

TSRC Corporation and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
TSRC Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of TSRC Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the 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" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". 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 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 disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2024, combined total assets of these non-significant subsidiaries were NT\$4,181,941 thousand, representing 10% of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$711,971 thousand, representing 4% of the consolidated total liabilities; for the three months ended March 31, 2024, the amounts of combined comprehensive income of these subsidiaries were NT\$32,653 thousand, representing 3% of the consolidated total comprehensive income. Also, as stated in Note 12 of the consolidated financial statements, as of March 31, 2024, the investments accounted for using the equity method were NT\$2,480,415 thousand. For the three months ended March 31, 2024, the share of profit of the associates was NT\$2,538 thousand of the consolidated net income. For the three months ended March 31, 2024, the share of other comprehensive income of the associates was NT\$112,734 thousand of the consolidated comprehensive income, and these investment amounts as well as additional disclosures in Note 34 "Information on Investees" were based on the investees' unreviewed financial statements for the same reporting periods as those of the Group.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

The consolidated financial statements of the Group for the three months ended March 31, 2023 were reviewed by the other auditors, who issued a qualified review report dated May 4, 2023.

The engagement partners on the reviews resulting in this independent auditors’ review report are Tza-Li Gung and Li-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 applied in the Republic of China.

For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.

TSRC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2024		December 31, 2023		March 31, 2023 (Adjusted (Note))	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 3 and 6)	\$ 6,092,769	15	\$ 5,448,591	14	\$ 5,822,165	16
Financial assets at fair value through profit or loss - current (Note 7)	10,659	-	-	-	317	-
Notes receivable, net (Note 8)	1,056,311	3	909,650	2	801,773	2
Accounts receivable, net (Note 8)	4,011,147	10	3,366,850	9	3,469,509	9
Other receivables (Notes 8 and 29)	204,648	-	233,833	1	184,002	1
Inventories (Note 9)	6,917,188	17	6,652,861	18	7,520,943	20
Other current assets (Note 3)	460,437	1	528,446	1	575,718	2
Total current assets	18,753,159	46	17,140,231	45	18,374,427	50
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 10)	2,555,190	6	2,411,941	6	1,732,921	5
Investments accounted for under equity method (Note 12)	2,480,415	6	2,576,042	7	2,342,735	6
Property, plant and equipment (Notes 13, 30 and 31)	12,060,865	30	10,506,134	28	9,939,900	27
Right-of-use assets (Notes 14 and 30)	1,635,093	4	1,628,017	4	1,534,254	4
Investment property (Note 15)	1,519,016	4	1,522,697	4	1,533,741	4
Intangible assets (Note 16)	738,430	2	739,458	2	828,241	2
Deferred income tax assets (Note 23)	567,549	1	536,615	1	322,186	1
Other non-current assets (Notes 30 and 32)	401,631	1	927,242	3	206,726	1
Total non-current assets	21,958,189	54	20,848,146	55	18,440,704	50
TOTAL	<u>\$ 40,711,348</u>	<u>100</u>	<u>\$ 37,988,377</u>	<u>100</u>	<u>\$ 36,815,131</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 6,000,274	15	\$ 4,580,149	12	\$ 5,513,247	15
Short-term bills payable (Note 17)	159,766	-	-	-	549,609	2
Financial liabilities at fair value through profit or loss - current (Note 7)	334	-	18,531	-	5,805	-
Accounts payable	1,514,199	4	2,091,719	5	1,525,183	4
Accounts payable-related parties (Note 29)	85,951	-	59,179	-	62,453	-
Other payables (Note 29)	1,830,614	5	1,472,539	4	1,880,463	5
Current income tax liabilities (Note 23)	377,963	1	357,994	1	418,598	1
Lease liabilities - current (Note 14)	152,126	-	144,672	-	115,685	-
Current portion of long-term borrowings (Notes 17 and 30)	1,082,163	3	1,494,060	4	980,060	3
Other current liabilities	128,742	-	214,590	1	114,609	-
Total current liabilities	11,332,132	28	10,433,433	27	11,165,712	30
NON-CURRENT LIABILITIES						
Long-term bank borrowings (Notes 17 and 30)	4,354,566	11	3,182,586	8	2,709,618	7
Provisions - non-current (Notes 18, 29 and 32)	245,275	1	241,016	1	269,989	1
Non-current income tax liabilities (Note 23)	80,728	-	98,026	-	-	-
Deferred income tax liabilities (Note 23)	1,722,652	4	1,617,177	4	1,401,441	4
Lease liabilities - non-current (Note 14)	525,117	1	535,336	2	427,743	1
Other non-current liabilities (Notes 12 and 32)	1,170,179	3	1,079,009	3	396,694	1
Total non-current liabilities	8,098,517	20	6,753,150	18	5,205,485	14
Total liabilities	19,430,649	48	17,186,583	45	16,371,197	44
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Note 20)						
Common stock	8,257,099	20	8,257,099	22	8,257,099	23
Capital surplus	55,977	-	179,833	-	51,844	-
Retained earnings						
Legal reserve	4,647,059	12	4,647,059	12	4,463,584	12
Unappropriated earnings	4,058,133	10	4,135,538	11	3,908,248	11
	8,705,192	22	8,782,597	23	8,371,832	23
Other equity	2,847,262	7	2,202,291	6	1,492,469	4
Total equity attributable to shareholders of the Company	19,865,530	49	19,421,820	51	18,173,244	50
NON-CONTROLLING INTERESTS (Note 11)	1,415,169	3	1,379,974	4	2,270,690	6
Total equity	21,280,699	52	20,801,794	55	20,443,934	56
TOTAL	<u>\$ 40,711,348</u>	<u>100</u>	<u>\$ 37,988,377</u>	<u>100</u>	<u>\$ 36,815,131</u>	<u>100</u>

Note: Please refer to Note 3-c.

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

(With Deloitte & Touche review report dated May 7, 2024)

TSRC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 29)	\$ 8,745,462	100	\$ 8,113,730	100
OPERATING COSTS (Notes 9, 22 and 29)	<u>7,693,955</u>	<u>88</u>	<u>7,200,521</u>	<u>89</u>
GROSS PROFIT	<u>1,051,507</u>	<u>12</u>	<u>913,209</u>	<u>11</u>
OPERATING EXPENSES (Note 22)				
Selling expenses	333,561	4	287,903	4
General and administrative expenses	258,407	3	272,136	3
Research and development expenses	92,578	1	93,168	1
Expected credit loss (reversed) on trade receivables	<u>(187)</u>	<u>-</u>	<u>(827)</u>	<u>-</u>
Total operating expenses	<u>684,359</u>	<u>8</u>	<u>652,380</u>	<u>8</u>
OTHER INCOME AND EXPENSES, NET (Notes 22 and 29)	<u>48,818</u>	<u>-</u>	<u>52,573</u>	<u>1</u>
OPERATING PROFIT	<u>415,966</u>	<u>4</u>	<u>313,402</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	56,669	1	51,918	1
Other gains and losses	7,647	-	11,864	-
Finance costs	(94,863)	(1)	(79,580)	(1)
Share of gain of associates and joint ventures accounted for under equity method	<u>112,734</u>	<u>1</u>	<u>114,345</u>	<u>1</u>
Total non-operating income	<u>82,187</u>	<u>1</u>	<u>98,547</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	498,153	5	411,949	5
INCOME TAX EXPENSE (Note 23)	<u>193,717</u>	<u>2</u>	<u>102,273</u>	<u>1</u>
NET PROFIT FOR THE PERIOD	<u>304,436</u>	<u>3</u>	<u>309,676</u>	<u>4</u>

(Continued)

TSRC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	\$ 140,854	2	\$ 310,509	4
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 23)	<u>(1,070)</u>	<u>-</u>	<u>(18,702)</u>	<u>(1)</u>
	<u>139,784</u>	<u>2</u>	<u>291,807</u>	<u>3</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	568,654	6	(26,351)	-
Share of the other comprehensive income of associates and joint ventures accounted for using equity method	<u>(39,014)</u>	<u>-</u>	<u>29,187</u>	<u>-</u>
	<u>529,640</u>	<u>6</u>	<u>2,836</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>669,424</u>	<u>8</u>	<u>294,643</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 973,860</u>	<u>11</u>	<u>\$ 604,319</u>	<u>7</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 261,136	3	\$ 255,935	3
Non-controlling interests	<u>43,300</u>	<u>-</u>	<u>53,741</u>	<u>1</u>
	<u>\$ 304,436</u>	<u>3</u>	<u>\$ 309,676</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 906,107	10	\$ 538,342	6
Non-controlling interests	<u>67,753</u>	<u>1</u>	<u>65,977</u>	<u>1</u>
	<u>\$ 973,860</u>	<u>11</u>	<u>\$ 604,319</u>	<u>7</u>

(Continued)

TSRC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 0.32</u>		<u>\$ 0.31</u>	
Diluted	<u>\$ 0.32</u>		<u>\$ 0.31</u>	

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

(With Deloitte & Touche review report dated May 7, 2024)

(Concluded)

TSRC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent					Total Other Equity Interest						
	Common Stock	Capital Surplus	Legal Reserve	Retained Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total	Total Equity Attributable to Owners of Parent	Non-controlling Interests	Total Equity
				Unappropriated Retained Earnings	Total							
BALANCE AT JANUARY 1, 2023	\$ 8,257,099	\$ 51,725	\$ 4,463,584	\$ 4,544,080	\$ 9,007,664	\$ 251,770	\$ 1,004,081	\$ (45,789)	\$ 1,210,062	\$ 18,526,550	\$ 2,204,713	\$ 20,731,263
Appropriation and distribution of retained earnings:												
Cash dividends	-	-	-	(891,767)	(891,767)	-	-	-	-	(891,767)	-	(891,767)
Other changes in capital surplus	-	119	-	-	-	-	-	-	-	119	-	119
Net income	-	-	-	255,935	255,935	-	-	-	-	255,935	53,741	309,676
Other comprehensive income	-	-	-	-	-	(9,531)	291,807	131	282,407	282,407	12,236	294,643
Total comprehensive income	-	-	-	255,935	255,935	(9,531)	291,807	131	282,407	538,342	65,977	604,319
BALANCE AT MARCH 31, 2023	\$ 8,257,099	\$ 51,844	\$ 4,463,584	\$ 3,908,248	\$ 8,371,832	\$ 242,239	\$ 1,295,888	\$ (45,658)	\$ 1,492,469	\$ 18,173,244	\$ 2,270,690	\$ 20,443,934
BALANCE AT JANUARY 1, 2024	\$ 8,257,099	\$ 179,833	\$ 4,647,059	\$ 4,135,538	\$ 8,782,597	\$ 274,823	\$ 1,970,137	\$ (42,669)	\$ 2,202,291	\$ 19,421,820	\$ 1,379,974	\$ 20,801,794
Appropriation and distribution of retained earnings:												
Cash dividends	-	-	-	(338,541)	(338,541)	-	-	-	-	(338,541)	-	(338,541)
Cash dividends distributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(32,558)	(32,558)
Cash dividends from capital surplus	-	(123,856)	-	-	-	-	-	-	-	(123,856)	-	(123,856)
Net income	-	-	-	261,136	261,136	-	-	-	-	261,136	43,300	304,436
Other comprehensive income (loss)	-	-	-	-	-	506,828	139,784	(1,641)	644,971	644,971	24,453	669,424
Total comprehensive income	-	-	-	261,136	261,136	506,828	139,784	(1,641)	644,971	906,107	67,753	973,860
BALANCE AT MARCH 31, 2024	\$ 8,257,099	\$ 55,977	\$ 4,647,059	\$ 4,058,133	\$ 8,705,192	\$ 781,651	\$ 2,109,921	\$ (44,310)	\$ 2,847,262	\$ 19,865,530	\$ 1,415,169	\$ 21,280,699

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

(With Deloitte & Touche review report dated May 7, 2024)

