

## **TSRC Corporation and Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2025 and 2024 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 June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six 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 June 30, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT\$3,024,326 thousand and NT\$4,257,416 thousand, representing 8% and 10%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$404,861 thousand and NT\$704,614 thousand, representing 2% and 3%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the amounts of combined comprehensive income of these subsidiaries were NT\$58,759 thousand, NT\$81,536 thousand, NT\$108,066 thousand and NT\$114,189 thousand, representing (2%), 14%, (6%) and 7%, respectively, of the consolidated total comprehensive income.

Also, as stated in Note 12 of the consolidated financial statements, the investments accounted for using the equity method were NT\$2,933,387 thousand and NT\$2,692,710 thousand as of June 30, 2025 and 2024, respectively. As of June 30, 2024, the negative carrying amounts of the investments were NT\$5,155 thousand; and for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the amounts of the Group's share of the profit of such investments accounted for using equity method were NT\$110,708 thousand, NT\$183,416 thousand, NT\$287,181 thousand and NT\$296,150 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 June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 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.

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

August 7, 2025

### *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	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 5,453,043	14	\$ 6,335,266	15	\$ 6,171,277	15
Financial assets at fair value through profit or loss - current (Note 7)	41	-	17,644	-	3,976	-
Notes receivable, net (Notes 8 and 28)	1,256,763	3	1,394,513	3	1,211,091	3
Accounts receivable, net (Note 8)	3,440,304	9	4,018,085	9	4,134,053	10
Other receivables (Notes 8 and 29)	175,096	-	266,700	1	180,359	-
Inventories (Note 9)	6,604,528	16	7,583,322	18	6,942,683	16
Other current assets	<u>632,332</u>	<u>2</u>	<u>501,678</u>	<u>1</u>	<u>641,396</u>	<u>1</u>
Total current assets	<u>17,562,107</u>	<u>44</u>	<u>20,117,208</u>	<u>47</u>	<u>19,284,835</u>	<u>45</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current (Note 10)	1,775,981	4	1,948,502	4	2,547,661	6
Investments accounted for under equity method (Note 12)	2,933,387	7	2,968,544	7	2,692,710	6
Property, plant and equipment (Notes 13, 30 and 31)	12,737,519	32	13,568,513	31	13,288,893	31
Right-of-use assets (Notes 14 and 30)	2,232,877	6	1,559,545	4	1,613,701	4
Investment property (Note 15)	1,500,610	4	1,507,972	3	1,515,335	4
Intangible assets (Note 16)	554,023	1	663,086	2	719,302	2
Deferred income tax assets (Note 23)	570,192	1	663,709	2	597,983	1
Other non-current assets (Note 30)	<u>276,787</u>	<u>1</u>	<u>219,210</u>	-	<u>190,640</u>	<u>1</u>
Total non-current assets	<u>22,581,376</u>	<u>56</u>	<u>23,099,081</u>	<u>53</u>	<u>23,166,225</u>	<u>55</u>
<b>TOTAL</b>	<u>\$ 40,143,483</u>	<u>100</u>	<u>\$ 43,216,289</u>	<u>100</u>	<u>\$ 42,451,060</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 17)	\$ 3,755,912	9	\$ 4,727,801	11	\$ 5,552,072	13
Short-term bills payable (Note 17)	129,931	-	99,950	-	426,723	1
Financial liabilities at fair value through profit or loss - current (Note 7)	17,219	-	217	-	903	-
Notes payable	-	-	-	-	450	-
Accounts payable	1,882,963	5	2,694,587	6	1,679,897	4
Accounts payable - related parties (Note 29)	-	-	73,628	-	95,319	-
Other payables (Note 29)	2,002,483	5	1,877,034	4	1,847,441	4
Current income tax liabilities (Note 23)	187,661	-	229,268	1	313,255	1
Provisions - current (Notes 18 and 32)	83,715	-	-	-	-	-
Lease liabilities - current (Note 14)	196,024	1	163,994	-	157,778	1
Current portion of long-term borrowings (Notes 17 and 30)	1,071,674	3	607,555	2	543,665	1
Other current liabilities	<u>202,761</u>	<u>1</u>	<u>366,246</u>	<u>1</u>	<u>128,329</u>	-
Total current liabilities	<u>9,530,343</u>	<u>24</u>	<u>10,840,280</u>	<u>25</u>	<u>10,745,832</u>	<u>25</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term bank borrowings (Notes 17 and 30)	5,884,717	15	6,308,861	15	5,997,646	14
Provisions - non-current (Notes 18 and 32)	163,470	-	255,971	1	250,787	1
Non-current income tax liabilities (Note 23)	49,660	-	28,831	-	63,429	-
Deferred income tax liabilities (Note 23)	2,273,807	6	2,204,806	5	1,853,064	4
Lease liabilities - non-current (Note 14)	1,180,824	3	442,737	1	497,084	1
Other non-current liabilities (Notes 12 and 32)	<u>1,594,414</u>	<u>4</u>	<u>1,347,551</u>	<u>3</u>	<u>1,181,131</u>	<u>3</u>
Total non-current liabilities	<u>11,146,892</u>	<u>28</u>	<u>10,588,757</u>	<u>25</u>	<u>9,843,141</u>	<u>23</u>
Total liabilities	<u>20,677,235</u>	<u>52</u>	<u>21,429,037</u>	<u>50</u>	<u>20,588,973</u>	<u>48</u>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Note 20)</b>						
Common stock	8,257,099	21	8,257,099	19	8,257,099	20
Capital surplus	57,219	-	57,219	-	55,977	-
Retained earnings						
Legal reserve	4,821,403	12	4,713,729	11	4,713,729	11
Unappropriated earnings	4,379,479	11	4,807,066	11	4,316,311	10
Total retained earnings	<u>9,200,882</u>	<u>23</u>	<u>9,520,795</u>	<u>22</u>	<u>9,030,040</u>	<u>21</u>
Other equity	<u>535,200</u>	<u>1</u>	<u>2,516,380</u>	<u>6</u>	<u>3,043,646</u>	<u>7</u>
Total equity attributable to shareholders of the Company	<u>18,050,400</u>	<u>45</u>	<u>20,351,493</u>	<u>47</u>	<u>20,386,762</u>	<u>48</u>
<b>NON-CONTROLLING INTERESTS (Note 11)</b>	<u>1,415,848</u>	<u>3</u>	<u>1,435,759</u>	<u>3</u>	<u>1,475,325</u>	<u>4</u>
Total equity	<u>19,466,248</u>	<u>48</u>	<u>21,787,252</u>	<u>50</u>	<u>21,862,087</u>	<u>52</u>
<b>TOTAL</b>	<u>\$ 40,143,483</u>	<u>100</u>	<u>\$ 43,216,289</u>	<u>100</u>	<u>\$ 42,451,060</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 7, 2025)

# TSRC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 29)	\$ 9,128,359	100	\$ 8,944,708	100	\$ 19,505,258	100	\$ 17,690,170	100
OPERATING COSTS (Notes 9, 22 and 29)	<u>8,368,293</u>	<u>92</u>	<u>7,874,316</u>	<u>88</u>	<u>17,553,876</u>	<u>90</u>	<u>15,568,271</u>	<u>88</u>
GROSS PROFIT	<u>760,066</u>	<u>8</u>	<u>1,070,392</u>	<u>12</u>	<u>1,951,382</u>	<u>10</u>	<u>2,121,899</u>	<u>12</u>
OPERATING EXPENSES (Note 22)								
Selling expenses	322,372	4	325,529	4	667,152	3	659,090	4
General and administrative expenses	318,607	3	264,836	3	626,566	3	523,243	3
Research and development expenses	100,402	1	105,908	1	197,566	1	198,486	1
Expected credit loss (reversed) on trade receivables	<u>167</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>(5,503)</u>	<u>-</u>	<u>(193)</u>	<u>-</u>
Total operating expenses	<u>741,548</u>	<u>8</u>	<u>696,267</u>	<u>8</u>	<u>1,485,781</u>	<u>7</u>	<u>1,380,626</u>	<u>8</u>
OTHER INCOME AND EXPENSES, NET (Notes 22 and 29)	<u>26,597</u>	<u>-</u>	<u>40,520</u>	<u>1</u>	<u>72,023</u>	<u>-</u>	<u>89,338</u>	<u>1</u>
OPERATING PROFIT	<u>45,115</u>	<u>-</u>	<u>414,645</u>	<u>5</u>	<u>537,624</u>	<u>3</u>	<u>830,611</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)								
Interest income	37,571	1	66,245	1	91,289	-	122,914	1
Other income	-	-	22,628	-	-	-	22,628	-
Other gains and losses	6,073	-	4,423	-	20,482	-	12,070	-
Finance costs	(91,966)	(1)	(100,888)	(1)	(186,511)	(1)	(195,751)	(1)
Share of gain of associates and joint ventures accounted for under equity method	<u>110,708</u>	<u>1</u>	<u>183,416</u>	<u>2</u>	<u>287,181</u>	<u>2</u>	<u>296,150</u>	<u>1</u>
Total non-operating income	<u>62,386</u>	<u>1</u>	<u>175,824</u>	<u>2</u>	<u>212,441</u>	<u>1</u>	<u>258,011</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	107,501	1	590,469	7	750,065	4	1,088,622	6
INCOME TAX EXPENSE (Note 23)	<u>140,067</u>	<u>1</u>	<u>217,728</u>	<u>3</u>	<u>408,361</u>	<u>2</u>	<u>411,445</u>	<u>2</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>(32,566)</u>	<u>-</u>	<u>372,741</u>	<u>4</u>	<u>341,704</u>	<u>2</u>	<u>677,177</u>	<u>4</u>

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# TSRC CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ (265,903)	(3)	\$ (8,408)	-	\$ (165,838)	(1)	\$ 132,446	1
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 23)	<u>45,892</u>	<u>1</u>	<u>(7,048)</u>	<u>-</u>	<u>22,963</u>	<u>-</u>	<u>(8,118)</u>	<u>-</u>
	<u>(220,011)</u>	<u>(2)</u>	<u>(15,456)</u>	<u>-</u>	<u>(142,875)</u>	<u>(1)</u>	<u>124,328</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(2,414,891)	(27)	236,883	2	(2,072,369)	(10)	805,537	4
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using equity method	<u>66,538</u>	<u>1</u>	<u>(12,780)</u>	<u>-</u>	<u>72,733</u>	<u>-</u>	<u>(51,794)</u>	<u>-</u>
	<u>(2,348,353)</u>	<u>(26)</u>	<u>224,103</u>	<u>2</u>	<u>(1,999,636)</u>	<u>(10)</u>	<u>753,743</u>	<u>4</u>
Other comprehensive income (loss) for the period, net of income tax	<u>(2,568,364)</u>	<u>(28)</u>	<u>208,647</u>	<u>2</u>	<u>(2,142,511)</u>	<u>(11)</u>	<u>878,071</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ (2,600,930)</u>	<u>(28)</u>	<u>\$ 581,388</u>	<u>6</u>	<u>\$ (1,800,807)</u>	<u>(9)</u>	<u>\$ 1,555,248</u>	<u>9</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	\$ (67,954)	(1)	\$ 324,848	4	\$ 261,930	1	\$ 585,984	3
Non-controlling interests	<u>35,388</u>	<u>1</u>	<u>47,893</u>	<u>-</u>	<u>79,774</u>	<u>1</u>	<u>91,193</u>	<u>1</u>
	<u>\$ (32,566)</u>	<u>-</u>	<u>\$ 372,741</u>	<u>4</u>	<u>\$ 341,704</u>	<u>2</u>	<u>\$ 677,177</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	\$ (2,472,416)	(27)	\$ 521,232	6	\$ (1,737,573)	(9)	\$ 1,427,339	8
Non-controlling interests	<u>(128,514)</u>	<u>(1)</u>	<u>60,156</u>	<u>-</u>	<u>(63,234)</u>	<u>-</u>	<u>127,909</u>	<u>1</u>
	<u>\$ (2,600,930)</u>	<u>(28)</u>	<u>\$ 581,388</u>	<u>6</u>	<u>\$ (1,800,807)</u>	<u>(9)</u>	<u>\$ 1,555,248</u>	<u>9</u>
EARNINGS (LOSSES) PER SHARE (Note 24)								
Basic	<u>\$ (0.08)</u>		<u>\$ 0.39</u>		<u>\$ 0.32</u>		<u>\$ 0.71</u>	
Diluted	<u>\$ (0.08)</u>		<u>\$ 0.39</u>		<u>\$ 0.32</u>		<u>\$ 0.71</u>	

