

# **TSRC Corporation and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2025 and 2024 and  
Independent Auditors' Report**

## **DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The entities required to be included in the combined financial statements in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” as of and for the year ended December 31, 2025 are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standard 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the combined financial statements has all been disclosed in the consolidated financial statements. Consequently, we have not prepared a separate set of combined financial statements.

Very truly yours,

TSRC CORPORATION

By

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YIN CHI  
Chairman

March 5, 2026

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
TSRC Corporation

### Opinion

We have audited the accompanying consolidated financial statements of TSRC Corporation (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for the audit of the consolidated financial statements of TSRC Corporation and its subsidiaries for the year ended 2025 are outlined as follows:

#### The Accuracy of Recognition of Relocation Compensation Income

Shen Hua Chemical Industries Co., Ltd. entered into a relocation compensation agreement on December 4, 2021 with the Nantong Economic and Technological Development Zone Chemical Industrial Park Administrative Office and Nantong Nengda Riverside Technology Innovation Park Development Co., Ltd. in response to local government development planning requirements. On the same date, the Company also signed a new plant investment agreement with the Nantong Economic and Technological Development Zone Chemical Industrial Park Administrative Office.

The total compensation amount under the agreement was RMB479,677 thousand. According to the terms of the agreement, Shen Hua Chemical Industries Co., Ltd. is required to deliver the land use rights of the original plant within the specified period, cease operations, relocate equipment, and invest in equipment for the new plant as part of the compensation arrangement.

As of December 31, 2025, Shen Hua Chemical Industries Co., Ltd. had received RMB407,725 thousand out of the total compensation amount of RMB479,677 thousand. After completing the acceptance of the new plant and equipment in 2025, the Company recognized the relocation compensation income under net other income and expenses.

As this transaction is material to the consolidated financial statements and the recognition of relocation compensation income involves significant management judgment, we have identified the recognition of such relocation compensation income as a key audit matter. For the related disclosures on relocation compensation income, please refer to Notes 25 and 33.

#### Key Audit Procedures Performed

1. Tested the design and operational effectiveness of internal controls related to the recognition of relocation compensation income.
2. Obtained the relocation compensation agreement and reviewed the relevant terms and conditions to understand the Shen Hua Chemical Industries Co., Ltd.'s rights and obligations in relation to the relocation compensation income.
3. Performed sample testing of transactions related to relocation compensation income and relocation expenditures, and verified whether the actual circumstances were reasonable.

#### **Other Matter**

We have also audited the parent company only financial statements of TSRC Corporation as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

#### **Responsibilities of Management and Those Charged with Governance for 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 Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 5, 2026

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 audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.*

