STOCK CODE:1722

# TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED FINANCIAL STATEMENTS
## WITH REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

## FOR THE THREE MONTHS ENDED
## MARCH 31, 2026 AND 2025

Address: 17F., No. 170, Jingmao 1st Rd., Nangang Dist., Taipei City 115018, Taiwan
Telephone: 886-2-2542-2231

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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# Review Report of Independent Accountants

English Translation of a Report Originally Issued in Chinese

To the Board of Directors of TAIWAN FERTILIZER CO., LTD.:

## Introduction

We have reviewed the accompanying consolidated balance sheets of TAIWAN FERTILIZER CO., LTD. (the “Company”) and its subsidiaries as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). 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 with the International Accounting Standards No.34, Interim Financial Reporting endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

## Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim 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 conducted in accordance with auditing standards generally accepted in the Republic of China 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 stated in the Note 4(b) to consolidated financial report, the financial statements of the insignificant subsidiaries included in the consolidated financial statements were not reviewed by independent accountants. Those statements reflect total assets of NT$3,444,535 thousand and NT$3,347,516 thousand, constituting 4.13% and 4.09% of the consolidated total assets, and total liabilities of NT$332,673 thousand and NT$341,568 thousand, constituting 1.17% and 1.32% of the consolidated total liabilities as of March 31, 2026 and 2025, respectively; and total comprehensive incomes of NT$39,162 thousand and NT$39,863 thousand, constituting 6.76% and 19.04% of the consolidated total comprehensive income for the three months ended March 31, 2026 and 2025, respectively.

In addition to the matters mentioned above, as stated in the Note 6(g) to consolidated financial report, the investment using equity method of TAIWAN FERTILIZER CO., LTD. and subsidiaries amounted to NT$9,665,723 thousand and NT$9,656,966 thousand as of March 31, 2026 and 2025, respectively; and the share of profits and losses of related companies and joint ventures recognized using the equity method amounted to NT$264,604 thousand and NT$193,117 thousand for the three months ended March 31, 2026 and 2025, respectively. The information related to above investee companies was not reviewed by independent accountants.

**Qualified Conclusion**

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant investee companies been reviewed by independent accountants described in the preceding paragraph, 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 Company and its subsidiaries as of March 31, 2026 and 2025, and their consolidated financial performance and cash flows for the three months ended March 31, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No.34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Chung-Che Chen
Hsin-Ting Huang

KPMG, Taiwan

May 6, 2026

**Notice to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditor's review report and consolidated financial statements, the Chinese version shall prevail.

**(English Translation of Consolidated Financial Statement Originally Issued in Chinese)**

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**March 31, 2026, December 31 and March 31, 2025**

**(Expressed in Thousands of New Taiwan Dollars)**

| | | March 31, 2026 | | December 31, 2025 | | March 31, 2025 | |
|---|---|---|---|---|---|---|---|
| | **Assets** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** |
| | **Current assets:** | | | | | | |
| 1100 | Cash and cash equivalents (Notes 6(a) and (u)) | $ 3,148,047 | 4 | 1,949,825 | 2 | 4,047,171 | 5 |
| 1110 | Current financial assets at fair value through profit or loss (Notes 6(b) and (u)) | 895,865 | 1 | 1,015,699 | 1 | 415,322 | 1 |
| 1120 | Current financial assets at fair value through other comprehensive income (Notes 6(c) and (u)) | 78,554 | - | 75,076 | - | 71,018 | - |
| 1150 | Notes receivable, net (Notes 6(d), (r) and (u)) | 77,461 | - | 12,417 | - | 91,465 | - |
| 1170 | Accounts receivable, net (Notes 6(d), (r), (u) and 7) | 1,539,540 | 2 | 1,023,642 | 1 | 1,261,905 | 2 |
| 1200 | Other receivables (Notes 6(e), (u) and 7) | 101,224 | - | 54,402 | - | 144,940 | - |
| 1220 | Current tax assets | 152,192 | - | 152,192 | - | 152,003 | - |
| 130X | Inventories (Note 6(f)) | 2,467,280 | 3 | 3,150,379 | 4 | 2,475,839 | 3 |
| 1410 | Prepayments | 515,710 | 1 | 457,534 | 1 | 370,770 | - |
| 1476 | Other current financial assets (Notes 6(a), (u), 8 and 9) | 853,419 | 1 | 595,256 | 1 | 489,215 | 1 |
| 1479 | Other current assets, others | 23,377 | - | 26,796 | - | 20,171 | - |
| | **Total current assets** | 9,852,669 | 12 | 8,513,218 | 10 | 9,539,819 | 12 |
| | **Non-current assets:** | | | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and (u)) | 4,534,713 | 5 | 4,281,556 | 5 | 4,337,195 | 5 |
| 1550 | Investments accounted for using equity method (Notes 6(g) and (u)) | 9,665,723 | 12 | 9,490,939 | 12 | 9,656,966 | 12 |
| 1600 | Property, plant and equipment (Note 6(h)) | 12,274,242 | 15 | 12,447,104 | 16 | 12,712,826 | 16 |
| 1755 | Right-of-use assets (Note 6(i)) | 606,272 | 1 | 634,304 | 1 | 721,716 | 1 |
| 1760 | Investment property, net (Notes 6(j), (m) and 8) | 45,906,678 | 55 | 45,688,370 | 56 | 44,111,232 | 54 |
| 1780 | Intangible assets (Note 6(k)) | 6,985 | - | 7,852 | - | 41,005 | - |
| 1840 | Deferred tax assets (Note 6(o)) | 383,894 | - | 384,134 | - | 275,405 | - |
| 1930 | Long-term notes and accounts receivable, net (Notes 6(e) and (u)) | 20,205 | - | 20,823 | - | 22,679 | - |
| 1980 | Other non-current financial assets (Notes 6(a), (u) and 8) | 31,868 | - | 31,868 | - | 324,968 | - |
| 1990 | Other non-current assets, others (Note 6(u)) | 21,905 | - | 24,466 | - | 23,236 | - |
| | **Total non-current assets** | 73,452,485 | 88 | 73,011,416 | 90 | 72,227,228 | 88 |
| | **Total assets** | **$ 83,305,154** | **100** | **81,524,634** | **100** | **81,767,047** | **100** |

| | | March 31, 2026 | | December 31, 2025 | | March 31, 2025 | |
|---|---|---|---|---|---|---|---|
| | **Liabilities and Equity** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** |
| | **Current liabilities:** | | | | | | |
| 2130 | Current contract liabilities (Note 6(r)) | $ 119,093 | - | 118,101 | - | 91,900 | - |
| 2170 | Notes payable and accounts payable (Notes 6(u) and 7) | 342,287 | - | 321,257 | - | 539,316 | 1 |
| 2200 | Other payables (Notes 6(u) and 9) | 895,754 | 1 | 1,499,783 | 2 | 764,726 | 1 |
| 2230 | Current tax liabilities | 243,373 | - | 242,840 | - | 130,411 | - |
| 2280 | Current lease liabilities (Note 6(u)) | 25,092 | - | 35,324 | - | 43,790 | - |
| 2313 | Deferred revenue (Note 6(j)) | 461,792 | 1 | 440,898 | 1 | 440,898 | 1 |
| 2315 | Other advance receipts | 364,397 | - | 1,851 | - | 312,232 | - |
| 2399 | Other current liabilities, others | 20,617 | - | 15,523 | - | 35,924 | - |
| | **Total current liabilities** | 2,472,405 | 2 | 2,675,577 | 3 | 2,359,197 | 3 |
| | **Non-current liabilities:** | | | | | | |
| 2540 | Long-term borrowings (Notes (l), (u), 7 and 8) | 2,015,000 | 2 | 500,000 | 1 | - | - |
| 2550 | Non-current provisions (Note 9) | 504,558 | 1 | 504,558 | 1 | 555,120 | 1 |
| 2570 | Deferred tax liabilities (Note 6(o)) | 7,015,752 | 9 | 6,954,014 | 8 | 6,942,051 | 9 |
| 2580 | Non-current lease liabilities (Note 6(u)) | 1,111 | - | 1,365 | - | 27,409 | - |
| 2630 | Long-term deferred revenue (Note 6(j)) | 16,026,511 | 20 | 16,192,886 | 20 | 15,549,002 | 19 |
| 2640 | Net defined benefit liability, non-current(Note 6(n)) | 33,148 | - | 40,857 | - | 37,759 | - |
| 2645 | Guarantee deposits received (Note 6(u)) | 382,889 | - | 380,684 | - | 397,900 | - |
| | **Total non-current liabilities** | 25,978,969 | 32 | 24,574,364 | 30 | 23,509,241 | 29 |
| | **Total liabilities** | 28,451,374 | 34 | 27,249,941 | 33 | 25,868,438 | 32 |
| | **Equity attributable to owners of parent (Note 6(p)):** | | | | | | |
| 3100 | Capital stock | 9,800,000 | 12 | 9,800,000 | 12 | 9,800,000 | 12 |
| 3200 | Capital surplus | 2,246,165 | 3 | 2,246,165 | 3 | 2,245,107 | 3 |
| | Retained earnings: | | | | | | |
| 3310 | Legal reserve | 4,859,413 | 6 | 4,859,413 | 6 | 4,660,794 | 5 |
| 3320 | Special reserve | 30,541,720 | 37 | 30,541,720 | 38 | 30,541,720 | 37 |
| 3350 | Unappropriated retained earnings | 2,946,383 | 3 | 2,761,927 | 3 | 4,093,228 | 5 |
| 3400 | Other equity interest | 4,460,099 | 5 | 4,065,468 | 5 | 4,557,760 | 6 |
| | **Total equity** | 54,853,780 | 66 | 54,274,693 | 67 | 55,898,609 | 68 |
| | **Total liabilities and equity** | **$ 83,305,154** | **100** | **81,524,634** | **100** | **81,767,047** | **100** |

**See accompanying notes to consolidated financial statements.**

**(English Translation of Consolidated Financial Statement Originally Issued in Chinese)**

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the three months ended March 31, 2026 and 2025**

**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Common Share)**

| | | For the three months ended March 31, | | | |
|---|---|---|---|---|---|
| | | 2026 | | 2025 | |
| | | Amount | % | Amount | % |
| 4000 | **Operating revenue (Notes 6(j), (m) and (r))** | $ 3,750,158 | 100 | 3,331,839 | 100 |
| 5000 | **Operating costs (Notes 6(f), (n) and 12)** | (3,488,095) | (93) | (3,099,681) | (93) |
| 5900 | **Gross profit from operations** | 262,063 | 7 | 232,158 | 7 |
| | **Operating expenses (Notes 6(d), (n), (s) and 12):** | | | | |
| 6100 | Selling expenses | (58,602) | (2) | (53,809) | (2) |
| 6200 | Administrative expenses | (244,183) | (6) | (214,575) | (6) |
| 6300 | Research and development expenses | (7,888) | - | (7,782) | - |
| | | (310,673) | (8) | (276,166) | (8) |
| 6900 | **Net operating loss** | (48,610) | (1) | (44,008) | (1) |
| | **Non-operating income and expenses:** | | | | |
| 7100 | Interest income (Note 6(t)) | 6,497 | - | 15,114 | - |
| 7010 | Other income (Note 6(t)) | 2,255 | - | 7,223 | - |
| 7020 | Other gains and losses (Notes 6(t) and 12) | 3,561 | - | (34,106) | (1) |
| 7050 | Finance costs (Note 6(t)) | (2,144) | - | (392) | - |
| 7060 | Share of profit of associates and joint ventures accounted for using equity method (Note 6(g)) | 264,604 | 7 | 193,117 | 6 |
| | **Total non-operating income and expenses** | 274,773 | 7 | 180,956 | 5 |
| | **Profit from continuing operations before tax** | 226,163 | 6 | 136,948 | 4 |
| 7950 | **Income tax expense (Note 6(o))** | (41,609) | (1) | (35,548) | (1) |
| | **Profit** | 184,554 | 5 | 101,400 | 3 |
| 8300 | **Other comprehensive income:** | | | | |
| 8310 | **Components of other comprehensive income that will not be reclassified to profit or loss** | | | | |
| 8316 | Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income | 256,635 | 7 | 16,089 | - |
| 8320 | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | (98) | - | - | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | - | - | - | - |
| | **Components of other comprehensive income that will not be reclassified to profit or loss** | 256,537 | 7 | 16,089 | - |
| 8360 | **Components of other comprehensive income that will be reclassified to profit or loss** | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | 1,778 | - | (469) | - |
| 8370 | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss | 170,273 | 4 | 115,459 | 4 |
| 8399 | Income tax related to components of other comprehensive loss that will be reclassified to profit or loss | (34,055) | (1) | (23,104) | (1) |
| | **Components of other comprehensive income that will be reclassified to profit or loss** | 137,996 | 3 | 91,886 | 3 |
| 8300 | **Total other comprehensive income** | 394,533 | 10 | 107,975 | 3 |
| 8500 | **Total comprehensive income** | **$ 579,087** | **15** | **209,375** | **6** |
| 8610 | **Profit, attributable to owners of parent** | **$ 184,554** | **5** | **101,400** | **3** |
| 8710 | **Comprehensive income, attributable to owners of parent** | **$ 579,087** | **15** | **209,375** | **6** |
| | **Earnings per share (Note 6(q))** | | | | |
| 9750 | **Basic earnings per share** | **$ 0.19** | | **0.10** | |
| 9850 | **Diluted earnings per share** | **$ 0.19** | | **0.10** | |

