

**FORMOSA TAFFETA CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2026 AND 2025**

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.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Formosa Taffeta Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Formosa Taffeta Co., Ltd. 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 months 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” 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(6), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Those statements reflect total assets (including investments accounted for using the equity method) of NT\$16,310,802 thousand and NT\$16,578,052 thousand, constituting 27% and 31% of the consolidated total assets, and total liabilities of NT\$3,326,244 thousand and NT\$3,432,726 thousand, constituting 21% and 20% of the consolidated total liabilities as at March 31, 2026 and 2025, respectively, and total comprehensive income (including share of profit of associates accounted for using the equity method and share of other comprehensive income of associates) amounting to NT\$142,723 thousand and NT\$52,475 thousand, both constituting 4% of the total comprehensive income for the three months 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 been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, 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 months then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Juanlu, Man-Yu

Lin, Ya-Hui

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 8, 2026

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

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

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2026		December 31, 2025		March 31, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 3,214,804	5	\$ 3,227,056	6	\$ 3,750,903	7
1120	Current financial assets at fair value through other comprehensive income	6(2)	860,587	1	651,397	1	523,408	
1136	Current financial assets at amortized cost	6(3)	266,637	1	235,007	-	293,960	1
1150	Notes receivable, net	6(4)	14,253	-	38,149	-	15,590	-
1160	Notes receivable - related parties	7	3,854	-	4,714	-	9,720	-
1170	Accounts receivable, net	6(4)	2,675,968	4	2,097,022	4	2,797,648	5
1180	Accounts receivable - related parties	7	323,427	1	223,277	-	418,654	1
1200	Other receivables	7	580,537	1	453,561	1	361,255	1
130X	Inventory	6(5)	6,785,027	11	7,112,249	13	7,097,840	13
1410	Prepayments		404,927	1	404,660	1	417,369	1
1470	Other current assets		142,120	-	158,616	-	171,573	-
11XX	Total current assets		15,272,141	25	14,605,708	26	15,857,920	30
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	24,427,904	40	21,401,377	37	16,516,997	31
1535	Non-current financial assets at amortised cost	6(1)(3) and 8	1,128,280	2	1,080,121	2	1,018,827	2
1550	Investments accounted for using the equity method	6(6)	8,908,721	14	8,636,516	15	8,446,201	15
1600	Property, plant and equipment	6(7) and 8	9,701,566	16	9,679,192	17	10,125,152	19
1755	Right-of-use assets	6(8)	1,024,135	2	1,055,220	2	1,096,679	2
1760	Investment property, net	6(9)	447,765	1	453,447	1	481,000	1
1840	Deferred income tax assets		108,615	-	107,622	-	109,635	-
1900	Other non-current assets		127,473	-	119,160	-	45,649	-
15XX	Total non-current assets		45,874,459	75	42,532,655	74	37,840,140	70
1XXX	Total assets		\$ 61,146,600	100	\$ 57,138,363	100	\$ 53,698,060	100

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FORMOSA TAFFETA CO., LTD. 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	%
Current liabilities								
2100	Short-term borrowings	6(10) and 8	\$ 2,317,516	4	\$ 1,967,735	3	\$ 2,316,141	4
2130	Current contract liabilities		-	-	10,890	-	-	-
2150	Notes payable		152,986	-	147,479	-	150,413	-
2160	Notes payable - related parties	7	46,145	-	46,691	-	29,843	-
2170	Accounts payable		732,979	1	939,360	2	888,442	2
2180	Accounts payable - related parties	7	703,807	1	664,825	1	814,841	2
2200	Other payables	6(11) and 7	1,826,813	3	1,035,178	2	2,477,926	5
2230	Current income tax liabilities		64,331	-	37,855	-	92,058	-
2280	Current lease liabilities		170,222	1	115,271	-	170,173	-
2399	Other current liabilities		331,834	1	364,871	1	446,175	1
21XX	Total current liabilities		6,346,633	11	5,330,155	9	7,386,012	14
Non-current liabilities								
2540	Long-term borrowings	6(12)	8,200,000	13	8,200,000	15	8,200,000	15
2570	Deferred income tax liabilities		379,992	1	369,179	1	339,917	1
2580	Non-current lease liabilities		671,642	1	764,633	1	733,125	1
2600	Other non-current liabilities		129,583	-	136,075	-	179,074	-
25XX	Total non-current liabilities		9,381,217	15	9,469,887	17	9,452,116	17
2XXX	Total liabilities		15,727,850	26	14,800,042	26	16,838,128	31
Equity attributable to owners of parent								
	Share capital	6(14)						
3110	Common stock		\$ 16,846,646	28	\$ 16,846,646	29	\$ 16,846,646	31
	Capital surplus	6(15)						
3200	Capital surplus		955,111	1	955,115	2	952,908	2
	Retained earnings	6(16)						
3310	Legal reserve		9,529,430	16	9,529,430	17	9,390,760	18
3320	Special reserve		3,322,683	5	3,322,683	6	2,214,578	4
3350	Unappropriated retained earnings		6,467,622	11	6,973,351	12	7,472,091	14
	Other equity interest	6(17)						
3400	Other equity interest		8,316,322	13	4,730,160	8	2,013	-
3500	Treasury stocks	6(14)	(19,064)	-	(19,064)	-	(19,064)	-
31XX	Equity attributable to owners of the parent		45,418,750	74	42,338,321	74	36,859,932	69
3XXX	Total equity		45,418,750	74	42,338,321	74	36,859,932	69
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant event after the balance sheet date	11						
3X2X	Total liabilities and equity		\$ 61,146,600	100	\$ 57,138,363	100	\$ 53,698,060	100

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

FORMOSA TAFFETA CO., LTD. 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 per share amount)

Items		Notes	Three months ended March 31			
			2026		2025	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(18) and 7	\$ 6,979,321	100	\$ 7,687,773	100
5000	Operating costs	6(5)(22)(23) and 7	(6,199,209) (89)		(6,822,299) (89)	
5900	Net operating margin		780,112	11	865,474	11
	Operating expenses	6(22)(23) and 7				
6100	Selling expenses		(395,396) (5)		(426,198) (6)	
6200	General and administrative expenses		(186,053) (3)		(166,289) (2)	
6000	Total operating expenses		(581,449) (8)		(592,487) (8)	
6900	Operating profit		198,663	3	272,987	3
	Non-operating income and expenses					
7100	Interest income	6(19)	23,904	1	17,164	1
7010	Other income	6(20)	79,267	1	77,010	1
7020	Other gains and losses	6(21)	17,782	-	8,812	-
7050	Finance costs	6(24)	(66,787) (1)		(72,798) (1)	
7060	Share of profit (loss) of associates and joint ventures accounted for using the equity method	6(6)	133,326	2	(61,671) (1)	
7000	Total non-operating income and expenses		187,492	3	(31,483)	-
7900	Profit before income tax		386,155	6	241,504	3
7950	Income tax expense	6(25)	(49,552) (1)		(54,431) (1)	
8200	Profit for the period		\$ 336,603	5	\$ 187,073	2

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FORMOSA TAFFETA CO., LTD. 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 per share amount)

		Three months ended March 31			
		2026		2025	
Items	Notes	AMOUNT	%	AMOUNT	%
Other comprehensive income	6(2)(17)				
Components of other comprehensive income that will not be reclassified to profit or loss					
8316 Unrealized gains on valuation of financial assets at fair value through other comprehensive income		\$ 3,235,717	46	\$ 1,003,855	13
8320 Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method		111,472	2	(12,202)	-
8310 Other comprehensive income that will not be reclassified to profit or loss		3,347,189	48	991,653	13
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		168,845	2	80,728	1
8370 Share of other comprehensive income of associates and joint ventures accounted for using the equity method		70,128	1	37,737	1
8360 Other comprehensive income that will be reclassified to profit or loss		238,973	3	118,465	2
8300 Total other comprehensive income for the period		<u>\$ 3,586,162</u>	<u>51</u>	<u>\$ 1,110,118</u>	<u>15</u>
8500 Total comprehensive income for the period		<u>\$ 3,922,765</u>	<u>56</u>	<u>\$ 1,297,191</u>	<u>17</u>
Profit attributable to:					
8610 Owners of the parent		\$ 336,603	5	\$ 187,073	2
8620 Non-controlling interest		-	-	-	-
		<u>\$ 336,603</u>	<u>5</u>	<u>\$ 187,073</u>	<u>2</u>
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 3,922,765	56	\$ 1,297,191	17
8720 Non-controlling interest		-	-	-	-
		<u>\$ 3,922,765</u>	<u>56</u>	<u>\$ 1,297,191</u>	<u>17</u>
		Before Tax	After Tax	Before Tax	After Tax
Basic and diluted earnings per share (in dollars)	6(26)				
Profit attributable to common shareholders of the parent		<u>\$ 0.22</u>	<u>\$ 0.20</u>	<u>\$ 0.13</u>	<u>\$ 0.11</u>
Assuming shares held by subsidiaries are not deemed as treasury stock:					
Profit attributable to common shareholders of the parent		<u>\$ 0.22</u>	<u>\$ 0.20</u>	<u>\$ 0.12</u>	<u>\$ 0.11</u>

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

FORMOSA TAFFETA CO., LTD. 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							
		Retained Earnings				Other Equity Interest			
							Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
Notes		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Treasury stocks	Total equity
<u>Three months ended March 31, 2025</u>									
		\$ 16,846,646	\$ 952,952	\$ 9,390,760	\$ 2,214,578	\$ 8,632,750	(\$ 618,138)	(\$ 489,967)	(\$ 19,064) \$ 36,910,517
	Profit for the period	-	-	-	-	187,073	-	-	187,073
	Other comprehensive income	-	-	-	-	-	118,465	991,653	- 1,110,118
	Total comprehensive income	-	-	-	-	187,073	118,465	991,653	- 1,297,191
	Appropriation of 2024 earnings	6(16)							
	Cash dividends	-	-	-	-	(1,347,732)	-	-	(1,347,732)
	Paid expired cash dividends transferred to capital surplus	6(15)	-	(44)	-	-	-	-	(44)
	Balance at March 31, 2025	\$ 16,846,646	\$ 952,908	\$ 9,390,760	\$ 2,214,578	\$ 7,472,091	(\$ 499,673)	\$ 501,686	(\$ 19,064) \$ 36,859,932
<u>Three months ended March 31, 2026</u>									
	Balance at January 1, 2026	\$ 16,846,646	\$ 955,115	\$ 9,529,430	\$ 3,322,683	\$ 6,973,351	(\$ 1,219,167)	\$ 5,949,327	(\$ 19,064) \$ 42,338,321
	Profit for the period	-	-	-	-	336,603	-	-	336,603
	Other comprehensive income	-	-	-	-	-	238,973	3,347,189	- 3,586,162
	Total comprehensive income	-	-	-	-	336,603	238,973	3,347,189	- 3,922,765
	Appropriation of 2025 earnings	6(16)							
	Cash dividends	-	-	-	-	(842,332)	-	-	(842,332)
	Paid expired cash dividends transferred to capital surplus	6(15)	-	(4)	-	-	-	-	(4)
	Balance at March 31, 2026	\$ 16,846,646	\$ 955,111	\$ 9,529,430	\$ 3,322,683	\$ 6,467,622	(\$ 980,194)	\$ 9,296,516	(\$ 19,064) \$ 45,418,750

