FORMOSA PETROCHEMICAL CORPORATION
AND SUBSIDIARIES
Consolidated Financial Statements
For The Three Months Ended March 31, 2026 and 2025
Independent Auditors' Review Report

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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Independent Auditors' Review Report Translated from Chinese

To the Board of Directors and Stockholders of
Formosa Petrochemical Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Formosa Petrochemical Corporation (the "Company") and its subsidiaries as of March 31, 2026 and 2025, 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 material 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 International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of 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 explained in Note 4(3), the financial statements of insignificant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT$34,662,164 thousand and NT$33,126,802 thousand, constituting 7% and 9% of the consolidated as of March 31, 2026 and 2025, respectively, and total liabilities of NT$12,457,889 thousand and NT$10,574,454 thousand, constituting 15% and 14% of the consolidated total liabilities as of March 31, 2026 and 2025, respectively; and total comprehensive income of NT$533,009 thousand and NT$174,102 thousand, constituting 2% and 3% of the consolidated total comprehensive income for the three months ended March 31, 2026 and 2025, respectively. As explained in Note 6(8), the financial statements of associates and joint ventures accounted for under the equity method were not reviewed by independent auditors. Those associates and joint ventures under equity method amounted to NT$36,076,196 thousand and NT$36,622,337 thousand as of March 31, 2026 and 2025, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT$(505,693) thousand and NT(302,605) thousand, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$1,248,809 thousand and NT$77,054 thousand for the three months ended March 31, 2026 and 2025, respectively. The information related to above subsidiaries, and associates and joint ventures accounted for under the equity method disclosed in Note 13 was also not reviewed by independent auditors.

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 subsidiaries, associates and joint ventures accounted for using equity method and the related information been reviewed by independent auditors 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 at 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 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Chang, Cheng Tao
Huang, Chien Che
Ernst & Young, Taiwan
May 7, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the 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.
Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FORMOSA PETROCHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	March 31, 2026	December 31, 2025	March 31, 2025
CURRENT ASSETS				
Cash and cash equivalents	4 & 6.1 & 12	$63,985,692	$47,523,942	$31,901,427
Financial assets at fair value through profit or loss － current	4 & 6.2 & 12	1,899,472	1,849,655	1,890,486
Financial assets at fair value through other comprehensive income － current	4 & 6.3 & 12	80,126,168	74,552,833	29,076,650
Financial assets for hedging － current	4 & 6.4 & 12	937,223	77,055	525,596
Notes receivable, net	4 & 6.5 & 12	972	140	770
Notes receivable due from related parties, net	4 & 6.5 & 7 & 12	3,081,336	1,569,914	3,400,613
Accounts receivable, net	4 & 6.5 & 12	26,786,643	25,090,403	25,521,307
Accounts receivable due from related parties, net	4 & 6.5 & 7 & 12	24,415,702	17,918,346	22,533,640
Finance lease receivables, net	4 & 6.19 & 7 & 12	12,392	12,315	1,005,692
Other receivables (including from related parties)	7 & 12 & 13	7,070,487	6,833,365	9,290,766
Current tax assets	4 & 6.23	639,619	639,619	646,694
Inventories	4 & 6.6	61,257,660	65,290,907	72,527,958
Prepayments	6.7	25,649,487	14,892,314	18,221,996
Other current assets	8	587,534	796,074	686,580
Total current assets		296,450,387	257,046,882	217,230,175
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income － non-current	4 & 6.3 & 12	21,220,813	17,010,078	16,662,820
Financial assets for hedging － non-current	4 & 6.4 & 12	377,902	-	54,648
Investments accounted for using the equity method	4 & 6.8	36,076,196	35,338,671	36,622,337
Property, plant and equipment	4 & 6.9 & 7	86,550,479	85,841,722	87,128,791
Mineral resources	4	2,477,892	2,204,548	2,355,032
Right-of-use assets	4 & 6.19 & 7	4,302,481	3,373,624	4,139,196
Investment property	4 & 6.10	397,143	394,859	401,741
Deferred tax assets	4 & 6.23	3,419,820	3,250,416	3,323,570
Long-term finance lease receivable, net	4 & 6.19 & 7 & 12	99,714	102,841	112,106
Other non-current assets, others	4 & 6.11	12,340,454	11,897,835	11,361,195
Total non-current assets		167,262,894	159,414,594	162,161,436
TOTAL ASSETS		$463,713,281	$416,461,476	$379,391,611

The accompanying notes are an integral part of the financial statements.

(Forward)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FORMOSA PETROCHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE (continued)

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

(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	March 31, 2026	December 31, 2025	March 31, 2025
CURRENT LIABILITIES				
Short-term loans	6.12 & 12	$123,643	$107,804	$1,694,031
Financial liabilities for hedging － current	4 & 6.4 & 12	2,527,701	22,748	191,301
Contract liabilities － current	4 & 6.17	178,946	86,716	73,284
Notes payable	12	1,292	3,092	3,092
Accounts payable	12	10,910,212	9,970,466	11,077,478
Accounts payable to related parties	7 & 12	4,271,759	2,823,356	3,568,506
Other payables	6.16 & 12	29,306,135	13,196,217	24,090,490
Other payables to related parties	7 & 12	431,387	332,312	368,689
Current tax liabilities	4 & 6.23	7,491,373	2,435,829	840,586
Current lease liabilities	4 & 6.19 & 7 & 12	1,129,386	1,058,021	1,092,653
Current portion of long-term liabilities	6.13 & 6.14 & 12	8,725,000	8,725,000	5,250,000
Other current liabilities, others	4 & 9	596,776	535,743	956,919
Total current liabilities		65,693,610	39,297,304	49,207,029
NONCURRENT LIABILITIES				
Financial liabilities for hedging － non-current	4 & 6.4 & 12	10,768	58,508	71,807
Bonds payable	6.13 & 12	8,100,000	8,100,000	14,950,000
Long-term loans	6.14 & 12	1,500,200	725,000	5,725,000
Deferred tax liabilities	4 & 6.23	142,026	92,799	261,348
Non-current lease liabilities	4 & 6.19 & 7 & 12	3,160,278	2,411,495	3,091,271
Defined benefit pension liability	4 & 6.15	4,310,782	4,316,608	4,396,132
Other non-current liabilities, others		196,933	214,725	238,382
Total non-current liabilities		17,420,987	15,919,135	28,733,940
TOTAL LIABILITIES		83,114,597	55,216,439	77,940,969
EQUITY	4 & 6.16			
Capital stock				
Common stock		95,259,597	95,259,597	95,259,597
Capital surplus		31,424,987	31,424,987	31,422,485
Retained earnings				
Legal reserve		82,136,967	82,136,967	81,515,335
Special reserve		4,470,033	4,470,033	3,033,784
Unappropriated earnings		103,061,989	94,008,694	83,234,593
Total retained earnings		189,668,989	180,615,694	167,783,712
Other equity		58,712,337	48,491,810	1,237,714
Non-controlling interests	6.16	5,532,774	5,452,949	5,747,134
TOTAL EQUITY		380,598,684	361,245,037	301,450,642
TOTAL LIABILITIES AND EQUITY		$463,713,281	$416,461,476	$379,391,611

The accompanying notes are an integral part of the financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FORMOSA PETROCHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the Three Months Ended March 31	
	Notes	2026	2025
OPERATING REVENUES	4 & 6.17 & 7	$161,989,437	$173,267,286
OPERATING COSTS	4 & 6.6 & 6.20 & 7	134,798,531	166,662,530
GROSS PROFIT		27,190,906	6,604,756
OPERATING EXPENSES	4 & 6.15 & 6.18 & 6.20 & 7		
Selling and marketing		1,409,488	1,531,984
General and administrative		1,087,392	1,200,184
Research and development		88,869	88,382
Expected credit losses (gains)		91,200	49,503
Total operating expenses		2,676,949	2,870,053
OPERATING INCOME		24,513,957	3,734,703
NON-OPERATING INCOME AND EXPENSES			
Interest income	6.21 & 7	198,705	178,102
Other income	6.21 & 7	503,704	556,322
Other gains and losses	6.21 & 7	986,543	799,836
Financial costs	6.21 & 7	(81,025)	(147,624)
Share of profit or loss of associates and joint ventures accounted for using the equity method	4 & 6.8	(505,693)	(302,605)
Total non-operating income and expenses		1,102,234	1,084,031
INCOME BEFORE INCOME TAX		25,616,191	4,818,734
INCOME TAX EXPENSE	4 & 6.23	5,209,581	1,110,822
NET INCOME		20,406,610	3,707,912
OTHER COMPREHENSIVE INCOME	6.8 & 6.22		
Items that will not be reclassified to profit or loss			
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		9,790,050	2,146,126
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		1,119,383	(73,291)
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of foreign operations		304,753	219,239
Gains (losses) on hedging instrument		(1,218,979)	407,514
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		129,426	150,345
Income tax (benefit) expense relating to items that may be reclassified		(253,556)	110,964
Total other comprehensive income (loss) for the period, net of income tax		10,378,189	2,738,969
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$30,784,799	$6,446,881
NET INCOME ATTRIBUTABLE TO:			
Shareholders of the parent		$20,407,731	$3,684,794
Non-controlling interests		(1,121)	23,118
		$20,406,610	$3,707,912
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Shareholders of the parent		$30,704,974	$6,363,712
Non-controlling interests		79,825	83,169
		$30,784,799	$6,446,881
EARNINGS PER SHARE (NTD)	4 & 6.24		
Earnings per share — basic/diluted			
Continuing operating income before tax		$2.68	$0.51
Net income		$2.14	$0.39

The accompanying notes are an integral part of the financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FORMOSA PETROCHEMICAL CORPORATION 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 Shareholders of the Parent										
			Retained Earnings			Other Components of Equity					
Items	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences translation of foreign operations	Unrealized gains (losses) from Equity Instruments Investments measured at Fair Value through Other Comprehensive Income	Gains (losses) on Hedging Instruments	Total Parent Equity	Non-controlling Interests	Total Equity
Balance as of January 1, 2025	$95,259,597	$31,422,485	$81,515,335	$3,033,784	$87,165,612	$2,100,201	$(3,446,227)	$(90,223)	$296,960,564	$5,286,081	$302,246,645
Appropriation of 2024 earnings:											
Cash dividends	-	-	-	-	(7,620,768)	-	-	-	(7,620,768)	-	(7,620,768)
Net income for the three months ended March 31, 2025	-	-	-	-	3,684,794	-	-	-	3,684,794	23,118	3,707,912
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	309,533	2,072,835	296,550	2,678,918	60,051	2,738,969
Total comprehensive income	-	-	-	-	3,684,794	309,533	2,072,835	296,550	6,363,712	83,169	6,446,881
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	377,884	377,884
Disposal of equity instruments investments designated at fair value through other comprehensive income	-	-	-	-	4,955	-	(4,955)	-	-	-	-
Balance as of March 31, 2025	$95,259,597	$31,422,485	$81,515,335	$3,033,784	$83,234,593	$2,409,734	$(1,378,347)	$206,327	$295,703,508	$5,747,134	$301,450,642
Balance as of January 1, 2026	$95,259,597	$31,424,987	$82,136,967	$4,470,033	$94,008,694	$1,068,697	$47,436,932	$(13,819)	$355,792,088	$5,452,949	$361,245,037
Appropriation of 2025 earnings:											
Cash dividends	-	-	-	-	(11,431,152)	-	-	-	(11,431,152)	-	(11,431,152)
Net income (loss) for the three months ended March 31, 2026	-	-	-	-	20,407,731	-	-	-	20,407,731	(1,121)	20,406,610
Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	353,233	10,909,433	(965,423)	10,297,243	80,946	10,378,189
Total comprehensive income	-	-	-	-	20,407,731	353,233	10,909,433	(965,423)	30,704,974	79,825	30,784,799
Disposal of equity instruments investments designated at fair value through other comprehensive income	-	-	-	-	76,716	-	(76,716)	-	-	-	-
Balance as of March 31, 2026	$95,259,597	$31,424,987	$82,136,967	$4,470,033	$103,061,989	$1,421,930	$58,269,649	$(979,242)	$375,065,910	$5,532,774	$380,598,684

The accompanying notes are an integral part of the financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FORMOSA PETROCHEMICAL CORPORATION 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 OPERATING ACTIVITIES		
Income before income tax	$25,616,191	$4,818,734
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation and depletion	2,841,339	2,793,783
Amortization	614,657	485,013
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(49,817)	(44,285)
Interest expense	81,025	147,624
Interest income	(198,705)	(178,102)
Share of loss (profit) of associates and joint ventures accounted for using equity method	505,693	302,605
(Gain) loss on disposal of property, plant and equipment	(3,565)	(285)
Reversal of impairment loss on non-financial assets	(2,284)	(3,721)
Other adjustments － (gain) loss on lease modifications	-	(11)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable (including related parties)	(1,512,254)	(1,495,867)
Decrease (increase) in accounts receivable (including related parties)	(8,193,596)	(3,551,982)
Decrease (increase) in other receivables (including related parties)	(298,940)	(3,288,757)
Decrease (increase) in inventories	4,033,247	5,018,502
Decrease (increase) in prepayments	(12,213,149)	3,375,523
Decrease (increase) in other current assets	208,904	(83,095)
Increase (decrease) in contract liabilities	92,230	696
Increase (decrease) in notes payable	(1,800)	(2,523)
Increase (decrease) in accounts payable (including related parties)	2,388,149	3,085,210
Increase (decrease) in other payables	4,650,685	968,486
Increase (decrease) in other current liabilities	61,033	726,893
Increase (decrease) in defined benefit pension liability, net	(5,826)	(33,858)
Cash from operating activities	18,613,217	13,040,583
Income taxes received (paid)	(37,261)	(24,290)
Net cash provided by (used in) operating activities	18,575,956	13,016,293

The accompanying notes are an integral part of the financial statements.

(Forward)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FORMOSA PETROCHEMICAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

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 INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	11,571	6,405
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,438
Acquisition of property, plant and equipment:		
Cost paid	(2,872,804)	(1,268,144)
Interest paid	6,547	3,516
Proceeds from disposal of property, plant and equipment	6,069	1,190
Decrease in other receivables － due from affiliates	59,537	573,461
Decrease in long-term lease receivables	3,050	1,010,577
Increase in other financial assets	(364)	-
Decrease in other financial assets	-	6,150
Decrease in other non-current assets	241,385	291,703
Interests received	200,986	179,241
Other investing activities	(283,470)	(16,556)
Net cash provided by (used in) investing activities	(2,627,493)	790,981
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	15,839	-
Decrease in short-term loans	-	(5,087,330)
Proceeds from long-term loans	775,200	260,330
Increase in other payables to related parties	99,075	10,713
Payments of lease liabilities	(402,870)	(401,939)
Decrease in other non-current liabilities	(17,792)	(2,027)
Cash dividends paid	(16)	(90)
Interest paid	(52,928)	(105,309)
Change in non-controlling interests	-	377,884
Net cash provided by (used in) financing activities	416,508	(4,947,768)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	96,779	54,352
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	16,461,750	8,913,858
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	47,523,942	22,987,569
CASH AND CASH EQUIVALENTS, END OF PERIOD	$63,985,692	$31,901,427

The accompanying notes are an integral part of the financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Formosa Petrochemical Corporation and Subsidiaries
Notes To Consolidated Financial Statements
For The Three months Ended March 31, 2026 and 2025
(Amounts expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. HISTORY AND ORGANIZATION

Formosa Petrochemical Corporation (the "Company") had prepared for incorporation since March 1992 and was incorporated on April 6, 1992. The Company is located in the No.6 Naphtha Cracker Complex in Mailiao of Yunlin County. The Company's shares were approved to be listed on the Taiwan Stock Exchange on November 12, 2003 and were traded publicly starting from December 26, 2003. The major shareholders of the Company are Formosa Plastics Corporation, Formosa Chemicals & Fibre Corporation and Nan Ya Plastics Corporation with equity interests of 28.55%, 24.15% and 23.10%, respectively, as of March 31, 2026.