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

(With Deloitte & Touche review report dated August 7, 2025)

(Concluded)

TSRC CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of Parent					Total Other Equity Interest						
	Common Stock	Capital Surplus	Legal Reserve	Retained Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total	Total Equity Attributable to Owners of Parent	Non-controlling Interests	Total Equity
				Unappropriated Retained Earnings	Total							
BALANCE ON 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	-	-	-	-	-	-	-	-	-	-	(32,558)	(32,558)
Cash dividends from capital surplus	-	(123,856)	-	-	-	-	-	-	-	(123,856)	-	(123,856)
Net income	-	-	-	585,984	585,984	-	-	-	-	585,984	91,193	677,177
Other comprehensive income (loss)	-	-	-	-	-	719,268	124,328	(2,241)	841,355	841,355	36,716	878,071
Total comprehensive income (loss)	-	-	-	585,984	585,984	719,268	124,328	(2,241)	841,355	1,427,339	127,909	1,555,248
BALANCE ON JUNE 30, 2024	\$ 8,257,099	\$ 55,977	\$ 4,713,729	\$ 4,316,311	\$ 9,030,040	\$ 994,091	\$ 2,094,465	\$ (44,910)	\$ 3,043,646	\$ 20,386,762	\$ 1,475,325	\$ 21,862,087
BALANCE ON JANUARY 1, 2025	\$ 8,257,099	\$ 57,219	\$ 4,713,729	\$ 4,807,066	\$ 9,520,795	\$ 1,091,509	\$ 1,463,463	\$ (38,592)	\$ 2,516,380	\$ 20,351,493	\$ 1,435,759	\$ 21,787,252
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	107,674	(107,674)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	(520,197)	(520,197)	-	-	-	-	(520,197)	-	(520,197)
Net income	-	-	-	261,930	261,930	-	-	-	-	261,930	79,774	341,704
Other comprehensive income (loss)	-	-	-	-	-	(1,860,748)	(142,875)	4,120	(1,999,503)	(1,999,503)	(143,008)	(2,142,511)
Total comprehensive income (loss)	-	-	-	261,930	261,930	(1,860,748)	(142,875)	4,120	(1,999,503)	(1,737,573)	(63,234)	(1,800,807)
Changes in ownership interests in subsidiaries	-	-	-	(61,646)	(61,646)	18,323	-	-	18,323	(43,323)	43,323	-
BALANCE ON JUNE 30, 2025	\$ 8,257,099	\$ 57,219	\$ 4,821,403	\$ 4,379,479	\$ 9,200,882	\$ (750,916)	\$ 1,320,588	\$ (34,472)	\$ 535,200	\$ 18,050,400	\$ 1,415,848	\$ 19,466,248

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

(With Deloitte & Touche review report dated August 7, 2025)

# TSRC CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated net income before tax	\$ 750,065	\$ 1,088,622
Depreciation	493,555	554,606
Amortization	67,474	68,974
Expected credit reversal on trade receivables	(5,503)	(193)
Interest expense	186,511	195,751
Interest income	(91,289)	(122,914)
Dividend income	-	(22,628)
Share of profit of associates and joint ventures accounted for under equity method	(287,181)	(296,150)
Loss on disposal of property, plant and equipment	3,816	646
Transfer to operating costs and inventories	73,387	39,015
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	17,603	(3,976)
Notes receivable	137,750	(301,441)
Accounts receivable	583,413	(767,085)
Other receivables	83,365	62,969
Inventories	978,794	(289,822)
Other current assets	(130,654)	(112,950)
Financial liabilities at fair value through profit or loss	17,002	(17,628)
Notes payable	-	450
Accounts payable	(811,624)	(411,822)
Accounts payable - related parties	(73,628)	36,140
Other payables	(249,516)	(192,596)
Other current liabilities	(163,485)	(86,261)
Net defined benefit liability	(1,185)	(2,834)
Other non-current liabilities	50,192	(31,823)
Provisions	13,495	-
Cash flow generated from (used in) operating activities	1,642,357	(612,950)
Interest income received	99,528	113,419
Interest paid	(206,589)	(188,638)
Income taxes paid	(243,658)	(324,380)
Net cash flow generated from (used in) operating activities	1,291,638	(1,012,549)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from capital reduction of investments accounted for using equity method	-	236,396
Payments of property, plant and equipment	(761,008)	(2,273,481)
Proceeds from disposal of property, plant and equipment	10,560	489

(Continued)



# TSRC CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
Decrease in other non-current assets	\$ 5,403	\$ 70,167
Dividends received	-	82,542
Compensation for relocation/government grant	<u>340,156</u>	<u>122,349</u>
Net cash flow used in investing activities	<u>(404,889)</u>	<u>(1,761,538)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	12,985,183	13,661,344
Decrease in short-term borrowings	(13,553,558)	(12,927,368)
Increase in short-term commercial paper payable	600,000	1,480,000
Decrease in short-term commercial paper payable	(570,000)	(1,053,000)
Proceeds from long-term borrowings	1,348,026	3,199,633
Repayments of long-term borrowings	(997,167)	(1,388,268)
Repayments of lease liabilities	(116,415)	(85,208)
Cash dividends paid	(909)	(591)
Cash dividends paid to non-controlling interests	<u>-</u>	<u>(32,558)</u>
Net cash flow (used in) generated from financing activities	<u>(304,840)</u>	<u>2,853,984</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	<u>(1,464,132)</u>	<u>642,789</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(882,223)	722,686
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>6,335,266</u>	<u>5,448,591</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 5,453,043</u>	<u>\$ 6,171,277</u>

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

(With Deloitte & Touche review report dated August 7, 2025)

(Concluded)

# TSRC CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 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.

The consolidated financial statements are presented in New Taiwan dollars, which is the Corporation’s functional currency.

### 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 August 7, 2025.

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

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

#### Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Corporation’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
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

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

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

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note)</u></b>
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 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.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the 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.

#### **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 Corporation and the entities controlled by the Corporation (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated 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 Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 11, Tables 7 and 8 for 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, 2024.

1) Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year and the proportion of actual emissions to the total annual emissions.

2) 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.

3) 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

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Refer to the consolidated financial statements for the year ended December 31, 2024 for information on the material accounting judgements and key sources of estimation uncertainty.

## 6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 434	\$ 468	\$ 462
Checking accounts and demand deposits	680,421	456,737	750,515
Cash equivalents			
Time deposits	<u>4,772,188</u>	<u>5,878,061</u>	<u>5,420,300</u>
	<u>\$ 5,453,043</u>	<u>\$ 6,335,266</u>	<u>\$ 6,171,277</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets at 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>41</u>	\$ <u>17,644</u>	\$ <u>3,976</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>17,219</u>	\$ <u>217</u>	\$ <u>903</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>June 30, 2025</u>			
Sell (forward contracts)	EUR/USD	2025.07.11-2025.08.27	EUR1,040/USD1,191
Sell (forward contracts)	JPY/USD	2025.07.29-2025.07.29	JPY15,800/USD111
Sell (forward contracts)	CNH/USD	2025.09.10-2025.11.10	CNH30,000/USD4,213
Swap contracts	EUR/USD	2025.07.17-2025.09.26	EUR17,453/USD19,987
Swap contracts	JPY/USD	2025.08.27-2025.08.27	JPY4,000/USD28
<u>December 31, 2024</u>			
Sell (forward contracts)	EUR/USD	2025.01.13-2025.02.27	EUR2,247/USD2,352
Sell (forward contracts)	JPY/USD	2025.01.24-2025.02.27	JPY27,500/USD179
Swap contracts	EUR/USD	2025.01.17-2025.03.27	EUR17,690/USD18,970
<u>June 30, 2024</u>			
Sell (forward contracts)	EUR/USD	2024.07.12-2024.08.16	EUR1,336/USD1,436
Swap contracts	EUR/USD	2024.07.18-2024.09.27	EUR24,505/USD26,365

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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ <u>1,256,763</u>	\$ <u>1,394,513</u>	\$ <u>1,211,091</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 3,441,131	\$ 4,024,544	\$ 4,136,425
Less: Allowance for impairment loss	<u>(827)</u>	<u>(6,459)</u>	<u>(2,372)</u>
	\$ <u>3,440,304</u>	\$ <u>4,018,085</u>	\$ <u>4,134,053</u>
<u>Other receivables</u>			
Other receivables from related parties	\$ 11,099	\$ 30,444	\$ 27,201
Others	<u>163,997</u>	<u>236,256</u>	<u>153,158</u>
	\$ <u>175,096</u>	\$ <u>266,700</u>	\$ <u>180,359</u>

The average credit period of sales of goods is 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.