TSRC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023 (Adjusted (Note))
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income before tax	\$ 498,153	\$ 411,949
Depreciation	282,787	306,331
Amortization	34,185	33,384
Expected credit loss reversal on trade receivables	(187)	(827)
Interest expense	94,863	79,580
Interest income	(56,669)	(51,918)
Share of profit of associates and joint ventures accounted for under equity method	(112,734)	(114,345)
Loss on disposal of property, plant and equipment	75	329
Transfer to operating costs and inventories	<u>19,386</u>	<u>19,820</u>
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	(10,659)	(303)
Notes receivable	(146,661)	139,165
Accounts receivable	(644,161)	(424,042)
Other receivables	31,988	(29,974)
Inventories	(264,327)	(28,911)
Other current assets	68,009	(15,645)
Financial liabilities at fair value through profit or loss	(18,197)	(30,924)
Accounts payable	(577,520)	(109,100)
Accounts payable - related parties	26,772	29,217
Other payables	(141,640)	(493,426)
Other current liabilities	(85,848)	(158,298)
Net defined benefit liability	(2,860)	(466)
Other non-current liabilities	<u>(30,857)</u>	<u>(5,583)</u>
Changes in operating assets and liabilities	<u>(1,795,961)</u>	<u>(1,128,290)</u>
Cash flow used in operating activities	(1,036,102)	(443,987)
Interest income received	53,866	44,373
Interest paid	(94,945)	(78,744)
Income taxes paid	<u>(117,575)</u>	<u>(49,924)</u>
Net cash flow used in operating activities	<u>(1,194,756)</u>	<u>(528,282)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital reduction of investments accounted for using equity method	236,396	-
Payments of property, plant and equipment	(1,091,037)	(158,863)
Proceeds from disposal of property, plant and equipment	138	326
Increase in other non-current assets	-	(1,562)
Decrease in other non-current assets	13,354	-
		(Continued)

TSRC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023 (Adjusted (Note))
Dividends received from associates	\$ 54,372	\$ -
Compensation for relocation	<u>122,349</u>	<u>89,719</u>
Net cash flow used in investing activities	<u>(664,428)</u>	<u>(70,380)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	8,186,020	5,969,675
Decrease in short-term borrowings	(6,931,768)	(6,528,718)
Increase in short-term commercial paper payable	480,000	798,019
Decrease in short-term commercial paper payable	(320,000)	(500,000)
Proceeds from long-term borrowings	1,298,307	1,155,931
Repayments of long-term borrowings	(573,483)	(316,294)
Decrease in other long-term commercial paper payable	-	(350,000)
Repayments of lease liabilities	(41,984)	(39,633)
Cash dividends paid	(116)	(130)
Cash dividends paid to non-controlling interests	(32,558)	-
Overaging unclaimed dividends	<u>-</u>	<u>119</u>
Net cash flow generated from financing activities	<u>2,064,418</u>	<u>188,969</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>438,944</u>	<u>(50,534)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	644,178	(460,227)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>5,448,591</u>	<u>6,333,055</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 6,092,769</u>	<u>\$ 5,872,828</u>

Note: Please refer to Note 3-c.

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

(With Deloitte & Touche review report dated May 7, 2024)

(Concluded)

TSRC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

TSRC Corporation (formerly Taiwan Synthetic Rubber Corporation, hereinafter referred to as “the Corporation”) was incorporated in the Republic of China (ROC) on November 22, 1973, as a corporation limited by shares in accordance with the ROC Company Act. In May 1999, Taiwan Synthetic Rubber Corporation was renamed TSRC Corporation and was approved by the shareholders in their meeting. In June 2016, the Company changed its registered address to No. 2, Singgong Rd., Dashe Dist., Kaohsiung City. The consolidated financial statements comprise the Corporation and its subsidiaries (collectively, “the Group”). The Group mainly manufactures, imports and sells various types of synthetic rubber and does import-export trades of related raw materials.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors and were authorized for issue on May 7, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Corporation’s accounting policies.

- b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. Reclassification

The management of the Group considers the bank deposits repatriated for restricted purpose for the use of substantial investments and financial investments in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. do not change the nature of the deposit as the entity can access those amounts on demand. The management concludes that the presentation of cash and cash equivalents is more appropriate and, therefore, has changed the presentation of the consolidated balance sheets and consolidated statements of cash flows. The other financial assets (in other current assets) were reclassified to cash and cash equivalents with a carrying amount of \$50,663 thousand on March 31, 2023. The impact on cash flows for the three months ended March 31, 2023 was as follows:

	Adjustments
Net cash used in investing activities	<u>\$ (3,772)</u>
Net decrease in cash and cash equivalents	<u>\$ 3,772</u>

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities that are determined by deducting the fair value of plan assets from the present value of the defined benefit obligation.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 11, Tables 7 and 8 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Retirement benefits

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 for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2023 for information on the material accounting judgements and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023 (Adjusted (Note))
Cash on hand	\$ 458	\$ 412	\$ 444
Checking accounts and demand deposits	868,674	828,647	823,416
Cash equivalents			
Time deposits	<u>5,223,637</u>	<u>4,619,532</u>	<u>5,048,968</u>
	<u>\$ 6,092,769</u>	<u>\$ 5,448,591</u>	<u>\$ 5,872,828</u>

Note: Please refer to Note 3-c.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets at fair value through profit or loss (FVTPL) - current			
Financial liabilities held for trading			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts/ Cross-currency swap contracts	<u>\$ 10,659</u>	<u>\$ -</u>	<u>\$ 317</u>
Financial liabilities at FVTPL - current			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts/ Cross-currency swap contracts	<u>\$ 334</u>	<u>\$ 18,531</u>	<u>\$ 5,805</u>

At the end of the reporting period, foreign exchange forward contracts and cross-currency swap contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2024</u>			
Sell (Forward contracts)	EUR/USD	2024.04.11-2024.07.12	EUR3,612/USD3,930
Sell (Forward contracts)	CNH/USD	2024.04.03-2024.04.15	CNH87,757/USD12,200
Swap contracts	EUR/USD	2025.04.12-2024.06.21	EUR15,785/USD17,200
<u>December 31, 2023</u>			
Sell (Forward contracts)	EUR/USD	2024.01.12-2024.02.20	EUR5,828/USD6,297
Swap contracts	EUR/USD	2024.01.12-2024.03.28	EUR18,215/USD19,752
Swap contracts	JPY/USD	2024.01.12	JPY20,000/USD138

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2023</u>			
Sell (Forward contracts)	EUR/USD	2023.04.12-2023.05.12	EUR6,500/USD7,070
Sell (Forward contracts)	CNH/USD	2023.04.17	CNH5,525/USD800
Sell (Forward contracts)	JPY/USD	2023.04.11	JPY13,000/USD97
Swap contracts	EUR/USD	2023.04.18-2023.06.30	EUR16,475/USD17,826
Swap contracts	JPY/USD	2023.04.11	JPY21,000/USD163
(Concluded)			

The Group entered into foreign exchange forward contracts and cross-currency swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 1,056,311	\$ 909,650	\$ 801,773
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 4,013,501	\$ 3,369,340	\$ 3,473,645
Less: Allowance for impairment loss	(2,354)	(2,490)	(4,136)
	\$ 4,011,147	\$ 3,366,850	\$ 3,469,509
<u>Other receivables</u>			
Other receivables from related parties	\$ 66,985	\$ 46,384	\$ 45,289
Others	137,663	187,449	138,713
	\$ 204,648	\$ 233,833	\$ 184,002

The average credit period of sales of goods was 50 days. In order to minimize credit risk, the Group authorized a department to be responsible for determining credit limits, credit approvals, credit management and to manage other unusual risk to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivables and trade receivables based on the Group's provision matrix.

March 31, 2024

	Not Past Due	Past Due Less than 30 Days	Past Due 31 to 60 Days	Past Due 90+ Days	Total
Expected credit loss rate	0.01%	0.61%	29.17%	100%	
Gross carrying amount	\$ 4,962,336	\$ 104,348	\$ 2,869	\$ 259	\$ 5,069,812
Loss allowance (Lifetime ECLs)	<u>(621)</u>	<u>(637)</u>	<u>(837)</u>	<u>(259)</u>	<u>(2,354)</u>
Amortized cost	<u>\$ 4,961,715</u>	<u>\$ 103,711</u>	<u>\$ 2,032</u>	<u>\$ -</u>	<u>\$ 5,067,458</u>

December 31, 2023

	Not Past Due	Past Due Less than 30 Days	Past Due 31 to 60 Days	Past Due 90+ Days	Total
Expected credit loss rate	0.01%	0.65%	36.86%	100%	
Gross carrying amount	\$ 4,160,953	\$ 115,204	\$ 2,572	\$ 261	\$ 4,278,990
Loss allowance (Lifetime ECLs)	<u>(535)</u>	<u>(746)</u>	<u>(948)</u>	<u>(261)</u>	<u>(2,490)</u>
Amortized cost	<u>\$ 4,160,418</u>	<u>\$ 114,458</u>	<u>\$ 1,624</u>	<u>\$ -</u>	<u>\$ 4,276,500</u>

March 31, 2023

	Not Past Due	Past Due Less than 30 Days	Past Due 31 to 60 Days	Past Due 90+ Days	Total
Expected credit loss rate	0.04%	1.57%	25.19%	100%	
Gross carrying amount	\$ 4,220,288	\$ 51,363	\$ 2,830	\$ 937	\$ 4,275,418
Loss allowance (Lifetime ECLs)	<u>(1,679)</u>	<u>(807)</u>	<u>(713)</u>	<u>(937)</u>	<u>(4,136)</u>
Amortized cost	<u>\$ 4,218,609</u>	<u>\$ 50,556</u>	<u>\$ 2,117</u>	<u>\$ -</u>	<u>\$ 4,271,282</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 2,490	\$ 4,985
Less: Net remeasurement of loss allowance	(187)	(827)
Foreign exchange gains and losses	<u>51</u>	<u>(22)</u>
Balance at March 31	<u>\$ 2,354</u>	<u>\$ 4,136</u>

9. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	\$ 4,558,501	\$ 4,154,853	\$ 5,211,104
Work in progress	334,880	360,455	358,390
Raw materials	<u>2,023,807</u>	<u>2,137,553</u>	<u>1,951,449</u>
	<u>\$ 6,917,188</u>	<u>\$ 6,652,861</u>	<u>\$ 7,520,943</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2024	2023
Cost of inventories sold	\$ 7,655,636	\$ 7,151,025
Inventory write-downs (reversed)	(41,743)	(36,536)
Income from sale of scrap	(8,324)	(8,065)
Inventory short and over	245	-
Unallocated production overhead	<u>88,141</u>	<u>94,097</u>
	<u>\$ 7,693,955</u>	<u>\$ 7,200,521</u>

