

TSRC Corporation

Key Highlights of 2020 Investor Conference Presentation

TSRC Corporation is a leading company in synthetic rubber and elastomers with strategic objective to become a global specialty material enterprise. In the 2020 Investor Conference, TSRC discussed 1H2020 operating results and its response to the COVID-19 pandemic challenges.

1H2020 sales revenue totaled NT\$ 12,029 million, a year-on-year (YoY) decrease of 21% versus 2019. The pandemic has caused significant disruptions to TSRC's end market demands, particularly in automotive and sport footwear. The AMD (Advanced Materials Division) business unit experienced substantial demand destructions despite efforts to expand coverage to less impacted applications. The negative impact was offset by SRD (Synthetic Rubber Division) business unit, with major business presence in mainland China, who managed to deliver strong performance leveraging on the automotive recovery in mainland China and a healthy NR-BD (Natural Rubber-Butadiene) price gap. This resulted in an overall company operating profit of NT\$ 302M (YoY -59%), net income after tax of -NT\$ 58M and EPS of -NT\$ 0.07.

Amid challenges caused by the global pandemic, TSRC responded effectively to adapt and optimize including:

1. Swift actions to ensure employee safety, business continuity to support customers, and financial health and stability of the corporation.
2. Maintain long term investment in R&D, assets, and business model critical to future growth.
3. Emerge stronger by a) leveraging on improved fundamentals in synthetic rubber industry, b) capturing increasing health awareness and demand for medical, hygiene and sport, and c) increasing value share for automotive materials.

TSRC has and will continue to adapt and navigate through the pandemic with focus and resilience. TSRC is taking vital actions and investment to optimize business portfolio and innovation to emerge stronger from this global crisis.