### June 30, 2025

	Not Past Due	Past Due Less than 30 Days	Past Due 31 to 90 Days	Past Due 90+ Days	Total
Expected credit loss rate	0.00%	0.09%	10.95%	-	
Gross carrying amount	\$ 4,526,335	\$ 166,903	\$ 4,656	\$ -	\$ 4,697,894
Loss allowance (Lifetime ECLs)	<u>(162)</u>	<u>(155)</u>	<u>(510)</u>	<u>-</u>	<u>(827)</u>
Amortized cost	\$ <u>4,526,173</u>	\$ <u>166,748</u>	\$ <u>4,146</u>	\$ <u>-</u>	\$ <u>4,697,067</u>

## December 31, 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	0.00%	0.11%	5.06%	100.00%	
Gross carrying amount	\$ 5,209,577	\$ 201,512	\$ 1,859	\$ 6,109	\$ 5,419,057
Loss allowance (Lifetime ECLs)	<u>(34)</u>	<u>(222)</u>	<u>(94)</u>	<u>(6,109)</u>	<u>(6,459)</u>
Amortized cost	<u>\$ 5,209,543</u>	<u>\$ 201,290</u>	<u>\$ 1,765</u>	<u>\$ -</u>	<u>\$ 5,412,598</u>

## June 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%	0.72%	21.53%	-	
Gross carrying amount	\$ 5,215,760	\$ 130,674	\$ 1,082	\$ -	\$ 5,347,516
Loss allowance (Lifetime ECLs)	<u>(1,194)</u>	<u>(945)</u>	<u>(233)</u>	<u>-</u>	<u>(2,372)</u>
Amortized cost	<u>\$ 5,214,566</u>	<u>\$ 129,729</u>	<u>\$ 849</u>	<u>\$ -</u>	<u>\$ 5,345,144</u>

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

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	\$ 6,459	\$ 2,490
Impairment losses reversed recognized for the period	(5,503)	(193)
Foreign exchange gains and losses	<u>(129)</u>	<u>75</u>
Balance on June 30	<u>\$ 827</u>	<u>\$ 2,372</u>

## 9. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	\$ 4,477,718	\$ 4,520,849	\$ 4,599,137
Work in progress	360,342	411,338	363,944
Raw materials	<u>1,766,468</u>	<u>2,651,135</u>	<u>1,979,602</u>
	<u>\$ 6,604,528</u>	<u>\$ 7,583,322</u>	<u>\$ 6,942,683</u>



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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Cost of inventories sold	\$ 8,093,734	\$ 7,723,590	\$ 17,182,969	\$ 15,379,226
Inventory write-downs (reversed)	73,963	20,594	104,076	(21,149)
Income from sale of scrap	(4,900)	(8,040)	(19,282)	(16,364)
Inventory short and over	143	2,514	284	2,759
Unallocated production overhead	<u>205,353</u>	<u>135,658</u>	<u>285,829</u>	<u>223,799</u>
	<u>\$ 8,368,293</u>	<u>\$ 7,874,316</u>	<u>\$ 17,553,876</u>	<u>\$ 15,568,271</u>

The reversal of inventory write-downs for the six months ended June 30, 2024 resulted from the 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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Investments in equity instruments			
Domestic listed shares	\$ 1,032,580	\$ 1,083,601	\$ 1,694,646
Domestic and foreign unlisted shares	<u>743,401</u>	<u>864,901</u>	<u>853,015</u>
	<u>\$ 1,775,981</u>	<u>\$ 1,948,502</u>	<u>\$ 2,547,661</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
			June 30, 2025	December 31, 2024	June 30, 2024	
The Corporation	Trimurti Holding Corporation	Investment	100.00	100.00	100.00	-
The Corporation	Hardison International Corporation	Investment	100.00	100.00	100.00	(4)
The Corporation and Hardison International Corporation	Dymas Corporation	Investment	100.00	100.00	100.00	(1) and (4)
The Corporation and Dymas 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) and (4)
Trimurti Holding Corporation	Polybus Corporation Pte Ltd	International commerce and investment corporation	100.00	100.00	100.00	-
Trimurti Holding Corporation	TSRC (Hong Kong) Limited	Investment	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	(4)
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
			June 30, 2025	December 31, 2024	June 30, 2024	
TSRC (Lux.) Corporation S.A R.L.	TSRC (USA) Investment	Investment	100.00	100.00	100.00	-
TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	Production and sale of TPE	100.00	100.00	100.00	-
Polybus Corporation Pte Ltd	Shen Hua Chemical Industries Co., Ltd.	Production and sale of ESBR	90.92	88.00	88.00	(3)
Polybus Corporation Pte Ltd	TSRC-UBE (Nantong) Industries Ltd.	Production and sale of butadiene rubber	55.00	55.00	55.00	(4)
Polybus Corporation Pte Ltd	TSRC (Nantong) Industries Ltd.	Production and sale of thermoplastic elastomer	100.00	100.00	100.00	(5)
Hardison International Corporation	Triton International Holdings Corporation	Investment	100.00	100.00	100.00	(4)

(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 100.00% directly and indirectly owned equity.
  - 2) In March 2025, Dymas Corporation acquired 45.69% shares of TSRC (Vietnam) Co., Ltd., which issued ordinary shares for cash, and as a result, TSRC Corporation's direct ownership decreased from 100% to 54.31%, total directly and indirectly owns of equity are 100%.
  - 3) In April 2025, the non-controlling interests of Shenhua Chemical Industrial Co., Ltd. did not recognize the company's cash capital increase in proportion to their ownership. As a result, Polybus Corporation Pte Ltd's ownership interest increased from 88% to 90.92%.
  - 4) The company is not a major subsidiary; its financial statements have not been reviewed.
  - 5) The company is not a major subsidiary; its financial statements have been reviewed.
- 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		
		June 30, 2025	December 31, 2024	June 30, 2024
Shen Hua Chemical Industries Co., Ltd.	China	9.08%	12.00%	12.00%
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.

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 5,616,722	\$ 4,325,284	\$ 3,163,104
Non-current assets	5,867,102	6,075,080	5,438,810
Current liabilities	(961,101)	(1,550,042)	(741,156)
Non-current liabilities	(4,251,689)	(4,189,154)	(3,525,374)
Equity	<u>\$ 6,271,034</u>	<u>\$ 4,661,168</u>	<u>\$ 4,335,384</u>

(Continued)

	June 30, 2025		December 31, 2024	June 30, 2024
Equity attributable to				
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 5,681,957		\$ 4,092,675	\$ 3,815,138
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>589,077</u>		<u>568,493</u>	<u>520,246</u>
	<u>\$ 6,271,034</u>		<u>\$ 4,661,168</u>	<u>\$ 4,335,384</u>
				(Concluded)
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Revenue	<u>\$ 2,979,034</u>	<u>\$ 2,333,043</u>	<u>\$ 6,381,820</u>	<u>\$ 4,679,422</u>
Net profit for the year	\$ 112,371	\$ 63,414	\$ 328,899	\$ 174,230
Other comprehensive income (loss)	<u>(260,906)</u>	<u>36,191</u>	<u>(237,764)</u>	<u>108,908</u>
Total comprehensive income (loss) for the year	<u>\$ (148,535)</u>	<u>\$ 99,605</u>	<u>\$ 91,135</u>	<u>\$ 283,138</u>
Profit attributable to				
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 99,240	\$ 52,837	\$ 286,726	\$ 150,355
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>13,131</u>	<u>10,577</u>	<u>42,173</u>	<u>23,875</u>
	<u>\$ 112,371</u>	<u>\$ 63,414</u>	<u>\$ 328,899</u>	<u>\$ 174,230</u>
Total comprehensive income (loss) attributable to:				
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ (137,300)	\$ 84,685	\$ 70,551	\$ 246,194
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>(11,235)</u>	<u>14,920</u>	<u>20,584</u>	<u>36,944</u>
	<u>\$ (148,535)</u>	<u>\$ 99,605</u>	<u>\$ 91,135</u>	<u>\$ 283,138</u>
Cash inflow (outflow) from				
Operating activities			\$ 147,526	\$ (199,673)
Investing activities			(221,230)	(1,849,384)
Financing activities			1,837,008	1,785,216
Effects of exchange rate changes on cash and cash equivalents			<u>(175,976)</u>	<u>13,985</u>
Net cash inflow (outflow)			<u>\$ 1,587,328</u>	<u>\$ (249,856)</u>

TSRC-UBE (Nantong) Industries Ltd.

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 1,433,211	\$ 1,792,891	\$ 1,650,588
Non-current assets	667,101	739,592	702,577
Current liabilities	(220,991)	(544,038)	(195,621)
Non-current liabilities	<u>(42,052)</u>	<u>(61,188)</u>	<u>(41,859)</u>
Equity	<u>\$ 1,837,269</u>	<u>\$ 1,927,257</u>	<u>\$ 2,115,685</u>
Equity attributable to			
Owners of TSRC-UBE (Nantong) Industries Ltd.	\$ 1,010,498	\$ 1,059,991	\$ 1,163,627
Non-controlling interests of TSRC-UBE (Nantong) Industries Ltd.	<u>826,771</u>	<u>867,266</u>	<u>952,058</u>
	<u>\$ 1,837,269</u>	<u>\$ 1,927,257</u>	<u>\$ 2,115,685</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Revenue	<u>\$ 898,000</u>	<u>\$ 1,060,881</u>	<u>\$ 1,976,353</u>	<u>\$ 1,893,524</u>
Net profit for the year	\$ 49,461	\$ 82,924	\$ 83,559	\$ 149,596
Other comprehensive income (loss)	<u>(213,807)</u>	<u>18,535</u>	<u>(173,547)</u>	<u>53,484</u>
Total comprehensive income for the year	<u>\$ (164,346)</u>	<u>\$ 101,459</u>	<u>\$ (89,988)</u>	<u>\$ 203,080</u>
Profit attributable to				
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 27,204	\$ 45,608	\$ 45,958	\$ 82,278
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>22,257</u>	<u>37,316</u>	<u>37,601</u>	<u>67,318</u>
	<u>\$ 49,461</u>	<u>\$ 82,924</u>	<u>\$ 83,559</u>	<u>\$ 149,596</u>
Total comprehensive income attributable to:				
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ (90,387)	\$ 55,802	\$ (49,493)	\$ 111,694
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>(73,959)</u>	<u>45,657</u>	<u>(40,495)</u>	<u>91,386</u>
	<u>\$ (164,346)</u>	<u>\$ 101,459</u>	<u>\$ (89,988)</u>	<u>\$ 203,080</u>

(Continued)

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cash inflow from				
Operating activities			\$ 84,310	\$ 20,497
Investing activities			(16,691)	(31,142)
Financing activities			(6,031)	(105,147)
Effects of exchange rate changes on cash and cash equivalents			<u>(37,286)</u>	<u>17,823</u>
Net cash inflow (outflow)			<u>\$ 24,302</u>	<u>\$ (97,969)</u>
Dividends paid to non-controlling interest of: TSRC-UBE (Nantong) Industries Ltd.			<u>\$ -</u>	<u>\$ 32,558</u> (Concluded)

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Investments in associates	\$ 689,548	\$ 744,672	\$ 744,518
Investments in joint ventures	<u>2,243,839</u>	<u>2,223,872</u>	<u>1,948,192</u>
	<u>\$ 2,933,387</u>	<u>\$ 2,968,544</u>	<u>\$ 2,692,710</u>

### Investments in Associates

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Material associate			
ARLANXEO-TSRC (Nantong) Chemicals Industries Co., Ltd.	<u>\$ 689,548</u>	<u>\$ 744,672</u>	<u>\$ 744,518</u>
Credit balance of investments accounted for using the equity method (included in other non-current liabilities)			
Associates that are not individually material	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,155</u>

#### a. Material associate

<b>Name of Associate</b>	<b>Nature of Activities</b>	<b>Principal Place of Business</b>	<b>Proportion of Ownership and Voting Rights</b>		
			<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
ARLANXEO-TSRC (Nantong) Chemicals Industries Co., Ltd.	Strategic alliance of production and sale NBR	China	50.00%	50.00%	50.00%

The investment in the 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.