The reversal of inventory write-downs for the three months ended March 31, 2024 and 2023, respectively, which resulted from sale or consumption of the inventories in the current year.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Non-current</u>			
Investments in equity instruments			
Domestic listed shares	\$ 1,512,426	\$ 1,263,392	\$ 677,858
Domestic and foreign unlisted shares	<u>1,042,764</u>	<u>1,148,549</u>	<u>1,055,063</u>
	<u>\$ 2,555,190</u>	<u>\$ 2,411,941</u>	<u>\$ 1,732,921</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
The Corporation	Trimurti Holding Corporation	Investment	100.00	100.00	100.00	-
The Corporation	Hardison International Corporation	Investment	-	100.00	100.00	(2)
The Corporation and Hardison International Corporation	Dymas Corporation	Investment	100.00	100.00	100.00	(1) and (2)
The Corporation	TSRC (Vietnam) Co., Ltd.	Production and processing of rubber color masterbatch, thermoplastic elastomer and plastic compound products	100.00	100.00	100.00	(2)
Trimurti Holding Corporation	TSRC (Hong Kong) Limited	Investment	100.00	100.00	100.00	-
Trimurti Holding Corporation	Polybus Corporation Pte Ltd	International commerce and investment corporation	100.00	100.00	100.00	-
TSRC (Hong Kong) Limited	TSRC (Shanghai) Industries Ltd.	Production and sale of engineering-plastics, plastic alloy and thermoplastic elastomer engineering-plastic	100.00	100.00	100.00	(2)
TSRC (Hong Kong) Limited	TSRC (Lux.) Corporation S.A R.L.	International commerce and investment corporation	100.00	100.00	100.00	-
TSRC (Lux.) Corporation S.A R.L.	TSRC (USA) Investment	Investment	100.00	100.00	100.00	-
TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	Production and sale of TPE	100.00	100.00	100.00	-
Polybus Corporation Pte Ltd	Shen Hua Chemical Industries Co., Ltd.	Production and sale of ESBR	88.00	88.00	65.44	(4)
Polybus Corporation Pte Ltd	TSRC-UBE (Nantong) Industries Ltd.	Investment	55.00	55.00	55.00	(2)
Polybus Corporation Pte Ltd	TSRC (Nantong) Industries Ltd.	Production and sale of thermoplastic elastomer	100.00	100.00	100.00	(3)
Hardison International Corporation	Triton International Holdings Corporation	Investment	100.00	100.00	100.00	(2)

Remarks:

- 1) TSRC directly owns 19.48% of Dymas Corporation's equity and indirectly owns 80.52% via Hardison International Corporation, for a total of 100.00% directly and indirectly owned equity.
- 2) The company is not a major subsidiary; its financial statements have not been reviewed.
- 3) The company is not a major subsidiary; its financial statements have been reviewed.
- 4) In November 2023, Polybus Corporation Pte Ltd acquired 22.56% shares of Shen Hua Chemical Industries Co., Ltd. from Marubeni Petrochemicals Investment B.V. and increased its ownership percentage from 65.44% to 88.00%.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		March 31, 2024	December 31, 2023	March 31, 2023
Shen Hua Chemical Industries Co., Ltd.	China	12.00%	12.00%	34.56%
TSRC-UBE (Nantong) Industries Ltd.	China	45.00%	45.00%	45.00%

Summarized financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Shen Hua Chemical Industries Co., Ltd.

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 3,150,670	\$ 3,177,332	\$ 3,177,255
Non-current assets	4,338,055	3,337,134	1,866,721
Current liabilities	(839,825)	(890,778)	(665,055)
Non-current liabilities	<u>(2,398,120)</u>	<u>(1,571,440)</u>	<u>(582,075)</u>
Equity	<u>\$ 4,235,780</u>	<u>\$ 4,052,248</u>	<u>\$ 3,796,846</u>
Equity attributable to			
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 3,727,486	\$ 3,565,978	\$ 2,484,656
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>508,294</u>	<u>486,270</u>	<u>1,312,190</u>
	<u>\$ 4,235,780</u>	<u>\$ 4,052,248</u>	<u>\$ 3,796,846</u>
		For the Three Months Ended March 31	
		2024	2023
Revenue		<u>\$ 2,346,379</u>	<u>\$ 2,050,341</u>
Net profit for the year		\$ 110,816	\$ 57,027
Other comprehensive income		<u>72,717</u>	<u>20,712</u>
Total comprehensive income for the year		<u>\$ 183,533</u>	<u>\$ 77,739</u>
Profit attributable to			
Owners of Shen Hua Chemical Industries Co., Ltd.		\$ 97,518	\$ 37,318
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.		<u>13,298</u>	<u>19,709</u>
		<u>\$ 110,816</u>	<u>\$ 57,027</u>
Total comprehensive income attributable to:			
Owners of Shen Hua Chemical Industries Co., Ltd.		\$ 161,509	\$ 50,873
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.		<u>22,024</u>	<u>26,866</u>
		<u>\$ 183,533</u>	<u>\$ 77,739</u>
Cash inflow (outflow) from			
Operating activities		\$ (188,487)	\$ (261,418)
Investing activities		(812,696)	(30,990)
Financing activities		819,143	68,008
Effects of exchange rate changes on cash and cash equivalents		<u>8,884</u>	<u>6,190</u>
Net cash inflow (outflow)		<u>\$ (173,156)</u>	<u>\$ (218,210)</u>

TSRC-UBE (Nantong) Industries Ltd.

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 1,557,571	\$ 1,660,419	\$ 1,627,619
Non-current assets	705,397	711,584	749,143
Current liabilities	(206,212)	(345,028)	(222,872)
Non-current liabilities	<u>(41,477)</u>	<u>(40,966)</u>	<u>(23,888)</u>
Equity	<u>\$ 2,015,279</u>	<u>\$ 1,986,009</u>	<u>\$ 2,130,002</u>
Equity attributable to			
Owners of TSRC-UBE (Nantong) Industries Ltd.	\$ 1,108,404	\$ 1,092,305	\$ 1,171,502
Non-controlling interests of TSRC-UBE (Nantong) Industries Ltd.	<u>906,875</u>	<u>893,704</u>	<u>958,500</u>
	<u>\$ 2,015,279</u>	<u>\$ 1,986,009</u>	<u>\$ 2,130,002</u>
	For the Three Months Ended March 31		
	2024	2023	
Revenue	<u>\$ 832,643</u>	<u>\$ 802,805</u>	
Net profit for the year	\$ 66,672	\$ 75,627	
Other comprehensive income	<u>34,949</u>	<u>11,287</u>	
Total comprehensive income for the year	<u>\$ 101,621</u>	<u>\$ 86,914</u>	
Profit attributable to			
Owners of TSRC-UBE (Nantong) Industries Ltd.	\$ 36,670	\$ 41,595	
Non-controlling interests of TSRC-UBE (Nantong) Industries Ltd.	<u>30,002</u>	<u>34,032</u>	
	<u>\$ 66,672</u>	<u>\$ 75,627</u>	
Total comprehensive income attributable to:			
Owners of TSRC-UBE (Nantong) Industries Ltd.	\$ 55,892	\$ 47,803	
Non-controlling interests of TSRC-UBE (Nantong) Industries Ltd.	<u>45,729</u>	<u>39,111</u>	
	<u>\$ 101,621</u>	<u>\$ 86,914</u>	
Cash inflow (outflow) from			
Operating activities	\$ (211,058)	\$ (77,205)	
Investing activities	(16,115)	(6,733)	
Financing activities	(30,280)	87,590	
Effects of exchange rate changes on cash and cash equivalents	<u>10,687</u>	<u>5,571</u>	
Net cash inflow (outflow)	<u>\$ (246,766)</u>	<u>\$ 9,223</u>	
Dividends paid to non-controlling interest of:			
TSRC-UBE (Nantong) Industries Ltd.	<u>\$ 32,558</u>	<u>\$ -</u>	

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in associates	\$ 739,549	\$ 1,001,330	\$ 940,416
Investments in joint ventures	<u>1,740,866</u>	<u>1,574,712</u>	<u>1,402,319</u>
	<u>\$ 2,480,415</u>	<u>\$ 2,576,042</u>	<u>\$ 2,342,735</u>

Investments in Associates

	March 31, 2024	December 31, 2023	March 31, 2023
Material associate			
ARLANXEO-TSRC (Nantong) Chemicals Industries Co., Ltd.	\$ 739,549	\$ 720,175	\$ 694,601
Associates that are not individually material	<u>-</u>	<u>281,155</u>	<u>245,815</u>
	<u>\$ 739,549</u>	<u>\$ 1,001,330</u>	<u>\$ 940,416</u>
Credit balance of investments accounted for using the equity method (included in other non-current liabilities)			
Associates that are not individually material	<u>\$ 2,538</u>	<u>\$ -</u>	<u>\$ -</u>

a. Material associate

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			March 31, 2024	December 31, 2023	March 31, 2023
ARLANXEO-TSRC (Nantong) Chemicals Industries Co., Ltd.	Strategic alliance of production and sale NBR	China	50.00%	50.00%	50.00%

The investment in associate is accounted for using the equity method.

Summarized financial information of the Group's material associate set out below represents amounts shown in the associate's financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

ARLANXEO-TSRC (Nantong) Chemicals Industries Co., Ltd.

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 1,071,244	\$ 1,381,586	\$ 1,218,679
Non-current assets	1,969,944	1,114,726	570,614
Current liabilities	(935,021)	(546,923)	(315,189)
Non-current liabilities	<u>(627,069)</u>	<u>(509,039)</u>	<u>(86,820)</u>
Equity	<u>\$ 1,479,098</u>	<u>\$ 1,440,350</u>	<u>\$ 1,387,284</u>

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Proportion of the Group's ownership	50.00%	50.00%	50.00%
Equity attributable to the Group	\$ 739,549	\$ 720,175	\$ 693,642
Other adjustments	<u>-</u>	<u>-</u>	<u>959</u>
Carrying amount	<u>\$ 739,549</u>	<u>\$ 720,175</u>	<u>\$ 694,601</u> (Concluded)

	For the Three Months Ended March 31	
	2024	2023
Operating revenue	<u>\$ 396,790</u>	<u>\$ 416,413</u>
Net profit for the period	\$ 13,162	\$ 46,871
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 13,162</u>	<u>\$ 46,871</u>

b. Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2024	2023
The Group's share of:		
Net profit for the period	\$ 619	\$ 1,447
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 619</u>	<u>\$ 1,447</u>

Asia Pacific Energy Development Co., Ltd. conducted the capital reduction and refunded shareholders' capital totaling \$236,396 thousand in March 2024.

Investments in joint ventures

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Investments in joint ventures</u>			
Material joint venture			
Indian Synthetic Rubber Private Limited	\$ 1,687,990	\$ 1,516,994	\$ 1,343,797
Joint ventures that are not individually material	<u>52,876</u>	<u>57,718</u>	<u>58,522</u>
	<u>\$ 1,740,866</u>	<u>\$ 1,574,712</u>	<u>\$ 1,402,319</u>

a. Material joint venture

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			March 31, 2024	December 31, 2023	March 31, 2023
Indian Synthetic Rubber Private Limited	Strategic alliance of production and sales of synthetic rubber products	India	50.00%	50.00%	50.00%

The investment in joint ventures is accounted for using the equity method.

The summarized financial information of the Group's material associate set out below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

Indian Synthetic Rubber Private Limited.