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the three months ended March 31, 2026 and 2025 were authorized for issue in accordance with a resolution of the Board of Directors on May 7, 2026.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2026. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
d	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028. In addition, entities in Taiwan with a need for early adoption may elect to early adopt IFRS 18 upon approval by the FSC.

(a) IFRS 10 "Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(c) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(d) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(1) Clarify that when the entity’s functional currency is that of a non hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
(2) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
(3) When the entity’s functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (b), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements of the Group for the three months ended March 31, 2026 and 2025 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 *Interim Financial Reporting* as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT$”) unless otherwise stated.

(3) Basis of consolidation

A. Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b) exposure, or rights, to variable returns from its involvement with the investee, and
(c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee
(b) rights arising from other contractual arrangements
(c) the Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

(a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b) derecognizes the carrying amount of any non-controlling interest;
(c) recognizes the fair value of the consideration received;
(d) recognizes the fair value of any investment retained;
(e) reclassifies the parent’s share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
(f) recognizes any resulting difference in profit or loss.

B. The consolidated entities are listed as follows:

			Percentage of ownership (%)		
Investor	Subsidiaries	Main business	March 31, 2026	December 31, 2025	March 31, 2025
The Company	Formosa Oil (Asia Pacific) Corp.	Sales Retailer	100%	100%	100%
The Company	Formosa Petrochemical Transportation Corp.	Transportation Service	88%	88%	88%
The Company	Formosa Grandseas Bunkering and Trading Corp.	Sales Retailer	60%	60%	60%
The Company	FPCC USA, INC.	Oil drilling	100%	100%	100%
The Company	FPCC DILIGENCE Corp.	Ship chartering	100%	100%	100%
The Company	FPCC MAJESTY Corp.	Ship chartering	100%	100%	100%
The Company	FPCC NATURE Corp.	Ship chartering	100%	100%	100%
The Company	FG INC.	Investing	57%	57%	57%
FG INC.	FG LA LLC	Petrochemical products manufacturing and selling	100%	100%	100%
FPCC USA, INC.	MONTGOMERY GATHERING, LLC	Natural gas transportation	70%	70%	70%

C. Subsidiaries are excluded from the consolidated financial statements and the reason are as follows:

			Percentage of ownership (%)		
Investor	Subsidiaries	Main business	March 31, 2026	December 31, 2025	March 31, 2025
Formosa Oil (Asia Pacific) Corp.	Whalehome International Corp., Ltd.	Sales Retailer	53.80%	53.80%	53.80%
Formosa Petrochemical Transportation Corp.	Whalehome International Corp., Ltd.	Sales Retailer	15.69%	15.69%	15.69%

Note: The total percentages of ownership of Formosa Oil (Asia Pacific) Corporation and Formosa Petrochemical Transportation Corporation in Whalehome International Corp., Ltd. all were 69.49% as of March 31, 2026, December 31, 2025, and March 31, 2025. Whalehome International Corp., Ltd.'s assets, liabilities and net income only representing 0.07%, 0.01%, 0.01% and 0.08%, 0.02%, 0.01% and 0.09%, 0.01%, 0.03% of the Company's corresponding accounts as of March 31, 2026, December 31, 2025, and March 31, 2025. Whalehome International Corp., Ltd was not significant for the Group, so it was not included in the consolidated financial statement.

The financial statements of the consolidated subsidiaries listed above had not been reviewed by auditors. As of March 31, 2026 and March 31, 2025, the related total assets of the subsidiaries which were not reviewed by auditors amounted to NT$34,662,164 thousand and NT$33,126,802 thousand, respectively, and the related total liabilities amounted to NT$12,457,889 thousand and NT$10,574,454 thousand, respectively. The comprehensive income (loss) of these subsidiaries amounted to NT$533,009 thousand and NT$174,102 thousand for the three months ended March 31, 2026 and 2025, respectively.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 *Financial Instrument* are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Group: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
B. The Group holds the asset primarily for the purpose of trading
C. The Group expects to realize the asset within twelve months after the reporting period
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle
B. The Group holds the liability primarily for the purpose of trading
C. The liability is due to be settled within twelve months after the reporting period
D. The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

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

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Group’s business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable (including financing lease receivables), financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income should be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income should be reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue calculated by using the effective interest method (effective interest rate times the carrying amount of the financial asset) or the method stated below should be recognized in profit or loss.
    (i) For purchased or originated credit-impaired financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset.
    (ii) For financial assets that are not purchased or originated credit-impaired financial assets but subsequently become credit-impaired financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial assets at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from issuing price.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid is recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include accounts payable, interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through amortization process of the effective interest rate method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivatives instrument and hedge accounting

The Group manages the risk of energy commodity price swaps using hedging instruments that are consistent with an economic relationship between the hedged item and the hedging instrument, and setting the hedge ratio that meets the hedge effectiveness requirement. If a hedging relationship ceases to meet the hedge effectiveness requirement regarding the hedge ratio but the risk management objective for that designated hedging relationship remains the same, an entity shall adjust the hedge ratio of the hedging relationship so that it meets the qualifying criteria again.

An entity shall discontinue hedge accounting prospectively only when the hedging relationship (or a part of a hedging relationship) ceases to meet the qualifying criteria (after taking into account any rebalancing of the hedging relationship, if applicable).

The types of hedging relationships for energy commodity price swap risks and their accounting treatment are as follows:

Cash flow hedge

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction, and could affect profit or loss.

The cash flow hedge reserve is adjusted to the lower of either the cumulative gain or loss or the cumulative change in fair value (present value) of the hedged item from inception of the hedge.

The portion that is offset by the change in the cash flow hedge reserve must be recognised in other comprehensive income with any hedge ineffectiveness recognised in profit or loss.

(10) Fair value measurement

A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

A. in the principal market for the asset or liability; or
B. in the absence of a principal market, in the most advantageous market for the asset or liability.

The main or the most advantageous market must enter by the group to conduct transaction.

An entity shall measure the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group adopts the appropriate valuation technique(s) to use when measuring fair value. The valuation technique(s) used should maximize the use of relevant observable inputs and minimize unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition is accounted for as follows:

Raw materials – Purchase cost on weighted average cost basis.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. The fix manufacturing cost is allocated based on normal operating capacity. If the actual capacity exceeds the normal capacity, then the fix manufacturing cost is allocated based on the actual capacity. Finished goods and work in progress are based on weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 but not within the scoping of inventories.

(12) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorate basis.

When the associate issues or a joint venture new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(13) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings: 25~55 years
Machinery and equipment: 5~40 years
Transportation equipment: 3~15 years
Other equipment: 3~25 years
Leasehold improvements: The shorter of lease terms or economic useful lives

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company changed the depreciation method from the straight-line method to the fixed-percentage-on-declining-base method on January 1, 2008 with respect to the related machines, transportation and other equipment of the Refinery and Oil Products Division (excluding the utilities factory and oil factory), Petrochemical Olefins Division and Maintenance Center in Mailiao plant. PP&E still in use after its service life are further depreciated over the newly estimated remaining useful lives.

(14) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increase the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Exploration and evaluation assets

Mineral resources mean acquired mineral interests and the oil and gas wells and related facilities arising from oil and gas development activities. Necessary cost for the acquisition of mineral interest including acquisition, exploration, development and removal or restoration costs are capitalized as mineral resource assets.

(17) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision (listed under other current liabilities) is recognized for the carbon fees levied in accordance with the “Climate Change Response Act” and its related sub-laws. Based on the relevant regulations and the greenhouse gases emissions within the scope in the current year’s inventory, the Group is subject to the carbon fees levy. However, due to uncertainties related to factors such as the application of inventory methodologies and technologies, the impact of operational activities on emissions, or the results of auditing operations by the competent authority, or the implementation results of the self-determined reduction plan, the Group has made its best estimate based on a comprehensive consideration of available internal and external information, in accordance with the provisions of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

(19) Revenue recognition

The Group’s revenue arising from contracts with customers mainly include sale of goods and rendering of services. The accounting policies for the Group’s types of revenue are explained as follows:

Sales of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer (meaning that the customer has control over the use of the product and claims almost all of the remaining benefit) and the goods are delivered to the customers. The main product of the Group is petrochemical products and revenue is recognized based on the consideration stated in the contract. The remaining sales transactions are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the products expected to be returned.

The Group has not provided any warranty to its products.

The credit period of the Group’s sale of goods is from 30 to 60 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The period between the Group transfers the goods to customers and when the customers pay for that goods is usually short and have no significant financing component to the contract. For a small part of the contracts, the Group has the right to transfer the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The service provided by the Group is mainly terminal operations which have fixed price or negotiated price based on the number of times the service is provided. The performance obligation is fulfilled at a certain point, so the revenue should be recognized when the performance obligation is fulfilled.

Most of the contractual consideration of the Group are claimed after services have been rendered. When services have been performed but the Group does not have the right to the consideration unconditionally, contract assets should be recognized. For part of the contracts where consideration is claimed upon signing the contract, then the Group has the obligation to provide the services subsequently and contract liabilities should be recognized.

The period between the transfers of contract liabilities to revenue is usually within one year, and thus, no significant financing component is arised.

(20) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(21) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Group recognizes restructuring-related costs or termination benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

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

(22) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Finance lease commitment－Group as the lessor/lessee

The Group has entered into commercial property leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as finance leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc. Please refer to Note 6 for more details.

C. Revenue recognition － sales returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. The aforementioned sales returns and allowance is estimated based on the assumption that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

D. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group’s domicile.

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

E. Inventories

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	$5,012	$5,021	$5,137
Checking accounts	25,774	18,809	77,374
Demand deposits	25,753,851	14,926,399	15,262,878
Time deposits	27,702,719	23,410,383	13,616,278
Commercial paper	10,098,336	9,163,330	2,839,760
Repurchase bonds	400,000	-	100,000
Total	$63,985,692	$47,523,942	$31,901,427

A. The above cash and cash equivalents were not pledged as collateral or restricted for uses.

B. Commercial paper and Repurchase bonds were short-term maturity and highly liquid investments.

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

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Mandatorily measured at fair value through profit or loss:			
Funds	$1,899,472	$1,849,655	$1,890,486

A. The profit (loss) arising from financial assets at fair value through profit or loss were NT$49,817 thousand and NT$44,285 thousand for the three months ended March 31, 2026 and 2025, respectively.

B. The Group’s financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income － current and non-current

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Equity instruments investments measured at fair value through other comprehensive income:			
Listed companies stocks	$80,126,168	$74,552,833	$29,076,650
Unlisted companies stocks	21,220,813	17,010,078	16,662,820
Total	$101,346,981	$91,562,911	$45,739,470
Current	$80,126,168	$74,552,833	$29,076,650
Non-current	21,220,813	17,010,078	16,662,820
Total	$101,346,981	$91,562,911	$45,739,470

A. The Group’s financial assets at fair value through other comprehensive income were not pledge.

B. The Group has equity instrument investments measured at fair value through other comprehensive income were not dividend for the three months ended March 31, 2026 and 2025.

In consideration of the Group’s investment strategy, the Group derecognized partial of equity instrument investments measured at fair value through other comprehensive income, details on derecognition of the investments for the three months ended March 31, 2026 and 2025 are as follow:

	For the Three Months Ended March 31	
	2026	2025
The fair value of the investments at the date of derecognition	$11,571	$6,405
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	6,722	4,955

(4) Financial assets (liabilities) for hedging － current and non-current

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets for hedging			
Derivatives			
Energy commodity swap contracts	$1,315,125	$77,055	$580,244
Current	$937,223	$77,055	$525,596
Non-current	377,902	-	54,648
Total	$1,315,125	$77,055	$580,244

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities for hedging			
Derivatives			
Energy commodity swap contracts	$2,538,469	$81,256	$263,108
Current	$2,527,701	$22,748	$191,301
Non-current	10,768	58,508	71,807
Total	$2,538,469	$81,256	$263,108

A. As of March 31, 2026, December 31, 2025 and March 31, 2025, there were 565, 529 and 393 energy commodity swap contracts outstanding. The Group used these contracts to hedge the fluctuations of international crude oil and petroleum product prices. The swap contracts entered into by the Group are highly correlated with the price movement of the hedged items and periodic reviews are conducted on the swap contracts undertaken. All energy commodity swap contracts currently held by the Group are held for purpose of hedging and hedge effective. Please refer to Note 12 for details of the company's financial risk management objectives and policies, hedging strategies and activities.

