

TSRC Corporation and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 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 September 30, 2024, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and for the nine months ended September 30, 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the nine 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 September 30, 2024, the combined total assets of these non-significant subsidiaries were NT\$3,915,125 thousand, representing 9% of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$848,706 thousand, representing 4% of the consolidated total liabilities; for the three months ended September 30, 2024, the amounts of combined comprehensive income of these subsidiaries were NT\$175,093 thousand, representing 75% of the consolidated total comprehensive income, and for the nine months ended September 30, 2024, the amounts of combined comprehensive income of these subsidiaries were NT\$289,282 thousand, representing 16% of the consolidated total comprehensive income. Also, as stated in Note 12 of the consolidated financial statements, as of September 30, 2024, the investments accounted for using the equity method were NT\$2,780,247 thousand. For the three months ended September 30, 2024 and for the nine months ended September 30, 2024, the amounts of the Group's share of the profit of such investments accounted for using equity method were NT\$170,738 thousand and NT\$466,888 thousand, respectively, 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 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 September 30, 2024, its consolidated financial performance for the three months ended September 30, 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 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 nine months ended September 30, 2023 were reviewed by the other auditors, who issued a qualified review report dated November 2, 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

November 5, 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)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023 (Adjusted (Note))	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 3 and 6)	\$ 5,786,521	13	\$ 5,448,591	14	\$ 6,152,028	16
Financial assets at fair value through profit or loss - current (Note 7)	27	-	-	-	26,804	-
Notes receivable, net (Note 8)	1,295,704	3	909,650	2	992,030	3
Accounts receivable, net (Note 8)	4,231,158	10	3,366,850	9	3,594,801	9
Other receivables (Notes 8 and 29)	265,163	1	233,833	1	228,497	1
Inventories (Note 9)	7,211,676	17	6,652,861	18	5,771,819	15
Other current assets (Note 3)	670,690	1	528,446	1	696,460	2
Total current assets	<u>19,460,939</u>	<u>45</u>	<u>17,140,231</u>	<u>45</u>	<u>17,462,439</u>	<u>46</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 10)	2,474,912	6	2,411,941	6	2,735,236	7
Investments accounted for under equity method (Note 12)	2,780,247	6	2,576,042	7	2,495,210	7
Property, plant and equipment (Notes 13, 30 and 31)	13,742,216	32	10,506,134	28	9,836,788	26
Right-of-use assets (Notes 14, 30 and 32)	1,598,327	4	1,628,017	4	1,719,409	4
Investment property (Note 15)	1,511,653	3	1,522,697	4	1,526,379	4
Intangible assets (Note 16)	674,785	2	739,458	2	807,611	2
Deferred income tax assets (Note 23)	598,171	1	536,615	1	481,587	1
Other non-current assets (Note 30)	242,422	1	927,242	3	1,026,516	3
Total non-current assets	<u>23,622,733</u>	<u>55</u>	<u>20,848,146</u>	<u>55</u>	<u>20,628,736</u>	<u>54</u>
TOTAL	<u>\$ 43,083,672</u>	<u>100</u>	<u>\$ 37,988,377</u>	<u>100</u>	<u>\$ 38,091,175</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 5,677,307	13	\$ 4,580,149	12	\$ 5,395,546	14
Short-term bills payable (Note 17)	193,932	-	-	-	454,720	1
Financial liabilities at fair value through profit or loss - current (Note 7)	15,676	-	18,531	-	-	-
Accounts payable	2,150,435	5	2,091,719	5	1,413,283	4
Accounts payable-related parties (Note 29)	97,649	-	59,179	-	-	-
Other payables (Note 29)	1,594,326	4	1,472,539	4	1,238,773	3
Current income tax liabilities (Note 23)	298,158	1	357,994	1	442,232	1
Lease liabilities - current (Note 14)	157,264	-	144,672	-	151,093	1
Current portion of long-term borrowings (Notes 17 and 30)	532,433	1	1,494,060	4	1,649,930	4
Other current liabilities	214,705	1	214,590	1	169,585	1
Total current liabilities	<u>10,931,885</u>	<u>25</u>	<u>10,433,433</u>	<u>27</u>	<u>10,915,162</u>	<u>29</u>
NON-CURRENT LIABILITIES						
Long-term bank borrowings (Notes 17 and 30)	6,219,216	14	3,182,586	8	1,975,636	5
Provisions - non-current (Notes 18, 29 and 32)	258,600	1	241,016	1	246,451	1
Non-current income tax liabilities (Note 23)	46,130	-	98,026	-	115,325	-
Deferred income tax liabilities (Note 23)	2,005,806	5	1,617,177	4	1,491,615	4
Lease liabilities - non-current (Note 14)	472,212	1	535,336	2	589,411	1
Other non-current liabilities (Notes 12 and 32)	1,200,517	3	1,079,009	3	755,084	2
Total non-current liabilities	<u>10,202,481</u>	<u>24</u>	<u>6,753,150</u>	<u>18</u>	<u>5,173,522</u>	<u>13</u>
Total liabilities	<u>21,134,366</u>	<u>49</u>	<u>17,186,583</u>	<u>45</u>	<u>16,088,684</u>	<u>42</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Note 20)						
Common stock	8,257,099	19	8,257,099	22	8,257,099	22
Capital surplus	55,977	-	179,833	-	51,844	-
Retained earnings						
Legal reserve	4,713,729	11	4,647,059	12	4,647,059	12
Unappropriated earnings	4,669,424	11	4,135,538	11	3,924,247	10
	<u>9,383,153</u>	<u>22</u>	<u>8,782,597</u>	<u>23</u>	<u>8,571,306</u>	<u>22</u>
Other equity	2,850,859	7	2,202,291	6	2,870,533	8
Total equity attributable to shareholders of the Company	<u>20,547,088</u>	<u>48</u>	<u>19,421,820</u>	<u>51</u>	<u>19,750,782</u>	<u>52</u>
NON-CONTROLLING INTERESTS (Note 11)	<u>1,402,218</u>	<u>3</u>	<u>1,379,974</u>	<u>4</u>	<u>2,251,709</u>	<u>6</u>
Total equity	<u>21,949,306</u>	<u>51</u>	<u>20,801,794</u>	<u>55</u>	<u>22,002,491</u>	<u>58</u>
TOTAL	<u>\$ 43,083,672</u>	<u>100</u>	<u>\$ 37,988,377</u>	<u>100</u>	<u>\$ 38,091,175</u>	<u>100</u>

Note: Please refer to Note 3-d.

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

(With Deloitte & Touche review report dated November 5, 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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 29)	\$ 9,929,893	100	\$ 7,688,862	100	\$ 27,620,063	100	\$ 23,544,682	100
OPERATING COSTS (Notes 9, 22 and 29)	<u>8,884,025</u>	<u>89</u>	<u>6,961,838</u>	<u>91</u>	<u>24,452,296</u>	<u>88</u>	<u>21,204,626</u>	<u>90</u>
GROSS PROFIT	<u>1,045,868</u>	<u>11</u>	<u>727,024</u>	<u>9</u>	<u>3,167,767</u>	<u>12</u>	<u>2,340,056</u>	<u>10</u>
OPERATING EXPENSES (Note 22)								
Selling expenses	384,900	4	283,069	4	1,043,990	4	845,510	4
General and administrative expenses	272,507	3	250,700	3	795,750	3	797,839	3
Research and development expenses	108,613	1	92,969	1	307,099	1	289,391	1
Expected credit loss (reversed) on trade receivables	<u>(4)</u>	<u>-</u>	<u>(3,767)</u>	<u>-</u>	<u>(197)</u>	<u>-</u>	<u>(911)</u>	<u>-</u>
Total operating expenses	<u>766,016</u>	<u>8</u>	<u>622,971</u>	<u>8</u>	<u>2,146,642</u>	<u>8</u>	<u>1,931,829</u>	<u>8</u>
OTHER INCOME AND EXPENSES, NET (Notes 22 and 29)	<u>35,805</u>	<u>-</u>	<u>60,543</u>	<u>1</u>	<u>125,143</u>	<u>-</u>	<u>163,338</u>	<u>-</u>
OPERATING PROFIT	<u>315,657</u>	<u>3</u>	<u>164,596</u>	<u>2</u>	<u>1,146,268</u>	<u>4</u>	<u>571,565</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)								
Interest income	66,047	1	62,414	1	188,961	1	171,585	1
Other income	151,600	1	99,571	1	174,228	-	122,199	1
Other gains and losses	21,392	-	21,585	-	33,462	-	41,287	-
Finance costs	(104,556)	(1)	(93,072)	(1)	(300,307)	(1)	(261,269)	(1)
Share of gain of associates and joint ventures accounted for under equity method	<u>170,738</u>	<u>2</u>	<u>103,558</u>	<u>2</u>	<u>466,888</u>	<u>2</u>	<u>313,117</u>	<u>1</u>
Total non-operating income	<u>305,221</u>	<u>3</u>	<u>194,056</u>	<u>3</u>	<u>563,232</u>	<u>2</u>	<u>386,919</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	620,878	6	358,652	5	1,709,500	6	958,484	4
INCOME TAX EXPENSE (Note 23)	<u>220,176</u>	<u>2</u>	<u>125,582</u>	<u>2</u>	<u>631,621</u>	<u>2</u>	<u>297,620</u>	<u>1</u>
NET PROFIT FOR THE PERIOD	<u>400,702</u>	<u>4</u>	<u>233,070</u>	<u>3</u>	<u>1,077,879</u>	<u>4</u>	<u>660,864</u>	<u>3</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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	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	\$ (71,223)	(1)	\$ 666,772	9	\$ 61,223	-	\$ 1,309,362	5
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 23)	<u>(74,345)</u>	<u>(1)</u>	<u>(49,120)</u>	<u>(1)</u>	<u>(82,463)</u>	<u>-</u>	<u>(80,960)</u>	<u>-</u>
	<u>(145,568)</u>	<u>(2)</u>	<u>617,652</u>	<u>8</u>	<u>(21,240)</u>	<u>-</u>	<u>1,228,402</u>	<u>5</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(68,926)	(1)	674,007	9	736,611	2	543,525	2
Share of the other comprehensive income of associates and joint ventures accounted for using equity method	<u>47,522</u>	<u>1</u>	<u>(90,256)</u>	<u>(1)</u>	<u>(4,272)</u>	<u>-</u>	<u>(107,795)</u>	<u>-</u>
	<u>(21,404)</u>	<u>-</u>	<u>583,751</u>	<u>8</u>	<u>732,339</u>	<u>2</u>	<u>435,730</u>	<u>2</u>
Other comprehensive income for the period, net of income tax	<u>(166,972)</u>	<u>(2)</u>	<u>1,201,403</u>	<u>16</u>	<u>711,099</u>	<u>2</u>	<u>1,664,132</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 233,730</u>	<u>2</u>	<u>\$ 1,434,473</u>	<u>19</u>	<u>\$ 1,788,978</u>	<u>6</u>	<u>\$ 2,324,996</u>	<u>10</u>
NET INCOME								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 353,113	4	\$ 158,289	2	\$ 939,097	3	\$ 455,409	2
Non-controlling interests	<u>47,589</u>	<u>-</u>	<u>74,781</u>	<u>1</u>	<u>138,782</u>	<u>1</u>	<u>205,455</u>	<u>1</u>
	<u>\$ 400,702</u>	<u>4</u>	<u>\$ 233,070</u>	<u>3</u>	<u>\$ 1,077,879</u>	<u>4</u>	<u>\$ 660,864</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 160,326	1	\$ 1,289,582	17	\$ 1,587,665	6	\$ 2,115,880	9
Non-controlling interests	<u>73,404</u>	<u>1</u>	<u>144,891</u>	<u>2</u>	<u>201,313</u>	<u>-</u>	<u>209,116</u>	<u>1</u>
	<u>\$ 233,730</u>	<u>2</u>	<u>\$ 1,434,473</u>	<u>19</u>	<u>\$ 1,788,978</u>	<u>6</u>	<u>\$ 2,324,996</u>	<u>10</u>
EARNINGS PER SHARE (Note 24)								
Basic	<u>\$ 0.43</u>		<u>\$ 0.19</u>		<u>\$ 1.14</u>		<u>\$ 0.55</u>	
Diluted	<u>\$ 0.42</u>		<u>\$ 0.19</u>		<u>\$ 1.13</u>		<u>\$ 0.55</u>	