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Current assets	\$ 1,242,989	\$ 1,265,234	\$ 1,124,761
Non-current assets	2,736,726	3,093,065	2,429,173
Current liabilities	(960,757)	(911,541)	(1,232,754)
Non-current liabilities	<u>(1,639,861)</u>	<u>(1,957,414)</u>	<u>(832,145)</u>
Equity	<u>\$ 1,379,097</u>	<u>\$ 1,489,344</u>	<u>\$ 1,489,035</u>
Proportion of the Group's ownership	50.00%	50.00%	50.00%
Equity attributable to the Group	\$ 689,548	\$ 744,672	\$ 744,518
Other adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount	<u>\$ 689,548</u>	<u>\$ 744,672</u>	<u>\$ 744,518</u>

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Revenue	<u>\$ 646,846</u>	<u>\$ 478,781</u>	<u>\$ 1,217,547</u>	<u>\$ 875,571</u>
Net profit (loss) for the year	\$ 12,466	\$ (2,780)	\$ 20,838	\$ 10,382
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the year	<u>\$ 12,466</u>	<u>\$ (2,780)</u>	<u>\$ 20,838</u>	<u>\$ 10,382</u>

b. Aggregate information of associates that are not individually material

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
The Group's share of:				
Net profit for the period	\$ -	\$ 2,125	\$ -	\$ 2,744
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ -</u>	<u>\$ 2,125</u>	<u>\$ -</u>	<u>\$ 2,744</u>

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

## Investments in Joint Ventures

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Investments in joint ventures</u>			
Material joint venture			
Indian Synthetic Rubber Private Limited	\$ 2,222,811	\$ 2,183,541	\$ 1,898,914
Joint ventures that are not individually material	<u>21,028</u>	<u>40,331</u>	<u>49,278</u>
	<u>\$ 2,243,839</u>	<u>\$ 2,223,872</u>	<u>\$ 1,948,192</u>

### a. Material joint venture

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			June 30, 2025	December 31, 2024	June 30, 2024
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.

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 2,632,538	\$ 2,336,777	\$ 2,725,070
Non-current assets	4,084,618	4,572,696	3,454,000
Current liabilities	(1,505,156)	(1,685,010)	(1,147,010)
Non-current liabilities	<u>(645,048)</u>	<u>(722,125)</u>	<u>(1,099,515)</u>
Equity	<u>\$ 4,566,952</u>	<u>\$ 4,502,338</u>	<u>\$ 3,932,545</u>
Proportion of the Group's ownership	50.00%	50.00%	50.00%
Equity attributable to the Group	<u>\$ 2,283,476</u>	<u>\$ 2,251,169</u>	<u>\$ 1,966,273</u>
Carrying amount	<u>\$ 2,222,811</u>	<u>\$ 2,183,541</u>	<u>\$ 1,898,914</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Revenue	\$ 1,806,721	\$ 1,847,966	\$ 3,699,496	\$ 3,506,544
Net profit for the period	\$ 233,923	\$ 373,352	\$ 587,457	\$ 596,217
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	\$ 233,923	\$ 373,352	\$ 587,457	\$ 596,217

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
The Group's share of:				
Net (loss) profit for the period	\$ (12,486)	\$ (3,995)	\$ (16,966)	\$ (9,893)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) income for the period	\$ (12,486)	\$ (3,995)	\$ (16,966)	\$ (9,893)

### 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 on January 1, 2025	\$ 806,595	\$ 5,130,987	\$ 25,279,737	\$ 288,255	\$ 4,994,930	\$ 36,500,504
Additions	-	-	2,711	227	633,806	636,744
Disposals	-	-	(51,785)	(4,797)	(424)	(57,006)
Reclassification	-	1,431,038	3,563,838	13,825	(5,080,881)	(72,180)
Effects of foreign currency exchange differences	(10,490)	(446,931)	(1,660,981)	(17,119)	(106,122)	(2,241,643)
Balance on June 30, 2025	\$ 796,105	\$ 6,115,094	\$ 27,133,520	\$ 280,391	\$ 441,309	\$ 34,766,419
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2025	\$ 130,302	\$ 3,153,482	\$ 19,401,551	\$ 246,656	\$ -	\$ 22,931,991
Disposals	-	-	(38,318)	(4,312)	-	(42,630)
Depreciation expenses	-	-	2,329	(2,329)	-	-
Effects of foreign currency exchange differences	3,562	71,324	350,519	6,440	-	431,845
XXX	(5,353)	(192,167)	(1,081,326)	(13,460)	-	(1,292,306)
Balance on June 30, 2025	\$ 128,511	\$ 3,032,639	\$ 18,634,755	\$ 232,995	\$ -	\$ 22,028,900
Carrying amounts on June 30, 2025	\$ 667,594	\$ 3,082,455	\$ 8,498,765	\$ 47,396	\$ 441,309	\$ 12,737,519
Carrying amounts on December 31, 2024 and January 1, 2025	\$ 676,293	\$ 1,977,505	\$ 5,878,186	\$ 41,599	\$ 4,994,930	\$ 13,568,513

(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 on January 1, 2024	\$ 798,815	\$ 4,991,085	\$ 24,056,746	\$ 274,501	\$ 1,890,977	\$ 32,012,124
Additions	-	-	5,416	123	2,395,054	2,400,593
Disposals	-	-	(77,261)	(2,563)	-	(79,824)
Reclassification	1,818	(405)	611,871	8,545	2,637	624,466
Effects of foreign currency exchange differences	<u>4,981</u>	<u>110,546</u>	<u>523,126</u>	<u>6,372</u>	<u>55,612</u>	<u>700,637</u>
Balance on June 30, 2024	<u>\$ 805,614</u>	<u>\$ 5,101,226</u>	<u>\$ 25,119,898</u>	<u>\$ 286,978</u>	<u>\$ 4,344,280</u>	<u>\$ 35,657,996</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2024	\$ 119,593	\$ 2,949,257	\$ 18,216,315	\$ 220,825	\$ -	\$ 21,505,990
Disposals	-	-	(76,382)	(2,307)	-	(78,689)
Depreciation expenses	4,337	69,982	411,526	7,675	-	493,520
Effects of foreign currency exchange differences	<u>2,200</u>	<u>55,232</u>	<u>386,002</u>	<u>4,848</u>	<u>-</u>	<u>448,282</u>
Balance on June 30, 2024	<u>\$ 126,130</u>	<u>\$ 3,074,471</u>	<u>\$ 18,937,461</u>	<u>\$ 231,041</u>	<u>\$ -</u>	<u>\$ 22,369,103</u>
Carrying amounts on June 30, 2024	<u>\$ 679,484</u>	<u>\$ 2,026,755</u>	<u>\$ 6,182,437</u>	<u>\$ 55,937</u>	<u>\$ 4,344,280</u>	<u>\$ 13,288,893</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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amounts</u>			
Land	\$ 888,270	\$ 988,264	\$ 994,503
Buildings	119,451	156,758	177,874
Machinery	1,198,814	379,378	424,779
Transportation equipment	<u>26,342</u>	<u>35,145</u>	<u>16,545</u>
	<u>\$ 2,232,877</u>	<u>\$ 1,559,545</u>	<u>\$ 1,613,701</u>
<b>For the Six Months Ended June 30</b>			
	<b>2025</b>	<b>2024</b>	
Additions to right-of-use assets		<u>\$ 987,073</u>	<u>\$ 32,301</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Depreciation charge for right-of-use assets				
Land	\$ 6,499	\$ 6,778	\$ 13,361	\$ 13,407
Buildings	12,339	12,677	24,965	25,142
Machinery	4,860	5,083	10,024	10,021
Transportation equipment	<u>2,917</u>	<u>2,632</u>	<u>5,998</u>	<u>5,154</u>
	<u>\$ 26,615</u>	<u>\$ 27,170</u>	<u>\$ 54,348</u>	<u>\$ 53,724</u>

Except for the aforementioned addition, recognized depreciation and transferred to operating costs and inventories, the Group did not have significant subleases or impairments of right-of-use assets during the six months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amounts</u>			
Current	<u>\$ 196,024</u>	<u>\$ 163,994</u>	<u>\$ 157,778</u>
Non-current	<u>\$ 1,180,824</u>	<u>\$ 442,737</u>	<u>\$ 497,084</u>

Range of discount rates for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings	1.21%-6.45%	1.21%-6.45%	1.21%-6.45%
Machinery	1.86%-3.10%	1.86%-3.10%	1.86%-3.10%
Transportation equipment	1.31%-6.94%	1.21%-6.94%	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 June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	<u>\$ 119</u>	<u>\$ 204</u>	<u>\$ 435</u>	<u>\$ 590</u>
Expenses relating to low-value assets leases	<u>\$ 4,783</u>	<u>\$ 4,567</u>	<u>\$ 8,426</u>	<u>\$ 12,277</u>
Total cash outflow for leases	<u>\$ 70,919</u>	<u>\$ 51,304</u>	<u>\$ 138,592</u>	<u>\$ 104,767</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 on January 1, 2025 and June 30, 2025	<u>\$ 1,815,468</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2025	\$ 307,496
Depreciation expense	<u>7,362</u>
Balance on June 30, 2025	<u>\$ 314,858</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 1,507,972</u>
Carrying amount on June 30, 2025	<u>\$ 1,500,610</u>
<u>Cost</u>	
Balance on January 1, 2024 and June 30, 2024	<u>\$ 1,815,468</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2024	\$ 292,771
Depreciation expense	<u>7,362</u>
Balance on June 30, 2024	<u>\$ 300,133</u>
Carrying amount on June 30, 2024	<u>\$ 1,515,335</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:

	June 30, 2025	December 31, 2024	June 30, 2024
Not later than 1 year	\$ 70,046	\$ 70,809	\$ 35,729
Later than 1 year and not later than 5 years	228,088	250,793	81,922
Later than 5 years	<u>2,273</u>	<u>7,956</u>	<u>14,775</u>
	<u>\$ 300,407</u>	<u>\$ 329,558</u>	<u>\$ 132,426</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, 2024 was \$3,383,413 thousand. The fair value of the investment properties was based on the valuation carried out by independent valuers, and the input values used in the fair value measurement are classified as Level 3. The valuation was carried out based on 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

	June 30, 2025	December 31, 2024	June 30, 2024
Industrial technology and know-how	\$ 131,886	\$ 171,033	\$ 215,065
Computer software	25,646	22,705	22,754
Patent and trademark	146,017	170,014	166,448
Customer relationship	<u>250,474</u>	<u>299,334</u>	<u>315,035</u>
	<u>\$ 554,023</u>	<u>\$ 663,086</u>	<u>\$ 719,302</u>

Except for amortization recognized, the Group did not have significant addition, disposal, or impairment of other intangible assets during the six months ended June 30, 2025 and 2024. 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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 3,755,912</u>	<u>\$ 4,727,801</u>	<u>\$ 5,552,072</u>
Range of interest rate	1.23%-5.78%	1.00%-5.98%	0.85%-6.94%

b. Short-term bills payable

	June 30, 2025	December 31, 2024	June 30, 2024
Commercial paper	\$ 130,000	\$ 100,000	\$ 427,000
Less: Unamortized discounts on bills payable	<u>(69)</u>	<u>(50)</u>	<u>(277)</u>
	<u>\$ 129,931</u>	<u>\$ 99,950</u>	<u>\$ 426,723</u>
Range of interest rate	1.95%	2.02%	1.88%-1.92%

c. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Secured borrowings (Note 30)</u>			
Bank loans (RMB) (1)	\$ 2,459,572	\$ 2,617,208	\$ 2,149,813
<u>Unsecured borrowings</u>			
Bank loans (NTD) (2)	3,834,359	3,600,153	3,745,418
Bank loans (USD) (3)	<u>662,460</u>	<u>699,055</u>	<u>646,080</u>
	6,956,391	6,916,416	6,541,311
Less: Current portion	<u>(1,071,674)</u>	<u>(607,555)</u>	<u>(543,665)</u>
Long-term borrowings	<u>\$ 5,884,717</u>	<u>\$ 6,308,861</u>	<u>\$ 5,997,646</u>

1) June 30, 2025: The loan will be repayable in 2032 with interest at 2.41%-2.85%.