B. For hedging fluctuations of international crude oil and petroleum product prices, the outstanding energy commodity swap contracts were as follows:

		March 31, 2026		
			Carrying Amount	
Type of Transaction	Pricing Period	Notional Quantity	Asset	Liability
Singapore gasoline / Dubai Crack Swap	Apr. 1, 2026~ Dec. 31, 2027	2,350 (1,000 bbls)	$225,603	$-
Oil Dubai Crack Swap－M3 Settlement (Dub)	Feb. 1, 2026~ Feb. 29, 2028	25,500 (1,000 bbls)	648,849	-
Oil Dubai Crack Swap－M1 Settlement (Dub)	Apr. 1, 2026~ Dec. 31, 2027	4,200 (1,000 bbls)	416,402	-
Singapore 10ppm diesel oil / Dubai Crack Swap	Apr. 1, 2026~ Dec. 31, 2026	4,475 (1,000 bbls)	-	2,365,243
Henry Hub Natural Gas Asian Swap	Apr. 27, 2026~ Nov. 26, 2027	5,760,000 (MMBtu)	20,753	10,768
Singapore Jet Fuel / Singapore 10ppm Diesel Crack Swap	Jul. 1, 2026~ Jul. 31, 2027	225 (1,000 bbls)	3,518	-
Singapore Jet Fuel / Dubai Crack Swap	Oct. 1, 2026~ Dec. 31, 2026	150 (1,000 bbls)	-	34,858
Dated Brent Oil / Dubai Crack Swap	Apr. 1, 2026~ Apr. 30, 2026	2,000 (1,000 bbls)	-	127,600
Total			1,315,125	2,538,469
Less: Financial assets (liabilities) for hedging － current			937,223	2,527,701
Financial assets (liabilities) for hedging － non-current			$377,902	$10,768

		December 31, 2025		
			Book Value	
Type of Transaction	Pricing Period	Notional Quantity	Asset	Liability
Singapore gasoline / Dubai Crack Swap	Jan. 1, 2026~ Dec. 31, 2027	2,400 (1,000 bbls)	$40,178	$189
Oil Dubai Crack Swap－M3 Settlement (Dub)	Jan. 1, 2026~ Feb. 29, 2028	21,600 (1,000 bbls)	-	38,829
Oil Dubai Crack Swap－M1 Settlement (Dub)	Jan. 1, 2026~ Dec. 31, 2027	4,800 (1,000 bbls)	2,415	3,587
Singapore 10ppm diesel oil / Dubai Crack Swap	Apr. 1, 2026~ Dec. 31, 2026	3,000 (1,000 bbls)	34,462	-
Henry Hub Natural Gas Asian Swap	Jan. 27, 2026~ Nov. 26, 2027	6,110,000 (MMBtu)	-	38,651
Total			77,055	81,256
Less: Financial assets (liabilities) for hedging － current			77,055	22,748
Financial assets (liabilities) for hedging － non-current			$-	$58,508

		March 31, 2025		
			Carrying Amount	
Type of Transaction	Pricing Period	Notional Quantity	Asset	Liability
Singapore gasoline / Dubai Crack Swap	Apr. 1, 2025~ Dec. 31, 2026	525 (1,000 bbls)	$6,023	$-
Singapore MOPJ naphtha / Dubai Crack Swap	May 1, 2025~ May 31, 2025	350 (1,000 bbls)	2,953	-
Oil Dubai Crack Swap	Jan. 1, 2026~ Feb. 29, 2028	9,600 (1,000 bbls)	22,693	-
Singapore 0.5% fuel oil / Dubai Crack Swap	Apr. 1, 2025~ May 31, 2025	3,720 (1,000 bbls)	192,934	-
Singapore diesel oil / Dubai Crack Swap	Apr. 1, 2025~ Dec. 31, 2026	5,230 (1,000 bbls)	355,641	-
Henry Hub Natural Gas Asian Swap	Apr. 25, 2025~ Nov. 26, 2027	9,980,000 (MMBtu)	-	263,108
Total			580,244	263,108
Less: Financial assets (liabilities) for hedging － current			525,596	191,301
Financial assets (liabilities) for hedging － non-current			$54,648	$71,807

(5) Notes and accounts receivable

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
A. Notes receivable	$972	$140	$770
Less: Loss allowance	-	-	-
Notes receivable, net	$972	$140	$770
B. Notes receivable – related parties	$3,081,336	$1,569,914	$3,400,613
Less: Loss allowance	-	-	-
Notes receivable – related parties, net	$3,081,336	$1,569,914	$3,400,613
C. Accounts receivable	$27,365,345	$25,577,905	$26,058,791
Less: Loss allowance	(578,702)	(487,502)	(537,484)
Accounts receivable, net	$26,786,643	$25,090,403	$25,521,307
D. Accounts receivable – related parties	$24,415,702	$17,918,346	$22,533,640
Less: Loss allowance	-	-	-
Accounts receivable – related parties, net	$24,415,702	$17,918,346	$22,533,640

A. Notes receivable and accounts receivable were from operations and were not held as collateral by any financial institution.

B. Accounts receivables are generally on 30~60 day terms. As of March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amount were NT$54,863,355 thousand, NT$45,066,305 thousand and NT$51,993,814 thousand, respectively. Please refer to Note 6.18 for more details on loss allowance of accounts receivable for the three months ended March 31, 2026 and 2025. Please refer to Note. 12 for more details on credit risk management.

(6) Inventories

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$19,067,111	$25,764,685	$24,243,897
Supplies	6,368,410	6,538,999	6,618,193
Work in process	10,867,460	11,012,220	16,526,292
Finished goods	24,261,540	21,282,452	25,017,577
Goods in transit	689,122	689,222	118,232
By-product	4,017	3,329	3,767
Total	$61,257,660	$65,290,907	$72,527,958

A. The cost of inventories (operating cost) recognized in expenses amounted to NT$134,798,531 thousand and NT$166,662,530 thousand for the three months ended March 31, 2026 and 2025, including the expense (benefit) from inventory diluted to its respective net realizable value of NT$(384,871) thousand and NT$(437,317) thousand for the three months ended March 31, 2026 and 2025, respectively.

B. Because of the rising prices of the crude oil and naphtha, the Group had recognized gain from price recovery of inventory in the amount of NT$384,871 thousand for the three months ended March 31, 2026.

C. Because of the dropping prices of the crude oil and naphtha, high priced inventory destocking, the cost of inventory decreased. The Group had recognized gain from price recovery of inventory in the amount of NT$437,317 thousand for the three months ended March 31, 2025.

D. No inventories were pledged as of March 31, 2026, December 31, 2025 and March 31, 2025.

(7) Prepaid expense

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Prepaid expense – Maintenance	$8,062,230	$9,049,555	$10,799,972
Prepaid expense – Material	15,122,507	3,319,513	4,861,200
Prepaid expense – Port handling and others	2,464,750	2,523,246	2,560,824
Total	$25,649,487	$14,892,314	$18,221,996

(8) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

	As of					
	March 31, 2026		December 31, 2025		March 31, 2025	
Investee	Amount	Percentage of Ownership (%)	Amount	Percentage of Ownership (%)	Amount	Percentage of Ownership (%)
Investments in associates						
Mai-Liao Power Corporation	$19,113,048	24.94	$18,013,147	24.94	$16,228,539	24.94
Yi-Chi Construction Corporation	27,696	40.55	27,703	40.55	27,722	40.55
Mailiao Harbor Administration Corporation	2,570,312	44.96	2,530,987	44.96	2,569,499	44.96
Formosa Development Corporation	693,242	45.99	609,753	45.99	487,803	45.99
Formosa Marine Corporation	752,592	20.00	740,334	20.00	806,344	20.00
Simosa Oil Corporation	946,353	20.00	909,576	20.00	809,469	20.00
Formosa Environmental Technology Corporation	249,643	24.34	247,608	24.34	242,221	24.34
Formosa Plastics Synthetic Rubber (HK)	1,369,395	33.33	1,386,378	33.33	1,553,466	33.33
Nan Ya Photonics, Incorporation	309,233	28.77	312,368	28.77	285,628	28.77
Whalehome International Corp., Ltd.	232,575	69.49	230,997	69.49	231,921	69.49
TMS Corp.	67,031	49.00	65,462	49.00	65,991	49.00
Formolight Technologies, Inc.	54,021	39.43	55,835	39.43	56,658	39.43
Formosa Engineering Technologies, INC.	4,766	20.00	4,803	20.00	4,389	20.00
Formosa Resources Corporation	3,567,175	25.00	4,062,093	25.00	6,013,698	25.00
Formosa Group (Cayman) Limited	-	-	-	-	998,476	25.00
Formosa Smart Energy Corporation	4,177,217	25.00	4,158,658	25.00	4,168,693	25.00
Subtotal	34,134,299		33,355,702		34,550,517	
Investments in jointly controlled entities						
Caltex Taiwan Corporation	95,346	50.00	84,232	50.00	104,933	50.00
Formosa Kraton Chemical Co., Ltd.	1,410,473	50.00	1,440,656	50.00	1,451,330	50.00
Idemitsu Formosa Specialty Chemicals Corp.	-	50.00	-	50.00	-	50.00
NKFG	436,078	45.00	458,081	45.00	515,557	45.00
Subtotal	1,941,897		1,982,969		2,071,820	
Total	$36,076,196		$35,338,671		$36,622,337	

A. Investments in associates

(a) The associates of the Group were not significant. The summary financial information of related party was listed below:

	For the Three Months Ended March 31	
	2026	2025
Net income (loss)	$(470,213)	$(311,276)
Other comprehensive income (loss), net	1,248,809	77,054
Comprehensive income (loss) for the period	$778,596	$(234,222)

(b) The associates of the Group have no publicly quoted prices.

B. Investments in joint ventures

The joint ventures of the Group were not significant. The summary financial information of joint ventures was listed below:

	For the Three Months Ended March 31	
	2026	2025
Net income (loss)	$(35,480)	$8,671
Other comprehensive income (loss), net	-	-
Comprehensive income (loss) for the period	$(35,480)	$8,671

C. The associates and joint ventures had no contingent liability, committed capital or provided guarantee on March 31, 2026, December 31, 2025 and March 31, 2025. The joint venture could not distribute profits before obtaining all partners’ consent.

D. Whalehome International Corp., Ltd. was not included in the consolidated financial statements. Please refer to Note 4.(3).C。

E. Formosa Group (Cayman) Limited, the associate of the Company, was liquidated in 2025.

F. Long-term equity investments are not pledged as collaterals for bank loans as of March 31, 2026 and 2025.

(9) Property, plant and equipment

As of March 31, 2026, the property, plant and equipment for operating leases, representing 0.01% of total property, plant and equipment. Therefore, it is not intended to separately list Statement of changes in property, plant and equipment for operating leases.

	Land and land improvements	Buildings	Machinery and equipment	Other equipment	Transportation equipment	Leasehold Improvement	Construction in progress	Total
Cost:								
2026.01.01	$27,024,400	$49,247,792	$397,748,924	$5,313,447	$949,315	$347,272	$14,885,137	$495,516,287
Additions	-	2,505	35,355	24,628	67,129	-	2,736,640	2,866,257
Transfer	-	209,820	2,381,997	11,029	-	-	(2,428,928)	173,918
Disposals	-	-	(21,707)	(31,050)	(29,274)	(3,394)	-	(85,425)
Exchange differences	63,327	-	-	1,423	-	-	104,946	169,696
2026.03.31	$27,087,727	$49,460,117	$400,144,569	$5,319,477	$987,170	$343,878	$15,297,795	$498,640,733
2025.01.01	$27,181,314	$48,141,602	$393,189,689	$5,129,271	$902,951	$347,272	$13,344,276	$488,236,375
Additions	-	89,827	23,156	26,760	14,920	-	1,109,965	1,264,628
Transfer	-	170,115	1,003,840	3,429	-	-	(567,123)	610,261
Disposals	-	-	(30,333)	(13,975)	(2,289)	-	-	(46,597)
Exchange differences	46,852	-	-	1,054	-	-	77,542	125,448
2025.03.31	$27,228,166	$48,401,544	$394,186,352	$5,146,539	$915,582	$347,272	$13,964,660	$490,190,115
Depreciation and impairment:								
2026.01.01	$-	$39,667,487	$364,612,478	$4,386,409	$707,151	$301,040	$-	$409,674,565
Depreciation	-	428,634	1,964,448	85,417	16,172	3,138	-	2,497,809
Disposals	-	-	(20,315)	(30,760)	(28,452)	(3,394)	-	(82,921)
Exchange differences	-	-	-	801	-	-	-	801
2026.03.31	$-	$40,096,121	$366,556,611	$4,441,867	$694,871	$300,784	$-	$412,090,254
2025.01.01	$-	$37,891,455	$357,638,143	$4,173,779	$710,992	$287,227	$-	$400,701,596
Depreciation	-	444,263	1,879,915	64,690	14,403	1,667	-	2,404,938
Disposals	-	-	(29,917)	(13,486)	(2,289)	-	-	(45,692)
Transfer	-	-	(300)	300	-	-	-	-
Exchange differences	-	-	-	482	-	-	-	482
2025.03.31	$-	$38,335,718	$359,487,841	$4,225,765	$723,106	$288,894	$-	$403,061,324
Net carrying amount as of:								
2026.03.31	$27,087,727	$9,363,996	$33,587,958	$877,610	$292,299	$43,094	$15,297,795	$86,550,479
2025.12.31	$27,024,400	$9,580,305	$33,136,446	$927,038	$242,164	$46,232	$14,885,137	$85,841,722
2025.03.31	$27,228,166	$10,065,826	$34,698,511	$920,774	$192,476	$58,378	$13,964,660	$87,128,791

Capitalized borrowing costs of property, plant and equipment are as follows:

Item	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Construction in progress	$6,547	$3,516
Capitalisation rate of borrowing costs	2.01%~2.23%	2.01%~2.23%

A. The Group's property, plant and equipment was not pledged as collaterals.

B. Interest expenses before capitalization were NT$87,572 thousand and NT$151,140 thousand for the three months ended March 31, 2026 and 2025, respectively.

(10) Investment property

	2026.01.01	Additions	Disposals	2026.03.31
Land:				
Cost	$914,680	$-	$-	$914,680

	2026.01.01	Impairment	Reversal of impairment loss	2026.03.31
Land:				
Accumulated impairment	$519,821	$-	$(2,284)	$517,537

	2026.01.01	2026.03.31
Land:		
Net carrying amount as of	$394,859	$397,143

	2025.01.01	Additions	Disposals	2025.03.31
Land:				
Cost	$921,562	$-	$-	$921,562

	2025.01.01	Impairment	Reversal of impairment loss	2025.03.31
Land:				
Accumulated impairment	$523,542	$-	$(3,721)	$519,821

	2025.01.01	2025.03.31
Land:		
Net carrying amount as of	$398,020	$401,741

A. The Group's investment property was not pledged as collaterals.

B. The Group measures its investment property not by the fair value; however it discloses its information by the fair value, and it is belong to level 3. The fair value of the investment property held by the Group amounted to NT$397,143 thousand, NT$394,859 thousand and NT$401,741 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. The fair value of investment property was valued by an independent external appraisal expert – CCIS Real Estate Joint Appraisers Firm and Honda Real Estate Appraisers Firm. The fair value was determined based on the market evidence, and the evaluation method was the market comparison approach, which input is estimated by the price of square meters.

(11) Other non-current assets

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Refundable deposits	$422,510	$430,211	$438,308
Prepaid expense － land and equipment	4,933,851	5,130,613	4,030,630
Advance	256,225	218,770	290,107
Unamortized expense	3,136,512	2,452,508	2,640,028
Other assets － land	10,584	10,584	10,584
Prepaid expense － Maintenance	2,994,114	3,195,207	3,197,325
Prepayments for investments	-	-	90,000
Other assets － Others	586,658	459,942	664,213
Total	$12,340,454	$11,897,835	$11,361,195

As of March 31, 2026, December 31, 2025 and March 31, 2025, the above land was temporarily registered under a third party’s name, both at cost amounting to NT$10,584 thousand. A lien has been created on the land through the land administration authority of the government, and the registered amounts of the lien were both NT$85,160 thousand in order to protect the interest of the Company. The land was accounted for as the other non-current asset.