# TSRC CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

ASSETS	2025		2024	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 6,686,122	16	\$ 6,335,266	15
Financial assets at fair value through profit or loss - current (Note 7)	222	-	17,644	-
Notes receivable, net (Note 8)	1,280,832	3	1,394,513	3
Accounts receivable, net (Note 8)	3,178,240	8	4,018,085	9
Other receivables (Notes 8 and 30)	127,892	-	266,700	1
Current tax assets (Note 23)	133,759	-	-	-
Inventories (Note 9)	7,838,195	18	7,583,322	18
Other current assets	487,901	1	501,678	1
Total current assets	<u>19,733,163</u>	<u>46</u>	<u>20,117,208</u>	<u>47</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 10 and 30)	2,020,631	5	1,948,502	4
Investments accounted for under equity method (Note 12)	3,244,344	8	2,968,544	7
Property, plant and equipment (Notes 13, 31 and 32)	13,250,584	31	13,568,513	31
Right-of-use assets (Notes 14, 31 and 33)	2,326,817	5	1,559,545	4
Investment property (Note 15)	1,493,247	3	1,507,972	3
Intangible assets (Note 16)	171,695	-	663,086	2
Deferred income tax assets (Note 23)	371,200	1	663,709	2
Other non-current assets (Notes 19, 30 and 31)	647,250	1	219,210	-
Total non-current assets	<u>23,525,768</u>	<u>54</u>	<u>23,099,081</u>	<u>53</u>
<b>TOTAL</b>	<u>\$ 43,258,931</u>	<u>100</u>	<u>\$ 43,216,289</u>	<u>100</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 17)	\$ 4,745,654	11	\$ 4,727,801	11
Short-term bills payable (Note 17)	-	-	99,950	-
Financial liabilities at fair value through profit or loss - current (Note 7)	1,426	-	217	-
Accounts payable	1,969,812	5	2,694,587	6
Accounts payable - related parties (Note 30)	-	-	73,628	-
Other payables (Note 30)	1,694,395	4	1,877,034	4
Current income tax liabilities (Note 23)	113,286	-	229,268	1
Provisions - current (Notes 18 and 33)	170,060	-	-	-
Lease liabilities - current (Note 14)	213,744	-	163,994	-
Current portion of long-term borrowings (Notes 17 and 31)	1,225,566	3	607,555	2
Other current liabilities	408,974	1	366,246	1
Total current liabilities	<u>10,542,917</u>	<u>24</u>	<u>10,840,280</u>	<u>25</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term bank borrowings (Notes 17 and 31)	5,954,401	14	6,308,861	15
Provisions - non-current (Notes 18 and 33)	68,360	-	255,971	1
Non-current income tax liabilities (Note 23)	91,306	-	28,831	-
Deferred income tax liabilities (Note 23)	2,206,635	5	2,204,806	5
Lease liabilities - non-current (Note 14)	1,186,364	3	442,737	1
Other non-current liabilities (Notes 13, 25 and 33)	1,697,086	4	1,347,551	3
Total non-current liabilities	<u>11,204,152</u>	<u>26</u>	<u>10,588,757</u>	<u>25</u>
Total liabilities	<u>21,747,069</u>	<u>50</u>	<u>21,429,037</u>	<u>50</u>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Note 20)</b>				
Common stock	8,257,099	19	8,257,099	19
Capital surplus	57,766	-	57,219	-
Retained earnings				
Legal reserve	4,821,403	11	4,713,729	11
Unappropriated earnings	4,565,624	11	4,807,066	11
Total retained earnings	9,387,027	22	9,520,795	22
Other equity	2,253,334	5	2,516,380	6
Total equity attributable to shareholders of the Company	19,955,226	46	20,351,493	47
<b>NON-CONTROLLING INTERESTS (Note 11)</b>	<u>1,556,636</u>	<u>4</u>	<u>1,435,759</u>	<u>3</u>
Total equity	<u>21,511,862</u>	<u>50</u>	<u>21,787,252</u>	<u>50</u>
<b>TOTAL</b>	<u>\$ 43,258,931</u>	<u>100</u>	<u>\$ 43,216,289</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 5, 2026)