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

(With Deloitte & Touche review report dated November 5, 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			Total Equity Attributable to Owners of Parent	Non-controlling Interests	Total Equity	
	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
				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:												
Legal reserve	-	-	183,475	(183,475)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	(891,767)	(891,767)	-	-	-	-	(891,767)	-	(891,767)
Cash dividends distributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(162,120)	(162,120)
Other changes in capital surplus	-	119	-	-	-	-	-	-	-	119	-	119
Net income	-	-	-	455,409	455,409	-	-	-	-	455,409	205,455	660,864
Other comprehensive income (loss)	-	-	-	-	-	428,825	1,228,402	3,244	1,660,471	1,660,471	3,661	1,664,132
Total comprehensive income (loss)	-	-	-	455,409	455,409	428,825	1,228,402	3,244	1,660,471	2,115,880	209,116	2,324,996
BALANCE AT SEPTEMBER 30, 2023	\$ 8,257,099	\$ 51,844	\$ 4,647,059	\$ 3,924,247	\$ 8,571,306	\$ 680,595	\$ 2,232,483	\$ (42,545)	\$ 2,870,533	\$ 19,750,782	\$ 2,251,709	\$ 22,002,491
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:												
Legal reserve	-	-	66,670	(66,670)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	(338,541)	(338,541)	-	-	-	-	(338,541)	-	(338,541)
Cash dividends distributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(179,069)	(179,069)
Cash dividends from capital surplus	-	(123,856)	-	-	-	-	-	-	-	(123,856)	-	(123,856)
Net income	-	-	-	939,097	939,097	-	-	-	-	939,097	138,782	1,077,879
Other comprehensive income (loss)	-	-	-	-	-	658,656	(21,240)	11,152	648,568	648,568	62,531	711,099
Total comprehensive income (loss)	-	-	-	939,097	939,097	658,656	(21,240)	11,152	648,568	1,587,665	201,313	1,788,978
BALANCE AT SEPTEMBER 30, 2024	\$ 8,257,099	\$ 55,977	\$ 4,713,729	\$ 4,669,424	\$ 9,383,153	\$ 933,479	\$ 1,948,897	\$ (31,517)	\$ 2,850,859	\$ 20,547,088	\$ 1,402,218	\$ 21,949,306

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

(With Deloitte & Touche review report dated November 5, 2024)

TSRC CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023 (Adjusted (Note))
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income before tax	\$ 1,709,500	\$ 958,484
Depreciation	815,350	900,270
Amortization	103,782	101,682
Expected credit (reversal) loss on trade receivables	(197)	(911)
Interest expense	300,307	261,269
Interest income	(188,961)	(171,585)
Dividend income	(174,228)	(122,199)
Share of profit of associates and joint ventures accounted for under equity method	(466,888)	(313,117)
Loss on disposal of property, plant and equipment	2,369	4,953
Transfer to operating costs and inventories	58,771	58,858
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	(27)	(26,790)
Notes receivable	(386,054)	(51,092)
Accounts receivable	(864,180)	(549,250)
Other receivables	(23,866)	(62,642)
Inventories	(558,815)	1,720,213
Other current assets	(142,244)	(187,050)
Financial liabilities at fair value through profit or loss	(2,855)	(36,729)
Accounts payable	58,716	(221,000)
Accounts payable - related parties	38,470	(33,236)
Other payables	(132,367)	(204,853)
Other current liabilities	115	(103,322)
Net defined benefit liability	(3,119)	(601)
Other non-current liabilities	(25,836)	17,826
Cash flow generated from operating activities	117,743	1,939,178
Interest income received	181,497	152,332
Interest paid	(299,607)	(247,062)
Income taxes paid	(498,743)	(237,797)
Net cash flow (used in) generated from operating activities	<u>(499,110)</u>	<u>1,606,651</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	(2,654,821)	(655,254)
Proceeds from disposal of property, plant and equipment	594	1,393
Decrease (increase) in other non-current assets	(11,757)	(725,803)
Dividends received	285,071	173,480
Compensation for relocation	122,349	424,835
Net cash flow used in investing activities	<u>(2,022,168)</u>	<u>(781,349)</u>

(Continued)

TSRC CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023 (Adjusted (Note))
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 21,363,613	\$ 28,267,978
Decrease in short-term borrowings	(20,448,599)	(29,163,252)
Increase in short-term commercial paper payable	2,433,000	3,741,000
Decrease in short-term commercial paper payable	(2,239,000)	(3,536,000)
Proceeds from long-term borrowings	3,672,413	1,406,942
Repayments of long-term borrowings	(1,664,428)	(663,194)
Decrease in other long-term commercial paper payable	-	(350,000)
Repayments of lease liabilities	(127,849)	(128,597)
Cash dividends paid	(463,068)	(896,368)
Cash dividends paid to non-controlling interests	(179,069)	(162,120)
	<u>2,347,013</u>	<u>(1,483,611)</u>
Net cash flow generated from (used in) financing activities		
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>512,195</u>	<u>477,282</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	337,930	(181,027)
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>\$ 5,786,521</u>	<u>\$ 6,152,028</u>

Note: Please refer to Note 3-d.

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

(With Deloitte & Touche review report dated November 5, 2024)

(Concluded)

TSRC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 November 5, 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 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 Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
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Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)
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Note: 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.

Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange

transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
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 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

d. 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 \$35,766 thousand on September 30, 2023. The impact on cash flows for the nine months ended September 30, 2023 was as follows:

	Adjustments
Net cash used in investing activities	<u>\$ (18,669)</u>
Net decrease in cash and cash equivalents	<u>\$ (18,669)</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 which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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 an 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 an asset or liability.

c. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, 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 Company.

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 Company 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 Company.

See Note 11, Tables 7 and 8 for detailed information on subsidiaries (including 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

	September 30, 2024	December 31, 2023	September 30, 2023 (Adjusted (Note))
Cash on hand	\$ 482	\$ 412	\$ 461
Checking accounts and demand deposits	585,248	828,647	695,322
Cash equivalents			
Time deposits	<u>5,200,791</u>	<u>4,619,532</u>	<u>5,456,245</u>
	<u>\$ 5,786,521</u>	<u>\$ 5,448,591</u>	<u>\$ 6,152,028</u>

Note: Please refer to Note 3-d.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts			
Cross-currency swap contracts	\$ <u>27</u>	\$ <u>-</u>	\$ <u>26,804</u>
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts			
Cross-currency swap contracts	\$ <u>15,676</u>	\$ <u>18,531</u>	\$ <u>-</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>September 30, 2024</u>			
Sell (forward contracts)	EUR/USD	2024.10.15-2024.12.27	EUR1,661/USD1,843
Swap contracts	EUR/USD	2024.10.15-2024.12.27	EUR20,925/USD23,076
Swap contracts	JPY/USD	2024.10.15-2024.10.15	JPY5,000/USD35
Sell (forward contracts)	CNH/USD	2024.10.08-2024.10.09	CNH42,850/USD5,990
<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
<u>September 30, 2023</u>			
Sell (forward contracts)	EUR/USD	2023.10.12-2023.12.12	EUR2,000/USD2,156
Swap contracts	EUR/USD	2023.10.12-2023.12.12	EUR15,905/USD17,689
Swap contracts	JPY/USD	2023.11.13	JPY41,000/USD281

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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ <u>1,295,704</u>	\$ <u>909,650</u>	\$ <u>992,030</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 4,233,520	\$ 3,369,340	\$ 3,598,990
Less: Allowance for impairment loss	<u>(2,362)</u>	<u>(2,490)</u>	<u>(4,189)</u>
	<u>\$ 4,231,158</u>	<u>\$ 3,366,850</u>	<u>\$ 3,594,801</u>
<u>Other receivables</u>			
Other receivables from related parties	\$ 27,956	\$ 46,384	\$ 39,925
Others	<u>237,207</u>	<u>187,449</u>	<u>188,572</u>
	<u>\$ 265,163</u>	<u>\$ 233,833</u>	<u>\$ 228,497</u>

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.