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 3,324,768	\$ 2,985,166	\$ 2,835,106
Non-current assets	2,534,518	2,441,529	2,434,223
Current liabilities	(1,258,516)	(1,212,342)	(1,102,049)
Non-current liabilities	<u>(1,091,454)</u>	<u>(1,051,409)</u>	<u>(1,395,441)</u>
Equity	<u>\$ 3,509,316</u>	<u>\$ 3,162,944</u>	<u>\$ 2,771,829</u>
Proportion of the Group's ownership	50.00%	50.00%	50.00%
Equity attributable to the Group	<u>\$ 1,754,658</u>	<u>\$ 1,581,472</u>	<u>\$ 1,385,920</u>
Carrying amount	<u>\$ 1,687,990</u>	<u>\$ 1,516,994</u>	<u>\$ 1,343,797</u>
	For the Three Months Ended March 31		
	2024	2023	
Operating revenue	<u>\$ 1,658,578</u>	<u>\$ 1,398,052</u>	
Net profit for the period	\$ 222,865	\$ 177,753	
Other comprehensive income	<u>-</u>	<u>-</u>	
Total comprehensive income for the period	<u>\$ 222,865</u>	<u>\$ 177,753</u>	

b. Aggregate information of joint ventures that are not individually material

	For the Three Months Ended March 31	
	2024	2023
The Group's share of:		
Net (loss) profit for the period	\$ (5,898)	\$ 585
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive (loss) income for the period	<u>\$ (5,898)</u>	<u>\$ 585</u>

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land and Land Improvements	Buildings	Machinery Equipment	Office and Other Equipment	Construction in Progress and Equipment under Installation	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 798,815	\$ 4,991,085	\$ 24,056,746	\$ 274,501	\$ 1,890,977	\$ 32,012,124
Additions	-	-	1,838	66	1,126,415	1,128,319
Disposals	-	-	(7,304)	(517)	-	(7,821)
Reclassification	970	(401)	468,942	5,769	31,440	506,720
Effect of foreign currency exchange differences	3,629	74,953	365,838	4,492	37,343	486,255
Balance at March 31, 2024	<u>\$ 803,414</u>	<u>\$ 5,065,637</u>	<u>\$ 24,886,060</u>	<u>\$ 284,311</u>	<u>\$ 3,086,175</u>	<u>\$ 34,125,597</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ 119,593	\$ 2,949,257	\$ 18,216,315	\$ 220,825	\$ -	\$ 21,505,990
Disposals	-	-	(7,143)	(465)	-	(7,608)
Depreciation expenses	2,208	35,239	211,379	3,726	-	252,552
Effect of foreign currency exchange differences	1,591	37,150	271,627	3,430	-	313,798
Balance at March 31, 2024	<u>\$ 123,392</u>	<u>\$ 3,021,646</u>	<u>\$ 18,692,178</u>	<u>\$ 227,516</u>	<u>\$ -</u>	<u>\$ 22,064,732</u>
Carrying amounts at March 31, 2024	<u>\$ 680,022</u>	<u>\$ 2,043,991</u>	<u>\$ 6,193,882</u>	<u>\$ 56,795</u>	<u>\$ 3,086,175</u>	<u>\$ 12,060,865</u>
Carrying amounts at December 31, 2023 and January 1, 2024	<u>\$ 679,222</u>	<u>\$ 2,041,828</u>	<u>\$ 5,840,431</u>	<u>\$ 53,676</u>	<u>\$ 1,890,977</u>	<u>\$ 10,506,134</u>
<u>Cost</u>						
Balance at January 1, 2023	\$ 798,900	\$ 5,010,910	\$ 23,790,687	\$ 273,702	\$ 790,401	\$ 30,664,600
Additions	-	-	3,461	52	206,800	210,313
Disposals	-	(43)	(9,752)	(4,882)	-	(14,677)
Reclassification	-	1,638	70,797	5,698	(82,343)	(4,210)
Effect of foreign currency exchange differences	(651)	16,173	14,591	(19)	833	30,927
Balance at March 31, 2023	<u>\$ 798,249</u>	<u>\$ 5,028,678</u>	<u>\$ 23,869,784</u>	<u>\$ 274,551</u>	<u>\$ 915,691</u>	<u>\$ 30,886,953</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ 110,887	\$ 2,811,062	\$ 17,541,670	\$ 214,009	\$ -	\$ 20,677,628
Disposals	-	(23)	(9,117)	(4,882)	-	(14,022)
Depreciation expenses	2,193	45,374	223,491	4,785	-	275,843
Effect of foreign currency exchange differences	(251)	8,817	(893)	(69)	-	7,604
Balance at March 31, 2023	<u>\$ 112,829</u>	<u>\$ 2,865,230</u>	<u>\$ 17,755,151</u>	<u>\$ 213,843</u>	<u>\$ -</u>	<u>\$ 20,947,053</u>
Carrying amounts at March 31, 2023	<u>\$ 658,420</u>	<u>\$ 2,163,448</u>	<u>\$ 6,114,633</u>	<u>\$ 60,708</u>	<u>\$ 915,691</u>	<u>\$ 9,939,900</u>

The above items of property, plant and equipment are depreciated over their estimated useful lives of the assets as follows:

Land improvements	7-30 years
Buildings	3-60 years
Machinery equipment	3-50 years
Office and other equipment	3-8 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 30.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amounts</u>			
Land	\$ 992,149	\$ 978,169	\$ 1,018,342
Buildings	178,604	169,369	105,539
Machinery	445,388	461,603	390,192
Transportation equipment	<u>18,952</u>	<u>18,876</u>	<u>20,181</u>
	<u>\$ 1,635,093</u>	<u>\$ 1,628,017</u>	<u>\$ 1,534,254</u>
		For the Three Months Ended March 31	
		2024	2023
Additions to right-of-use assets		<u>\$ 20,934</u>	<u>\$ 620,509</u>
Depreciation charge for right-of-use assets			
Land		\$ 6,629	\$ 6,676
Buildings		12,465	12,784
Machinery		4,938	4,780
Transportation equipment		<u>2,522</u>	<u>2,566</u>
		<u>\$ 26,554</u>	<u>\$ 26,806</u>

Except for the aforementioned addition, recognized depreciation and transferred to operating costs and inventories, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amounts</u>			
Current	<u>\$ 152,126</u>	<u>\$ 144,672</u>	<u>\$ 115,685</u>
Non-current	<u>\$ 525,117</u>	<u>\$ 535,336</u>	<u>\$ 427,743</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	1.21%-6.45%	1.31%-6.45%	1.21%-2.70%
Machinery	1.86%-3.10%	1.31%-3.10%	1.31%-3.10%
Transportation equipment	1.21%-6.55%	1.21%-6.55%	1.21%-5.97%

c. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 15.

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	\$ 386	\$ 396
Expenses relating to low-value assets leases	\$ 7,710	\$ 5,419
Total cash outflow for leases	\$ 53,463	\$ 46,914

The Group leases certain buildings and transportation equipment which qualify as short-term leases. The Group has elected to apply the recognition exemption, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Completed Investment Property
<u>Cost</u>	
Balance at January 1, 2024 and March 31, 2024	\$ 1,815,468
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2024	\$ 292,771
Depreciation expense	3,681
Balance at March 31, 2024	\$ 296,452
Carrying amount at March 31, 2024	\$ 1,519,016
Carrying amount at December 31, 2023 and January 1, 2024	\$ 1,522,697
<u>Cost</u>	
Balance at January 1, 2024 and March 31, 2023	\$ 1,815,468
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 278,045
Depreciation expense	3,682
Balance at March 31, 2023	\$ 281,727
Carrying amount at March 31, 2023	\$ 1,533,741

The abovementioned investment properties were leased out for 3 to 10 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiration of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Not later than 1 year	\$ 43,836	\$ 55,310	\$ 65,198
Later than 1 year and not later than 5 years	83,554	84,592	90,588
Later than 5 years	<u>30,687</u>	<u>30,687</u>	<u>30,687</u>
	<u>\$ 158,077</u>	<u>\$ 170,589</u>	<u>\$ 186,473</u>

Investment properties were depreciated by applying the straight-line method:

Buildings	50 years
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The fair value of the Group's investment properties as of December 31, 2023 was \$3,383,413 thousand. The fair value was based on Level 3 fair value measurements carried out by independent qualified professional valuers. The valuation was carried out by market value.

All of the Group's investment properties were held under freehold interests. The investment properties are not pledged as collateral for bank borrowings.

16. INTANGIBLE ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Industrial technology and know-how	\$ 223,861	\$ 227,137	\$ 273,319
Computer software	20,578	19,204	26,987
Patent and trademark	174,193	176,998	188,348
Customer relationship	<u>319,798</u>	<u>316,119</u>	<u>339,587</u>
	<u>\$ 738,430</u>	<u>\$ 739,458</u>	<u>\$ 828,241</u>

Except for amortization recognized, the Group did not have significant addition, disposal, or impairment of other intangible assets during the three months ended March 31, 2024 and 2023. Other intangible assets are amortized on a straight-line basis over their estimated useful lives, as follows:

Industrial technology and know-how	10-20 years
Computer software	3 years
Patent	20 years
Trademark	Undetermined
Customer relationship	18 years

17. BORROWINGS

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 6,000,274	\$ 4,580,149	\$ 5,513,247

The range of weighted average effective interest rates on bank loans was 0.85%-6.93%, 0.85%-6.61% and 0.85%-6.36% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

b. Short-term bills payable

	March 31, 2024	December 31, 2023	March 31, 2023
Commercial paper	\$ 160,000	\$ -	\$ 550,000
Less: Unamortized discounts on bills payable	(234)	-	(391)
	<u>\$ 159,766</u>	<u>\$ -</u>	<u>\$ 549,609</u>
Range of interest Rate	1.84%	-	1.78%-1.84%

c. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured borrowings (Note 30)</u>			
Bank loans (USD) (1)	\$ -	\$ -	\$ 50,027
Bank loans (RMB) (2)	1,035,003	346,287	-
<u>Unsecured borrowings</u>			
Bank loans (NTD) (3)	3,768,644	3,841,827	3,135,637
Bank loans (USD) (4)	<u>633,082</u>	<u>488,532</u>	<u>504,014</u>
	<u>5,436,729</u>	<u>4,676,646</u>	<u>3,689,678</u>
Less: Current portion	<u>(1,082,163)</u>	<u>(1,494,060)</u>	<u>(980,060)</u>
Long-term borrowings	<u>\$ 4,354,566</u>	<u>\$ 3,182,586</u>	<u>\$ 2,709,618</u>

1) March 31, 2023: The loan will be repayable in 2023 with interest at 4.38%.

2) March 31, 2024: The loan will be repayable in 2032 with interest at 2.60%-2.85%.

December 31, 2023: The loan will be repayable in 2032 with interest at 2.85%.

3) March 31, 2024: The loan will be repayable in 2024-2029 with interest at 1.05%-2.21%.

December 31, 2023: The loan will be repayable in 2024-2028 with interest at 1.05%-2.16%.

March 31, 2023: The loan will be repayable in 2023-2028 with interest at 1.05%-2.19%.

4) March 31, 2024: The loan will be repayable in 2024-2028 with interest at 6.82%-7.02%.

December 31, 2023: The loan will be repayable in 2025-2028 with interest at 6.86%-7.11%.

March 31, 2023: The loan will be repayable in 2023-2025 with interest at 6.21%-6.41%.

18. PROVISIONS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Non-current</u>			
Guarantees	\$ -	\$ -	\$ 23,318
Demolition and relocation costs	<u>245,275</u>	<u>241,016</u>	<u>246,671</u>
	<u>\$ 245,275</u>	<u>\$ 241,016</u>	<u>\$ 269,989</u>
			Demolition and Relocation Costs
Balance at January 1, 2023			\$ 241,016
Effect of foreign currency exchange differences			<u>4,259</u>
Balance at March 31, 2023			<u>\$ 245,275</u>

Please refer to notes 29 and 32 for further descriptions of guarantees, demolition and relocation costs.

19. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2024 and 2023, the pension expenses of defined benefit plans were \$694 thousand and \$965 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

20. EQUITY

a. Share capital - ordinary shares

	March 31, 2024	December 31, 2023	March 31, 2023
Shares of authorized shares (in thousands of shares)	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
Shares authorized, par value \$10 (in thousands of NT dollars)	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>825,710</u>	<u>825,710</u>	<u>825,710</u>
Shares issued and fully paid (in thousands of NT dollars)	<u>\$ 8,257,099</u>	<u>\$ 8,257,099</u>	<u>\$ 8,257,099</u>

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed, as cash dividends, or transferred to share capital*			
Issuance of ordinary shares	\$ 849	\$ 849	\$ 849
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,691	126,547	-
<u>May only be used to offset a deficit</u>			
Overaging unclaimed dividends	<u>52,437</u>	<u>52,437</u>	<u>50,995</u>
	<u>\$ 55,977</u>	<u>\$ 179,833</u>	<u>\$ 51,844</u>

* Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of Group's capital surplus and to once a year).

c. Retained earnings and dividend policy

In accordance with the Company's articles of incorporation, when allocating the earnings for each fiscal year, the Company may, after offsetting losses from previous years, paying taxes and setting aside any statutory and appropriated retained earnings of 10% by ordinary resolution, allocate the remaining balance dividends, retained earnings or otherwise. The allocation shall be proposed by the board of directors for a resolution at the shareholders' general meeting. However, dividends, employee bonuses, capital surplus, and legal reserve distributed wholly or partially in cash may be passed by the board of directors with more than two-thirds of the directors' attendance and resolved by more than half of the directors thereafter and shall be reported during the shareholders' general meeting. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 22-g.

