Disclaimer

The information presented and referred herein are based upon the information obtained internally and externally from our company. In light of the forward-looking operational results, financial condition and business results, they might be different from those information expressly or impliedly presented herein due to various factors, including but not limited to market risks, supply chains, market demand and our upcoming high-quality products.

We undertake no obligation to publicly update or revise any statements regarding those information presented and referred herein in the event of any further changes or updates to the information presented herein.
Agenda

- Corporate Overview
- Business Portfolio
- Innovation Driven
- 5-Year Business Plan
- Summary
- Q&A
# TSRC Corporation at a glance

<table>
<thead>
<tr>
<th>** Founded</th>
<th>November, 1973</th>
</tr>
</thead>
<tbody>
<tr>
<td>** Registered Headquarter</td>
<td>Kaohsiung, Taiwan</td>
</tr>
<tr>
<td>** Listing</td>
<td>Listed in Taiwan Stock Exchange (from 1982) 2103. TW</td>
</tr>
<tr>
<td>** Market Capitalization</td>
<td>NT$ 27.8 B (As of October, 2017)</td>
</tr>
<tr>
<td>** Employee</td>
<td>1,530</td>
</tr>
<tr>
<td>** Business Division (Product)</td>
<td>Synthetic Rubber Division (ESBR, SSBR, BR, NBR) Advanced Materials Division (TPE, Applied Materials)</td>
</tr>
<tr>
<td>** Manufacturing Sites</td>
<td>8 Sites (Taiwan, China, U.S., India &amp; Thailand)</td>
</tr>
</tbody>
</table>
Our Mission & Vision

Our Mission

To be an essential partner to our customers, a socially responsible member of our community, and an exemplary enterprise committed to innovation, growth, and excellence.

Our Vision

A growth oriented, profitable global enterprise in specialty materials delivering best in class solutions, values, and returns to our shareholders, customers and employees.
Corporate Milestones

1970's
- Start up
- 1st BR plant in Taiwan

1980's
- Early Stage Growth
- Relocated the Phillips SBS plant from the Texas USA to Taiwan
- 1st ESBR plant in Taiwan
- Built 2nd SBS line in Taiwan
- 1st joint venture and 1st ESBR plant outside Taiwan
- Joint venture BR plant in Thailand
- 1st generation in house technology in SEBS

1990's
- Rapid Geographical Expansion
- Established 3 compound plants in Taiwan and China (Shanghai and Jinan)
- Established SEBS plant in China
- Formed BR JV with UBE in China
- Licensed SBS technology to Russian producer
- Formed ESBR JV with IndianOil in India & NBR JV with ARLANXEO in China
- Acquisition of Dexco
- Established SIS plant in China
- Expanded Applied Materials facility for ASM
- Upgraded Technology Center & Semi-Commercial Plant in Kaohsiung, Taiwan
- Kicked off new SEBS Line in Nantong, China

2000's
- Product Line Expansion
- Established SEBS plant in China
- Formed ESBR JV with IndianOil in India & NBR JV with ARLANXEO in China
- Acquisition of Dexco
- Established SIS plant in China
- Expanded Applied Materials facility for ASM
- Upgraded Technology Center & Semi-Commercial Plant in Kaohsiung, Taiwan
- Kicked off new SEBS Line in Nantong, China

2010's
- Globalization
- Globalization
Key Commitments to our Customers

Global Reach, Local Support
An effective combination of global production capability with strong, experienced, and capable local presence in all regions.

Technology Solution
TSRC focuses on innovation – new products and new solutions – to support our customers’ success and meet the needs of the market.

Customer Collaboration
TSRC works closely with customers to develop unique and valuable technical, logistical and, commercial solutions.

Global Supply Chain
TSRC continues to invest in assets and resources to deliver reliable, consistent, high-quality products to our customers anywhere in the world.
Executive Leadership

✓ Leadership with global and multi-industry experiences
✓ Deep insight in synthetic rubber and elastomer markets
✓ Performance driven and people focused

Joseph Chai
CEO

Kevin Liu
Synthetic Rubber

Hendrick Lam
Advanced Materials

Qiwei Lu
R&D

Roger Chiu
Operations

Edward Wang
Finance

Alison Tung
HR & Mgt.