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

FORMOSA TAFFETA CO., LTD. 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
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 386,155	\$ 241,504
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(9)(22)	320,232	347,471
Interest expense	6(8)(24)	66,787	72,798
Interest income	6(19)	(23,904)	(17,164)
Dividend income	6(20)	(5,040)	(5,040)
Share of (profit) loss of associates and joint ventures accounted for using the equity method	6(6)	(133,326)	61,671
Loss on disposal and scrap of property, plant and equipment	6(21)	106	1,175
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		23,896	(1,089)
Notes receivable - related parties		860	(3,284)
Accounts receivable, net		(579,721)	(412,693)
Accounts receivable - related parties		(100,150)	(196,455)
Other receivables		(121,422)	(49,847)
Inventory		327,222	479,497
Prepayments		(554)	(136,801)
Other current assets		16,496	3,710
Changes in operating liabilities			
Current contract liabilities		(10,890)	-
Notes payable		5,507	15,529
Notes payable - related parties		(546)	(7,564)
Accounts payable		(206,381)	1,340
Accounts payable - related parties		38,982	(122,141)
Other payables		(35,233)	131,031
Other current liabilities		(33,037)	14,800
Other non-current liabilities		(6,492)	(16,538)
Cash (outflow) inflow generated from operations		(70,453)	401,910
Interest received		23,390	14,282
Interest paid		(58,629)	(61,824)
Income tax paid		(13,839)	(27,805)
Net cash flows (used in) from operating activities		(119,531)	326,563

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FORMOSA TAFFETA CO., LTD. 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
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortized cost		(\$ 79,789)	\$ 6,296
Acquisition of property, plant and equipment		(222,972)	(100,708)
Proceeds from disposal of property, plant and equipment		53	53
Decrease (increase) in other non-current assets		553	(2,155)
Guarantee deposits paid		(8,866)	(3,067)
Net cash flows used in investing activities		(311,021)	(99,581)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		349,781	98,098
Increase in long-term borrowings		3,000,000	1,500,000
Payment of long-term borrowings		(3,000,000)	(1,500,000)
Payment of lease principal		(44,308)	(42,720)
Cash dividends paid		(27)	(96,197)
Net cash flows from (used in) financing activities		305,446	(40,819)
Effect of foreign exchange rate		112,854	40,062
Net (decrease) increase in cash and cash equivalents		(12,252)	226,225
Cash and cash equivalents at beginning of period	6(1)	3,227,056	3,524,678
Cash and cash equivalents at end of period	6(1)	\$ 3,214,804	\$ 3,750,903

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

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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

1. HISTORY AND ORGANIZATION

(1) Formosa Taffeta Co., Ltd. (the “Company”) was incorporated on April 19, 1973 under the provisions of the Company Law of the Republic of China (R.O.C.). Factories were established in Douliou City of Yulin County, R.O.C. On December 24, 1985, the Company’s common stock was officially listed on the Taiwan Stock Exchange. The major operations of the Company’s various departments are as follows:

<u>Business departments</u>	<u>Major activities</u>
Primary department: Fabrics, dyeing and others	Amine fabrics, polyester fabrics, cotton fabrics, blending fabrics and umbrella ribs
Secondary department: Cord fabrics, petroleum	Cord, plastic bags, refineries for gasoline, diesel, crude oil and the related petroleum products, cotton fibers, blending fibers and protection fibers

(2) Formosa Chemicals & Fiber Corp. has significant control over the Company since Formosa Chemicals & Fiber Corp. holds over half of the Board seats after the stockholders’ meeting on June 27, 2008. Since June 27, 2008, Formosa Chemicals & Fiber Corp. became the Company’s parent company and accordingly, the Company and its subsidiaries are included in its consolidated financial statements.

(3) As of March 31, 2026, the Company and its subsidiaries (collectively referred herein as the “Group”) had 6,947 employees.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized 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®”) 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'

These amendments require an entity to:

- (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 derecognize a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

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

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

(d) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized 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 derecognized 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.

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. 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.
- B. The consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

- A. Except for the following items, these 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 recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment 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 recognized 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 recognized in profit or loss. All amounts previously recognized 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 recognized 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.

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	
Formosa Taffeta Co., Ltd.	Formosa Development Co., Ltd.	Urban land consolidation, development and rent and sale of residential and buildings, and development of new community and specialised zones	100	100	100	Note
Formosa Taffeta Co., Ltd.	Formosa Taffeta Vietnam Co., Ltd.	Manufacturing, processing, supply and marketing of yarn, knitted fabric, dyeing and finishing, carpets, curtains and cleaning supplies	100	100	100	Note
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Hong Kong) Co., Ltd.	Sale of nylon and polyamine goods	100	100	100	Note
Formosa Taffeta Co., Ltd.	Formosa Taffeta (Dong Nai) Co., Ltd.	Manufacturing of nylon and polyester filament products	100	100	100	Note

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	100	100	Note
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	100	100	Note
Formosa Development Co., Ltd.	Public More Internation Company Ltd.	Employment service, manpower allocation and agency service etc.	100	100	100	Note

Note : The financial statements of the entity as of and for the three months ended March 31, 2026 and 2025 were not reviewed by independent auditors as the entity did not meet the definition of 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: None.

(4) 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 recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized 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 recognize 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 recognizes 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.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized 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 recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. 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.

(5) 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 recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized 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 recognized 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 recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized 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' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized 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. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(6) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized 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 recognized, 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 recognized 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, unrecognized and recognized 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 recognized 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 recognized for the carry forward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures 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 utilized.
- G. The interim period income tax expense is recognized 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.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change during this period. Refer to Note 5 to the consolidated financial statements as of and for the year ended December 31, 2025 for related information.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	\$ 36,034	\$ 59,886	\$ 71,535
Checking accounts and demand deposits	2,717,643	2,251,994	2,527,414
Time deposits	621,066	807,510	1,247,464
Commercial paper	43,983	311,588	108,940
	<u>\$ 3,418,726</u>	<u>\$ 3,430,978</u>	<u>\$ 3,955,353</u>
Transferred to non-current financial assets measured at amortized cost	(203,922)	(203,922)	(204,450)
	<u>\$ 3,214,804</u>	<u>\$ 3,227,056</u>	<u>\$ 3,750,903</u>

- A. The Group associates 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.
- B. The range of time deposit rates on March 31, 2026, December 31, 2025 and March 31, 2025 are 1.75%~4.08%, 0.90%~4.16% and 4.48%~4.55%, respectively.
- C. The range of commercial paper rates as of March 31, 2026, December 31, 2025 and March 31, 2025 are 1.20%, 1.20%~1.30% and 1.20%, respectively.
- D. The Group repatriates the offshore fund by adopting "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act". As at March 31, 2026, total funds repatriated amounted to USD 8,426 thousand, while the balance of the bank deposit amounted to USD 5,422 thousand, equivalent to \$173,489 thousand. Although the Act restricts the usage of the fund, based on the amended IFRSs Q&A by the competent authority on January 5, 2024, the Act's restrictions on the usage of the fund does not change the nature of the deposit, therefore the deposit should still be reported as cash and cash equivalent.
- E. The Group has entered a trust contract with Mega International Commercial Bank for participation in the Urban Renewal Project of the Formosa Plastics Building and has opened a segregated trust account. The funds in the trust account should be earmarked in the term of trust for its intended purposes, such as covering construction costs, taxes, and related expenses. As of March 31, 2026, December 31, 2025 and March 31, 2025, the balance in the trust account is \$96,405, \$96,405 and \$107,133, respectively. Due to the restriction on its usage, this amount has been reclassified under "Non-current financial assets measured at amortized cost".
- F. Due to the application for a subsidy project from the Ministry of Economic Affairs, the Group has pledged a portion of its demand deposits as collateral, resulting in restricted cash amounting to \$107,517, \$107,517 and \$97,317 as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. This amount has been reclassified to "Non-current financial assets at amortized cost".
- G. The Group has no cash and cash equivalents pledged to others.

(2) 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	\$ 900,285	\$ 900,285	\$ 900,285
Unlisted stocks	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	1,000,285	1,000,285	1,000,285
Valuation adjustment	(139,698)	(348,888)	(476,877)
	<u>\$ 860,587</u>	<u>\$ 651,397</u>	<u>\$ 523,408</u>
	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Non-current items:			
Equity instruments			
Listed stocks	\$ 8,163,125	\$ 8,163,125	\$ 8,163,125
Unlisted stocks	<u>6,647,666</u>	<u>6,647,666</u>	<u>6,647,666</u>
	14,810,791	14,810,791	14,810,791
Valuation adjustment	<u>9,617,113</u>	<u>6,590,586</u>	<u>1,706,206</u>
	<u>\$ 24,427,904</u>	<u>\$ 21,401,377</u>	<u>\$ 16,516,997</u>

- A. The Group has elected to classify equity investments that are considered to be steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$25,288,491, \$ 22,052,774 and \$17,040,405 as at March 31, 2026, December 31, 2025 and March 31, 2025, respectively.
- B. Amounts recognized 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>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	<u>\$ 3,235,717</u>	<u>\$ 1,003,855</u>

- C. As at 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 \$25,288,491, \$22,052,774 and \$17,040,405, respectively.
- D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(3) Financial assets at amortized cost

Items	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Time deposit	\$ 266,637	\$ 235,007	\$ 293,960
Non-current items:			
Time deposit	\$ 924,358	\$ 876,199	\$ 814,377
Trust account	96,405	96,405	107,133
Restricted deposits	107,517	107,517	97,317
	<u>\$ 1,128,280</u>	<u>\$ 1,080,121</u>	<u>\$ 1,018,827</u>

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

	Three months ended March 31,	
	2026	2025
Interest income	\$ 6,996	\$ 7,061

B. As at 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 amortized cost held by the Group were \$1,394,917, \$1,315,128 and \$1,312,787, respectively.

C. Information relating to credit risk of financial assets at amortized 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.

(4) Notes and accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	\$ 14,253	\$ 38,149	\$ 15,590
Accounts receivable	\$ 2,708,930	\$ 2,129,209	\$ 2,842,615
Less: Allowance for bad debts	(32,962)	(32,187)	(44,967)
	<u>\$ 2,675,968</u>	<u>\$ 2,097,022</u>	<u>\$ 2,797,648</u>

A. The ageing analysis of notes and accounts receivable is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Not past due	\$ 2,681,501	\$ 2,151,072	\$ 2,814,622
Up to 30 days	30,752	10,642	29,614
31 to 90 days	1,811	459	7,187
Over 90 days	9,119	5,185	6,782
	<u>\$ 2,723,183</u>	<u>\$ 2,167,358</u>	<u>\$ 2,858,205</u>

The above ageing analysis was based on past due date.