In accordance with the Company's articles of incorporation, for the distribution based on the above paragraph, the cash dividend shall not be less than 20% of the total approval. The above-mentioned distribution of surplus shall be drawn up by the board of directors and shall be submitted to the shareholders' meeting for approval.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Group's paid-in capital. The legal reserve may be used to offset any deficits. If the Group has no deficit and the legal reserve has exceeded 25% of the Group's paid-in capital, the excess may be transferred to capital.

The allocation shall be proposed by the board of directors for a resolution at the shareholders' general meeting. However, dividends, employee bonuses, capital surplus, and legal reserve distributed wholly or partially in cash may be passed by the board of directors with more than two-thirds of the directors' attendance and resolved by more than half of the directors thereafter and shall be reported during the shareholders' general meeting.

The appropriations of earnings for 2023 and 2022 had been approved in the board of directors and shareholders' meetings on March 7, 2024 and May 31, 2023, respectively, as follows:

	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 66,670	\$ 183,475
Cash dividends	\$ 338,541	\$ 891,767
Cash dividends per share (NT\$)	\$ 0.41	\$ 1.08

The appropriations of earnings for 2023 are subject to the resolution in the shareholders' meeting to be held on June 7, 2024.

The Company's board of directors held a meeting on March 7, 2024 and approved to distribute cash of \$123,856 (representing NT\$0.15 per share) by using capital surplus. The related information can be accessed through the Market Observation Post System website.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 274,823	\$ 251,770
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	544,201	(38,587)
Share from associates/joint ventures accounted for using the equity method	(37,373)	29,056
Other comprehensive income recognized for the period	506,828	(9,531)
Balance at March 31	\$ 781,651	\$ 242,239

2) Unrealized gain on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 1,970,137	\$ 1,004,081
Recognized for the period		
Unrealized gain - equity instruments	139,784	291,807
Balance at March 31	\$ 2,109,921	\$ 1,295,888

3) Gain/(loss) on hedging instruments

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ (42,669)	\$ (45,789)
Recognized for the period		
Share from associates/joint ventures accounted for using the equity method	<u>(1,641)</u>	<u>131</u>
Balance at March 31	<u>\$ (44,310)</u>	<u>\$ (45,658)</u>

21. REVENUE

Disaggregation of Revenue

For the three months ended March 31, 2024

	Synthetic Rubber	Non-synthetic Rubber	Total
<u>Primary geographical markets</u>			
Asia	\$ 6,112,704	\$ 193,356	\$ 6,306,060
Americas	1,424,095	173	1,424,268
Europe	922,671	44	922,715
Others	<u>92,419</u>	<u>-</u>	<u>92,419</u>
	<u>\$ 8,551,889</u>	<u>\$ 193,573</u>	<u>\$ 8,745,462</u>

Major product lines

Synthetic rubber/elastomers	\$ 8,397,678	\$ -	\$ 8,397,678
Applied materials	-	193,573	193,573
Others	<u>154,211</u>	<u>-</u>	<u>154,211</u>
	<u>\$ 8,551,889</u>	<u>\$ 193,573</u>	<u>\$ 8,745,462</u>

For the three months ended March 31, 2023

	Synthetic Rubber	Non-synthetic Rubber	Total
<u>Primary geographical markets</u>			
Asia	\$ 5,540,907	\$ 159,921	\$ 5,700,828
Americas	1,247,743	-	1,247,743
Europe	954,562	39	954,601
Others	<u>210,558</u>	<u>-</u>	<u>210,558</u>
	<u>\$ 7,953,770</u>	<u>\$ 159,960</u>	<u>\$ 8,113,730</u>

(Continued)

	Synthetic Rubber	Non-synthetic Rubber	Total
<u>Major product lines</u>			
Synthetic rubber/elastomers	\$ 7,795,570	\$ -	\$ 7,795,570
Applied materials	-	156,724	156,724
Others	<u>158,200</u>	<u>3,236</u>	<u>161,436</u>
	<u>\$ 7,953,770</u>	<u>\$ 159,960</u>	<u>\$ 8,113,730</u>
			(Concluded)

22. NET PROFIT

a. Other income and expenses

	For the Three Months Ended March 31	
	2024	2023
Rental income	\$ 18,337	\$ 18,249
Royalty income	26,120	27,831
Net service income	6,045	4,091
Depreciation of investment properties	(3,681)	(3,682)
Net other income	<u>1,997</u>	<u>6,084</u>
	<u>\$ 48,818</u>	<u>\$ 52,573</u>

b. Interest income

	For the Three Months Ended March 31	
	2024	2023
Bank deposits	<u>\$ 56,669</u>	<u>\$ 51,918</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2024	2023
Gain/(loss) on disposal of financial assets and financial liabilities	\$ 29,137	\$ (9,860)
Net foreign exchange (loss)/gain	(20,468)	21,485
Loss on disposal of property, plant and equipment	(75)	(329)
Others	<u>(947)</u>	<u>568</u>
	<u>\$ 7,647</u>	<u>\$ 11,864</u>

d. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest on bank loans	\$ 91,480	\$ 78,114
Interest on lease liabilities	<u>3,383</u>	<u>1,466</u>
	<u>\$ 94,863</u>	<u>\$ 79,580</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	\$ 248,414	\$ 268,976
Operating expenses	<u>30,692</u>	<u>33,673</u>
	<u>\$ 279,106</u>	<u>\$ 302,649</u>
An analysis of amortization by function		
Operating costs	\$ 2,940	\$ 2,798
Operating expenses	<u>31,245</u>	<u>30,586</u>
	<u>\$ 34,185</u>	<u>\$ 33,384</u>

The depreciation did not include the depreciation of investment properties (included in other income and expenses), the amounts for the three months ended March 31, 2024 and 2023 were \$3,681 thousand and \$3,682 thousand, respectively.

f. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Short-term benefits	<u>\$ 502,733</u>	<u>\$ 485,466</u>
Post-employment benefits		
Defined contribution plans	33,681	31,729
Defined benefit plans (Note 19)	<u>694</u>	<u>965</u>
	<u>34,375</u>	<u>32,694</u>
Other employee benefits	<u>70,532</u>	<u>82,127</u>
Total employee benefits expense	<u>\$ 607,640</u>	<u>\$ 600,287</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 365,697	\$ 349,743
Operating expenses	<u>241,943</u>	<u>250,544</u>
	<u>\$ 607,640</u>	<u>\$ 600,287</u>

g. Employees' compensation and remuneration of directors

In accordance with the Company's articles of incorporation, if there is profit for the year, the Company should contribute more than 1% of its profit as employee remuneration and less than 1% as directors' remuneration. The accrued employees' compensation and remuneration of directors for the three months ended March 31, 2024 and 2023 were as follows:

Amount

	For the Three Months Ended March 31	
	2024	2023
Employees' compensation	\$ 6,300	\$ 19,461
Remuneration of directors	-	-

If there is a change in the amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of employees' compensation and remuneration of directors for 2023 and 2022 that were resolved by the Corporation's board of directors, respectively, were as follows:

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Employees' compensation	\$ 69,010	\$ 130,999
Remuneration of directors	-	11,857

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current period	\$ 117,279	\$ 116,774
Adjustments for prior year	2,967	-
Deferred tax		
In respect of the current period	<u>73,471</u>	<u>(14,501)</u>
Income tax expense recognized in profit or loss	<u>\$ 193,717</u>	<u>\$ 102,273</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current period		
Fair value changes of financial assets at FVTOCI	<u>\$ (1,070)</u>	<u>\$ (18,702)</u>

c. Income tax assessments

The income tax returns of the Company have been assessed by the authorities for all years through 2021.

d. Pillar Two income tax legislation

The government of Luxembourg and Vietnam, where TSRC (Lux.) Corporation S.A R.L. and TSRC (Vietnam) Co., Ltd. are incorporated, enacted the Pillar Two income tax legislation effective January 1, 2024. Since the income of the above subsidiaries was a loss before income tax in the first quarter of 2024, the Group has no related current tax exposure. The Group is continuing to assess the impact of the Pillar Two income tax legislation on its future financial performance.

24. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Three Months Ended March 31	
	2024	2023
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 261,136</u>	<u>\$ 255,935</u>

Weighted Average Number of Ordinary Shares Outstanding

	(In Thousands of Shares)	
	For the Three Months Ended March 31	
	2024	2023
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	825,710	825,710
Effect to potentially dilutive ordinary shares		
Employees' compensation	<u>1,336</u>	<u>3,979</u>
Weighted average number of ordinary shares outstanding in computation of diluted earnings per share	<u>827,046</u>	<u>829,689</u>

The Corporation may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potentially shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. CASH FLOW INFORMATION

Changes In Liabilities Arising from Financing Activities

For the three months ended March 31, 2024

	January 1, 2024	Cash Flow	Non-cash Changes			March 31, 2024
			Foreign Exchange Movement	Amortization of Commercial Paper Discount	Others	
Short-term borrowings (including short-term bills payable)	\$ 4,580,149	\$ 1,414,252	\$ 165,873	\$ (234)	\$ -	\$ 6,160,040
Long-term borrowings (including current portion)	4,676,646	724,824	35,259	-	-	5,436,729
Lease liabilities	<u>680,008</u>	<u>(41,984)</u>	<u>14,902</u>	<u>3,383</u>	<u>20,934</u>	<u>677,243</u>
	<u>\$ 9,936,803</u>	<u>\$ 2,097,092</u>	<u>\$ 216,034</u>	<u>\$ 3,149</u>	<u>\$ 20,934</u>	<u>\$ 12,274,012</u>

For the three months ended March 31, 2023

	January 1, 2023	Cash Flow	Non-cash Changes			March 31, 2023
			Foreign Exchange Movement	Amortization of Commercial Paper Discount	Others	
Short-term borrowings (including short-term bills payable)	\$ 6,329,036	\$ (261,024)	\$ (7,042)	\$ 1,886	\$ -	\$ 6,062,856
Long-term borrowings (including current portion)	2,854,417	839,637	(4,376)	-	-	3,689,678
Other long-term borrowings (including current portion)	349,767	(350,000)	-	233	-	-
Lease liabilities	<u>579,487</u>	<u>(39,633)</u>	<u>962</u>	<u>1,466</u>	<u>1,146</u>	<u>543,428</u>
	<u>\$ 10,112,707</u>	<u>\$ 188,980</u>	<u>\$ (10,456)</u>	<u>\$ 3,585</u>	<u>\$ 1,146</u>	<u>\$ 10,295,962</u>

26. EXPLANATORY COMMENTS ABOUT THE SEASONALITY OR CYCLICALITY OF INTERIM OPERATION

The Group's operations were not affected by seasonality or cyclicity factors.

