025, cash pledged to others as collateral amounting to \$107,517 and \$97,317, respectively, had been classified as “non-current financial assets at amortised cost”.
- E. The Group has no cash and cash equivalents pledged to others.

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

Items	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily measured at fair value through profit or loss			
Fund	\$ 1,491,063	\$ 1,491,063	\$ 1,491,063
Valuation adjustments	408,409	358,592	399,422
	\$ 1,899,472	\$ 1,849,655	\$ 1,890,485

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

	For the three-month period ended March 31, 2026	For the three-month period ended March 31, 2025
Financial assets mandatorily measured at fair value through profit or loss		
Fund	\$ 49,817	\$ 44,284

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

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Equity instruments			
Listed stocks	\$ 22,761,486	\$ 22,761,486	\$ 24,697,876
Unlisted stocks	825,839	825,839	825,839
Valuation adjustment	<u>86,419,589</u>	<u>75,379,510</u>	<u>19,364,818</u>
	<u>\$ 110,006,914</u>	<u>\$ 98,966,835</u>	<u>\$ 44,888,533</u>
	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Non-current items:			
Equity instruments			
Listed stocks	\$ 8,163,126	\$ 8,163,126	\$ 8,163,126
Unlisted stocks	27,126,399	27,126,635	27,080,294
Valuation adjustment	<u>23,813,483</u>	<u>13,963,149</u>	<u>6,742,544</u>
	<u>\$ 59,103,008</u>	<u>\$ 49,252,910</u>	<u>\$ 41,985,964</u>

A. The Group has elected to classify equity securities investments that are considered to be steady dividend income as financial assets at fair value through other comprehensive income.

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

	<u>For the three-month period ended March 31, 2026</u>	<u>For the three-month period ended March 31, 2025</u>
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	<u>\$ 21,002,568</u>	<u>\$ 3,225,433</u>
Cumulative gains (losses) reclassified to retained earnings due to derecognition (including loss included in non-controlling interest)	<u>\$ 772</u>	<u>\$ -</u>

C. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$169,109,922, \$148,219,745 and \$86,874,497, respectively.

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

(4) Financial assets at amortised cost

Items	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Time deposits with original maturity date of more than three months	\$ 3,404,680	\$ 3,443,438	\$ 2,929,306
Non-current items:			
Time deposits	\$ 926,468	\$ 1,236,128	\$ 2,785,109
Trust accounts	694,887	694,887	776,603
Restricted deposits	107,517	107,517	97,317
	\$ 1,728,872	\$ 2,038,532	\$ 3,659,029

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

	For the three-month period ended March 31, 2026	For the three-month period ended March 31, 2025
Interest income	\$ 26,577	\$ 41,452

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$5,133,552, \$5,481,970 and \$6,588,335, respectively.

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

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

(5) Notes and accounts receivable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Notes receivable	\$ 5,404,427	\$ 3,430,354	\$ 7,100,088
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 5,404,427</u>	<u>\$ 3,430,354</u>	<u>\$ 7,100,088</u>
Notes receivable-related parties	<u>\$ 3,854</u>	<u>\$ 4,714</u>	<u>\$ 9,720</u>

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts receivable	\$ 18,378,034	\$ 13,736,778	\$ 19,053,908
Less: Allowance for uncollectible accounts	( 80,427)	( 79,651)	( 132,461)
	<u>\$ 18,297,607</u>	<u>\$ 13,657,127</u>	<u>\$ 18,921,447</u>
Accounts receivable-related parties	<u>\$ 9,240,946</u>	<u>\$ 5,907,634</u>	<u>\$ 7,210,613</u>

A. As of March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers amounted to \$30,003,727.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable were \$5,408,281, \$3,435,068 and \$7,109,808 and accounts receivable were \$27,538,553, \$19,564,761 and \$26,132,060, respectively.

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

(6) Inventories

	<u>March 31, 2026</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 9,531,068	(\$ 234,535)	\$ 9,296,533
Materials	7,121,879	( 644,664)	6,477,215
Work in progress	5,337,675	( 62,784)	5,274,891
Finished goods	13,372,676	( 796,637)	12,576,039
Other inventory	275,803	-	275,803
	<u>\$ 35,639,101</u>	<u>(\$ 1,738,620)</u>	<u>\$ 33,900,481</u>

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 9,895,327	(\$ 218,098)	\$ 9,677,229
Materials	7,447,349	( 631,286)	6,816,063
Work in progress	5,012,245	( 20,407)	4,991,838
Finished goods	12,304,785	( 911,220)	11,393,565
Other inventory	290,841	-	290,841
	<u>\$ 34,950,547</u>	<u>(\$ 1,781,011)</u>	<u>\$ 33,169,536</u>
	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 13,935,635	(\$ 199,719)	\$ 13,735,916
Materials	7,659,242	( 703,027)	6,956,215
Work in progress	6,655,901	( 26,176)	6,629,725
Finished goods	14,474,628	( 995,040)	13,479,588
Others	313,413	-	313,413
	<u>\$ 43,038,819</u>	<u>(\$ 1,923,962)</u>	<u>\$ 41,114,857</u>

A. Expense and loss incurred on inventories for the three-month periods ended March 31, 2026 and 2025 were as follows:

	For the three-month period ended March 31, 2026	For the three-month period ended March 31, 2025
Cost of inventories sold	\$ 74,940,997	\$ 75,144,476
Gain on reversal of loss on inventory valuation (Note)	( 43,782)	( 49,673)
Idle capacity (including annual survey and work stoppage)	459,606	726,368
Others	65,217	67,624
	<u>\$ 75,422,038</u>	<u>\$ 75,888,795</u>

Note: For the three-month periods ended March 31, 2026 and 2025, the disposal of excess inventory resulted in gain from price recovery of inventory.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, inventories pledged are described in Note 8.

(7) Investments accounted for using equity method

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Formosa Heavy Industries Corp.	\$ 6,163,322	\$ 5,760,307	\$ 5,822,172
Formosa Plastics Transport Corp.	1,489,070	1,475,162	1,412,381
Formosa Petrochemical Corp.	90,131,826	85,771,126	71,230,158
Mai Liao Power Corp.	19,412,551	18,010,331	16,226,002
Hwa Ya Science Park Management Consulting Co., Ltd.	5,292	5,247	5,096
Formosa Environmental Technology Corp.	249,736	247,608	242,221
Formosa Synthetic Rubber Corp. (Hong Kong)	1,305,287	1,314,670	1,425,526
Formosa Resources Corp.	3,567,175	4,062,093	6,013,698
Formosa Group (Cayman) Corp.	-	-	998,476
Formosa Plastics Construction Corp.	1,103,901	1,042,992	1,010,380
Guo Su Plastic Industry Co., Ltd.	611	3,302	50,145
FG INC.	3,660,475	3,603,375	3,800,356
Formosa Smart Energy Tech Corp.	4,178,878	4,160,742	4,170,549
Beyoung International Corp.	97,598	98,394	92,352
Formosatree Co., Ltd.	456,107	234,881	235,773
Formosa Advanced Technologies Co., Ltd.	5,381,678	5,135,955	4,780,041
Nan Ya Optical Corp.	206,160	208,249	190,423
Kuang Yueh Co., Ltd.	1,499,373	1,496,495	1,429,674
Schoeller Textil AG	601,563	608,263	768,345
Health Saver Medical Co., Ltd.	16,523	17,159	25,500
	<u>\$ 139,527,126</u>	<u>\$ 133,256,351</u>	<u>\$ 119,929,268</u>

A. Associates

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

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Method of measurement
		March 31, 2026	December 31, 2025	March 31, 2025		
Formosa Petrochemical Corp.	Taiwan	24.15%	24.15%	24.15%	Investments accounted for using equity method	Equity method

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

Balance sheets

	<u>Formosa Petrochemical Corp.</u>		
	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current assets	\$ 289,918,949	\$ 250,972,699	\$ 209,331,627
Non-current assets	161,407,089	155,285,361	158,416,220
Current liabilities	( 63,579,324)	( 37,762,267)	( 47,252,769)
Non-current liabilities	( 12,680,803)	( 12,703,706)	( 24,791,570)
Total net assets	<u>\$ 375,065,911</u>	<u>\$ 355,792,087</u>	<u>\$ 295,703,508</u>
Share in associate's net assets	\$ 90,578,418	\$ 85,923,789	\$ 71,412,397
Unrealised gain from sale of upstream transactions eliminations	( 335,873)	( 41,944)	( 71,520)
Net differences in share capital	( 110,719)	( 110,719)	( 110,719)
Carrying amount of the associate	<u>\$ 90,131,826</u>	<u>\$ 85,771,126</u>	<u>\$ 71,230,158</u>

Statements of comprehensive income

	<u>Formosa Petrochemical Corp.</u>	
	<u>For the three-month period ended March 31, 2026</u>	<u>For the three-month period ended March 31, 2025</u>
Revenue	\$ 161,388,475	\$ 172,558,716
Profit for the period from continuing operations	\$ 20,407,731	\$ 3,684,794
Other comprehensive income, net of tax	10,297,243	2,678,918
Total comprehensive income for the period	<u>\$ 30,704,974</u>	<u>\$ 6,363,712</u>
Dividends received from associates	<u>\$ 2,760,960</u>	<u>\$ -</u>

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

As of March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amount of the Group's individually immaterial associates amounted to \$49,395,300, \$47,485,225 and \$48,699,110, respectively.

	For the three-month period ended March 31, 2026	For the three-month period ended March 31, 2025
Loss for the period from continuing operations	(\$ 1,628,243)	(\$ 1,478,188)
Other comprehensive income (loss), net of tax	6,671,685	( 1,780,483)
Total comprehensive income (loss) for the period	<u>\$ 5,043,442</u>	<u>\$ 3,258,671</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Formosa Petrochemical Corp.	\$ 126,774,069	\$ 109,978,230	\$ 84,209,273
Kuang Yueh Co., Ltd.	1,108,309	1,515,709	1,954,087
Formosa Advanced Technologies Co., Ltd.	7,924,278	8,809,291	3,866,830
	<u>\$ 135,806,656</u>	<u>\$ 120,303,230</u>	<u>\$ 90,030,190</u>

- B. On April 11, 2024, the Board of Directors of the Group's subsidiary, Formosa Biomedical Technology Corp., resolved to invest \$237,000 in Formosatree Co., Ltd. during April and July 2024, and the shareholding ratio was 30%. In March 2026, the Company made an additional investment of \$222,000 in proportion to its original shareholding ratio of 30%.
- C. 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.
- D. 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.
- E. On January 3, 2025, the Board of Directors of the Group's second-tier subsidiary, Formosa Biomedical Material Technology Corp., resolved to invest \$25,500 in Health Saver Medical Co., Ltd., and the shareholding ratio was 35.7%. Health Saver Medical Co., Ltd. conducted a cash capital increase of \$7,000 in August 2025. However, the Group's second-tier subsidiary, Formosa Biomedical Material Technology Corp., did not subscribe to the capital increase in proportion to its original shareholding, resulting in a decrease in its ownership interest from 35.71% to 30.61%.

F. On June 3, 2025, the Board of Directors of the Group's subsidiary, Formosa Biomedical Technology Corp., resolved to reinvest \$8,000 in Beyoung International Corp., and the shareholding ratio increased from 30.00% to 35.62%.

G. As of March 31, 2026, December 31, 2025 and March 31, 2025, no equity investments held by the Group were pledged to others.

(8) Property, plant and equipment

	<u>Land and land improvements</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment and other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
<u>At January 1, 2026</u>						
Cost	\$ 12,102,821	\$ 55,779,863	\$ 360,745,768	\$ 12,569,041	\$ 21,398,914	\$ 462,596,407
Accumulated depreciation and impairment	( 89,570)	( 35,169,213)	( 268,113,423)	( 10,569,575)	( 20,032)	( 313,961,813)
	<u>\$ 12,013,251</u>	<u>\$ 20,610,650</u>	<u>\$ 92,632,345</u>	<u>\$ 1,999,466</u>	<u>\$ 21,378,882</u>	<u>\$ 148,634,594</u>
<u>2026</u>						
Opening net book amount	\$ 12,013,251	\$ 20,610,650	\$ 92,632,345	\$ 1,999,466	\$ 21,378,882	\$ 148,634,594
Additions	-	314,187	510,902	148,814	1,799,124	2,773,027
Disposals	-	-	( 569)	( 113)	-	( 682)
Reclassifications	-	335,005	1,505,410	65,939	( 2,771,333)	( 864,979)
Depreciation charge	-	( 386,149)	( 2,609,882)	( 103,710)	-	( 3,099,741)
Net exchange differences	<u>41</u>	<u>363,203</u>	<u>1,570,130</u>	<u>21,196</u>	<u>200,272</u>	<u>2,154,842</u>
Closing net book amount	<u>\$ 12,013,292</u>	<u>\$ 21,236,896</u>	<u>\$ 93,608,336</u>	<u>\$ 2,131,592</u>	<u>\$ 20,606,945</u>	<u>\$ 149,597,061</u>
<u>At March 31, 2026</u>						
Cost	\$ 12,103,234	\$ 57,068,602	\$ 366,316,243	\$ 12,841,633	\$ 20,626,977	\$ 468,956,689
Accumulated depreciation and impairment	( 89,942)	( 35,831,706)	( 272,707,907)	( 10,710,041)	( 20,032)	( 319,359,628)
	<u>\$ 12,013,292</u>	<u>\$ 21,236,896</u>	<u>\$ 93,608,336</u>	<u>\$ 2,131,592</u>	<u>\$ 20,606,945</u>	<u>\$ 149,597,061</u>