September 30, 2024

	Not Past Due	Past Due Less than 30 Days	Past Due 31 to 90 Days	Past Due 90+ Days	Total
Expected credit loss rate	0.02%	0.61%	21.41%	34.48%	
Gross carrying amount	\$ 5,360,918	\$ 166,729	\$ 1,023	\$ 554	\$ 5,529,224
Loss allowance (Lifetime ECLs)	<u>(941)</u>	<u>(1,011)</u>	<u>(219)</u>	<u>(191)</u>	<u>(2,362)</u>
Amortized cost	<u>\$ 5,359,977</u>	<u>\$ 165,718</u>	<u>\$ 804</u>	<u>\$ 363</u>	<u>\$ 5,526,862</u>

December 31, 2023

	Not Past Due	Past Due Less than 30 Days	Past Due 31 to 90 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>

September 30, 2023

	Not Past Due	Past Due Less than 30 Days	Past Due 31 to 90 Days	Past Due 90+ Days	Total
Expected credit loss rate	0.05%	1.65%	24.39%	100%	
Gross carrying amount	\$ 4,497,818	\$ 92,907	\$ 41	\$ 254	\$ 4,591,020
Loss allowance (Lifetime ECLs)	<u>(2,390)</u>	<u>(1,535)</u>	<u>(10)</u>	<u>(254)</u>	<u>(4,189)</u>
Amortized cost	<u>\$ 4,495,428</u>	<u>\$ 91,372</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 4,586,831</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 2,490	\$ 4,985
Impairment losses (reversed) recognized for the period	(197)	(911)
Foreign exchange gains and losses	<u>69</u>	<u>(115)</u>
Balance at September 30	<u>\$ 2,362</u>	<u>\$ 4,189</u>

9. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Finished goods	\$ 4,745,607	\$ 4,154,853	\$ 3,621,207
Work in progress	364,461	360,455	338,901
Raw materials	<u>2,101,608</u>	<u>2,137,553</u>	<u>1,811,711</u>
	<u>\$ 7,211,676</u>	<u>\$ 6,652,861</u>	<u>\$ 5,771,819</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Cost of inventories sold	\$ 8,734,215	\$ 6,776,645	\$ 24,113,441	\$ 20,678,434
Inventory write-downs (reversed)	(3,157)	(73,175)	(24,306)	(2,148)
Income from sale of scrap	24,947	(7,206)	8,583	(22,936)
Inventory short and over	430	(1,043)	3,189	(1,043)
Unallocated production overhead	<u>127,590</u>	<u>266,617</u>	<u>351,389</u>	<u>552,319</u>
	<u>\$ 8,884,025</u>	<u>\$ 6,961,838</u>	<u>\$ 24,452,296</u>	<u>\$ 21,204,626</u>

The reversal of inventory write-downs for the nine months ended September 30, 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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Investments in equity instruments			
Domestic listed shares	\$ 1,439,538	\$ 1,263,392	\$ 862,508
Domestic and foreign unlisted shares	<u>1,035,374</u>	<u>1,148,549</u>	<u>1,872,728</u>
	<u>\$ 2,474,912</u>	<u>\$ 2,411,941</u>	<u>\$ 2,735,236</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
			September 30, 2024	December 31, 2023	September 30, 2023	
The Corporation	Trimurti Holding Corporation	Investment	100.00	100.00	100.00	-
The Corporation	Hardison International Corporation	Investment	100.00	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	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
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 ESRB	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)

(Concluded)

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% 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		
		September 30, 2024	December 31, 2023	September 30, 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.

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 3,546,064	\$ 3,177,332	\$ 3,005,525
Non-current assets	5,941,891	3,337,134	2,568,951
Current liabilities	(1,054,370)	(890,778)	(579,856)
Non-current liabilities	<u>(3,900,895)</u>	<u>(1,571,440)</u>	<u>(983,208)</u>
Equity	<u>\$ 4,532,690</u>	<u>\$ 4,052,248</u>	<u>\$ 4,011,412</u>
Equity attributable to			
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 3,982,876	\$ 3,565,978	\$ 2,625,068
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>549,814</u>	<u>486,270</u>	<u>1,386,344</u>
	<u>\$ 4,532,690</u>	<u>\$ 4,052,248</u>	<u>\$ 4,011,412</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue	<u>\$ 2,618,437</u>	<u>\$ 1,745,978</u>	<u>\$ 7,279,859</u>	<u>\$ 5,864,957</u>
Net profit for the year	\$ 120,339	\$ 98,592	\$ 294,569	\$ 274,507
Other comprehensive income (loss)	<u>76,384</u>	<u>128,608</u>	<u>185,292</u>	<u>17,798</u>
Total comprehensive income (loss) for the year	<u>\$ 196,723</u>	<u>\$ 227,200</u>	<u>\$ 479,861</u>	<u>\$ 292,305</u>
Profit attributable to Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 102,905	\$ 64,518	\$ 253,260	\$ 179,637
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>17,434</u>	<u>34,074</u>	<u>41,309</u>	<u>94,870</u>
	<u>\$ 120,339</u>	<u>\$ 98,592</u>	<u>\$ 294,569</u>	<u>\$ 274,507</u>
Total comprehensive income (loss) attributable to: Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 170,123	\$ 148,680	\$ 416,317	\$ 191,285
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>26,600</u>	<u>78,520</u>	<u>63,544</u>	<u>101,020</u>
	<u>\$ 196,723</u>	<u>\$ 227,200</u>	<u>\$ 479,861</u>	<u>\$ 292,305</u>
Cash (outflow) inflow from Operating activities			\$ 22,945	\$ 27,325
Investing activities			(2,151,096)	(496,237)
Financing activities			2,063,127	159,098
Effects of exchange rate changes on cash and cash equivalents			<u>26,583</u>	<u>4,444</u>
Net cash (outflow) inflow			<u>\$ (38,441)</u>	<u>\$ (305,370)</u>

TSRC-UBE (Nantong) Industries Ltd.

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 1,538,771	\$ 1,660,419	\$ 1,421,329
Non-current assets	752,305	711,584	739,604
Current liabilities	(353,080)	(345,028)	(213,777)
Non-current liabilities	<u>(43,765)</u>	<u>(40,966)</u>	<u>(24,121)</u>
Equity	<u>\$ 1,894,231</u>	<u>\$ 1,986,009</u>	<u>\$ 1,923,035</u>
Equity attributable to			
Owners of TSRC-UBE (Nantong) Industries Ltd.	\$ 1,041,827	\$ 1,092,305	\$ 1,057,670
Non-controlling interests of TSRC-UBE (Nantong) Industries Ltd.	<u>852,404</u>	<u>893,704</u>	<u>865,365</u>
	<u>\$ 1,894,231</u>	<u>\$ 1,986,009</u>	<u>\$ 1,923,035</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue	<u>\$ 1,200,466</u>	<u>\$ 823,528</u>	<u>\$ 3,093,990</u>	<u>\$ 2,505,062</u>
Net profit for the year	\$ 67,010	\$ 90,462	\$ 216,606	\$ 245,746
Other comprehensive income (loss)	<u>36,999</u>	<u>57,027</u>	<u>89,547</u>	<u>(5,533)</u>
Total comprehensive income for the year	<u>\$ 104,009</u>	<u>\$ 147,489</u>	<u>\$ 306,153</u>	<u>\$ 240,213</u>
Profit attributable to				
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 36,855	\$ 49,755	\$ 119,133	\$ 135,161
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>30,155</u>	<u>40,707</u>	<u>97,473</u>	<u>110,585</u>
	<u>\$ 67,010</u>	<u>\$ 90,462</u>	<u>\$ 216,606</u>	<u>\$ 245,746</u>
Total comprehensive income attributable to:				
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 57,205	\$ 81,118	\$ 168,384	\$ 132,117
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>46,804</u>	<u>66,371</u>	<u>137,769</u>	<u>108,096</u>
	<u>\$ 104,009</u>	<u>\$ 147,489</u>	<u>\$ 306,153</u>	<u>\$ 240,213</u>

(Continued)

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Cash inflow (outflow) from				
Operating activities			\$ 26,999	\$ 242,773
Investing activities			(63,493)	(62,887)
Financing activities			(359,374)	(353,757)
Effects of exchange rate changes on cash and cash equivalents			<u>22,672</u>	<u>2,588</u>
Net cash (outflow) inflow			<u>\$ (373,196)</u>	<u>\$ (171,283)</u>
Dividends paid to non-controlling interest of: TSRC-UBE (Nantong) Industries Ltd.			<u>\$ 179,069</u>	<u>\$ 162,120</u>

(Concluded)

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in associates	\$ 743,946	\$ 1,001,330	\$ 1,002,049
Investments in joint ventures	<u>2,036,301</u>	<u>1,574,712</u>	<u>1,493,161</u>
	<u>\$ 2,780,247</u>	<u>\$ 2,576,042</u>	<u>\$ 2,495,210</u>

Investments in Associates

	September 30, 2024	December 31, 2023	September 30, 2023
Material associate			
ARLANXEO-TSRC (Nantong) Chemicals Industries Co., Ltd.	\$ 743,946	\$ 720,175	\$ 725,489
Associates that are not individually material	<u>-</u>	<u>281,155</u>	<u>276,560</u>
	<u>\$ 743,946</u>	<u>\$ 1,001,330</u>	<u>\$ 1,002,049</u>

a. Material associate

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			September 30, 2024	December 31, 2023	September 30, 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.