B. 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 \$2,444,423.

C. As at 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 \$2,690,221, \$2,135,171 and \$2,813,238, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

March 31, 2026			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,121,693	(\$ 95,795)	\$ 1,025,898
Supplies	250,386	(2,366)	248,020
Work in process	2,042,559	-	2,042,559
Finished goods	3,400,817	(738,255)	2,662,562
Merchandise inventory	348,812	-	348,812
Materials in transit	134,883	-	134,883
Outsourced processed materials	233,181	-	233,181
Land for construction	89,112	-	89,112
	<u>\$ 7,621,443</u>	<u>(\$ 836,416)</u>	<u>\$ 6,785,027</u>
December 31, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,179,212	(\$ 80,984)	\$ 1,098,228
Supplies	241,015	(1,928)	239,087
Work in process	2,166,200	-	2,166,200
Finished goods	3,576,828	(736,183)	2,840,645
Merchandise inventory	250,826	-	250,826
Materials in transit	138,159	-	138,159
Outsourced processed materials	247,809	-	247,809
Land for construction	131,295	-	131,295
	<u>\$ 7,931,344</u>	<u>(\$ 819,095)</u>	<u>\$ 7,112,249</u>

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,118,168	(\$ 123,672)	\$ 994,496
Supplies	187,924	(1,984)	185,940
Work in process	2,453,382	-	2,453,382
Finished goods	3,355,549	(752,085)	2,603,464
Merchandise inventory	192,401	-	192,401
Materials in transit	262,857	-	262,857
Outsourced processed materials	271,528	-	271,528
Construction in progress	58,966	-	58,966
Land for construction	74,806	-	74,806
	<u>\$ 7,975,581</u>	<u>(\$ 877,741)</u>	<u>\$ 7,097,840</u>

Information about the inventories that were pledged to others as collateral is provided in Note 8.

The cost of inventories recognized as expense for the three months ended March 31, 2026 and 2025 were as follows:

	Three months ended March 31,	
	2026	2025
Cost of inventories sold	\$ 6,076,915	\$ 6,746,504
Inventory valuation loss	17,321	4,568
Idle capacity	82,872	53,504
Others (Note)	22,101	17,723
	<u>\$ 6,199,209</u>	<u>\$ 6,822,299</u>

Note : Others consist of service cost, inventory overage/shortage and disposal of scrap and defective materials.

(6) Investments accounted for using equity method

Items	March 31, 2026	December 31, 2025	March 31, 2025
Formosa Advanced Technologies Co., Ltd.	\$ 5,381,678	\$ 5,135,955	\$ 4,780,041
Quang Viet Enterprise Co., Ltd.	1,499,373	1,496,495	1,429,674
Formosa Industries Co., Ltd.	1,219,947	1,187,554	1,277,718
Schoeller Textil AG	601,563	608,263	768,345
Nan Ya Photonics Inc.	206,160	208,249	190,423
	<u>\$ 8,908,721</u>	<u>\$ 8,636,516</u>	<u>\$ 8,446,201</u>

- A. The Board of Directors of the Group participated in Quang Viet Enterprise Co., Ltd., with an investment amount of \$85,577 on August 28, 2025. The shareholding ratio decreased from 17.98% to 17.59%.
- B. The Board of Directors of the Group's subsidiary, Public More International Company Ltd., participated in Quang Viet Enterprise Co., Ltd., with an investment amount of \$69 on September 19, 2025. The shareholding ratio decreased from 0.015% to 0.014%.
- C. The Group's material associates have quoted market prices as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Formosa Advanced Technologies Co., Ltd.	\$ 7,924,278	\$ 8,809,291	\$ 3,866,830
Quang Viet Enterprise Co., Ltd.	<u>1,108,309</u>	<u>1,515,709</u>	<u>1,954,087</u>
	<u>\$ 9,032,587</u>	<u>\$ 10,325,000</u>	<u>\$ 5,820,917</u>

D. Associates

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

		<u>Shareholding ratio</u>			<u>Nature of relationship</u>	<u>Method of measurement</u>
<u>Company name</u>	<u>Principal place of business</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>		
Formosa Advanced Technologies Co., Ltd.	Taiwan	30.79%	30.79%	30.79%	Investments accounted for using the equity method	Equity method
Formosa Industries Co., Ltd.	Vietnam	10.00%	10.00%	10.00%	Investments accounted for using the equity method	Equity method

(b) The summarized financial information of the associates that are material to the Group is shown below:

Balance sheets

Formosa Advanced Technologies Co., Ltd.			
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 10,084,552	\$ 9,443,229	\$ 9,451,622
Non-current assets	4,988,572	4,473,900	3,172,312
Current liabilities	(1,987,699)	(1,179,280)	(1,640,706)
Non-current liabilities	(482,354)	(490,717)	(533,539)
Total net assets	<u>\$ 12,603,071</u>	<u>\$ 12,247,132</u>	<u>\$ 10,449,689</u>
Share in associate's net assets	\$ 4,016,524	\$ 3,770,801	\$ 3,414,887
Difference	<u>1,365,154</u>	<u>1,365,154</u>	<u>1,365,154</u>
Carrying amount of the associate	<u>\$ 5,381,678</u>	<u>\$ 5,135,955</u>	<u>\$ 4,780,041</u>

Formosa Industries Co., Ltd.			
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 22,228,830	\$ 7,179,315	\$ 25,810,165
Non-current assets	17,548,255	16,379,309	17,900,418
Current liabilities	(20,995,030)	(6,242,998)	(24,632,018)
Non-current liabilities	(7,483,931)	(6,341,437)	(7,202,734)
Total net assets	<u>\$ 11,298,124</u>	<u>\$ 10,974,189</u>	<u>\$ 11,875,831</u>
Share in associate's net assets	\$ 1,129,813	\$ 1,097,420	\$ 1,187,584
Difference	<u>90,134</u>	<u>90,134</u>	<u>90,134</u>
Carrying amount of the associate	<u>\$ 1,219,947</u>	<u>\$ 1,187,554</u>	<u>\$ 1,277,718</u>

Statements of comprehensive income

Formosa Advanced Technologies Co., Ltd.		
Three months ended March 31,		
	2026	2025
Revenue	\$ 2,944,616	\$ 2,230,203
Profit for the period from continuing operations	\$ 426,351	\$ 152,269
Other comprehensive income, net of tax	371,810	31,715
Total comprehensive income	<u>\$ 798,161</u>	<u>\$ 183,984</u>

	Formosa Industries Co., Ltd.	
	Three months ended March 31,	
	2026	2025
Revenue	\$ 4,179,992	\$ 4,175,958
Profit (loss) for the period from continuing operations (Total comprehensive income (loss))	\$ 149,170	(\$ 143,547)

(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 \$2,307,096, \$2,313,007 and \$2,388,442, respectively.

	Three months ended March 31,	
	2026	2025
Loss for the period from continuing operations	(\$ 20,740)	(\$ 234,307)
Other comprehensive income (loss), net of tax	13,960	(38,403)
Total comprehensive loss	(\$ 6,780)	(\$ 272,710)

(Continued)

(7) Property, plant and equipment

	2026					
	Land and land improvements	Buildings	Machinery	Transportation equipment and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>						
Cost	\$ 1,991,881	\$ 10,604,096	\$ 22,394,094	\$ 4,743,943	\$ 662,980	\$ 40,396,994
Accumulated depreciation	(11,148)	(7,764,072)	(18,399,296)	(4,464,864)	-	(30,639,380)
Accumulated impairment	(78,422)	-	-	-	-	(78,422)
	<u>\$ 1,902,311</u>	<u>\$ 2,840,024</u>	<u>\$ 3,994,798</u>	<u>\$ 279,079</u>	<u>\$ 662,980</u>	<u>\$ 9,679,192</u>
Opening net book amount as at January 1	\$ 1,902,311	\$ 2,840,024	\$ 3,994,798	\$ 279,079	\$ 662,980	\$ 9,679,192
Additions	-	5,748	-	-	197,248	202,996
Disposals	-	-	(78)	(81)	-	(159)
Transfers	-	29,857	49,416	13,269	(92,542)	-
Depreciation charge	-	(63,585)	(191,767)	(14,187)	-	(269,539)
Net exchange differences	42	37,912	41,683	3,063	6,376	89,076
Closing net book amount as at March 31	<u>\$ 1,902,353</u>	<u>\$ 2,849,956</u>	<u>\$ 3,894,052</u>	<u>\$ 281,143</u>	<u>\$ 774,062</u>	<u>\$ 9,701,566</u>
<u>At March 31</u>						
Cost	\$ 1,992,294	\$ 10,742,792	\$ 22,601,104	\$ 4,771,214	\$ 774,062	\$ 40,881,466
Accumulated depreciation	(11,519)	(7,892,836)	(18,707,052)	(4,490,071)	-	(31,101,478)
Accumulated impairment	(78,422)	-	-	-	-	(78,422)
	<u>\$ 1,902,353</u>	<u>\$ 2,849,956</u>	<u>\$ 3,894,052</u>	<u>\$ 281,143</u>	<u>\$ 774,062</u>	<u>\$ 9,701,566</u>

2025

	Land and land improvements	Buildings	Machinery	Transportation equipment and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>						
Cost	\$ 1,992,124	\$ 10,785,232	\$ 24,421,402	\$ 4,882,402	\$ 180,899	\$ 42,262,059
Accumulated depreciation	(11,366)	(7,627,644)	(19,680,470)	(4,565,626)	-	(31,885,106)
Accumulated impairment	(78,422)	-	-	-	-	(78,422)
	<u>\$ 1,902,336</u>	<u>\$ 3,157,588</u>	<u>\$ 4,740,932</u>	<u>\$ 316,776</u>	<u>\$ 180,899</u>	<u>\$ 10,298,531</u>
Opening net book amount as at January 1	\$ 1,902,336	\$ 3,157,588	\$ 4,740,932	\$ 316,776	\$ 180,899	\$ 10,298,531
Additions	-	-	-	-	89,280	89,280
Disposals	- (847)	(63)	(318)	-	(1,228)	-
Transfers	-	1,172	70,395	5,885	(77,452)	-
Depreciation charge	- (66,759)	(209,658)	(17,341)	-	(293,758)	-
Net exchange differences	16	14,363	16,510	1,285	153	32,327
Closing net book amount as at March 31	<u>\$ 1,902,352</u>	<u>\$ 3,105,517</u>	<u>\$ 4,618,116</u>	<u>\$ 306,287</u>	<u>\$ 192,880</u>	<u>\$ 10,125,152</u>
<u>At March 31</u>						
Cost	\$ 1,992,296	\$ 10,812,921	\$ 24,530,739	\$ 4,889,367	\$ 192,880	\$ 42,418,203
Accumulated depreciation	(11,522)	(7,707,404)	(19,912,623)	(4,583,080)	-	(32,214,629)
Accumulated impairment	(78,422)	-	-	-	-	(78,422)
	<u>\$ 1,902,352</u>	<u>\$ 3,105,517</u>	<u>\$ 4,618,116</u>	<u>\$ 306,287</u>	<u>\$ 192,880</u>	<u>\$ 10,125,152</u>

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

	Three months ended March 31,	
	2026	2025
Amount capitalized	\$ 658	\$ 386
Range of the interest rates for capitalization	2.00%	2.02%~2.11%

- B. The components and useful lives of property, plant and equipment are as follows:

Items	Significant components	Estimated useful lives
Land improvements	Pipelines	3 ~ 15 years
Buildings	Factory and gasoline stations	10 ~ 60 years
Machinery and equipment	Impregnating machine, dyeing machine and other machinery equipment	2 ~ 20 years
Transportation equipment	Pallet trucks and fork lift trucks	3 ~ 15 years
Other equipment	Cogeneration power generation equipment	2 ~ 17 years

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

- D. Certain regulations restrict ownership of land to individuals. Accordingly, the titles of land which the Company has acquired for future plant expansion is under the name of third parties. Such land titles were transferred and mortgaged to the Company. As of March 31, 2026, December 31, 2025 and March 31, 2025, the land mortgaged to the Company was \$808,300.