	<u>Land and land improvements</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment and other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
<u>At January 1, 2025</u>						
Cost	\$ 12,039,625	\$ 56,484,384	\$ 348,075,365	\$ 12,352,792	\$ 31,376,877	\$ 460,329,043
Accumulated depreciation and impairment	( 89,788)	( 33,992,278)	( 263,463,219)	( 10,470,398)	( 20,032)	( 308,035,715)
	<u>\$ 11,949,837</u>	<u>\$ 22,492,106</u>	<u>\$ 84,612,146</u>	<u>\$ 1,882,394</u>	<u>\$ 31,356,845</u>	<u>\$ 152,293,328</u>
<u>2025</u>						
Opening net book amount	\$ 11,949,837	\$ 22,492,106	\$ 84,612,146	\$ 1,882,394	\$ 31,356,845	\$ 152,293,328
Additions	-	-	145,795	52,501	1,915,184	2,113,480
Disposals	-	( 847)	( 19,779)	( 793)	-	( 21,419)
Reclassifications	-	192,501	1,439,173	21,842	( 1,695,375)	( 41,859)
Depreciation charge	-	( 404,025)	( 2,604,669)	( 147,318)	-	( 3,156,012)
Reversal of impairment loss	-	-	24	-	-	24
Net exchange differences	18	147,666	499,168	6,628	236,816	890,296
Closing net book amount	<u>\$ 11,949,855</u>	<u>\$ 22,427,401</u>	<u>\$ 84,071,858</u>	<u>\$ 1,815,254</u>	<u>\$ 31,813,470</u>	<u>\$ 152,077,838</u>
<u>At March 31, 2025</u>						
Cost	\$ 12,039,798	\$ 56,931,491	\$ 350,879,580	\$ 12,435,947	\$ 31,833,502	\$ 464,120,318
Accumulated depreciation and impairment	( 89,943)	( 34,504,090)	( 266,807,722)	( 10,620,693)	( 20,032)	( 312,042,480)
	<u>\$ 11,949,855</u>	<u>\$ 22,427,401</u>	<u>\$ 84,071,858</u>	<u>\$ 1,815,254</u>	<u>\$ 31,813,470</u>	<u>\$ 152,077,838</u>

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

	<u>For the three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Amount capitalised	<u>\$ 76,669</u>	<u>\$ 71,786</u>
Interest rate	<u>1.55%~4.32%</u>	<u>1.44%~5.03%</u>

B. Under the regulations, land may only be owned by individuals. Thus, the Group has already obtained ownership of the agricultural land for future plant expansion which was acquired by the Group under the name of a third party, who has pledged the full amount to the Company. As of March 31, 2026, December 31, 2025 and March 31, 2025, the pledged assets amounted to \$817,918.

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

(9) Leasing arrangements-lessee

A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 2 to 56 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 1,420,864	\$ 1,439,198	\$ 1,496,696
Buildings	151,869	163,347	182,103
Transportation equipment	425	518	796
	<u>\$ 1,573,158</u>	<u>\$ 1,603,063</u>	<u>\$ 1,679,595</u>

	<u>For the three-month period ended March 31, 2026</u>	<u>For the three-month period ended March 31, 2025</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 41,438	\$ 50,324
Buildings	12,382	6,478
Transportation equipment	93	93
	<u>\$ 53,913</u>	<u>\$ 56,895</u>

C. For the three-month periods ended March 31, 2026 and 2025, the additions to right-of-use assets were \$20,827 and \$101,228, respectively.

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

	<u>For the three-month period ended March 31, 2026</u>	<u>For the three-month period ended March 31, 2025</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,997	\$ 4,132
Expense on short-term lease contracts	18,657	20,928
Expense on variable lease payments	3,821	3,375

E. For the three-month periods ended March 31, 2026 and 2025, the Group's total cash outflow for leases were \$81,359 and \$81,535, respectively.

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

Type of loans	March 31, 2026	Interest rate range	Collateral
Bank loans			
OA loans	\$ 435,855	4.51~4.52%	None
Secured loans	30,000	2.11%	Note 8
Unsecured loans	<u>33,026,792</u>	1.76~4.87%	None
Total short-term loans	<u>\$ 33,492,647</u>		
Short-term notes and bills payable	\$ 27,900,000	1.60~1.87%	None
Short-term notes and bills payable discount	<u>( 43,025)</u>		
Net short-term notes and bills payable	<u>\$ 27,856,975</u>		

Type of loans	December 31, 2025	Interest rate range	Collateral
Bank loans			
OA loans	\$ 261,566	-	None
Secured loans	70,000	2.11%	Note 8
Unsecured loans	<u>32,112,497</u>	1.76~4.87%	None
Total short-term loans	<u>\$ 32,444,063</u>		
Short-term notes and bills payable	\$ 8,500,000	1.5%~1.76%	None
Short-term notes and bills payable discount	<u>( 15,806)</u>		
Net short-term notes and bills payable	<u>\$ 8,484,194</u>		

Type of loans	March 31, 2025	Interest rate range	Collateral
Bank overdrafts	\$ 1,552,972	2.30%	None
Bank loans			
OA loans	957	5.21%	None
Secured loans	115,000	2.11%	Note 8
Unsecured loans	<u>44,258,598</u>	1.75%~6.08%	None
Total short-term loans	<u>\$ 45,927,527</u>		
Short-term notes and bills payable	\$ 32,000,000	1.68%~1.89%	None
Short-term notes and bills payable discount	<u>( 116,665)</u>		
Net short-term notes and bills payable	<u>\$ 31,883,335</u>		

(11) Bonds payable

	March 31, 2026	December 31, 2025	March 31, 2025
Bonds payable			
Domestic unsecured nonconvertible corporate bonds	\$ 32,900,000	\$ 37,900,000	\$ 31,850,000
Less: Current portion	<u>( 7,100,000)</u>	<u>( 12,100,000)</u>	<u>( 10,950,000)</u>
	<u>\$ 25,800,000</u>	<u>\$ 25,800,000</u>	<u>\$ 20,900,000</u>

The terms of nonconvertible corporate bonds were as follows:

Description	Issuance date	Maturity date	Yield rate (%)	Issued principal amount	March 31, 2026	December 31, 2025	March 31, 2025	Note
<u>2013</u>								
Second issued domestic unsecured nonconvertible corporate bonds	2014.1.17	2025.1.17 ~ 2026.1.17	2.03	\$ 10,000,000	\$ -	\$ 5,000,000	\$ 5,000,000	Serial bonds, to be settled 50%, 50%
<u>2014</u>								
First issued domestic unsecured nonconvertible corporate bonds - B	2014.7.4	2028.7.4 ~ 2029.7.4	2.03	4,600,000	4,600,000	4,600,000	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	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	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	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	1,900,000	Serial bonds, to be settled 50%, 50%

Description	Issuance date	Maturity date	Yield rate (%)	Issued principal amount	March 31, 2026	December 31, 2025	March 31, 2025	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	\$ 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	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	5,100,000		- Serial bonds, to be settled 50%, 50%
Second issued domestic unsecured nonconvertible corporate bonds - A	2025.10.16	2029.10.16 ~ 2030.10.16	1.90	4,400,000	4,400,000	4,400,000		- Serial bonds, to be settled 50%, 50%
Second issued domestic unsecured nonconvertible corporate bonds - B	2025.10.16	2034.10.16 ~ 2035.10.16	2.03	2,500,000	2,500,000	2,500,000		Serial bonds, to be settled 50%, - 50%
					32,900,000	37,900,000	31,850,000	
Less: Current portion of bonds payable					( 7,100,000)	( 12,100,000)	( 10,950,000)	
					<u>\$ 25,800,000</u>	<u>\$ 25,800,000</u>	<u>\$ 20,900,000</u>	

(12) Long-term bank loans and notes payable

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	March 31, 2026
Long-term bank loans				
Unsecured loans				
Taipei Fubon Bank	Jul. 14, 2023 ~ Jul. 14, 2028, each 50% of principal is payable starting from 4 years and 5 years after the first drawdown	LIBOR+0.78% (if TAIFX is higher than LIBOR+0.42%, the difference between TAIFX and LIBOR+0.42% is payable by the borrower)	None	\$ 6,393,769
Mega International Commercial Bank	Dec. 13, 2021 ~ Dec. 13, 2026, the first payment (2024) is 4 years after the first drawdown and principal is payable semi-annually in 5 installments	2.15%	"	2,176,822
Huaxia Bank	Feb. 27, 2025 ~ Sep. 27, 2026, the first payment (2025) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.35%	"	354,648
China Construction Bank	Mar. 13, 2025 ~ Jan. 3, 2027, the first payment (2026) is nine months after the first drawdown and principal is payable semi-annually in 3 installments.	2.50%	"	548,837
Industrial Bank	Apr. 28, 2025 ~ May 27, 2026, the first payment (2025) is six months after the first drawdown and principal is payable semi-annually in 3 installments.	2.20%	"	355,833

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	March 31, 2026
Long-term bank loans				
Unsecured loans				
Industrial Bank	May 19, 2025 ~ Jun. 18, 2026, the first payment (2025) is six months after the first drawdown and principal is payable semi-annually in 3 installments.	2.20%	None	\$ 207,934
Bank of Ningbo	Aug. 4, 2025 ~ Aug. 4, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.24%	"	263,442
Huaxia Bank	Aug. 21, 2025 ~ Aug. 21, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.25%	"	219,627
Huaxia Bank	Sep. 3, 2025 ~ Aug. 21, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.25%	"	100,663
China Everbright Bank	Sep. 4, 2025 ~ Mar. 1, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 3 installments.	2.25%	"	375,160

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	March 31, 2026
Long-term bank loans				
Unsecured loans				
The Export-Import Bank of China	Sep. 8, 2025 ~ Sep. 7, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.24%	None	\$ 2,310,432
China Everbright Bank	Sep. 18, 2025 ~ Mar. 9, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 3 installments.	2.25%	"	457,673
The Export-Import Bank of China	Jan. 5, 2026 ~ Jan. 4, 2028, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.24%	"	3,235,252
Taiwan Cooperative Bank	Jul. 26, 2023 ~ Jul. 26, 2026, principal is payable in full at maturity date.	1.85%	"	4,000,000
Bank of Taiwan	Sep. 25, 2024 ~ Sep. 12, 2027, principal is payable in full at maturity date.	1.75%	"	6,000,000
Sino Pac Bank	Sep. 12, 2025 ~ Sep. 12, 2027, principal is payable in full at maturity date.	2.09%	"	300,000
E.SUN Bank	Jan. 6, 2026 ~ Dec. 15, 2027, principal is payable in full at maturity date.	2.04%	"	500,000
KGI Bank	Nov. 6, 2025 ~ Aug. 6, 2028, principal is payable in full at maturity date.	2.05%	"	500,000

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	March 31, 2026
Long-term bank loans				
Unsecured loans				
Bangkok Bank	Dec. 4, 2025 ~ Dec. 2, 2027, principal is payable in full at maturity date.	2.03%	None	\$ 400,000
Mega International Commercial Bank	Jun. 20, 2025 ~ Jun. 2, 2027, principal is payable in full at maturity date.	2.03%	"	800,000
Far Eastern International Bank	Sep. 20, 2024 ~ Sep. 20, 2027, principal is payable in full at maturity date.	2.00%	"	1,200,000
Hua Nan Commercial Bank	Mar. 13, 2026 ~ Mar. 13, 2028, principal is payable in full at maturity date.	2.00%	"	1,500,000
First Commercial Bank	Jun. 5, 2025 ~ Jun. 5, 2027, principal is payable in full at maturity date.	1.97%	"	2,000,000
Mizuho Bank	Jan. 6, 2026 ~ Nov. 6, 2027, principal is payable in full at maturity date.	1.91%	"	<u>1,000,000</u>
				35,200,092
	Less: Current portion of long-term loans			<u>( 8,512,956)</u>
				<u>\$ 26,687,136</u>

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

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

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	December 31, 2025
Long-term bank loans				
Unsecured loans				
The Export-Import Bank of China	Sep. 8, 2025 ~ Sep. 7, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 4 installments.	2.24%	None	\$ 2,236,371
China Everbright Bank	Sep. 18, 2025 ~ Mar. 9, 2027, the first payment (2026) is six months after the first drawdown and principal is payable semi-annually in 3 installments.	2.25%	"	470,868
The Export-Import Bank of China	May 25, 2022 ~ Oct. 16, 2026, principal is payable in full at maturity date.	2.80%	"	2,370,554
Taiwan Cooperative Bank	Jul. 26, 2023 ~ Jul. 26, 2026, principal is payable in full at maturity date.	1.85%	"	4,000,000
China Trust Bank	Jan 15, 2025 ~ Jan. 15, 2026, principal is payable in full at maturity date.	1.97%	"	1,000,000
Bank of Taiwan	Sep. 25, 2024 ~ Sep. 12, 2027, principal is payable in full at maturity date.	1.75%	"	6,000,000
Sino Pac Bank	Sep. 12, 2025 ~ Sep. 12, 2027, principal is payable in full at maturity date.	2.09%	"	300,000