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 1,111,503	\$ 1,381,586	\$ 1,251,004
Non-current assets	2,935,267	1,114,726	834,734
Current liabilities	(1,111,124)	(546,923)	(549,127)
Non-current liabilities	<u>(1,447,754)</u>	<u>(509,039)</u>	<u>(85,854)</u>
Equity	<u>\$ 1,487,892</u>	<u>\$ 1,440,350</u>	<u>\$ 1,450,757</u>
Proportion of the Group's ownership	50.00%	50.00%	50.00%
Equity attributable to the Group	\$ 743,946	\$ 720,175	\$ 725,379
Other adjustments	<u>-</u>	<u>-</u>	<u>110</u>
Carrying amount	<u>\$ 743,946</u>	<u>\$ 720,175</u>	<u>\$ 725,489</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue	<u>\$ 522,013</u>	<u>\$ 446,407</u>	<u>\$ 1,397,584</u>	<u>\$ 1,307,110</u>
Net (loss) profit for the year	\$ (26,690)	\$ 63,124	\$ (16,308)	\$ 111,241
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss) income for the year	<u>\$ (26,690)</u>	<u>\$ 63,124</u>	<u>\$ (16,308)</u>	<u>\$ 111,241</u>

b. Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Group's share of:				
Net profit for the period	\$ 264	\$ 8,583	\$ 3,008	\$ 24,788
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 264</u>	<u>\$ 8,583</u>	<u>\$ 3,008</u>	<u>\$ 24,788</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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Investments in joint ventures</u>			
Material joint venture			
Indian Synthetic Rubber Private Limited	\$ 1,988,901	\$ 1,516,994	\$ 1,434,395
Joint ventures that are not individually material	<u>47,400</u>	<u>57,718</u>	<u>58,766</u>
	<u>\$ 2,036,301</u>	<u>\$ 1,574,712</u>	<u>\$ 1,493,161</u>

a. Material joint venture

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			September 30, 2024	December 31, 2023	September 30, 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.

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 2,977,635	\$ 2,985,166	\$ 3,104,559
Non-current assets	3,566,857	2,441,529	2,437,108
Current liabilities	(1,364,611)	(1,212,342)	(1,039,633)
Non-current liabilities	<u>(1,070,732)</u>	<u>(1,051,409)</u>	<u>(1,498,146)</u>
Equity	<u>\$ 4,109,149</u>	<u>\$ 3,162,944</u>	<u>\$ 3,003,888</u>
Proportion of the Group's ownership	50.00%	50.00%	50.00%
Equity attributable to the Group	<u>\$ 2,054,575</u>	<u>\$ 1,581,472</u>	<u>\$ 1,501,944</u>
Carrying amount	<u>\$ 1,988,901</u>	<u>\$ 1,516,994</u>	<u>\$ 1,434,395</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue	\$ 1,972,806	\$ 1,439,449	\$ 5,479,350	\$ 4,296,581
Net profit for the year	\$ 373,162	\$ 127,370	\$ 969,379	\$ 463,597
Other comprehensive income	<u>24,265</u>	<u>10,823</u>	<u>24,265</u>	<u>10,823</u>
Total comprehensive income for the year	<u>\$ 397,427</u>	<u>\$ 138,193</u>	<u>\$ 993,644</u>	<u>\$ 474,420</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Group's share of:				
Net (loss) profit for the period	\$ (2,762)	\$ (272)	\$ (12,655)	\$ 910
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss) income for the period	<u>\$ (2,762)</u>	<u>\$ (272)</u>	<u>\$ (12,655)</u>	<u>\$ 910</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	-	-	7,905	124	2,900,849	2,908,878
Disposals	-	-	(158,640)	(3,781)	-	(162,421)
Reclassification	1,818	(408)	676,245	10,714	(8,163)	680,206
Effects of foreign currency exchange differences	<u>2,933</u>	<u>162,377</u>	<u>571,175</u>	<u>6,286</u>	<u>114,719</u>	<u>857,490</u>
Balance at September 30, 2024	<u>\$ 803,566</u>	<u>\$ 5,153,054</u>	<u>\$ 25,153,431</u>	<u>\$ 287,844</u>	<u>\$ 4,898,382</u>	<u>\$ 36,296,277</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	-	-	(156,055)	(3,403)	-	(159,458)
Depreciation expenses	6,191	103,244	603,103	11,466	-	724,004
Effects of foreign currency exchange differences	<u>1,338</u>	<u>86,282</u>	<u>391,311</u>	<u>4,594</u>	<u>-</u>	<u>483,525</u>
Balance at September 30, 2024	<u>\$ 127,122</u>	<u>\$ 3,138,783</u>	<u>\$ 19,054,674</u>	<u>\$ 233,482</u>	<u>\$ -</u>	<u>\$ 22,554,061</u>
Carrying amounts at September 30, 2024	<u>\$ 676,444</u>	<u>\$ 2,014,271</u>	<u>\$ 6,098,757</u>	<u>\$ 54,362</u>	<u>\$ 4,898,382</u>	<u>\$ 13,742,216</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>

(Continued)

	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, 2023	\$ 798,900	\$ 5,010,910	\$ 23,790,687	\$ 273,702	\$ 790,401	\$ 30,664,600
Additions	-	-	9,154	356	654,661	664,171
Disposals	-	(289)	(75,019)	(8,211)	-	(83,519)
Reclassification	-	31,188	313,191	9,930	(437,915)	(83,606)
Effects of foreign currency exchange differences	4,352	33,192	283,596	3,999	3,000	328,139
Balance at September 30, 2023	<u>\$ 803,252</u>	<u>\$ 5,075,001</u>	<u>\$ 24,321,609</u>	<u>\$ 279,776</u>	<u>\$ 1,010,147</u>	<u>\$ 31,489,785</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	-	(160)	(69,908)	(7,915)	-	(77,173)
Depreciation expenses	6,598	134,560	652,518	12,792	-	806,468
Effects of foreign currency exchange differences	1,786	13,441	227,750	3,097	-	246,074
Balance at September 30, 2023	<u>\$ 119,271</u>	<u>\$ 2,958,903</u>	<u>\$ 18,352,840</u>	<u>\$ 221,983</u>	<u>\$ -</u>	<u>\$ 21,652,997</u>
Carrying amounts at September 30, 2023	<u>\$ 683,981</u>	<u>\$ 2,116,098</u>	<u>\$ 5,968,769</u>	<u>\$ 57,793</u>	<u>\$ 1,010,147</u>	<u>\$ 9,836,788</u>

(Concluded)

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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Land	\$ 1,001,409	\$ 978,169	\$ 1,008,836
Buildings	156,205	169,369	193,828
Machinery	403,702	461,603	494,392
Transportation equipment	37,011	18,876	22,353
	<u>\$ 1,598,327</u>	<u>\$ 1,628,017</u>	<u>\$ 1,719,409</u>
		For the Nine Months Ended September 30	
		2024	2023
Additions to right-of-use assets		<u>\$ 55,145</u>	<u>\$ 878,290</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Depreciation charge for right-of-use assets				
Land	\$ 6,835	\$ 6,629	\$ 20,242	\$ 19,911
Buildings	12,168	13,007	37,310	40,530
Machinery	5,077	4,977	15,098	14,579
Transportation equipment	<u>2,498</u>	<u>2,584</u>	<u>7,652</u>	<u>7,738</u>
	<u>\$ 26,578</u>	<u>\$ 27,197</u>	<u>\$ 80,302</u>	<u>\$ 82,758</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 nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Current	<u>\$ 157,264</u>	<u>\$ 144,672</u>	<u>\$ 151,093</u>
Non-current	<u>\$ 472,212</u>	<u>\$ 535,336</u>	<u>\$ 589,411</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	1.21%-6.45%	1.21%-6.45%	1.21%-6.45%
Machinery	1.86%-3.10%	1.31%-3.10%	1.31%-3.10%
Transportation equipment	1.21%-6.94%	1.21%-6.55%	1.21%-6.55%

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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 182</u>	<u>\$ 248</u>	<u>\$ 772</u>	<u>\$ 821</u>
Expenses relating to low-value assets leases	<u>\$ 8,699</u>	<u>\$ 7,405</u>	<u>\$ 20,976</u>	<u>\$ 15,935</u>
Total cash outflow for leases	<u>\$ 54,724</u>	<u>\$ 57,443</u>	<u>\$ 159,491</u>	<u>\$ 153,552</u>

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 September 30, 2024	<u>\$ 1,815,468</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2024	\$ 292,771
Depreciation expense	<u>11,044</u>
Balance at September 30, 2024	<u>\$ 303,815</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 1,522,697</u>
Carrying amount at September 30, 2024	<u>\$ 1,511,653</u>
<u>Cost</u>	
Balance at January 1, 2024 and September 30, 2023	<u>\$ 1,815,468</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 278,045
Depreciation expense	<u>11,044</u>
Balance at September 30, 2023	<u>\$ 289,089</u>
Carrying amount at September 30, 2023	<u>\$ 1,526,379</u>

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:

	September 30, 2024	December 31, 2023	September 30, 2023
Not later than 1 year	\$ 23,868	\$ 55,310	\$ 70,360
Later than 1 year and not later than 5 years	77,391	84,592	86,533
Later than 5 years	<u>11,365</u>	<u>30,687</u>	<u>25,004</u>
	<u>\$ 112,624</u>	<u>\$ 170,589</u>	<u>\$ 181,897</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