- E. The Group has entered a trust contract with Mega International Commercial Bank and Formosa Plastics Construction Corporation to participate in the "Taipei Songshan District Minsheng Section Land Plot No. 150 and 6 Other Plots Urban Renewal Project" (i.e., the Formosa Plastics Building Urban Renewal Project), and has completed the trust registration of the aforementioned land and building.

(8) Leasing arrangements — lessee

- A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 3 to 25 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:

	March 31, 2026	December 31, 2025	March 31, 2025
	Carrying amount	Carrying amount	Carrying amount
Right-of-use asset - land	\$ 964,170	\$ 989,452	\$ 1,013,501
Right-of-use asset - buildings	59,965	65,768	83,178
	<u>\$ 1,024,135</u>	<u>\$ 1,055,220</u>	<u>\$ 1,096,679</u>

	Three months ended March 31,	
	2026	2025
	Depreciation charge	Depreciation charge
Right-of-use asset - land	\$ 36,599	\$ 39,613
Right-of-use asset - buildings	5,803	5,803
	<u>\$ 42,402</u>	<u>\$ 45,416</u>

C. For the three months ended March 31, 2026 and 2025, the additions to right-of-use assets were \$20,804 and \$27,029, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	Three months ended March 31,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	\$ 3,337	\$ 3,445
Expense on short-term lease contracts	4,181	2,542

E. For the three months ended March 31, 2026 and 2025, the Group's total cash outflow for leases were \$51,826 and \$48,707, respectively.

(9) Investment property

	2026		
	Land	Buildings	Total
At January 1			
Cost	\$ 15,165	\$ 1,015,860	\$ 1,031,025
Accumulated depreciation and impairment	-	(577,578)	(577,578)
	<u>\$ 15,165</u>	<u>\$ 438,282</u>	<u>\$ 453,447</u>
Opening net book amount as at January 1	\$ 15,165	\$ 438,282	\$ 453,447
Depreciation charge	-	(8,291)	(8,291)
Net exchange differences	-	2,609	2,609
Closing net book amount as at March 31	<u>\$ 15,165</u>	<u>\$ 432,600</u>	<u>\$ 447,765</u>
At March 31			
Cost	\$ 15,165	\$ 1,019,517	\$ 1,034,682
Accumulated depreciation and impairment	-	(586,917)	(586,917)
	<u>\$ 15,165</u>	<u>\$ 432,600</u>	<u>\$ 447,765</u>

	2025		
	Land	Buildings	Total
At January 1			
Cost	\$ 15,165	\$ 1,018,007	\$ 1,033,172
Accumulated depreciation and impairment	-	(545,016)	(545,016)
	<u>\$ 15,165</u>	<u>\$ 472,991</u>	<u>\$ 488,156</u>
Opening net book amount as at January 1	\$ 15,165	\$ 472,991	\$ 488,156
Depreciation charge	-	(8,297)	(8,297)
Net exchange differences	-	1,141	1,141
Closing net book amount as at March 31	<u>\$ 15,165</u>	<u>\$ 465,835</u>	<u>\$ 481,000</u>
At March 31			
Cost	\$ 15,165	\$ 1,019,537	\$ 1,034,702
Accumulated depreciation and impairment	-	(553,702)	(553,702)
	<u>\$ 15,165</u>	<u>\$ 465,835</u>	<u>\$ 481,000</u>

A. Rental income from investment property is as follows:

	Three months ended March 31,	
	2026	2025
Rental income from investment property	<u>\$ 16,310</u>	<u>\$ 15,967</u>

B. The fair value of the investment property held by the Group as at March 31, 2026, December 31, 2025 and March 31, 2025 were \$1,377,297, \$1,842,163 and \$1,811,132, respectively, which was based on the transaction prices of similar prices in the neighboring areas.

(10) Short-term borrowings

Type of borrowings	March 31, 2026	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 2,270,758	2.70%~4.87%	-
Secured borrowings	30,000	2.11%	Property, plant and equipment and Inventories
Purchase loans	16,758	4.51%~4.52%	-
	<u>\$ 2,317,516</u>		

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 1,897,735	2.70%~4.87%	-
Secured borrowings	70,000	2.11%	Property, plant and equipment and Inventories
	<u>\$ 1,967,735</u>		

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 2,200,185	2.95%~6.08%	-
Secured borrowings	115,000	2.11%	Property, plant and equipment and Inventories
Purchase loans	956	5.21%	-
	<u>\$ 2,316,141</u>		

(11) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Salaries and year-end bonus payable	\$ 314,993	\$ 396,727	\$ 344,169
Accrued utilities expenses	123,624	124,045	142,466
Commission payable	23,598	25,778	29,496
Payable on equipment	62,994	83,257	34,963
Dividends payable	853,850	11,541	1,358,845
Others	447,754	393,830	567,987
	<u>\$ 1,826,813</u>	<u>\$ 1,035,178</u>	<u>\$ 2,477,926</u>

(12) Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Credit borrowings	<u>\$ 8,200,000</u>	<u>\$ 8,200,000</u>	<u>\$ 8,200,000</u>
Interest rate	<u>1.91%~2.09%</u>	<u>1.91%~2.09%</u>	<u>1.97%~2.09%</u>

A. The long-term borrowings as of March 31, 2026 and December 31, 2025 are due in 2027 to 2028.

B. The long-term borrowings as of March 31, 2025 are due in 2026 to 2027.

(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 8% ~ 15% 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 employees pension reserve account by December 31, every year. If the account balance is not enough 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 contribution for the deficit by next March.

- (b) For the aforementioned pension plan, the Group recognized pension costs of \$288 and \$977 for the three months 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 amounted to \$33,324.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established defined contribution pension plans (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 China subsidiaries, Formosa Taffeta (Zhong Shan) Co., Ltd., and Formosa Taffeta (Changshu) Co., Ltd., have defined contribution plans. 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 a certain percentage of the employees' monthly salaries and wages. The contribution percentage was between 10% and 20%. Other than the monthly contributions, the Group has no further obligations.
 - (c) The Company's subsidiaries, Formosa Taffeta Vietnam Co., Ltd. and Formosa Taffeta (Dong Nai) Co., Ltd., have defined contribution plans. Contributions of social security to an independent fund administered by the government in accordance with the pension regulations of local governments are based on certain percentage of employees' salaries and wages. Other than the monthly contributions, the Group has no further obligations.
 - (d) Formosa Taffeta (Hong Kong) Co., Ltd. has defined contribution plan whereby contributions are made to the mandatory provident fund based on a percentage of the employees' salaries and wages as full-time employees' pension benefit.
 - (e) The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2026 and 2025 were \$25,664 and \$25,301, respectively.

(14) Share capital

- A. As of March 31, 2026, the Company's issued capital was \$16,846,646, consisting of 1,684,665,000 shares of common stock, with a par value of \$10 per share.
- B. For the three months ended March 31, 2026 and 2025, changes in the number of treasury stocks are as follows (in thousands of shares):

Reason for reacquisition	Investee company	Three months ended March 31, 2026			
		Beginning shares	Additions	Disposal	Ending shares
Long-term equity investment transferred to treasury stock for parent company's shares held by subsidiaries	Formosa Development Co., Ltd.	2,193	-	-	2,193

Reason for reacquisition	Investee company	Three months ended March 31, 2025			
		Beginning shares	Additions	Disposal	Ending shares
Long-term equity investment transferred to treasury stock for parent company's shares held by subsidiaries	Formosa Development Co., Ltd.	2,193	-	-	2,193

- C. The abovementioned treasury stocks were acquired by the subsidiary, Formosa Development Co., Ltd., for investment purposes.

(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 Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law 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.

2026						
	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Change in ownership interest in subsidiaries	Donated assets received	Changes in net equity of associates and joint ventures accounted for under equity method	Others
At January 1	\$ 47,107	\$ 576,628	\$ 1,650	\$ 2,032	\$ 303,787	\$ 23,911
Paid expired cash dividends transferred to capital surplus	-	-	-	-	-	(4)
At March 31	<u>\$ 47,107</u>	<u>\$ 576,628</u>	<u>\$ 1,650</u>	<u>\$ 2,032</u>	<u>\$ 303,787</u>	<u>\$ 23,907</u>
2025						
	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Change in ownership interest in subsidiaries	Donated assets received	Changes in net equity of associates and joint ventures accounted for under equity method	Others
At January 1	\$ 45,353	\$ 576,628	\$ 1,650	\$ 2,032	\$ 305,603	\$ 21,686
Paid expired cash dividends transferred to capital surplus	-	-	-	-	-	(44)
At March 31	<u>\$ 45,353</u>	<u>\$ 576,628</u>	<u>\$ 1,650</u>	<u>\$ 2,032</u>	<u>\$ 305,603</u>	<u>\$ 21,642</u>

(16) Retained earnings

A. According to the R.O.C. Securities Exchange Law No. 41, a company should reserve the amount equal to any valuation or contra-account in the stockholders' equity in the fiscal year from the net income and prior unappropriated earnings as special reserve. If the valuation or contra-account in stockholders' equity belongs to prior periods, the same amount from prior period earnings should be considered special reserve and cannot be distributed. The special reserve includes:

- i) Reserve for special purposes.
- ii) Investment income recognized under the equity method.
- iii) Net proceeds from the recognition of financial asset transactions; only when the accumulated value decreases should the special reserve be adjusted by the same amount, subject to the provisions in this section.
- iv) Other special reserves set out by legal provisions.

B. The Company's dividend policy is summarized below:

As the Company operates in a volatile business environment and is in the stable growth stage, the dividend policy includes cash dividends, stock dividends and capital increase by earnings recapitalization. At least 50% of the Company's distributable earnings shall be appropriated as dividends after deducting the legal reserve and special reserves. The Company would prefer distributing cash dividends. However, if significant investment measures are taken or the Company's financial structure needs to be improved, part of the dividends would be in the form of stock dividends but not to 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. The appropriations of 2025 earnings had been resolved by the Board of Directors on March 10, 2026 and the appropriations of 2024 earnings had been resolved by the shareholders on June 20, 2025. Details are summarized below:

	2025 earnings		2024 earnings	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 93,510		\$ 138,670	
(Reversal of) appropriation for special reserve	(1,108,105)		1,108,105	
Cash dividends	842,332	\$ 0.50	1,347,732	\$ 0.80

E. The consolidated subsidiary, Formosa Taffeta (Zhong Shan) Co., Ltd., set aside a portion of after tax profits for the reserve fund and staff bonus welfare fund in accordance with regulations on foreign invested enterprises as set forth in the Company Law of the People's Republic of China. The percentage of after-tax profits allocated to the reserve fund must be 10% or more. Once the amount of the reserve fund reaches 50% of the registered capital, contribution to the fund is no longer required. The percentage of after-tax profits allocated to the staff bonus welfare fund is determined by the company. No profits can be distributed before operating losses from prior years are first covered.