## TSRC CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 30)	\$ 36,472,948	100	\$ 37,208,665	100
OPERATING COSTS (Notes 9, 16, 22 and 30)	<u>32,897,158</u>	<u>90</u>	<u>33,093,008</u>	<u>89</u>
GROSS PROFIT	<u>3,575,790</u>	<u>10</u>	<u>4,115,657</u>	<u>11</u>
OPERATING EXPENSES (Notes 8, 16, 22 and 30)				
Selling expenses	1,277,561	3	1,364,313	4
General and administrative expenses	1,068,873	3	1,121,308	3
Research and development expenses	409,770	1	427,402	1
Expected credit (reversed) loss on trade receivables	<u>(4,879)</u>	<u>-</u>	<u>3,864</u>	<u>-</u>
Total operating expenses	<u>2,751,325</u>	<u>7</u>	<u>2,916,887</u>	<u>8</u>
OTHER INCOME AND EXPENSES, NET (Notes 13, 22, 25 and 30)	<u>158,613</u>	<u>-</u>	<u>178,211</u>	<u>1</u>
OPERATING PROFIT	<u>983,078</u>	<u>3</u>	<u>1,376,981</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 16 and 22)				
Interest income	160,695	-	250,018	1
Other income	127,220	-	174,325	-
Other gains and losses	(358,549)	(1)	(262,570)	(1)
Finance costs	(375,955)	(1)	(399,632)	(1)
Share of gain of associates and joint ventures accounted for under equity method	<u>578,888</u>	<u>2</u>	<u>643,736</u>	<u>2</u>
Total non-operating income	<u>132,299</u>	<u>-</u>	<u>405,877</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,115,377	3	1,782,858	5
INCOME TAX EXPENSE (Note 23)	<u>506,591</u>	<u>1</u>	<u>734,205</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>608,786</u>	<u>2</u>	<u>1,048,653</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	(475)	-	29,831	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	74,693	-	(219,184)	(1)
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 23)	<u>3,135</u>	<u>-</u>	<u>(102,847)</u>	<u>-</u>
	<u>77,353</u>	<u>-</u>	<u>(292,200)</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	(315,626)	(1)	978,748	2
Share of the other comprehensive loss of associates and joint ventures accounted for using equity method	<u>(47,381)</u>	<u>-</u>	<u>(109,519)</u>	<u>-</u>
	<u>(363,007)</u>	<u>(1)</u>	<u>869,229</u>	<u>2</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(285,654)</u>	<u>(1)</u>	<u>577,029</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 323,132</u>	<u>1</u>	<u>\$ 1,625,682</u>	<u>4</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 448,455	1	\$ 862,265	2
Non-controlling interests	<u>160,331</u>	<u>1</u>	<u>186,388</u>	<u>1</u>
	<u>\$ 608,786</u>	<u>2</u>	<u>\$ 1,048,653</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 166,706	1	\$ 1,390,828	4
Non-controlling interests	<u>156,426</u>	<u>-</u>	<u>234,854</u>	<u>-</u>
	<u>\$ 323,132</u>	<u>1</u>	<u>\$ 1,625,682</u>	<u>4</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 0.54</u>		<u>\$ 1.04</u>	
Diluted	<u>\$ 0.54</u>		<u>\$ 1.04</u>	

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

(With Deloitte & Touche auditors' report dated March 5, 2026)

**TSRC CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of Parent					Total Other Equity Interest			Total Equity Attributable to Owners of Parent	Non-controlling Interests	Total Equity	
	Common Stock	Capital Surplus	Legal Reserve	Retained Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments				Total
				Unappropriated Retained Earnings	Total							
BALANCE 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	-	-	-	-	-	-	-	-	-	-	(179,069)	(179,069)
Cash dividends from capital surplus	-	(123,856)	-	-	-	-	-	-	-	(123,856)	-	(123,856)
Other changes in capital surplus	-	1,242	-	-	-	-	-	-	-	1,242	-	1,242
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	183,865	183,865	-	(183,865)	-	(183,865)	-	-	-
Net profit for the year ended December 31, 2024	-	-	-	862,265	862,265	-	-	-	-	862,265	186,388	1,048,653
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	30,609	30,609	816,686	(322,809)	4,077	497,954	528,563	48,466	577,029
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	892,874	892,874	816,686	(322,809)	4,077	497,954	1,390,828	234,854	1,625,682
BALANCE ON DECEMBER 31, 2024	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)
Cash dividends distributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(78,872)	(78,872)
Other changes in capital surplus	-	547	-	-	-	-	-	-	-	547	-	547
Net profit for the year ended December 31, 2025	-	-	-	448,455	448,455	-	-	-	-	448,455	160,331	608,786
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	(380)	(380)	(371,691)	77,733	12,589	(281,369)	(281,749)	(3,905)	(285,654)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	448,075	448,075	(371,691)	77,733	12,589	(281,369)	166,706	156,426	323,132
Difference between the actual acquisition price and the book value of the subsidiary	-	-	-	(61,646)	(61,646)	18,323	-	-	18,323	(43,323)	43,323	-
BALANCE ON DECEMBER 31, 2025	\$ 8,257,099	\$ 57,766	\$ 4,821,403	\$ 4,565,624	\$ 9,387,027	\$ 738,141	\$ 1,541,196	\$ (26,003)	\$ 2,253,334	\$ 19,955,226	\$ 1,556,636	\$ 21,511,862

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

(With Deloitte & Touche auditors' report dated March 5, 2026)