**See accompanying notes to consolidated financial statements.**

**(English Translation of Consolidated Financial Statement Originally Issued in Chinese)**

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the three months ended March 31, 2026 and 2025**

**(Expressed in Thousands of New Taiwan Dollars)**

| | Equity attributable to owners of parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | | Retained earnings | | | | Total other equity interest | | | |
| | Ordinary shares | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income | Total other equity interest | Total equity |
| **Balance at January 1, 2025** | $ 9,800,000 | 2,245,108 | 4,660,794 | 30,541,720 | 3,991,828 | 39,194,342 | 749,455 | 3,700,330 | 4,449,785 | 55,689,235 |
| Profit | - | - | - | - | 101,400 | 101,400 | - | - | - | 101,400 |
| Other comprehensive income | - | - | - | - | - | - | 91,886 | 16,089 | 107,975 | 107,975 |
| Total comprehensive income | - | - | - | - | 101,400 | 101,400 | 91,886 | 16,089 | 107,975 | 209,375 |
| Other changes in capital surplus | - | (1) | - | - | - | - | - | - | - | (1) |
| **Balance at March 31, 2025** | **$ 9,800,000** | **2,245,107** | **4,660,794** | **30,541,720** | **4,093,228** | **39,295,742** | **841,341** | **3,716,419** | **4,557,760** | **55,898,609** |
| **Balance at January 1, 2026** | $ 9,800,000 | 2,246,165 | 4,859,413 | 30,541,720 | 2,761,927 | 38,163,060 | 421,329 | 3,644,139 | 4,065,468 | 54,274,693 |
| Profit | - | - | - | - | 184,554 | 184,554 | - | - | - | 184,554 |
| Other comprehensive income | - | - | - | - | (98) | (98) | 137,996 | 256,635 | 394,631 | 394,533 |
| Total comprehensive income | - | - | - | - | 184,456 | 184,456 | 137,996 | 256,635 | 394,631 | 579,087 |
| **Balance at March 31, 2026** | **$ 9,800,000** | **2,246,165** | **4,859,413** | **30,541,720** | **2,946,383** | **38,347,516** | **559,325** | **3,900,774** | **4,460,099** | **54,853,780** |

**See accompanying notes to consolidates financial statements.**

**(English Translation of Consolidated Financial Statement Originally Issued in Chinese)**

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the three months ended March 31, 2026 and 2025**

**(Expressed in Thousands of New Taiwan Dollars)**

| | For the three months ended March 31, | |
|---|---|---|
| | **2026** | **2025** |
| **Cash flows from (used in) operating activities:** | | |
| **Profit before tax** | $ 226,163 | 136,948 |
| **Adjustments:** | | |
| **Adjustments to reconcile profit (loss):** | | |
| Depreciation expense | 376,364 | 351,125 |
| Amortization expense | 867 | 746 |
| Net gain on financial assets and liabilities at fair value through profit or loss | (3,898) | (1,583) |
| Interest expense | 2,144 | 392 |
| Interest income | (6,497) | (15,114) |
| Share of profit of associates and joint ventures accounted for using equity method | (264,604) | (193,117) |
| Loss on disposal of property, plant and equipment | 10 | 1 |
| Unrealized foreign currency exchange gain | (338) | (874) |
| Property, plant and equipment transferred to expenses | - | 335 |
| **Total adjustments to reconcile profit** | 104,048 | 141,911 |
| **Changes in operating assets and liabilities:** | | |
| Increase in notes receivable | (65,044) | (7,155) |
| Increase in accounts receivable | (515,898) | (424,939) |
| Increase in other receivables | (33,461) | (115,986) |
| Decrease in inventories | 683,099 | 355,743 |
| Increase in prepayments | (58,176) | (309,605) |
| Decrease in other current assets | 3,419 | 8,259 |
| **Total changes in operating assets** | 13,939 | (493,683) |
| Increase (decrease) in contract liabilities | 992 | (17,520) |
| Increase in notes payable | 120 | 293 |
| Increase in accounts payable | 20,910 | 248,488 |
| (Decrease) increase in other payables | (592,334) | 21,764 |
| Increase in receipts in advance | 362,546 | 311,761 |
| Increase in other current liabilities | 5,094 | 15,491 |
| Decrease in net defined benefit liabilies | (7,709) | (49,615) |
| Decrease in deferred credits | (145,481) | (110,225) |
| **Total changes in operating liabilities** | (355,862) | 420,437 |
| **Total changes in operating assets and liabilities** | (341,923) | (73,246) |
| **Total adjustments** | (237,875) | 68,665 |
| Cash (outflow) inflow generated from operations | (11,712) | 205,613 |
| Interest received | 6,136 | 15,014 |
| Dividends received | 246,995 | - |
| Interest paid | (2,144) | (392) |
| Income tax paid | (13,153) | (118) |
| **Net cash flows from operating activities** | 226,122 | 220,117 |

**(English Translation of Consolidated Financial Statement Originally Issued in Chinese)**

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows (CONT'D)**

**For the three months ended March 31, 2026 and 2025**

**(Expressed in Thousands of New Taiwan Dollars)**

| | For the three months ended March 31, | |
|---|---|---|
| | **2026** | **2025** |
| **Cash flows from (used in) investing activities:** | | |
| Acquisition of financial assets at fair value through other comprehensive income | - | (47,500) |
| Acquisition of financial assets at fair value through profit or loss | (880,000) | (400,000) |
| Disposal of financial assets at fair value through profit or loss | 1,003,732 | 401,500 |
| Acquisition of property, plant and equipment | (64,271) | (76,318) |
| Disposal of property, plant and equipment | 67 | - |
| Decrease in other receivables | 618 | 1,400 |
| Acquisition of intangible assets | - | (1,249) |
| Acquisition of investment properties | (341,197) | (247,499) |
| (Increase) decrease in other financial assets | (258,163) | 126,537 |
| Decrease in other non-current assets | 2,561 | 187 |
| **Net cash flows used in investing activities** | (536,653) | (242,942) |
| **Cash flows from (used in) financing activities:** | | |
| Proceeds from long-term borrowings | 1,515,000 | - |
| Increase (decrease) in guarantee deposits received | 2,205 | (7,892) |
| Repayment of lease liabilities | (10,486) | (10,812) |
| **Net cash flows from (used in) financing activities** | 1,506,719 | (18,704) |
| **Effect of exchange rate changes on cash and cash equivalents** | 2,034 | 452 |
| **Net increase (decrease) in cash and cash equivalents** | 1,198,222 | (41,077) |
| **Cash and cash equivalents at the beginning of period** | 1,949,825 | 4,088,248 |
| **Cash and cash equivalents at the end of period** | $ **3,148,047** | **4,047,171** |

**See accompanying notes to consolidated financial statements.**

**(1) Company history:**

TAIWAN FERTILIZER CO., LTD. (the "Company") was incorporated in May 1946. The Company's registered office address is located at 17F, No. 170, Jingmao 1st Rd., Taipei City 115018, Taiwan. The Company and its subsidiaries (together referred to as the "Group") is mainly engaged in manufactures and sells inorganic and organic fertilizers and other chemical products, constructs and leases real estate services. The Company's shares were listed on the TSEC since March 24, 1998.

**(2) Approval date and procedures of the consolidated financial statements:**

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on May 6, 2026.

**(3) New standards, amendments and interpretations adopted:**

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(b) The impact of IFRS issued by the International Accounting Standards Board ("IASB") but not yet endorsed by the FSC.

The following new and amended standards, which may be relevant to the Group, have been issued by the IASB, but have yet to be endorsed by the FSC:

| **Standards or interpretations** | **Content of amendment** | **Effective date per IASB** |
|---|---|---|
| IFRS 18 "Presentation and Disclosure in Financial Statements" | The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.<br>· A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.<br>· Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.<br>· Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. | January 1, 2027<br><br>Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 in 2028.<br>Early adoption is permitted upon approval by the FSC. |

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency "

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

## (4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

The significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

1. List of subsidiaries included in the consolidated financial statements:

| | | | Shareholding ratio | | | |
|---|---|---|---|---|---|---|
| **Investor** | **Subsidiary** | **Nature of business** | **March 31, 2026** | **December 31, 2025** | **March 31, 2025** | **Notes** |
| The Company | Taifer Investment Co., Ltd. | Investment, international trade, real estate rental or leasing and gas station | 100% | 100% | 100% | Note 4 |
| The Company | TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD. | Investment and holding | 100% | 100% | 100% | Note 3 & 4 |
| The Company | Taiwan Yes Deep Ocean Water Co., Ltd. | Wholesale of drinks, food and grocery | 100% | 100% | 100% | Note 4 |
| The Company | TAIFER (CAMBODIA) CO., LTD. | International trade, wholesale of fertilizer | -% | 100% | 100% | Note 1 & 4 |
| The Company | PEIFENG Technology & Fertilizer Co., Ltd. | Manufacture and wholesale of fertilizer | 100% | 100% | 100% | Note 4 |
| The Company | Tai Ying Sustainability CO., LTD. | Chemical industries, chemical products manufacturing and wholesale | 100% | 100% | -% | Note 2 &4 |
| Taiwan Yes Deep Ocean Water Co., Ltd. | TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD. | Investment and holding | 100% | 100% | 100% | Note 4 |
| TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD | TAIFER CHEMICAL INTERNATIONAL LLC. | Real estate rental and leasing | 100% | 100% | 100% | Note 4 |

(Continued)

Note 1:TAIFER (CAMBODIA) Co., Ltd. has filed for business suspension in Cambodia in June 2023, wherein the relevant legal procedures are had been duly completed in March 2026.

Note 2: The Company resolved by the Board of Directors on August 12, 2025 to establish a wholly owned subsidiary dedicated to the development of the clean energy business to expand the Group’s new sources of profit.

Note 3: The Company was liquidated on December 10, 2025, with the approval of its board, wherein the related statutory procedures were still in progress as of the reporting date.

Note 4: These are insignificant subsidiaries whose financial statements have not been reviewed.

2. List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34, “Interim Financial Reporting”.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments and estimates regarding future developments, including climate-related risks and opportunities that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to Note 5 of the 2025 annual consolidated financial statements.

(Continued)

## TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

**(6) Explanation of significant accounts:**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2025 consolidated financial statements. Please refer to Note 6 of the 2025 annual consolidated financial statements.

(a) Cash and cash equivalents

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Cash on hand | $ 2,970 | 3,158 | 2,947 |
| Demand deposits and checking accounts | 3,045,077 | 1,946,667 | 2,544,224 |
| Time deposits with original maturities less than 3 months | 100,000 | - | 1,500,000 |
| Cash and cash equivalents | **$ 3,148,047** | **1,949,825** | **4,047,171** |

(i) Time deposits with original maturity of more than 3 months are recorded as other financial assets, and are classified as non-current if their maturities exceed one year, and as follow:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Other current financial assets | $ 853,419 | 595,256 | 489,215 |
| Other non-current financial assets | 31,868 | 31,868 | 324,968 |
| | **$ 885,287** | **627,124** | **814,183** |

(ii) Refer to Note 6(u) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

(iii) Refer to Note 8 for assets pledged as collateral.

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

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Financial assets mandatorily measured at fair value through profit or loss: | | | |
| Non-derivative financial assets | | | |
| Beneficiary certificate | **$ 895,865** | **1,015,699** | **415,322** |

Please refer to Note 6(t) for the amount of remeasurement measured at fair value through profit or loss.

(Continued)

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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

| | | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| Equity investments at fair value through other comprehensive income: | | | | |
| Stock listed on domestic markets | $ | 78,554 | 75,076 | 71,018 |
| Stock unlisted on domestic markets | | 4,534,713 | 4,281,556 | 4,337,195 |
| Total | **$** | **4,613,267** | **4,356,632** | **4,408,213** |

(i) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

A resolution was approved during the provisional meeting of shareholders of Eminent II Venture Capital Corporation, one of the financial assets measured at fair value through other comprehensive income by the Group, held on June 5, 2025, for capital reduction, wherein the Group will receive the refund of $27,300 thousand.