	September 30, 2024	December 31, 2023	September 30, 2023
Industrial technology and know-how	\$ 201,285	\$ 227,137	\$ 253,680
Computer software	22,261	19,204	22,329
Patent and trademark	153,092	176,998	190,407
Customer relationship	<u>298,147</u>	<u>316,119</u>	<u>341,195</u>
	<u>\$ 674,785</u>	<u>\$ 739,458</u>	<u>\$ 807,611</u>

Except for amortization recognized, the Group did not have significant addition, disposal, or impairment of other intangible assets during the nine months ended September 30, 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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 5,677,307</u>	<u>\$ 4,580,149</u>	<u>\$ 5,395,546</u>

The range of weighted average effective interest rates on bank loans was 0.93%-6.56%, 0.85%-6.61% and 0.85%-6.92% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

b. Short-term bills payable

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial paper	\$ 194,000	\$ -	\$ 455,000
Less: Unamortized discounts on bills payable	<u>(68)</u>	<u>-</u>	<u>(280)</u>
	<u>\$ 193,932</u>	<u>\$ -</u>	<u>\$ 454,720</u>
Range of interest Rate	1.92%-1.98%	-	1.87%-1.88%

c. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Secured borrowings (Note 30)</u>			
Bank loans (USD) (1)	\$ -	\$ -	\$ 17,862
Bank loans (RMB) (2)	2,488,826	346,287	65,544
<u>Unsecured borrowings</u>			
Bank loans (NTD) (3)	3,588,815	3,841,827	3,034,423
Bank loans (USD) (4)	<u>674,008</u>	<u>488,532</u>	<u>507,737</u>
	6,751,649	4,676,646	3,625,566
Less: Current portion	<u>(532,433)</u>	<u>(1,494,060)</u>	<u>(1,649,930)</u>
Long-term borrowings	<u>\$ 6,219,216</u>	<u>\$ 3,182,586</u>	<u>\$ 1,975,636</u>

1) September 30, 2023: The loan will be repayable in 2023 with interest at 4.38%.

2) September 30, 2024: The loan will be repayable in 2032 with interest at 2.66%-2.85%.

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

September 30, 2023: The loan will be repayable in 2026-2032 with interest at 2.85%.

3) September 30, 2024: The loan will be repayable in 2025-2029 with interest at 1.33%-2.37%.

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

September 30, 2023: The loan will be repayable in 2023-2028 with interest at 1.05%-2.32%.

4) September 30, 2024: The loan will be repayable in 2024-2028 with interest at 6.40%-6.81%.

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

September 30, 2023: The loan will be repayable in 2023-2028 with interest at 6.83%-7.03%.

18. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Guarantees	\$ -	\$ -	\$ 110
Demolition and relocation costs	<u>258,600</u>	<u>241,016</u>	<u>246,341</u>
	<u>\$ 258,600</u>	<u>\$ 241,016</u>	<u>\$ 246,451</u>
			Demolition and Relocation Costs
Balance at January 1, 2024			\$ 241,016
Effects of foreign currency exchange differences			<u>17,584</u>
Balance at September 30, 2024			<u>\$ 258,600</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 and nine months ended September 30, 2024 and 2023, the pension expenses of defined benefit plans were \$689 thousand, \$965 thousand, \$2,075 thousand and \$2,895 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

	September 30, 2024	December 31, 2023	September 30, 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

	September 30, 2024	December 31, 2023	September 30, 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-h.

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 shareholders' meetings on June 7, 2024 and May 31, 2023, respectively, as follows:

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

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 Nine Months Ended September 30	
	2024	2023
Balance at January 1	<u>\$ 274,823</u>	<u>\$ 251,770</u>
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	674,080	539,864
Share from associates/joint ventures accounted for using the equity method	<u>(15,424)</u>	<u>(111,039)</u>
Other comprehensive income (loss) recognized for the period	<u>658,656</u>	<u>428,825</u>
Balance at September 30	<u>\$ 933,479</u>	<u>\$ 680,595</u>

2) Unrealized gain on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	<u>\$ 1,970,137</u>	<u>\$ 1,004,081</u>
Recognized for the period		
Unrealized gain - equity instruments	<u>(21,240)</u>	<u>1,228,402</u>
Balance at September 30	<u>\$ 1,948,897</u>	<u>\$ 2,232,483</u>

3) Gain/(loss) on hedging instruments

	For the Nine Months Ended September 30	
	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>11,152</u>	<u>3,244</u>
Balance at September 30	<u>\$ (31,517)</u>	<u>\$ (42,545)</u>

21. REVENUE

Disaggregation of Revenue

For the nine months ended September 30, 2024

	Synthetic Rubber	Non-synthetic Rubber	Total
<u>Primary geographical markets</u>			
Asia	\$ 20,037,759	\$ 579,143	\$ 20,616,902
Americas	4,174,065	5,694	4,179,759
Europe	2,571,899	66	2,571,965
Others	<u>251,437</u>	<u>-</u>	<u>251,437</u>
	<u>\$ 27,035,160</u>	<u>\$ 584,903</u>	<u>\$ 27,620,063</u>

Major product lines

Synthetic rubber/elastomers	\$ 26,340,669	\$ -	\$ 26,340,669
Applied materials	-	584,903	584,903
Others	<u>694,491</u>	<u>-</u>	<u>694,491</u>
	<u>\$ 27,035,160</u>	<u>\$ 584,903</u>	<u>\$ 27,620,063</u>

For the nine months ended September 30, 2023

	Synthetic Rubber	Non-synthetic Rubber	Total
<u>Primary geographical markets</u>			
Asia	\$ 16,405,581	\$ 538,682	\$ 16,944,263
Americas	3,578,951	5,102	3,584,053
Europe	2,579,845	83	2,579,928
Others	<u>436,438</u>	<u>-</u>	<u>436,438</u>
	<u>\$ 23,000,815</u>	<u>\$ 543,867</u>	<u>\$ 23,544,682</u>

(Continued)

	Synthetic Rubber	Non-synthetic Rubber	Total
<u>Major product lines</u>			
Synthetic rubber/elastomers	\$ 22,660,879	\$ -	\$ 22,660,879
Applied materials	-	540,226	540,226
Others	<u>339,936</u>	<u>3,641</u>	<u>343,577</u>
	<u>\$ 23,000,815</u>	<u>\$ 543,867</u>	<u>\$ 23,544,682</u>

(Concluded)

22. NET PROFIT

a. Other income and expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income	\$ 20,919	\$ 18,657	\$ 57,947	\$ 54,474
Royalty income	19,855	33,082	60,341	90,008
Net service income	697	6,565	8,285	12,325
Depreciation of investment properties	(3,682)	(3,681)	(11,044)	(11,044)
Net other income	<u>(1,984)</u>	<u>5,920</u>	<u>9,614</u>	<u>17,575</u>
	<u>\$ 35,805</u>	<u>\$ 60,543</u>	<u>\$ 125,143</u>	<u>\$ 163,338</u>

b. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Bank deposits	<u>\$ 66,047</u>	<u>\$ 62,414</u>	<u>\$ 188,961</u>	<u>\$ 171,585</u>

c. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Dividends	<u>\$ 151,600</u>	<u>\$ 99,571</u>	<u>\$ 174,228</u>	<u>\$ 122,199</u>

d. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Gain (loss) on disposal of financial assets and financial liabilities	\$ (40,631)	\$ 25,299	\$ (4,110)	\$ 23,760
Net foreign exchange gain (loss)	56,176	(4,343)	36,207	20,161
Loss on disposal of property, plant and equipment	(1,723)	(1,619)	(2,369)	(4,953)
Others	<u>7,570</u>	<u>2,248</u>	<u>3,734</u>	<u>2,319</u>
	<u>\$ 21,392</u>	<u>\$ 21,585</u>	<u>\$ 33,462</u>	<u>\$ 41,287</u>

e. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 101,354	\$ 89,380	\$ 290,413	\$ 253,070
Interest on lease liabilities	<u>3,202</u>	<u>3,692</u>	<u>9,894</u>	<u>8,199</u>
	<u>\$ 104,556</u>	<u>\$ 93,072</u>	<u>\$ 300,307</u>	<u>\$ 261,269</u>

f. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
An analysis of depreciation by function				
Operating costs	\$ 224,591	\$ 249,342	\$ 709,675	\$ 790,173
Operating expenses	<u>32,471</u>	<u>32,692</u>	<u>94,631</u>	<u>99,053</u>
	<u>\$ 257,062</u>	<u>\$ 282,034</u>	<u>\$ 804,306</u>	<u>\$ 889,226</u>
An analysis of amortization by function				
Operating costs	\$ 2,407	\$ 2,744	\$ 7,841	\$ 8,376
Operating expenses	<u>32,687</u>	<u>31,809</u>	<u>95,941</u>	<u>93,306</u>
	<u>\$ 35,094</u>	<u>\$ 34,553</u>	<u>\$ 103,782</u>	<u>\$ 101,682</u>

The depreciation did not include the depreciation of investment properties (included in other income and expenses), the amounts for the three months and nine months ended September 30, 2024 and 2023 were \$3,682 thousand, \$3,681 thousand, \$11,044 thousand and \$11,044 thousand, respectively.