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	December 31, 2025
Long-term bank loans				
Unsecured loans				
E.SUN Bank	Jul. 11, 2024 ~ Jul. 9, 2027, principal is payable in full at maturity date.	2.04%	None	\$ 1,000,000
KGI Bank	Nov. 6, 2025 ~ Aug. 6, 2028, principal is payable in full at maturity date.	1.91%	"	500,000
Bangkok Bank	Dec. 4, 2025 ~ Dec. 2, 2027, principal is payable in full at maturity date.	2.03%	"	400,000
Mega International Commercial Bank	Jun. 20, 2025 ~ Jun. 2, 2027, principal is payable in full at maturity date.	2.03%	"	800,000
Far Eastern International Bank	Sep. 20, 2024 ~ Sep. 20, 2027, principal is payable in full at maturity date.	2.06%	"	1,200,000
Hua Nan Commercial Bank	Mar. 13, 2025 ~ Mar. 13, 2027, principal is payable in full at maturity date.	2.00%	"	1,500,000
First Commercial Bank	Jun. 5, 2025 ~ Jun. 5, 2027, principal is payable in full at maturity date.	1.97%	"	2,000,000
Mizuho Bank	Nov. 6, 2025 ~ Sep. 12, 2027, principal is payable in full at maturity date.	1.91%	"	500,000
				<u>35,105,527</u>
Less: Current portion of long-term loans				<u>( 10,543,240)</u>
				<u>\$ 24,562,287</u>

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

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	March 31, 2025
Long-term bank loans				
Unsecured loans				
Taipei Fubon Bank	Jul. 14, 2023 ~ Jul. 14, 2028, each 50% of principal is payable starting from 4 years and 5 years after the first drawdown	LIBOR+0.78% (if TAIFX is higher than LIBOR+0.42%, the difference between TAIFX and LIBOR+0.42% is payable by the borrower)	None	\$ 6,635,452
First Commercial Bank	Jul. 15, 2020 ~ Jul. 15, 2025, the first payment (2023) is 4 years after the first drawdown and principal is payable semi-annually in 5 installments	3.04%	"	352,317
Mega International Commercial Bank	Dec. 13, 2021 ~ Dec. 13, 2026, the first payment (2024) is 4 years after the first drawdown and principal is payable semi-annually in 5 installments	2.50%	"	4,354,416
Huaxia Bank	Feb. 21, 2025 ~ Feb. 21, 2027, the first payment (2025) is half-year after the first drawdown and principal is payable semi-annually in 4 installments.	2.35%	"	361,950
China Construction Bank	March. 14, 2025 ~ Jan. 3, 2027, the first payment (2026) is nine months after the first drawdown and principal is payable semi-annually in 3 installments.	2.60%	"	577,826

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	March 31, 2025
Long-term bank loans				
Unsecured loans				
The Export-Import Bank of China	May. 25, 2022 ~ Oct. 16, 2026, principal is payable in full at maturity date.	2.85%	None	\$ 7,396,171
Taiwan Cooperative Bank	Jul. 26, 2023 ~ Jul. 26, 2026, principal is payable in full at maturity date.	1.85%	"	11,000,000
MUFG Bank	Jan 10, 2025 ~ Jan. 25, 2027, principal is payable in full at maturity date.	1.96%	"	1,200,000
China Trust Bank	Jan 15, 2025 ~ Oct. 15, 2026, principal is payable in full at maturity date.	1.91%	"	1,000,000
Bank of Taiwan	Sep. 25, 2024 ~ Sep. 12, 2027, principal is payable in full at maturity date.	1.75%	"	6,000,000
Hua Nan Commercial Bank	Mar. 13, 2025 ~ Mar. 13, 2027, principal is payable in full at maturity date.	2.00%	"	1,500,000
First Commercial Bank	Jun. 5, 2024 ~ Jun. 5, 2026, principal is payable in full at maturity date.	1.97%	"	2,000,000
Sino Pac Bank	Sep. 12, 2024 ~ Sep. 12, 2026, principal is payable in full at maturity date.	2.09%	"	300,000
E.SUN Bank	Jul. 11, 2024 ~ Jul. 9, 2027, principal is payable in full at maturity date.	2.04%	"	1,000,000
China Trust Bank	Sep. 6, 2024 ~ Sep. 6, 2026, principal is payable in full at maturity date.	2.08%	"	400,000

Type of loans	Borrowing period/repayment term	Interest rate range	Collateral	March 31, 2025
Long-term bank loans				
Unsecured loans				
KGI Bank	Aug. 6, 2024 ~ Aug. 6, 2026, principal is payable in full at maturity date.	2.05%	None	\$ 1,000,000
Bangkok Bank	Dec. 4, 2023 ~ Dec. 2, 2025, principal is payable in full at maturity date.	2.08%	"	400,000
Mega International Commercial Bank	Jun. 21, 2024 ~ Jun. 21, 2026, principal is payable in full at maturity date.	2.05%	"	400,000
Far Eastern International Bank	Sep. 20, 2024 ~ Sep. 15, 2027, principal is payable in full at	2.05%	"	1,200,000
				<u>47,078,132</u>
Less: Current portion of long-term loans				( 7,188,262)
				<u>\$ 39,889,870</u>
Other long-term Loans				
Commercial paper payable				
China Bills	Mar. 26, 2025 ~ Mar. 25, 2028, not less than 31 days, issued in installments	1.73%	None	\$ 2,000,000
Less: Amortization of discount on commercial paper payable				( 4,929)
				<u>1,995,071</u>
				<u>\$ 41,884,941</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.

The Company has fully repaid the above-mentioned commercial paper payable in January, 2026.

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.

The Company has fully repaid the above-mentioned commercial paper payable in January, 2026.

C. The Company entered into a \$15,000,000 commercial paper revolving issuance agreement on July 21, 2025 with five underwriting institutions, namely Mega Bills Finance Corporation, International Bills Finance Corporation, China Bills Finance Corporation, Taiwan Bills Finance Corporation, and E.Sun Commercial Bank, Ltd., under which the bills finance companies act as certified underwriters for the issuance of commercial paper. Pursuant to the agreement, the Company is required to issue commercial paper within the contract period, with each issuance having a tenor of no less than 61 days and no more than 90 days. The contract period is from October 20, 2025 to October 21, 2030. If the actual utilized underwriting balance does not reach the total committed underwriting facility, the Company shall pay a commitment fee on the shortfall at an annual rate of 0.60%, calculated from the day following the expiry of three months after such shortfall arises to the end of the underwriting period, in lump sum. In the event the Company suspends issuance, the suspended portion of the underwriting facility may no longer be utilized, and a commitment fee at an annual rate of 0.60% shall be charged on such suspended amount from the date of suspension to the end of the underwriting period, payable in a lump sum. If there is no agreed-upon event for suspension by the Company, but any individual underwriter fails to perform its underwriting obligations in accordance with the agreement, such underwriter shall pay a commitment fee on the difference between its actual underwriting balance and committed underwriting amount at an annual rate of 0.60%, based on the actual number of days of suspension, in lump sum. In the event of default by the Company, the Company's right to utilize the underwriting facility shall be immediately and automatically suspended, and the syndicate of underwriters may, by majority resolution, terminate the agreement or renegotiate the underwriting

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

The Company has fully repaid the above-mentioned commercial paper payable from January to February, 2026.

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

### (13) Pensions

- A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognized pension costs of \$13,663 and \$16,954 for the three-month periods ended March 31, 2026 and 2025, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$75,541.

- B. (a) From July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage was 10~20% for the three-month periods ended March 31, 2026 and 2025. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2026 and 2025 were \$111,685 and \$118,931, respectively.

(14) Capital stock

- A. As of March 31, 2026, the Company’s authorised and paid-in capital was \$58,611,863, and total issued stocks was 5,861,186 thousand shares with a par value of \$10 per share. All proceeds from shares issued have been collected.

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

	For the three-month period ended March 31, 2026	For the three-month period ended March 31, 2025
At January 1 (March 31)	\$ 5,861,186	\$ 5,861,186

- B. Changes in the treasury stocks (thousand) for the three-month periods ended March 31, 2026 and 2025 are set forth below:

Reason for reacquisition	Subsidiary	For the three-month period ended March 31, 2026			Ending shares
		Beginning shares	Additions	Disposal	
Parent company shares held by subsidiaries reclassified from long-term investment to treasury stock	Formosa Taffeta Co.	12,170	-	-	12,170

Reason for reacquisition	Subsidiary	For the three-month period ended March 31, 2025			
		Beginning shares	Additions	Disposal	Ending shares
Parent company shares held by subsidiaries reclassified from long-term investment to treasury stock	Formosa Taffeta Co.	12,170	-	-	12,170

C. The market value of treasury stocks was \$44.95 and \$26.05 (in dollars) per share at March 31, 2026 and 2025, respectively.

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

(15) Capital surplus

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

	For the three-month period ended March 31, 2026					
	Share premium	Conversion premium of corporate bonds	Treasury share transactions	Effect from net stockholding of associates recognised using equity method	Difference between stock price and book value for disposal or acquisition of subsidiaries	Others
At January 1, 2026	\$ 2,710,554	\$ 5,514,032	\$ 385,485	\$ 363,821	\$ 8,511	\$ 308,626
Dividends paid to subsidiaries to adjust capital surplus	-	-	2,731	-	-	-
Effect from net stockholding of associates recognised under the equity method	-	-	-	( 1,652)	-	-
Changes in ownership interests in subsidiaries	-	-	-	( 1)	-	-
Paid expired cash dividends transferred to capital surplus	-	-	-	-	-	( 404)
At March 31, 2026	<u>\$ 2,710,554</u>	<u>\$ 5,514,032</u>	<u>\$ 388,216</u>	<u>\$ 362,168</u>	<u>\$ 8,511</u>	<u>\$ 308,222</u>

For the three-month period ended March 31, 2025

	Share premium	Conversion premium of corporate bonds	Treasury share transactions	Effect from net stockholding of associates recognised using equity method	Difference between stock price and book value for disposal or acquisition of subsidiaries	Others
At January 1, 2025	\$ 2,710,554	\$ 5,514,032	\$ 382,553	\$ 398,401	\$ 9,514	\$ 298,288
Dividends paid to subsidiaries to adjust capital surplus	-	-	2,276	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	( 16)	152	-
Transactions with non-controlling interest	-	-	-	-	( 1,305)	-
Paid expired cash dividends transferred to capital surplus	-	-	-	-	-	( 258)
At March 31, 2025	<u>\$ 2,710,554</u>	<u>\$ 5,514,032</u>	<u>\$ 384,829</u>	<u>\$ 398,385</u>	<u>\$ 8,361</u>	<u>\$ 298,030</u>

(16) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. However, if the amount of the legal reserve is equal to the paid-in capital, this provision shall not apply. In addition, the remaining balance is to be set aside as special reserve if necessary. The remaining balance for current year, after allocating for interest on capital, shall be accumulated with remaining balance of previous year and to be distributed as shareholders' bonus proposed by the Board of Directors. The distribution of cash dividends shall be adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and then reported to the shareholders. The distribution of stock dividends shall be reported to the shareholders for resolution.

The special reserve includes:

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

- B. The Company is in the mature stage and the profit is stable. The Board of Directors shall establish the cash dividend or stock dividend percentage. At least 50% of the distributable earnings after deducting the legal reserve, directors' and supervisors' remuneration, employee bonus and special reserves shall be distributed to stockholders. The Company would prefer cash dividends. If the Company requires funds for significant investments or needs to improve its financial structure, part of the dividend will be in the form of stocks which shall not exceed 50% of the total dividends.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The appropriations of 2024 and 2023 earnings had been resolved at the stockholders' meeting on June 10, 2025 and June 18, 2024, respectively. Details are as follows:

	For the years ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ -		\$ 870,497	
Special reserve	-		142,568	
Cash dividends	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' bonus and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. The appropriations of 2025 net income was approved by the Board of Directors during its meeting on March 10, 2026 as follows:

	For the year ended December 31, 2025				
	Amount	Dividends per share (in dollars)			
Cash dividends	\$ 3,516,712	\$ 0.60			
<b>(17) Other equity items</b>					
	Hedging reserve	Unrealised gain	Currency translation	Revaluation surplus	Total
At January 1, 2026	(\$ 3,337)	\$ 96,516,426	(\$ 2,316,916)	\$ 1,002,383	\$ 95,198,556
Revaluation:					
–Group	-	18,915,824	-	-	18,915,824
–Associates	-	4,421,487	-	-	4,421,487
Revaluation transferred to retained earnings:					
–Group	-	( 684)	-	-	( 684)
–Associates	-	( 88,510)	-	-	( 88,510)
Cash flow hedges:					
–Associates	( 233,150)	-	-	-	( 233,150)
Currency translation differences:					
–Group	-	-	2,079,662	-	2,079,662
–Tax of Group	-	-	( 415,940)	-	( 415,940)
–Associates	-	-	276,048	-	276,048
At March 31, 2026	<u>(\$ 236,487)</u>	<u>\$ 119,764,543</u>	<u>(\$ 377,146)</u>	<u>\$ 1,002,383</u>	<u>\$120,153,293</u>

	Hedging reserve	Unrealised gain	Currency translation	Revaluation surplus	Total
At January 1, 2025	(\$ 21,789)	\$ 20,205,673	\$ 93,775	\$ 1,002,383	\$ 21,280,042
Revaluation:					
–Group	-	2,612,965	-	-	2,612,965
–Associates	-	463,538	-	-	463,538
Revaluation transferred to retained earnings:					
–Group	-	-	-	-	-
–Associates	-	( 1,198)	-	-	( 1,198)
Cash flow hedges:					
–Associates	71,617	-	-	-	71,617
Currency translation differences:					
–Group	-	-	899,357	-	899,357
–Tax of Group	-	-	( 181,803)	-	( 181,803)
–Associates	-	-	248,144	-	248,144
At March 31, 2025	<u>\$ 49,828</u>	<u>\$ 23,280,978</u>	<u>\$ 1,059,473</u>	<u>\$ 1,002,383</u>	<u>\$ 25,392,662</u>