27. CAPITAL MANAGEMENT

The objectives, policies and procedures of the Group's capital management are the same as those in the consolidated financial statements for the year ended December 31, 2023. There were no significant changes in the Group's quantitative information from that disclosed in the consolidated financial statements for the year ended December 31, 2023.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Corporation's management believes that the carrying amounts of financial assets not measured at fair value approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 10,659	\$ -	\$ 10,659
Financial assets at FVOCI				
Investments in equity instruments				
Listed shares (domestic)	\$ 1,512,426	\$ -	\$ -	\$ 1,512,426
Unlisted shares (domestic and overseas)	-	-	1,042,764	1,042,764
	<u>\$ 1,512,426</u>	<u>\$ -</u>	<u>\$ 1,042,764</u>	<u>\$ 2,555,190</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	\$ -	\$ 334	\$ -	\$ 334

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI				
Investments in equity instruments				
Listed shares (domestic)	\$ 1,263,392	\$ -	\$ -	\$ 1,263,392
Unlisted shares (domestic and overseas)	-	-	1,148,549	1,148,549
	<u>\$ 1,263,392</u>	<u>\$ -</u>	<u>\$ 1,148,549</u>	<u>\$ 2,411,941</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	\$ -	\$ 18,581	\$ -	\$ 18,581

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives financial assets	\$ <u>-</u>	\$ <u>317</u>	\$ <u>-</u>	\$ <u>317</u>
Financial assets at FVOCI				
Investments in equity instruments				
Listed shares (domestic)	\$ 677,858	\$ -	\$ -	\$ 677,858
Unlisted shares (domestic and overseas)	<u>-</u>	<u>-</u>	<u>1,055,063</u>	<u>1,055,063</u>
	<u>\$ 677,858</u>	<u>\$ -</u>	<u>\$ 1,055,063</u>	<u>\$ 1,732,921</u>
Financial liabilities at FVTPL				
Derivatives	\$ <u>-</u>	\$ <u>5,805</u>	\$ <u>-</u>	\$ <u>5,805</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2024	\$ 1,148,549
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	<u>(105,785)</u>
Balance at March 31, 2024	<u>\$ 1,042,764</u>

For the three months ended March 31, 2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	\$ 796,059
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	<u>259,004</u>
Balance at March 31, 2023	<u>\$ 1,055,063</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts and cross-currency swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic and overseas unlisted equity investments were determined using the market approach.

The market approach refers to the comparable market transaction price and related information to estimate the fair value of the investment target.

a) Quantified information of significant unobservable input was as follows:

Item	Valuation Technique	Significant Unobservable Inputs	Inter-Relationship between Significant Unobservable Inputs and Fair Value Measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Comparative listed company	<ul style="list-style-type: none"> Multipliers of price-to-earnings ratios as of March 31, 2024, December 31, 2023 and March 31, 2023 was all 12.95-19.56, 10.90-18.41 and 14.87-18.04, respectively Market liquidity discount rate as of 20% 	<ul style="list-style-type: none"> The estimated fair value would have been higher if the price-to-earnings ratios had been higher The estimated fair value would have been higher if the market liquidity discount had been lower

b) Fair value measurements in Level 3-sensitivity analysis of reasonably possible alternative assumptions

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

		Input	Move Up or Down	Other Comprehensive Income	
				Favourable	Unfavourable
<u>March 31, 2024</u>					
Financial assets fair value through other comprehensive income					
Equity investments without an active market	Liquidity discount at 20%	1%	\$ 13,031		\$ (13,031)
<u>December 31, 2023</u>					
Financial assets fair value through other comprehensive income					
Equity investments without an active market	Liquidity discount at 20%	1%	14,355		(14,355)
<u>March 31, 2023</u>					
Financial assets fair value through other comprehensive income					
Equity investments without an active market	Liquidity discount at 20%	1%	13,188		(13,188)

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

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 10,659	\$ -	\$ 317
Financial assets at amortized cost (1)	11,458,142	10,064,529	10,448,112
Financial assets at FVTOCI			
Equity instruments	2,555,190	2,411,941	1,732,921
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	334	18,531	5,805
Financial liabilities at amortized cost (2)	15,083,731	12,925,762	13,265,977

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, trade payables, other payables, long-term borrowings and deposits received.

d. Financial risk management objectives and policies

The objectives and policies of the Group's financial risk management are the same as those note disclosure of the consolidated financial statements for the year ended December 31, 2023.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

a) Foreign currency risk

The Group had foreign currency denominated sales, purchases and loan transactions, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts and cross-currency swap contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group was mainly exposed to the USD, EUR and RMB.

The following table details the Group's sensitivity to a 1% increase and a 1% decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and their adjusted translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number indicates an increase (decrease) in pre-tax profit when the functional currency strengthened by 1% against the relevant foreign currency. Conversely, a negative number below indicates a decrease in pre-tax profit when the functional currency weakened by 1% against the relevant foreign currency.

	USD Impact	
	For the Three Months Ended	
	March 31	
	2024	2023
Profit or loss*	\$ (358)	\$ (14)
	EUR Impact	
	For the Three Months Ended	
	March 31	
	2024	2023
Profit or loss*	\$ (662)	\$ (1,406)
	RMB Impact	
	For the Three Months Ended	
	March 31	
	2024	2023
Profit or loss*	\$ (1,264)	\$ (105)

- * This was mainly attributable to the exposure on outstanding USD, EUR and RMB bank deposits, receivables, borrowings and payables which were not hedged at the end of the reporting period.

There have been no significant changes in the sensitivity analysis of the Group to exchange rate of USD, EUR and RMB compared to the previous period.

b) Interest rate risk

The carrying amounts of the Group's financial liabilities with exposure to interest rates for the three months ended March 31, 2024 and 2023 were \$11,437,003 thousand and \$9,202,925 thousand, respectively.

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A sensitivity rate of 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2024 and 2023 would have decreased/increased by \$28,593 thousand and \$23,007 thousand, respectively.

The Group's sensitivity to changes in interest rates is mainly due to borrowing at floating rates.

c) Other price risk

The Group was exposed to price risk through its investments in listed equity securities. The Group has appointed a special team to monitor the price risk and make plans to manage the price risk.

Regarding the sensitivity to changes in Level 3 fair value measurement, please refer to the note(b) above, Fair value of financial instruments is measured at fair value on a recurring basis.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to the failure of the counterparties to discharge their obligation and due to the financial guarantees provided by the Group, could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

The credit risk on liquid funds and derivatives was limited because the counterparties are reputable banks.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had available unutilized short-term bank loan facilities of \$16,288,386 thousand, \$17,296,248 thousand and \$15,291,223 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

March 31, 2024

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings (including short-term bills payable)	\$ 6,210,797	\$ -	\$ -	\$ -
Accounts payable (including related parties)	1,600,150	-	-	-
Other payables	1,830,614	-	-	-
Long-term borrowings (including current portion)	1,298,854	1,134,353	2,214,780	1,290,365
Lease liabilities	163,856	134,625	383,059	23,856
Deposits received	<u>11,247</u>	<u>40,470</u>	<u>-</u>	<u>4,480</u>
	<u>\$ 11,115,518</u>	<u>\$ 1,309,448</u>	<u>\$ 2,597,839</u>	<u>\$ 1,318,701</u>

December 31, 2023

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings (including short-term bills payable)	\$ 4,605,027	\$ -	\$ -	\$ -
Accounts payable (including related parties)	2,150,898	-	-	-

(Continued)

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	5+ Years
Other payables	\$ 1,472,539	\$ -	\$ -	\$ -
Long-term borrowings (including current portion)	1,583,722	642,590	2,333,144	435,029
Lease liabilities	156,622	127,064	390,119	36,314
Deposits received	<u>11,247</u>	<u>31,163</u>	<u>-</u>	<u>3,120</u>
	<u>\$ 9,980,055</u>	<u>\$ 800,817</u>	<u>\$ 2,723,263</u>	<u>\$ 474,463</u> (Concluded)

March 31, 2023

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings (including short-term bills payable)	\$ 6,110,045	\$ -	\$ -	\$ -
Accounts payable (including related parties)	1,587,636	-	-	-
Other payables	1,880,463	-	-	-
Long-term borrowings (including current portion)	1,177,681	1,139,322	1,447,429	-
Lease liabilities	120,487	100,144	261,596	74,140
Deposits received	<u>1,289</u>	<u>39,788</u>	<u>-</u>	<u>4,267</u>
	<u>\$ 10,877,601</u>	<u>\$ 1,279,224</u>	<u>\$ 1,709,025</u>	<u>\$ 78,407</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Foreign exchange forward contracts/cross-currency swap contracts					
Outflows	<u>\$ -</u>	<u>\$ 334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Foreign exchange forward contracts/cross-currency swap contracts Outflows	\$ _____	\$ 18,531	\$ _____	\$ _____	\$ _____

March 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Foreign exchange forward contracts/cross-currency swap contracts Outflows	\$ _____	\$ 5,805	\$ _____	\$ _____	\$ _____

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and relationships

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Indian Synthetic Rubber Private Limited	Joint venture
Nantong Qix Storage Co., Ltd	Joint venture
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	Associate
Marubeni Corporation	Corporate director of one consolidate entity
Metropolis Property Management Corporation	Other related parties
Continental Engineering Corporation	Other related parties
WV Corporation	Other related parties
Continental Consulting Limited Company	Other related parties
UBE (Shanghai) Ltd.	Subsidiary of other related parties of one consolidated entity

b. Operating revenue

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31</u>	
		<u>2024</u>	<u>2023</u>
Sales	Associate	\$ 6,247	\$ 4,357

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended March 31	
	2024	2023
Corporate director of one consolidate entity	<u>\$ 239,810</u>	<u>\$ 68,223</u>

d. Receivables from related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Other receivables from related parties	Associate			
	ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	\$ 45,257	\$ 32,853	\$ 19,340
	Joint venture			
	Indian Synthetic Rubber Private Limited.	21,511	13,110	25,314
	Other	<u>217</u>	<u>421</u>	<u>635</u>
		<u>\$ 66,985</u>	<u>\$ 46,384</u>	<u>\$ 45,289</u>

e. Payables to related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Trade payables to related parties	Corporate director of one consolidate entity	\$ 85,951	\$ 59,179	\$ 62,453
Other payables to related parties	Associate	26	16	-
	Joint venture	2,579	-	-
	Subsidiary of other related parties of one consolidated entity	885	880	1,474
	Other related parties	<u>484</u>	<u>483</u>	<u>1,345</u>
		<u>\$ 89,925</u>	<u>\$ 60,558</u>	<u>\$ 65,272</u>

f. Guarantees

The credit limits of the guarantees the Group provided to the bank for related parties were as follows:

Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Associate			
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	\$ -	\$ -	\$ 265,950
Joint venture			
Indian Synthetic Rubber Private Limited	-	-	1,014,118
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,280,068</u>

Accordingly, the amounts of the Group recognized provision liabilities and investments accounted for under the equity method were as follows:

Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Associate			
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	\$ -	\$ -	\$ 959
Joint venture			
Indian Synthetic Rubber Private Limited	-	-	22,359
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,318</u>

g. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2024	2023
Service income and expense (included in other income and expense)	Associate		
	ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	\$ 44,905	\$ 44,929
	Joint venture		
	Indian Synthetic Rubber Private Limited	10,070	14,905
	Other	670	1,581
	Subsidiary of other related parties of one consolidated entity	(864)	(863)
	Other related parties	<u>(1,409)</u>	<u>(2,266)</u>
		<u>\$ 53,372</u>	<u>\$ 58,286</u>
Rental revenue (included in other income and expense)	Associates	\$ 614	\$ 624
	Other related parties	<u>1,147</u>	<u>1,147</u>
		<u>\$ 1,761</u>	<u>\$ 1,771</u>

The transactions with related parties were made at prices and terms comparable to those that would be obtained in similar transactions with non-related parties.

The aforementioned rentals collected monthly were based on those prevailing in the market.

The outstanding receivables from related parties are unsecured. For the three months ended March 31, 2024 and 2023, no impairment loss was recognized for receivables from related parties.

The outstanding payables to related parties are unsecured.

h. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	\$ 38,301	\$ 35,735
Post-employment benefits	<u>366</u>	<u>307</u>
	<u>\$ 38,667</u>	<u>\$ 36,042</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been mortgaged as collateral for bank guarantee of electricity usage and long-term borrowings:

	March 31, 2024	December 31, 2023	March 31, 2023
Restricted savings deposits (included in other non-current assets)	\$ 1,225	\$ 1,204	\$ 1,232
Machinery etc. (included in property, plant and equipment)	-	84,825	110,464
Land-use right (included in right-of-use assets)	<u>598,983</u>	<u>591,604</u>	<u>-</u>
	<u>\$ 600,208</u>	<u>\$ 677,633</u>	<u>\$ 111,696</u>

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of March 31, 2024 were as follows:

- As of March 31, 2024, December 31, 2023 and March 31, 2023, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$928,715 thousand, \$1,318,231 thousand and \$1,136,803 thousand, respectively.