(12) Short-term loans

	As of			
	Interest Rate	March 31, 2026	December 31, 2025	March 31, 2025
Purchase loans	Floating interest rate	$31,643	$18,804	$194,031
Credit loans	1.85%	92,000	89,000	1,500,000
Total		$123,643	$107,804	$1,694,031

The Group’s unused short-term loans of credits amounted to NT$35,196,314 thousand, NT$30,946,626 thousand and NT$32,686,069 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

(13) Bonds payable

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Domestic unsecured unconvertible bonds	$14,950,000	$14,950,000	$20,200,000
Less: current portion	(6,850,000)	(6,850,000)	(5,250,000)
Long-term bonds payable	$8,100,000	$8,100,000	$14,950,000

As of March 31, 2026, the terms of the domestic bonds were as follows:

Domestic unsecured unconvertible bonds:

Item	Unsecured Bonds No.35	Unsecured Bonds No.36		Unsecured Bonds No.37	
Type of bonds	Bond C	Bond B	Bond C	Bond B	Bond C
Issue date	2014.9.12	2019.7.24	2019.7.24	2020.8.6	2020.8.6
Principal amount	1,400,000	4,500,000	2,100,000	7,800,000	2,100,000
Ending balance	700,000	2,250,000	2,100,000	7,800,000	2,100,000
Face value	1,000	1,000	1,000	1,000	1,000
Issue price	Par value	Par value	Par value	Par value	Par value
Maturity	12 years	7 years	10 years	7 years	10 years
Coupon rate	Fixed rate 1.99%	Fixed rate 0.78%	Fixed rate 0.87%	Fixed rate 0.64%	Fixed rate 0.68%
Interest payment	Annually	Annually	Annually	Annually	Annually
Repayment	Repay 50% of the principal at the end of the 11^{th} and 12^{th} year	Repay 50% of the principal at the end of the 6^{th} and 7^{th} year	Repay 50% of the principal at the end of the 9^{th} and 10^{th} year	Repay 50% of the principal at the end of the 6^{th} and 7^{th} year	Repay 50% of the principal at the end of the 9^{th} and 10^{th} year
Conversion exchange or stock warrants	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Securities and Futures Bureau approved document number	Financial Supervisory Commission approved document No. 1030029158, July 31, 2014	Taipei Exchange approved document No.10800082232, July 22, 2019	Taipei Exchange approved document No.10800082232, July 22, 2019	Taipei Exchange approved document No.10900087591, July 28, 2020	Taipei Exchange approved document No.10900087591, July 28, 2020

(14) Long-term loans

			March 31, 2026		December 31, 2025		March 31, 2025	
Banks	Repayment Method	Types	Amount	Interest Rate	Amount	Interest Rate	Amount	Interest Rate
Bank of Taiwan, CTBC Bank and the other 8 banks	The period of the loan is from July 11, 2023 to July 11, 2026. Interest is payable monthly. The credit period is two years starting from the date of the first drawdown, with a one-year extension.	As working capital	$1,875,000	1.8530%	$1,875,000	1.849%~ 1.853%	$5,000,000	1.849%~ 1.851%
First Commercial Bank	The period of the loan is from September 27, 2024 to September 26, 2031. Interest is payable monthly. After receive the loan seven years later, the principal should be repaid on maturity date. An early repayment may be requested based on the borrower's needs.	As expansion	1,500,200	2.014%~ 2.230%	725,000	2.010%~ 2.230%	725,000	2.010%~ 2.230%
Less: Current portion reclassified to current liability			(1,875,000)		(1,875,000)		-	
Long-term loans – due after one year			$1,500,200		$725,000		$5,725,000	

(15) Post-employment benefits

A. Defined contribution plan

Expenses under the defined contribution plan were NT$76,587 thousand and NT$74,018 thousand for the three months ended March 31, 2026 and 2025, respectively.

B. Defined benefits plan

Expenses under the defined benefits plan were NT$21,663 thousand and NT$25,159 thousand for the three months ended March 31, 2026 and 2025, respectively.

(16) Equities

A. Common stock

The Company’s authorized and issued capital all amounted to NT$95,259,597 thousand and consisted of 9,525,960 thousand shares at $10 par value each as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. Each share has one vote and the right to receive dividends.

B. Capital surplus

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Additional paid-in capital-premium in excess of the par value of shares issued	$24,864,000	$24,864,000	$24,864,000
Additional paid-in capital-bond conversion	6,379,284	6,379,284	6,379,284
Joint venture and associates change in equity under equity method	175,761	175,761	173,600
Subsidiary change in equity	2,994	2,994	2,994
Others	2,948	2,948	2,607
Total	$31,424,987	$31,424,987	$31,422,485

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them. Also, the capital reserve arisen from equity investments cannot be used for any purpose.

C. Retained earnings and dividend policies

Pursuant to the Company’s Articles of Incorporation, current year’s earnings, if any, shall be distributed in the following order:

(a) Payments of all taxes, if any
(b) To offset prior year’s deficit, if any
(c) To set aside 10% of the remaining amount as legal reserve after deducting items (a) and (b)
(d) To set aside special reserve, if required
(e) To set aside an amount for dividends
(f) The remaining amount (the “appropriable after-dividend earnings”), if any, the appropriation of shareholders’ bonuses plan is drafted by the board of directors combination with prior year’s accumulated unappropriated earnings. For the resolution of cash dividends distribution should be adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and should be reported to the shareholders’ meeting. For the resolution of stock dividends distribution should be adopted by shareholders' meeting.

The above special reserve includes:

(a) Reserve recorded for special purposes
(b) Investment income recognized under equity method
(c) Net assessment income arising from financial transactions, however, when the cumulative decreases, the special reserve should be reduced accordingly to the extent that has been set aside;
(d) The special reserve required by other laws and regulations.

The Company’s business is in its maturity stage. As a result, the dividends can be distributed in a combination of cash and capital increase out of earnings and paid-in capital. The total amount distributed should be at least 50% of the earnings available after setting aside legal reserve and special reserve, provided that cash dividends take precedence and capital increase out of earnings and paid-in capital do not exceed 50% of the total distribution.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

For the years ended December 31, 2025 and 2024, the details of earnings distribution and dividends per share as proposed by the board meeting on March 5, 2026 and resolved by the shareholder’s meeting on May 29, 2025, were as follows:

	Appropriation of earnings		Dividend per share	
	2025	2024	2025	2024
Legal reserve	$1,652,173	$621,632		
Special reserve	(1,436,249)	1,436,249		
Common stock － cash dividend	11,431,152	7,620,768	$1.20	$0.80
Total	$11,647,076	$9,678,649		

The reserve of 2025 will be resolved by the shareholder’s meeting on May 26, 2026. The cash dividends distribution was resolved by the board of direction's meeting held on March 5, 2026 and will be reported to the shareholder's meeting. The cash dividends NT$11,431,152 thousand to be distributed were recognized under other payables.

Please refer to Note 6.20 for details on employee’s compensation.

D. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Beginning balance	$5,452,949	$5,286,081
Cash dividends from Subsidiaries	-	(1,119)
Net income (loss) attributed to the non-controlling interest	(1,121)	23,118
Other comprehensive income attributed to the non-controlling interest:		
Exchange differences resulting from translating the financial statements of a foreign operation	80,946	60,051
Acquisition of new shares in a subsidiary	-	381,600
Return of capital from Subsidiaries	-	(2,597)
Ending balance	$5,532,774	$5,747,134

(17) Operating revenues

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customer		
Sales of goods		
Gasoline	$25,098,478	$24,573,100
Petrochemical products (ethylene and propylene, etc.)	27,958,675	30,711,108
Diesel oil	51,600,373	52,575,222
Jet fuel	11,898,053	13,803,565
Electricity	6,242,190	6,845,873
Steam	1,819,284	2,244,199
Others	37,150,221	42,244,062
Subtotal	161,767,274	172,997,129
Service revenues	222,163	270,157
Total	$161,989,437	$173,267,286

Analysis of revenue from contracts with customers during the three months ended March 31, 2026 and 2025 are as follows:

(1) Disaggregation of revenue

For the three months ended March 31, 2026

	Petrochemical Division	Utility Division	Others	Total
Sale of goods				
Gasoline	$22,473,573	$-	$2,624,905	$25,098,478
Petrochemical products (ethylene and propylene, etc.)	27,958,675	-	-	27,958,675
Diesel oil	50,549,938	-	1,050,435	51,600,373
Jet fuel	11,898,053	-	-	11,898,053
Electricity	-	6,242,190	-	6,242,190
Steam	-	1,819,284	-	1,819,284
Others	36,577,363	324,211	248,647	37,150,221
Subtotal	149,457,602	8,385,685	3,923,987	161,767,274
Service revenues	-	-	222,163	222,163
Total	$149,457,602	$8,385,685	$4,146,150	$161,989,437
Revenue recognition point:				
At a point in time	$149,457,602	$8,385,685	$4,146,150	$161,989,437

For the three months ended March 31, 2025

	Petrochemical Division	Utility Division	Others	Total
Sale of goods				
Gasoline	$21,787,144	$-	$2,785,956	$24,573,100
Petrochemical products (ethylene and propylene, etc.)	30,711,108	-	-	30,711,108
Diesel oil	51,419,068	-	1,156,154	52,575,222
Jet fuel	13,803,565	-	-	13,803,565
Electricity	-	6,845,873	-	6,845,873
Steam	-	2,244,199	-	2,244,199
Others	41,687,156	318,243	238,663	42,244,062
Subtotal	159,408,041	9,408,315	4,180,773	172,997,129
Service revenues	-	-	270,157	270,157
Total	$159,408,041	$9,408,315	$4,450,930	$173,267,286
Revenue recognition point:				
At a point in time	$159,408,041	$9,408,315	$4,450,930	$173,267,286

(2) Contract balances

Contract liabilities － current

	As of			
	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Sales of goods	$178,946	$86,716	$73,284	$72,588

The significant changes in the Group’s balances of contract liabilities for the three months ended March 31, 2026 and 2025 are as follows:

	For the Three Months Ended March 31	
	2026	2025
Revenue recognized during the year that was included in the balance at the beginning of the year	$86,716	$72,588

(3) Transaction price allocated to unsatisfied performance obligations

The Group’s contracts are all shorter than one year, there is not to provide information on outstanding performance obligations.

(4) Assets recognized from costs to fulfil a contract

None.

(18) Expected credit losses/(gains)

	For the Three Months Ended March 31	
	2026	2025
Operating expenses － Expected credit losses/(gains)		
Accounts receivable	$91,200	$49,503

The Group does not expect that any significant losses will incur because the counterparty fail to fulfill the agreement. Please refer to Note 12 for information of credit risks.

The Group measures the loss allowance of receivables (including notes and accounts receivable) at an amount equal to lifetime expected credit losses. The explanation of the loss allowance measured for the three months ended March 31, 2026 and 2025 are as follows:

The Group needs to consider the grouping of receivables by past experiences and its loss allowance is measured by using a provision matrix, details as follows:

As of March 31, 2026		Past due				
	Neither past due	Within 30 days	31-60 days	61-90 days	Over 90 days	Total
Gross carrying amount	$51,096,204	$3,763,149	$4,002	$-	$-	$54,863,355
Loss ratio	1%	1%	1%	-	-	
Lifetime expected credit losses	541,031	37,631	40	-	-	578,702
Total	$50,555,173	$3,725,518	$3,962	$-	$-	$54,284,653

As of December 31, 2025		Past due				
	Neither past due	Within 30 days	31-60 days	61-90 days	Over 90 days	Total
Gross carrying amount	$42,043,370	$3,022,935	$-	$-	$-	$45,066,305
Loss ratio	1%	1%	-	-	-	
Lifetime expected credit losses	457,273	30,229	-	-	-	487,502
Total	$41,586,097	$2,992,706	$-	$-	$-	$44,578,803

As of March 31, 2025		Past due				
	Neither past due	Within 30 days	31-60 days	61-90 days	Over 90 days	Total
Gross carrying amount	$49,886,994	$2,106,820	$-	$-	$-	$51,993,814
Loss ratio	1%	1%	-	-	-	
Lifetime expected credit losses	516,416	21,068	-	-	-	537,484
Total	$49,370,578	$2,085,752	$-	$-	$-	$51,456,330

For the three months ended March 31, 2026 and 2025, the movement in the provision for impairment of notes receivable and accounts receivable are as follows:

	Receivables
Balance as at January 1, 2026	$487,502
Addition/(reversal) for the current period	91,200
Balance as at March 31, 2026	$578,702
Balance as at January 1, 2025	$487,981
Addition/(reversal) for the current period	49,503
Balance as at March 31, 2025	$537,484

(19) Lease

(1) Group as lessee

The Group has entered into commercial leases on land and buildings. These leases have an average life of more than one to twenty years with no restrictions placed upon the Group in the contracts.

The effect that leases have on the financial position, financial performance and cash flows of the Group are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use asset

The carrying amount of right-of-use asset

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Land	$184,923	$189,617	$205,927
Buildings	26,071	28,370	32,707
Machinery and equipment	18,473	19,251	21,582
Transportation equipment	499,187	613,989	1,021,368
Gas station	3,573,827	2,522,397	2,857,612
Total	$4,302,481	$3,373,624	$4,139,196

During the three months ended March 31, 2026 and 2025, the additions to right-of-use assets of the Group amounting to NT$1,212,468 thousand and NT$683,467 thousand, respectively.

(b) Lease liability

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Lease liability	$4,289,664	$3,469,516	$4,183,924
Current	$1,129,386	$1,058,021	$1,092,653
Non-current	$3,160,278	$2,411,495	$3,091,271

Please refer to Note 6 (21)(D) for the interest on lease liability recognized during the three months ended March 31, 2026 and 2025 and refer to Note 12 (5) Liquidity risk management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the Three Months Ended March 31	
	2026	2025
Land	$4,694	$4,736
Buildings	2,520	2,478
Machinery and equipment	777	777
Transportation equipment	119,696	124,292
Gas station	165,310	162,307
Total	$292,997	$294,590

C. Income and costs relating to leasing activities

	For the Three Months Ended March 31	
	2026	2025
The expense relating to short-term leases	$3,875	$4,750

As at March 31, 2026, December 31, 2025, and March 31, 2025, the Group has no committed short-term lease portfolio.

D. Cash outflow relating to leasing activities

During the three months ended March 31, 2026, the Group’s total cash outflow for leases amounting to NT$402,870 thousand, interest charge on lease liabilities NT$15,558 thousand and short-term leases NT$3,875 thousand.

During the three months ended March 31, 2025, the Group's total cash outflow for leases amounting to NT$401,939 thousand, interest charge on lease liabilities NT$16,762 thousand and short-term leases NT$4,750 thousand.

E. Other information relating to leasing activities

None.