(18) Operating revenue

	For the three-month periods ended March 31,	
	2026	2025
Sales revenue	\$ 81,587,879	\$ 78,697,672
Service revenue	73,077	135,082
Other operating revenue	88,855	76,635
	<u>\$ 81,749,811</u>	<u>\$ 78,909,389</u>

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

(19) Interest income

	For the three-month periods ended March 31,	
	2026	2025
Interest income from bank deposits	\$ 42,857	\$ 92,989
Interest income from financial assets measured at amortised cost	26,577	41,452
Interest from current account with others	2,798	10
Other interest income	12,410	18,501
	<u>\$ 84,642</u>	<u>\$ 152,952</u>

(20) Other income

	For the three-month periods ended March 31,	
	2026	2025
Rent income	\$ 33,751	\$ 33,346
Dividend income	5,040	2,764
Other income	165,050	220,876
	<u>\$ 203,841</u>	<u>\$ 256,986</u>

(21) Other gains and losses

	For the three-month periods ended March 31,	
	2026	2025
Gain (loss) on disposal of property, plant and equipment	\$ 311	(\$ 412)
Net currency exchange gain	345,924	68,850
Net gain on financial assets and liabilities at fair value through profit or loss	49,817	44,284
Reversal gain of impairment loss recognised in profit or loss, property, plant and equipment	-	24
Other losses	(109,321)	(61,603)
	<u>\$ 286,731</u>	<u>\$ 51,143</u>

(22) Finance costs

	For the three-month periods ended March 31,	
	2026	2025
Interest expense:		
Bank loans	\$ 521,893	\$ 723,623
Corporate bonds	109,671	85,563
Current account with others	19,255	15,600
Discount	44,615	49,491
Other interest expenses	7,976	8,849
	<u>703,410</u>	<u>883,126</u>
Less: Capitalisation of qualifying assets	(76,669)	(71,786)
	<u>\$ 626,741</u>	<u>\$ 811,340</u>

(23) Expenses by nature

	For the three-month periods ended March 31,	
	2026	2025
Depreciation charges on property, plant and equipment and right-of-use assets	\$ 3,153,654	\$ 3,212,907
Employee benefit expense	3,320,242	3,482,798
Amortisation	635,486	710,536
	<u>\$ 7,109,382</u>	<u>\$ 7,406,241</u>

(24) Employee benefit expense

	For the three-month periods ended March 31,	
	2026	2025
Wages and salaries	\$ 2,802,094	\$ 2,938,828
Labor and health insurance fees	253,333	261,081
Pension costs	125,348	135,885
Other personnel expenses	139,467	147,004
	<u>\$ 3,320,242</u>	<u>\$ 3,482,798</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of the current year's pre-tax profit before deducting employees' compensation, if any, shall be distributed as employees' compensation. The ratio shall not be lower than 0.05% and shall not be higher than 0.5% for employees' compensation, of which no lower than 0.02% and no higher than 0.2% of the current year's pre-tax profit before deducting employees' compensation shall be distributed for adjusting the salaries or distributing the compensation to the rank-and-file employees. If the Company has an accumulated deficit, earnings should be reserved to cover deficit.

B. For the three-month period ended March 31, 2026, employees' remuneration (bonuses) was accrued at \$6,727. The aforementioned amount was recognised in salary expenses. For the three-month period ended March 31, 2025, employees' remuneration (bonuses) was not accrued due to the loss before tax.

For the three-month period ended March 31, 2026, the employees' compensation was estimated and accrued based on approximately 0.1% of the distributable profit.

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

(25) Income tax

A. Income tax expense (benefit)

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

	For the three-month periods ended March 31,	
	2026	2025
Current tax:		
Current tax on profit for the period	\$ 553,516	\$ -
Land value increment tax included in current income tax	1,052	-
Adjustments in respect of prior years	-	( 132,830)
Total current tax	<u>554,568</u>	<u>( 132,830)</u>

	For the three-month periods ended March 31,	
	2026	2025
Deferred tax:		
Origination and reversal of temporary differences	\$ 289,979	\$ 128,192
Effect of exchange rate	( 84,589)	( 29,004)
Total deferred tax	205,390	99,188
Income tax expense (benefit)	\$ 759,958	(\$ 33,642)

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

	For the three-month periods ended March 31,	
	2026	2025
Currency translation differences	\$ 415,940	\$ 181,803

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

(26) Earnings (loss) per share

A. Basic earnings (loss) per share

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

	For the three-month period ended March 31, 2026				
	Amount		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
<u>Basic earnings per share</u>					
Consolidated net profit	\$ 7,294,502	\$ 6,534,544		\$ 1.25	\$ 1.12
Net income of non-controlling interest	573,981	289,505		0.10	0.05
Profit attributable to ordinary shareholders of the parent	\$ 6,720,521	\$ 6,245,039	5,849,017	\$ 1.15	\$ 1.07

	For the three-month period ended March 31, 2025				
	Amount		Weighted average number of ordinary shares outstanding (shares in thousands)	(Loss) earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
<u>Basic (loss) earnings per share</u>					
Consolidated net loss	(\$ 422,401)	(\$ 388,759)		(\$ 0.07)	(\$ 0.07)
Net income of non- controlling interest	<u>251,779</u>	<u>53,009</u>		<u>0.05</u>	<u>0.01</u>
Loss attributable to ordinary shareholders of the parent	<u>(\$ 674,180)</u>	<u>(\$ 441,768)</u>	<u>5,849,017</u>	<u>(\$ 0.12)</u>	<u>(\$ 0.08)</u>

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

C. If stocks of the parent company held by subsidiaries are not treated as treasury stocks, the calculation of basic earnings (loss) per share for the three-month periods ended March 31, 2026 and 2025 is as follows:

	For the three-month period ended March 31, 2026				
	Amount		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
<u>Basic earnings per share</u>					
Consolidated net profit	\$ 7,294,502	\$ 6,534,544		\$ 1.24	\$ 1.11
Net income of non- controlling interest	<u>573,981</u>	<u>289,505</u>		<u>0.10</u>	<u>0.04</u>
Profit attributable to ordinary shareholders of the parent	<u>\$ 6,720,521</u>	<u>\$ 6,245,039</u>	<u>5,861,186</u>	<u>\$ 1.15</u>	<u>\$ 1.07</u>

	For the three-month period ended March 31, 2025				
	Amount		Weighted average number of ordinary shares outstanding (shares in thousands)	(Loss) earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
<u>Basic (loss) earnings per share</u>					
Consolidated net loss	(\$ 422,401)	(\$ 388,759)		(\$ 0.07)	(\$ 0.07)
Net income of non- controlling interest	<u>251,779</u>	<u>53,009</u>		<u>0.05</u>	<u>0.01</u>
Loss attributable to ordinary shareholders of the parent	<u>(\$ 674,180)</u>	<u>(\$ 441,768)</u>	<u>5,861,186</u>	<u>(\$ 0.12)</u>	<u>(\$ 0.08)</u>

(27) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

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

	For the three-month period ended March 31, 2025
Carrying amount of non-controlling interest acquired	\$ 2,449
Consideration paid to non-controlling interest	( 3,754)
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	(\$ 1,305)

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

On July 1, 2025, the Group's subsidiary, Formosa Biomedical Technology Corp., disposed of a 0.02% equity interest in its subsidiary, Hong Jing Resources Corp., for total cash consideration of NT\$399. The carrying amount of non-controlling interests in Hong Jing Resources Corp. at the disposal date was NT\$226. This transaction resulted in an increase in non-controlling interests by NT\$226 and an increase in the equity attributable to owners of the parent by NT\$173. The effects of changes in interests in the Group's subsidiary, Formosa Biomedical Technology Corp., on equity attributable to owners of the parent are as follows:

	2025
Carrying amount of non-controlling interest disposed	\$ 226
Consideration received from non-controlling interest	( 399)
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	(\$ 173)

(28) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the three-month periods ended March 31,	
	2026	2025
Purchase of fixed assets	\$ 2,773,027	\$ 2,113,480
Add: Opening balance of payable on equipment	841,505	2,523,803
Less: Ending balance of payable on equipment	( 588,208)	( 1,596,331)
Cash paid during the period	<u>\$ 3,026,324</u>	<u>\$ 3,040,952</u>

B. Financing activities with partial cash payments

	For the three-month periods ended March 31,	
	2026	2025
Cash dividends distributed	\$ 3,516,712	\$ 2,930,593
Add: Opening balance of cash dividends payable	39,156	47,965
Less: Ending balance of cash dividends payable	( 3,555,626)	( 2,978,558)
Cash dividends paid	<u>\$ 242</u>	<u>\$ -</u>

(29) 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, 2026	\$ 32,444,063	\$ 8,484,194	\$ 37,900,000	\$ 48,588,220	\$ 127,416,477
Changes in cash flow from financing activities	1,048,584	19,372,781	( 5,000,000)	( 13,775,943)	1,645,422
Impact of changes in foreign exchange rate	-	-	-	387,815	387,815
At March 31, 2026	<u>\$ 33,492,647</u>	<u>\$ 27,856,975</u>	<u>\$ 32,900,000</u>	<u>\$ 35,200,092</u>	<u>\$ 129,449,714</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, 2025	\$ 36,572,623	\$ 32,292,387	\$ 36,850,000	\$ 44,084,511	\$ 149,799,521
Changes in cash flow from financing activities	9,354,904	( 409,052)	( 5,000,000)	4,782,530	8,728,382
Impact of changes in foreign exchange rate	-	-	-	206,162	206,162
At March 31, 2025	<u>\$ 45,927,527</u>	<u>\$ 31,883,335</u>	<u>\$ 31,850,000</u>	<u>\$ 49,073,203</u>	<u>\$ 158,734,065</u>

## 7. Related Party Transactions

### (1) Names of related parties and relationship

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

Names of related parties	Relationship with the Group
Formosa Plastics Corp.	Other related party
Nan Ya Plastics Corp.	"
Nan Ya Plastics (Hui Zhou) Corp.	"
Nan Ya Plastics (Nan Tong) Corp.	"
Nan Ya Plastics Corp., U.S.A.	"
Nan Ya Plastics (Ningbo) Corp.	"
Nan Ya Technology Corp.	"
Nan Ya PCB Corp.	"
Nan Ya Electronic Materials Co., Ltd.	"
Formosa Petrochemical Transportation Corporation	"
Chang Gung University	"
Chang Gung Memorial Hospital	"
Chang Gung Biotechnology Co., Ltd.	"
Yue Chi Development Corp.	"
PFG Fiber Glass Corp.	"
Formosa Plastics Marine Corp.	"
Formosa Plastics Marine Co., Ltd.	"
Mai Liao Harbor Administration Corp.	"
Formosa Network Technology Corp.	"
Formosa Plastics Building Parking Lot	"
FPG Travel Service Co., Ltd.	"
Formosa Daikin Advanced Chemicals Co., Ltd.	"
Formosa Sumco Technology Corporation	"
Formosa Asahi Spandex Co., Ltd.	"
Formosa Plastics Transport (Ningbo) Co., Ltd.	"
Formosa Electronic (Ningbo) Co., Ltd	"
Idemitsu Formosa Specialty Chemicals Corporation	"
Formosa Tokuyama Advanced Chemicals Co., Ltd.	"
Inteplast Taiwan Corporation	"
Formosa Oil (Asia Pacific) Corporation	"
Asia Pacific Development Corp.	"
Ya Tai Development Co., Ltd.	"
Bio Trust International Corp.	"
Formosa Ha Tinh (Cayman) Ltd.	"
Formosa Ha Tinh Steel Corp. - TW	"
Formosa Ha Tinh Steel Corp.	"
BP Chemicals (Malaysia) SDN Corp.	"
INEOS Acetyls (Malaysia) SDN Bhd	"
Idemitsu Kosan Co., Ltd.	"
Idemitsu Chemicals (Hong Kong) Co., Ltd.	"

Names of related parties	Relationship with the Group
Idemitsu Chemicals U.S.A. Corp.	Other related party
Yugen Co., Ltd.	"
Yumaowu Enterprise Co., Ltd.	"
Yu Yuang Textile Co., Ltd.	"
Yu Maowu Complex Co., Ltd.	"
NKFG Corporation	"
Schoeller Asia Co., Ltd	"
Zur Schanze AG	"
Zum Felsen AG	"
Kuang Yueh (Vietnam) Co., Ltd.	"
Jiaying Quang Viet Garment Co., Ltd.	"
Great King Garment Co., Ltd.	"
Bellmart Industrial Co., Ltd.	"
Toa Resin Corp.	"
Hua Ya Power Corp.	"
Asia Pacific Technology Corp.	"
Kong You Industrial Co., Ltd.	"
Formosa Industries (Ningbo) Co., Ltd.	"
Nan Ya Plastics (Anshan) Co., Ltd.	"
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	"
Nan Ya Plastics Film (Nantong) Co., Ltd.	"
Nan Ya Plastics Film (Hui Zhou) Co., Ltd	"
Nan Ya Chemical Fiber (Kunshan) Co., Ltd.	"
Nan Ya Draw-Textured Yarn (Kunshan) Co., Ltd	"
Nan Ya Plastics (Xiamen) Co., Ltd.	"
Formosa Heavy Industries (Guangzhou) Co., Ltd.	"
Asia Pacific Investment Co.	"
Nan Ya Printed Circuit Board Corp.	"
Taisuwang Commerce and Trade Co., Ltd.	"
Huaya Steel Co., Ltd.	"
Fujian Fuxin Special Steel Co., Ltd.	"
Kraton Formosa Polymers Corporation	"
Formosa Plastics Corporation, U.S.A.	"
Silicon Based Molecular Sensing Technology Co., Ltd.	"
Fun Lead Change Co., Ltd.	"
SIMOSA OIL Co., Ltd.	"
FGS Formosa Global Solution, Inc	"

Note 1: Formosa Group (Cayman) Corp. completed its liquidation on December 23, 2025.