- b. Total amounts and the cumulative payments of Group's signed construction and design contracts with several vendors are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Total amounts of construction in progress contracts	<u>\$ 4,880,774</u>	<u>\$ 4,994,319</u>	<u>\$ 1,721,881</u>
Cumulative payments	<u>\$ 2,941,458</u>	<u>\$ 2,151,622</u>	<u>\$ 546,276</u>

- c. On February 15, 2023, the president of the ROC announced the amendments to the "Climate Change Response Act", which added the provision of carbon fee collection. Subsequently, on April 29, 2024, the Ministry of Environment announced the draft "Regulations Governing the Collection of Carbon Fees", "Regulations for Administration of Voluntary Reduction Plans" and "Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees". According to the draft "Regulations Governing the Collection of Carbon Fees", companies belonging to the power generation industry and large-scale operators in the manufacturing industry, with total annual greenhouse gas emissions generated by direct emissions and indirect emissions that occur through the use of purchased electricity exceeding 25,000 metric tons of carbon dioxide equivalent (tCO₂e), shall pay carbon fees if their plants are the emission sources subject to inventory, registration and inspection as announced by the Ministry of Environment. However, since the rates of the carbon fee have not yet been announced until May 7, 2024, the Group is not able to reasonably estimate the impact of carbon fees in 2024.

32. OTHER MATTERS

To comply with the policy, Shen Hua Chemical Industries Co., Ltd. signed a relocation compensation contract with Nantong Management Office and Nantong Nengda on December 4, 2021. It also signed an investment agreement for its new factories with Nantong Management Office at the compensated amount of CNY479,677 thousand. Following the agreement schedule, Shen Hua Chemical Industries Co., Ltd. will return the right-of-use of the land after moving and demolishing its immovable assets in 2024. As for the movable assets, they will be transported to the new factories for further operation.

	March 31, 2024	December 31, 2023	March 31, 2023
Cumulative compensation received	<u>\$ 1,064,534</u>	<u>\$ 942,185</u>	<u>\$ 301,885</u>
Land-use right price for new location	<u>\$ 614,341</u>	<u>\$ 603,678</u>	<u>\$ 617,840</u>
Provision for demolish and relocation	<u>\$ 245,275</u>	<u>\$ 241,016</u>	<u>\$ 246,671</u>

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 80,311	31.9900 (USD:NTD)	\$ 2,569,149
EUR	14,356	34.4500 (EUR:NTD)	494,564
JPY	225,081	0.2114 (JPY:NTD)	47,582
RMB	116,949	4.4074 (RMB:NTD)	515,441
Non-monetary items			
Equity instruments			
THB	784,739	0.8840 (THB:NTD)	693,710

Financial liabilities

Monetary items			
USD	79,193	31.9900 (USD:NTD)	2,533,394
EUR	12,434	34.4500 (EUR:NTD)	428,351
JPY	173,268	0.2114 (JPY:NTD)	36,629
RMB	88,275	4.4074 (RMB:NTD)	389,063

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 69,654	30.7350 (USD:NTD)	\$ 2,140,816
EUR	13,832	34.0114 (EUR:NTD)	470,446
JPY	263,139	0.2173 (JPY:NTD)	57,180
RMB	23,258	4.3309 (RMB:NTD)	100,728
Non-monetary items			
Equity instruments			
THB	755,122	0.9017 (THB:NTD)	680,894

Financial liabilities

Monetary items			
USD	78,082	30.7350 (USD:NTD)	2,399,850
EUR	12,761	34.0114 (EUR:NTD)	434,019
JPY	229,265	0.2173 (JPY:NTD)	49,819

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 81,782	30.4540 (USD:NTD)	\$ 2,490,589
EUR	18,078	33.1492 (EUR:NTD)	599,271
JPY	416,832	0.2287 (JPY:NTD)	95,329
RMB	23,701	4.4325 (RMB:NTD)	105,055
Non-monetary items			
Equity instruments			
THB	702,293	0.8973 (THB:NTD)	630,168
<u>Financial liabilities</u>			
Monetary items			
USD	81,736	30.4540 (USD:NTD)	2,489,188
EUR	13,837	33.1492 (EUR:NTD)	458,685
JPY	397,143	0.2287 (JPY:NTD)	90,827

Please refer to the consolidated statements of income for the aggregate of realized and unrealized foreign currency exchange gains and losses for the three months ended March 31, 2024 and 2023. Due to various kinds of foreign currency transactions and functional currencies of the Corporation's subsidiaries, it is not possible to disclose exchange gains and losses separately for material impacts of foreign currency.

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others: Table 1.
- 2) Endorsements/guarantees provided: Table 2.
- 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3.
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
- 9) Trading in derivative instruments: Refer to Note 7.

- 10) Intercompany relationships and significant intercompany transactions: Table 6.
- b. Information on investees (excluding investees in mainland China): Table 7.
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 8.
 - 2) Any of significant transactions with investee companies in mainland China, either directly or indirectly through a company in third area, and their prices, payment terms, and unrealized gains or losses: Table 6.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9.

35. OPERATING SEGMENT INFORMATION

Segment Revenues and Results

The information of the Group's revenues and results by segment was as follows:

	Synthetic Rubber	Non-synthetic Rubber	Others	Total
For the three months ended <u>March 31, 2024</u>				
Revenue from external customers	<u>\$ 8,551,889</u>	<u>\$ 193,573</u>	<u>\$ -</u>	<u>\$ 8,745,462</u>
Segment income	<u>\$ 574,187</u>	<u>\$ (36,315)</u>	<u>\$ (39,719)</u>	<u>\$ 498,153</u>
For the three months ended <u>March 31, 2023</u>				
Revenue from external customers	<u>\$ 7,953,770</u>	<u>\$ 159,960</u>	<u>\$ -</u>	<u>\$ 8,113,730</u>
Segment income	<u>\$ 491,119</u>	<u>\$ (53,165)</u>	<u>\$ (26,005)</u>	<u>\$ 411,949</u>

TABLE 1

TSRC CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 5)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 2)	Note
													Item	Value			
1	TSRC (Shanghai) Industries Ltd.	TSRC (Nantong) Industries Ltd.	Entrusted loans	Yes	\$ 74,033	\$ 30,852	\$ 30,852	3.10	2	\$ -	Operational turnaround	\$ -	-	\$ -	\$ 165,925	\$ 331,850	Note 6
2	TSRC (Hong Kong) Ltd.	TSRC (Vietnam) Co., Ltd.	Other receivables from related parties	Yes	63,980	63,980	12,796	6.49-6.78	2	-	Operational turnaround	-	-	-	1,415,768	2,831,535	Note 6

Note 1: The loan limit extended per party should not be over 10% of the total equity. However, if the counterparty is a subsidiary 100% owned, directly or indirectly by TSRC, the loan limit extended per party should not be over 50% of the total equity of the most recent financial statements audited or reviewed by a CPA.

Note 2: The maximum loan extended to all parties should not be over 40% of the total equity. However, if the counterparty is a subsidiary 100% owned, directly or indirectly by TSRC, the loan limit should not be over 100% of total equity of the most recent financial statements audited or reviewed by a CPA.

Note 3: The fund of loan and the loan to the other party are 100% owned by TSRC.

Note 4: Credit period: The financing period should not be over one year.

Note 5: Loans to other parties are numbered is as follows:

a. If its ordinary business relationship, the number is “1”.

b. If it needs short-term financial funds, the number is “2”.

Note 6: The amount was eliminated upon consolidation.

TABLE 2

TSRC CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
0	TSRC Corporation	TSRC (USA) Investment Corporation	d	\$ 11,919,318 (Note 2)	\$ 319,900	\$ 319,900	\$ 76,456	\$ -	1.61	\$ 29,798,295 (Note 3)	Y	-	-	
		TSRC (Vietnam) Co., Ltd.	d	11,919,318 (Note 2)	591,815	591,815	438,263	-	2.98	29,798,295 (Note 3)	Y	-	-	

Note 1: Relationship between endorser/guarantor and endorsee/guarantee are categorized as follows:

- a. A company that the Corporation has business relationship with.
- b. The Corporation owns directly or indirectly over 50% ownership of the investee company.
- c. The Company that owns directly or indirectly hold over 50% ownership of the Corporation.
- d. In between companies that were held over 90% of voting shares directly or indirectly by an entity.
- e. The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
- f. Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
- g. According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 2: The limit for endorsement of a single enterprise is 60% of the net value of the Corporation’s latest financial statements, which is calculated to be \$11,919,318 thousand.

Note 3: The maximum limit is 150% of total equity, which is calculated to be \$29,798,295 thousand.

TABLE 3

TSRC CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
TSRC Corporation	<u>Shares</u>						
	Evergreen Steel Corporation	-	Financial assets at FVTOCI	12,148,000	\$ 1,512,426	2.91	\$ 1,512,426
	Thai Synthetic Rubbers Co., Ltd.	-	Financial assets at FVTOCI	599,999	289,538	5.42	289,538
	Hsin-Yung Enterprise Corporation	-	Financial assets at FVTOCI	5,657,000	349,054	3.90	349,054
Dymas Corporation	<u>Shares</u>						
	Thai Synthetic Rubbers Co., Ltd.	-	Financial assets at FVTOCI	837,552	404,172	7.57	404,172

TABLE 4

TSRC CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Polybus Corporation Pte Ltd	Shen Hua Chemical Industries Co., Ltd	Related parties	Purchase	\$ 180,235	70.44	Payment in 40 days after acceptance	\$ -	-	\$ (110,105)	(65.30)	Note
Shen Hua Chemical Industries Co., Ltd.	Polybus Corporation Pte Ltd	Related parties	Sale	(180,235)	(7.68)	Collect receivables in 40 days after confirming	-	-	110,105	6.20	Note
TSRC (Lux) Corporation S.A R.L.	TSRC Specialty Materials LLC	Related parties	Purchase	143,141	24.31	Payment in 90 days after acceptance	-	-	(142,452)	(34.31)	Note
TSRC Specialty Materials LLC	TSRC (Lux) Corporation S.A R.L.	Related parties	Sale	(143,141)	(12.05)	Collect receivables in 90 days after confirming	-	-	142,452	24.10	Note
TSRC (Lux) Corporation S.A R.L.	TSRC (Nantong) Industries Ltd.	Related parties	Purchase	385,150	65.42	Payment in 70 days after acceptance	-	-	(217,817)	(52.47)	Note
TSRC (Nantong) Industries Ltd.	TSRC (Lux) Corporation S.A R.L.	Related parties	Sale	(385,150)	(29.88)	Collect receivables in 70 days after confirming	-	-	217,817	34.40	Note

Note: The amount was eliminated upon consolidation.

TABLE 5

TSRC CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2024
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
TSRC (Nantong) Industries Ltd.	TSRC (Lux) Corporation S.A R.L.	Related parties	Accounts receivable\$ 217,817	6.61 times for a year	\$ -	-	\$ 66,143 (Note 1)	\$ -	Note 2
TSRC Specialty Materials LLC	TSRC (Lux) Corporation S.A R.L.	Associates	Accounts receivable\$ 142,452	4.44 times for a year	\$ -	-	\$ 54,948 (Note 1)	\$ -	Note 2
Shen Hua Chemical Industries Co., Ltd.	Polybus Corporation Pte Ltd	Associates	Accounts receivable\$ 110,105	6.91 times for a year	\$ -	-	\$ 62,798 (Note 1)	\$ -	Note 2

Note 1: Amounts received before May 7, 2024.

Note 2: The amount was eliminated upon consolidation.