F. For information relating to employees' compensation and directors' and supervisors' remuneration, refer to Note 6(23).

(17) Other equity items

	Unrealized gains on valuation	Currency translation
January 1, 2026	\$ 5,949,327	(\$ 1,219,167)
Revaluation		
— Group	3,235,717	-
— Associates	111,472	-
Difference of currency translation		
— Group	-	168,845
— Associates	-	70,128
March 31, 2026	<u>\$ 9,296,516</u>	<u>(\$ 980,194)</u>
	Unrealized (loss) gains on valuation	Currency translation
January 1, 2025	(\$ 489,967)	(\$ 618,138)
Revaluation		
— Group	1,003,855	-
— Associates	(12,202)	-
Difference of currency translation		
— Group	-	80,728
— Associates	-	37,737
March 31, 2025	<u>\$ 501,686</u>	<u>(\$ 499,673)</u>

(18) Operating revenue

	Three months ended March 31,	
	2026	2025
Sales revenue	\$ 6,968,319	\$ 7,615,927
Service revenue	11,002	71,846
	<u>\$ 6,979,321</u>	<u>\$ 7,687,773</u>

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

(19) Interest income

	Three months ended March 31,	
	2026	2025
Interest income from bank deposits	<u>\$ 23,904</u>	<u>\$ 17,164</u>

(20) Other income

	Three months ended March 31,	
	2026	2025
Dividend income	\$ 5,040	\$ 5,040
Other income	74,227	71,970
	<u>\$ 79,267</u>	<u>\$ 77,010</u>

(21) Other gains and losses

	Three months ended March 31,	
	2026	2025
Foreign exchange gains	\$ 44,482	\$ 36,465
Loss on disposal of property, plant and equipment	(106)	(1,175)
Bank charges	(9,334)	(10,428)
Other losses	(17,260)	(16,050)
	<u>\$ 17,782</u>	<u>\$ 8,812</u>

(22) Expenses by nature

	Three months ended March 31,	
	2026	2025
Employee benefit expense	\$ 876,788	\$ 894,014
Depreciation charges		
(including right-of-use assets and investment property)	320,232	347,471
	<u>\$ 1,197,020</u>	<u>\$ 1,241,485</u>

(23) Employee benefit expense

	Three months ended March 31,	
	2026	2025
Wages and salaries	\$ 714,983	\$ 735,899
Labor and health insurance fees	99,972	97,667
Pension costs	25,952	26,278
Other personnel expenses	35,881	34,170
	<u>\$ 876,788</u>	<u>\$ 894,014</u>

A. In accordance with the Company's Articles of Incorporation as amended on June 20, 2025, a ratio of distributable profit of the current year after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be between 0.05%-0.5% for employees' compensation and shall not be higher than 0.5% for directors' and supervisors' remuneration. Of the employees' compensation appropriated as mentioned above, an amount ranging from 0.05%-0.49% shall be allocated and distributed to rank-and-file employees.

B. For the three months ended March 31, 2026 and 2025, employees' compensation was accrued at \$500 for both periods; while directors' and supervisors' remuneration was accrued at \$250 for both periods. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current period for the three months ended March 31, 2026.

The employees' compensation and directors' and supervisors' remuneration for 2025 as approved by shareholders were the same as the amounts recognized in the 2025 financial statements.

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

(24) Finance costs

	Three months ended March 31,	
	2026	2025
Interest expense:		
Bank borrowings	\$ 64,108	\$ 69,739
Other financial expense	3,337	3,445
Less: Capitalization of qualifying assets	(658)	(386)
	<u>\$ 66,787</u>	<u>\$ 72,798</u>

(25) Income tax

A. Income tax expense

	Three months ended March 31,	
	2026	2025
Current tax:		
Current tax on profit for the period	\$ 38,680	\$ 55,684
Land value increment tax	1,052	-
Total current tax	<u>39,732</u>	<u>55,684</u>
Deferred tax:		
Origination and reversal of temporary differences	9,820	(1,253)
Total deferred tax	<u>9,820</u>	<u>(1,253)</u>
Income tax expense	<u>\$ 49,552</u>	<u>\$ 54,431</u>

- B. The income tax returns of the Company through 2024, except for 2023, and Formosa Development Company Ltd. and Public More Internation Company Ltd. through 2024 have been assessed and approved by the Tax Authority.
- C. Starting from January 1, 2007, the enterprise income tax of Formosa Taffeta (Zhong Shan) Co., Ltd. and Formosa Taffeta (Changshu) Co., Ltd. is based on 25% of income generated within and outside Mainland China. In addition, Formosa Taffeta (Zhong Shan) Co., Ltd. was certified as high-tech enterprise by Guangdong Provincial Government and accordingly, is entitled to the applicable income tax rate of 15% for 3 years from 2024.
- D. The income tax rate of Formosa Taffeta Dong Nai Co., Ltd. was approved by the Vietnam government to be 15% for 12 years from the year of official establishment (October 2006); 20% after 12 years. Formosa Taffeta Dong Nai Co., Ltd. was granted income tax exemption for 3 years from the first profit-making year and income tax reduction of half of the 15% income tax rate or half of the 20% income tax rate for the next 4 to 10 years.
- E. In accordance with local tax regulations, the applicable income tax rate of Formosa Taffeta Vietnam Co., Ltd. was 20%.

F. In accordance with local tax regulations, the applicable income tax rate of Formosa Taffeta (Hong Kong) Co., Ltd. was 16.5%.

G. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The Pillar Two legislation was enacted in Hong Kong and Vietnam, the jurisdictions in which Formosa Taffeta (Hong Kong) Co., Ltd., Formosa Taffeta Dong Nai Co., Ltd., and Formosa Taffeta Vietnam Co., Ltd. were incorporated and came into effect from January 1, 2025 and January 1, 2024, respectively.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.

However, due to the complexities in applying the legislation and calculating GloBE income as well as the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group is currently engaged with tax specialists to assist it with applying the legislation.

As all companies mentioned above had loss before tax and had no excess profits, it was not liable to pay a top-up tax for the difference between the GloBE effective tax rate and the 15% minimum rate. As of March 31, 2026, the Group has assessed that there is no exposure to current tax liabilities in the aforementioned regions.

(26) Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share is profit or loss attributable to the common stockholders of the Company divided by the weighted average number of outstanding common stocks for the period.

Three months ended March 31, 2026					
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Profit attributable to owners of the parent	\$ 363,503	\$ 336,603	1,682,471	\$ 0.22	\$ 0.20

Three months ended March 31, 2025					
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Profit attributable to owners of the parent	\$ 210,572	\$ 187,073	1,682,471	\$ 0.13	\$ 0.11

The following is the earnings per share assuming the shares of the Company held by its subsidiary, Formosa Development Co., Ltd., are not deemed as treasury stock:

Three months ended March 31, 2026					
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Profit attributable to owners of the parent	\$ 363,503	\$ 336,603	1,684,665	\$ 0.22	\$ 0.20

Three months ended March 31, 2025					
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Profit attributable to owners of the parent	\$ 210,572	\$ 187,073	1,684,665	\$ 0.12	\$ 0.11

B. Employees' compensation could be distributed in the form of stock. It does not have significant effect on the financial statements and earnings per share for the three months ended March 31, 2026 and 2025.

(27) Supplemental cash flow information

Investing activities with partial cash payments:

	Three months ended March 31,	
	2026	2025
Purchase of property, plant and equipment	\$ 202,996	\$ 89,280
Add: Opening balance of payable on equipment	83,257	34,200
Ending balance of prepayments for equipment	18,370	16,606
Less: Ending balance of payable on equipment	(62,994)	(34,963)
Opening balance of prepayments for equipment	(18,657)	(4,415)
Cash paid during the period	\$ 222,972	\$ 100,708

(28) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liability	Liabilities from financing activities-gross
At January 1, 2026	\$ 1,967,735	\$ 8,200,000	\$ 879,904	\$ 11,047,639
Changes in cash flow from financing activities	349,781	-	(44,308)	305,473
Changes in other non-cash items	-	-	6,268	6,268
At March 31, 2026	<u>\$ 2,317,516</u>	<u>\$ 8,200,000</u>	<u>\$ 841,864</u>	<u>\$ 11,359,380</u>
	Short-term borrowings	Long-term borrowings (including current portion)	Lease liability	Liabilities from financing activities-gross
At January 1, 2025	\$ 2,218,043	\$ 8,200,000	\$ 919,118	\$ 11,337,161
Changes in cash flow from financing activities	98,098	-	(42,720)	55,378
Changes in other non-cash items	-	-	26,900	26,900
At March 31, 2025	<u>\$ 2,316,141</u>	<u>\$ 8,200,000</u>	<u>\$ 903,298</u>	<u>\$ 11,419,439</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is controlled by Formosa Chemicals & Fibre Corp. (incorporated in R.O.C), which owns 37.4% of the Company's shares. The ultimate controlling party of the Company is Formosa Chemicals & Fibre Corp.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
Formosa Chemicals & Fibre Corporation	Ultimate parent company
Quang Viet Enterprise Co., Ltd.	Associate
Formosa Advanced Technologies Co., Ltd.	Associate
Formosa Industries Corp.	Associate
Nan Ya Photonics Inc.	Associate
Schoeller Textil AG	Associate
Schoeller Asia Co., Ltd.	Other related party
MAI-LIAO POWER CORPORATION	Other related party
Formosa Plastics Transport Corporation	Other related party
Formosa Water Technology Co., Ltd.	Other related party
Formosa Environmental Technology Corp.	Other related party
Formosa Heavy Industries Corp.	Other related party
Formosa Biomedical Technology Corp.	Other related party

Names of related parties	Relationship with the Company
Formosa Petrochemical Corp.	Other related party
Formosa Asahi Spandex Corp.	Other related party
Formosa Network Technology Corp.	Other related party
Formosa Plastics Corp.	Other related party
Inteplast Taiwan Corp.	Other related party
Formosa Green Power Corp.	Other related party
Chang Gung Biotechnology Co., Ltd.	Other related party
Nan Ya Polyester Fiber (Kunshan) Corp.	Other related party
Nan Ya Plastics Corp.	Other related party
Nan Ya Technology Corp.	Other related party
Yugen Yueh Co., Ltd.	Other related party
Yu Maowu Complex Co., Ltd.	Other related party
Yu Yuang Textile Co., Ltd.	Other related party
Yumaowu Enterprise Co., Ltd.	Other related party
Jiaxing Quang Viet Garment Co., Ltd.	Other related party
Kwang Viet Garment Co., Ltd.	Other related party
Great King Garment Co., Ltd.	Other related party
Kong You Industrial Co., Ltd.	Other related party
Bellmart Industrial Co., Ltd.	Other related party
Toa Resin Corp.	Other related party
NKFG Corp.	Other related party
Zur Schanze AG	Other related party
Zum Felsen AG	Other related party
FG INC	Other related party
FORMOSA HA TINH (CAYMAN) LIMITED	Other related party

(3) Significant related party transactions and balances

A. Operating revenue

	Three months ended March 31,	
	2026	2025
Sales of goods:		
– Ultimate parent company	\$ 31	\$ 25
– Associates	85,348	81,820
– Other related party	246,171	361,700
	<u>\$ 331,550</u>	<u>\$ 443,545</u>

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases of goods

	Three months ended March 31,	
	2026	2025
Purchases of goods:		
– Ultimate parent company	\$ 189,078	\$ 204,835
– Associates	90,375	141,822
– Other related party		
Formosa Petrochemical Corp.	2,192,470	2,242,542
Others	184,201	211,219
	<u>\$ 2,656,124</u>	<u>\$ 2,800,418</u>

Goods and services are purchased from associates and an entity controlled by key management personnel on normal commercial terms and conditions.