December 31, 2024: The loan will be repayable in 2032 with interest at 2.41%-2.85%.

December June 30, 2024: The loan will be repayable in 2032 with interest at 2.66%-2.85%.

2) June 30, 2025: The loan will be repayable in 2025-2029 with interest at 1.33%-2.40%.

December 31, 2024: The loan will be repayable in 2025-2029 with interest at 1.33%-2.40%.

June 30, 2024: The loan will be repayable in 2024-2029 with interest at 1.33%-2.35%.

3) June 30, 2025: The loan will be repayable in 2025-2027 with interest at 5.75%-5.93%.

December 31, 2024: The loan will be repayable in 2025-2028 with interest at 5.88%-6.20%.

June 30, 2024: The loan will be repayable in 2024-2028 with interest at 6.83%-7.03%.

## 18. PROVISIONS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Demolition and relocation costs	\$ 70,220	\$ -	\$ -
Carbon fee	<u>13,495</u>	<u>-</u>	<u>-</u>
	<u>\$ 83,715</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Non-current</u>			
Demolition and relocation costs	<u>\$ 163,470</u>	<u>\$ 255,971</u>	<u>\$ 250,787</u>
	<b>Carbon Fee</b>	<b>Demolition and Relocation Costs</b>	<b>Total</b>
Balance on January 1, 2025	\$ -	\$ 255,971	\$ 255,971
Accrue carbon fees	13,495	-	13,495
Effects of foreign currency exchange differences	<u>-</u>	<u>(22,281)</u>	<u>(22,281)</u>
Balance on June 30, 2025	<u>\$ 13,495</u>	<u>\$ 233,690</u>	<u>\$ 247,185</u>

Starting from 2025, the Group recognizes the carbon fee provision in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. The carbon fee provision was calculated based on the standard rate.

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

## 19. RETIREMENT BENEFIT PLANS

For the three months and six months ended June 30, 2025 and 2024, the pension expenses of defined benefit plans were \$429 thousand, \$692 thousand, \$858 thousand and \$1,386 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

## 20. EQUITY

### a. Share capital - ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
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

	June 30, 2025	December 31, 2024	June 30, 2024
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	2,691	2,691
<u>May only be used to offset a deficit</u>			
Overdue unclaimed dividends	<u>53,679</u>	<u>53,679</u>	<u>52,437</u>
	<u>\$ 57,219</u>	<u>\$ 57,219</u>	<u>\$ 55,977</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 other purposes. The allocation shall be proposed by the board of directors for a resolution at the shareholders' general meeting. However, dividends, employee bonuses, capital surplus, and legal reserve distributed wholly or partially in cash may be passed by the board of directors with more than two-thirds of the directors' attendance and resolved by more than half of the directors thereafter and shall be reported during the shareholders' general meeting. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 22-g.

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

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

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

The appropriations of earnings for 2024 and 2023 had been approved in the shareholders' meetings on June 3, 2025 and June 7, 2024, respectively, as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Legal reserve	<u>\$ 107,674</u>	<u>\$ 66,670</u>
Cash dividends	<u>\$ 520,197</u>	<u>\$ 338,541</u>
Cash dividends per share (NT\$)	<u>\$ 0.63</u>	<u>\$ 0.41</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

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	<u>\$ 1,091,509</u>	<u>\$ 274,823</u>
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	(1,929,361)	768,821
Share from associates/joint ventures accounted for using the equity method	<u>68,613</u>	<u>(49,553)</u>
Other comprehensive income (loss) recognized for the period	<u>(1,860,748)</u>	<u>719,268</u>
Changes in ownership interests in subsidiary	<u>18,323</u>	<u>-</u>
Balance on June 30	<u>\$ (750,916)</u>	<u>\$ 994,091</u>

2) Unrealized gain on financial assets at FVTOCI

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	<u>\$ 1,463,463</u>	<u>\$ 1,970,137</u>
Recognized for the period		
Unrealized gain (loss) - equity instruments	<u>(142,875)</u>	<u>124,328</u>
Balance on June 30	<u>\$ 1,320,588</u>	<u>\$ 2,094,465</u>



3) Gain/(loss) on hedging instruments

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ (38,592)	\$ (42,669)
Recognized for the period		
Share from associates/joint ventures accounted for using the equity method	<u>4,120</u>	<u>(2,241)</u>
Balance on June 30	<u>\$ (34,472)</u>	<u>\$ (44,910)</u>

## 21. REVENUE

### Disaggregation of Revenue

For the six months ended June 30, 2025

	<b>Synthetic Rubber</b>	<b>Non-synthetic Rubber</b>	<b>Total</b>
<u>Primary geographical markets</u>			
Asia	\$ 14,456,122	\$ 307,101	\$ 14,763,223
Americas	2,786,681	4,854	2,791,535
Europe	1,757,039	24	1,757,063
Others	<u>193,437</u>	<u>-</u>	<u>193,437</u>
	<u>\$ 19,193,279</u>	<u>\$ 311,979</u>	<u>\$ 19,505,258</u>

### Major product lines

Synthetic rubber/elastomers	\$ 18,973,085	\$ -	\$ 18,973,085
Applied materials	-	311,930	311,930
Others	<u>220,194</u>	<u>49</u>	<u>220,243</u>
	<u>\$ 19,193,279</u>	<u>\$ 311,979</u>	<u>\$ 19,505,258</u>

For the six months ended June 30, 2024

	<b>Synthetic Rubber</b>	<b>Non-synthetic Rubber</b>	<b>Total</b>
<u>Primary geographical markets</u>			
Asia	\$ 12,566,840	\$ 394,573	\$ 12,961,413
Americas	2,814,924	3,042	2,817,966
Europe	1,738,228	44	1,738,272
Others	<u>172,519</u>	<u>-</u>	<u>172,519</u>
	<u>\$ 17,292,511</u>	<u>\$ 397,659</u>	<u>\$ 17,690,170</u>

(Continued)

	Synthetic Rubber	Non-synthetic Rubber	Total
<u>Major product lines</u>			
Synthetic rubber/elastomers	\$ 16,891,418	\$ -	\$ 16,891,418
Applied materials	-	397,659	397,659
Others	<u>401,093</u>	<u>-</u>	<u>401,093</u>
	<u>\$ 17,292,511</u>	<u>\$ 397,659</u>	<u>\$ 17,690,170</u>
			(Concluded)

## 22. NET PROFIT

### a. Other income and expenses

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2025	2024	2025	2024
Rental income	\$ 16,197	\$ 18,691	\$ 34,959	\$ 37,028
Royalty income	3,854	14,366	24,833	40,486
Net service income	984	1,543	3,362	7,588
Depreciation of investment properties	(3,681)	(3,681)	(7,362)	(7,362)
Net other income	<u>9,243</u>	<u>9,601</u>	<u>16,231</u>	<u>11,598</u>
	<u>\$ 26,597</u>	<u>\$ 40,520</u>	<u>\$ 72,023</u>	<u>\$ 89,338</u>

### b. Interest income

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2025	2024	2025	2024
Bank deposits	<u>\$ 37,571</u>	<u>\$ 66,245</u>	<u>\$ 91,289</u>	<u>\$ 122,914</u>

### c. Other gains and losses

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2025	2024	2025	2024
(Loss) gain on disposal of financial assets and financial liabilities	\$ (57,992)	\$ 7,384	\$ (89,864)	\$ 36,521
Net foreign exchange gain (loss)	68,538	499	115,389	(19,969)
Loss on disposal of property, plant and equipment	(3,660)	(571)	(3,816)	(646)
Others	<u>(813)</u>	<u>(2,889)</u>	<u>(1,227)</u>	<u>(3,836)</u>
	<u>\$ 6,073</u>	<u>\$ 4,423</u>	<u>\$ 20,482</u>	<u>\$ 12,070</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 84,167	\$ 97,579	\$ 173,195	\$ 189,059
Interest on lease liabilities	<u>7,799</u>	<u>3,309</u>	<u>13,316</u>	<u>6,692</u>
	<u>\$ 91,966</u>	<u>\$ 100,888</u>	<u>\$ 186,511</u>	<u>\$ 195,751</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of depreciation by function				
Operating costs	\$ 214,553	\$ 236,670	\$ 427,581	\$ 485,084
Operating expenses	<u>29,268</u>	<u>31,468</u>	<u>58,612</u>	<u>62,160</u>
	<u>\$ 243,821</u>	<u>\$ 268,138</u>	<u>\$ 486,193</u>	<u>\$ 547,244</u>
An analysis of amortization by function				
Operating costs	\$ 1,489	\$ 2,494	\$ 2,939	\$ 5,434
Operating expenses	<u>31,369</u>	<u>32,295</u>	<u>64,535</u>	<u>63,540</u>
	<u>\$ 32,858</u>	<u>\$ 34,789</u>	<u>\$ 67,474</u>	<u>\$ 68,974</u>

The depreciation did not include the depreciation of investment properties (included in other income and expenses), the amounts for the three months and six months ended June 30, 2025 and 2024 were \$3,681 thousand, \$3,681 thousand, \$7,362 thousand and \$7,362 thousand, respectively.

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term benefits	\$ 539,164	\$ 510,599	\$ 1,100,721	\$ 1,013,332
Post-employment benefits				
Defined contribution plans	35,173	34,756	71,101	68,437
Defined benefit plans (Note 19)	<u>429</u>	<u>692</u>	<u>858</u>	<u>1,386</u>
	<u>35,602</u>	<u>35,448</u>	<u>71,959</u>	<u>69,823</u>
Other employee benefits	<u>66,937</u>	<u>81,526</u>	<u>148,691</u>	<u>152,058</u>
Total employee benefits expense	<u>\$ 641,703</u>	<u>\$ 627,573</u>	<u>\$ 1,321,371</u>	<u>\$ 1,235,213</u>

(Continued)

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
An analysis of employee benefits expense by function				
Operating costs	\$ 393,070	\$ 377,900	\$ 807,039	\$ 743,597
Operating expenses	<u>248,633</u>	<u>249,673</u>	<u>514,332</u>	<u>491,616</u>
	<u>\$ 641,703</u>	<u>\$ 627,573</u>	<u>\$ 1,321,371</u>	<u>\$ 1,235,213</u>
				(Concluded)

g. Employees' compensation and remuneration of directors

In accordance with the Company's articles of incorporation, if there is profit for the year, the Company should contribute more than 1% of its profit as employee remuneration and less than 1% as directors' remuneration. Pursuant to the amendments to the Securities and Exchange Act in August 2024, the Company's shareholders resolved at the 2025 annual general meeting to amend the Articles of Incorporation to stipulate that no less than 0.6% of the annual profit shall be reserved from the employee compensation appropriation for distribution to rank-and-file employees. The accrued employees' compensation and remuneration of directors for the three months and six months ended June 30, 2025 and 2024 were as follows:

Amount

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Employees' compensation	\$ -	\$ 12,100	\$ 10,000	\$ 18,400
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 2024 and 2023 that were resolved by the Corporation's board of directors, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
	<b>Cash</b>	<b>Cash</b>
Employees' compensation	\$ 62,289	\$ 69,010
Remuneration of directors	-	-

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, 2024 and 2023.