Tsung-Han Lin
Legal

Joseph Chai
Corporate Development
2016 Business Performance

Volume 489K MT
Revenue NT$ 26.96 B
Operating Profit NT$ 1.76B
## 2016 Business by Product & Market Segments

<table>
<thead>
<tr>
<th>Product</th>
<th>Market Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRD (ESBR/BR/SSBR), 60%</td>
<td>Tires, 47%</td>
</tr>
<tr>
<td>AMD (SBS/SIS/SEBS), 37%</td>
<td>Polymer Modification, 14%</td>
</tr>
<tr>
<td>AMD (Applied Materials), 3%</td>
<td>Adhesives, 13%</td>
</tr>
<tr>
<td></td>
<td>Specialty, 6%</td>
</tr>
<tr>
<td></td>
<td>HIPS, 4%</td>
</tr>
<tr>
<td></td>
<td>Applied Materials, 3%</td>
</tr>
<tr>
<td></td>
<td>Others, 13%</td>
</tr>
</tbody>
</table>

### By sales revenue
Synthetic Rubber Division (SRD) Overview

<table>
<thead>
<tr>
<th>Segment</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile</td>
<td>Oil Resistant Parts, Tire</td>
</tr>
<tr>
<td>Footwear</td>
<td>Shoe soles</td>
</tr>
<tr>
<td>Plastic Modification</td>
<td>HIPS</td>
</tr>
<tr>
<td>Industrial Goods</td>
<td>Auto Parts, Conveyor Belt, Roller</td>
</tr>
<tr>
<td>Sport</td>
<td>Foaming (i.e. personal protection product), Golf Ball</td>
</tr>
</tbody>
</table>

Production Location

<table>
<thead>
<tr>
<th>Location</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panipat, IND</td>
<td>ESBR JV*</td>
</tr>
<tr>
<td>Rayong, THA</td>
<td>BR JV*</td>
</tr>
<tr>
<td>Nantong, CHN</td>
<td>ESBR JV, BR JV, NBR JV*</td>
</tr>
<tr>
<td>Kaohsiung, TWN</td>
<td>ESBR, BR, SSBR</td>
</tr>
</tbody>
</table>

* Not consolidated

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>NT$ 16.2 B</td>
<td>664K Metric Ton</td>
</tr>
</tbody>
</table>
Synthetic Rubber Products

- TAIPOLO® emulsion butadiene rubbers (ESBR)
- TAIPOLO® solution butadiene rubbers (SSBR)
- TAIPOLO® butadiene rubbers (BR)
- TAIPOLO® nitrile butadiene rubbers (NBR)
## Advanced Materials Division (AMD)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Application</th>
<th>Revenue</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adhesives</td>
<td>Hygiene, Label, Tape</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Polymer Modification</td>
<td>Plastic modification &amp; Compounds for consumer goods / Industrials / Automotive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialties</td>
<td>Elastic Films, Flexography, Packaging</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Production Location

- **Nantong, CHN**
  - SEBS, SIS
- **Shanghai, CHN**
  - Applied Materials
- **Kaohsiung, TWN**
  - SEBS, SBS, Applied Materials
- **Plaquemine, USA**
  - SBS, SIS
Advanced Materials Products

- TAIPOLO®/Vector® styrene-butadiene-styrene copolymers (SBS)
- Vector® styrene-isoprene-styrene copolymers (SIS)
- TAIPOLO® styrene ethylene/butylene-styrene copolymers (SEBS)
- T-Blend® Applied Materials
Global Manufacturing Capacity

<table>
<thead>
<tr>
<th>Location</th>
<th>Capacity (KMT)</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nantong, CHN</td>
<td>833</td>
<td>SIS 57</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SBS 36</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SEBS 58</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ESBR 400</td>
</tr>
<tr>
<td>Shanghai, CHN</td>
<td>10</td>
<td>Applied Materials 18</td>
</tr>
<tr>
<td>Dresden, DE</td>
<td>60</td>
<td>BR 204</td>
</tr>
<tr>
<td>Osaka, JPN</td>
<td>29</td>
<td>NBR 30</td>
</tr>
<tr>
<td>Plaquemine, USA</td>
<td>32</td>
<td>SIS 32</td>
</tr>
<tr>
<td></td>
<td>30</td>
<td>SBS 30</td>
</tr>
<tr>
<td>Panipat, IND</td>
<td>120</td>
<td>ESBR 120</td>
</tr>
<tr>
<td>Rayong, THA</td>
<td>72</td>
<td>BR 72</td>
</tr>
<tr>
<td>Kaohsiung, TWN</td>
<td>100</td>
<td>ESBR 100</td>
</tr>
<tr>
<td></td>
<td>30</td>
<td>SSBR 30</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>BR 60</td>
</tr>
<tr>
<td></td>
<td>29</td>
<td>SBS/SEBS 29</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>Applied Materials 8</td>
</tr>
</tbody>
</table>