C. Receivables from related parties

	March 31, 2026	December 31, 2025	March 31, 2025
Notes and accounts receivable:			
– Ultimate parent company	\$ 7	\$ 4	\$ 4
– Associates	71,553	66,648	68,348
– Other related party	255,721	161,339	360,022
	<u>\$ 327,281</u>	<u>\$ 227,991</u>	<u>\$ 428,374</u>

The receivables from related parties arise mainly from sale transactions. The receivables are due 45~120 days after the date of sale. There are no provisions held against receivables from related parties.

D. Notes and accounts payable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes and accounts payable:			
– Ultimate parent company	\$ 190,715	\$ 200,272	\$ 327,266
– Associates	38,314	58,816	41,609
– Other related party			
Formosa Petrochemical Corp.	452,142	411,258	403,700
Others	68,781	41,170	72,109
	<u>\$ 749,952</u>	<u>\$ 711,516</u>	<u>\$ 844,684</u>

The payables to related parties arise mainly from purchase transactions and are due 15~60 days after the date of purchase. The payables bear no interest.

E. Property transactions and investment property

Acquisition of property, plant and equipment:

	Three months ended March 31,	
	2026	2025
Other related party	\$ -	\$ 3,040

F. Others

(a) Formosa Taffeta (Dong Nai) Co., Ltd. was engaged by the related party, Formosa Industry, to provide management services to Nhon Trach 3 Industrial Zone. In accordance with the service consignment contract signed by Formosa Taffeta (Dong Nai) Co., Ltd. and Nhon Trach 3 Industrial Zone each year, Formosa Taffeta (Dong Nai) Co., Ltd. is responsible for managing land that is available for rent, meter reading and payment collection of water, electricity, steam and other public liquid sold to lessees in investment district, repairing and performing service on various public facilities of power plant. In accordance with the contract, Formosa Taffeta (Dong Nai) Co., Ltd.'s collectible service expense is as follows:

- i. Land lease expense: 3% of Formosa Industry's land rent revenue
- ii. Public liquid service expense: 3% of Formosa Industry's monthly sale of electricity to lessees in investment district
- iii. Management expense: the full amount of management expense collected from lessees in investment district to Formosa Industry is to be paid to the Company and its subsidiaries.

For the three months ended March 31, 2026 and 2025, Formosa Taffeta (Dong Nai) Co., Ltd. has recognized lease service income in investment district of \$8,655 and \$9,752, respectively, for rendering the abovementioned consigned services. As of March 31, 2026, December 31, 2025 and March 31, 2025, the uncollected amount of \$3,144, \$3,673 and \$3,559, respectively, was recognized under 'other receivables'.

For the above land leasing, as of March 31, 2026, December 31, 2025 and March 31, 2025, the management expense and utility expense which Formosa Taffeta (Dong Nai) Co., Ltd. is due to collect from the related party, Formosa Industry, amounted to \$22,464, \$22,834 and \$23,204, respectively.

(b) Rent income (shown as 'other income')

The Group leases buildings at No. 319, 329 and 331, Henan St., Douliu City, Yunlin County, No. 497-1, Sec. Neilin, land and employees' dorms at No. 132 and 136, Sec. Meilin river, Douliu City to Formosa Advanced Technologies Co., Ltd. Rents which were determined by reference to general rental price in local market are payable at the beginning of each month based on the mutual agreement. Rent income for the three months ended March 31, 2026 and 2025 amounted to \$12,457 and \$12,341, respectively.

- (c) Other income pertains to the Group's collections and payment transfer of utilities, steam and waste disposal costs, etc. for Formosa Advanced Technologies Co., Ltd. for the three months ended March 31, 2026 and 2025 amounting to \$8,600 and \$6,778, respectively.
- (d) Formosa Advanced Technologies Co., Ltd. has planned to expand its plant capacity and entrusted the Group to coordinate the procurement and supervision of the construction since 2022. Under the agreement, both parties received and paid in accordance with the contract. Other income for the three months ended March 31, 2026 and 2025 amounted to \$0 and \$23,301, respectively.
- (e) In order to expand production capacity, Formosa Advanced Technologies Co., Ltd. leased 47 pieces of land including land number 254 in the west section of Meilin, Douliu City, to the Group for the construction of factory buildings. In order to cooperate with the construction of the new factory, Formosa Advanced Technologies Co., Ltd. entrusted the Group to handle the above-mentioned tasks. For the demolition and replacement of land properties on the leased land, the engineering service fees are collected and paid in accordance with the contract. Other income for the three months ended March 31, 2026 and 2025 amounted to \$0 and \$2,453, respectively.

(4) Key management compensation

	Three months ended March 31,	
	2026	2025
Salaries and other short-term employee benefits	\$ 4,856	\$ 3,119

8. PLEDGED ASSETS

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

Item	Book Value			Purpose
	March 31, 2026	December 31, 2025	March 31, 2025	
Property, plant and equipment	\$ 132,886	\$ 133,061	\$ 133,586	Security for short-term borrowings
Non-current financial assets at amortised cost	107,517	107,517	97,317	Performance guarantee
Inventories (Held-to-maturity land)	14,133	14,133	14,133	Security for short-term borrowings
	<u>\$ 254,536</u>	<u>\$ 254,711</u>	<u>\$ 245,036</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- (1) As of March 31, 2026, the significant commitments and contingent liabilities are the outstanding letters of credit for materials and equipment purchases with various companies listed as follows:

Currency	Amount
USD	\$ 1,053
JPY	17,546

(2) Endorsements and guarantees

As of March 31, 2026, in order to assist the subsidiaries is obtaining the credit line, the Company has guaranteed the following amounts for subsidiaries:

<u>Name of company</u>	<u>March 31, 2026</u>
Formosa Taffeta (Zhong Shan) Co., Ltd.	\$ 895,860
Formosa Taffeta Vietnam Co., Ltd.	959,850
Formosa Taffeta (Changshu) Co., Ltd.	1,119,825
Formosa Taffeta Dong Nai Co., Ltd.	3,311,483

(3) Contingencies - Significant lawsuit

- A. Taiwan Cooperative Bank Co., Ltd. (hereinafter referred to as TCB) filed a civil lawsuit against the Company with the Taipei District Court in September 2019. TCB claimed that the former employees of the Company 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 the Company, causing damage to TCB. Therefore, TCB claimed that the Company 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 the Company is jointly liable to compensate TCB for the amount of NT\$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 the Company and proportional responsibility of both parties. The Company 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. The Company 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 Company and Formosa Taffeta Dong Nai (hereinafter referred to as the Formosa Dong Nai), a subsidiary of the Company with the Taipei District Court in September 2019. The former employees of the Company and Formosa Dong Nai colluded with New Site Industries Inc. (hereinafter referred to as New Site) to make the false statements. DBS was misled with the fact that New Site has accounts receivable due from the Company and Formosa Dong Nai, causing damage to DBS. Therefore, DBS claimed that the Company 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, the Company and Formosa Dong Nai have engaged lawyers to submit a strong defense to protect the Company's rights and interests.

C. O-Bank filed a civil lawsuit against the Company and Formosa Taffeta Dong Nai (hereinafter referred to as the Formosa Dong Nai), a subsidiary of the Company with the Taipei District Court in February 2020. The former employees of the Company and Formosa 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 the Company and Formosa Dong Nai, causing damage to O-Bank. Therefore, O-Bank claimed that the Company and Formosa 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, the Company and Formosa Dong Nai have engaged lawyers to submit a strong defense to protect the Company's rights and interests.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On May 8, 2026, the Board of Directors approved the Company's plan to dispose of idle land in Mailiao Township, Yunlin County, to a related party, MAI-LIAO POWER CORPORATION, for a total consideration of \$319,124.

12. OTHERS

(1) Capital management

There was no significant change during this period. Refer to Note 12 to the consolidated financial statements as of and for the year ended December 31, 2025 for related information.

(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 other comprehensive income	\$ 25,288,491	\$ 22,052,774	\$ 17,040,405
Financial assets at amortized cost	8,207,760	7,358,907	8,666,557
	<u>\$ 33,496,251</u>	<u>\$ 29,411,681</u>	<u>\$ 25,706,962</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost	\$ 13,980,246	\$ 13,001,268	\$ 14,877,606
Lease liabilities	841,864	879,904	903,298
	<u>\$ 14,822,110</u>	<u>\$ 13,881,172</u>	<u>\$ 15,780,904</u>

Note: Financial assets at amortized cost includes cash and cash equivalents, notes and accounts receivable (including related parties), financial assets at amortized cost and other receivables; financial liabilities at amortized cost includes short-term borrowings, notes and accounts payable (including related parties), other payables and long-term borrowings.

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The financial risk management policies of the Group focus on unpredictable factors in financial market, and aim to reduce unfavorable impact on financial position and financial performance.
- (b) Risk management is carried out by a central treasury department under policies approved by the Board of Directors. Group 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. Some of the Group's transactions are conducted in foreign currencies, which are subject to exchange rate fluctuation. The information on foreign currency denominated assets and liabilities are 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	\$ 70,593	31.98	\$ 2,257,564
USD:RMB	27,181	6.92	869,248
USD:VND	30,773	26,256.16	984,121
<u>Non-monetary items</u>			
VND:NTD	5,232,359,606	0.0012	6,278,832
RMB:HKD	966,805	4.09	3,953,071
CHF:NTD	15,016	40.06	601,563
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:VND	73,311	26,256.16	2,344,486

December 31, 2025			
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 66,392	31.44	\$ 2,087,364
USD:RMB	25,576	7.03	804,109
USD:VND	20,608	26,220.18	647,916
<u>Non-monetary items</u>			
VND:NTD	5,184,025,855	0.0012	6,220,831
RMB:HKD	942,709	4.01	3,780,263
CHF:NTD	15,418	39.45	608,240
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:VND	63,353	26,220.18	1,991,818

March 31, 2025			
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 81,924	33.21	\$ 2,720,696
USD:RMB	26,099	7.18	866,748
USD:VND	22,652	25,601.39	752,273
<u>Non-monetary items</u>			
VND:NTD	5,092,730,146	0.0013	6,605,271
RMB:HKD	910,841	4.27	3,887,193
CHF:NTD	20,389	37.69	768,345
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:VND	64,567	25,601.39	2,144,270

- ii. The total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2026 and 2025, amounted to \$44,482 and \$36,465, respectively.