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term benefits	\$ 501,291	\$ 474,405	\$ 1,514,623	\$ 1,449,239
Post-employment benefits				
Defined contribution plans	34,605	32,616	103,042	97,316
Defined benefit plans (Note 19)	689	965	2,075	2,895
	<u>35,294</u>	<u>33,581</u>	<u>105,117</u>	<u>100,211</u>
Other employee benefits	<u>90,864</u>	<u>63,953</u>	<u>242,922</u>	<u>232,709</u>
Total employee benefits expense	<u>\$ 627,449</u>	<u>\$ 571,939</u>	<u>\$ 1,862,662</u>	<u>\$ 1,782,159</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 381,714	\$ 344,842	\$ 1,125,311	\$ 1,046,711
Operating expenses	<u>245,735</u>	<u>227,097</u>	<u>737,351</u>	<u>735,448</u>
	<u>\$ 627,449</u>	<u>\$ 571,939</u>	<u>\$ 1,862,662</u>	<u>\$ 1,782,159</u>

h. 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 and nine months ended September 30, 2024 and 2023 were as follows:

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Employees' compensation	\$ 23,000	\$ 287	\$ 41,400	\$ 39,209
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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 106,863	\$ 191,020	\$ 339,656	\$ 457,414
Adjustments for prior year	(319)	1,327	3,814	(13,808)
Deferred tax				
In respect of the current period	<u>113,632</u>	<u>(66,765)</u>	<u>288,151</u>	<u>(145,986)</u>
Income tax expense recognized in profit or loss	<u>\$ 220,176</u>	<u>\$ 125,582</u>	<u>\$ 631,621</u>	<u>\$ 297,620</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Deferred tax</u>				
In respect of the current period				
Fair value changes of financial assets at FVTOCI	<u>\$ 74,345</u>	<u>\$ 49,120</u>	<u>\$ 82,463</u>	<u>\$ 80,960</u>

c. Income tax assessments

The income tax returns of the Company have been assessed by the authorities for all years through 2022.

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 third 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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 353,113</u>	<u>\$ 158,289</u>	<u>\$ 939,097</u>	<u>\$ 455,409</u>

Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	825,710	825,710	825,710	825,710
Effects to potentially dilutive ordinary shares				
Employees' compensation	<u>1,739</u>	<u>1,658</u>	<u>2,092</u>	<u>2,742</u>
Weighted average number of ordinary shares outstanding in computation of diluted earnings per share	<u>827,449</u>	<u>827,368</u>	<u>827,802</u>	<u>828,452</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 nine months ended September 30, 2024

	January 1, 2024	Cash Flow	Non-cash Changes			September 30, 2024
			Foreign Exchange Movement	Amortization of Commercial Paper Discount	Others	
Short-term borrowings (including short-term bills payable)	\$ 4,580,149	\$ 1,109,014	\$ 182,144	\$ (68)	\$ -	\$ 5,871,239
Long-term borrowings (including current portion)	4,676,646	2,007,985	67,018	-	-	6,751,649
Lease liabilities	<u>680,008</u>	<u>(127,849)</u>	<u>12,278</u>	<u>9,894</u>	<u>55,145</u>	<u>629,476</u>
	<u>\$ 9,936,803</u>	<u>\$ 2,989,150</u>	<u>\$ 261,440</u>	<u>\$ 9,826</u>	<u>\$ 55,145</u>	<u>\$ 13,252,364</u>

For the nine months ended September 30, 2023

	January 1, 2023	Cash Flow	Non-cash Changes			September 30, 2023
			Foreign Exchange Movement	Amortization of Commercial Paper Discount	Others	
Short-term borrowings (including short-term bills payable)	\$ 6,329,036	\$ (690,274)	\$ 211,488	\$ -	\$ 16	\$ 5,885,266
Long-term borrowings (including current portion)	2,854,417	743,748	27,401	-	-	3,625,566
Other long-term borrowings (including current portion)	349,767	(350,000)	-	233	-	-
Lease liabilities	<u>579,487</u>	<u>(128,597)</u>	<u>(18,994)</u>	<u>8,199</u>	<u>300,409</u>	<u>740,504</u>
	<u>\$ 10,112,707</u>	<u>\$ (425,123)</u>	<u>\$ 219,895</u>	<u>\$ 8,432</u>	<u>\$ 300,425</u>	<u>\$ 10,216,336</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

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 27</u>
Financial assets at FVOCI				
Investments in equity instruments				
Listed shares (domestic)	\$ 1,439,538	\$ -	\$ -	\$ 1,439,538
Unlisted shares (domestic and overseas)	<u>-</u>	<u>-</u>	<u>1,035,374</u>	<u>1,035,374</u>
	<u>\$ 1,439,538</u>	<u>\$ -</u>	<u>\$ 1,035,374</u>	<u>\$ 2,474,912</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	<u>\$ -</u>	<u>\$ 15,676</u>	<u>\$ -</u>	<u>\$ 15,676</u>

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)	<u>-</u>	<u>-</u>	<u>1,148,549</u>	<u>1,148,549</u>
	<u>\$ 1,263,392</u>	<u>\$ -</u>	<u>\$ 1,148,549</u>	<u>\$ 2,411,941</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	<u>\$ -</u>	<u>\$ 18,531</u>	<u>\$ -</u>	<u>\$ 18,531</u>

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives financial assets	<u>\$ -</u>	<u>\$ 26,804</u>	<u>\$ -</u>	<u>\$ 26,804</u>
Financial assets at FVOCI				
Investments in equity instruments				
Listed shares (domestic)	\$ 862,508	\$ -	\$ -	\$ 862,508
Unlisted shares (domestic and overseas)	<u>-</u>	<u>-</u>	<u>1,872,728</u>	<u>1,872,728</u>
	<u>\$ 862,508</u>	<u>\$ -</u>	<u>\$ 1,872,728</u>	<u>\$ 2,735,236</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 nine months ended September 30, 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>(113,175)</u>
Balance at September 30, 2024	<u>\$ 1,035,374</u>

For the nine months ended September 30, 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>1,076,669</u>
Balance at September 30, 2023	<u>\$ 1,872,728</u>

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
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 September 30, 2024, December 31, 2023 and September 30, 2023 was all 13.88-22.62, 10.90-18.41 and 19.28-27.93, 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>September 30, 2024</u>				
Financial assets fair value through other comprehensive income Equity investments without an active market	Liquidity discount at 20%	1%	\$ 12,942	\$(12,942)
<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>September 30, 2023</u>				
Financial assets fair value through other comprehensive income Equity investments without an active market	Liquidity discount at 20%	1%	23,412	(23,412)

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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 27	\$ -	\$ 26,804
Financial assets at amortized cost (1)	11,701,997	10,064,529	11,078,466
Financial assets at FVTOCI			
Equity instruments	2,474,912	2,411,941	2,735,236
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	15,676	18,531	-
Financial liabilities at amortized cost (2)	16,527,834	12,925,762	12,174,891

- 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, notes receivable, 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 Nine Months Ended	
	September 30	
	2024	2023
Profit or loss*	\$ (2,170)	\$ (3,694)

	EUR Impact	
	For the Nine Months Ended	
	September 30	
	2024	2023
Profit or loss*	\$ 348	\$ 1,580

	RMB Impact	
	For the Nine Months Ended	
	September 30	
	2024	2023
Profit or loss*	\$ 770	\$ 830

* 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 nine months ended September 30, 2024 and 2023 were \$12,428,956 thousand and \$9,021,112 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 nine months ended September 30, 2024 and 2023 would have decreased/increased by \$93,217 thousand and \$67,658 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 September 30, 2024, December 31, 2023 and September 30, 2023, the Group had available unutilized short-term bank loan facilities of \$15,870,713 thousand, \$17,296,248 thousand and \$15,751,064 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.

September 30, 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)	\$ 5,946,318	\$ -	\$ -	\$ -
Accounts payable (including related parties)	2,248,084	-	-	-
Other payables	1,594,326	-	-	-
Long-term borrowings (including current portion)	648,147	1,393,757	2,510,075	3,051,064
Lease liabilities	171,985	167,191	314,552	4,840
Deposits received	<u>11,247</u>	<u>46,809</u>	<u>-</u>	<u>4,480</u>
	<u>\$ 10,620,107</u>	<u>\$ 1,607,757</u>	<u>\$ 2,824,627</u>	<u>\$ 3,060,384</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	-	-	-
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>

September 30, 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)	\$ 5,876,322	\$ -	\$ -	\$ -
Accounts payable (including related parties)	1,413,283	-	-	-
Other payables	1,238,773	-	-	-
Long-term borrowings (including current portion)	1,763,947	498,537	1,429,846	82,812
Lease liabilities	164,358	158,185	395,049	57,905
Deposits received	<u>11,247</u>	<u>32,636</u>	<u>-</u>	<u>3,120</u>
	<u>\$ 10,467,930</u>	<u>\$ 689,358</u>	<u>\$ 1,824,895</u>	<u>\$ 143,837</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.