(2) Group as lessor

The Group has entered into leases on certain equipment of vessel equipment and automated storage and retrieval systems. These leases have terms of between ten years and fifteen years, respectively. These leases are classified as finance leases as they do transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the Three Months Ended March 31	
	2026	2025
Lease income for operating leases		
Income relating to fixed lease payments	$316,066	$311,168
Lease income for finance leases		
Finance income on the net investment in the lease	713	19,904
Total	$316,779	$331,072

For finance leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at March 31, 2026, December 31, 2025, and March 31, 2025 are as follow:

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Not later than one year	$15,051	$15,051	$1,022,474
Later than one year but not later than two years	15,051	15,051	15,051
Later than two years but not later than three years	15,051	15,051	15,051
Later than three years but not later than four years	15,051	15,051	15,051
Later than four years but not later than five years	15,051	15,051	15,051
Later than five years	48,912	52,675	63,964
Total undiscounted lease payments	124,167	127,930	1,146,642
Less: Unearned finance income to finance leases	(12,061)	(12,774)	(28,844)
Net investment in the lease (Finance lease receivables)	$112,106	$115,156	$1,117,798
Current	$12,392	$12,315	$1,005,692
Non-current	$99,714	$102,841	$112,106

(20) Summary statement of employee benefits, depreciation and amortization expenses by function is as follows:

Function / Description	For the Three Months Ended March 31, 2026			For the Three Months Ended March 31, 2025		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits expense	$1,371,696	$1,010,575	$2,382,271	$1,350,024	$952,111	$2,302,135
Salaries and wages	1,187,026	888,420	2,075,446	1,164,042	834,872	1,998,914
Labor and health insurance	91,961	66,465	158,426	91,826	63,130	154,956
Pension	60,746	37,504	98,250	62,540	36,637	99,177
Other employee benefits expense	31,963	18,186	50,149	31,616	17,472	49,088
Depreciation and depletion	2,544,606	296,733	2,841,339	2,515,063	278,720	2,793,783
Amortization	613,553	10	613,563	483,250	168	483,418

The amortization recognized as non-operating income and expenses are NT$1,094 thousand and NT$1,595 thousand for the three months ended March 31, 2026 and 2025, respectively.

According to the Company’s Articles of Incorporation, 0.02% to 0.1% of the profit of the period should be distributed as employee’s compensation. Of this amount, 0.01% to 0.03% of the profit of the period should be distributed as salary adjustments or distribution of compensation to employees. However, if there is accumulated deficit, the deficit should be covered first. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees’ compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders’ meeting. Information on the board of directors’ resolution regarding the employee compensation can be obtained from the “Market Observation Post System” on the website of the TWSE.

The Company’s employee compensation was NT$5,116 thousand, estimated as 0.02% of the Company’s net profit and recognized as employee’s compensation for the three months ended March 31, 2026. The Company’s employee compensation was NT$953 thousand, estimated as 0.02% of the Company’s net profit and recognized as employee’s compensation for the three months ended March 31, 2025.

The Company resolved to distribute NT$1,261 thousand of employee compensation in cash on the board of director’s meeting on March 5, 2026. There is no difference between the employee bonus 2025 paid and the employee bonus recognized as expense on the financial report of 2025.

(21) Non-operating income and expenses

A. Interest income

	For the Three Months Ended March 31	
	2026	2025
Bank interest income	$160,156	$130,829
Interest income — due from affiliates	11,026	12,486
Interest income — finance leases	713	19,904
Other interest income	26,810	14,883
Total	$198,705	$178,102

B. Other income

	For the Three Months Ended March 31	
	2026	2025
Rental income	$316,066	$311,168
Others	187,638	245,154
Total	$503,704	$556,322

C. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Gains (losses) on disposal and abandon of property, plant and equipment	$3,565	$285
Foreign exchange (losses) gains, net	944,695	825,944
Impairment loss/Reversal of impairment loss		
Investment property	2,284	3,721
Other gains (losses) — others	(13,818)	(74,399)
Gains (losses) on financial assets at fair value through profit or loss (Note)	49,817	44,285
Total	$986,543	$799,836

Note: Balance in current period arose from financial assets mandatorily measured at fair value through profit or loss.

D. Financial costs

	For the Three Months Ended March 31	
	2026	2025
Interest on borrowings from bank	$15,112	$49,470
Interest on bonds payable	28,097	38,979
Interest for lease liabilities	15,558	16,762
Other interest expenses	22,258	42,413
Total finance costs	$81,025	$147,624

(22) Components of other comprehensive income

For the three months ended March 31, 2026

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified to profit or loss:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$9,790,050	$-	$9,790,050	$-	$9,790,050
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	1,119,383	-	1,119,383	-	1,119,383
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising from translation of foreign operations	304,753	-	304,753	-	304,753
Gains (losses) on hedging instrument	(1,526,417)	307,438	(1,218,979)	(253,556)	(965,423)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	129,426	-	129,426	-	129,426
Total	$9,817,195	$307,438	$10,124,633	$(253,556)	$10,378,189

For the three months ended March 31, 2025

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified to profit or loss:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$2,146,126	$-	$2,146,126	$-	$2,146,126
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(73,291)	-	(73,291)	-	(73,291)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising from translation of foreign operations	219,239	-	219,239	-	219,239
Gains (losses) on hedging instrument	460,645	(53,131)	407,514	110,964	296,550
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	150,345	-	150,345	-	150,345
Total	$2,903,064	$(53,131)	$2,849,933	$110,964	$2,738,969

(23)Income taxes

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

Income tax expense (income) recognized in profit or loss

	For the Three Months Ended March 31	
	2026	2025
Current income tax expense (income):		
Current income tax charge	$5,309,100	$689,162
Adjustments in respect of current income tax of prior periods	-	111,837
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	136,682	191,315
Others	(236,201)	118,508
Total income tax expense (income)	$5,209,581	$1,110,822

Income tax relating to components of other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
Deferred tax expense (income):		
Gains (losses) on hedging instrument	$(253,556)	$110,964

The assessment of income tax returns

As of March 31, 2026, the assessment of the income tax returns of the Company and its subsidiaries was as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2023
Subsidiary- Formosa Oil (Asia Pacific) Corporation	Assessed and approved up to 2023
Subsidiary- Formosa Petrochemical Transportation Corporation	Assessed and approved up to 2024
Subsidiary- Formosa Grandseas Bunkering and Trading Corporation	Assessed and approved up to 2024

(24)Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

	For the Three Months Ended March 31	
	2026	2025
Basic/Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$20,407,731	$3,684,794
Weighted average number of ordinary shares outstanding for basic/diluted earnings per share (in thousands)	9,525,960	9,525,960
Basic/Diluted earnings per share	$2.14	$0.39

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(25) Subsidiaries that have material non-controlling interests

The Group does not have subsidiaries that have material non-controlling interests.

7. RELATED PARTY TRANSACTIONS

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Formosa Plastics Corporation	Significant influence over the Company
Formosa Chemicals & Fibre Corporation	Significant influence over the Company
Nan Ya Plastics Corporation	Significant influence over the Company
Mai-Liao Power Corporation	Associate
Mailiao Harbor Administration Corporation	Associate
Formosa Development Corporation	Associate
Formosa Marine Corporation	Associate
Simosa Oil Corporation	Associate
Formosa Environmental Technology Corporation	Associate
TMS Corp.	Associate
Formosa Resources Corporation	Associate
Nan Ya Photonics Incorporation	Associate
NKFG	Joint venture
Caltex Taiwan Corporation	Joint venture
Formosa Kraton Chemical Co., Ltd.	Joint venture
Idemitsu Formosa Specialty Chemicals Corp.	Joint venture
Formosa FCFC Carpet Corporation	Other
Formosa Chemicals Industries (Ningbo) Co., Ltd.	Other
Formosa Biomedical Technology Corp.	Other
Formosa BP Chemicals Corporation	Other
Formosa Taffeta Co., Ltd	Other
Formosa Advanced Technologies Co., Ltd.	Other
Formosa Energy Management Corporation	Other
Formosa Ha tinh (Cayman) Limited	Other
Hong Jing Resource Co., Ltd	Other
Nan Ya Printed Circuit Board Corporation	Other
Nan Chung Petrochemical Corp.	Other
Formosa Heavy Industries Corporation	Other
Hwa Ya Power Corporation	Other
National Petroleum Co., Ltd.	Other
Formosa Plastics Maritime Corporation	Other
Chang Gung Medical Foundation	Other
Simosa Shipping Co., Ltd.	Other
Simosa International Co., Ltd	Other
Simosa Marine Corporation	Other
Formosa Waters Technology Co., Ltd.	Other
Formosa Steel IB PTY LTD	Other
Asia Pacific Investment Corporation	Other
Asia Pacific Development Corp.	Other

Significant transactions with the related parties

(1) Sales

	For the Three Months Ended March 31	
	2026	2025
Entity with joint control or significant influence over the Company		
Formosa Chemicals & Fibre Corporation	$31,282,809	$30,782,841
Formosa Plastics Corporation	15,750,625	16,381,075
Nan Ya Plastics Corporation	4,443,985	5,936,590
Subtotal	51,477,419	53,100,506
Associate	1,908,971	1,906,990
Joint venture	2,295,400	2,443,120
Others	14,213,185	12,214,450
Total	$69,894,975	$69,665,066

The terms and conditions of sales (including prices) to related parties are similar to those with non-related parties. The credit term is 30 days from the day the related party confirms the sale.

(2) Purchase

	For the Three Months Ended March 31	
	2026	2025
Entity with joint control or significant influence over the Company	$9,285,795	$9,360,770
Associate	15,705	16,508
Joint venture	15,047	18,348
Others	179,374	190,446
Total	$9,495,921	$9,586,072

The Company and subsidiaries did not receive special discounts when purchasing from the related parties. Payment term is 30 days after receiving the goods.

(3) Notes receivable – related parties

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Others			
National Petroleum Co., Ltd.	$3,081,336	$1,569,914	$3,400,613
Total	3,081,336	1,569,914	3,400,613
Less: Loss allowance	-	-	-
Net	$3,081,336	$1,569,914	$3,400,613

(4) Accounts receivable – related parties

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Entity with joint control or significant influence over the Company			
Formosa Chemicals & Fibre Corporation	$9,880,606	$6,952,208	$8,178,983
Formosa Plastics Corporation	6,765,396	4,842,410	5,977,010
Nan Ya Plastics Corporation	1,603,745	1,408,409	2,121,418
Subtotal	18,249,747	13,203,027	16,277,411
Associate	384,793	371,807	366,679
Joint venture	867,160	786,226	858,188
Others	4,914,002	3,557,286	5,031,362
Total	24,415,702	17,918,346	22,533,640
Less: Loss allowance	-	-	-
Net	$24,415,702	$17,918,346	$22,533,640

(5) Accounts payable – related parties

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Entity with joint control or significant influence over the Company			
Formosa Chemicals & Fibre Corporation	$3,556,191	$2,138,271	$2,701,365
Others	587,094	539,958	695,601
Subtotal	4,143,285	2,678,229	3,396,966
Associate	69,834	80,514	105,212
Joint venture	13,212	11,107	13,121
Others	45,428	53,506	53,207
Total	$4,271,759	$2,823,356	$3,568,506

(6) Transaction of property, plant and equipment

Commissioned construction

The Company commissioned the following related parties to construct items of property, plant and equipment:

	Items	For the Three Months Ended March 31 2026	2025
Entity with joint control or significant influence over the Company	Maintenance	$49,504	$72,942
Entity with joint control or significant influence over the Company	Expansion of Facilities	2,480	4,268
Associate	Expansion of facilities	9,676	9,075
Others	Maintenance	124,038	101,736
Others	Expansion of facilities	237,342	(203,699)
Total		$423,040	$(15,678)

The Company followed the general procedures to commission Formosa Heavy Industries Corporation, Nan Ya Plastics Corporation and Nan Ya Photonics Incorporation to expand its facilities and the maintenance of them. The payment period is one month after the acceptance of the construction work.

(7) Financing

Other receivables – due from affiliates

	As of March 31, 2026	December 31, 2025	March 31, 2025
Others			
Formosa Heavy Industries Corporation	$1,900,000	$1,900,000	$1,500,000

The lending of funds condition to the associates was charged in accordance with the contract schedule after loan received. For the three months ended March 31, 2026 and 2025, interest income from related parties were NT$10,204 thousand and NT$9,932 thousand, respectively. And interest both charged at the rate of 2.18%.

(8) Other receivables, other payables

Receivables from/payables to related parties (bear no interest) are as follows:

A. Other receivables – sale of raw materials, etc.

	As of					
	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
Entity with joint control or significant influence over the Company	$10,913	0.15	$9,627	0.14	$19,632	0.21
Associate	221,112	3.13	232,260	3.40	27,716	0.30
Joint venture	8,661	0.12	4,331	0.06	10,607	0.11
Others	3,398	0.05	18,116	0.27	2,811	0.03
Total	$244,084	3.45	$264,334	3.87	$60,766	0.65

They are payments received from selling raw material. The payment term is within 30 days following confirmation with the counterparty.

C. Other payables

	As of					
	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
Associate	$9,782	0.03	$24,958	0.18	$29,312	0.12
Others	421,605	1.42	307,354	2.27	339,377	1.39
Total	$431,387	1.45	$332,312	2.45	$368,689	1.51

Other payables are purchases of raw material for construction. The payment term is within 30 days after inspection and approval of accepting the materials.

(9) Lease

A. Group as a lessee

(a) Right-of-use assets

The carrying amount of right-of-use asset

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Entity with joint control or significant influence over the Company	$33,397	$35,851	$23,097
Associate	58,840	65,753	86,490
Other	499,187	609,302	1,018,565
Total	$591,424	$710,906	$1,128,152

(b) Lease liabilities

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Entity with joint control or significant influence over the Company	$34,415	$36,007	$24,002
Associate	61,212	74,426	89,361
Other	561,953	684,110	1,142,438
Total	$657,580	$794,543	$1,255,801
Current	$525,645	$576,731	$591,085
Non-current	$131,935	$217,812	$664,716

(c) Interest for lease liabilities

	For the Three Months Ended March 31	
	2026	2025
Entity with joint control or significant influence over the Company	$80	$45
Associate	225	327
Other	3,447	6,536
Total	$3,752	$6,908

B. Group as a lessor

(a) The revenue relating to short-term leases

The Group derived the following rental income from leasing oil storage facilities and land to related parties:

	For the Three Months Ended March 31	
	2026	2025
Entity with joint control or significant influence over the Company	$50,080	$45,583
Associate	7,429	6,721
Joint venture	8,121	8,121
Other	2,472	2,472
Total	$68,102	$62,897

(b) The income relating to finance leases

The Group derived the following rental income from leasing automated storage and retrieval systems to related parties:

	For the Three Months Ended March 31	
	2026	2025
Joint venture	$713	$788

(10) Other related party transactions

A. Use of labor

The details of use of the related parties' labor force are as follows:

		For the Three Months Ended March 31	
	Items	2026	2025
Associate	Harbor Labor force	$347,771	$390,625
Joint venture	Refuel, Labor force	15,319	14,604
Others	Labor force	388	534
Total		$363,478	$405,763

The payments include harbor usage, towage, and fuel delivery. The payment is mutually agreed to be made one month after the monthly closing.