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

Three months 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%	\$ 22,576	\$ -
USD:RMB	1%	8,692	-
USD:VND	1%	9,841	-
<u>Non-monetary items</u>			
VND:NTD	1%	-	62,788
RMB:HKD	1%	-	39,531
CHF:NTD	1%	-	6,016
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:VND	1%	23,445	-
Three months 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%	\$ 27,207	\$ -
USD:RMB	1%	8,667	-
USD:VND	1%	7,523	-
<u>Non-monetary items</u>			
VND:NTD	1%	-	66,053
RMB:HKD	1%	-	38,872
CHF:NTD	1%	-	7,683
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:VND	1%	21,443	-

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 shares, open-end funds and beneficiary certificates issued by the domestic companies. 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, other components of equity for the three months ended March 31, 2026 and 2025 would have increased/decreased by \$252,885 and \$170,404, respectively, as a result of other comprehensive income on equity investment classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the three months ended March 31, 2026 and 2025, the Group's borrowings at variable rate were denominated in the NTD.
- ii. The Group's borrowings are measured at amortized 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. If the borrowing interest rate of NTD dollars had increased/decreased by 1% with all other variables held constant, profit, net of tax for the three months ended March 31, 2026 and 2025 would have decreased/increased by \$65,600 and \$65,600, respectively. The main factor is that changes in interest expense result from 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.
- 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 good rating 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 following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customer's accounts receivable and contract assets in accordance with product types and customer types. The Group applies the simplified approach using the provision matrix to estimate expected credit loss.
- vi. 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.
- vii. The Group uses the forecastability of National Development Council Business Cycle Indicator to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable and contract assets. As of March 31, 2026, December 31, 2025 and March 31, 2025, the provision matrix is as follows:

		Up to 30 days	31~90 days	Over 90 days	
	<u>Not past due</u>	<u>past due</u>	<u>past due</u>	<u>past due</u>	<u>Total</u>
<u>At March 31, 2026</u>					
Expected loss rate	0.35%~16%	4.28%~100%	50%~100%	100%	
Total book value	\$ 2,681,501	\$ 30,752	\$ 1,811	\$ 9,119	\$ 2,723,183
Loss allowance	16,684	5,847	1,312	9,119	32,962
		Up to 30 days	31~90 days	Over 90 days	
	<u>Not past due</u>	<u>past due</u>	<u>past due</u>	<u>past due</u>	<u>Total</u>
<u>At December 31, 2025</u>					
Expected loss rate	0.45%~30%	8.96%	100%	100%	
Total book value	\$ 2,151,072	\$ 10,642	\$ 459	\$ 5,185	\$ 2,167,358
Loss allowance	25,972	571	459	5,185	32,187
		Up to 30 days	31~90 days	Over 90 days	
	<u>Not past due</u>	<u>past due</u>	<u>past due</u>	<u>past due</u>	<u>Total</u>
<u>At March 31, 2025</u>					
Expected loss rate	1.18%~19%	1.25%~100%	50%~100%	100%	
Total book value	\$ 2,814,622	\$ 29,614	\$ 7,187	\$ 6,782	\$ 2,858,205
Loss allowance	36,094	172	1,919	6,782	44,967

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

	2026	
	Notes receivable	Accounts receivable
At January 1	\$ -	(\$ 32,187)
Effect of foreign exchange	-	(775)
At March 31	<u>\$ -</u>	<u>(\$ 32,962)</u>
	2025	
	Notes receivable	Accounts receivable
At January 1	\$ -	(\$ 44,642)
Effect of foreign exchange	-	(325)
At March 31	<u>\$ -</u>	<u>(\$ 44,967)</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.
- 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, time deposits, commercial paper and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As at March 31, 2026, December 31, 2025 and March 31, 2025, the Group held money market position of \$29,898,212, \$26,594,958 and \$22,104,095, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- 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.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Long-term borrowings (including current portion)				
March 31, 2026	\$ 163,480	\$ 7,787,177	\$ 503,417	\$ -
December 31, 2025	164,150	8,285,775	-	-
March 31, 2025	165,993	6,112,918	2,352,725	-
Lease liability				
March 31, 2026	\$ 182,802	\$ 156,977	\$ 284,282	\$ 237,463
December 31, 2025	183,583	168,004	314,441	245,618
March 31, 2025	182,860	176,394	353,336	267,427

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

- (d) 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 and beneficiary certificates with quoted market prices is included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

- B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets at amortized cost, notes receivable (including related parties), accounts receivable (including related parties), other receivables, short-term borrowings, short-term bills payable, notes payable (including related parties), accounts payable (including related parties), other payables and long-term borrowings (including current portion) are approximate to their fair values.

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:

(a) The related information on the nature of the assets and liabilities is 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</u>				
<u>measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 22,239,567</u>	<u>\$ 277,900</u>	<u>\$ 2,771,024</u>	<u>\$ 25,288,491</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</u>				
<u>measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 19,367,713</u>	<u>\$ 231,700</u>	<u>\$ 2,453,361</u>	<u>\$ 22,052,774</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</u>				
<u>measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 13,988,693</u>	<u>\$ 191,900</u>	<u>\$ 2,859,812</u>	<u>\$ 17,040,405</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. 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

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

- iii. 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.
 - iv. 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.
- D. For the three months ended March 31, 2026 and 2025, there was no transfer between Level 1 and Level 2.
- E. The following chart is the movement of Level 3 for the three months ended March 31, 2026 and 2025:

	2026
	<u>Non-derivative equity instruments</u>
At January 1	\$ 2,453,361
Recorded as unrealized gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	<u>317,663</u>
At March 31	<u>\$ 2,771,024</u>
	2025
	<u>Non-derivative equity instruments</u>
At January 1	\$ 2,634,037
Recorded as unrealized gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	<u>225,775</u>
At March 31	<u>\$ 2,859,812</u>

- F. The accounting department is in charge of valuation procedures for fair value measurements being categorized 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, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- The accounting department sets up valuation policies, valuation processes and rules for measuring fair value of financial instruments and ensures compliance with the related requirements in IFRS. The related valuation results are reported to the supervisor of accounting department monthly. The supervisor is responsible for managing and reviewing valuation processes.

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

	<u>Fair value at March 31, 2026</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:				
Unlisted shares	\$ 97,705	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 and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
	2,673,319	Net asset value	Not applicable	Not applicable
	<u>Fair value at December 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:				
Unlisted shares	\$ 90,002	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 and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
	2,363,359	Net asset value	Not applicable	Not applicable

	<u>Fair value at March 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:				
Unlisted shares	\$ 84,611	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 and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
	2,775,201	Net asset value	Not applicable	Not applicable

H. 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 from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			<u>March 31, 2026</u>	
			<u>Recognized in profit or loss</u>	
			<u>Favourable</u>	<u>Unfavourable</u>
	<u>Input</u>	<u>Change</u>	<u>change</u>	<u>change</u>
Financial assets				
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	±1%	<u>\$ 977</u>	<u>\$ 977</u>
			<u>December 31, 2025</u>	
			<u>Recognized in profit or loss</u>	
			<u>Favourable</u>	<u>Unfavourable</u>
	<u>Input</u>	<u>Change</u>	<u>change</u>	<u>change</u>
Financial assets				
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	±1%	<u>\$ 900</u>	<u>\$ 900</u>

		March 31, 2025	
		Recognized in profit or loss	
	Input	Favourable change	Unfavourable change
Financial assets			
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	±1%	
		\$ 846	\$ 846

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.
- 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 3
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- F. Significant inter-company transactions during the reporting periods: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 8.

14. SEGMENT INFORMATION

(1) General information

- A. The Group operates and sets policies from product and service perspective; thus, management also identifies reportable segments using the same method.
- B. The Group has three reportable segments: First business group, Second business group consisting of Cord fabric department and Gasoline department. Details are as follows:
 - (a) First business group: Mainly produces and sells woven, dyeing and finishing products and manages plants of overseas subsidiaries—Formosa Taffeta (Zhong Shan) Co., Ltd., Formosa Taffeta Vietnam Co., Ltd. and Formosa Taffeta (Hong Kong) Co., Ltd., etc.
 - (b) Cord fabric department: Mainly produces and provides tire cords.

(c) Gasoline department: Mainly operates gasoline stations, sells gasoline and provides car washing.

(2) Measurement of segment information

The measurement based on each operating segment's profit before tax excludes the effects of non-recurring expenditure, i.e. from the unrealized gain or loss on financial instruments. Furthermore, interest income and expense are not allocated to operating segments.

(Continued)

(3) Information about segment profit or loss and assets

	Three months ended March 31, 2026					
		Second business group				
	First business group	Cord fabric department	Gasoline department	Other segment	Adjustment and write-off	Total
Segment revenue						
Revenue from external customers	\$ 3,450,229	\$ 654,083	\$ 2,445,544	\$ 429,465	\$ -	\$ 6,979,321
Inter-segment revenue	316,960	18,197	-	30,612	(365,769)	-
Total segment revenue	<u>\$ 3,767,189</u>	<u>\$ 672,280</u>	<u>\$ 2,445,544</u>	<u>\$ 460,077</u>	<u>(\$ 365,769)</u>	<u>\$ 6,979,321</u>
Segment income (loss)	<u>\$ 384,640</u>	<u>(\$ 9,386)</u>	<u>\$ 107,819</u>	<u>\$ 36,800</u>	<u>(\$ 133,718)</u>	<u>\$ 386,155</u>
Segment assets						
Identifiable assets	<u>\$ 12,849,068</u>	<u>\$ 3,733,013</u>	<u>\$ 1,237,886</u>	<u>\$ 1,877,498</u>	<u>(\$ 193,370)</u>	\$ 19,504,095
Investments accounted for using the equity method						8,908,721
General assets						32,733,784
Total assets						\$ 61,146,600

Three months ended March 31, 2025					
	Second business group				Total
	First business group	Cord fabric department	Gasoline department	Other segment	
<u>Segment revenue</u>					
Revenue from external customers	\$ 3,829,925	\$ 770,599	\$ 2,687,528	\$ 399,721	\$ -
Inter-segment revenue	284,184	7,804	-	32,407	(324,395)
Total segment revenue	<u>\$ 4,114,109</u>	<u>\$ 778,403</u>	<u>\$ 2,687,528</u>	<u>\$ 432,128</u>	<u>(\$ 324,395)</u>
Segment income (loss)	<u>\$ 308,030</u>	<u>(\$ 23,830)</u>	<u>\$ 95,601</u>	<u>\$ 10,306</u>	<u>(\$ 148,603)</u>
<u>Segment assets</u>					
Identifiable assets	<u>\$ 13,225,787</u>	<u>\$ 4,348,520</u>	<u>\$ 1,124,582</u>	<u>\$ 1,973,747</u>	<u>(\$ 208,032)</u>
Investments accounted for using the equity method					8,446,201
General assets					24,787,255
Total assets					<u>\$ 53,698,060</u>

(4) Reconciliation for segment income (loss)

- A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.
- B. The total consolidated profit after adjustment and reconciliation information for profit after tax of reportable segments are provided in Note 14(3).

