

2022



TSRC CORPORATION

TSRC – Global Specialty Polymers

1st Investor Conference, May 26th, 2022

Disclaimer

The information presented and referred herein are based upon the information obtained internally and externally from our company. Forward-looking operational results, financial condition and business results 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

1. Introduction
 - Thomas Lin, Deputy Spokesperson
2. 2021 & 1Q2022 Market and Business Review
 - Joseph Chai, CEO
3. 2021 & 1Q2022 Financial Performance
 - Edward Wang, CFO
4. ESG at TSRC
 - Joseph Chai, CEO
5. Summary
 - Joseph Chai, CEO
6. Q&A





[1]

Introduction

Thomas Lin, Deputy Spokesperson



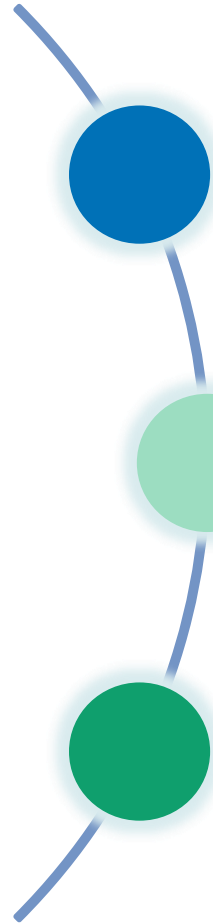
[2]

2021 & 1Q2022

**Market and Business
Review**

Joseph Chai, CEO

2021 Key Business Highlights



Favorable market factors and focused execution resulted in record earnings

Synthetic rubber up-trend offered margin growth opportunity

TSRC's agility and resilience overcame challenges from pandemic and operational disruptions



Volatilities and uncertainties continue into 2022

- **Moderate growth projection for 2022 complicated by inflation, geopolitical conflicts, and heightened pandemic controls in mainland China**
- **Surging material and energy costs threaten earning growth**
- **Capability to navigate disruptions and challenges is a key determining factor on business performance**





[3]

2021 & 1Q 2022

Financial Performance

Edward Wang, CFO

2021 Financial Highlights

- 2021 EPS marked the highest since 2011, fueled by global demand recovery and favorable market conditions despite the challenges of lockdowns and supply chain disruptions.
- Better performance at investee companies and gain from land disposal also contributed to strong bottom line growth.

In NT\$M	2021	2020	YoY
Revenue	32,533	24,024	35%
Gross Profit	6,800	2,937	132%
Operating Profit	3,928	822	378%
Income before Tax	5,633	521	982%
Net income	3,931	(22)	
EPS (NT\$)	4.76	(0.03)	



1Q22 Financial Results

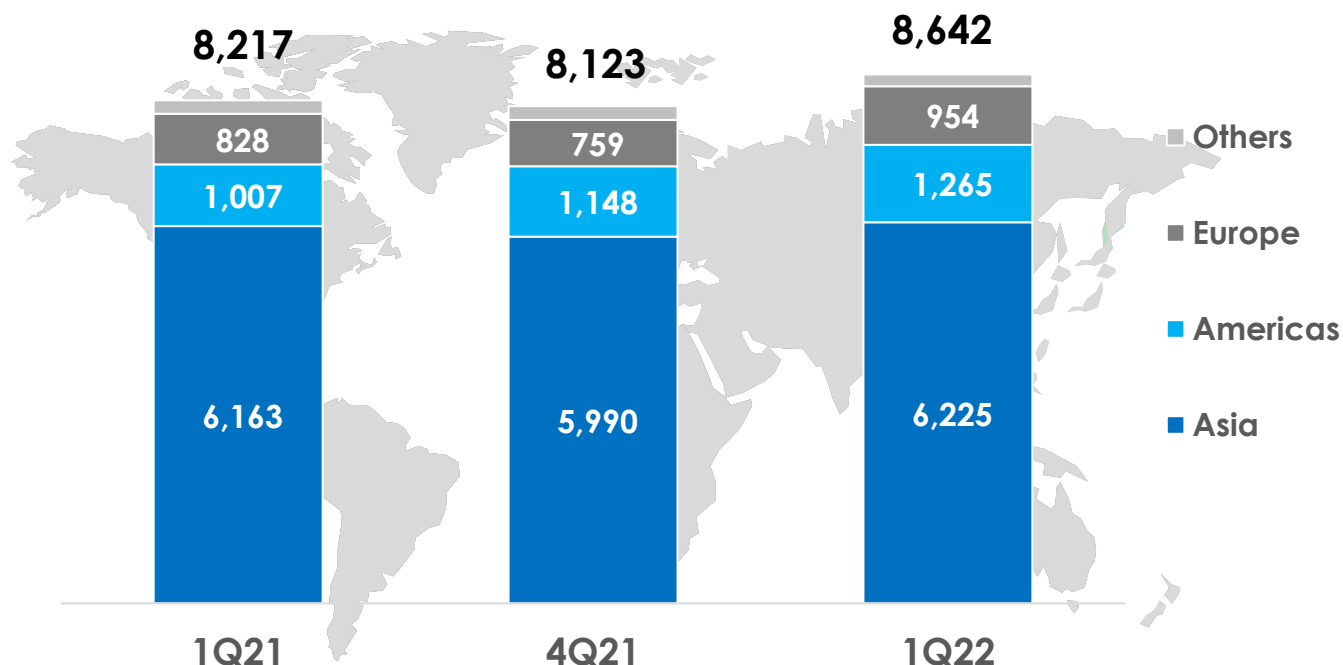
- Both revenue and profitability improved sequentially, driven by steady demand across regions and improved results at investee companies.
- Cost inflations from raw materials and logistics resulted in narrowed profitability compared to last year.