(2) Significant related party transactions

A. Sales of goods:

	For the three-month periods ended March 31,	
	2026	2025
Sales of goods:		
— Associates		
Formosa Petrochemical Corp.	\$ 7,762,173	\$ 7,464,983
Others	795,375	747,953
— Other related parties		
Nan Ya Plastics Corp.	3,914,376	4,619,495
Others	5,042,827	5,127,091
	<u>\$ 17,514,751</u>	<u>\$ 17,959,522</u>

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

B. Purchases of goods:

	For the three-month periods ended March 31,	
	2026	2025
Purchases of goods:		
— Associates		
Formosa Petrochemical Corp.	\$ 34,167,006	\$ 33,635,090
Others	1,053	775
— Other related parties	2,096,903	2,420,452
	<u>\$ 36,264,962</u>	<u>\$ 36,056,317</u>

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

C. Receivables from related parties:

	March 31, 2026	December 31, 2025	March 31, 2025
Receivables from related parties:			
— Associates			
Formosa Petrochemical Corp.	\$ 3,601,581	\$ 2,191,691	\$ 2,754,425
Others	347,531	367,971	383,871
— Other related parties			
Nan Ya Plastics Corp.	1,966,861	1,148,072	1,410,800
Others	3,328,827	2,204,614	2,671,237
	<u>\$ 9,244,800</u>	<u>\$ 5,912,348</u>	<u>\$ 7,220,333</u>

Receivables from related parties are mainly from sales of goods and receivables for payments on behalf of others for construction design services. Receivables for sales are due 30~120 days from the date of sale; receivables for payments on behalf of others for construction design services are due 270 days from the services rendered. The receivables do not bear interest and no collaterals were pledged. No provision was accrued for receivables from related party.

D. Payables to related parties:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Payables to related parties:			
— Associates			
Formosa Petrochemical Corp.	\$ 10,656,899	\$ 7,551,191	\$ 8,789,715
Others	645	-	-
— Other related parties	<u>1,060,337</u>	<u>653,214</u>	<u>850,237</u>
	<u>\$ 11,717,881</u>	<u>\$ 8,204,405</u>	<u>\$ 9,639,952</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 three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Expansion and repair works of factory sites		
— Associates	\$ 61,900	\$ 92,420
— Other related parties	<u>5,110</u>	<u>92,373</u>
	<u>\$ 67,010</u>	<u>\$ 184,793</u>

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Payables to related parties:			
— Associates	\$ 8,750	\$ 7,516	\$ 21,924
— Other related parties	<u>608</u>	<u>3,110</u>	<u>54,690</u>
	<u>\$ 9,358</u>	<u>\$ 10,626</u>	<u>\$ 76,614</u>

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

## F. Financing

### (a) Loans to related parties:

#### i. Ending balance of accounts receivable - related parties

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
— Associates			
Formosa Heavy Industries Co., Ltd.	\$ 516,600	\$ 516,600	\$ -

#### ii. Interest income

	<u>For the three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
— Associates		
Formosa Heavy Industries Corp.	\$ 2,774	\$ -

The loan terms to related parties are in accordance with the contract's repayment schedule after the loan is made; interest was collected at 2.18% per annum for the three-month period ended March 31, 2026.

### (b) Loans from related parties:

#### i. Ending balance of accounts payable - related parties

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
— Associates	\$ 1,645,357	\$ 1,601,241	\$ 1,620,224
— Other related parties	2,639,041	317,565	607,873
	<u>\$ 4,284,398</u>	<u>\$ 1,918,806</u>	<u>\$ 2,228,097</u>

#### ii. Interest expense

	<u>For the three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
— Associates	\$ 8,446	\$ 9,800
— Other related parties	9,005	3,597
	<u>\$ 17,451</u>	<u>\$ 13,397</u>

The loan terms from related parties are in accordance with the contract's repayment schedule after the loan is made; interest is paid at a rate of 2.10%~2.40% and 2.48%~2.57% per annum for the three-month periods ended March 31, 2026 and 2025, respectively.

## G. Operating expenses

	For the three-month periods ended March 31,	
	2026	2025
Transportation charges		
— Other related parties		
Formosa Plastics Marine Corp.	\$ 273,114	\$ 317,098
Formosa Plastics Transport (Ningbo) Corp.	207,039	203,649
Others	102,182	61,474
	<u>\$ 582,335</u>	<u>\$ 582,221</u>

## H. Rental revenue

	For the three-month periods ended March 31,	
	2026	2025
— Associates		
Formosa Petrochemical Corp.	\$ 34	\$ 34
Formosa Plastics Transport Corp.	3,091	3,091
Formosa Lithium Iron Oxide Corp.	2,848	3,332
Formotree Co., Ltd.	3,305	2,637
Others	604	685
	<u>9,882</u>	<u>9,779</u>
— Other related parties		
Nan Ya Plastics Corp.	3,422	2,933
Formosa Network Technology Corp.	3,850	3,850
Chang Gung Biotechnology Co., Ltd.	2,626	2,626
Others	2,886	3,037
	<u>12,784</u>	<u>12,446</u>
	<u>\$ 22,666</u>	<u>\$ 22,225</u>

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

## I. Property transactions:

### (a) Acquisition of property, plant and equipment:

	For the three-month periods ended March 31,	
	2026	2025
Purchase of property, plant and equipment		
— Associates	\$ 53,362	\$ 70,453
— Other related parties	-	3,040
	<u>\$ 53,362</u>	<u>\$ 73,493</u>

(b) Disposal of property, plant and equipment:

For the three-month period ended March 31, 2026: None.

	For the three-month period ended March 31, 2025	
	Proceeds from disposal	Gain on disposal
— Other related parties	\$ 23,120	\$ 2,570

(c) Acquisition of financial assets:

	Accounts	No. of shares	Objects	For the three-month period ended
				March 31, 2026
				Consideration
Formosatree Co., Ltd	Investments accounted for using equity method	22,200,000	Share of Formosatree Co., Ltd	\$ 222,000
				For the three-month period ended
				March 31, 2025
	Accounts	No. of shares	Objects	Consideration
Health Saver Medical Co., Ltd.	Investments accounted for using equity method	1,500,000	Share of Health Saver Medical Co., Ltd	\$ 25,500

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

(3) Key management compensation

	For the three-month periods ended March 31,	
	2026	2025
Salaries	\$ 28,603	\$ 25,878
Post-employment benefits	1,791	555
	\$ 30,394	\$ 26,433

## 8. Pledged Assets

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

Pledged assets	Book value			Purpose
	March 31, 2026	December 31, 2025	March 31, 2025	
Property, plant and equipment	\$ 5,870,551	\$ 5,870,726	\$ 5,871,252	Collateral for bank loans
Inventory	14,133	14,133	14,133	Collateral for bank loans
Non-current financial assets at amortised cost - Time deposits	2,110	2,110	1,500	Guarantee deposits for natural gas
Non-current financial assets at amortised cost	107,517	107,517	97,317	Performance Guarantee
	<u>\$ 5,994,311</u>	<u>\$ 5,994,486</u>	<u>\$ 5,984,202</u>	

## 9. Significant Contingent Liabilities and Unrecognised Contract Commitments

The details of commitments and contingencies as of March 31, 2026 were as follows:

- (1) Capital expenditures of property, plant and equipment that were contracted but not yet paid amounted to NTD 4,216,066 thousand, RMB 334,601 thousand and VND 198,070,520 thousand.
- (2) The outstanding letters of credit for major raw materials and equipment purchases amounted to USD 33,992 thousand, JPY 207,433 thousand, EUR 214 thousand.
- (3) The provision of endorsements and guarantees to others are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Formosa Group (Cayman) Corp.	\$ -	\$ -	\$ 8,295,500
Formosa Taffeta (Zhong Shan) Co., Ltd.	-	880,040	-
Formosa Taffeta (Vietnam) Co., Ltd.	240,931	942,900	268,266
Formosa Taffeta (Changshu) Co., Ltd.	23,145	1,100,050	92,127
Formosa Taffeta (Dong Nai) Co., Ltd.	1,362,303	3,253,005	1,827,424
	<u>\$ 1,626,379</u>	<u>\$ 6,175,995</u>	<u>\$ 10,483,317</u>

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

A. The Group's indirect investees, Formosa Ha Tinh (Cayman) Limited Co. and Formosa Ha Tinh Steel Corporation, were provided with a bank loan facility of USD 4,035,000 thousand and USD 2,957,500 thousand to meet the operation needs, respectively. To secure the rights of its shareholders, the Company is required to issue a promissory note to ensure the borrower will fulfill its obligation for repayment.

- B. The Group's consolidated entities, Formosa Industries Corp. and Formosa Chemicals Industries (Ningbo) Co., Ltd., were provided with a bank loan facility of USD 200,000 thousand and RMB 2,000,000 thousand to meet the operation needs. To secure the rights of its shareholders, the Company is required to issue a promissory note to ensure the borrower will fulfill its obligation for repayment.
- C. The Group's indirect investees, Formosa Resources Corp., Formosa Steel IB Pty Ltd. and Formosa Resources Australia Pty Ltd., were provided with a bank loan facility of USD 555,000 thousand, USD 1,435,000 thousand and USD 550,000 thousand to meet the operation needs, respectively. To secure the rights of its shareholders, the Company is required to issue a promissory note to ensure the borrower will fulfill its obligation for repayment.

(5) Contingencies - litigation

- A. Taiwan Cooperative Bank Co., Ltd. (hereinafter referred to as TCB) filed a civil lawsuit against the Group's subsidiary, Formosa Taffeta Co., Ltd. ("Formosa Taffeta") with the Taipei District Court in September 2019. TCB claimed that the former employees of Formosa Taffeta colluded with New Site Industries Inc. (hereinafter referred to as New Site) and New Brite Industries Inc. (hereinafter referred to as New Brite) to make false statements. TCB was misled with the fact that New Site and New Brite has accounts receivable due from Formosa Taffeta, causing damage to TCB. Therefore, TCB claimed that Formosa Taffeta should be jointly and severally liable with the obligation of indemnity. However, this case arose purely as a result of the personal behavior of the former employee. In its adjudication dated October 29, 2024, the Taiwan High Court has ordered that Formosa Taffeta is jointly liable to compensate TCB for the amount of \$290,657 and any requested interest. However, based on legal opinion, it should be noted that the second instance ruling still did not fully consider several vital defenses raised by Formosa Taffeta and proportional responsibility of both parties. Formosa Taffeta filed a third appeal on December 13, 2024. The Supreme Court set aside the second instance judgment and remanded the case to the High Court on November 19, 2025. As of May 8, 2026, the case has not yet proceeded to trial. As such, the ultimate outcome of the appeal and amount of the lawsuit cannot presently be determined. Formosa Taffeta has retained legal counsel to submit a strong defense to safeguard its interests.
- B. DBS (Taiwan) Commercial Bank Co., Ltd. (hereinafter referred to as DBS) filed a civil lawsuit against the Group's subsidiaries, Formosa Taffeta Co., Ltd. ("Formosa Taffeta") and Formosa Taffeta Dong Nai Co., Ltd. ("Formosa Taffeta Dong Nai") with the Taipei District Court in September 2019. The former employees of Formosa Taffeta and Formosa Taffeta Dong Nai colluded with New Site Industries Inc. (hereinafter referred to as New Site) to make false statements. DBS was misled with the fact that New Site has accounts receivable due from Formosa Taffeta and Formosa Taffeta Dong Nai, causing damage to DBS. Therefore, DBS claimed that Formosa Taffeta should be jointly and severally liable with the obligation of indemnity. However, this case arose purely as a result of the personal behavior of the former employee. In its adjudication dated December 30, 2022, the Taipei District Court has rejected the claims filed by

DBS. Consequently, DBS filed an appeal in January 2023. The ultimate outcome of the appeal and amount of the lawsuit cannot presently be determined. However, Formosa Taffeta and Formosa Dong Nai have engaged lawyers to submit a strong defense to protect their rights and interests.

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

#### 10. Significant Disaster Loss

None.

#### 11. Significant Events after the Balance Sheet Date

On May 8, 2026, the Board of Directors of the Company and the Group's subsidiary, Formosa Taffeta Co., Ltd. resolved to dispose the idle land located in Mailiao Township, Yunlin County to a related party, Mai Liao Power Corp., with a total consideration of \$556,884.

#### 12. Others

##### (1) Capital management

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

The Group's management strategy of its debt-to-capital ratio for the three-month period ended March 31, 2026 is the same as that for the three-month period ended March 31, 2025. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's debt-to-capital ratio was 22%, 22% and 30%, respectively.