B. Notes endorsements and guarantees

	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Associate	$-	$-	$8,295,500

(11) Key management personnel compensation

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	$19,955	$16,106

8. PLEDGED ASSETS

The following assets were pledged to banks as collaterals for bank loans:

		As of		
Pledged Assets	Contents	March 31, 2026	December 31, 2025	March 31, 2025
Other current assets	Certificates of deposit	$308,956	$302,293	$233,484

9. SIGNIFICANT COMMITMENTS AND CONTINGENT LIABILITIES

As of March 31, 2026, the Group's commitments and contingent liabilities were as follows:

(1) Finance lease commitments: Simosa Shipping Co. Ltd. leased vessel and equipment to the Group. The lease term is from January 2012 to December 2026 at US$33,500 per day. When the lease expires, the ownership of the shipping equipment will transfer to the Group.

(2) Guarantee notes received from counterparties as collateral for payment, construction completion commitment and others for operational needs were NT$363,494 thousand.

(3) Guarantee notes issued for borrowings (financing) were NT$162,797,100 thousand.

(4) The unutilized portion of letters of credit issued by banks for importing raw materials was NT$1,438,952 thousand.

(5) Idemitsu Formosa Specialty Chemicals Corp., a joint venture of the Group, borrowed NT$3.3 billion from CA Corporation & Investment Bank and KGI Bank. To secure the rights of its shareholders, the Company is required to issue a letter of support to ensure the borrower has fulfilled its obligation for repayment.

(6) Formosa Ha Tinh (Cayman) Limited, the investee of the Group, and Formosa Ha Tinh Steel Corporation, the indirect investee owned by Formosa Ha Tinh (Cayman) Limited, borrowed credit line of US$2,875.5 million and US$2,137.5 million from different banks, respectively. To secure the rights of its shareholders, the Company is required to issue a commitment letter to ensure the borrower has fulfilled its obligation for repayment.

(7) Formosa Resources Corp., the investee of the Group, borrowed credit line of totaled US$340 million from several banks for operating need. According to the requirements of the bank, the Company should issue a commitment letter to ensure the borrower has fulfilled its obligation for repayment, due to the Company's direct shareholding percentage is 25%.

(8) Formosa Resources Corp., the investee of the Group, and Formosa Resources Australia Pty Ltd., the 100% indirect investee owned by Formosa Resources Corp., borrowed credit line of US$257 million from Bank for operational needs. To secure the rights of its shareholders, the Company is required to issue a commitment letter to ensure the borrower has fulfilled its obligation for repayment.

(9) Formosa Resources Corp., the investee of the Group, and Formosa Steel IB Pty Ltd., the 100% indirect investee owned by Formosa Resources Corp., borrowed credit line of US$1,099.75 million from Bank for operational needs. To secure the rights of its shareholders, the Company is required to issue a commitment letter to ensure the borrower has fulfilled its obligation for repayment.

10. SIGNIFICANT DISASTER LOSSES

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Categories of financial instruments

	As of		
Financial Assets	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss	$1,899,472	$1,849,655	$1,890,486
Financial assets at fair value through other comprehensive income	101,346,981	91,562,911	45,739,470
Financial assets at amortized cost:			
Cash and cash equivalents (excluding cash on hand)	63,980,680	47,518,922	31,896,290
Notes and accounts receivable, net (including related party)	54,284,653	44,578,803	51,456,330
Finance lease receivables	112,106	115,156	1,117,798
Other receivables	7,070,487	6,833,365	9,290,766
Subtotal	125,447,926	99,046,246	93,761,184
Financial assets for hedging	1,315,125	77,055	580,244
Total	$230,009,504	$192,535,867	$141,971,384

	As of		
Financial Liabilities	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities at amortized cost:			
Short-term borrowings	$123,643	$107,804	$1,694,031
Notes and accounts payable (including related party)	15,183,263	12,796,914	14,649,076
Other payables (including related party)	29,737,522	13,528,529	24,459,179
Bonds payable (including current portion)	14,950,000	14,950,000	20,200,000
Long-term borrowings	3,375,200	2,600,000	5,725,000
Lease liabilities	4,289,664	3,469,516	4,183,924
Subtotal	$67,659,292	$47,452,763	$70,911,210
Financial liabilities for hedging	2,538,469	81,256	263,108
Total	$70,197,761	$47,534,019	$71,174,318

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by audit committee and the Company's board of directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not consider the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

To avoid the risk of foreign currency assets impairment and future cash flow changes, the Company uses forward contracts and foreign currency loans to hedge the foreign currency risk. However, the abovementioned method can reduce the risk arise from changes of foreign currency exchange rate, it cannot completely eliminate the risk.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. When NTD appreciate/depreciate against US dollars by NT$1, the profit decreased/increased by NT$911,412 thousand and NT$991,374 thousand for the three months ended March 31, 2026 and 2025, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 25 basis points of interest rate in a reporting period could cause the profit to decrease/increase by NT$2,130 thousand and by NT$4,636 thousand for the three months ended March, 2026 and 2025, respectively.

Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed equity securities are classified under held for trading financial assets or available-for-sale financial assets, while unlisted equity securities are classified as available-for-sale. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's board of directors reviews and approves all equity investment decisions.

The Group did not hold any listed and OTC equity securities measured at fair value through profit or loss.

When the price of the listed equity securities at fair value through other comprehensive income increases/decreases 1%, it could have impacts of NT$801,262 thousand and NT$290,767 thousand on the equity attributable to the Group for the three months ended March 31, 2026 and 2025, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc.

Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivable from top ten customers represented 82.56%, 74.32% and 78.73% of the total accounts receivable of the Group, respectively. The credit concentration risk of other accounts receivable is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counterparties.

The Group did not hold any debt instrument investments which were measured at fair value through profit or loss as of March 31, 2026.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
March 31, 2026							
Borrowings	$2,032,956	$-	$-	$-	$-	$1,530,804	$3,563,760
Accounts payable	15,183,263	-	-	-	-	-	15,183,263
Other payables	29,737,522	-	-	-	-	-	29,737,522
Bonds payable	6,901,375	3,929,250	1,057,875	2,115,750	1,057,875	-	15,062,125
Lease liabilities	1,186,822	649,376	505,099	434,972	391,951	1,364,500	4,532,720
December 31, 2025							
Borrowings	$2,018,945	$-	$-	$-	$-	$739,935	$2,758,880
Accounts payable	12,796,914	-	-	-	-	-	12,796,914
Other payables	13,528,529	-	-	-	-	-	13,528,529
Bonds payable	6,903,348	3,930,373	1,058,177	2,116,355	1,058,177	-	15,066,430
Lease liabilities	1,101,154	606,328	375,358	320,588	263,322	967,442	3,634,192
March 31, 2025							
Borrowings	$6,815,354	$-	$-	$-	$-	$739,935	$7,555,289
Accounts payable	14,649,076	-	-	-	-	-	14,649,076
Other payables	24,459,179	-	-	-	-	-	24,459,179
Bonds payable	5,290,425	6,902,745	3,930,030	1,058,085	2,116,170	1,058,085	20,355,540
Lease liabilities	1,149,577	987,134	489,375	346,984	275,136	1,138,812	4,387,018

Derivative instruments

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
March 31, 2026					
Inflows	$937,223	$377,902	$-	$-	$1,315,125
Outflows	(2,527,701)	(10,768)	-	-	(2,538,469)
Net	$(1,590,478)	$367,134	$-	$-	$(1,223,344)
December 31, 2025					
Inflows	$77,055	$-	$-	$-	$77,055
Outflows	(22,748)	(58,508)	-	-	(81,256)
Net	$54,307	$(58,508)	$-	$-	$(4,201)
March 31, 2025					
Inflows	$525,596	$54,648	$-	$-	$580,244
Outflows	(191,301)	(71,807)	-	-	(263,108)
Net	$334,295	$(17,159)	$-	$-	$317,136

The table above contains the undiscounted net cash flows of derivative financial instruments.

(6) Reconciliations of the liabilities from financing activities

Reconciliations of the liabilities for the three months ended March 31, 2026:

	Short-term loans	Other payables to related parties	Bonds payable (including current portion)	Long-term loans	Lease liabilities (current and non-current)	Increase (decrease) in other non-current liabilities	Total liabilities from financing activities
2026.01.01	$107,804	$332,312	$14,950,000	$2,600,000	$3,469,516	$214,725	$21,674,357
Cash flows	15,839	99,075	-	775,200	(402,870)	(17,792)	469,452
Non-cash changes	-	-	-	-	1,212,468	-	1,212,468
Exchange rate changes	-	-	-	-	10,550	-	10,550
2026.03.31	$123,643	$431,387	$14,950,000	$3,375,200	$4,289,664	$196,933	$23,366,827

Reconciliations of the liabilities for the three months ended March 31, 2025:

	Short-term loans	Other payables to related parties	Bonds payable (including current portion)	long-term loans	Lease liabilities (current and non-current)	Increase (decrease) in other non-current liabilities	Total liabilities from financing activities
2025.01.01	$6,781,361	$357,976	$20,200,000	$5,464,670	$3,892,300	$240,409	$36,936,716
Cash flows	(5,087,330)	10,713	-	260,330	(401,939)	(2,027)	(5,220,253)
Non-cash changes	-	-	-	-	679,222	-	679,222
Exchange rate changes	-	-	-	-	14,341	-	14,341
2025.03.31	$1,694,031	$368,689	$20,200,000	$5,725,000	$4,183,924	$238,382	$32,410,026

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value because of its shorter maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities and unquoted public company) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) The fair value of bank loans, corporate bonds and lease liabilities is determined by the counterparty's quotation or valuation technique. The valuation technique is discounted cash flow analysis with interest and discount rate selected with reference to those of similar financial instruments (E.g. the yield curve reference of Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(e) The fair value of derivative instrument is based on market quotations.

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets (including held-to-maturity financial assets, loans and receivables) and liabilities (including loan, bonds payable, lease liabilities) measured at amortized cost approximate their fair value.

C. Information about financial instrument fair value level

For the information of fair value hierarchy please refer to related Note 12(9).

(8) Derivatives instruments the Group holds for trading are mainly energy commodity contracts. Please refer to Note 6(4) for related information.

(9) Fair value hierarchy

A. Definition

For the assets and liabilities measured and disclosed under fair value, the fair value hierarchy is categorized on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The inputs of each level are as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2: inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liabilities.

At the end of each reporting period, the fair value hierarchy for each financial instrument is revaluated to decide if there is any transfer into or out of any hierarchy.

B. The fair value at each fair value hierarchy for financial instruments of the Group is as follows:

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$-	$1,899,472	$-	$1,889,472
Financial assets at fair value through other comprehensive income				
Investments in equity instruments measured at fair value through other comprehensive income	80,126,168	-	21,220,813	101,346,981
Financial assets for hedging				
Energy commodity swap contracts	1,315,125	-	-	1,315,125
Financial liabilities:				
Financial liabilities for hedging				
Energy commodity swap contracts	$(2,538,469)	-	-	$(2,538,469)

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$-	$1,849,655	$-	$1,849,655
Financial assets at fair value through other comprehensive income				
Investments in equity instruments measured at fair value through other comprehensive income	74,552,833	-	17,010,078	91,562,911
Financial assets for hedging				
Energy commodity swap contracts	77,055	-	-	77,055
Financial liabilities:				
Financial liabilities for hedging				
Energy commodity swap contracts	$(81,256)	-	-	$(81,256)

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$-	$1,890,486	$-	$1,890,486
Financial assets at fair value through other comprehensive income				
Investments in equity instruments measured at fair value through other comprehensive income	29,076,650	-	16,662,820	45,739,470
Financial assets for hedging				
Energy commodity swap contracts	580,244	-	-	580,244
Financial liabilities:				
Financial liabilities for hedging				
Energy commodity swap contracts	$(263,108)	-	-	$(263,108)

Fair value hierarchy transfer between level 1input and level 2 input

The Group had no recurring assets and liabilities transfer between level 1 input and level 2 input for the three months ended March 31, 2026 and 2025.

Movements of fair value measurements in Level 3 of the fair value hierarchy

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Asset
	At fair value through other comprehensive income
	Stocks
2026.1.1	$17,010,078
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	4,205,144
Write-down the long-term equity in Associates and Joint Ventures	5,591
2026.3.31	$21,220,813

	Asset
	At fair value through other comprehensive income
	Stocks
2025.1.1	$17,226,256
Proceeds from capital reduction	(3,438)
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(557,381)
Write-down the long-term equity in Associates and Joint Ventures	(2,617)
2025.3.31	$16,662,820

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at March 31, 2026:

	Valuation technique	Material unobservable inputs	Quantitative information	Inputs and the fair value relationship	Inputs and the fair value relationship's sensitivity analysis value relationship
Financial assets：					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	19.20% ~20.70%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in decrease/increase in the Group's equity by NT$2,602,190 thousand
Stocks	Assets approach	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in decrease/increase in the Group's equity by NT$31,460 thousand

As at December 31, 2025:

	Valuation technique	Material unobservable inputs	Quantitative information	Inputs and the fair value relationship	Inputs and the fair value relationship's sensitivity analysis value relationship
Financial assets：					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	19.20% ~20.70%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in decrease/ increase in the Group's equity by NT$2,084,238 thousand
Stocks	Assets approach	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in decrease/ increase in the Group's equity by NT$37,557 thousand

As at March 31, 2025:

	Valuation technique	Material unobservable inputs	Quantitative information	Inputs and the fair value relationship	Inputs and the fair value relationship's sensitivity analysis value relationship
Financial assets：					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	19.20% ~20.70%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in decrease/increase in the Group's equity by NT$2,058,086 thousand
Stocks	Assets approach	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in decrease/increase in the Group's equity by NT$23,142 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's accounting department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

C. Not measure by the fair value but have to disclose by the fair value hierarchy information

March 31, 2026

	Level 1	Level 2	Level 3	Total
Only disclose fair value of assets:				
Investment property				
(please refer to note 6(10))	$-	$-	$397, 143	$397,143

December 31, 2025

	Level 1	Level 2	Level 3	Total
Only disclose fair value of assets:				
Investment property				
(please refer to Note 6(10))	$-	$-	$394,859	$394,859

March 31, 2025

	Level 1	Level 2	Level 3	Total
Only disclose fair value of assets:				
Investment property				
(please refer to note 6(10))	$-	$-	$401, 741	$401,741

(10)Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	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	$1,005,180	31.980	$32,145,656	$913,841	31.438	$28,729,333	$1,132,982	33.182	$37,594,609
EUR	1,997	36.732	73,354	3,665	36.696	134,491	48,934	35.941	1,758,737
YEN	63,026	0.201	12,668	100,113	0.200	20,023	27,188	0.222	6,036
Long-term equity Investments – equity method									
USD	$42,820	31.980	$1,369,395	$44,099	31.438	$ 1,386,378	$76,907	33.182	$2,551,942
Financial liabilities									
Monetary items:									
USD	$93,768	31.980	$2,998,701	$221,722	31.438	$6,970,496	$141,608	33.182	$4,698,837
EUR	137	36.732	5,032	27,240	36.696	999,599	173,372	35.941	6,231,163
YEN	481,853	0.201	96,852	69,884	0.200	13,977	106,124	0.222	23,560

The above information is disclosed based on book value transferred to functional currency.