# TSRC CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated net income before tax	\$ 1,115,377	\$ 1,782,858
Adjustments for:		
Depreciation	1,094,930	1,078,923
Amortization	97,407	138,380
Expected credit loss recognized (reversed) on trade receivables	(4,879)	3,864
Interest expense	375,955	399,632
Interest income	(160,695)	(250,018)
Dividend income	(127,220)	(174,325)
Share of profit of associates and joint ventures accounted for using the equity method	(578,888)	(643,736)
Loss on disposal of property, plant and equipment	19,498	59,838
Impairment loss	386,437	244,278
Transfer to operating costs and inventories	127,595	77,952
Changes in operating assets and liabilities:		
Financial assets held for trading	17,422	-
Financial assets at fair value through profit or loss	-	(17,644)
Notes receivable	113,681	(484,863)
Accounts receivable	844,893	(655,204)
Other receivables	139,323	(31,726)
Inventories	(254,873)	(930,461)
Other current assets	13,777	26,768
Financial liabilities at fair value through profit or loss	1,209	(18,314)
Accounts payable	(724,775)	602,868
Accounts payable - related parties	(73,628)	14,449
Other payables	43,366	105,718
Provisions	(18,656)	-
Other current liabilities	42,728	151,656
Net defined benefit assets	(2,079)	(2,623)
Other non-current liabilities	(17,908)	(1,101)
Cash flow generated from operating activities	2,469,997	1,477,169
Interest income received	160,180	248,877
Interest paid	(412,584)	(402,398)
Income taxes paid	(450,540)	(575,216)
Net cash flow generated from operating activities	<u>1,767,053</u>	<u>748,432</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets at fair value through other comprehensive income	-	248,161
Proceeds from capital reduction of investments accounted for using equity method	-	236,396
Payments for property, plant and equipment	(1,404,570)	(3,051,966)
Proceeds from disposal of property, plant and equipment	12,360	1,971
(Increase) decrease in other non-current assets	(278,465)	23,116

(Continued)

## TSRC CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
Dividends received	\$ 239,696	\$ 285,169
Compensation for relocation/government grant	<u>781,346</u>	<u>281,859</u>
Net cash flow used in investing activities	<u>(649,633)</u>	<u>(1,975,294)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	27,348,917	26,904,999
Decrease in short-term borrowings	(27,256,466)	(26,925,288)
Increase in short-term commercial paper payable	792,000	2,727,000
Decrease in short-term commercial paper payable	(892,000)	(2,627,000)
Proceeds from long-term borrowings	2,159,363	4,180,737
Repayments of long-term borrowings	(1,770,702)	(2,008,162)
Repayments of lease liabilities	(228,775)	(170,598)
Cash dividends paid	(519,729)	(461,643)
Cash dividends paid to non-controlling interests	<u>(78,872)</u>	<u>(179,069)</u>
Net cash flow (used in) generated from financing activities	<u>(446,264)</u>	<u>1,440,976</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(320,300)</u>	<u>672,561</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	350,856	886,675
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>6,335,266</u>	<u>5,448,591</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 6,686,122</u>	<u>\$ 6,335,266</u>

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

(With Deloitte & Touche auditors' report dated March 5, 2026)

(Concluded)

# TSRC CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 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 Corporation changed its registered address to No. 2, Singgong Rd., Dashe Dist., Kaohsiung City. The consolidated financial statements comprise the Corporation and its subsidiaries (collectively, “the Group”). The Group mainly manufactures, imports and sells various types of synthetic rubber and does import-export trades of related raw materials.

### 2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors and were authorized for issue on March 5, 2026.

### 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 Group’s accounting policies.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 (Note 2)

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

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

#### IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

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

- Enhance the comparability of the statement of profit or loss: In the statement of profit or loss, income and expenses are classified into five categories: operating, investing, financing, income tax, or discontinued operations to improve the structure of the statement of profit or loss, and all entities are required to provide newly defined subtotals. By enhancing the structure of the statement of profit or loss and introducing newly defined subtotals, investors will have a consistent starting point when analyzing financial performance across companies, making comparisons easier.
- Management Performance Measures (MPMs): Introducing a definition for management performance measures, and requiring companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconciling it to an amount determined under IFRS Accounting Standards.
- Enhancement of the Aggregation of Financial Statement Information: Providing guidance on the consolidation or disaggregation of financial data disclosed within the primary financial statements or their accompanying notes.