(ii) For credit risk, please refer to Note 6(u).

(iii) Financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral for long-term borrowings.

(d) Notes receivable and accounts receivable

| | | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| Notes receivables | $ | 77,461 | 12,417 | 91,465 |
| Accounts receivables | | 1,540,655 | 1,025,522 | 1,263,829 |
| Less: Loss allowance | | (1,115) | (1,880) | (1,924) |
| | **$** | **1,617,001** | **1,036,059** | **1,353,370** |

(Continued)

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision in Taiwan was determined as follows:

| | March 31, 2026 | | |
|---|---|---|---|
| | **Gross carrying amount** | **Expected loss rate** | **Loss allowance provision** |
| Current | $ 1,610,660 | 0%~0.01% | - |
| 1 to 30 days past due | 7,456 | 0%~14.95% | (1,115) |
| 31 to 60 days past due | - | 0%~1.43% | - |
| More than 61 days past due | - | 0%~100% | - |
| | **$ 1,618,116** | | **(1,115)** |

| | December 31, 2025 | | |
|---|---|---|---|
| | **Gross carrying amount** | **Expected loss rate** | **Loss allowance provision** |
| Current | $ 938,189 | 0%~0.01% | - |
| 1 to 30 days past due | 98,983 | 0%~1.12% | (1,113) |
| 31 to 60 days past due | - | 0%~1.47% | - |
| More than 61 days past due | 767 | 0%~100% | (767) |
| | **$ 1,037,939** | | **(1,880)** |

| | March 31, 2025 | | |
|---|---|---|---|
| | **Gross carrying amount** | **Expected loss rate** | **Loss allowance provision** |
| Current | $ 1,341,958 | 0%~0.01% | - |
| 1 to 30 days past due | 10,810 | 0%~0.82% | - |
| 31 to 60 days past due | 1,640 | 0%~63.29% | (1,038) |
| More than 61 days past due | 886 | 0%~100% | (886) |
| | **$ 1,355,294** | | **(1,924)** |

(Continued)

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

The movement in the allowance for accounts receivables was as follows:

| | For the three months ended March 31 | | |
|---|---|---|---|
| | | **2026** | **2025** |
| Balance on January 1 | $ | 1,880 | 1,914 |
| The irrecoverable amount written off in the current year | | (778) | - |
| Effect of foreign currency exchanges difference | | 13 | 10 |
| Balance on March 31 | **$** | **1,115** | **1,924** |

(e) Other receivables (including the long-term receivables)

| | | **March 31, 2026** | **December 31, 2025** | **March 31, 2025** |
|---|---|---|---|---|
| Other receivables | $ | 98,751 | 51,928 | 141,944 |
| Property receivables | | 25,259 | 26,016 | 28,826 |
| Less: Unrealized interest income | | (2,581) | (2,719) | (3,151) |
| | **$** | **121,429** | **75,225** | **167,619** |
| | | | | |
| Other receivables | $ | 101,224 | 54,402 | 144,940 |
| Long-term receivable | | 20,205 | 20,823 | 22,679 |
| | **$** | **121,429** | **75,225** | **167,619** |

As of March 31, 2026, the total amount of receivables due to the sale of premises of the Group was $22,678 thousand. The Group estimates to collect $1,855, $2,474 and $18,349 thousand over the year 2026, 2027, 2028 and thereafter, respectively.

The above receivables of $22,678 thousand are all secured by the premises and promissory notes sold, and mortgages are established to the Group.

The Group complies with the policy of Ministry of Agriculture of Executive Yuan, which is in order to stabilize the domestic fertilizer price and supplement stocks of fertilizer raw material, so as to fully meet the fertilizer demands of farmers. As of March 31, 2026, December 31 and March 31, 2025, the total amount of subsidy receivables due to no increase in the fertilizer price was $3,928, $835 and $15,438 thousand, respectively, which were recognized in the account of other receivables.

(Continued)

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

(f) Inventories and construction in progress

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Inventories | | | |
| Raw materials | $ 1,885,623 | 2,173,523 | 1,932,619 |
| Finished goods | 193,609 | 588,879 | 155,184 |
| Merchandise | 283 | 212 | 271 |
| **Subtotal** | **2,079,515** | **2,762,614** | **2,088,074** |
| Construction in progress | | | |
| Hsinchu land development project | 387,765 | 387,765 | 387,765 |
| **Total** | **$ 2,467,280** | **3,150,379** | **2,475,839** |

The cost of inventories recognized as cost of goods sold and expense for the three months ended March 31, 2026 and 2025, amounted to $3,085,363 and $2,712,456 thousand, respectively.

As of March 31, 2026, December 31 and March 31, 2025, the aforesaid inventories were not pledged as collateral.

(g) Investments accounted for using equity method

The Group's financial information for equity accounted investees at the reporting date was as follows:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Material associates | | | |
| Al-Jubail Fertilizer Company ("Al-Jubail") | $ 9,617,862 | 9,444,994 | 9,609,657 |
| Associates that are not individually material | | | |
| MITAGRI Co., Ltd. | 47,861 | 45,945 | 47,309 |
| | **$ 9,665,723** | **9,490,939** | **9,656,966** |

Joint ventures that are not individually material

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| TR Electronic Chemical Co., Ltd. | **$ -** | **-** | **-** |

(Continued)

## TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

(i) Associates that had materiality were as follows:

| Associate | Nature of relationship | Country of registration | Equity ownership March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|---|
| Al-Jubail Fertilizer Company | Equity-method investee | Kingdom of Saudi Arabia | 50.00% | 50.00% | 50.00% |

The following is a summary of financial information on the Group's significant associates. In order to reflect the adjustments for fair value in acquisition of shares and differences in accounting policies, adjustment for the amounts presented on the financial statements of associates in accordance with IFRSs has been made to such financial information.

Summary financial information on Al-Jubail Fertilizer Company:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Current assets | $ 7,186,465 | 7,356,902 | 6,869,168 |
| Non-current assets | 15,335,980 | 15,351,680 | 15,906,190 |
| Current liabilities | (2,089,646) | (2,634,026) | (2,726,922) |
| Non-current liabilities | (988,018) | (966,481) | (843,175) |
| Net assets | **$ 19,444,781** | **19,108,075** | **19,205,261** |
| Net assets attributable to the Company | $ 9,444,611 | 9,309,651 | 9,354,288 |
| Net assets attributable to the other company | 10,000,170 | 9,798,424 | 9,850,973 |
| | **$ 19,444,781** | **19,108,075** | **19,205,261** |

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

| | For the three months ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Revenue | **$ 3,016,468** | **3,096,767** |
| Profit for the period | $ 582,777 | 441,738 |
| Other comprehensive income | (220) | - |
| Comprehensive income | **$ 582,557** | **441,738** |
| Comprehensive income attributable to the Company | **$ 262,590** | **198,542** |
| Comprehensive income attributable to the other company | **$ 319,967** | **243,196** |
| Dividends declared by associates | **$ 295,120** | **-** |

(ii) Joint ventures

On March 31, 2011, under the authorization of the Investment Commission of the Ministry of Economic Affairs of the Republic of China, the Group established TR Electronic Chemical Co., Ltd. (“TREC”) in the Cayman Islands through its subsidiary, Taifer (Cayman) International Group Co., Ltd. TREC then invested in TR Electronic Chemical (Kunshan) Co., Ltd. (“TREC-K”), which enabled the Group to have a 100% indirect interest in TREC-K. TREC-K manufactures and sells electronic chemicals. Later, under a joint venture agreement between the Group and Shiung-Shing Chemical International Trade Group. (“Shiung-Shing”), another TREC shareholder, Shiung- Shing assigned a manager to handle TREC’s daily business and management. Thus, the Group had no control over TREC and TREC-K. In June 2015, the carrying amount of the Group’s investment in TREC was zero.

(iii) Pledged

As of March 31, 2026, December 31 and March 31, 2025, the investments in the aforesaid equity-accounted investees were not pledged as collateral.

(Continued)

## TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

(h) Property, plant, and equipment

The movements in the cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2026 and 2025 were as follows:

| | Land | Building and construction | Machinery and equipment | Transportation equipment | Other equipment | Construction in progress | Total |
|---|---|---|---|---|---|---|---|
| **Cost or deemed cost:** | | | | | | | |
| Balance on January 1, 2026 | $ 3,638,243 | 5,169,057 | 12,414,403 | 84,171 | 551,942 | 1,036,977 | 22,894,793 |
| Additions | - | 2,774 | 30,608 | 52 | 2,403 | 16,739 | 52,576 |
| Disposals | - | (600) | (35,931) | (680) | (2,068) | - | (39,279) |
| Transferred from completion | - | 1,720 | 48,611 | - | 5,868 | (56,199) | - |
| Balance on March 31, 2026 | **$ 3,638,243** | **5,172,951** | **12,457,691** | **83,543** | **558,145** | **997,517** | **22,908,090** |
| Balance on January 1, 2025 | $ 3,638,243 | 5,111,570 | 12,101,197 | 76,467 | 461,794 | 1,101,540 | 22,490,811 |
| Additions | - | 1,281 | 31,763 | - | 2,152 | 31,349 | 66,545 |
| Disposals | - | - | (319) | (96) | (57) | - | (472) |
| Transferred from completion | - | 691 | 24,202 | - | 580 | (25,808) | (335) |
| Balance on March 31, 2025 | **$ 3,638,243** | **5,113,542** | **12,156,843** | **76,371** | **464,469** | **1,107,081** | **22,556,549** |

| | Land | Building and construction | Machinery and equipment | Transportation equipment | Other equipment | Construction in progress | Total |
|---|---|---|---|---|---|---|---|
| **Depreciation and impairment loss:** | | | | | | | |
| Balance on January 1, 2026 | $ - | 1,458,850 | 7,884,172 | 70,080 | 321,908 | 712,679 | 10,447,689 |
| Depreciation | - | 36,478 | 177,313 | 1,192 | 10,378 | - | 225,361 |
| Disposals | - | (600) | (35,907) | (627) | (2,068) | - | (39,202) |
| Balance on March 31, 2026 | **$ -** | **1,494,728** | **8,025,578** | **70,645** | **330,218** | **712,679** | **10,633,848** |
| Balance on January 1, 2025 | $ - | 1,318,419 | 7,238,191 | 65,766 | 291,831 | 712,679 | 9,626,886 |
| Depreciation | - | 36,173 | 172,486 | 1,141 | 7,508 | - | 217,308 |
| Disposals | - | - | (318) | (96) | (57) | - | (471) |
| Transferred from completion | - | - | (81) | - | 81 | - | - |
| Balance on March 31, 2025 | **$ -** | **1,354,592** | **7,410,278** | **66,811** | **299,363** | **712,679** | **9,843,723** |
| **Carrying amounts:** | | | | | | | |
| Balance on January 1, 2026 | **$ 3,638,243** | **3,710,207** | **4,530,231** | **14,091** | **230,034** | **324,298** | **12,447,104** |
| Balance on March 31, 2026 | **$ 3,638,243** | **3,678,223** | **4,432,113** | **12,898** | **227,927** | **284,838** | **12,274,242** |
| Balance on January 1, 2025 | **$ 3,638,243** | **3,793,151** | **4,863,006** | **10,701** | **169,963** | **388,861** | **12,863,925** |
| Balance on March 31, 2025 | **$ 3,638,243** | **3,758,950** | **4,746,565** | **9,560** | **165,106** | **394,402** | **12,712,826** |

As of March 31, 2026, December 31 and March 31, 2025, the property, plant and equipment were not pledged as collateral.

(Continued)

(i) Right-of-use assets

Summary of the carrying amounts of right-of-use assets of the Group is as follows:

| | Land | | Transportation equipment | Total |
|---|---|---|---|---|
| Carrying amount: | | | | |
| Balance on January 1, 2026 | $ | **631,950** | **2,354** | **634,304** |
| Balance on March 31, 2026 | $ | **604,170** | **2,102** | **606,272** |
| Balance on January 1, 2025 | $ | **743,070** | **7,216** | **750,286** |
| Balance on March 31, 2025 | $ | **715,290** | **6,426** | **721,716** |

On October 31, 2006, the Group leased from the Taichung Harbor Bureau, Ministry of Transportation and Communications (“THB”) a 247.298 square meter lot in a special petrochemical industry zone in Taichung to develop wharf areas called West 8 and 9, and construct warehouse facilities and public roads. The main provisions of the lease agreement were as follows:

(i) The lease term for the land in a special industrial zone is 20 years, and the agreement is renewable until the total lease reaches 50 years.