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 June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 84,655	\$ 115,514	\$ 219,282	\$ 232,793
Adjustments for prior year	(161)	1,166	3,598	4,133
Deferred tax				
In respect of the current period	<u>55,573</u>	<u>101,048</u>	<u>185,481</u>	<u>174,519</u>
Income tax expense recognized in profit or loss	<u>\$ 140,067</u>	<u>\$ 217,728</u>	<u>\$ 408,361</u>	<u>\$ 411,445</u>

### b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>Deferred tax</u>				
In respect of the current period				
Fair value changes of financial assets at FVTOCI	<u>\$ (45,892)</u>	<u>\$ 7,048</u>	<u>\$ (22,963)</u>	<u>\$ 8,118</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 entities included in the Group's consolidated financial statements are incorporated, have enacted the Pillar Two income tax legislation effective January 1, 2024.; while the Pillar Two income tax legislation in Singapore and Hong Kong has been enacted and substantively enacted, respectively, effective January 1, 2025.

The Group has assessed the impact of the Pillar Two income tax legislation for the period from January 1 to June 30, 2025, and noted there was no material 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 (LOSSES) PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Basic earnings per share	<u>\$ (0.08)</u>	<u>\$ 0.39</u>	<u>\$ 0.32</u>	<u>\$ 0.71</u>
Diluted earnings per share	<u>\$ (0.08)</u>	<u>\$ 0.39</u>	<u>\$ 0.32</u>	<u>\$ 0.71</u>

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 June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Earnings used in the computation of basic and diluted earnings per share	<u>\$ (67,954)</u>	<u>\$ 324,848</u>	<u>\$ 261,930</u>	<u>\$ 585,984</u>

### Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
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>-</u>	<u>770</u>	<u>898</u>	<u>1,302</u>
Weighted average number of ordinary shares outstanding in computation of diluted earnings per share	<u>825,710</u>	<u>826,480</u>	<u>826,608</u>	<u>827,012</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 six months ended June 30, 2025

	January 1, 2025	Cash Flow	Non-cash Changes			June 30, 2025
			Foreign Exchange Movement	Amortization of Commercial Paper Discount	Others	
Short-term borrowings (including short-term bills payable)	\$ 4,827,751	\$ (538,375)	\$ (403,514)	\$ (19)	\$ -	\$ 3,885,843
Long-term borrowings (including current portion)	6,916,416	350,859	(310,884)	-	-	6,956,391
Lease liabilities	<u>606,731</u>	<u>(116,415)</u>	<u>(113,857)</u>	<u>13,316</u>	<u>987,073</u>	<u>1,376,848</u>
	<u>\$ 12,350,898</u>	<u>\$ (303,931)</u>	<u>\$ (828,255)</u>	<u>\$ 13,297</u>	<u>\$ 987,073</u>	<u>\$ 12,219,082</u>

For the six months ended June 30, 2024

	January 1, 2024	Cash Flow	Non-cash Changes			June 30, 2024
			Foreign Exchange Movement	Amortization of Commercial Paper Discount	Others	
Short-term borrowings (including short-term bills payable)	\$ 4,580,149	\$ 1,160,976	\$ 237,947	\$ (277)	\$ -	\$ 5,978,795
Long-term borrowings (including current portion)	4,676,646	1,811,365	53,300	-	-	6,541,311
Lease liabilities	<u>680,008</u>	<u>(85,208)</u>	<u>21,069</u>	<u>6,692</u>	<u>32,301</u>	<u>654,862</u>
	<u>\$ 9,936,803</u>	<u>\$ 2,887,133</u>	<u>\$ 312,316</u>	<u>\$ 6,415</u>	<u>\$ 32,301</u>	<u>\$ 13,174,968</u>

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

The Group's operations were not affected by seasonality or cyclical 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, 2024. 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, 2024.

## 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

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ <u>-</u>	\$ <u>41</u>	\$ <u>-</u>	\$ <u>41</u>
Financial assets at FVOCI				
Investments in equity instruments				
Listed shares (domestic)	\$ 1,032,580	\$ -	\$ -	\$ 1,032,580
Unlisted shares (domestic and overseas)	<u>-</u>	<u>-</u>	<u>743,401</u>	<u>743,401</u>
	<u>\$ 1,032,580</u>	<u>\$ -</u>	<u>\$ 743,401</u>	<u>\$ 1,775,981</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	\$ <u>-</u>	\$ <u>17,219</u>	\$ <u>-</u>	\$ <u>17,219</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ <u>-</u>	\$ <u>17,644</u>	\$ <u>-</u>	\$ <u>17,644</u>
Financial assets at FVOCI				
Investments in equity instruments				
Listed shares (domestic)	\$ 1,083,601	\$ -	\$ -	\$ 1,083,601
Unlisted shares (domestic and overseas)	<u>-</u>	<u>-</u>	<u>864,901</u>	<u>864,901</u>
	<u>\$ 1,083,601</u>	<u>\$ -</u>	<u>\$ 864,901</u>	<u>\$ 1,948,502</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	\$ <u>-</u>	\$ <u>217</u>	\$ <u>-</u>	\$ <u>217</u>



June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ <u>-</u>	\$ <u>3,976</u>	\$ <u>-</u>	\$ <u>3,976</u>
Financial assets at FVOCI				
Investments in equity instruments				
Listed shares (domestic)	\$ 1,694,646	\$ -	\$ -	\$ 1,694,646
Unlisted shares (domestic and overseas)	<u>-</u>	<u>-</u>	<u>853,015</u>	<u>853,015</u>
	\$ <u>1,694,646</u>	\$ <u>-</u>	\$ <u>853,015</u>	\$ <u>2,547,661</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	\$ <u>-</u>	\$ <u>903</u>	\$ <u>-</u>	\$ <u>903</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 six months ended June 30, 2025

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance on January 1, 2025	\$ 864,901
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	<u>(121,500)</u>
Balance on June 30, 2025	\$ <u>743,401</u>

For the six months ended June 30, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance on January 1, 2024	\$ 1,148,549
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	<u>(295,534)</u>
Balance on June 30, 2024	\$ <u>853,015</u>

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

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
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:

<b>Item</b>	<b>Valuation Technique</b>	<b>Significant Unobservable Inputs</b>	<b>Inter-Relationship between Significant Unobservable Inputs and Fair Value Measurement</b>
Financial assets at fair value through other comprehensive income - equity investments without an active market	Comparative listed company	<ul style="list-style-type: none"> <li>Multipliers of price-to-earnings ratios as of June 30, 2025, December 31, 2024 and June 30, 2024 was all 13.69, 14.29 and 11.08-21.35, respectively</li> <li>Market liquidity discount rate as of 20%</li> </ul>	<ul style="list-style-type: none"> <li>The estimated fair value would have been higher if the price-to-earnings ratios had been higher</li> <li>The estimated fair value would have been higher if the market liquidity discount had been lower</li> </ul>

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>June 30, 2025</u>				
Financial assets fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount at 20%	1%	\$ 9,293	\$ (9,293)
<u>December 31, 2024</u>				
Financial assets fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount at 20%	1%	10,811	(10,811)

(Continued)

	<b>Input</b>	<b>Move Up or Down</b>	<b>Other Comprehensive Income</b>	
			<b>Favourable</b>	<b>Unfavourable</b>
<u>June 30, 2024</u>				
Financial assets fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount at 20%	1%	\$ 10,663	\$ (10,663)
(Concluded)				

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 41	\$ 17,644	\$ 3,976
Financial assets at amortized cost (1)	10,411,676	12,123,486	11,784,684
Financial assets at FVTOCI			
Equity instruments	1,775,981	1,948,502	2,547,661
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	17,219	217	903
Financial liabilities at amortized cost (2)	14,870,505	16,476,513	16,200,014

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

d. Financial risk management objectives and policies

The objectives and policies of the Group's financial risk management are the same as those note disclosure of the consolidated financial statements for the year ended December 31, 2024.

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, JPY 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.

	<b>USD Impact</b>	
	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss*	\$ 2,761	\$ (1,525)
	<b>EUR Impact</b>	
	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss*	\$ (495)	\$ (611)
	<b>JPY Impact</b>	
	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss*	\$ (16)	\$ (74)
	<b>RMB Impact</b>	
	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss*	\$ 470	\$ (722)

\* This was mainly attributable to the exposure on outstanding USD, EUR, JPY 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, JPY 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 six months ended June 30, 2025 and 2024 were \$10,712,303 thousand and \$12,093,383 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 six months ended June 30, 2025 and 2024 would have decreased/increased by \$53,562 thousand and \$60,467 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 June 30, 2025, December 31, 2024 and June 30, 2024, the Group had available unutilized short-term bank loan facilities of \$17,440,621 thousand, \$17,026,0695 thousand and \$16,500,650 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.

June 30, 2025

	<b>On Demand or Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings (including short-term bills payable)	\$ 3,889,587	\$ -	\$ -	\$ -
Accounts payable (including related parties)	1,882,963	-	-	-
Other payables	2,002,483	-	-	-
Long-term borrowings (including current portion)	1,327,070	1,560,375	1,815,707	2,961,499
Lease liabilities	218,007	212,665	342,379	806,264
Deposits received	-	125,563	14,142	3,120
	<u>\$ 9,320,110</u>	<u>\$ 1,898,603</u>	<u>\$ 2,172,228</u>	<u>\$ 3,770,883</u>

December 31, 2024

	<b>On Demand or Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings (including short-term bills payable)	\$ 4,959,362	\$ -	\$ -	\$ -
Accounts payable (including related parties)	2,768,215	-	-	-
Other payables	1,877,034	-	-	-
Long-term borrowings (including current portion)	702,526	1,487,228	2,377,052	3,188,582
Lease liabilities	177,588	172,439	278,574	4,190
Deposits received	-	69,835	14,142	3,120
	<u>\$ 10,484,725</u>	<u>\$ 1,729,502</u>	<u>\$ 2,669,768</u>	<u>\$ 3,195,892</u>

June 30, 2024

	<b>On Demand or Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings (including short-term bills payable)	\$ 6,044,154	\$ -	\$ -	\$ -
Notes payable	450	-	-	-
Accounts payable (including related parties)	1,775,666	-	-	-
Other payables	1,847,441	-	-	-
Long-term borrowings (including current portion)	665,275	1,379,065	2,659,397	2,652,333
Lease liabilities	168,995	164,770	336,797	9,756
Deposits received	<u>11,247</u>	<u>41,074</u>	<u>-</u>	<u>4,480</u>
	<u>\$ 10,513,228</u>	<u>\$ 1,584,909</u>	<u>\$ 2,996,194</u>	<u>\$ 2,666,569</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.