## (2) Financial instruments

### A. Financial instruments by category

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	\$ 1,899,472	\$ 1,849,655	\$ 1,890,485
Financial assets at fair value through other comprehensive income	169,109,922	148,219,745	86,874,497
Financial assets at amortised cost	<u>62,192,455</u>	<u>50,357,541</u>	<u>72,839,961</u>
	<u>\$ 233,201,849</u>	<u>\$ 200,426,941</u>	<u>\$ 161,604,943</u>
	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost	\$ 162,355,293	\$ 150,684,790	\$ 188,186,044
Lease liability	970,249	1,014,894	1,041,056
	<u>\$ 163,325,542</u>	<u>\$ 151,699,684</u>	<u>\$ 189,227,100</u>

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

### B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the board of directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

	March 31, 2026		
	Foreign Currency Amount (In thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 380,772	31.98	\$ 12,177,089
USD : RMB	27,181	31.98	869,248
USD : VND	30,773	31.98	984,121
<u>Non-monetary items</u>			
RMB : NTD	\$ 12,919,678	4.62	\$ 59,688,912
USD : NTD	150,584	31.98	4,815,676
VND : NTD	4,869,881,211	0.0012	5,843,857
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 48,545	31.98	\$ 1,552,469
USD : VND	273,311	31.98	8,740,486

December 31, 2025			
	Foreign Currency Amount (In thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 292,225	31.44	\$ 9,187,554
USD : RMB	25,576	31.44	804,109
USD : VND	20,608	31.44	647,916
<u>Non-monetary items</u>			
RMB : NTD	\$ 9,901,421	4.47	\$ 44,259,352
USD : NTD	150,478	31.44	4,731,028
VND : NTD	4,805,212,351	0.0012	5,766,255
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 13,145	31.44	\$ 413,279
USD : VND	263,353	31.44	8,279,818
March 31, 2025			
	Foreign Currency Amount (In thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 360,562	33.18	\$ 11,963,447
JPY : NTD	448,941	0.22	98,767
USD : RMB	26,099	33.18	865,965
USD : VND	22,652	33.18	751,593
EUR : NTD	2,914	35.94	104,729
<u>Non-monetary items</u>			
RMB : NTD	\$ 13,342,268	4.62	\$ 61,641,278
USD : NTD	154,478	33.18	5,125,580
VND : NTD	4,806,192,509	0.0013	6,248,050
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 12,107	33.18	\$ 401,710
USD : VND	333,307	33.18	11,059,126

- iv. Total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2026 and 2025 amounted to \$345,924 and \$68,850, respectively.

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

For the three-month period ended March 31, 2026				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	121,771	\$ -
USD : RMB	1%		8,692	-
USD : VND	1%		9,841	-
<u>Non-monetary items</u>				
RMB : NTD	1%	\$	-	\$ 596,889
USD : NTD	1%		-	48,157
VND : NTD	1%		-	58,439
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	15,525	\$ -
USD : VND	1%		87,405	-
For the three-month period ended March 31, 2025				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	119,634	\$ -
JPY : NTD	1%		988	-
USD : RMB	1%		8,660	-
USD : VND	1%		7,516	-
EUR : NTD	1%		1,047	-
<u>Non-monetary items</u>				
RMB : NTD	1%	\$	-	\$ 616,413
USD : NTD	1%		-	51,256
VND : NTD	1%		-	62,481
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	4,017	\$ -
USD : VND	1%		110,591	-

Price risk

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

- ii. The Group's investments in equity securities comprise domestic listed, beneficiary certificate and fund. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, components of equity for the three-month periods ended March 31, 2026 and 2025 would have increased/decreased by \$15,196 and \$15,124, 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 \$1,691,099 and \$868,745, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the three-month periods ended March 31, 2026 and 2025, the Group's borrowings at variable rate were denominated in the NTD and USD.
  - ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
  - iii. For the three-month periods ended March 31, 2026 and 2025, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the three-month periods then ended would have been \$281,601 and \$392,586 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, classified as the contract cash flows of instruments stated at amortised cost at fair value through other comprehensive income.

- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumption under IFRS 9, that is, to assess whether there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On March 31, 2026, December 31, 2025 and March 31, 2025, the Group's written-off financial assets that are still under recourse procedures amounted to \$44,955, \$44,955 and \$4,924, respectively.
- v. The Group used the forecastability of Directorate-General of Budget, Accounting and Statistics, Executive Yuan and Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. As of March 31, 2026, December 31, 2025 and March 31, 2025, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	Over 91 days past due
<u>At March 31, 2026</u>				
Expected loss rate	0.14%~16.00%	0.07%~100%	0.09%~100%	24.45%~100%
Total book value	\$ 32,835,174	\$ 94,325	\$ 80,472	\$ 17,290
Loss allowance	\$ 62,037	\$ 5,893	\$ 1,380	\$ 11,117
<u>At December 31, 2025</u>				
Expected loss rate	0.08%~30.00%	0.05%~8.96%	0.05%~100%	49.21%~100%
Total book value	\$ 22,822,578	\$ 184,731	\$ 33,098	\$ 39,074
Loss allowance	\$ 56,655	\$ 658	\$ 475	\$ 21,863
<u>At March 31, 2025</u>				
Expected loss rate	0.11%~19.00%	0.04%~100%	0.06%~100%	83.01%~100%
Total book value	\$ 33,059,444	\$ 189,870	\$ 57,911	\$ 67,104
Loss allowance	\$ 73,420	\$ 236	\$ 1,947	\$ 56,858

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Not past due	\$ 32,835,174	\$ 22,822,578	\$ 33,059,444
Up to 30 days	94,325	184,731	189,870
31 to 90 days	80,472	33,098	57,911
Over 91 days	17,290	39,074	67,104
	<u>\$ 33,027,261</u>	<u>\$ 23,079,481</u>	<u>\$ 33,374,329</u>

The above ageing analysis was based on past due date.

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

	<u>For the three-month period ended March 31, 2026</u>		
	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Notes receivable</u>
At January 1	\$ 79,651	\$ -	\$ -
Effect of exchange rate changes	776	-	-
At March 31	<u>\$ 80,427</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>For the three-month period ended March 31, 2025</u>		
	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Notes receivable</u>
At January 1	\$ 132,137	\$ -	\$ -
Effect of exchange rate changes	324	-	-
At March 31	<u>\$ 132,461</u>	<u>\$ -</u>	<u>\$ -</u>

(c) Liquidity risk

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

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>March 31, 2026</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	\$ 227,779	\$ 200,639	\$ 375,245	\$ 309,706
Bonds payable	7,533,500	4,991,050	19,519,310	2,728,375
Long-term borrowings	8,512,956	22,990,250	3,696,884	-

Non-derivative financial liabilities:

<u>December 31, 2025</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
Lease liability	\$ 214,823	\$ 286,521	\$ 426,350	\$ 538,598
Bonds payable	12,635,000	4,991,050	19,519,310	2,278,375
Long-term borrowings	10,543,240	21,399,685	16,645,295	-

Non-derivative financial liabilities:

<u>March 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	\$ 216,572	\$ 207,601	\$ 424,711	\$ 344,011
Bonds payable	11,278,960	7,293,070	13,187,115	956,365
Long-term borrowings	7,188,262	25,054,418	16,830,523	-

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

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

(3) Fair value estimation

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

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in stock investment, private equity fund market, and most derivative instruments is included in Level 2.

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

B. Financial instruments not measured at fair value

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

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

<u>March 31, 2026</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	\$ -	\$ 1,899,472	\$ -	\$ 1,899,472
Financial assets at fair value through other comprehensive income				
Equity securities	<u>129,617,852</u>	<u>2,165,941</u>	<u>37,326,129</u>	<u>169,109,922</u>
	<u>\$ 129,617,852</u>	<u>\$ 4,065,413</u>	<u>\$ 37,326,129</u>	<u>\$ 171,009,394</u>
<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>116,209,040</u>	<u>1,784,410</u>	<u>30,226,295</u>	<u>148,219,745</u>
	<u>\$ 116,209,040</u>	<u>\$ 3,634,065</u>	<u>\$ 30,226,295</u>	<u>\$ 150,069,400</u>

<u>March 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	\$ -	\$ 1,890,485	\$ -	\$ 1,890,485
Financial assets at fair value through other comprehensive income				
Equity securities	<u>57,082,024</u>	<u>1,463,694</u>	<u>28,328,779</u>	<u>86,874,497</u>
	<u>\$ 57,082,024</u>	<u>\$ 3,354,179</u>	<u>\$ 28,328,779</u>	<u>\$ 88,764,982</u>

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

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

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

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

(c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the three-month periods ended March 31, 2026 and 2025, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2026 and 2025:

	<u>For the three-month period ended March 31, 2026</u>	
	<u>Non-derivative equity instrument</u>	
At January 1	\$	30,226,295
Gains and losses recognised in other comprehensive income		
Recorded as unrealised gains on valuation of investments in equity instruments measured at fair value through other comprehensive income		7,100,842
Sold during the period	(	<u>1,008)</u>
At March 31	\$	<u><u>37,326,129</u></u>

	<u>For the three-month period ended March 31, 2025</u>	
	<u>Non-derivative equity instrument</u>	
At January 1	\$	29,040,989
Gains and losses recognised in other comprehensive income		
Recorded as unrealised losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	(	708,772)
Proceeds from capital reduction	(	3,438)
At March 31	\$	<u>28,328,779</u>

G. For the three-month periods ended March 31, 2026 and 2025, there was no transfer into or out from Level 3.

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

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

	Fair value at March 31, 2026	Fair value at December 31, 2025	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Non-derivative equity instrument :						
Unlisted shares	\$ 26,934,304	\$ 20,851,279	\$ 17,634,229	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	The higher the multiple, the higher the fair value
	836,356	1,058,131	848,129	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
	9,555,469	8,316,885	9,846,421	Net asset value	Not applicable	Not applicable

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

			March 31, 2026	
			<u>Recognised in other comprehensive income</u>	
	<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets				
Equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	± 1%	\$ 269,343	\$ 269,343
Equity instruments	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	± 1%	\$ 8,364	\$ 8,364
			<u>December 31, 2025</u>	
			<u>Recognised in other comprehensive income</u>	
	<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets				
Equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	± 1%	\$ 208,513	\$ 208,513
Equity instruments	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	± 1%	\$ 10,581	\$ 10,581

		March 31, 2025		
			<u>Recognised in other comprehensive income</u>	
	<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets				
Equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	± 1%	\$ 176,342	\$ 176,342
Equity instruments	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability, discount for lack of control	± 1%	\$ 8,481	\$ 8,481

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 5.
- F. Significant intragroup transactions during the reporting periods: Refer to table 6.

#### (2) Information on investees

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

#### (3) Information on investments in Mainland China

- A. Basic information: Refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 9.

## 14. Segment Information

### (1) General information

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

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

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

3<sup>rd</sup> Petrochemical Div: responsible for production of purified terephthalic acid.

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

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

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

### (2) Measurement of segment information

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

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

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

For the three-month period ended March 31, 2026									
	1st Petrochemical Div	2nd Petrochemical Div	3rd Petrochemical Div	Plastics Division	Formosa Taffeta Co., Ltd.	Green Energy Division	Other divisions	Reconciliation and offset	Total
External revenue	\$ 20,834,242	\$ 14,558,478	\$ 15,734,571	\$ 15,641,168	\$ 4,956,977	\$ 96,683	\$ 9,927,692	\$ -	\$ 81,749,811
Internal revenue	14,933,405	2,548,277	448,423	1,833,760	29,815	7,338	2,739,547	( 22,540,565)	-
Total revenue	<u>\$ 35,767,647</u>	<u>\$ 17,106,755</u>	<u>\$ 16,182,994</u>	<u>\$ 17,474,928</u>	<u>\$ 4,986,792</u>	<u>\$ 104,021</u>	<u>\$ 12,667,239</u>	<u>(\$ 22,540,565)</u>	<u>\$ 81,749,811</u>
Segment profit (loss)	<u>\$ 677,999</u>	<u>\$ 632,105</u>	<u>\$ 876,677</u>	<u>\$ 509,469</u>	<u>\$ 363,503</u>	<u>\$ 44,332</u>	<u>\$ 5,072,632</u>	<u>(\$ 882,215)</u>	<u>\$ 7,294,502</u>
Total assets of segments	<u>\$ 42,365,952</u>	<u>\$ 33,573,462</u>	<u>\$ 49,522,657</u>	<u>\$ 47,341,973</u>	<u>\$ 57,931,590</u>	<u>\$ 1,322,728</u>	<u>\$ 445,975,185</u>	<u>(\$ 96,868,394)</u>	<u>\$ 581,165,153</u>

For the three-month period ended March 31, 2025									
	1st Petrochemical Div	2nd Petrochemical Div	3rd Petrochemical Div	Plastics Division	Formosa Taffeta Co., Ltd.	Green Energy Division	Other divisions	Reconciliation and offset	Total
External revenue	\$ 14,999,587	\$ 14,259,834	\$ 15,382,984	\$ 18,521,850	\$ 5,450,871	\$ 56,937	\$ 10,237,326	\$ -	\$ 78,909,389
Internal revenue	15,818,706	3,664,999	355,536	1,870,929	29,456	16,244	3,301,546	( 25,057,416)	-
Total revenue	<u>\$ 30,818,293</u>	<u>\$ 17,924,833</u>	<u>\$ 15,738,520</u>	<u>\$ 20,392,779</u>	<u>\$ 5,480,327</u>	<u>\$ 73,181</u>	<u>\$ 13,538,872</u>	<u>(\$ 25,057,416)</u>	<u>\$ 78,909,389</u>
Segment profit (loss)	<u>(\$ 360,572)</u>	<u>(\$ 562,203)</u>	<u>(\$ 238,830)</u>	<u>(\$ 120,546)</u>	<u>\$ 210,572</u>	<u>\$ 35,639</u>	<u>\$ 874,874</u>	<u>(\$ 261,335)</u>	<u>(\$ 422,401)</u>
Total assets of segments	<u>\$ 37,962,913</u>	<u>\$ 33,291,134</u>	<u>\$ 49,961,975</u>	<u>\$ 55,445,355</u>	<u>\$ 50,366,567</u>	<u>\$ 1,060,967</u>	<u>\$ 376,028,089</u>	<u>(\$ 102,205,436)</u>	<u>\$ 501,911,564</u>

(4) Reconciliation for segment income (loss)