Plaquemine, USA
Dexco Polymers
32 KMT SIS
30 KMT SBS

Panipat, IND
120 KMT ESBR JV

Rayong, THA
72 KMT BR JV

Shanghai, CHN
10 KMT Applied Materials

Kaohsiung, TWN
100 KMT ESBR
30 KMT SSBR
60 KMT BR
29 KMT SBS/SEBS
8 KMT Applied Materials
Global Technology Support

- 140+ technical staff (62% with advanced degrees)

Plaquemine, USA (Technology Center)
- Product Development
- Process Development
- Technical Service

Nantong, CHN:
- Technical Service

LUX:
- Technical Service

Kaohsiung, TWN (Technology Center)
- Product Development
- Process Development
- Application Development
- Technical Service

Shanghai, CHN
- Product Development
- Technical Service
Product Development Process

Applications Technology

1 kg synthesis

Polymerization Lab

10-100 kg

Pilot Plant

100-1,000 kg

Semi-Commercial Plant

Application Center

Scale-Up Technology

Analytical Lab
Value Delivery

Polymers (TSRC)

Applied Materials (TSRC)

Processing

Application

Value Proposition

Increase Market Share

Enhance Profitability

Sustainability

Strengthen Brand Value

Knowledge Management & Intellectual Property Right
Agenda

- Corporate Overview
- Business Portfolio
- Innovation Driven
- 5-Year Business Plan
- Summary
- Q&A
5-Year Strategic Objectives

To transform TSRC to become a growth oriented profitable global enterprise in specialty polymers

• Increase specialty business ratio to above 50% of portfolio
• Grow Operating Income substantially
• Improve Operating Profit % above current level
Three Key Strategies

- **Organic Growth**
  - New Products
  - Geographic Expansion
  - Commercial Excellence Programs

- **Strength Business Portfolio**
  - New Market Segments
  - New Technology Platforms
  - Merger & Acquisitions

- **Margin Expansion**
  - OPEX Optimization
  - Process and Quality Excellence
Organic Growth

**New Products**
- Accelerate the development of SSBR for next generation green tires and TPEs for high performance applications e.g. medical, specialty films, personal care

**Geographic Expansion**
- Expand TSRC position in Americas, Europe, Southeast Asia and South Asia markets

**Commercial Excellence Programs**
- Increase market share at key global customers and for SRD, Tier-1 tire manufacturers
Strengthen Business Portfolio

New Market Segments
- Expand TSRC core and new technologies into new, high value market segments and applications such as medical, Viscosity Modifiers, Advance Shoe Materials

New Technology Platforms
- Develop new HSBC platforms with TSRC’s hydrogenation technology
- Acquire new technology platforms

Merger & Acquisitions
- Bolt-on acquisitions – for targeted platform technologies
- Enterprise M&A – grow existing and/or establish new business segments
Margin Expansion

OPEX Optimization

- Optimize unit cost in production and services
- Achieve supply chain excellence through appropriate global integration
- Leverage global best practices in safety, energy saving, and process improvement

Process & Quality Excellence

- Implement enterprise wide quality improvement program
- Improve R&D project management system
- Implement operational and process best practices
Progress made in key Strategic Initiatives

Organic Growth

Dedicated product development team for SSBR, business development team for non-tire business

Upgraded Technology Center and set up semi-commercial plant in Kaohsiung

Strengthen Business Portfolio

Expanded ASM production lines and application capabilities and gained Global Brand approval

Kicked-off projects on new products and technology platforms development

Embarked on expansion into new market applications such as medical, lubricant viscosity modifier

Margin Expansion

Globalized QA, HSE, Process Engineering functions to optimize best practices and improve productivity
Summary

01 • TSRC aims to become a growth oriented profitable global enterprise of specialty polymers

02 • Three key strategies:
  • Organic growth
  • Strengthen business portfolio
  • Margin expansion

03 • Committed to meeting short-term result with focus on strategic initiatives to deliver long-term strategic objectives