September 30, 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>15,676</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	\$ _____ -	\$ <u>18,531</u>	\$ _____ -	\$ _____ -	\$ _____ -

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
WFV 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

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Sales	Associate	\$ <u>4,629</u>	\$ <u>(14)</u>	\$ <u>10,876</u>	\$ <u>4,315</u>

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Corporate director of one consolidate entity	<u>\$ 248,357</u>	<u>\$ (599)</u>	<u>\$ 854,793</u>	<u>\$ 184,003</u>

d. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Other receivables from related parties	Associate ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	\$ 27,732	\$ 32,853	\$ 24,403
	Joint venture Indian Synthetic Rubber Private Limited.	-	13,110	15,124
	Others	<u>224</u>	<u>421</u>	<u>398</u>
		<u>\$ 27,956</u>	<u>\$ 46,384</u>	<u>\$ 39,925</u>

e. Payables to related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade payables to related parties	Corporate director of one consolidate entity	\$ 97,649	\$ 59,179	\$ -
Other payables to related parties	Associate	-	16	16
	Subsidiary of other related parties of one consolidated entity	897	880	-
	Other related parties	<u>415</u>	<u>483</u>	<u>1,251</u>
		<u>\$ 98,961</u>	<u>\$ 60,558</u>	<u>\$ 1,267</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	September 30, 2024	December 31, 2023	September 30, 2023
Associate ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,266</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	September 30, 2024	December 31, 2023	September 30, 2023
Associate			
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 110</u>

g. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Service	Associate				
income and	ARLANXEO-TSRC	\$ 45,756	\$ 40,869	\$ 127,535	\$ 123,335
expense	(Nantong) Chemical				
(included in	Industries Co., Ltd.				
other	Joint venture				
income and	Indian Synthetic	202	15,512	10,848	47,076
expense)	Rubber Private				
	Limited				
	Others	676	1,339	2,059	4,719
	Subsidiary of other	(894)	-	(2,657)	-
	related parties of one				
	consolidated entity				
	Other related parties	<u>(1,284)</u>	<u>(3,261)</u>	<u>(4,535)</u>	<u>(9,410)</u>
		<u>\$ 44,456</u>	<u>\$ 54,459</u>	<u>\$ 133,250</u>	<u>\$ 165,720</u>

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Rental	Associates	\$ 634	\$ 614	\$ 1,874	\$ 1,854
revenue	Other related parties	<u>1,146</u>	<u>1,146</u>	<u>3,440</u>	<u>3,440</u>
(included in					
other					
income and					
expense)					
		<u>\$ 1,780</u>	<u>\$ 1,760</u>	<u>\$ 5,314</u>	<u>\$ 5,294</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 nine months ended September 30, 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

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 36,355	\$ 39,869	\$ 112,455	\$ 113,362
Post-employment benefits	<u>290</u>	<u>510</u>	<u>1,001</u>	<u>1,235</u>
	<u>\$ 36,645</u>	<u>\$ 40,379</u>	<u>\$ 113,456</u>	<u>\$ 114,597</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:

	September 30, 2024	December 31, 2023	September 30, 2023
Restricted savings deposits (included in other non-current assets)	\$ 1,224	\$ 1,204	\$ 1,261
Property, plant and equipment	604,137	84,825	97,753
Land-use right (included in right-of-use assets)	<u>608,496</u>	<u>591,604</u>	<u>607,762</u>
	<u>\$ 1,213,857</u>	<u>\$ 677,633</u>	<u>\$ 706,776</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 September 30, 2024 were as follows:

- As of September 30, 2024, December 31, 2023 and September 30, 2023, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$1,248,872 thousand, \$1,318,231 thousand and \$1,254,104 thousand, respectively.
- Total amounts and the cumulative payments of Group's signed construction and design contracts with several vendors are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Total amounts of construction in progress contracts	<u>\$ 5,021,462</u>	<u>\$ 4,994,319</u>	<u>\$ 5,122,011</u>
Cumulative payments	<u>\$ 4,483,372</u>	<u>\$ 2,151,622</u>	<u>\$ 1,377,516</u>

32. OTHER MATTERS

- a. 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.

	September 30, 2024	December 31, 2023	September 30, 2023
Cumulative compensation received	<u>\$ 1,092,648</u>	<u>\$ 942,185</u>	<u>\$ 637,001</u>
Land-use right price for new location	<u>\$ 630,566</u>	<u>\$ 603,678</u>	<u>\$ 617,017</u>
Provision for demolish and relocation	<u>\$ 258,600</u>	<u>\$ 241,016</u>	<u>\$ 246,341</u>

- b. 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, the Ministry of Environment announced the “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” on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025.

Based on the emissions of the Group in 2024, the Group expects that it will be the entity subject to carbon fees. The Group will recognize the provision of the carbon fees based on its actual emissions in 2025 and will pay them in May 2026.

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:

September 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 85,170	31.6510 (USD:NTD)	\$ 2,695,716
EUR	12,862	35.3637 (EUR:NTD)	454,848
JPY	343,478	0.2223 (JPY:NTD)	76,355
RMB	60,054	4.5238 (RMB:NTD)	271,672
Non-monetary items			
Equity instruments			
THB	767,055	0.9868 (THB:NTD)	756,930
<u>Financial liabilities</u>			
Monetary items			
USD	92,027	31.6510 (USD:NTD)	2,912,747
EUR	11,879	35.3637 (EUR:NTD)	420,085
JPY	329,044	0.2223 (JPY:NTD)	73,146
RMB	43,037	4.5238 (RMB:NTD)	194,691

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
<u>Financial liabilities</u>			
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

September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 54,518	32.2680 (USD:NTD)	\$ 1,759,187
EUR	12,946	34.2234 (EUR:NTD)	443,056
JPY	528,724	0.2169 (JPY:NTD)	114,680
RMB	18,751	4.4266 (RMB:NTD)	83,003
Non-monetary items			
Equity instruments			
THB	1,559,729	0.8822 (THB:NTD)	1,375,993
<u>Financial liabilities</u>			
Monetary items			
USD	65,965	32.2680 (USD:NTD)	2,128,559
EUR	8,328	34.2234 (EUR:NTD)	285,012
JPY	387,479	0.2169 (JPY:NTD)	84,044

Please refer to the consolidated statements of income for the aggregate of realized and unrealized foreign currency exchange gains and losses for the nine months ended September 30, 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 nine months ended <u>September 30, 2024</u>				
Revenue from external customers	<u>\$ 27,035,160</u>	<u>\$ 584,903</u>	<u>\$ -</u>	<u>\$ 27,620,063</u>
Segment income	<u>\$ 1,801,259</u>	<u>\$ (119,961)</u>	<u>\$ 28,202</u>	<u>\$ 1,709,500</u>
For the nine months ended <u>September 30, 2023</u>				
Revenue from external customers	<u>\$ 23,000,815</u>	<u>\$ 543,867</u>	<u>\$ -</u>	<u>\$ 23,544,682</u>
Segment income	<u>\$ 1,045,689</u>	<u>\$ (136,194)</u>	<u>\$ 48,989</u>	<u>\$ 958,484</u>

TSRC CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	\$ 67,857	\$ -	2.68	2	\$ -	Operational turnaround	\$ -	-	\$ -	\$ 165,925	\$ 331,850	Note 6
2	Polybus Corporation Pte Ltd.	TSRC Specialty Materials LLC	Other receivables from related parties	Yes	316,510	316,510	-	5.35	2	-	Operational turnaround	-	-	-	5,305,189	10,610,378	Note 6
3	TSRC (Hong Kong) Ltd.	TSRC (Vietnam) Co., Ltd.	Other receivables from related parties	Yes	164,585	164,585	26,903	5.25-6.78	2	-	Operational turnaround	-	-	-	1,348,006	2,696,012	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.

TSRC CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

No.	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	\$ 12,328,252 (Note 2)	\$ 328,360	\$ 316,510	\$ 82,134	\$ -	1.54	\$ 30,820,632 (Note 3)	Y	N	N	
		TSRC (Vietnam) Co., Ltd.	d	12,328,252 (Note 2)	602,028	544,397	433,618	-	2.65	30,820,632 (Note 3)	Y	N	N	

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

- A company that the Corporation has business relationship with.
- The Corporation owns directly or indirectly over 50% ownership of the investee company.
- The Company that owns directly or indirectly hold over 50% ownership of the Corporation.
- In between companies that were held over 90% of voting shares directly or indirectly by an entity.
- The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
- Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
- 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 \$12,328,252 thousand.

Note 3: The maximum limit is 150% of total equity, which is calculated to be \$30,820,632 thousand.

TSRC CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)

SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
TSRC Corporation	<u>Shares</u>						
	Evergreen Steel Corporation	-	Financial assets at FVTOCI	12,148,000	\$ 1,439,538	2.91	\$ 1,439,538
	Thai Synthetic Rubbers Co., Ltd.	-	Financial assets at FVTOCI	599,999	315,924	5.42	315,924
	Hsin-Yung Enterprise Corporation	-	Financial assets at FVTOCI	5,657,000	278,444	3.90	278,444
Dymas Corporation	<u>Shares</u>						
	Thai Synthetic Rubbers Co., Ltd.	-	Financial assets at FVTOCI	837,552	441,006	7.57	441,006

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 NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
TSRC (Lux) Corporation S.A R.L.	TSRC Corporation	Parent and Subsidiary	Purchases	\$ 166,034	9.60	Payment in 60 days after acceptance	\$ -	-	\$ (29,001)	(7.30)	Note
TSRC Corporation	TSRC (Lux) Corporation S.A R.L.	Parent and Subsidiary	Sales	(166,034)	(1.76)	Collect receivables in 60 days after confirming	-	-	29,001	1.78	Note
TSRC Specialty Materials LLC	TSRC Corporation	Parent and Subsidiary	Purchases	217,253	9.96	Payment in 95 days after acceptance	-	-	(78,001)	(18.23)	Note
TSRC Corporation	TSRC Specialty Materials LLC	Parent and Subsidiary	Sales	(217,253)	(2.30)	Collect receivables in 95 days after confirming	-	-	78,001	4.80	Note
TSRC-UBE (Nantong) Chemical Industries Ltd.	Marubeni Corporation	Director of the TSRC-UBE (Nantong) Industries Ltd.	Purchases	313,114	13.80	Payment in 30 days after acceptance	-	-	(38,055)	(22.45)	-
TSRC (Nantong) Industries Ltd.	Marubeni Corporation	Director of the Related parties	Purchases	121,071	4.76	Payment in 30 days after acceptance	-	-	(14,715)	(6.40)	-
Shen Hua Chemical Industries Co., Ltd.	Marubeni Corporation	Director of the Shen Hua Chemical Industries Co., Ltd.	Purchases	367,388	6.19	Payment in 30 days after acceptance	-	-	(44,652)	(9.15)	-
Polybus Corporation Pte Ltd	TSRC (Nantong) Industries Ltd.	Related parties	Purchases	201,838	32.67	Payment in 60 days after acceptance	-	-	(52,400)	(43.22)	Note
TSRC (Nantong) Industries Ltd.	Polybus Corporation Pte Ltd	Related parties	Sales	(201,838)	(4.94)	Collect receivables in 60 days after confirming	-	-	52,400	7.30	Note
Polybus Corporation Pte Ltd	Shen Hua Chemical Industries Co., Ltd.	Related parties	Purchases	368,635	59.67	Payment in 60 days after acceptance	-	-	(57,734)	(47.61)	Note
Shen Hua Chemical Industries Co., Ltd.	Polybus Corporation Pte Ltd	Related parties	Sales	(368,635)	(5.05)	Collect receivables in 60 days after confirming	-	-	57,734	7.39	Note
TSRC (Lux) Corporation S.A R.L.	TSRC Specialty Materials LLC	Related parties	Purchases	396,088	22.90	Payment in 60 days after acceptance	-	-	(80,115)	(20.18)	Note
TSRC Specialty Materials LLC	TSRC (Lux) Corporation S.A R.L.	Related parties	Sales	(396,088)	(11.00)	Collect receivables in 60 days after confirming	-	-	80,115	12.20	Note
TSRC (Lux) Corporation S.A R.L.	TSRC (Nantong) Industries Ltd.	Related parties	Purchases	1,164,195	67.32	Payment in 60 days after acceptance	-	-	(291,542)	(73.43)	Note
TSRC (Nantong) Industries Ltd.	TSRC (Lux) Corporation S.A R.L.	Related parties	Sales	(1,164,195)	(28.47)	Collect receivables in 60 days after confirming	-	-	291,542	40.64	Note