The foreign exchange gains (losses) that was material and recognized are NT$944,695 thousand and NT$825,944 thousand for the three months ended March 31, 2026 and 2025.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. OTHER DISCLOSURE

(1) Significant transaction information

A. Financings provided to others

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account (Note 2)	Related Party	Maximum Balance for the Period (Approved by the Board) (Note 3)	Ending Balance (Approved by the Board) (Note 8)	Amount Actually Drawn	Interest Rate%	Nature of Financing (Note 4)	Reason for Financing (Note 6)	Loss allowance	Collateral Item	Collateral Value	Limit of Financing Amount for Individual Counterparty (Note 7)	Limit of Total Financial Amount for Financing Company (Note 7)
0	The Company	Formosa Plastics Corporation	Other receivables from related parties	Yes	$4,500,000	$4,500,000	$-	-	(2)	Need for operating	N/A	N/A	N/A	Financing to individual entity is limited to 10% of the Company's net asset 37,506,591 thousand; financing to related party and party with business transaction is limited to 25% of the Company's net asset 93,766,478 thousand; financing to others is limited to 20% of the Company's net asset 75,013,182 thousand.	Financing to others is limited to 50% of the Company's net asset 187,532,955 thousand; financing to nonbusiness but in need for capital is limited to 40% of the Company's net asset 150,026,364 thousand.
0	The Company	Nan Ya Plastics Corporation	Other receivables from related parties	Yes	4,500,000	4,500,000	-	-	(2)	Need for operating	N/A	N/A	N/A		
0	The Company	Formosa Chemicals & Fibre Corporation	Other receivables from related parties	Yes	4,500,000	4,500,000	-	-	(2)	Need for operating	N/A	N/A	N/A		
0	The Company	Formosa Group Ocean Investment Corporation	Other receivables from related parties	No	157,340	122,803	122,803	2.18	(2)	Need for operating	N/A	N/A	N/A		
0	The Company	Formosa Heavy Industries Corporation	Other receivables from related parties	Yes	7,000,000	7,000,000	1,900,000	2.18	(2)	Need for operating	N/A	N/A	N/A		
0	The Company	Formosa Oil (Asia Pacific) Corporation (Note 9)	Other receivables from related parties	Yes	500,000	500,000	-	-	(2)	Need for operating	N/A	N/A	N/A		
					Total	$21,122,803	$2,022,803								

Note 1: The Company and its subsidiaries are coded as follows:
(1) The Company is coded "0".
(2) The subsidiaries are coded starting from "1" in the order.

Note 2: Total amount of the financing is disclosed herein if the financing related to business transactions.

Note 3: Maximum financing balance provided to others for the period.

Note 4: Nature of financing is coded as follows:
(1) The financing occurred due to business transactions is coded "1".
(2) The financing occurred due to short-term financing is coded "2".

Note 5: Total amount of the business transactions between financing company and counterparty should be disclosed herein if the financing occurred due to business transactions.

Note 6: The necessity and rationality of the loan application should be specifically illustrated herein if the financing occurred due to short-term financing.

Note 7: The limits and the calculation methods of financing amount for individual counterparty and total financing amount for financing company are disclosed in accordance with company’s operating procedure of financing.

Note 8: According to Paragraph 1, Article 14 of Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies, each financing should be approved by the board of directors. To fairly expose the company’s risk, even if the fund doesn’t be utilized, the financing amount approved by the board of directors still includes in the financing balance. To reflect the adjustment of the company’s risk, while the counterparty repays the fund, it should disclose the balance after the repayment. Although the chairman is authorized to handle the financing in installment or revolver under the specific amount approved by the board of directors within one year, according to Paragraph 2, Article 14 of Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies, it still uses the financing amount approved by the board of directors as the reporting balance. While the counterparty repays the fund, considering the possibility of another utilization, it still uses the financing amount approved by the board of directors as the reporting balance.

Note 9: All transactions listed above are eliminated in the consolidated financial statements.

B. Endorsement/guarantee provided to others

		Receiving Party											
No. (Note1)	Endorser/ Guarantor	Company Name	Relationship (Note2)	Limit of the Endorsement / Guarantee Amount for Receiving Party (Note3)	Maximum Balance for the Period (Note4)	Ending Balance (Note5)	Actual Amount Borrowed (Note6)	Amount of Collateral	Percentage	Limit on the Endorsement/Guarantee Amount (Note3)	Parent Company Endorsed / Guaranteed for the Subsidiaries (Note7)	Subsidiaries Endorsed/ Guaranteed for the Parent Company (Note7)	Endorsement or Guarantee for Entities in China (Note7)
0	The Company	FPCC USA, INC.	(2)	243,792,842	959,400	959,400	959,400	N/A	0.26	The Company may provide endorsement/guarantee to others but shall not exceed 130% of its net assets. The limit is 487,585,683 thousand. For endorsement/ guarantee to individual entity, the amount is limited to 50% of the limit.	Y	N	N

Note 1: The Company and its subsidiaries are coded as follows:

(1) The Company is coded "0".

(2) The subsidiaries are coded starting from "1" in the order.

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

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorser/guarantor company and endorsed/guaranteed company both are owned directly or indirectly more than 90% voting shares by the company.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Jointly guarantee of the pre-construction real estate sales contract in accordance with Consumer Protection Law.

Note 3: The limits and the calculation methods of endorsement/guarantee amount for individual counterparty and maximum balance are disclosed in accordance with company’s operating procedure of endorsement/guarantee.

Note 4: Maximum balance of endorsement/guarantee provided to others for the period.

Note 5: It should be filled in the amount which approved by the board of directors. However, it should be filled in the amount which utilized by the chairman, whom authorized by the board of directors in accordance with Subparagraph 8, Article 12 of Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies.

Note 6: It should be filled in the amount which is actual utilized by the endorsed/guaranteed company within the limit of endorsement/guarantee amount.

Note 7: It should be filled in “Y”, if it is the public parent company endorsed/guaranteed for the subsidiaries, subsidiaries endorsed/guaranteed for the public parent company, or endorsement or guarantee for entities in China.

C. Securities held as of March 31, 2026 (not including subsidiaries, associates and joint ventures)

Shares: In thousand

Company	Type and Name of the Securities (Note 1)	Relationship (Note 2)	Financial Statement Account	As of September 30, 2025				Note
				Shares (In thousand)	Carrying Amount (Note 3)	Percentage of Ownership (%)	Market Value (Note 4)	
The Company	Stock －Formosa Plastics Corporation	Entity with joint control or significant influence over the Company	Financial assets at fair value through other comprehensive income–current	131,460	$6,034,031	2.07%	$45.90	
The Company	Stock －Nan Ya Plastics Corporation	Entity with joint control or significant influence over the Company	Financial assets at fair value through other comprehensive income–current	179,214	13,243,946	2.26%	73.90	
The Company	Stock －Formosa Chemicals & Fibre Corporation	Entity with joint control or significant influence over the Company	Financial assets at fair value through other comprehensive income–current	48,568	2,183,112	0.83%	44.95	
The Company	Stock －National Petroleum Co., Ltd.	Others	Financial assets at fair value through other comprehensive income–current	60,082	3,388,617	19.44%	56.40	
The Company	Stock －Nan Ya Technology Corporation	-	Financial assets at fair value through other comprehensive income–current	272,843	54,159,417	8.81%	198.50	
The Company	Stock －TSRC Corporation	-	Financial assets at fair value through other comprehensive income–current	41,201	791,059	4.99%	19.20	
The Company	Fund－Mega USD Fend-Shou Private Market Fund	-	Financial assets at fair value through profit or loss–current	4,554	1,899,472	-	417.08	
The Company	Stock －Formosa Ha Tinh (Cayman) Limited	Others	Financial assets at fair value through other comprehensive income–non-current	621,178	7,151,501	11.43%	11.51	
The Company	Stock －Asia Pacific Investment Corporation	Others	Financial assets at fair value through other comprehensive income–non-current	8,950	248,720	2.11%	27.79	
The Company	Stock －Formosa Network Technology Corporation	-	Financial assets at fair value through other comprehensive income–non-current	2,925	342,967	12.50%	117.25	
The Company	Stock －Formosa Heavy Industries Corporation	Others	Financial assets at fair value through other comprehensive income–non-current	25,350	315,360	1.26%	12.44	
The Company	Stock －Formosa Ocean Group Marine Investment Corporation	-	Financial assets at fair value through other comprehensive income–non-current	3	12,599,116	19.00%	4,805,154.90	
The Company	Stock －Amtrust Capital Corporation	-	Financial assets at fair value through other comprehensive income–non-current	2,344	22,005	3.91%	9.39	
The Company	Stock －Mega Growth Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income–non-current	492	2,956	1.97%	6.01	
The Company	Stock －Idemitsu Formosa Specialty Chemicals Corp	Joint venture	Financial assets at fair value through other comprehensive income–non-current	50,000	350,236	100.00%	10.00	
The Company	Stock – YoungRay Co., Ltd	-	Financial assets at fair value through other comprehensive income–non-current	3,000	90,000	13.29%	30.00	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities, as defined in IFRS 9 “Financial Instruments”.

Note 2: If the securities listed above are issued by related parties, the column is specified with further information.

Note 3: For securities measured at fair value, fill in the book value column with fair value of the securities less accumulated impairment. For securities not measured at fair value, fill in the book value column with the original cost or amortized cost less accumulated impairment.

Note 4: If the securities listed above are subject to restrictions on use due to providing guarantees, pledging loans, or other agreements, the number of shares provided as security or pledged, the amount of the security or pledge, and the restrictions on use should be disclosed.

Note 5: This table lists the securities that the company determines, based on the materiality principle, should be disclosed.

D. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more:

Purchaser / Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Formosa Plastics Corporation	Entity with joint control or significant influence over the Company	Sales Purchases	$15,750,625 1,316,683	9.72 1.10	30 days after receiving the goods	N/A	N/A	$6,765,396 418,635	13.21 2.76	
The Company	Nan Ya Plastics Corporation	Entity with joint control or significant influence over the Company	Sales Purchases	4,443,985 386,314	2.74 0.32	30 days after receiving the goods	N/A	N/A	1,603,745 168,459	3.13 1.11	
The Company	Formosa Chemicals & Fibre Corporation	Entity with joint control or significant influence over the Company	Sales Purchases	31,282,809 7,582,798	19.31 6.33	30 days after receiving the goods	N/A	N/A	9,880,606 3,556,191	19.30 23.42	
The Company	National Petroleum Co., Ltd.	Others	Sales Purchases	4,753,405 -	2.93 -	60 days after receiving the goods	N/A	N/A	2,184,959 3,081,336 (Note Receivable) -	4.27 99.97 -	

Purchaser / Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Formosa Oil (Asia Pacific) Corporation	Subsidiary	Sales Purchases	3,314,791 -	2.05 -	30 days after receiving the goods	N/A	N/A	1,404,237 -	2.74 -	(Note)
The Company	Formosa Taffeta Co., Ltd	Others	Sales Purchases	2,192,470 16,796	1.35 0.01	30 days after receiving the goods	N/A	N/A	452,142 6,351	0.88 0.04	
The Company	Caltex Taiwan Corporation	Joint venture	Sales Purchases	1,973,967 -	1.22 -	30 days after receiving the goods	N/A	N/A	690,643 6,884	1.35 0.05	
The Company	Simosa Oil Corporation	Associate	Sales Purchases	991,958 -	0.61 -	30 days after receiving the goods	N/A	N/A	326,623 -	0.64 -	
The Company	Formosa BP Chemicals Corporation	Others	Sales Purchases	685,927 129,830	0.42 0.11	30 days after receiving the goods	N/A	N/A	322,185 36,830	0.63 0.24	
The Company	TMS Corp.	Associate	Sales Purchases	735,443 -	0.45 -	30 days after receiving the goods	N/A	N/A	- -	- -	
The Company	Formosa Kraton Chemical Co., Ltd.	Joint venture	Sales Purchases	197,518 -	0.12 -	30 days after receiving the goods	N/A	N/A	129,742 -	0.25 -	
The Company	Formosa Plastics Marine Corporation	Associate	Sales Purchases	100,738 -	0.06 -	30 days after receiving the goods	N/A	N/A	49,953 560	0.10 0.00	
The Company	Idemitsu Formosa Specialty Chemicals Corp.	Joint venture	Sales Purchases	123,915 14,932	0.08 0.01	30 days after receiving the goods	N/A	N/A	46,775 6,325	0.09 0.04	
The Company	Simosa International Co., Ltd	Others	Sales Purchases	6,564,506 -	4.05 -	30 days after receiving the goods	N/A	N/A	1,950,453 -	3.81 -	

Note:All transactions are eliminated in the consolidated financial statements.

E. Receivables from related parties with amounts exceeding NT$100 million or 20 percent of capital stock:

Creditor	Counterparty	Relationship with the counterparty	Balance	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Loss Allowance	Note
					Amount	Action taken			
	Accounts receivable								
The Company	Formosa Chemicals & Fibre Corporation	Entity with joint control or significant influence over the Company	$9,880,606	14.87	-	-	$9,880,606	N/A	
The Company	Formosa Plastics Corporation	Entity with joint control or significant influence over the Company	6,765,396	10.86	-	-	6,765,396	N/A	
The Company	Nan Ya Plastics Corporation	Entity with joint control or significant influence over the Company	1,603,745	11.80	-	-	1,603,745	N/A	
The Company	National Petroleum Co., Ltd.	Others	5,266,295	4.29	-	-	1,977,258	N/A	
The Company	Formosa Oil (Asia Pacific) Corporation	Subsidiary	1,404,237	10.10	-	-	1,404,237	N/A	(Note)
The Company	Formosa Taffeta Co., Ltd	Others	452,142	20.31	-	-	452,142	N/A	
The Company	Formosa BP Chemicals Corporation	Others	322,185	10.79	-	-	322,185	N/A	
The Company	Simosa Oil Corporation	Associate	326,623	11.57	-	-	326,623	N/A	
The Company	Caltex Taiwan Corporation	Joint venture	690,643	11.12	-	-	690,643	N/A	
The Company	Formosa Kraton Chemical Co., Ltd.	Joint venture	129,742	10.76	-	-	129,742	N/A	
The Company	Simosa International Co., Ltd	Others	1,950,453	18.20	-	-	1,950,453	N/A	
	Other receivables from related parties								
The Company	Formosa Heavy Industries Corporation	Others	1,900,000	-	-	-	-	N/A	

Note: All transactions are eliminated in the consolidated financial Statements.

F. Significant intercompany transactions between consolidated entities

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note3)
0	The Company	Formosa Oil (Asia Pacific) Corporation	1	Sales revenue	$3,314,791	Prices similar to those with non-related parties	2.05%
				Accounts receivable	1,404,237	Receive in the following month	0.30%
1	Formosa Oil (Asia Pacific) Corporation	The Company	2	Labor force revenue	47,775	Prices similar to those with non-related parties	0.03%
2	Formosa Petrochemical Transportation Corporation	The Company	2	Labor force revenue	136,999	Prices similar to those with non-related parties	0.08%
3	FPCC DILIGENCE Corp.	The Company	2	Labor force revenue	168,794	Prices similar to those with non-related parties	0.10%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent Company is coded "0".
(2) The subsidiaries are coded starting from "1" in the order.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

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

Note 4: Whether the Company discloses the significant transaction in this sheet is according to materiality principle.