In NT\$M	1Q22	4Q21	1Q21	QoQ	YoY
Revenue	8,642	8,123	8,217	6%	5%
Gross Profit	1,859	1,692	2,006	10%	(7%)
Operating Profit	1,003	961	1,297	4%	(23%)
Non-Operating	103	(14)	188	804%	(45%)
Income before Tax	1,106	947	1,485	17%	(26%)
Net income	652	591	897	10%	(27%)
EPS (NT\$)	0.79	0.71	1.09		



1Q22 Revenue by Geography

- Revenue trended up sequentially with higher volume across regions while YoY growth primarily came from our pricing strategy to reflect higher raw material prices.

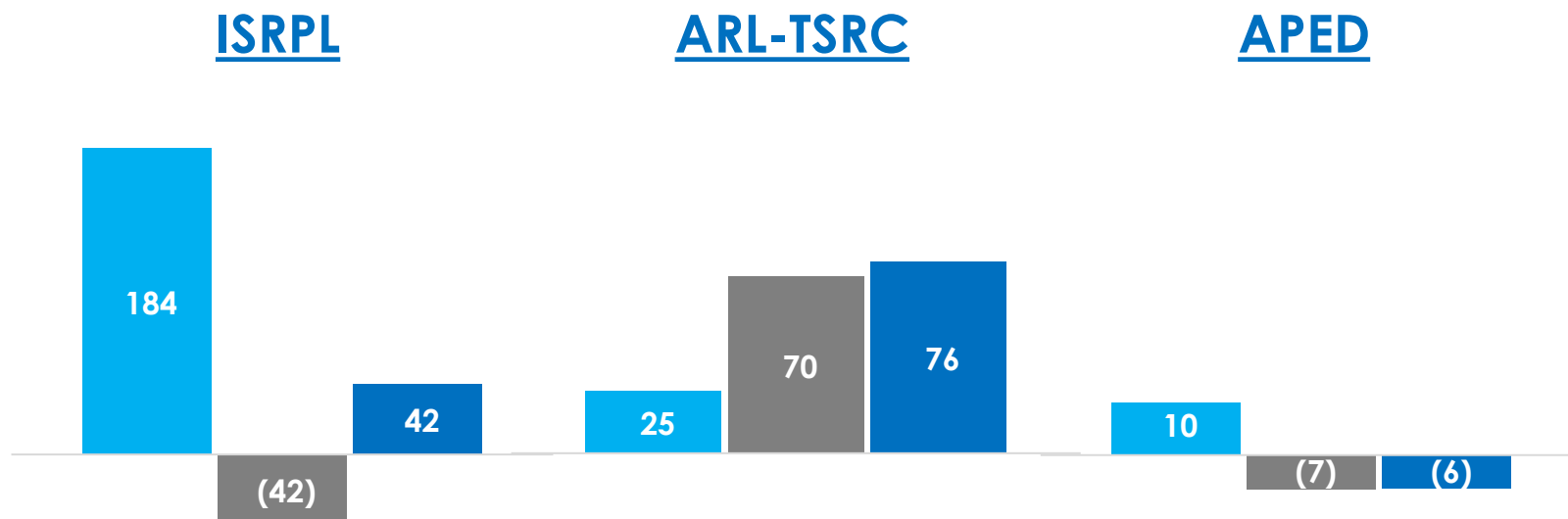


Amount in NT\$M



1Q22 Major Equity Investment

- Performance of ISRPL was impacted by lower downstream demand and cost inflation.
- ARL-TSRC continued to deliver stable results along with Mainland China's demand recovery.
- APED's profitability remains under pressure amid high coal prices.



Amount in NT\$M

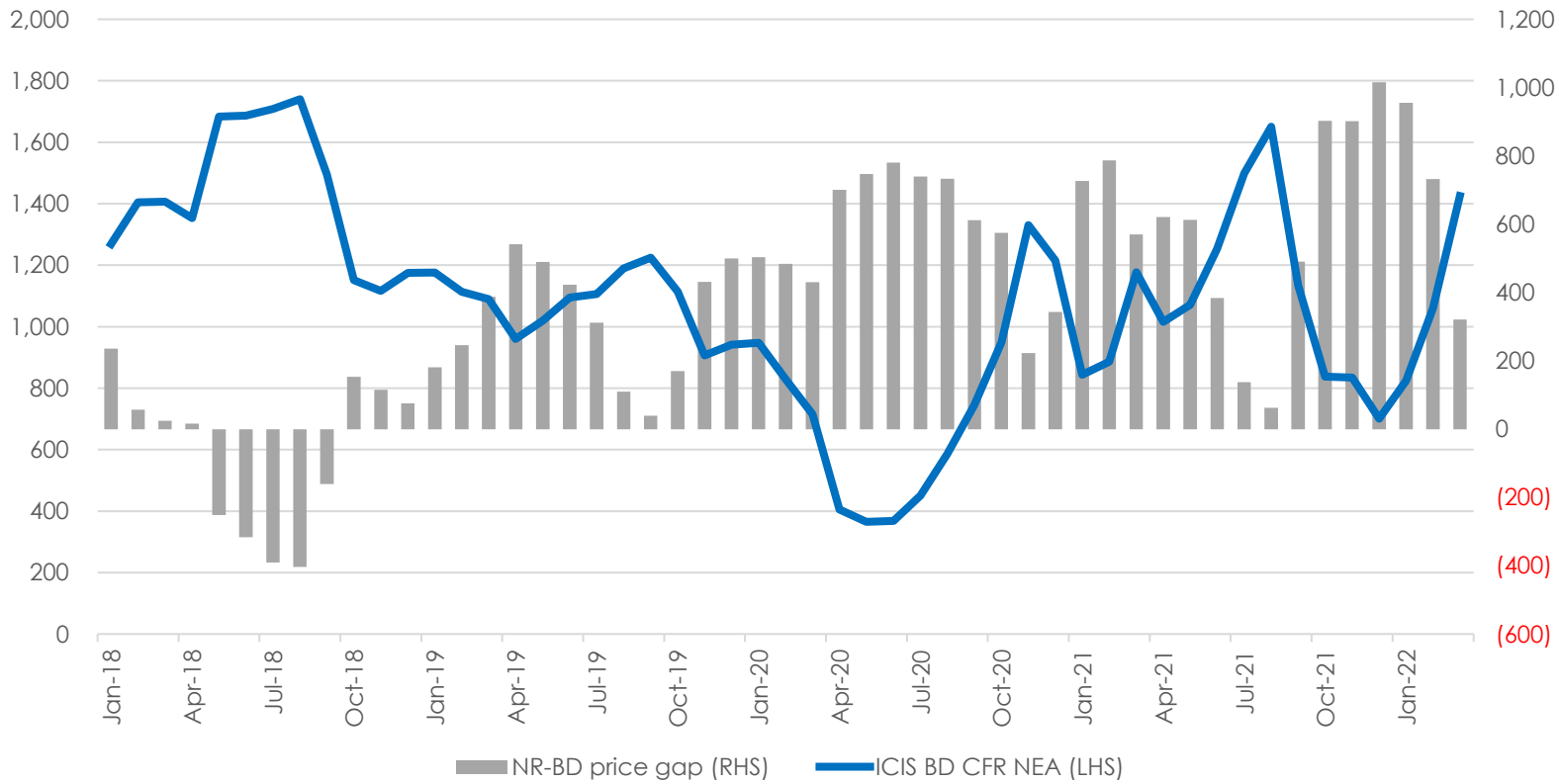
■ 1Q21 ■ 4Q21 ■ 1Q22

Note: numbers shown as TSRC's investment income of each investee.