(ii) The Group can sublease the land, and it can also develop West 8 and 9 of the wharf area, as well as construct warehouse facilities and public roads on behalf of THB. The Group can use its capital expenses for the construction as rentals in advance. However, once the lease term ends or the agreement is early terminated, all the titles to the facilities and improvements on the leased land should be transferred to THB.

The Group used its expenditures of $1,500,481 thousand for the construction of West 8 and 9 of Taichung Harbor as rentals until March 20, 2034. The long-term prepayments for lease should be amortized over its rent-free periods.

(j) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right-of-use assets, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 1 to 50 years.

# TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES
## Notes to Consolidated Financial Statements

The Group for the movement in investment property was as follow:

| | Own assets | | | Right-of-use assets | |
|---|---|---|---|---|---|
| | Completed investment property | Investment property under construction | Undeveloped investment property | Other | Total |
| **Costs:** | | | | | |
| Balance on January 1, 2026 | $ 23,966,287 | 7,195,806 | 16,932,600 | 3,778 | 48,098,471 |
| Additions | 176 | 341,021 | - | - | 341,197 |
| Effect of foreign currency exchanges difference | 207 | - | - | - | 207 |
| Reclassification | (18,878) | 18,878 | - | - | - |
| Balance on March 31, 2026 | **$ 23,947,792** | **7,555,705** | **16,932,600** | **3,778** | **48,439,875** |
| Balance on January 1, 2025 | $ 21,848,215 | 7,168,395 | 16,916,413 | 3,778 | 45,936,801 |
| Additions | 54 | 247,445 | - | - | 247,499 |
| Effect of foreign currency exchanges difference | (111) | - | - | - | (111) |
| Reclassification | 95,105 | (95,105) | - | - | - |
| Balance on March 31, 2025 | **$ 21,943,263** | **7,320,735** | **16,916,413** | **3,778** | **46,184,189** |
| **Accumulated depreciation:** | | | | | |
| Balance on January 1, 2026 | $ 1,751,197 | 36,038 | 619,088 | 3,778 | 2,410,101 |
| Depreciation | 122,464 | 461 | 46 | - | 122,971 |
| Effect of foreign currency exchanges difference | 125 | - | - | - | 125 |
| Balance on March 31, 2026 | **$ 1,873,786** | **36,499** | **619,134** | **3,778** | **2,533,197** |
| Balance on January 1, 2025 | $ 1,310,871 | 34,037 | 619,088 | 3,778 | 1,967,774 |
| Depreciation | 104,741 | 506 | - | - | 105,247 |
| Effect of foreign currency exchanges difference | (64) | - | - | - | (64) |
| Balance on March 31, 2025 | **$ 1,415,548** | **34,543** | **619,088** | **3,778** | **2,072,957** |
| **Carrying amount:** | | | | | |
| Balance on January 1, 2026 | **$ 22,215,090** | **7,159,768** | **16,313,512** | **-** | **45,688,370** |
| Balance on March 31, 2026 | **$ 22,074,006** | **7,519,206** | **16,313,466** | **-** | **45,906,678** |
| Balance on January 1, 2025 | **$ 20,537,344** | **7,134,358** | **16,297,325** | **-** | **43,969,027** |
| Balance on March 31, 2025 | **$ 20,527,715** | **7,286,192** | **16,297,325** | **-** | **44,111,232** |

Completed investment property are located in C3/C6/C7/C8/C9 in the Nangang Economic and Trade Park and D6 in the Hsinchu Science Park, and the Corporation leased land use right to others.

(Continued)

**TAISAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

(i) The main provisions of the C6/C7/C8/C9 contract on the pledging of land use rights were as follows:

1) Land use rights (LURs) are for 50 years from the date of registration of these rights.

2) The LURs (accounted for as deferred income-current and noncurrent) amounted to $3,200,889 thousand, which has been treated as royalty revenue (accounted for as operating revenue) amortizable over 50 years from June 13, 2006. As of March 31, 2026, December 31 and March 31, 2025, the unamortized balances of the LURs under above mentioned contract were $1,933,870, $1,949,875 and $1,997,888 thousand, respectively.

3) In addition to the LURs, the annual rental payable by the lessee is 8% of the reference land price announced by the local government, with the calculation starting from the contract date. When the reference land price is adjusted, the annual rental will be revised at the percentage the same as that set on the date of the reference price adjustment. The annual rentals for the three months ended March 31, 2026 and 2025 were $96,518 and $91,818 thousand, respectively.

(ii) The main provisions of the C3 contract on the pledging of land use rights, together with the supplement agreement entered into with the lessee on December 4, 2025, as well as the original contrat dated September 15, 2015, were as follows:

1) The LURs are extended from 45 years to 85 yers and are valid from the date of the registration of these rights.

2) The LURs (accounted for as deferred income -current and noncurrent) amounted to $28,574,419 thousand, recorded as royalty revenue (accounted for as operating revenue) amortizable over 85 years from December 10, 2015. Of the said amount, $15,000,000 thousand (including tax) was attributable to the extension of the LURs and is collected over a period for 15 years. As of March 31, 2026, December 31 and March 31, 2025, the unamortized balance of the LURs were $11,963,573, $12,048,178 and $11,333,942 thousand, respectively.

3) In addition to the LURs, the rental payable by the lessees is 0.8% of the reference land price announced by the local government, with the calculation starting from the registration date. When the reference land price is adjusted, the annual rental will be revised at the same percentage as the rate of the reference price adjustment. The lessees' annual rentals for the three months ended March 31, 2026 and 2025 were $68,169 and $80,255 thousand, respectively.

4) Under the contract, the lessees provided government bonds as collateral, wherein the fair values of these bonds were as follow:

| | **March 31, 2026** | **December 31, 2025** | **January 1, 2025** |
|---|---|---|---|
| Debt securities | **$ 8,674,289** | **8,685,163** | **2,482,232** |

(Continued)

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**
**Notes to Consolidated Financial Statements**

(iii) The main provisions of the D6 contract on the pledging of land use rights were as follows:

1) The LURs are valid for 70 years from the date of the registration of these rights.

2) The LURs (accounted for as deferred income -current and noncurrent) amounted to $2,705,714 thousand, which has been treated as royalty revenue (accounted for as operating revenue) amortizable over 70 years from February 10, 2022. As of March 31, 2026, December 31 and March 31, 2025, the unamortized balance of the LURs were $2,544,660, $2,554,323 and $2,583,313 thousand, respectively.

3) In addition to the LURs, the rental payable by the lessees is 0.8% of the reference land price announced by the local government, with the calculation starting from the registration date. When the reference land price is adjusted, the annual rental will be revised at the same percentage as the rate of the reference price adjustment. The annual rentals for the three months ended March 31, 2026 and 2025 were $4,331 and $3,541 thousand, respectively.

4) The lessees shall deliver a written notice to the Group no less than three years prior to the expiration of the existing lease term to exercise the extension option.

(iv) For details regarding litigation related to investment property, please refer to Note 9.

(v) The fair value of investment properties (as measured or disclosed in the consolidated financial statements) was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. The inputs of levels of fair value hierarchy in determining the fair value was classified to Level 3.

The fair values of investment properties were assessed as follows:

| **Fair Value** | **March 31, 2026** | **December 31, 2025** | **March 31, 2025** |
|---|---|---|---|
| C6／C7／C8／C9 | **$ 28,131,914** | **27,946,225** | **27,946,225** |
| C2 | **$ 24,502,746** | **24,255,956** | **24,255,956** |
| C3 | **$ 42,594,808** | **41,966,566** | **41,966,566** |
| Hsinchu | **$ 14,398,950** | **14,099,316** | **14,099,316** |
| Kaohsiung | **$ 23,199,032** | **23,199,032** | **23,199,032** |

The fair value was based on the valuation carried out at March 18, 2026 and March 25, 2025 by independent qualified professional valuer.

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

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The fair value is measured at market value, mainly use the comparison approach and land development analysis approach to determine the value of the investment property. The weight is 50/50. The significant key assumption of the development profit margin intervals in the three months ended March 31, 2025 and 2024 were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| **Area** | **2026** | **2025** |
| C6／C7／C8／C9 | 17% | 17% |
| C2 | 18% | 18% |
| C3 | 18% | 18% |
| Hsinchu | 19% | 19% |
| Kaohsiung | 17% | 17% |

The other investment properties held by the Corporation are mainly located in different industrial zones. They have no quoted prices in an active market and there was no alternative basis for estimating their fair values. Thus, the fair values of the investment properties were not reliably determinable.

As of March 31, 2026, December 31 and March 31, 2025, investment properties were pledged as collateral, please refer to Note 8 for related information.

(k) Intangible assets

The carrying amounts of the intangible assets were as follows:

| | Patents | Computer software | Trademark | Goodwill | Total |
|---|---|---|---|---|---|
| **Carrying amount:** | | | | | |
| Balance on January 1, 2026 | $ 47 | 7,805 | - | - | 7,852 |
| Balance on March 31, 2026 | $ 19 | 6,966 | - | - | 6,985 |
| Balance on January 1, 2025 | $ 159 | 4,443 | 35,900 | - | 40,502 |
| Balance on March 31, 2025 | $ 131 | 4,974 | 35,900 | - | 41,005 |

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2026 and 2025. Information on amortization for the period is discussed in Note 12. Please refer to Note 6(k) of the 2025 annual consolidated financial statements for other related information.

(l) Long-term borrowings

Details, terms, and conditions of the consolidated long-term loans are as follows:

| | March 31, 2026 | | |
|---|---|---|---|
| | Currency | Year of maturity | Amount |
| Secured bank loans | NTD | 2030~2032 | $ 2,015,000 |
| Unutilized bank loan facility | | | $ 16,485,000 |

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

| | December 31, 2025 | | |
|---|---|---|---|
| | **Currency** | **Year of maturity** | **Amount** |
| Secured bank loans | NTD | 2030 | **$ 500,000** |
| Unutilized bank loan facility | | | **$ 2,500,000** |

(i) For information on the assets pledged as collateral for the Group's bank loans, please refer to Note 8.

(ii) The Group entered into a credit facility agreement with Taishin International Bank in February 2026 for a total commitment amount of NT$7,500,000 thousand. Pursuant to the terms of the aforementioned credit facility agreement, the Group is required to comply with certain financial covenants and maintain specified financial ratios at the end of each fiscal year throughout the tenor of the facility, based on the annual audited consolidated financial statements. In the event of any breach of the aforementioned financial covenant requirements, the interest rate applicable to the facility shall be subject to a step-up adjustment.

(iii) The Group entered into a syndicated credit facility agreement with E.Sun Commercial Bank and three other financial institutions in March 2026 for a total commitment amount of NT$8,000,000 thousand. Pursuant to the terms of the syndicated credit facility agreement, the Group is required to comply with certain undertakings and maintain specified financial ratios at the end of each fiscal year during the term of the facility, commencing from the fiscal year in which the first utilization is made, based on the annual audited consolidated financial statements. In the event of any breach of the aforementioned financial covenant requirements, the interest rate applicable to the facility shall be subject to a step-up adjustment.

(m) Operating leases

The Group leases out its investment property and some machinery. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to Note 6(j) sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Less than one year | $ 1,917,539 | 1,905,506 | 1,828,002 |
| One to two years | 1,894,282 | 1,928,904 | 1,800,109 |
| Two to three years | 1,629,118 | 1,692,268 | 1,694,962 |
| Three to four years | 1,496,749 | 1,493,592 | 1,456,414 |
| Four to five years | 1,463,016 | 1,484,193 | 1,319,066 |
| More than five years | 20,264,754 | 20,611,122 | 17,088,926 |
| Total undiscounted lease payments | **$ 28,665,458** | **29,115,585** | **25,187,479** |

For the three months ended March 31, 2026 and 2025, the property rental income was $528,747 and $503,205 thousand, respectively. There were no significant property equipment and maintenance expenses.

(n) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the interim period was measured and disclosed by using the actuarially determined results as of December 31, 2025 and 2024.