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the three months ended March 31, 2026

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3,8)	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 3,8)	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/g uarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	FORMOSA TAFFETA CO., LTD.	FORMOSA TAFFETA (ZHONG SHAN) CO., LTD.	2	\$ 29,522,187	\$ 895,860	\$ 895,860	\$ -	\$ -	1.97	\$ 59,044,375	Y	N	Y	
0	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	
0	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	
0	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 seven categories.

- (1)Having business relationship.
- (2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6)Due to joint venture, all shareholders provide 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: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: Fill in the 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: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: In accordance with the Company's procedures of endorsements and guarantees, limit on the Company's total guarantee amount is 1.3 times of the Company's net assets, and limit on endorsement/guarantee to a single party is 50% of the aforementioned total amount.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES

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

For the three months ended March 31, 2026

Table 2

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 (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
FORMOSA TAFFETA CO., LTD.	FORMOSA CHEMICALS & FIBRE CORPORATION	Ultimate parent company	Current financial assets at fair value through other comprehensive income	12,169,610	\$ 547,024	0.21	\$ 547,024	
FORMOSA TAFFETA CO., LTD.	PACIFIC ELECTRIC WIRE AND CABLE CO., LTD.	-	Current financial assets at fair value through other comprehensive income	35	-	-	-	
FORMOSA TAFFETA CO., LTD.	FORMOSA PLASTICS CORPORATION	Other related party	Current financial assets at fair value through other comprehensive income	640	29	-	29	
FORMOSA TAFFETA CO., LTD.	NAN YA PLASTICS CORPORATION	Other related party	Current financial assets at fair value through other comprehensive income	482,194	35,634	0.01	35,634	
FORMOSA TAFFETA CO., LTD.	ASIA PACIFIC INVESTMENT CO. (APIC)	Other related party	Current financial assets at fair value through other comprehensive income	10,000,000	277,900	2.35	277,900	
FORMOSA TAFFETA CO., LTD.	NAN YA TECHNOLOGY CORPORATION	Other related party	Non-current financial assets at fair value through other comprehensive income	7,711,010	1,530,636	0.25	1,530,636	
FORMOSA TAFFETA CO., LTD.	FORMOSA PETROCHEMICAL CORP.	Other related party	Non-current financial assets at fair value through other comprehensive income	365,267,576	20,126,244	3.83	20,126,244	
FORMOSA TAFFETA CO., LTD.	SYNTRONIX CORPORATION	-	Non-current financial assets at fair value through other comprehensive income	234,166	5,475	0.54	5,475	
FORMOSA TAFFETA CO., LTD.	TOA RESIN CORPORATION LIMITED	Other related party	Non-current financial assets at fair value through other comprehensive income	14,400	49,922	10.00	49,922	
FORMOSA TAFFETA CO., LTD.	SHIN YUN GAS CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	1,045,620	27,123	1.20	27,123	
FORMOSA TAFFETA CO., LTD.	FG INC	Other related party	Non-current financial assets at fair value through other comprehensive income	600	265,893	3.00	265,893	
FORMOSA TAFFETA CO., LTD.	NKFG	Other related party	Non-current financial assets at fair value through other comprehensive income	1,838,426	15,185	1.16	15,185	
FORMOSA TAFFETA CO., LTD.	FORMOSA HA TINH (CAYMAN) LIMITED	Other related party	Non-current financial assets at fair value through other comprehensive income	209,010,676	2,407,426	3.85	2,407,426	
FORMOSA DEVELOPMENT CO., LTD.	FORMOSA TAFFETA CO., LTD.	Parent company	Non-current financial assets at fair value through other comprehensive income	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.

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

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

FORMOSA TAFFETA CO., LTD. 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 months ended March 31, 2026

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions (Note 1)					
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Unit price	Credit term	Notes/accounts receivable (payable)			Footnote (Note 2)
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term			Balance	Percentage of total notes/accounts receivable (payable)		
FORMOSA TAFFETA CO., LTD.	FORMOSA PETROCHEMICAL CORPORATION	Other related party	Purchases	\$ 2,192,470	56.77	Pay every 15 days by mail transfer	\$ -	-	Accounts payable	(\$ 452,142) (	64.21)	
FORMOSA TAFFETA CO., LTD.	FORMOSA CHEMICALS & FIBRE CORPORATION	Ultimate parent company	Purchases	133,325	3.45	Draw promissory notes due in 2 months after inspection	-	-	Notes payable	(43,393) (	27.63)	
									Accounts payable	(121,560) (	17.26)	
FORMOSA TAFFETA CO., LTD.	NAN YA PLASTICS CORPORATION	Other related party	Purchases	133,859	3.47	Payment every 15 days by mail transfer	-	-	Accounts payable	(51,811) (	7.36)	

Note 1: If terms of related party transactions are different from third party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 4: The transactions are disclosed by presenting revenues. The related transactions are not disclosed.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

March 31, 2026

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

							Amount collected				
		Relationship	Balance as at March 31, 2026		Overdue receivables		subsequent to the	Allowance for			
Creditor	Counterparty	with the counterparty	(Note)	Turnover rate	Amount	Action taken	balance sheet date	doubtful accounts			
FORMOSA TAFFETA	DONG NAI CO., LTD.	KWANG VIET GARMENT CO., LTD.	Other related party	\$	112,316	6.66	\$ -	-	\$	18,190	\$ -

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

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
For the three months ended March 31, 2026

Table 5

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	FORMOSA TAFFETA CO., LTD.	FORMOSA CHEMICALS & FIBRE CORPORATION	1	Purchases	\$ 133,325	Draw promissory notes due in 2 months after inspection	1.91
0	FORMOSA TAFFETA CO., LTD.	FORMOSA CHEMICALS & FIBRE CORPORATION	1	Notes payable	43,393	Draw promissory notes due in 2 months after inspection	0.07
0	FORMOSA TAFFETA CO., LTD.	FORMOSA CHEMICALS & FIBRE CORPORATION	1	Accounts payable	121,560	Draw promissory notes due in 2 months after inspection	0.20

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 base accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The amount of transactions which is listed in the table is determined by its material.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES

Information on investees

For the three months ended March 31, 2026

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 6

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three months ended March 31, 2026 (Note 2(2))	Investment income (loss) recognized by the company for the three months ended March 31, 2026 (Note 2(3))	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value			
FORMOSA TAFFETA CO., LTD.	FORMOSA TAFFETA (HONG KONG) CO., LTD.	Hong Kong	Sale of spun fabrics and filament textile	\$ 2,758,947	\$ 2,758,947	-	100.00	\$ 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	Handling urban land consolidation, 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	
FORMOSA TAFFETA CO., LTD.	FORMOSA TAFFETA VIETNAM CO., LTD.	Vietnam	Production, processing, further processing various yam and cotton cloth, and 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.	QUANG VIET ENTERPRISE 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 CORPORATION	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. AND SUBSIDIARIES

Information on investees

For the three months ended March 31, 2026

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three months ended March 31, 2026 (Note 2(2))	Investment income (loss) recognized by the company for the three months ended March 31, 2026 (Note 2(3))	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value			
FORMOSA TAFFETA CO., LTD.	NAN YA PHOTONICS INCORPORATION	Taiwan	Manufacturing, installing, and supervising the engineer design of LED illumination systems/illumination arrangements	\$ 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	
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 INTERNATIONAL COMPANY LTD.	Taiwan	Employment service, manpower allocation and agency service etc	5,000	5,000	-	100.00	17,760	1,454	1,454	
PUBLIC MORE INTERNATIONAL COMPANY LTD.	QUANG VIET ENTERPRISE CO., LTD.	Taiwan	Processing and production of ready-to-wear, processing and trading of cotton cloth, and import and export of the aforementioned products	1,660	1,660	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 months ended March 31, 2026' column should fill in amount of net profit (loss) of the investee for this period.
- (3)The 'Investment income (loss) recognized by the Company for the three months ended March 31, 2026' column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the three months ended March 31, 2026

Table 7

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 three months ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income of investee for the three months ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2026 (Note 2)	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 (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	Note 3
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	-	Note 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

Note 2: The amount of 'Investment income (loss) recognized by the Company for the three months ended March 31, 2026 was based on the financial statement that were not reviewed by the auditors.

Note 3: The Company's paid-in capital and accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026 and March 31, 2026 are both US\$46,400,000 (remitted out US\$46,388,800 and equipment amounted to US\$11,200).

Note 4: The Company's paid-in capital and accumulated amount of remittance from Taiwan to Mainland China was US\$42,000,000. Formosa Taffeta (Changshu) Co., Ltd. reduced its capital amounting to US\$900,000

and divided the housing land to establish a new company named Changshu Fushun Enterprise Management Co., Ltd. in March 2015. Thus, the original currency of paid-in capital and accumulated amount of remittance from Taiwan as of March 31, 2026 was US\$41,100,000. Chang Shu Yu Yuan Development Co., Ltd. was merged with Chang Shu Fushan Enterprise Management Co., Ltd. in the third quarter of 2015. Chang Shu Yu Yuan Development Co., Ltd. was the surviving company, while Chang Shu Yu Yuan Development Co., Ltd. was liquidated in 2022.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
FORMOSA TAFFETA (ZHONG SHAN) CO., LTD.	\$ 1,402,085	\$ 1,483,872	\$ 27,251,250
FORMOSA TAFFETA (CHANGSHU) CO., LTD.	1,334,739	1,343,160	27,251,250

Note :

(1)The investment in FORMOSA TAFFETA (ZHONG SHAN) CO., LTD. approved by the Investment Commission of MOEA is US\$46,400,000.

(2)The investment in FORMOSA TAFFETA (CHANG SHU) CO., LTD. approved by the Investment Commission of MOEA is US\$42,000,000, FORMOSA TAFFETA (CHANG SHU) CO., LTD was split up, reduced its paid-in capital and formed Chang Shu Fushun Enterprise Management Co., Ltd. Chang Shu Fushun Enterprise Management Co., Ltd. was dissolved after the merger with Chang Shu Yu Yuan Development Co., Ltd. in the third quarter of 2015. CHANG SHU YU YUAN DEVELOPMENT CO., Ltd. was liquidated in 2022.

(3)The original currency of paid-in capital was translated at USD:TWD = 1:31.98

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES

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

For the three months ended March 31, 2026

Table 8

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 months ended March 31, 2026	Balance at March 31, 2026	Interest rate	Interest during the three months ended March 31, 2026	Others
FORMOSA TAFFETA (ZHONG SHAN) CO., LTD.	\$ 66	0.00	\$ -	-	\$ -	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	-	-	-	-	-