Industry Dynamics remains favorable

- **Despite recent rebound of BD price along with rising oil price, NR-BD gap remains in the positive territory, providing supports to overall synthetic rubber industry.**





[4]

ESG at TSRC

Joseph Chai, CEO

Importance of Sustainability and ESG at TSRC

- **Enterprise Sustainability is the central theme to TSRC's mission**
- **ESG is a framework to enable business partnership and performance towards a sustainable future.**
- **ESG competitiveness is vital to business continuity**
 - Global customer base
 - Tightening regulatory enforcement
- **New opportunities for TSRC's green products and new sustainability business**



Overview of TSRC ESG strategy

Environmental

1. Towards Carbon Neutrality Operation
2. Water Resource Optimization
3. Lower Products' Carbon Footprint

Social

4. Strengthen organization's Sustainability Capability
5. Improve Health, Safety & Wellbeing of Employees
6. Enhance Social Engagement

Governance

7. Strengthen Corporate Governance
8. Build Resilient Operation
9. Integrate Sustainability and Business Strategies



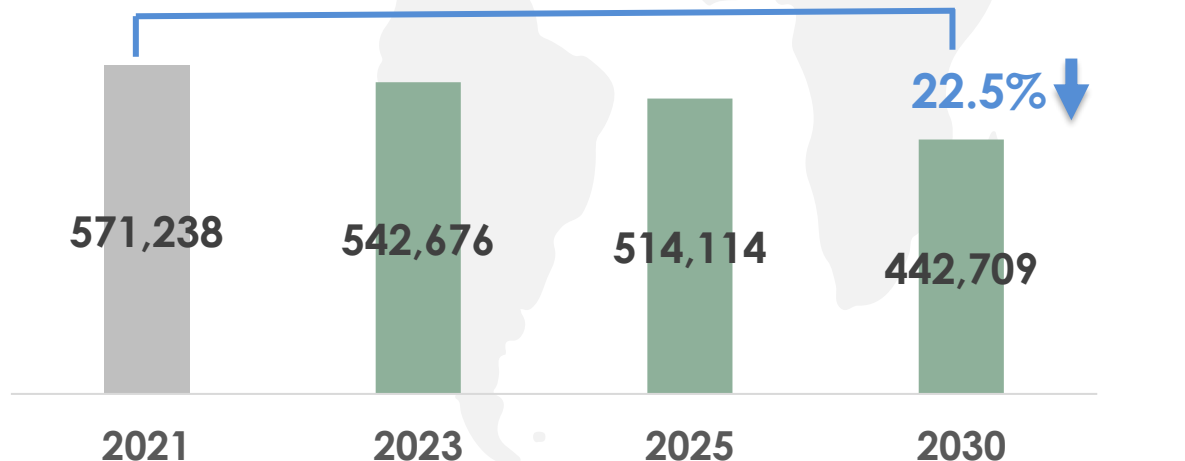
TSRC ESG Strategic Targets – Environmental

1. Towards Carbon Neutrality Operation

- ✓ Carbon emission reduction
 - Reduction rate : **2.5%** YoY to reach **22.5%** reduction by 2030
- ✓ Renewable energy usage : **30%** by 2030