The expenses recognized in profit or loss for the Group were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Operating costs | $ 1,349 | 1,548 |
| Operating expenses | 702 | 661 |
| Total | **$ 2,051** | **2,209** |

(ii) Defined contribution plans

The Group’s expenses of defined contribution plans under Labor Pension Act were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Operating costs | $ 4,383 | 4,005 |
| Operating expenses | 3,410 | 3,144 |
| Total | **$ 7,793** | **7,149** |

(Continued)

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

(o) Income tax

(i) The components of income tax for the three months ended March 31, 2026 and 2025 were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Current income tax expense | | |
| Current period incurred | $ 13,797 | 13,019 |
| Deferred tax expense | 27,812 | 22,529 |
| Income tax expense | **$ 41,609** | **35,548** |

The amount of income tax recognized in other comprehensive income for the three months ended March 31, 2026 and 2025 were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Items that may be reclassified subsequently to profit and loss: | | |
| Foreign currency translation differences for foreign operations | $ - | 12 |
| Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income | 34,055 | 23,092 |
| | **$ 34,055** | **23,104** |

(ii) The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(p) Share capital and other interests

(i) Share capital

As of March 31, 2026, December 31 and March 31, 2025, the authorized capital of the Company amounting to $9,800,000 thousand with par value of $10 per share. The paid in capital was $9,800,000 thousand, and the capital that rose from the shares had all been retrieved.

(ii) Capital surplus

The components of capital surplus were as follows:

| | **March 31, 2026** | **December 31, 2025** | **March 31, 2025** |
|---|---|---|---|
| Donations | $ 44,803 | 44,803 | 44,803 |
| Treasury share transactions | 2,187,988 | 2,187,988 | 2,187,988 |
| Others | 13,374 | 13,374 | 12,316 |
| | **$ 2,246,165** | **2,246,165** | **2,245,107** |

(Continued)

In accordance with Amended Companies Act 2012, realized capital reserves can only be capitalized or distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with Securities Offering and Issuance Guidelines, the amount of capital reserves that can be capitalized shall not exceed 10% of the actual share capital amount.

(iii) Retained earnings

Under the dividend policy as set forth in the Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

To determine dividend amounts, the Company should take into account the diversity of its business, cycles of the industry, and capital demand in relation to specific products and services. To balance business development and shareholders' welfare, the cash dividend should not be less than 10% of total annual dividends, unless there is any capital demand due to essential investment plan, change in financial position, business operation, extension of capacity or any other capital expenditure and should be approved in the shareholders' meetings.

1) Legal reserve

If the Company earned a profit for the year, the meeting of shareholders decides on the distribution of the statutory earnings reserve either by issuing new shares or by paying cash, and the distribution is limited to the portion of legal reserve which exceeds 25% of the actual share capital.

2) Special reserve

The Company implemented the optional exemptions under IFRS 1 "First-time Adoption of International Financial Reporting Standards" when adopting the International Financial Reporting Standards at first time. The increase in retained earnings resulting from the unrealized revaluation increments, cumulative translation adjustment and the revaluation increments in the transfer from fix assets to investment property was $32,114,341 thousand. In accordance with the regulation issued by the FSC, the same amount of the increasing earnings shall be reclassified to special earnings reserve. If a certain proportion of the asset has been disposed or reclassified, the same proportion of special earnings reserve equivalent to that of the asset, which has been disposed or reclassified, has to be transferred back to its earnings. Such special earnings reserve has to have the same amount with the one that was initially being reclassified to its special earnings reserve. The balance of such special earnings reserve amounted to $30,127,912 thousand as of March 31, 2026, December 31 and March 31, 2025.

In accordance with the aforesaid Ruling, a special reserve is set aside from the current year's net income after tax and prior year's undistributed earnings at an amount equal to the debit balance of contra accounts in shareholders' equity. When the debit balance of any of these contra accounts in shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall quality for additional distributions.

(Continued)

# TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

3) Earnings distribution

On March 4, 2026, the Company's Board of Directors resolved to appropriate the 2025 earnings.The appropriations of earnings for 2024 had been approved in the meetings of shareholders on June 10, 2025. These earnings were appropriated as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | **Amount per share (dollars)** | **Amount** | **Amount per share (dollars)** | **Amount** |
| Dividends distributed to ordinary shareholders: | | | | |
| Cash | $ 2.00 | **1,960,000** | 2.00 | **1,960,000** |

(iv) Other equity accounts (net of tax)

| | **Exchange differences on translation of foreign financial statements** | **Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income** | **Total** |
|---|---|---|---|
| Balance on January 1, 2026 | $ 421,329 | 3,644,139 | 4,065,468 |
| Exchange differences on translation of foreign financial statements | 1,778 | - | 1,778 |
| Exchange differences on subsidiaries accounted for using equity method | 136,218 | - | 136,218 |
| Unrealized gains from financial assets measured at fair value through other comprehensive income | - | 256,635 | 256,635 |
| Balance on March 31, 2026 | **$ 559,325** | **3,900,774** | **4,460,099** |
| Balance on January 1, 2025 | $ 749,455 | 3,700,330 | 4,449,785 |
| Exchange differences on translation of foreign financial statements | (481) | - | (481) |
| Exchange differences on subsidiaries accounted for using equity method | 92,367 | - | 92,367 |
| Unrealized gains from financial assets measured at fair value through other comprehensive income | - | 22,954 | 22,954 |
| Share of unrealized losses from financial assets measured at fair value through other comprehensive income for associates accounted for using equity method | - | (6,865) | (6,865) |
| Balance on March 31, 2025 | **$ 841,341** | **3,716,419** | **4,557,760** |

(Continued)

# TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

(q) Earnings per share

The basic earnings per share and diluted earnings per share were calculated as follows:

Unit: 1,000 shares

| | For the three months ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| **Basic earnings per share** | | |
| Profit attributable to ordinary shareholders | **$ 184,554** | **101,400** |
| Weighted average number of ordinary shares | 980,000 | 980,000 |
| | **$ 0.19** | **0.10** |
| **Diluted earnings per share** | | |
| Profit attributable to ordinary shareholders (diluted) | **$ 184,554** | **101,400** |
| Weighted average number of ordinary shares | 980,000 | 980,000 |
| Effect of potentially dilutive ordinary shares | | |
| Employees' compensation | 220 | 592 |
| Weighted average number of ordinary shares (diluted) | 980,220 | 980,592 |
| | **$ 0.19** | **0.10** |

(r) Revenue from contracts with customers

(i) Details of revenue

| | For the three months ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Revenue from contracts with customers | $ 2,999,464 | 2,599,262 |
| Revenue from investment properties | 693,697 | 626,848 |
| Other operating revenue | 56,997 | 105,729 |
| | **$ 3,750,158** | **3,331,839** |

## TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

(ii) Disaggregation of revenue

| | For the three months ended March 31, 2026 | | | |
|---|---|---|---|---|
| | Fertilizers and other chemical products | Real estate property and investment | Others | Total |
| Primary geographical markets | | | | |
| Taiwan | $ 2, 966,982 | 691,282 | 41,515 | 3,699,779 |
| Others | 47,964 | 2,415 | - | 50,379 |
| | **$ 3,014,946** | **693,697** | **41,515** | **3,750,158** |
| Major products/services lines | | | | |
| Fertilizers and other chemical products | $ 3,014,946 | - | - | 3,014,946 |
| Lease | - | 693,697 | - | 693,697 |
| Others | - | - | 41,515 | 41,515 |
| | **$ 3,014,946** | **693,697** | **41,515** | **3,750,158** |

| | For the three months ended March 31, 2025 | | | |
|---|---|---|---|---|
| | Fertilizers and other chemical products | Real estate property and investment | Others | Total |
| Primary geographical markets | | | | |
| Taiwan | $ 2,536,003 | 624,278 | 103,355 | 3,263,636 |
| Others | 65,633 | 2,570 | - | 68,203 |
| | **$ 2,601,636** | **626,848** | **103,355** | **3,331,839** |
| Major products/services lines | | | | |
| Fertilizers and other chemical products | $ 2,601,636 | - | - | 2,601,636 |
| Lease | - | 626,848 | - | 626,848 |
| Others | - | - | 103,355 | 103,355 |
| | **$ 2,601,636** | **626,848** | **103,355** | **3,331,839** |

(Continued)

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

(iii) Contract balances

| | | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| Accounts receivable | $ | 1,618,116 | 1,037,939 | 1,355,294 |
| Less: allowance for impairment | | (1,115) | (1,880) | (1,924) |
| Total | **$** | **1,617,001** | **1,036,059** | **1,353,370** |
| Contract liabilities-Chemical fertilizers product | **$** | **119,093** | **118,101** | **91,900** |

For details on accounts receivable and allowance for impairment, please refer to Note 6(d).

The amount of revenue recognized for the three months ended March 31, 2026 and 2025 that was included in the contract liability balance at the beginning of the period were $86,478 thousand and $68,075 thousand.

(s) Remuneration to employees and directors

The Company resolved to amend its Articles of Incorporation at the meeting of shareholders held on June 10, 2025. In accordance with the amended Articles of Incorporation, the Company should contribute 1%~3% of the current year profit as employee compensation, not greater than 1.6% as directors' remuneration and not less than 0.01% as remuneration for general employees when there is profit for the year. Under the previous Articles of Incorporation, the Company should contribute 1%~3% of the current year profit as employee compensation and no more than 1.6% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

For the three months ended March 31, 2026 and 2025, the Company estimated its employee remuneration amounting to $5,436 and $3,231 thousand, and directors' remuneration amounting to $3,624 and $2,154 thousand, respectively. The estimated amounts of remuneration for basic-level employees were $23 thousand and $0, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2026 and 2025. The numbers of shares to be distributed for 2026 and 2025 were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors.

If there are any subsequent adjustments to the actual remuneration amounts after the annual consolidated financial statements are authorized for issue, the adjustment shall be accounted for as changes in accounting estimates and will be recognized in profit or loss in the following year.

There was no difference of employee compensation and directors' remuneration between the amounts recognized on consolidated financial statements and actual distributed amount.

Information on remuneration to employees and directors resolved by the Company's Board of Directors in 2025 and 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(t) Non-operating income and expenses

(i) Interest income

The details of interest income for the three months ended March 31, 2026 and 2025 were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Interest income－bank deposits | $ 6,346 | 14,944 |
| Others interest income | 151 | 170 |
| | **$ 6,497** | **15,114** |

(ii) Other income

The details of other income for the three months ended March 31, 2026 and 2025 were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Others | **$ 2,255** | **7,223** |

(iii) Other gain and losses

The details of other gains and losses for the three months ended March 31, 2026 and 2025 were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Loss on disposal of property, plant and equipment | $ (10) | (1) |
| Net foreign exchange gain | 2,446 | 4,888 |
| Gain on financial assets at fair value through profit or loss | 3,898 | 1,583 |
| Others | (2,773) | (40,576) |
| | **$ 3,561** | **(34,106)** |

(Continued)

(iv) Finance costs

The details of finance costs for the three months ended March 31, 2026 and 2025 were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Bank interest expense | $ 5,546 | - |
| Lease liabilities interest expense | 166 | 392 |
| Less: Interest capitalization | (3,568) | - |
| | **$ 2,144** | **392** |

(u) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the Group's maximum credit exposure.

2) Credit risk concentrations

The clients of the Group are widely spread and unrelated; thus, credit risk is limited.

3) Receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to Note 6(d).

Other financial assets at amortized cost include other receivables, investments in government bonds, corporate bonds and time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses.

The movement in the allowance for impairment for the three months ended March 31, 2026 and 2025, please refer to Notes 6(d) and (e).

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payment, but excluding the impact of netting aggrements.

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

| | | Carrying amount | Within 1 year | 1-5 years | More than 5 years |
|---|---|---|---|---|---|
| **March 31, 2026** | | | | | |
| Non-derivative financial liabilities | | | | | |
| Variable-rate instruments | $ | 2,197,333 | 56,985 | 863,924 | 1,276,424 |
| Non-interest-bearing liabilities | | 1,620,930 | 1,238,041 | 382,889 | - |
| Lease liabilities | | 26,411 | 25,286 | 1,125 | - |
| | **$** | **3,844,674** | **1,320,312** | **1,247,938** | **1,276,424** |
| **December 31, 2025** | | | | | |
| Non-derivative financial liabilities | | | | | |
| Variable-rate instruments | $ | 565,290 | 14,270 | 551,020 | - |
| Non-interest-bearing liabilities | | 2,201,724 | 1,821,040 | 380,684 | - |
| Lease liabilities | | 37,062 | 35,678 | 1,384 | - |
| | **$** | **2,804,076** | **1,870,988** | **933,088** | **-** |
| **March 31, 2025** | | | | | |
| Non-derivative financial liabilities | | | | | |
| Non-interest-bearing liabilities | $ | 1,701,942 | 1,304,042 | 397,900 | - |
| Lease liabilities | | 72,424 | 44,814 | 27,610 | - |
| | **$** | **1,774,366** | **1,348,856** | **425,510** | **-** |

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The following are the financial assets and liabilities exposure to significant foreign currency risk.

| | March 31, 2026 | | | December 31, 2025 | | | March 31, 2025 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Foreign currency | Exchange rate | NTD | Foreign currency | Exchange rate | NTD | Foreign currency | Exchange rate | NTD |
| Financial assets | | | | | | | | | |
| Monetary items | | | | | | | | | |
| USD：NTD | $ 10,881 | 31.95 | 347,594 | 10,571 | 31.38 | 331,718 | 9,974 | 33.18 | 330,957 |
| USD：MNT | 1,995 | 31.95 | 63,730 | 1,930 | 31.38 | 60,563 | 2,053 | 33.18 | 68,122 |
| Non-monetary items | | | | | | | | | |
| Investments accounted for using equity method | | | | | | | | | |
| SAR：NTD | 1,129,139 | 8.52 | 9,617,862 | 1,128,809 | 8.37 | 9,444,994 | 1,068,118 | 8.85 | 9,609,657 |
| Financial liabilities | | | | | | | | | |
| Monetary items | | | | | | | | | |
| USD：NTD | 852 | 31.95 | 27,217 | 852 | 31.38 | 26,736 | 852 | 33.18 | 28,271 |

## TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, amortized cost of financial assets, accounts payable and other payables that are denominated in foreign currency. A 10% of depreciation or appreciation of each major foreign currency against the Group's functional currency as of March 31, 2026 and 2025 would have increased or decreased the three-month periods of net income after tax by $30,729 and $29,665 thousand, respectively. The analysis is performed on the same basis for both periods.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months ended March 31, 2026 and 2025, the foreign exchange (losses) gains, including both realized and unrealized, amounted to $2,446 and $4,888 thousand, respectively.