Note: The amount was eliminated upon consolidation.

TSRC CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 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 <u>\$ 291,542</u>	5.75 times for a year	<u>\$ -</u>	-	<u>\$ 57,779</u> (Note 1)	<u>\$ -</u>	Note 2

Note 1: Amounts received before November 5, 2024.

Note 2: The amount was eliminated upon consolidation.

TSRC CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			% to Total Sales or Assets
				Financial Statement Account	Amount (Note 4)	Payment Terms	
0	TSRC	TSRC (Nantong) Industries Ltd.	a	Other income and expenses	\$ 36,019	The transaction is not significantly different from normal transactions, and the collection terms were about six months	0.13
		TSRC (Lux) Corporation S.A R.L	a	Sales	166,034	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.60
		Polybus Corporation Pte Ltd	a	Sales	46,239	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.17
		TSRC Specialty Materials LLC	a	Sales	217,253	The transaction is not significantly different from normal transactions, and the collection terms were about three months	0.79
		TSRC Specialty Materials LLC	a	Trade receivables from related parties	78,001	The transaction is not significantly different from normal transactions, and the collection terms were about three months	0.18
		TSRC (Nantong) Industries Ltd.	a	Other income and expenses	56,501	The transaction is not significantly different from normal transactions, and the collection terms were about one year	0.20
		TSRC (Nantong) Industries Ltd.	a	Sales	36,333	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.13
		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 one months	0.18
		TSRC-UBE (Nantong) Industries Ltd.	a	Sales	46,853	The transaction is not significantly different from normal transactions, and the collection terms were about one months	0.17
1	TSRC (Nantong) Industries Ltd.	TSRC (Shanghai) Industries Ltd.	c	Sales	56,294	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.20
		TSRC Specialty Materials LLC	c	Sales	33,917	The transaction is not significantly different from normal transactions, and the collection terms were about three months	0.12
		Polybus Corporation Pte Ltd	c	Sales	201,838	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.73

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			% to Total Sales or Assets
				Financial Statement Account	Amount (Note 4)	Payment Terms	
		Polybus Corporation Pte Ltd	c	Trade receivables from related parties	\$ 52,400	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.12
		TSRC (Lux) Corporation S.A R.L	c	Sales	1,164,195	The transaction is not significantly different from normal transactions, and the collection terms were about two months	4.22
		TSRC (Lux) Corporation S.A R.L	c	Trade receivables from related parties	291,542	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.68
		TSRC-UBE (Nantong) Industries Ltd.	c	Other income and expenses	215,726	The transaction is not significantly different from normal transactions, and the collection terms were about one month	0.78
2	TSRC Specialty Materials LLC	TSRC (Lux) Corporation S.A R.L	c	Sales	396,088	The transaction is not significantly different from normal transactions, and the collection terms were about two months	1.43
		TSRC (Lux) Corporation S.A R.L	c	Trade receivables from related parties	80,115	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.19
3	Shen Hua Chemical Industries Co., Ltd.	Polybus Corporation Pte Ltd	c	Sales	368,635	The transaction is not significantly different from normal transactions, and the collection terms were about two months	1.33
		Polybus Corporation Pte Ltd	c	Trade receivables from related parties	57,734	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.13

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)

TSRC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 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	\$ 18,410,209	\$ 946,881	\$ 946,881	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	662,971	36,451	36,451	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	148,376	61,165	11,915	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	46,549	(74,540)	(74,540)	Subsidiary (Note 3)
Trimurti Holding Corporation	Polybus Corporation Pte Ltd	100 Peck Seah Street #09-16 Singapore 079333	International commerce and investment corporation	2,709,357 (US\$ 85,601)	2,709,357 (US\$ 85,601)	133,728,000	100.00	10,613,230	521,486	521,486	Subsidiary (Note 3)
	TSRC (Hong Kong) Limited	15/F BOC Group Life Assurance Tower 136 Des Voeux Road Central	Investment	3,286,956 (US\$ 103,850)	3,286,956 (US\$ 103,850)	103,850,000	100.00	2,696,012	(164,031)	(164,031)	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	932,850 (US\$ 29,473)	932,850 (US\$ 29,473)	222,861,375	50.00	1,988,901	969,379	484,689	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	2,647,667 (EUR 74,870)	2,647,667 (EUR 74,870)	74,869,617	100.00	2,202,961	(200,516)	(200,516)	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	3,040,079 (US\$ 96,050)	3,040,079 (US\$ 96,050)	130	100.00	2,277,279	(197,882)	(197,882)	Subsidiary (Note 3)
TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	23027 Elkana Deane Lane, Katy, Texas 77449-3696	Production and sale of TPE	6,919,447 (US\$ 218,617)	6,919,447 (US\$ 218,617)	-	100.00	1,584,290	(137,209)	(137,209)	Subsidiary (Note 3)
Hardison International Corporation	Triton International Holdings Corporation	Palm Grove House, P.O. BOX 438, Road Town, Tortola B.V.I.	Investment	1,583 (US\$ 50)	1,583 (US\$ 50)	50,000	100.00	47,593	(12,722)	(12,722)	Subsidiary (Note 3)
	Dymas Corporation	Palm Grove House, P.O. BOX 438, Road Town, Tortola B.V.I.	Investment	151,893 (US\$ 4,799)	151,893 (US\$ 4,799)	4,798,566	80.52	613,309	61,165	49,250	Subsidiary (Note 3)
Dymas Corporation	Asia Pacific Energy Development Co., Ltd.	Cayman Islands	Consulting for electric power facilities management and electrical system design	- (US\$ -)	361,007 (US\$ 11,285)	-	-	-	7,963	3,008	Associate

Note 1: Amounts in foreign currencies were translated based on the exchange rate at the reporting date (US\$1 to NT\$31.6510; EUR1 to NT\$35.3637).

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.

TSRC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 September 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 4)	Carrying Amount as of September 30, 2024	Accumulated Repatriation of Investment Income as of September 30, 2024	Note
					Outward	Inward							
Shen Hua Chemical Industries Co., Ltd.	Production and sale of synthetic rubber products	\$ 1,304,654 (US\$ 41,220)	b. 1)	\$ -	\$ -	\$ -	\$ -	\$ 294,569	88.00	\$ 253,260 b	\$ 4,000,551	\$ 4,786,340	Note 3
Changzhou Asia Pacific Co-generation Co., Ltd.	Power generation and sale of electricity and steam	731,138 (US\$ 23,100)	b. 2)	121,287 (US\$ 3,832)	-	-	121,287 (US\$ 3,832)	-	-	a	-	358,308	Note 7
TSRC (Shanghai) Industries Ltd.	Production and sale of compounding materials	174,081 (US\$ 5,500)	b. 2)	124,072 (US\$ 3,920)	-	-	124,072 (US\$ 3,920)	34,354	100.00	34,354 a	324,614	-	Note 3
Nantong Qix Storage Co., Ltd.	Storehouse for chemicals	94,953 (US\$ 3,000)	b. 4)	47,477 (US\$ 1,500)	-	-	47,477 (US\$ 1,500)	(25,312)	50.00	(12,655) a	47,400	74,060	-
TSRC-UBE (Nantong) Chemical Industrial Co., Ltd.	Production and sale of synthetic rubber products	1,266,040 (US\$ 40,000)	b. 1)	31,651 (US\$ 1,000)	-	-	31,651 (US\$ 1,000)	216,606	55.00	119,133 a	1,041,827	208,813	Note 3
TSRC (Nantong) Industries Ltd.	Production and sale of TPE	3,327,311 (US\$ 105,125)	b. 1)	210,416 (US\$ 6,648)	-	-	210,416 (US\$ 6,648)	177,481	100.00	177,481 b	4,080,310	440,864	Note 3
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	Production and sale of NBR	1,417,965 (US\$ 44,800)	b. 1)	-	-	-	-	(16,308)	50.00	(8,154) a	743,946	-	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$534,903 (US\$16,900)	\$7,758,356 (US\$245,122) (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)

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 6, 2024. 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 July 18, 2024 to July 17, 2027.

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., in November 2023, and it has been approved by the Investment Commission, MOEA in April 2024, and await to remit the remittances back to Taiwan.

(Concluded)

TSRC CORPORATION AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 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.