Total Carbon Emission (Scope 1+2) Unit : Tons of CO₂e



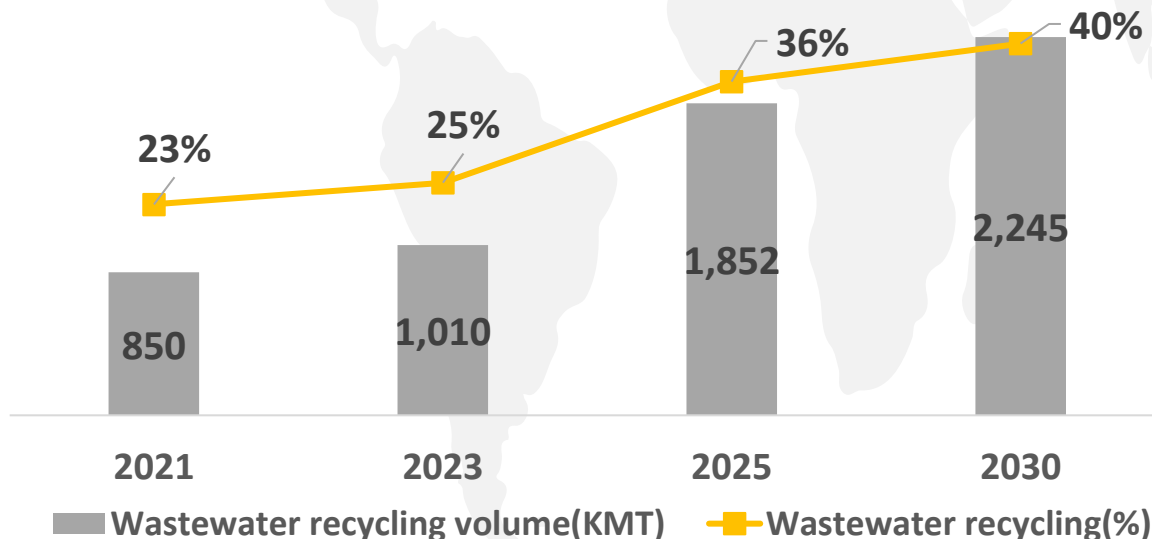
TSRC ESG Strategic Targets – Environmental

2. Water Resource Optimization

- ✓ Wastewater recycling : **40%** by 2030
- ✓ Recycled water utilization: **40%** by 2030

3. Lower Product's Carbon Footprint

- ✓ Renewable material utilization by 2030 : **15%**



TSRC ESG Strategic Targets – Social

4. Strengthen organization's Sustainability Capability

- ✓ Global implementation of ESG training program by 2023
- ✓ Comprehensive information system for ESG management by 2025



5. Improve Health, Safety & Wellbeing of Employees

- ✓ Consistent **TRIR <0.3** by 2030
- ✓ Establish employee wellbeing programs



6. Enhance Social Engagement

- ✓ Commitment to at least two annual social and environmental care programs



TSRC ESG Strategic Targets – Governance

7. Strengthen Corporate Governance

- ✓ Global implementation of risk/crisis management system and timely disclosure



8. Build Resilient Operation

- ✓ **100%** key suppliers with GHG emission reduction plan by 2025
- ✓ Average of **80%** procurement from local sourcing



9. Integrate Sustainability and Business Strategies

- ✓ **15%** total revenue from new products by 2025
- ✓ **10%** total revenue from new business by 2030



ESG implementation progress in 2021

↓ **4.7%** YoY

Carbon Emission Intensity
per unit product
1.02 (tons of CO₂e/ton)

↓ **95%** YoY

SOX emission



↑ **6%** YoY

R&D Expense
NT\$370M



↓ **9.4%** YoY

Unit Product Waste
7.02 (Ton/Thousand Tons)

↓ **9.1%** YoY

Unit Product Energy
Consumption
8,843 (Million Joule/ton)

↓ **50.8%** YoY

TRIR 0.31



Key actions towards meeting 2030 ESG targets

- **Build stronger ESG value proposition for TSRC products**
- **Decarbonize our supply chain through operational efficiency, renewable energy adoption and bio-feedstock**
- **Engage all employees and develop systems to support our ESG implementation**
- **Timely disclosure on progress and engage stakeholders via TSRC website**



Driving TSRC's transformation forward with ESG



- **Advance Environmental Protection**
- **Advocate Social Positivity**
- **Assure Governance for Sustainability**



The background of the slide features a repeating pattern of blue, multi-lined hexagonal shapes. These shapes are arranged in a staggered grid and have a 3D effect, appearing as if they are slightly raised from the surface. The lines are thin and light blue, creating a subtle, textured background.

[5]

Summary

Joseph Chai, CEO

Summary

1 / 2021 Business Performance

Record earning performance as a result of favorable market factors and focused execution.

2 / 2022 Market Outlook

Moderate growth projection with uncertainties and disruptions. Business resilience is key to financial performance.

3 / TSRC ESG Plan

TSRC's ESG targets and action plan to drive duo performance in enterprise sustainability.



Q&A



THANK YOU



TSRC CORPORATION