(iv) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.

The sensitivity analysis below is based on the exposure to equity price risks at the end of the reporting period. For floating-rate liabilities, the analysis is based on the assumption that the amount of liabilities outstanding on the reporting date is circulated throughout the year.

If interest rates had been 1 basis point higher/lower and all other variables were held constant, the Group's interest expenses for the three months ended March 31, 2026 and 2025 would have increased or decreased by $2,552 thousand and $0, respectively. Taking into account the capitalization of interest, the amount of impact on net profit was $1,009 thousand and $0, as the Group's loans bear floating interest rates.

(v) Other price risk

If the stock price changes at the reporting date, the changes in other comprehensive income of the Group are estimated as follows (The analysis was made on the same basis for both periods, assuming that all other variables remain constant and any impact to forecasted sales and purchases was ignored):

| | For the three months ended March 31 | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| **Equity price at the end of the reporting period** | **Comprehensive income (loss) (net of tax)** | **Net income (loss) (net of tax)** | **Comprehensive income (loss) (net of tax)** | **Net income (loss) (net of tax)** |
| Increase 5% | **$ 230,663** | **35,835** | **220,411** | **16,613** |
| Decrease 5% | **$ (230,663)** | **(35,835)** | **(220,411)** | **(16,613)** |

# TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income (available for sale financial assets) is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is a reasonable approximation of fair value and lease liabilities, disclosure of fair value information is not required:

| | March 31, 2026 | | | | |
|---|---|---|---|---|---|
| | | Fair value | | | |
| | Carrying amount | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | | |
| Non derivative financial assets mandatorily measured at fair value through profit or loss | $ 895,865 | 895,865 | - | - | 895,865 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Domestic stocks in listed companies | 78,554 | 78,554 | - | - | 78,554 |
| Unquoted equity instruments at fair value | 4,534,713 | - | - | 4,534,713 | 4,534,713 |
| Subtotal | 4,613,267 | 78,554 | - | 4,534,713 | 4,613,267 |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | 3,148,047 | - | - | - | - |
| Other financial assets (including non-current) | 885,287 | - | - | - | - |
| Notes receivable and accounts receivable | 1,617,001 | - | - | - | - |
| Other receivables (including long-term) | 121,429 | - | - | - | - |
| Refundable deposit | 21,905 | - | - | - | - |
| Subtotal | 5,793,669 | - | - | - | - |
| Total | **$ 11,302,801** | **974,419** | **-** | **4,534,713** | **5,509,132** |
| Financial liabilities measured at amortized cost | | | | | |
| Bank loans (including long-term loans) | $ 2,015,000 | - | - | - | - |
| Notes and accounts payables | 342,287 | - | - | - | - |
| Other payables | 895,754 | - | - | - | - |
| Lease liabilities (including non-current) | 26,203 | - | - | - | - |
| Guarantee deposits received | 382,889 | - | - | - | - |
| Total | **$ 3,662,133** | **-** | **-** | **-** | **-** |

(Continued)

# TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | | Fair value | | | |
| | Carrying amount | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | | |
| Non derivative financial assets mandatorily measured at fair value through profit or loss | $ 1,015,699 | 1,015,699 | - | - | 1,015,699 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Domestic stocks in listed companies | 75,076 | 75,076 | - | - | 75,076 |
| Unquoted equity instruments at fair value | 4,281,556 | - | - | 4,281,556 | 4,281,556 |
| Subtotal | 4,356,632 | 75,076 | - | 4,281,556 | 4,356,632 |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | 1,949,825 | - | - | - | - |
| Other financial assets (including non-current) | 627,124 | - | - | - | - |
| Notes receivable and accounts receivable | 1,036,059 | - | - | - | - |
| Other receivables (including long-term) | 75,225 | - | - | - | - |
| Refundable deposit | 24,466 | - | - | - | - |
| Subtotal | 3,712,699 | - | - | - | - |
| Total | **$ 9,085,030** | **1,090,775** | **-** | **4,281,556** | **5,372,331** |
| Financial liabilities measured at amortized cost | | | | | |
| Bank loans (including long-term loans) | $ 500,000 | - | - | - | - |
| Notes and accounts payables | 321,257 | - | - | - | - |
| Other payables | 1,499,783 | - | - | - | - |
| Lease liabilities (including non-current) | 36,689 | - | - | - | - |
| Guarantee deposits received | 380,684 | - | - | - | - |
| Total | **$ 2,738,413** | - | - | - | - |

| | March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | | Fair value | | | |
| | Carrying amount | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | | |
| Non derivative financial assets mandatorily measured at fair value through profit or loss | $ 415,322 | 415,322 | - | - | 415,322 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Domestic stocks in listed companies | $ 71,018 | 71,018 | - | - | 71,018 |
| Unquoted equity instruments at fair value | 4,337,195 | - | - | 4,337,195 | 4,337,195 |
| Subtotal | 4,408,213 | 71,018 | - | 4,337,195 | 4,408,213 |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | 4,047,171 | - | - | - | - |
| Other financial assets (including non-current) | 814,183 | - | - | - | - |
| Notes receivable and accounts receivable | 1,353,370 | - | - | - | - |
| Other receivables (including long-term) | 167,619 | - | - | - | - |
| Refundable deposit | 23,236 | - | - | - | - |
| Subtotal | 6,405,579 | - | - | - | - |
| Total | **$ 11,229,114** | **486,340** | **-** | **4,337,195** | **4,823,535** |
| Financial liabilities measured at amortized cost | | | | | |
| Notes and accounts payables | $ 539,316 | - | - | - | - |
| Other payables | 764,726 | - | - | - | - |
| Lease liabilities (including non-current) | 71,199 | - | - | - | - |
| Guarantee deposits received | 397,900 | - | - | - | - |
| Total | **$ 1,773,141** | - | - | - | - |

(Continued)

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

b) Financial assets and financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

When a financial instrument is regarded as quoted in an active market, the quoted prices in an active market will be the fair value. The market prices from the main exchanges and government bond exchanges are the basis of the fair value of OTC equity instruments and debt instruments which have a quoted market price in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive when: The bid-ask spread is enormous; or the bid-ask spread varies significantly; or there has been a significant decline in trading volume.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

If the financial instruments held by the Group do not belong to active markets, the category and nature of the fair value are as follows:

- Equity investments without an active market: The fair value is assessed by market comparison approach. The main assumption is measured from the retained earnings multiplier as the basis.

(Continued)

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

4) Transfers between Level 1 and Level 2

There were no transfers in either direction in 2026 and 2025.

5) Reconciliation of Level 3 fair values

| | | Measured at fair value through other comprehensive income |
|---|---|---|
| | | Unquoted equity instruments |
| Opening balance, January 1, 2026 | $ | 4,281,556 |
| Total gains and losses recognized | | |
| In other comprehensive income | | 253,157 |
| **Ending Balance, March 31, 2026** | **$** | **4,534,713** |
| Opening balance, January 1, 2025 | $ | 4,266,741 |
| Total gains and losses recognized | | |
| In other comprehensive income | | 22,954 |
| Purchase | | 47,500 |
| **Ending Balance, March 31, 2025** | **$** | **4,337,195** |

For the three months ended March 31, 2026 and 2025, total gains and losses that were included in “unrealized gains and losses from financial assets at fair value through other comprehensive income” were as follows:

| | For the three months ended March 31 | | |
|---|---|---|---|
| | | 2026 | 2025 |
| Total gains and losses recognized In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income” | $ | 253,157 | 22,954 |

(Continued)

6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's main financial instruments that use Level 3 inputs to measure fair value are "fair value through other comprehensive income – equity investments".

The Group most fair value is categorized to Level 3 with single significant unobservable input. The equity investments without an active market has duplicate unobservable inputs. The unobservable inputs of the equity investments without an active market are independent, so there is no correlation to others.

Quantified information of significant unobservable inputs was as follows:

| Item | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|---|---|---|
| Financial assets at fair value through other comprehensive income-equity investments without an active market | Comparable transaction method | ·The multiplier of price-to-sales ratio (As of March 31, 2026, December 31 and March 31, 2025 were 1.76~4.46, 1.79~5.28 and 1.92~5.65)<br>·The multiplier of price-to-book ratio (As of March 31, 2026, December 31 and March 31, 2025 were 1.28, 1.39 and 1.64)<br>·The multiplier of enterprise value (As of March 31, 2026, December 31 and March 31, 2025 were 13.90, 13.91 and 12.83) | The estimated fair value would increase (decrease) if:<br>·The multiplier was higher (lower) |
| | | ·Market illiquidity discount (As of March 31, 2026, December 31 and March 31, 2025 were all 10%~33%) | ·The market illiquidity discount was lower (higher) |
| Financial assets at fair value through other comprehensive income-equity investments without an active market | Net asset value method | ·Net asset value | ·Not applicable |

7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

The Group’s measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results.

For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

| | | | **Profit or loss** | | **Other comprehensive income** | |
|---|---|---|---|---|---|---|
| | **Inputs** | **Fluctuation in inputs** | **Favorable** | **Unfavorable** | **Favorable** | **Unfavorable** |
| **March 31, 2026** | | | | | | |
| Financial assets at fair value through other comprehensive income | | | | | | |
| Equity investments without an active market | Market illiquidity discount | ±1% | - | - | 44,660 | (44,658) |
| **December 31, 2025** | | | | | | |
| Financial assets at fair value through other comprehensive income | | | | | | |
| Equity investments without an active market | Market illiquidity discount | ±1% | - | - | 42,258 | (42,520) |
| **March 31, 2025** | | | | | | |
| Financial assets at fair value through other comprehensive income | | | | | | |
| Equity investments without an active market | Market illiquidity discount | ±1% | - | - | 43,429 | (43,420) |

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(v) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(u) of the consolidated financial statements for the year ended December 31, 2025.

(w) Capital management

Management believes that the objectives, policies, and processes of capital management of the Group have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2025 for further details.

(Continued)

(x) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the three months ended March 31, 2026 and 2025 , were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Purchases of property, plant and equipment | $ 52,576 | 66,545 |
| Add: opening balances of equipment and construction payables | 90,164 | 86,897 |
| Deduction: closing balances of equipment and construction payables | (78, 469) | (77,124) |
| | **$ 64,271** | **76,318** |

| | For the three months ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Purchases of investment property | $ 341,197 | 247,499 |
| Add: opening balances of equipment payables | - | - |
| | **$ 341,197** | **247,499** |

## (7) Related-party transactions:

(a) Names and relationship with related parties

The following are entities that have had transactions with the related parties during the periods covered in the non-consolidated financial statements:

| Name of related party | Relationship with the Group |
|---|---|
| Al-Jubail Fertilizer Company | Equity-method investee |
| TR Electronic Chemical Co., Ltd. | The Group's jointly controlled entity |
| Ministry of Agriculture | Individuals are those entities in which the Group has significant influence |
| Agricultural Bank of Taiwan | The Group's government-related entities |

(b) Significant transactions with related parties

(i) Receivables from related parties

The receivables from related parties were as follows:

| Account | Relationship | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| Accounts receivable | Joint venture | **$ -** | **-** | **455** |

(Continued)

(ii) Government-related entities

The Ministry of Agriculture, Executive Yuan, holds 24.07% of the Group's outstanding ordinary shares. In 2025, the Group obtained a loan of $500,000 thousand from the Agricultural Bank of Taiwan Co., Ltd., an entity significantly influenced by the Ministry of Agriculture, Executive Yuan. Certain parcels of the Group's land, recognized as investment property, were pledged as collateral for the loan, which is repayable in five years. The interest rate on the loan is based on the one-year time deposit floating rate of the Agricultural Bank of Taiwan, and is comparable to the rates on the Group's other bank loans. As of March 31, 2026, December 31, and March 31, 2025, the outstanding loan amounted to $500,000, $500,000 and $0 thousand, respectively. Interest expenses recognized for the three months ended March 31, 2026 and 2025 amounted to $3,568 and $0 thousand, respectively, and were capitalized as investment property.