TABLE 6

TSRC CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			% to Total Sales or Assets (Note 3)
				Financial Statement Account	Amount (Note 4)	Payment Terms	
0	TSRC	TSRC (Nantong) Industries Ltd.	a	Other income and expenses	\$ 12,283	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.14
		TSRC (Lux) Corporation S.A R.L	a	Sales	60,280	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.69
		TSRC (Lux) Corporation S.A R.L	a	Trade receivables from related parties	59,706	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.15
		Polybus Corporation Pte Ltd	a	Sales	15,424	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.18
		TSRC Specialty Materials LLC	a	Sales	74,873	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.86
		TSRC Specialty Materials LLC	a	Trade receivables from related parties	69,471	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.17
		TSRC (Nantong) Industries Ltd.	a	Other income and expenses	17,717	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.20
		TSRC (Nantong) Industries Ltd.	a	Sales	31,235	The transaction is not significantly different from normal transactions, and the collection terms were about six months	0.36
		Shen Hua Chemical Industries Co., Ltd.	a	Sales	49,977	The transaction is not significantly different from normal transactions, and the collection terms were about six months	0.57
		TSRC-UBE (Nantong) Industries Ltd.	a	Sales	46,853	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.54
1	TSRC (Nantong) Industries Ltd.	TSRC (Shanghai) Industries Ltd.	c	Sales	20,273	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.23
		Polybus Corporation Pte Ltd	c	Sales	59,801	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.68

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			% to Total Sales or Assets (Note 3)
				Financial Statement Account	Amount (Note 4)	Payment Terms	
		Polybus Corporation Pte Ltd	c	Trade receivables from related parties	\$ 43,466	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.11
		TSRC (Lux) Corporation S.A R.L	c	Sales	385,150	The transaction is not significantly different from normal transactions, and the collection terms were about two months	4.40
		TSRC (Lux) Corporation S.A R.L	c	Trade receivables from related parties	217,817	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.54
		TSRC-UBE (Nantong) Industries Ltd.	c	Other income and expenses	79,255	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.91
2	TSRC Specialty Materials LLC	TSRC (Lux) Corporation S.A R.L	c	Sales	143,141	The transaction is not significantly different from normal transactions, and the collection terms were about three months	1.64
		TSRC (Lux) Corporation S.A R.L	c	Trade receivables from related parties	142,452	The transaction is not significantly different from normal transactions, and the collection terms were about three months	0.35
3	Shen Hua Chemical Industries Co., Ltd	Polybus Corporation Pte Ltd	c	Sales	180,235	The transaction is not significantly different from normal transactions, and the collection terms were about two months	2.06
		Polybus Corporation Pte Ltd	c	Trade receivables from related parties	110,105	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.27

Note 1: Business relationships between the parent and subsidiaries are numbered as follows:

- a. Parent: 0.
- b. Subsidiaries, sequentially numbered by Arabic numerals from 1.

Note 2: Relationships between counterparties are categorized as follows:

- a. Parent to subsidiary.
- b. Subsidiary to parent.
- c. One subsidiary to another subsidiary.

Note 3: For balance sheet items, over 0.1% of total consolidated assets, and for profit or loss items, over 0.1% of total consolidated revenue were selected for disclosure.

Note 4: The amount was eliminated upon consolidation.

(Concluded)

TABLE 7

TSRC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2024	December 31, 2023	Shares	%	Carrying Amount			
TSRC	Trimurti Holding Corporation	Palm Grove House, P.O. BOX 438, Road Town, Tortola B.V.I.	Investment	\$ 1,005,495	\$ 1,005,495	86,920,000	100.00	\$ 17,765,282	\$ 290,532	\$ 290,532	Subsidiary (Note 3)
	Hardison International Corporation	Palm Grove House, P.O. BOX 438, Road Town, Tortola B.V.I.	Investment	109,442	109,442	3,896,305	100.00	874,798	(2,061)	(2,061)	Subsidiary (Note 3)
	Dymas Corporation	Palm Grove House, P.O. BOX 438, Road Town, Tortola B.V.I.	Investment	38,376	38,376	1,161,004	19.48	193,164	4,938	962	Subsidiary (Notes 2 and 3)
	TSRC (Vietnam) Co., Ltd.	8 VSIP II-A Street 31, Vietnam Singapore Industrial Park II-A, Tan Uyen Town, Binh Duong Province, Vietnam	Production and processing of rubber color masterbatch, thermoplastic elastomer and plastic compound products	387,585	387,585	-	100.00	97,320	(23,760)	(23,760)	Subsidiary (Note 3)
Trimurti Holding Corporation	Polybus Corporation Pte Ltd	100 Peck Seah Street #09-16 Singapore 079333	International commerce and investment corporation	2,738,376 (US\$ 85,601)	2,738,376 (US\$ 85,601)	133,728,000	100.00	10,067,380	195,685	195,685	Subsidiary (Note 3)
	TSRC (Hong Kong) Limited	15/F BOC Group Life Assurance Tower 136 Des Voeux Road Central	Investment	3,322,162 (US\$ 103,850)	3,322,162 (US\$ 103,850)	103,850,000	100.00	2,831,535	(53,038)	(53,038)	Subsidiary (Note 3)
	Indian Synthetic Rubber Private Limited	Room No. 702, Indian Oil Bhawan, 1 Sri Aurobindo Marg, Yusuf Sarai, New Delhi 110016, India	Production and sale of synthetic rubber products	942,841 (US\$ 29,473)	942,841 (US\$ 29,473)	222,861,375	50.00	1,687,990	222,865	111,432	Joint ventures
TSRC (Hong Kong) Limited	TSRC (Lux.) Corporation S.A R.L.	39-43 avenue de la Liberte L-1931 Luxembourg	International commerce and investment	2,579,258 (EUR 74,870)	2,579,258 (EUR 74,870)	74,869,617	100.00	2,363,431	(64,971)	(64,971)	Subsidiary (Note 3)
TSRC (Lux.) Corporation S.A R.L.	TSRC (USA) Investment Corporation	2711 Centerville Road, Suite 400, Country of New Castle, Wilmington Delaware., 19808	Investment	3,072,640 (US\$ 96,050)	3,072,640 (US\$ 96,050)	130	100.00	2,436,098	(62,110)	(62,110)	Subsidiary (Note 3)
TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	23027 Elkana Deane Lane, Katy, Texas 77449-3696	Production and sale of TPE	6,993,558 (US\$ 218,617)	6,993,558 (US\$ 218,617)	-	100.00	1,683,888	(53,470)	(53,470)	Subsidiary (Note 3)
Hardison International Corporation	Triton International Holdings Corporation	Palm Grove House, P.O. BOX 438, Road Town, Tortola B.V.I.	Investment	1,600 (US\$ 50)	1,600 (US\$ 50)	50,000	100.00	53,078	(5,955)	(5,955)	Subsidiary (Note 3)
	Dymas Corporation	Palm Grove House, P.O. BOX 438, Road Town, Tortola B.V.I.	Investment	153,520 (US\$ 4,799)	153,520 (US\$ 4,799)	4,798,566	80.52	819,752	4,938	3,976	Subsidiary (Note 3)
Dymas Corporation	Asia Pacific Energy Development Co., Ltd.	Cayman Islands	Consulting for electric power facilities management and electrical system design	120,378 (US\$ 3,763)	361,007 (US\$ 11,285)	70	37.78	(2,538)	1,638	619	Associate

Note 1: Amounts in foreign currencies were translated based on the exchange rate at the reporting date (US\$1 to NT\$31.9900; EUR1 to NT\$34.4500).

Note 2: TSRC directly owns 19.48% of Dymas’s equity and indirectly owns 80.52% via Hardison International Corporation, total directly and indirectly owns of equity are 100%.

Note 3: The amount was eliminated upon consolidation.

TABLE 8

TSRC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 4)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	Note
					Outward	Inward							
Shen Hua Chemical Industries Co., Ltd.	Production and sale of synthetic rubber products	\$ 1,318,628 (US\$ 41,220)	b. 1)	\$ -	\$ -	\$ -	\$ -	\$ 110,816	88.00	\$ 97,518 b	\$ 3,745,350	\$ 4,786,340	Note 3
Changzhou Asia Pacific Co-generation Co., Ltd.	Power generation and sale of electricity and steam	738,969 (US\$ 23,100)	b. 2)	122,586 (US\$ 3,832)	-	-	122,586 (US\$ 3,832)	-	-	- a	-	358,308	Note 7
TSRC (Shanghai) Industries Ltd.	Production and sale of compounding materials	175,945 (US\$ 5,500)	b. 2)	125,401 (US\$ 3,920)	-	-	125,401 (US\$ 3,920)	11,455	100.00	11,455 a	322,398	-	Note 3
Nantong Qix Storage Co., Ltd.	Storehouse for chemicals	95,970 (US\$ 3,000)	b. 4)	47,985 (US\$ 1,500)	-	-	47,985 (US\$ 1,500)	(11,795)	50.00	(5,898) a	52,876	74,060	-
TSRC-UBE (Nantong) Chemical Industrial Co., Ltd.	Production and sale of synthetic rubber products	1,279,600 (US\$ 40,000)	b. 1)	31,990 (US\$ 1,000)	-	-	31,990 (US\$ 1,000)	66,672	55.00	36,670 a	1,108,404	208,813	Note 3
TSRC (Nantong) Industries Ltd.	Production and sale of TPE	3,362,949 (US\$ 105,125)	b. 1)	212,670 (US\$ 6,648)	-	-	212,670 (US\$ 6,648)	62,876	100.00	62,876 b	3,862,787	440,864	Note 3
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	Production and sale of NBR	1,433,152 (US\$ 44,800)	b. 1)	-	-	-	-	13,162	50.00	6,581 a	739,549	-	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$535,833 (US\$16,750)	\$6,655,456 (US\$208,048) (Note 6)	No upper limit on the amount of investment (Note 5)

Note 1: The methods of making investments include the following:

a. Direct investment in mainland China.

b. Through the establishment of third-region companies, then investing in China.

1) Through the establishment of Polybus Corporation Pte Ltd, then investing in China.

2) Through the establishment of TSRC (Hong Kong) Limited, then investing in China.

3) Through the establishment of Asia Pacific Energy Development Co., Ltd., then investing in China.

4) Through the establishment of Triton International Holdings Corporation, then investing in China.

c. Other methods.

Note 2: Amounts in foreign currencies were translated based on the exchange rate at the reporting date (US\$1 to NT\$31.9900)

Note 3: The amount was eliminated upon consolidation.

(Continued)

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Note 4: Investment income (loss) and book value column:

- a. Based on financial statements that have not been reviewed by CPA.
- b. Investment income (loss) was calculated based on financial statements that have been reviewed by CPA of parent company.

Note 5: In accordance with the “Regulations on Permission for Investment or Technical Cooperation in Mainland China” and the “Principles for Examination of Applications for Investment or Technical Cooperation in Mainland China” amended and ratified by the Executive Yuan on August 22, 2008, the Company met the criteria for operational headquarters under the Statute for Industrial Innovation and obtained approval from the Industrial Development Bureau, Ministry of Economic Affairs, on August 18, 2021. As it has an operational headquarters status, the Company is not subject to the limitation as to the amount of investment in China during the period from August 12, 2021 to August 11, 2024.

Note 6: This amount includes capital increase out of earnings, approved by the Investment Commission, MOEA.

Note 7: The company invested in Changzhou Asia Pacific Co-generation Co., Ltd., with 100% equity held through Asia Pacific Energy Development Co., Ltd., and the transaction was completed in November 2023. It has not been approved by the Investment Commission, MOEA yet.

(Concluded)

TABLE 9**TSRC CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Panama Banco Industrial Company	69,524,417	8.41
Han-De Construction Co., Ltd.	63,093,108	7.64
Wei Dah Development Co., Ltd.	53,708,923	6.50

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.