June 30, 2025

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Foreign exchange forward contracts/cross-currency swap contracts					
Outflows	<u>\$ 4,019</u>	<u>\$ 13,155</u>	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ -</u>
Inflows	<u>\$ 36</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Foreign exchange forward contracts/cross-currency swap contracts					
Outflows	<u>\$ -</u>	<u>\$ 217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Inflows	<u>\$ 17,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Foreign exchange forward contracts/cross-currency swap contracts					
Outflows	\$ -	\$ 903	\$ -	\$ -	\$ -
Inflows	\$ -	\$ 3,976	\$ -	\$ -	\$ -

e) Transfers of financial assets

Information on the Group's discounted notes receivable outstanding:

June 30, 2024

<b>Counterparty</b>	<b>Discounted Amount</b>	<b>Amount Reclassified to Other Receivables</b>	<b>Advances Received - Unused</b>	<b>Advances Received - Used</b>	<b>Annual Interest Rates on Advances Received (Used) (%)</b>
Industrial and Commercial Bank of China	\$ 71,509	\$ -	\$ -	\$ 71,509	1.25

## 29. TRANSACTIONS WITH RELATED PARTIES

a. Parent corporation and ultimate controlling party

Montrion Corporation is the ultimate controlling party of the Corporation. It indirectly controls Han-De Construction Co., Ltd. and Wei-Dar Development Co., Ltd., who held more than half of the members of the directors of the Corporation through their share.

b. Related party name and category

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.

<b>Name of Related Party</b>	<b>Relationship with the Group</b>
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
WV Corporation	Other related parties
Continental Consulting Limited Company	Other related parties
UBE (Shanghai) Ltd.	Subsidiary of other related parties of one consolidated entity
Marubeni Petrochemicals Investment B.V.	Substantive related party



c. Operating revenue

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Sales	Associate	\$ (134)	\$ -	\$ 23,728	\$ 6,247

d. Purchases of goods

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Corporate director of one consolidate entity	\$ -	\$ 366,626	\$ 24,819	\$ 606,436

e. Receivables from related parties

Line Item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Other receivables from related parties	Associate			
	ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	\$ 11,081	\$ 30,223	\$ 26,932
	Joint venture			
	Others	18	221	269
		<u>\$ 11,099</u>	<u>\$ 30,444</u>	<u>\$ 27,201</u>

f. Payables to related parties

Line Item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Trade payables to related parties	Corporate director of one consolidate entity	\$ -	\$ 73,628	\$ 95,319
Other payables to related parties	Associate	\$ 327	\$ 8	\$ 21
	Joint venture	1,102	-	-
	Subsidiary of the Group's other related party	828	911	897
	Other related parties	484	435	1,494
		<u>\$ 2,741</u>	<u>\$ 1,354</u>	<u>\$ 2,412</u>

g. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Service income and expense (included in other income and expense)	Associate				
	ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	\$ 19,513	\$ 36,874	\$ 62,888	\$ 81,779
	Joint venture				
	Indian Synthetic Rubber Private Limited	849	576	3,368	10,646
	Others	312	713	989	1,383
	Subsidiary of other related parties of one consolidated entity	(867)	(899)	(1,760)	(1,763)
	Other related parties	<u>(2,505)</u>	<u>(1,842)</u>	<u>(5,690)</u>	<u>(3,251)</u>
		<u>\$ 17,302</u>	<u>\$ 35,422</u>	<u>\$ 59,795</u>	<u>\$ 88,794</u>
Rental revenue (included in other income and expense)	Associates	\$ 476	\$ 626	\$ 1,110	\$ 1,240
	Other related parties	<u>1,163</u>	<u>1,147</u>	<u>2,310</u>	<u>2,294</u>
		<u>\$ 1,639</u>	<u>\$ 1,773</u>	<u>\$ 3,420</u>	<u>\$ 3,534</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 six months ended June 30, 2025 and 2024, 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 June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 38,668	\$ 37,799	\$ 77,680	\$ 76,100
Post-employment benefits	<u>642</u>	<u>345</u>	<u>1,267</u>	<u>711</u>
	<u>\$ 39,310</u>	<u>\$ 38,144</u>	<u>\$ 78,947</u>	<u>\$ 76,811</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:

	June 30, 2025	December 31, 2024	June 30, 2024
Restricted savings deposits (included in other non-current assets)	\$ 1,066	\$ 1,222	\$ 1,212
Buildings (included in property, plant and equipment)	580,915	598,435	-
Land-use right (included in right-of-use assets)	<u>541,329</u>	<u>599,188</u>	<u>601,103</u>
	<u>\$ 1,123,310</u>	<u>\$ 1,198,845</u>	<u>\$ 602,315</u>

### 31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- As of June 30, 2025, December 31, 2024 and June 30, 2024, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$1,184,863 thousand, \$1,134,991 thousand and \$1,354,067 thousand, respectively.
- Total amounts and the cumulative payments of Group's signed construction and design contracts with several vendors are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Total amounts of construction in progress contracts	<u>\$ 1,752,018</u>	<u>\$ 4,995,774</u>	<u>\$ 4,900,225</u>
Cumulative payments	<u>\$ 83,997</u>	<u>\$ 4,658,856</u>	<u>\$ 3,839,225</u>

### 32. OTHER MATTERS

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

	June 30, 2025	December 31, 2024	June 30, 2024
Cumulative compensation received	<u>\$ 1,281,526</u>	<u>\$ 1,081,538</u>	<u>\$ 1,073,809</u>
Land-use right price for new location	<u>\$ 569,820</u>	<u>\$ 624,154</u>	<u>\$ 619,694</u>
Provision for demolish and relocation	<u>\$ 233,690</u>	<u>\$ 255,971</u>	<u>\$ 250,786</u>

### 33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2025

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 72,793	29.2800 (USD:NTD)	\$ 2,131,379
EUR	10,734	34.3337 (EUR:NTD)	368,538
JPY	441,782	0.2031 (JPY:NTD)	89,726
RMB	18,704	4.0880 (RMB:NTD)	76,462
Non-monetary items			
Equity instruments			
THB	819,716	0.9069 (THB:NTD)	743,401

Financial liabilities

Monetary items			
USD	82,222	29.2800 (USD:NTD)	2,407,460
EUR	9,293	34.3337 (EUR:NTD)	319,063
JPY	433,689	0.2031 (JPY:NTD)	88,082
RMB	30,200	4.0880 (RMB:NTD)	123,458

December 31, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 78,830	32.7810 (USD:NTD)	\$ 2,584,126
EUR	8,448	34.1316 (EUR:NTD)	288,344
JPY	399,376	0.2098 (JPY:NTD)	83,789
RMB	18,689	4.4778 (RMB:NTD)	83,686
Non-monetary items			
Equity instruments			
THB	898,784	0.9623 (THB:NTD)	864,901

Financial liabilities

Monetary items			
USD	80,868	32.7810 (USD:NTD)	2,650,934
EUR	8,295	34.1316 (EUR:NTD)	283,122
JPY	399,161	0.2098 (JPY:NTD)	83,744
RMB	189	4.4778 (RMB:NTD)	846

June 30, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 85,548	32.4500 (USD:NTD)	\$ 2,776,033
EUR	12,425	34.7118 (EUR:NTD)	431,294
JPY	293,044	0.2016 (JPY:NTD)	59,078
RMB	16,430	4.4458 (RMB:NTD)	73,044
Non-monetary items			
Equity instruments			
THB	636,982	0.8867 (THB:NTD)	564,812
<u>Financial liabilities</u>			
Monetary items			
USD	80,848	32.4500 (USD:NTD)	2,623,518
EUR	10,666	34.7118 (EUR:NTD)	370,236
JPY	256,448	0.2016 (JPY:NTD)	51,700
RMB	188	4.4458 (RMB:NTD)	836

Please refer to the consolidated statements of income for the aggregate of realized and unrealized foreign currency exchange gains and losses for the six months ended June 30, 2025 and 2024. 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) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
- 6) 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.

### 35. OPERATING SEGMENT INFORMATION

#### Segment Revenues and Results

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

	<b>Synthetic Rubber</b>	<b>Non-synthetic Rubber</b>	<b>Others</b>	<b>Total</b>
For the six months ended <u>June 30, 2025</u>				
Revenue from external customers	<u>\$ 19,193,279</u>	<u>\$ 311,979</u>	<u>\$ -</u>	<u>\$ 19,505,258</u>
Segment income	<u>\$ 910,108</u>	<u>\$ (57,166)</u>	<u>\$ (102,877)</u>	<u>\$ 750,065</u>
For the six months ended <u>June 30, 2024</u>				
Revenue from external customers	<u>\$ 17,292,511</u>	<u>\$ 397,659</u>	<u>\$ -</u>	<u>\$ 17,690,170</u>
Segment income	<u>\$ 1,211,235</u>	<u>\$ (70,688)</u>	<u>\$ (51,925)</u>	<u>\$ 1,088,622</u>

TABLE 1

TSRC CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(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	\$ 114,258	\$ 102,200	\$ 102,200	2.10-2.68	2	\$ -	Operational turnaround	\$ -	-	\$ -	\$ 165,272	\$ 330,543	Note 6
2	Polybus Corporation Pte Ltd.	TSRC Specialty Materials LLC	Other receivables from related parties	Yes	331,820	292,800	-	5.24	2	-	Operational turnaround	-	-	-	5,945,567	11,891,133	Note 6
		TSRC (Vietnam) Co., Ltd.	Other receivables from related parties	Yes	122,773	108,336	-	5.24	2	-	Operational turnaround	-	-	-	5,945,567	11,891,133	Note 6
3	TSRC (Hong Kong) Ltd.	TSRC (Vietnam) Co., Ltd.	Other receivables from related parties	Yes	106,182	93,696	58,560	5.26-5.53	2	-	Operational turnaround	-	-	-	1,039,034	2,078,068	Note 6
4	TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	Other receivables from related parties	Yes	663,640	585,600	316,224	5.82-5.83	2	-	Operational turnaround	-	-	-	845,386	1,690,772	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: The total amount of loans and individual limits comply with the regulations set forth by the company’s lending policy for funds.

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

a.

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

b.

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

Note 6: The amount was eliminated upon consolidation.

TABLE 2

TSRC CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(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	\$ 10,830,240 (Note 2)	\$ 1,634,100	\$ 1,171,200	\$ 416,508	\$ -	6.49	\$ 27,075,600 (Note 3)	Y	-	-	
		TSRC (Vietnam) Co., Ltd.	d	10,830,240 (Note 2)	570,731	99,552	99,552	-	0.55	27,075,600 (Note 3)	Y	-	-	

- Note 1: Relationship between endorser/guarantor and endorsee/guarantee are categorized as follows:
- a. A company that the Corporation has business relationship with.
  - b. The Corporation owns directly or indirectly over 50% ownership of the investee company.
  - c. The Company that owns directly or indirectly hold over 50% ownership of the Corporation.
  - d. In between companies that were held over 90% of voting shares directly or indirectly by an entity.
  - e. The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
  - f. Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
  - g. According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 2: The limit for endorsement of a single enterprise is 60% of the net value of the Corporation’s latest financial statements, which is calculated to be \$10,830,240 thousand.

Note 3: The maximum limit is 150% of total equity, which is calculated to be \$27,075,600 thousand.