(c) Remunerations of key management personnel

The remunerations to directors and other key management personnel were as follows:

| | For the three months ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Short-term employee benefits | $ 22,343 | 18,516 |
| Post-employment benefits | 234 | 243 |
| | **$ 22,577** | **18,759** |

**(8) Pledged assets:**

The information of the carrying value of pledged assets were as follows:

| **Asset** | **Purpose of pledge** | **March 31, 2026** | **December 31, 2025** | **March 31, 2025** |
|---|---|---|---|---|
| Other financial asset-current and non-current | Guarantee of material purchase amount, security in litigation and engineering deposit | $ 50,168 | 345,768 | 343,268 |
| Investment property | Long-term loans | 8,195,133 | 1,023,900 | - |
| | | **$ 8,245,301** | **1,369,668** | **343,268** |

(Continued)

**(9) Significant contingent liabilities and unrecognized contractual commitments:**

(a) Significant unrecognized contractual commitments

(i) Significant unrecognized contractual commitments were as follows:

| | | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| Acquisition of property, plant, and machinery | $ | 333,876 | 227,127 | 70,376 |
| Acquisition of investment property | $ | 11,880,817 | 12,416,519 | 13,931,388 |

(ii) Unused standby letters of credit:

| | | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| USD thousands | $ | 989 | 5,583 | 550 |

(iii) The Corporation had guarantee notes payable for its debt as follow:

| | | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| Guarantee notes payable | $ | 19,907,200 | 10,975,000 | 7,938,200 |

(b) Partial commercial building and parking lot’s area of “C2 Tourist Hotel Project” and “Commercial Building Project” in the Nangang Economic and Trade Park have unresolved lease disputes with Dung Jeng Investment Counsel Co., Ltd. (“Dung Jeng”) at the end of 2021. Dung Jeng subsequently filed a lawsuit requesting for the right to use the 6 floors and 849 parking lots. After years of litigation, the court mediated wherein both parties reached a settlement on December 23, 2025. Under the settlement, the Group shall pay $599,000 thousand to Dung Jeng, and Dung Jeng shall no longer assert any rights over the office building and 849 parking lots located on Land Lot No. 12, Jingmao Section, Nangang District, Taipei City ,which was fully concluded.

(c) Caesar Park Hotel Co., Ltd. (Caesar Park Hotel) won the bid on the case of the “C2 Tourist Hotel Project” in 2012. Thereafter, it entered into a front-end agreement (FEA) with the Group. However, as the Group’s internal development strategy has changed, and an adjustment was made to the performance bond, in which the two parties failed to reach an agreement, resulting in Caesar Park Hotel to send a letter to the Group in June 2023 to terminate their contract, and thereafter, filed a lawsuit against the Group to the Taipei District Court, demanding for a damage compensation. The Group has appointed lawyers to handle the case, which was still in progress as of the reporting date. The Group assessed that currently there is no significant impact on its finances or operations.

(d) In 2015, the Group granted the land use rights over the Nangang C3 land parcel to Taiwan Life Insurance Co., Ltd. ("Taiwan Life"). Due to soil treatment issues arising during the development process,Taiwan Life initiated legal proccedings against the Group, claiming the soil treatment and removal damage of $188,000 thousand.

(Continued)

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

In August 2025, the Group was order to pay the amount of $114,000 thousand in the first instance of the court's ruling. Based on the assessment of the Group's legal counsel, the management believes that the judgment may involve errors in fact finding and the application of law, prompting the Group to file an appeal to safeguard its rights and interests.

With respect to the soil remediation issues arising during the aforementioned development process, Taiwan Life Insurance Co., Ltd. claimed damages for acceleration costs and loss of rental income and subsequently filed a separate lawsuit with the court, seeking compensation from the Company in the amount of NT$914,000 thousand. Based on the evaluation of the superficies agreement entered into with Taiwan Life Insurance Co., Ltd., the collateral believes that Taiwan Life Insurance Co., Ltd. was responsible for independently investigating the actual condition of the land and should bear all costs and risks arising from the planning, development, and operation of the project. Accordingly, the aforementioned matter is not expected to have a material adverse effect on the collateral's financial position or operations. The Company has engaged legal counsel to defend the case and safeguard its lawful rights and interests.

**(10) Significant losses due to major disasters:**

**None.**

**(11) Significant subsequent events:**

**None.**

**(12) Other:**

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

| | For the three months ended March 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2026 | | | 2025 | | |
| **By item** | **Operating Cost** | **Operating Expense** | **Total** | **Operating Cost** | **Operating Expense** | **Total** |
| Employee benefit | | | | | | |
| Salary | 126,746 | 111,350 | 238,096 | 122,095 | 104,525 | 226,620 |
| Labor and health insurance | 11,154 | 8,224 | 19,378 | 10,918 | 7,851 | 18,769 |
| Pension | 5,732 | 4,112 | 9,844 | 5,553 | 3,805 | 9,358 |
| Others | 5,418 | 3,405 | 8,823 | 4,778 | 3,529 | 8,307 |
| Depreciation | 355,402 | 20,382 | 375,784 | 330,745 | 19,802 | 350,547 |
| Amortization | - | 867 | 867 | - | 746 | 746 |

The depreciation of which were recorded as non-operating income and expenses of the Group were $580 and $578 thousand for the three months ended March 31, 2026 and 2025, respectively.

(b) Seasonality of operations:

The operations are not affected by seasonality or cyclicality factors.

# TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

**(13) Other disclosures:**

(a) Information on significant transactions:

For the three months ended March 31, 2026, the following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

| Number | Name of lender | Name of borrower | Account name | Related party | Highest balance of financing to other parties during the period | Ending balance | Actual usage amount during the period | Range of interest rates during the period | Purposes of fund financing for the borrower | Transaction amount for business between two parties | Reasons for short-term financing | Allowance for bad debt | Collateral | | Individual funding loan limits | Maximum limit of fund financing |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 0 | The Company | Dayun Co., Ltd./City state Co., Ltd./Kuan Chu Construction Co., Ltd. | Long-term receivables | No | 7,482 | 7,482 | 7,283 | 1.845%-2.720% | 1 | 79,500 | - | - | Commercial paper | 15,890 | 2,742,689 | 10,970,756 |
| 0 | The Company | ○○ Lin | Long-term receivables | No | 8,018 | 8,018 | 7,805 | 1.845%-2.720% | 1 | 85,300 | - | - | Commercial paper | 17,030 | 2,742,689 | 10,970,756 |
| 0 | The Company | ○○ Liao | Long-term receivables | No | 7,797 | 7,797 | 7,590 | 1.845%-2.720% | 1 | 83,120 | - | - | Commercial paper | 16,560 | 2,742,689 | 10,970,756 |

Note 1: (1) The total amount available for lending purpose shall not exceed twenty percent 20% of the net worth of the Company.

(2) The accumulated capital loan and amount of the Company to a single enterprise with business transactions shall be limited to 5% of the net worth of the Company.

Note 2: If there is a business transaction, the contract price between the two parties shall be used as the business transaction amount.

Note 3: The second order of mortgage right mentioned above is used as collateral.

Note 4: In accordance with the letter of the Financial Supervision and Administration Commission of the Republic of China on March 11, 2020, No. 1090330422 and in practice, the construction industry generally gives customers a payment of one to five years in installments and writes off 10 years and 20 years. The goods are disclosed in the table above.

(ii) Guarantees and endorsements for other parties: None.

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

(iii) Securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

| Category and name of securities | Market securities type/name and issuer | Relationship with company | Account title | Ending balance Shares/Units (thousands) | Carrying value | Percentage of ownership (%) | Fair value | Note |
|---|---|---|---|---|---|---|---|---|
| The Company | Mutual funds | | | | | | | |
| | Fubon Chi-Hsiang Money Market Fund | - | Fair value through profit or loss - current | 10,219 | 170,047 | -% | 170,047 | Note 1 |
| 〃 | SinoPac TWD Money Market Fund | - | 〃 | 3,384 | 50,014 | -% | 50,014 | Note 1 |
| 〃 | Fubon Money Market Fund | - | 〃 | 5,075 | 80,024 | -% | 80,024 | Note 1 |
| 〃 | FSITC Taiwan Money Market Fund | - | 〃 | 10,453 | 170,048 | -% | 170,048 | Note 1 |
| 〃 | Taishin 1699 Money Market Fund | - | 〃 | 5,548 | 80,024 | -% | 80,024 | Note 1 |
| 〃 | UPAMC James Bond Money Market Fund | - | 〃 | 9,592 | 170,049 | -% | 170,049 | Note 1 |
| 〃 | Taishin Ta-Chong Money Market Fund | - | 〃 | 5,299 | 80,023 | -% | 80,023 | Note 1 |
| Taiwan Yes Deep Ocean Water Co., Ltd. | Fuh Hwa Money Market Fund | - | 〃 | 1,012 | 15,428 | -% | 15,428 | Note 1 |
| Taifer Investment Co., Ltd. | Fubon Money Market Fund | - | 〃 | 1,272 | 20,052 | -% | 20,052 | Note 1 |
| | Taishin 1699 Money Market Fund | - | 〃 | 1,390 | 20,052 | -% | 20,052 | Note 1 |
| | UPAMC James Bond Money Market Fund | - | 〃 | 1,131 | 20,052 | -% | 20,052 | Note 1 |
| | Taishin Ta-Chong Money Market Fund | - | 〃 | 1,328 | 20,052 | -% | 20,052 | Note 1 |
| | Ordinary shares | | | | | | | |
| The Company | Eminent Venture Capital Corporation | Our Company is legal representative director of the company | FVOCI - noncurrent | 675 | 7,109 | 10.00% | 7,109 | Note 3 |
| 〃 | Eminent II VC Corp | 〃 | 〃 | 5,070 | 36,370 | 18.50% | 36,370 | Note 3 |
| 〃 | Eminent III VC Corp | 〃 | 〃 | 30,000 | 276,937 | 16.56% | 276,937 | Note 3 |
| 〃 | Taiwan Stock Exchange Corporation | - | 〃 | 34,631 | 4,034,905 | 2.00% | 4,034,905 | Note 4 |

(Continued)

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

| Category and name of securities | Market securities type/name and issuer | Relationship with company | Account title | Ending balance | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Shares/Units (thousands) | Carrying value | Percentage of ownership (%) | Fair value | |
| The Company | Visgeneer Inc. | Our Company is legal representative director of the company | FVOCI - noncurrent | 3,147 | 20,361 | 10.43% | 20,361 | Note 4 |
| 〃 | TaiAn Technologies Corporation | 〃 | 〃 | 1,667 | 22,727 | 16.67% | 22,727 | Note 3 |
| 〃 | Green Cellulosity Corporation | - | 〃 | 1,500 | - | 6.71% | - | |
| 〃 | Phalanx Biotech Group, Inc. | - | 〃 | 125 | - | 0.17% | - | |
| 〃 | Bion Tech Inc. | Our Company is legal representative director of the company | 〃 | 4,167 | - | 15.16% | - | |
| 〃 | China Petrochemical Development Corporation | - | FVOCI - current | 9,662 | 78,554 | 0.26% | 78,554 | Note 2 |
| Taifer Investment Co., Ltd. | Taiwan Bio-Manufacturing Corporation | - | FVOCI - noncurrent | 1,800 | 33,768 | 0.39% | 33,768 | Note 5 |
| 〃 | Carota Corp. | - | 〃 | 500 | 45,200 | 1.15% | 45,200 | Note 5 |
| 〃 | Qbit Semiconductor Ltd. | - | 〃 | 600 | 57,336 | 1.37% | 57,336 | Note 5 |

Note 1: The market value was calculated on the basis of the net asset value as of the balance sheet date.

Note 2: The market value was calculated on the basis of the closing price on the Taiwan Stock Exchange as of the balance sheet date.

Note 3: The market value was calculated on the basis of the unreviewed financial statement for the most recent period.