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

## Formosa Chemicals and Fibre Corporation and subsidiaries

## Loans to others

For the three-month period ended March 31, 2026

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 period ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower	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
					March 31, 2026 (Note 3)	March 31, 2026 (Note 8)				(Note 5)			Item	Value			
0	The Company	Formosa Plastics Corp.	Other receivables-related parties	Yes	\$ 4,500,000	\$ 4,500,000	\$ -	2.18	1	2	Additional operating capital	\$ -	-	\$ -	\$ 93,409,859	\$ 186,819,719	-
0	The Company	Nan Ya Plastics Corp.	Other receivables-related parties	Yes	4,500,000	4,500,000	-	2.18	1	2	Additional operating capital	-	-	-	93,409,859	186,819,719	-
0	The Company	Formosa Biomedical Technology Corp.	Other receivables-related parties	Yes	500,000	500,000	-	2.18	2	1	Additional operating capital	-	-	-	37,363,944	149,455,775	-
0	The Company	Formosa Heavy Industries Corp.	Other receivables-related parties	Yes	6,216,600	6,216,600	516,600	2.18	2	1	Additional operating capital	-	-	-	74,727,887	149,455,775	-
0	The Company	Formosa Carpet Corp.	Other receivables-related parties	Yes	100,000	100,000	-	2.18	2	1	Additional operating capital	-	-	-	37,363,944	149,455,775	-
0	The Company	Hong Jing Resources Corp.	Other receivables-related parties	Yes	500,000	500,000	-	2.18	2	1	Additional operating capital	-	-	-	37,363,944	149,455,775	-
0	The Company	Formosa Plastics Construction Corp.	Other receivables-related parties	Yes	150,000	150,000	-	2.18	2	1	Additional operating capital	-	-	-	74,727,887	149,455,775	-
0	The Company	Formosa Petrochemical Corp.	Other receivables-related parties	Yes	4,500,000	4,500,000	-	2.18	1	2	Additional operating capital	-	-	-	93,409,859	186,819,719	-

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the period ended	Balance at	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
					March 31, 2026 (Note 3)	March 31, 2026 (Note 8)							Item	Value			
1	Formosa Power (Ningbo) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co.,	Receivables from related party	Yes	\$ 4,159,530	\$ 4,159,530	\$ 4,159,530	2.10~2.40	2	1	Additional operating capital	\$ -	-	\$ -	\$ 6,073,607	\$ 6,073,607	-

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 three-month period period ended March 31, 2026

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) D.

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

Note 7 : The calculation of line of credit:

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

The ceiling on loans granted by a the Company to subsidiary or among the Company's subsidiaries shall not be more than 10% of the Company's net assets.

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

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

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

Formosa Chemicals and Fibre Corporation and subsidiaries  
Provision of endorsements and guarantees to others  
For the three-month period ended March 31, 2026

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of March 31, 2026 (Note 4)	Outstanding endorsement/ guarantee amount at March 31, 2026 (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
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Zhongshan) Co., Ltd.	2	\$ 29,522,187	\$ 895,860	\$ 895,860	\$ -	\$ -	1.97	\$ 59,044,375	Y	N	Y	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Vietnam) Co., Ltd.	2	29,522,187	959,850	959,850	240,931	-	2.11	59,044,375	Y	N	N	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Changshu) Co., Ltd.	2	29,522,187	1,119,825	1,119,825	23,145	-	2.47	59,044,375	Y	N	Y	-
1	Formosa Taffeta Co., Ltd.	Formosa Taffeta (Dong Nai) Co., Ltd.	2	29,522,187	3,311,483	3,311,483	1,362,303	-	7.29	59,044,375	Y	N	N	-

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

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

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

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

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

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

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

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

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

Formosa Chemicals and Fibre Corporation and subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
For the three-month period ended March 31, 2026

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 March 31, 2026				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	\$ 1,899,472	-	\$ 1,899,472	-
The Company	Stocks_Formosa Plastics Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	486,978,694	22,352,322	7.65	22,352,322	-
The Company	Stocks_Nan Ya Plastics Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	413,327,750	30,544,921	5.21	30,544,921	-
The Company	Stocks_Nan Ya Technology Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	272,843,409	54,159,417	8.81	54,159,417	-
The Company	Stocks_Formosa Union Chemical Corp.	-	Financial assets at fair value through other comprehensive income - current	14,723,422	262,077	3.09	262,077	-
The Company	Stocks_Asia Pacific Investment Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	63,621,500	1,768,041	14.97	1,768,041	-
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	836,356	17.98	836,356	-
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	10,348,282	2.93	10,348,282	-
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	36,257	0.79	36,257	-
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	-

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of March 31, 2026				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
The Company	Stocks_Chinese Television System Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,376,202	\$ 20,269	1.41	\$ 20,269	-
The Company	Stocks_Formosa Plastics Maritime Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	4,766,450	-	18.22	-	-
The Company	Stocks_Formosa Development Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	20,471,042	248,723	18.00	248,723	-
The Company	Stocks_Formosa Network Technology Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	2,925,000	342,956	12.50	342,956	-
The Company	Stocks_Formosa Plastics Marine Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	16,234,425	409,270	15.00	409,270	-
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	12,599,116	19.00	12,599,116	-
The Company	Stocks_Guangyuan Investment Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,343,750	22,008	3.91	22,008	-
The Company	Stocks_Mega Growth Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	491,932	2,957	1.97	2,957	-
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	7,151,500	11.43	7,151,500	-
The Company	Stocks_Luminescence Technology Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,500,000	120,000	9.04	120,000	-
Formosa Biomedical Technology Corp.	Stocks_Formosa Union Chemical Corp.	-	Financial assets at fair value through other comprehensive income - current	865,373	15,404	0.18	15,404	-
Formosa Biomedical Technology Corp.	Stocks_Maxigen Biotech Inc.	-	Financial assets at fair value through other comprehensive income - current	8,702,040	368,096	9.70	368,096	-
Formosa Biomedical Technology Corp.	Stocks_Formosa Smart Energy Tech Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	85,000,000	833,000	5.00	833,000	-
Formosa Biomedical Technology Corp.	Stocks_Formosa Network Technology Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	82,120	9,629	0.35	9,629	-

Table 3, Page 2

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of March 31, 2026				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Formosa Biomedical Technology Corp.	Stocks_Taiwan Leader Biotech Corp.	-	Financial assets at fair value through other comprehensive income - non-current	1,008,000	\$ 14,334	4.24	\$ 14,334	-
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	3,712	0.47	3,712	-
Formosa Biomedical Technology Corp.	Stocks_United Biopharma (Cayman), Inc.	-	Financial assets at fair value through other comprehensive income - non-current	24,295,154	-	10.59	-	-
Formosa Biomedical Technology Corp.	Stocks_UBI Pharma Inc.	-	Financial assets at fair value through other comprehensive income - non-current	3,418,109	59,749	2.89	59,749	-
Formosa Biomedical Technology Corp.	Stocks_Apexcella Biomedical Inc	-	Financial assets at fair value through other comprehensive income - non-current	3,600,000	5,868	6.50	5,868	-
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	16,200	14.92	16,200	-
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	19,719	12.73	19,719	-
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	547,025	-	547,025	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	29	-	29	-
Formosa Taffeta Co., Ltd.	Stocks_Nan Ya Plastics Corp.	Other related parties	Financial assets at fair value through other comprehensive income - current	482,194	35,634	0.01	35,634	-
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	277,900	2.35	277,900	-
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	1,530,636	0.25	1,530,636	-

Table 3, Page 3

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of March 31, 2026				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Formosa Taffeta Co., Ltd.	Stocks_Formosa Petrochemical Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	365,267,576	\$ 20,126,244	3.83	\$ 20,126,244	-
Formosa Taffeta Co., Ltd.	Stocks_Syntronix Corporation	-	Financial assets at fair value through other comprehensive income - non-current	234,166	5,475	0.54	5,475	-
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	49,922	10.00	49,922	-
Formosa Taffeta Co., Ltd.	Stocks_Shin Yun Natural Gas Corp.	-	Financial assets at fair value through other comprehensive income - non-current	1,045,620	27,123	1.20	27,123	-
Formosa Taffeta Co., Ltd.	FG INC	Other related parties	Financial assets at fair value through other comprehensive income - non-current	600	265,893	3.00	265,893	-
Formosa Taffeta Co., Ltd.	NKFG Co	Other related parties	Financial assets at fair value through other comprehensive income - non-current	1,838,426	15,185	1.16	15,185	-
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	2,407,426	3.85	2,407,426	-
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	36,188	0.13	36,188	-

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 (14).

Formosa Chemicals and Fibre Corporation and subsidiaries  
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more  
For the three-month period ended March 31, 2026

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 (Note 1)		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	Formosa Plastics Corp.	Other related parties	Sales	(\$ 556,252)	( 1)	30 days	\$ -	-	\$ 293,006	2	-
The Company	Nan Ya Plastics Corp.	Other related parties	Sales	( 3,751,269)	( 8)	30 days	-	-	1,908,452	11	-
The Company	Formosa Taffeta Co., Ltd.	Subsidiary	Sales	( 133,325)	-	60 days	-	-	Notes receivable 48,989 Accounts receivable 115,964	41 1	- -
The Company	Formosa Petrochemical Corp.	Associates	Sales	( 7,582,798)	( 16)	30 days	-	-	3,556,191	20	-
The Company	Formosa Chemicals Industries (Ningbo) Co., Ltd	Subsidiary	Sales	( 2,388,772)	( 5)	90 days	-	-	1,174,298	7	-
The Company	Formosa Idemitsu Petrochemical Corp.	Subsidiary	Sales	( 1,463,288)	( 3)	30 days	-	-	446,045	3	-
The Company	Formosa Plastics Corp., U.S.A.	Other related parties	Sales	( 405,919)	( 1)	90 days	-	-	475,958	3	-
The Company	Formosa Plastics Corp.	Other related parties	Purchases	641,289	2	30 days	-	-	( 269,103)	( 2)	-
The Company	Nan Ya Plastics Corporation	Other related parties	Purchases	925,409	2	30 days	-	-	( 403,263)	( 3)	-
The Company	Formosa Petrochemical Corp.	Associates	Purchases	31,282,809	79	30 days	-	-	( 9,880,606)	( 72)	-
Formosa Idemitsu Petrochemical Corp.	The Company	Parent company	Sales	( 225,664)	( 13)	30 days	-	-	104,835	15	-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals Taiwan Corp.	Associates	Sales	( 330,249)	( 19)	30 days after closing date	-	-	108,271	15	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)			Footnote (Note 1)
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Formosa Idemitsu Petrochemical Corp.	Idemitsu Compounding Plastics (Guangzhou) Co., Ltd	Associates	Sales	(\$ 138,536)	( 8)	30 days after closing date	\$ -	-	\$ 61,993	9	-	
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals Japan Corp.	Associates	Sales	( 160,165)	( 9)	30 days after closing date	-	-	63,888	9	-	
Formosa INEOS Chemicals Corp.	The Company	Parent company	Sales	( 146,634)	( 12)	30 days	-	-	61,745	-	-	
Formosa INEOS Chemicals Corp.	INEOS ACETYLS (MALAYSIA) SDN BHD	Associates	Sales	( 604,246)	( 50)	90 days after shipped	-	-	711,357	72	-	
Formosa INEOS Chemicals Corp.	Formosa Petrochemical Corp.	Associates	Sales	( 129,830)	( 11)	45 days	-	-	36,830	-	-	
Formosa INEOS Chemicals Corp.	Formosa Petrochemical Corp.	Associates	Purchases	685,927	68	45 days	-	-	( 322,185)	( 80)	-	
Formosa Power (Ningbo) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Associates	Sales	( 707,463)	( 45)	30 days	-	-	268,157	44	-	
Formosa Power (Ningbo) Co., Ltd.	Formosa Plastics (Ningbo) Co., Ltd.	Other related parties	Sales	( 609,560)	( 39)	30 days	-	-	230,056	37	-	
Formosa Power (Ningbo) Co., Ltd.	Nan Ya Plastics (Ningbo) Corp.	Other related parties	Sales	( 180,689)	( 11)	30 days	-	-	79,041	13	-	
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Nan Ya Plastics (Ningbo) Corp.	Other related parties	Sales	( 1,948,849)	( 8)	90 days	-	-	1,017,443	10	-	
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Formosa Industries Corp.	Associates	Sales	( 112,346)	-	30 days	-	-	113,798	1	-	
Formosa Industries Corp.	The Company	Parent company	Sales	( 470,183)	( 11)	60 days	-	-	198,024	13	-	
Formosa Industries Corp.	Nan Ya Plastics Corporation	Other related parties	Sales	( 125,660)	( 3)	30 days	-	-	50,398	3	-	
Formosa Industries Corp.	Nan Ya Plastics Corporation	Other related parties	Purchases	190,525	6	30 days	-	-	( 192,756)	( 30)	-	

Table 4, Page 2

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions (Note 1)			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 Taffeta Co., Ltd.	Formosa Petrochemical Corp.	Associates	Purchases	\$ 2,192,470	57	Pay every 15 days by mail transfer	\$ -	-	(\$ -)	452,142	(64)	-
Formosa Taffeta Co., Ltd.	Nan Ya Plastics Corporation	Other related parties	Purchases	133,859	3	Pay by mail transfer on the 15th of the following month	-	-	( -)	51,811	(7)	-

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

Formosa Chemicals and Fibre Corporation and subsidiaries  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
For the three-month period ended March 31, 2026