**TABLE 3**

**TSRC CORPORATION AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)**  
**JUNE 30, 2025**  
**(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2025			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
TSRC Corporation	<u>Shares</u>						
	Evergreen Steel Corporation	-	Financial assets at FVTOCI	12,148,000	\$ 1,032,580	2.91%	\$ 1,032,580
	Thai Synthetic Rubbers Co., Ltd.	-	Financial assets at FVTOCI	599,999	310,278	5.42%	310,278
Dymas Corporation	<u>Shares</u>						
	Thai Synthetic Rubbers Co., Ltd.	-	Financial assets at FVTOCI	837,552	433,123	7.57%	433,123

TABLE 4

TSRC CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(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 Specialty Materials LLC	TSRC Corporation	Parent and Subsidiary	Purchases	\$ 239,394	13.57	Payment in 60 days after acceptance	\$ -	-	\$ (50,946)	(9.37)	Note
TSRC Corporation	TSRC Specialty Materials LLC	Parent and Subsidiary	Sales	(239,394)	(4.07)	Collect receivables in 60 days after confirming	-	-	50,946	4.48	Note
Polybus Corporation Pte Ltd	TSRC (Nantong) Industries Ltd.	Related parties	Purchases	157,171	51.54	Payment in 60 days after acceptance	-	-	(55,329)	(54.80)	Note
TSRC (Nantong) Industries Ltd.	Polybus Corporation Pte Ltd	Related parties	Sales	(157,171)	(5.82)	Collect receivables in 60 days after confirming	-	-	55,329	8.37	Note
Polybus Corporation Pte Ltd	Shen Hua Chemical Industries Co., Ltd.	Related parties	Purchases	128,864	42.26	Payment in 60 days after acceptance	-	-	(38,913)	(38.54)	Note
Shen Hua Chemical Industries Co., Ltd.	Polybus Corporation Pte Ltd	Related parties	Sales	(128,864)	(2.02)	Collect receivables in 60 days after confirming	-	-	38,913	2.20	Note
TSRC (Lux) Corporation S.A R.L.	TSRC Specialty Materials LLC	Related parties	Purchases	232,513	21.59	Payment in 60 days after acceptance	-	-	(59,011)	(18.20)	Note
TSRC Specialty Materials LLC	TSRC (Lux) Corporation S.A R.L.	Related parties	Sales	(232,513)	(9.28)	Collect receivables in 60 days after confirming	-	-	59,011	10.52	Note
TSRC (Lux) Corporation S.A R.L.	TSRC (Nantong) Industries Ltd.	Related parties	Purchases	748,464	69.49	Payment in 60 days after acceptance	-	-	(244,116)	(75.29)	Note
TSRC (Nantong) Industries Ltd.	TSRC (Lux) Corporation S.A R.L.	Related parties	Sales	(748,464)	(27.71)	Collect receivables in 60 days after confirming	-	-	244,116	36.95	Note

Note: The amount was eliminated upon consolidation.

**TABLE 5**

**TSRC CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**JUNE 30, 2025**  
**(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>\$ 244,116</u>	7.23 times for a year	<u>\$ -</u>	-	<u>\$ 142,998</u> (Note 1)	<u>\$ -</u>	Note 2

Note 1:   Amounts received before August 7, 2025.

Note 2:   The amount was eliminated upon consolidation.

TABLE 6

TSRC CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% to Total Sales or Assets
0	TSRC	TSRC (Lux) Corporation S.A R.L.	a	Sales	\$ 96,351	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.49
		TSRC Specialty Materials LLC	a	Sales	239,394	The transaction is not significantly different from normal transactions, and the collection terms were about two months	1.23
		TSRC Specialty Materials LLC	a	Trade receivables from related parties	50,946	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.13
		TSRC (Nantong) Industries Ltd.	a	Other income and expenses	26,838	The transaction is not significantly different from normal transactions, and the collection terms were about one year	0.14
		TSRC (Nantong) Industries Ltd.	a	Other income and expenses	36,457	The transaction is not significantly different from normal transactions, and the collection terms were about six months	0.19
1	TSRC (Nantong) Industries Ltd.	TSRC (Shanghai) Industries Ltd.	c	Sales	29,319	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.15
		Polybus Corporation Pte Ltd	c	Sales	157,171	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.81
		Polybus Corporation Pte Ltd	c	Trade receivables from related parties	55,329	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.14
		TSRC (Lux) Corporation S.A R.L.	c	Sales	748,464	The transaction is not significantly different from normal transactions, and the collection terms were about two months	3.84
		TSRC (Lux) Corporation S.A R.L.	c	Trade receivables from related parties	244,116	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.61
2	TSRC Specialty Materials LLC	TSRC (Lux) Corporation S.A R.L.	c	Sales	232,513	The transaction is not significantly different from normal transactions, and the collection terms were about two months	1.19
		TSRC (Lux) Corporation S.A R.L.	c	Trade receivables from related parties	59,011	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.15

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% to Total Sales or Assets
3	Shen Hua Chemical Industries Co., Ltd.	Polybus Corporation Pte Ltd	c	Sales	\$ 128,864	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.66
		TSRC (Nantong) Industries Ltd.	c	Sales	28,494	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.15
4	TSRC (Hong Kong) Limited	TSRC (Vietnam) Co., Ltd.	c	Other receivables from related parties	58,560	The transaction is not significantly different from normal transactions, and the payment method is based on a one-year period starting from the date of the initial disbursement	0.15
5	TSRC (Shanghai) Industries Ltd.	TSRC (Nantong) Industries Ltd.	c	Entrusted loans	102,200	The transaction is not significantly different from normal transactions, and the payment method is based on a one-year period starting from the date of the initial disbursement	0.25
6	TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	c	Other receivables from related parties	316,224	The transaction is not significantly different from normal transactions, and the payment method is based on a two-year period starting from the date of the initial disbursement	0.79

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

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

Note 2: Relationships between counterparties are categorized as follows:

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

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

Note 4: The amount was eliminated upon consolidation.

(Concluded)

TABLE 7

TSRC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2025	December 31, 2024	Shares	%	Carrying Amount			
TSRC	Trimurti Holding Corporation	Tortola B.V.I.	Investment	\$ 1,005,495	\$ 1,005,495	86,920,000	100.00	\$ 17,461,047	\$ 556,635	\$ 556,635	Subsidiary (Note 4)
	Hardison International Corporation	Tortola B.V.I.	Investment	109,442	109,442	3,896,305	100.00	402,022	(21,450)	(21,450)	Subsidiary (Note 4)
	Dymas Corporation	Tortola B.V.I.	Investment	38,376	38,376	1,161,004	19.48	91,696	(5,388)	(1,050)	Subsidiary (Notes 2 and 4)
	TSRC (Vietnam) Co., Ltd.	Binh Duong Province, Vietnam	Production and processing of rubber color masterbatch, thermoplastic elastomer and plastic compound products	387,585	387,585	-	54.31	34,094	(27,992)	(20,707)	Subsidiary (Notes 3 and 4)
Trimurti Holding Corporation	Polybus Corporation Pte Ltd	Singapore	International commerce and investment corporation	4,204,637 (US\$ 143,601)	2,840,412 (US\$ 85,601)	209,853,000	100.00	11,891,133	473,692	473,692	Subsidiary (Note 4)
	TSRC (Hong Kong) Limited	Hong Kong	Investment	3,040,728 (US\$ 103,850)	3,040,728 (US\$ 103,850)	103,850,000	100.00	2,078,068	(264,387)	(264,387)	Subsidiary (Note 4)
	Indian Synthetic Rubber Private Limited	New Delhi, India	Production and sale of synthetic rubber products	862,969 (US\$ 29,473)	862,969 (US\$ 29,473)	222,861,375	50.00	2,222,811	587,457	293,728	Joint ventures
	TSRC (Lux.) Corporation S.A R.L.	Luxembourg	International commerce and investment	2,570,551 (EUR 74,870)	2,570,551 (EUR 74,870)	74,869,617	100.00	1,598,162	(287,418)	(287,418)	Subsidiary (Note 4)
TSRC (Lux.) Corporation S.A R.L.	TSRC (USA) Investment Corporation	Delaware, U.S.A.	Investment	2,812,344 (US\$ 96,050)	2,812,344 (US\$ 96,050)	130	100.00	1,690,772	(260,577)	(260,577)	Subsidiary (Note 4)
TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	Texas, U.S.A.	Production and sale of TPE	6,401,106 (US\$ 218,617)	6,401,106 (US\$ 218,617)	-	100.00	1,160,930	(189,321)	(189,321)	Subsidiary (Note 4)
Hardison International Corporation	Triton International Holdings Corporation	Tortola B.V.I.	Investment	1,464 (US\$ 50)	1,464 (US\$ 50)	50,000	100.00	21,149	(17,031)	(17,031)	Subsidiary (Note 4)
	Dymas Corporation	Tortola B.V.I.	Investment	140,515 (US\$ 4,799)	140,515 (US\$ 4,799)	4,798,566	80.52	379,022	(5,388)	(4,338)	Subsidiary (Notes 2 and 4)
Dymas Corporation	TSRC (Vietnam) Co., Ltd.	Binh Duong Province, Vietnam	Production and processing of rubber color masterbatch, thermoplastic elastomer and plastic compound products	292,800 (US\$ 10,000)	- (US\$ -)	-	45.69	28,683	(27,992)	(7,285)	Subsidiary (Notes 3 and 4)

Note 1: Amounts in foreign currencies were translated based on the exchange rate at the reporting date (US\$1 to NT\$29.2800; EUR1 to NT\$34.3337).

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: TSRC directly owns 54.31% of Dymas’ equity and indirectly owns 45.69% via Dymas Corporation, total directly and indirectly owns of equity are 100%.

Note 4: The amount was eliminated upon consolidation.

TABLE 8

TSRC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(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, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 4)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025	Note
					Outward	Inward							
Shen Hua Chemical Industries Co., Ltd.	Production and sale of synthetic rubber products	\$ 3,225,765 (US\$ 110,170)	b. 1)	\$ -	\$ -	\$ -	\$ -	\$ 328,899	90.92	\$ 286,726 b	\$ 5,690,154	\$ 4,786,340	Note 3
TSRC (Shanghai) Industries Ltd.	Production and sale of compounding materials	161,040 (US\$ 5,500)	b. 2)	114,778 (US\$ 3,920)	-	-	114,778 (US\$ 3,920)	20,727	100.00	20,727 a	284,270	-	Note 3
Nantong Qix Storage Co., Ltd.	Storehouse for chemicals	87,840 (US\$ 3,000)	b. 3)	43,920 (US\$ 1,500)	-	-	43,920 (US\$ 1,500)	(33,933)	50.00	(16,966) a	21,028	74,060	-
TSRC-UBE (Nantong) Chemical Industrial Co., Ltd.	Production and sale of synthetic rubber products	1,171,200 (US\$ 40,000)	b. 1)	29,280 (US\$ 1,000)	-	-	29,280 (US\$ 1,000)	83,559	55.00	45,958 a	1,010,498	208,813	Note 3
TSRC (Nantong) Industries Ltd.	Production and sale of TPE	3,078,060 (US\$ 105,125)	b. 1)	194,653 (US\$ 6,648)	-	-	194,653 (US\$ 6,648)	132,650	100.00	132,650 b	3,820,409	440,864	Note 3
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	Production and sale of NBR	1,311,744 (US\$ 44,800)	b. 1)	-	-	-	-	20,838	50.00	10,419 a	689,548	-	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$494,832 (US\$16,900)	\$8,875,412 (US\$303,122) (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 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\$29.2800).

Note 3: The amount was eliminated upon consolidation.

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.