Note 4: The market value was calculated on the basis of the estimated fair value per share of the expert evaluation report.

Note 5: The market value was calculated on the basis of the estimated fair value per share of the comparable transactions method.

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

| No. | Name of company | Name of counter-party | Nature of relationship | Intercompany transactions: Account name | Amount | Trading terms | Percentage of the consolidated net revenue or total assets |
|---|---|---|---|---|---|---|---|
| 0 | The Company | Taiwan Yes Deep Ocean Water Co., Ltd. | 1 | Sales revenue | 96 | were not significantly different from others | -% |
| | | Taiwan Yes Deep Ocean Water Co., Ltd. | 1 | Cost of goods sold | 9 | were not significantly different from others | -% |
| | | Taiwan Yes Deep Ocean Water Co., Ltd. | 1 | Selling expenses | 449 | were not significantly different from others | 0.01% |
| | | Taiwan Yes Deep Ocean Water Co., Ltd. | 1 | Administrative expenses | 143 | were not significantly different from others | -% |
| | | Taiwan Yes Deep Ocean Water Co., Ltd. | 1 | Other revenue | 2 | were not significantly different from others | -% |
| | | Taiwan Yes Deep Ocean Water Co., Ltd. | 1 | Accounts receivable | 36 | were not significantly different from others | -% |
| | | Taiwan Yes Deep Ocean Water Co., Ltd. | 1 | Other receivables | 4 | were not significantly different from others | -% |
| | | Taiwan Yes Deep Ocean Water Co., Ltd. | 1 | Guarantee deposits received | 1,962 | were not significantly different from others | -% |
| | | Taiwan Yes Deep Ocean Water Co., Ltd. | 1 | Other Payables | 26 | were not significantly different from others | -% |
| | | PEIFENG Technology & Fertilizer Co,. Ltd. | 1 | Cost of goods sold | 62,249 | were not significantly different from others | 1.66% |
| | | PEIFENG Technology & Fertilizer Co,. Ltd. | 1 | Sales Revenue | 14,264 | were not significantly different from others | 0.38% |
| | | PEIFENG Technology & Fertilizer Co,. Ltd. | 1 | Accounts receivable | 11,602 | were not significantly different from others | 0.01% |
| | | PEIFENG Technology & Fertilizer Co,. Ltd. | 1 | Accounts payable | 20,750 | were not significantly different from others | 0.02% |
| | | PEIFENG Technology & Fertilizer Co,. Ltd. | 1 | Other payables | 16,944 | were not significantly different from others | 0.02% |

Note 1: The numbering is as follows:

(1) “0” represents the parent company.

(2) Subsidiaries are sequentially numbered from 1 by company.

Note 2: The types of transaction between the parent company and subsidiaries are as follows:

(1) Transactions from parent company to subsidiary.

(2) Transactions from subsidiary to parent company.

(3) Transactions between subsidiaries.

Note 3: The report only disclosed the data of sales and accounts receivable of the significant trade between parent and subsidiary. The relative purchase and accounts payable will not be disclosed redundantly.

Note 4: It is the amount of consolidated operating revenue or consolidated total assets divided by trading amount.

Note 5: The transaction listed on the consolidated financial statements has been eliminated through consolidation.

(Continued)

# TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

(b) Information on investees (excluding information on investees in China):

The following is the information on investees for the three months ended March 31, 2026:

(In Thousands of New Taiwan Dollars)

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of March 31, 2026 | | | Net income (losses) of investee | Share of profits/ losses of investee | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | March 31, 2026 | December 31, 2025 | Shares (thousands) | Percentage of ownership | Carrying value | | | |
| The Company | Al-Jubail Fertilizer Company | Kingdom of Saudi Arabia | Manufacture of urea, 2-EH (2-ethyl hexanol), and DOP (dioctyl phthalate) | 3,050,000 | 3,050,000 | 7 | 50.00% | 9,617,862 | 582,777 | 262,688 | Associate |
| 〃 | Taifer Ivestment Co., Ltd. | Taiwan | International trade; wholesale of fertilizer, tobacco, liquor, beverage, forage, machinery, electrical equipment, etc.; development, operation and management of residential buildings and factory buildings; special zone development; investment in and construction of public works; development of new towns and districts; agent services on regional district requisition; land adjustment; real estate rental or leasing; and investment | 197,841 | 197,841 | 20,739 | 100.00% | 217,572 | (426) | (426) | Subsidiary |
| 〃 | Taiwan Yes Deep Ocean Water Co., Ltd. | Taiwan | Wholesale of drinks, food and grocery and other articles for daily use; tobacco and liquor; glass and pottery; hygiene products; fertilizers and other chemical products; and cosmetics; and international trade | 1,251,398 | 1,251,398 | 28,479 | 100.00% | 177,285 | 168 | 370 | Subsidiary |
| 〃 | PEIFENG Technology &Fertilizer Co., Ltd. | Taiwan | Manufacture and wholesale of fertilizer | 2,400,000 | 2,400,000 | 240,000 | 100.00% | 2,621,427 | 38,362 | 38,362 | Subsidiary |
| 〃 | TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD. | Cayman Islands | Investment and holding | 321,900 | 321,900 | - | 100.00% | - | - | - | Subsidiary |
| 〃 | MITAGRI CO., LTD. | Taiwan | Wholesale and retail of products for organic agriculture | 105,580 | 105,580 | 5,869 | 32.52% | 47,861 | 4,418 | 1,916 | Associate |

(Continued)

# TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount: March 31, 2026 | Original investment amount: December 31, 2025 | Balance as of March 31, 2026: Shares (thousands) | Balance as of March 31, 2026: Percentage of ownership | Balance as of March 31, 2026: Carrying value | Net income (losses) of investee | Share of profits/ losses of investee | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| The Company | TAIFER (CAMBODIA) CO., LTD. | Cambodia | International trade; wholesale of fertilizer | - | 9,242 | - | -% | - | - | - | Subsidiary |
| 〃 | Tai Ying Sustainability CO., LTD. | Taiwan | Basic chemical industrial; other chemical materials manufacturing; other chemical products manufacturing; wholesale of chemical feedstock; wholesale of other chemical materials and products; self-usage power generation equipment utilizing renewable energy industry; international trade; investment | 100,000 | 100,000 | 10,000 | 100.00% | 100,031 | 54 | 54 | Subsidiary |
| TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD. | TR ELECTRONIC CHEMICAL CO., LTD. | Cayman Islands | Investment and holding | 321,962 | 321,962 | - | 51.00% | - | - | Not required to disclosure | Joint venture |
| Taiwan Yes Deep Ocean Water Co., Ltd.. | TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD. | Samoa | Investment and holding | 42,618 | 42,618 | - | 100.00% | 71,441 | 2,912 | 〃 | Subsidiary |
| TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD. | TAIFER CHEMICAL INTERNATIONAL LLC | Mongolia | Real estate rental lease | 41,077 | 41,077 | - | 100.00% | 70,656 | 2,770 | 〃 | Subsidiary |

(c) Information on investment in China:

(i) The names of investees in China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

| Name of investee | Main businesses and products | Total amount of paid-in capital | Method of investment | Accumulated outflow of investment from Taiwan as of January 1, 2026 | Investment flows: Outflow | Investment flows: Inflow | Accumulated outflow of investment from Taiwan as of March 31, 2026 | Net income (losses)of the investee | Percentage of ownership | Investment income (losses) | Book value | Accumulated remittance of earnings in current period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TR Electronic Chemical (Kunshan) Ltd. | Manufacture of nitric acid, hydrofluoric acid, ammonia, phosphoric acid, oxalic acid, ammonia fluoride and LCD and IC Stripper | US$ 21,500 (NT$686,818) (Note 4) | (Note 3) | US$ - (NT$ -) (Note 4) | - | - | US$ - (NT$ -) (Note 1) | US$ - (NT$ -) (Note 1) | -% | US$ - (NT$ -) (Note 5) | US$ - (NT$ -) (Note 5) | - |

(Continued)

(ii) Limitation on investment in China:

(In Thousands of New Taiwan Dollars/ United States Dollars)

| Accumulated investment in China as of March 31, 2026 | Investment amounts authorized by Investment Commission, MOEA | Upper limit on investment |
|---|---|---|
| NT$ -<br>(US$ -)<br>(Note 1) | NT$350,277<br>(US$10,965)<br>(Note 4) | NT$32,912,268<br>(Note 2) |

Note 1: The Group applied for the cessation of it operations to the local court on March 17, 2017, and the cessation was completed in August 2020. The accumulated investment amount of disposed in the current period is NT$350,277 thousand (US$10,965 thousand), and the accumulated investment amount from Taiwan of remitted at the end of the period is zero.

Note 2: The limit is based on the "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China" issued by the Investment Commission under the Ministry of Economic Affairs; the amount is 60% of shareholders' equity or of consolidated shareholders' equity.

Note 3: Indirect investment in mainland China through a subsidiary in a third place. (Investor: TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD.)

Note 4: The foreign currency amounts of original investment amount and carrying value were translated into New Taiwan dollars at the exchange rate NT$31.945 as of March 31, 2026.

Note 5: As of June 2015, the investment accounted for using the equity method balance of the Company was zero, so the Company did not recognize income (loss) of the investment.

(iii) Significant transactions: None.

**(14) Segment information:**

Information reported to the chief operating decision maker for the purpose of resource allocation and assessmant of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Company's reportable segments under IFRS 8 "Operating Segments" were fertilizer and chemical, and real estate and investment business.

(a) General information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were fertilizer and chemical, and real estate and investment business.

(b) Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, excluding any extraordinary activity and foreign exchange gain or losses, because taxation, extraordinary activity and foreign exchange gains or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

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**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

The operating segment accounting policies are similar to the ones described in Note 4 “Significant accounting policies” except for the recognition and measurement of pension cost, which is on a cash basis. The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

The Group’s operating segment information and reconciliation were as follows:

| For the three months ended March 31, 2026 | Fertilizer and chemical | Real estate and investment business | Others | Adjustment and eliminations | Total |
|---|---|---|---|---|---|
| External customer revenues | $ 3,014,946 | 693,697 | 41,515 | - | 3,750,158 |
| Intersegment revenues | 62,249 | - | 14,960 | (77,209) | - |
| Total revenue | **$ 3,077,195** | **693,697** | **56,475** | **(77,209)** | **3,750,158** |
| Net gains and losses of intersegment | **$ (236,606)** | **228,935** | **(40,939)** | **-** | (48,610) |
| Interest income | | | | | 6,497 |
| Other income | | | | | 2,255 |
| Other gains and losses | | | | | 3,561 |
| Finance costs | | | | | (2,144) |
| Share of profit of associates and joint ventures accounted for using equity method | | | | | 264,604 |
| Reportable segment profit or loss | | | | | **$ 226,163** |

| For the three months ended March 31, 2025 | Fertilizer and chemical | Real estate and investment business | Others | Adjustment and eliminations | Total |
|---|---|---|---|---|---|
| External customer revenues | $ 2,601,636 | 626,848 | 103,355 | - | 3,331,839 |
| Intersegment revenues | 54,640 | - | 5,777 | (60,417) | - |
| Total revenue | **$ 2,656,276** | **626,848** | **109,132** | **(60,417)** | **3,331,839** |
| Net gains and losses of intersegment | **$ (235,553)** | **221,078** | **(29,533)** | **-** | (44,008) |
| Interest income | | | | | 15,114 |
| Other income | | | | | 7,223 |
| Other gains and losses | | | | | (34,106) |
| Finance costs | | | | | (392) |
| Share of profit of associates and joint ventures accounted for using equity method | | | | | 193,117 |
| Reportable segment profit or loss | | | | | **$ 136,948** |

(Continued)

**TAIWAN FERTILIZER CO., LTD. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

| | Fertilizer and chemical | Real estate and investment business | Others | Adjustment and eliminations | Total |
|---|---|---|---|---|---|
| Reportable segment assets | | | | | |
| March 31, 2026 | $ 19,531,887 | 63,488,199 | 359,978 | (74,910) | 83,305,154 |
| December 31, 2025 | $ 19,393,038 | 61,847,005 | 353,920 | (69,329) | 81,524,634 |
| March 31, 2025 | $ 19,831,948 | 61,594,723 | 406,678 | (66,302) | 81,767,047 |
| Reportable segment liabilities | | | | | |
| March 31, 2026 | $ 5,713,415 | 22,777,091 | 12,191 | (51,323) | 28,451,374 |
| December 31, 2025 | $ 6,297,740 | 20,983,329 | 14,412 | (45,540) | 27,249,941 |
| March 31, 2025 | $ 5,755,381 | 20,135,956 | 19,006 | (41,905) | 25,868,438 |