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2026		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	\$	293,006	9.43	\$	-	\$	293,006	\$	-
The Company	Nan Ya Plastics Corp.	Other related parties		1,908,452	9.98		-		1,908,452		-
The Company	Formosa Taffeta Co., Ltd.	Subsidiary	Notes receivable	48,989	3.15		-		40,602		-
			Accounts receivable	115,964			-		32,822		-
The Company	Formosa Petrochemical Corp.	Associates		3,556,191	10.65		-		3,556,191		-
The Company	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Subsidiary	Accounts receivable	1,174,298	5.53		-		950,186		-
			Other receivables	146,629			-		146,629		-
The Company	Formosa Idemitsu Petrochemical Corp.	Subsidiary		446,045	11.20		-		446,045		-
The Company	Formosa Plastic Corp. U.S.A.	Other related parties		475,958	4.71		-		69,724		-
Formosa INEOS Chemicals Corp.	INEOS SINGAPORE PTE. LTD	Associates		711,357	6.80		-		365,455		-
Formosa Idemitsu Petrochemical Corp.	The Company	Parent company		104,835	15.08		-		104,835		-
Formosa Idemitsu Petrochemical Corp.	Idemitsu Chemicals Taiwan Corp.	Associates		108,271	14.75		-		108,271		-
Formosa Power (Ningbo) Co., Ltd.	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Associates		268,157	10.11		-		268,157		-
Formosa Power (Ningbo) Co., Ltd.	Formosa Plastics (Ningbo) Co., Ltd.	Other related parties		230,056	9.71		-		229,451		-
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Nan Ya Plastics (Ningbo) Corp.	Other related parties		1,017,443	10.63		-		1,008,049		-
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Formosa Industries Corp.	Associates		113,798	7.90		-		90,426		-
Formosa Industries Corp.	The Company	Parent company		198,024	9.21		-		113,251		-

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

Formosa Chemicals and Fibre Corporation and subsidiaries  
 Significant inter-company transactions during the reporting period  
 For the three-month period ended March 31, 2026

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	(\$ 2,388,772)	In regular terms	( 3)

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

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

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

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

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

Formosa Chemicals and Fibre Corporation and subsidiaries  
Information on investees (Excluding those in Mainland China)  
For the three-month period ended March 31, 2026

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 March 31, 2026			Net profit (loss) of the investee for the three- month period ended March 31, 2026	Investment income (loss) recognised by the Company for the three- month period ended March 31, 2026	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value			
The Company	Formosa Taffeta Co., Ltd.	Taiwan	Spinning	\$ 719,003	\$ 719,003	630,022,431	37.40	\$ 16,545,549	\$ 336,603	\$ 125,890	-
The Company	Formosa Heavy Industries Corp.	Taiwan	Machinery	2,497,721	2,497,721	661,334,402	32.91	6,163,322 (	52,904) (	17,411)	-
The Company	Formosa Plastics Transport Corp.	Taiwan	Transportation	299,272	299,272	6,566,384	33.33	1,489,070	48,009	16,001	-
The Company	Formosa Petrochemical Corp.	Taiwan	Chemistry	25,842,468	25,842,468	2,300,799,801	24.15	90,131,826	20,407,731	4,634,876	-
The Company	Mai-Liao Power Corp.	Taiwan	Electricity generation	5,985,531	5,985,531	868,820,230	24.94	19,412,551	83,179	20,745	-
The Company	FCFC Investment Corp. (Cayman)	Cayman Islands	Investments	34,012,602	34,012,602	58,000	100.00	59,668,297	538,663	538,663	-
The Company	Hwa Ya Science Park Management Consulting Co, Ltd.	Taiwan	Management	340	340	33,000	33.00	5,292	137	45	-
The Company	Chia-Nan Enterprise Corporation	Taiwan	Electricity generation	321,413	321,413	21,163,000	51.00	388,400	37,491	19,121	-
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	724,693 (	18,187) (	26,194)	-
The Company	Formosa Industries Corp.	Vietnam	Textile, polyester staple fibre, cotton, and electricity generation	8,435,801	8,435,801	-	42.50	4,789,663	149,170	63,398	-
The Company	Formosa INEOS Chemicals Corp.	Taiwan	Chemistry, international of petrochemistry	1,201,500	1,201,500	120,150,000	50.00	1,700,188	17,706	7,303	-

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three- month period ended March 31, 2026	Investment income (loss) recognised by the Company for the three- month period ended March 31, 2026	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	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	\$ 249,736	\$ 8,743	\$ 2,128	-
The Company	Formosa Biomedical Technology Corp.	Taiwan	Manufacturing and sale of cosmetics	1,566,879	1,566,879	147,556,136	88.59	2,538,398	58,987	52,256	-
The Company	Formosa Carpet Corp.	Taiwan	Yarn spinning mills, finishing of textiles and carpet manufacturing	300,000	300,000	22,037,185	100.00	158,456	( 8,808)	( 8,808)	-
The Company	Guo Su Plastic Industry Co., Ltd.	Taiwan	Manufacture of synthetic resin and plastic products	9,800	9,800	980,000	24.50	612	( 4,243)	( 1,040)	-
The Company	Formosa Synthetic Rubber (Hong Kong) Co., Ltd.	Hong Kong	Investments	4,214,914	4,214,914	138,333,334	33.34	1,305,287	( 121,415)	( 40,482)	-
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	3,567,175	( 2,452,412)	( 613,103)	-
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	1,103,901	155,851	51,945	-
The Company	FG INC.	United States	Investments	3,413,031	3,413,031	6,000	30.00	3,319,138	( 4,221)	( 1,314)	-
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	3,328,878	233,331	57,002	-
The Company	Formosa Renewable Energy Corporation	Taiwan	Renewable energy technical services	50,000	50,000	5,000,000	100.00	50,676	-	-	-

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three- month period ended March 31, 2026	Investment income (loss) recognised by the Company for the three- month period ended March 31, 2026	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	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	\$ 5,114	\$ 347	\$ 347	-
FCFC Investment Corp. (Cayman)	Formosa Chemicals & Fibre (Hong Kong) Co., Ltd.	Hong Kong	Investments	29,959,815	29,959,815	-	100.00	44,527,998	391,394	391,394	-
Formosa Biomedical Technology Corp.	Beyoung International Corp.	Taiwan	International trading	98,000	98,000	1,267,400	35.62	97,598 (	1,958) (	796)	-
Formosa Biomedical Technology Corp.	Hong Jing Resources Corp.	Taiwan	Recycle of spent catalyst	812,118	812,118	34,878,245	90.59	905,509	57,928	52,477	-
Formosa Biomedical Technology Corp.	Formosa Biomedical Technology (Samoa) Co., Ltd.	Samoa	Investments	29,610	29,610	-	100.00	36,727	3,145	3,145	-
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	61,430	9,659	5,506	-
Formosa Biomedical Technology Corp.	Formosa Bio& Energy Crop. (Japan)	Japan	Manufacturing and sale of battery energy storage systems and related products	28,025	28,025	123,105	57.50	10,567 (	7,628) (	886)	-
Formosa Biomedical Technology Corp.	Ivy Life Sciences Co., Ltd.	Taiwan	Research and development and clinical application of cell therapy technologies	758,785	758,785	62,716,224	51.31	759,578 (	911) (	468)	-

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three- month period ended March 31, 2026	Investment income (loss) recognised by the Company for the three- month period ended March 31, 2026	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	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	\$ 7,319	(\$ 510)	(\$ 357)	-
Formosa Biomedical Technology Corp.	Formosatree Co., Ltd.	Taiwan	Operation of energy Storage	459,000	237,000	45,900,000	30.00	456,107	( 2,581)	( 774)	-
Formosa Biomedical Technology Corp.	Formosa Biomedical Material Technology Corp.	Taiwan	Immunocyte capture and separation technology applications	150,000	150,000	15,000,000	76.92	142,292	( 1,935)	( 1,489)	-
Formosa Biomedical Material Technology Corp.	Health Saver Medical Co., Ltd.	Taiwan	Research and development and manufacturing of highend medical equipment	25,500	25,500	1,500,000	30.61	16,524	( 2,076)	( 636)	-
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	4,112,182	47,259	47,259	-
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	5,363,313	426,351	130,804	-
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	235,328	40,660	40,660	-

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value	of the investee for the three- month period ended March 31, 2026	recognised by the Company for the three- month period ended March 31, 2026	
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	\$ 2,634,738	\$ 38,953	\$ 38,953	-
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	299,348	19,953,715	17.59	1,497,615 (	7,089) (	855)	-
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	1,219,947	149,170	14,917	-
Formosa Taffeta Co., Ltd.	Schoeller Textil AG	Switzerland	Textile R&D, production and sales	1,285,507	1,285,507	21,874	50.00	601,563 (	27,461) (	14,214)	-
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	206,160	11,581	2,221	-
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	2,518,329	5,246	5,246	-

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value	of the investee for the three- month period ended March 31, 2026	recognised by the Company for the three- month period ended March 31, 2026	
Formosa Development Co., Ltd.	Formosa Advanced Technologies Co., Ltd.	Taiwan	IC assembly, testing and modules	\$ 21,119	\$ 21,119	469,500	0.11	\$ 18,365	\$ 426,351	\$ 454	-
Formosa Development Co., Ltd.	Public More Internation Co., Ltd.	Taiwan	Employment service, manpower allocation and agency service	5,000	5,000	-	100.00	17,760	1,454	1,454	-
Public More Internation Co., Ltd.	Kuang Yuch 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	1,758 (	7,089) (	1)	-

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 March 31, 2026' 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 three-month period ended March 31, 2026' 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 three-month period ended March 31, 2026' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Formosa Chemicals and Fibre Corporation and subsidiaries  
Information on investments in Mainland China  
For the three-month period ended March 31, 2026

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, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income of investee for the period ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the period ended March 31, 2026	Book value of investments in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	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	\$ 147,268	100.00	\$ 147,268	\$ 15,184,017	\$ 5,273,162	-
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Production and market of PTA	35,575,404	1	29,959,815	-	-	29,959,815	391,394	100.00	391,394	44,527,998	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	( 121,415)	33.00	( 40,480)	1,305,287	-	-
Formosa Biomedical Trading (Shanghai) Co., Ltd.	Investments	29,610	1	29,610	-	-	29,610	3,145	100.00	3,145	36,727	-	-
Formosa Taffeta (Zhong Shan) Co., Ltd.	Production and sale of polyester and polyamide fabrics	1,402,085	2	1,402,085	-	-	1,402,085	42,918	100.00	42,918	2,642,336	248,838	3

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income of investee for the period ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the period ended March 31, 2026	Book value of investments in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	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	(\$ 1,272)	100.00	(\$ 1,272)	\$ 1,310,735	\$ -	4	

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

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others
- (4) Formosa Power (Ningbo) Co., Ltd. is an investee company in Mainland China through the Company's investee - FCFC Investment Corp. (Cayman).  
Formosa Chemicals Industries (Ningbo) Co., Ltd., Formosa PS (Ningbo) Co., Ltd., Formosa ABS Plastics (Ningbo) Co., Ltd. and Formosa Phenol (Ningbo) Limited Co. were investee companies in Mainland China through the Company's investee - FCFC Investment Corp. (Cayman). After share structure adjustment in 2008 and 2014, the parent company of the 4 investees became Formosa Chemicals & Fibre (Hong Kong) Co., Ltd. Formosa Chemicals & Fibre (Hong Kong) Co., Ltd. is a wholly-owned subsidiary through reinvestment of FCFC Investment Corp. (Cayman).  
The Company reorganised its investment structure through a merger of 4 investees in Mainland China, namely, Formosa Chemicals Industries (Ningbo) Co., Ltd., Formosa ABS Plastics (Ningbo) Co., Ltd., Formosa PS (Ningbo) Co., Ltd. and Formosa Phenol (Ningbo) Limited Co. After the effective date of January 2, 2018, Formosa Chemicals Industries (Ningbo) Co., Ltd. was the surviving entity.  
The proposal had been resolved by Board of Directors on November 4, 2016. (Samoa) Co., Ltd..  
Formosa Synthetic Rubber (Ningbo) Co., Ltd. is an investee company in Mainland China through the investee - Formosa Synthetic Rubber (Hong Kong) Co., Ltd..  
Formosa Biomedical Trading (Shanghai) Co., Ltd. is an investee company in Mainland China through the investee - Formosa Biomedical (Samoa) Co., Ltd..  
Formosa Taffeta (Changshu) Co., Ltd. is an investee company in Mainland China through the subsidiary - Formosa Taffeta (Hong Kong) Co., Ltd..  
The Company is the surviving company after the consolidation of Changshu Yu Yuan Development Co., Ltd. and Changshu Fushun Enterprise Management Co., Ltd. It's paid-in capital is RMB\$13,592,920.

Note 2: The investment income (loss) recognised in the current period was based on the financial statements that were not reviewed by the independent auditors, except for Formosa Chemicals Industries (Ningbo) Co., Ltd whose financial statements were reviewed by the parent company's CPA.

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 March 31, 2026	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	\$ 45,527,687	Note

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

Formosa Chemicals and Fibre Corporation and subsidiaries

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

For the three-month period ended March 31, 2026

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 March 31, 2026	%	Balance at March 31, 2026	Purpose	Maximum balance during the three-month period ended March 31, 2026	Balance at March 31, 2026	Interest rate	Interest during the three-month period ended March 31, 2026	Others
Formosa Taffeta (Zhongshan) Co., Ltd.	\$ 66	0.00	\$ -	-	\$ -	-	\$ 895,860	For short-term loans from financial institutions	\$ -	\$ -	-	\$ -	-
Formosa Taffeta (Changshu) Co., Ltd.	1,796	0.04	-	-	619	0.04	1,119,825	For short-term loans from financial institutions	-	-	-	-	-