(2) Investee information

A. Names, locations and related information of investee companies as of March 31, 2026 (excluding Mainland China)

Investor	Investee (Note1、2)	Region	Main Business	Original cost		At the end of period			Investees company net income (Note2(2))	Share of Profits/Losses (Note2(3))	Note
				Balance at March 31, 2026	Balance at December 31, 2023	Number of shares (in thousand)	Percentage	Amount			
The Company	Formosa Oil (Asia Pacific) Corporation	ROC	Retail of petrochemical	$1,097,992	$1,097,992	100,000	100.00	$1,991,286	$84,430	$84,430	(Note4)
The Company	Formosa Petrochemical Transportation Corporation	ROC	Transportation	176,019	176,019	19,378	88.00	351,592	14,475	12,738	(Note4)
The Company	Formosa Grandseas Bunkering and Trading Corporation	ROC	Retail of petrochemical	1,081,009	1,081,009	108,101	60.00	1,017,186	(2,940)	(1,764)	(Note4)
The Company	FPCC USA, INC.	US	Oil drilling	1,784,197	1,784,197	10	100.00	2,482,831	44,123	44,123	(Note4)
The Company	FPCC DILIGENCE Corp.	Liberia	Ship chartering	894,723	894,723	-	100.00	391,404	55,926	55,926	(Note4)
The Company	FPCC MAJESTY Corp.	Liberia	Ship chartering	1,092,467	1,092,467	-	100.00	1,998,280	-	-	(Note4)
The Company	FPCC NATURE Corp.	Liberia	Ship chartering	1,126,902	1,126,902	-	100.00	2,080,345	-	-	(Note4)
The Company	FG INC.	US	Investing	6,506,856	6,506,856	11	57.00	6,311,550	(4,221)	(2,406)	(Note4)
The Company	Mai-Liao Power Corporation	ROC	Electricity generation	5,985,983	5,985,983	868,884	24.94	19,113,048	83,179	20,748	
The Company	Yi-Chi Construction Corporation	ROC	Construction	18,508	18,508	1,695	40.55	27,696	(16)	(6)	
The Company	Mailiao Harbor Administration Corporation	ROC	Harbor manage	1,348,137	1,348,137	98,907	44.96	2,570,312	85,672	38,518	
The Company	Formosa Development Corporation	ROC	Development of land	229,970	229,970	52,302	45.99	693,242	38,620	17,763	
The Company	Formosa Marine Corporation	ROC	Transportation	20,000	20,000	21,646	20.00	752,592	49,926	9,985	

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Investor	Investee (Note1、2)	Region	Main Business	Original cost		At the end of period			Investees company net income (Note2(2))	Share of Profits/Losses (Note2(3))	Note
				Balance at March 31, 2026	Balance at December 31, 2023	Number of shares (in thousand)	Percentage	Amount			
The Company	Simosa Oil Corporation	ROC	Retail of other oil products and manufacturing	54,000	54,000	41,748	20.00	946,353	159,861	31,972	
The Company	Caltex Taiwan Corporation	ROC	Retail of petrochemical products and airport refueling	21,501	21,501	2,400	50.00	95,346	22,228	11,114	
The Company	Formosa Environmental Technology Corporation	ROC	Crop cultivating, Disposals of waste and sewage	417,145	417,145	41,714	24.34	249,643	8,743	2,128	
The Company	Formosa Plastics Synthetic Rubber(HK)	HK	Investing	4,244,064	4,244,064	138,333	33.33	1,369,395	(121,414)	(40,467)	
The Company	Formosa Kraton Chemical Co., Ltd.	ROC	Synthetic Rubber Manufacturing	1,237,500	1,237,500	-	50.00	1,410,473	(60,367)	(30,184)	
The Company	Formolight Technologies, Inc.	ROC	LED	80,361	80,361	8,036	39.43	54,021	(4,600)	(1,814)	
The Company	Formosa Resources Corporation	ROC	Mining	9,099,071	9,099,071	909,907	25.00	3,567,175	(2,452,412)	(613,013)	
The Company	Idemitsu Formosa Specialty Chemicals Corp.	ROC	Retail of petrochemical products	750,000	750,000	75,000	50.00	-	11,181	5,591	
The Company	NKFG	ROC	Electronic components manufacturing & selling	1,379,700	1,379,700	71,342	45.00	436,078	(48,893)	(22,002)	
The Company	Nan Ya Photonics Incorporation	ROC	Lighting equipment manufacturing	339,657	339,657	13,262	28.77	309,233	11,581	3,332	
The Company	Formosa Smart Energy Corporation	ROC	Manufacture of power generation, transmission and distribution machinery	4,250,000	4,250,000	425,000	25.00	4,177,217	233,331	58,333	
Formosa Oil (Asia Pacific) Corporation	TMS Corp.	ROC	Vehicle and parts export and import	40,000	40,000	3,920	49.00	67,031	1,751	858	
Formosa Oil (Asia Pacific) Corporation	Whalehome International Corp., Ltd	ROC	Retail of petrochemical	167,323	167,323	16,463	53.80	180,067	2,271	1,222	
Formosa Oil (Asia Pacific) Corporation	Formosa Engineering Technologies, INC.	ROC	Electrical and mechanical, telecommunications and circuits Equipment maintenance	10,000	10,000	1,000	20.00	4,766	(188)	(37)	
Formosa Petrochemical Transportation Corporation	Whalehome International Corp., Ltd	ROC	Retail of petrochemical	48,209	48,209	4,801	15.69	52,508	2,271	356	
FG INC.	FG LA LLC	US	Petrochemical products manufacturing & selling	11,094,178	11,086,296	-	100.00	10,772,936	(4,613)	(4,613)	(Note4)
FPCC USA	MONTGOMERY GATHERING, LLC	US	Natural gas transportation	32,166	32,166	-	70.00	32,689	446	312	(Note4)

Note1: If a public company has holding company in other country and had issued consolidated financial statement under local regulations, about these investees could disclosed their holding company's relevant information.

Note2: If not belong to Note 1, filled in by the following rules

(1) In "Investee", "Region", "Main Business", "Original cost" and "At the end of period" columns should filled in in order follow the company invest directly or indirectly and explain each relationship in "Note" column.

(2) In "Investees company net income" column should filled in each investee's net income.

(3) In "Share of Profits/Losses" column only need to fill in the Group recognized profit or loss of each subsidiary and the company under the equity method. Regarding to the profit or loss of each subsidiary should contain the share of profit or loss of its investee.

Note3: It includes the unrealized gross profit of the current period.

Note4: All transactions are eliminated in the consolidated financial Statements.

B. The company has controlling power over Formosa Petrochemical Transportation Corporation, Formosa Oil (Asia Pacific) Corporation, Formosa Grandseas Bunkering and Trading Corporation, FPCC USA, INC., MONTGOMERY GATHERING, LLC, FG INC., FG LA LLC, FPCC DILIGENCE Corp., FPCC MAJESTY Corp. and FPCC NATURE Corp. Although the total assets and total operating revenue has not reached 10% of the company's account, but the significant transaction should be disclosed.

(a) Financing provided to others

No (Note1)	Creditor	Borrower	General Leger account (Note2)	Related party	Maximum outstanding balance during the three months period ended March 31, 2026	Balance at March 31, 2026 (Credits approved by the Boards) (Note 8)	Actual amount	Interest rate%	Nature for Financing (Note 4)	Reason for Financing (Note 6)	Loss Allowance	Collateral		Financing Limits for Each Borrowing Company (Note 7)	Financing Company's Total Financing Amount Limits (Note 7)
												Item	Value		
1	Formosa Oil (Asia Pacific) Corporation	Whalehome International Corp., Ltd.	Other receivables from related parties	yes	$50,000	$50,000	$-	-	(2)	Need for operating	N/A	N/A	N/A	$995,643	$1,991,286
1	Formosa Oil (Asia Pacific) Corporation(Note9)	Formosa Petrochemical Transportation Corporation	Other receivables from related parties	yes	40,000	40,000	-	-	(2)	Need for operating	N/A	N/A	N/A	995,643	1,991,286

Note 1: The Company and its subsidiaries are coded as follows:

(1) The Company is coded "0".

(2) The subsidiaries are coded starting from "1" in the order.

Note 2: Total amount of the financing is disclosed herein if the financing related to business transactions.

Note 3: Maximum financing balance provided to others for the period.

Note 4: Nature of financing is coded as follows:

(1) The financing occurred due to business transactions is coded "1".

(2) The financing occurred due to short-term financing is coded "2".

Note 5: Total amount of the business transactions between financing company and counterparty should be disclosed herein if the financing occurred due to business transactions.

Note 6: The necessity and rationality of the loan application should be specifically illustrated herein if the financing occurred due to short-term financing.

Note 7: The limits and the calculation methods of financing amount for individual counterparty and total financing amount for financing company are disclosed in accordance with company's operating procedure of financing.

Note 8: According to Paragraph 1, Article 14 of Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies, each financing should be approved by the board of directors. To fairly expose the company's risk, even if the fund doesn't be utilized, the financing amount approved by the board of directors still includes in the financing balance. To reflect the adjustment of the company's risk, while the counterparty repays the fund, it should disclose the balance after the repayment. Although the chairman is authorized to handle the financing in installment or revolver under the specific amount approved by the board of directors within one year, according to Paragraph 2, Article 14 of Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies, it still uses the financing amount approved by the board of directors as the reporting balance. While the counterparty repays the fund, considering the possibility of another utilization, it still uses the financing amount approved by the board of directors as the reporting balance.

Note 9: All transactions listed above are eliminated in the consolidated financial statements.

(b) Endorsement/guarantee provided to others for the three months ended March 31, 2026: None.

(c) Securities held as of March 31, 2026

Holding Company	Type and Name of the Securities	Relationship	Financial Statement Account	As of March 31, 2026			
				Shares (In thousand)	Carrying Amount	Percentage of Ownership (%)	Market Value
Formosa Oil (Asia Pacific) Corporation	Stock－National Petroleum Co., Ltd.	Others	Financial assets at fair value through other comprehensive income–current	717	$40,429	0.23%	$56.40
Formosa Oil (Asia Pacific) Corporation	Stock－North-Star International Co., Ltd.	-	Financial assets at fair value through other comprehensive income–current	12,389	285,557	2.90%	23.05
Formosa Oil (Asia Pacific) Corporation	Stock－Tai Yi Feng Corporation	-	Financial assets at fair value through other comprehensive income–non-current	2,500	97,952	5.00%	39.18

(d) Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

(e) Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

C. Investment in Mainland China as of March 31, 2026

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2026	Investees company net income (Note2)	Percentage of Ownership	Share of Profits/Losses (Note2)	Carrying Amount as of March 31, 2026	Accumulated Inward Remittance of Earnings as of March 31, 2026
					Outflow	Inflow						
Formosa Plastics Synthetic Rubber(Ningbo)	Synthetic Rubber Manufacturing	US$415,000 NT$13,271,700	(2)	US$138,333 NT$4,244,059	- -	- -	US$138,333 NT$4,244,059	NT$(121,414)	33.33%	NT$(40,467)	NT$1,369,395	$-

Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note3)
US$138,333 NT$4,244,059	US$138,333 NT$4,244,059	NT$228,359,210

Note1: The methods for engaging in investment in Mainland China include the following:
(1) Directly invested in China
(2) Investment in Mainland China companies through a company invested and established in a third region (The third region company is Formosa Plastics Synthetic Rubber(HK))
(3) Other method

Note2: Recognized based on valuation in financial statements audited by investee companies' independent accountants.

Note3: According to MOEA's regulation, the company set its upper limit on investment is based on 60% of consolidated equity.

14. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on its products and services and has two reportable segments as follows:

A. Petrochemical segment: Producing and selling petroleum, and petrochemical products.
B. Public utility segment: Producing and selling water, electricity and steam.

For information regarding the segment reporting and operating activities, please refer to "Other" section of the Note.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, group finance costs, finance income and income taxes are managed on a group basis and are not allocated to operating segments.

The transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Information for the three months ended March 31, 2026

	Petrochemical Division	Utility Division	Others	Adjustment and eliminations	Consolidated Amount
Revenue					
External customer	$149,457,602	$8,385,685	$4,146,150	$-	$161,989,437
Inter-segment	3,314,791	2,806,904	681,159	(6,802,854)	-
Total revenues	$152,772,393	$11,192,589	$4,827,309	$(6,802,854)	$161,989,437
Segment profit or loss	$22,810,227	$1,544,666	$322,984	$938,314	$25,616,191

Information for the three months ended March 31, 2025

	Petrochemical Division	Utility Division	Others	Adjustment and eliminations	Consolidated Amount
Revenue					
External customer	$159,408,041	$9,408,315	$4,450,930	$-	$173,267,286
Inter-segment	3,478,822	3,044,904	699,446	(7,223,172)	-
Total revenues	$162,886,863	$12,453,219	$5,150,376	$(7,223,172)	$173,267,286
Segment profit or loss	$1,970,163	$1,469,707	$261,085	$1,117,779	$4,818,734

Note1: Revenues were from segments below the quantitative thresholds, such as load and unload process, transportation services and sales of petroleum products. None of those segments has ever met the quantitative thresholds for determining reportable segments assets.

Note2: Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' section. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Note3: Profit or loss of each reportable segment does not include the share of profits of associates and joint venture and the foreign currency exchange gains and losses.

The reportable segment assets and liabilities as of March 31, 2026, December 31, 2025 and March 31, 2025 are as follows:

Reportable segment assets

	Petrochemical Division	Utility Division	Others	Adjustment and eliminations	Consolidated Amount
March 31, 2026	$173,933,231	$24,766,123	$287,321,536	$(22,307,609)	$463,713,281
December 31, 2025	$160,025,961	$25,497,820	$252,879,038	$(21,941,343)	$416,461,476
March 31, 2025	$182,979,137	$37,097,639	$180,852,301	$(21,537,466)	$379,391,611

Reportable segment liabilities

	Petrochemical Division	Utility Division	Others	Adjustment and eliminations	Consolidated Amount
March 31, 2026	$34,620,093	$7,063,120	$47,034,804	$(5,603,420)	$83,114,597
December 31, 2025	$27,816,521	$6,552,424	$26,538,144	$(5,690,650)	$55,216,439
March 31, 2025	$31,572,735	$8,055,837	$42,990,221	$(4,677,824)	$77,940,969

Reconciliations of reportable segment profit or loss:

	For the Three Months Ended March 31	
	2026	2025
Total profit or loss for reportable segments	$24,354,893	$3,439,870
Other profit	322,984	261,085
Unallocated amounts:		
Share of profit or loss of associates and joint ventures accounted for using the equity method	(505,693)	(302,605)
Gain (loss) on foreign exchange	944,695	825,944
Other corporate revenue (expenses)	499,312	594,440
Income (loss) before tax from continuing operations	$25,616,191	$4,818,734