Except for the above impact, 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

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other regulations and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

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. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. 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, including structured entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of 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 of the Group.

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

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

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

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries, associates and joint ventures in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of other equity of associates and joint ventures attributable to the Group.

When the Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

When an intangible asset is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the period.

k. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. The net gain or loss recognized in profit or loss does not incorporate any interest earned on such a financial asset.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, account receivables, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss.

Cash equivalents include time deposits, commercial papers and repurchase agreements collateralized by bonds with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investment, instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets and contract assets

At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable) and for investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

### 3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

#### Financial liabilities

##### 1) Subsequent measurement

Except for financial liabilities at FVTPL, other financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

##### 2) Derecognition of financial liabilities

The Group only derecognizes the financial liabilities when the obligation is lifted, cancelled or expired. The difference between a carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss

#### Derivative financial instruments

Derivative financial instruments are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period.

#### m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### Decommissioning and restoration obligation

Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation in accordance with government's environmental regulations.

### Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations, 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.

#### n. Revenue recognition

Revenue from the sale of goods is derived from the manufacture and sale of various synthetic and non-synthetic rubbers. The Group recognizes revenue when control of the products is transferred to the customer. Control of the product is transferred when the product has been delivered to the customer, the significant risks and rewards of ownership have been transferred to the buyer, and the Group does not retain continuing managerial involvement to a degree usually associated with ownership or control over the goods sold. Delivery occurs when the products are shipped to a specified location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group recognizes accounts receivable upon delivery of goods, as the Group has an unconditional right to consideration at that point in time.

#### o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

##### 1) The Group as lessor

Rental income from operating leases is recognized as income on a straight-line basis over the lease term.

##### 2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction of the related costs on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and returns on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans.

## s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

### 2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profit against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

### 3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

### Key Sources of Estimation Uncertainty

#### a. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value. Furthermore, due to the uncertainty of subsequent developments in market volatility, significant fluctuations in raw material prices have resulted, leading to greater uncertainty in estimating net realizable value.

#### b. Restoration obligation

The management recognizes the provision based on the present value of the best estimate of future outflows of economic benefits that required for fulfillment of the restoration obligation in accordance with government's environmental regulations. The estimate will be adjusted according to changes in plant demolition activities and land conditions; therefore, the estimated amount of provision is subject to higher degree of estimation uncertainties. The carrying amounts of the restoration provision as of December 31, 2025 and 2024 were \$227,060 thousand and \$255,971 thousand, respectively, and disclosed in Note 18.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Cash on hand	\$ 462	\$ 468
Checking accounts and demand deposits	615,276	456,737
Cash equivalents		
Time deposits	<u>6,070,384</u>	<u>5,878,061</u>
	<u>\$ 6,686,122</u>	<u>\$ 6,335,266</u>

The marketing rate intervals of cash in banks at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Time deposits	0.14%-4.02%	0.04%-4.80%

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

	<u>December 31</u>	
	2025	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>222</u>	\$ <u>17,644</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>1,426</u>	\$ <u>217</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>December 31, 2025</u>			
Sell (forward contracts)	EUR/USD	2026.01.13-2026.03.19	EUR4,784/USD5,637
Swap contracts	EUR/USD	2026.01.16-2026.02.26	EUR13,200/USD15,464
<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

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

	<u>December 31</u>	
	2025	2024
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ <u>1,280,832</u>	\$ <u>1,394,513</u>

(Continued)

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 3,179,651	\$ 4,024,544
Less: Allowance for impairment loss	<u>(1,411)</u>	<u>(6,459)</u>
	<u>\$ 3,178,240</u>	<u>\$ 4,018,085</u>
<u>Other receivables</u>		
Other receivables from related parties	\$ 19,607	\$ 30,444
Others	<u>108,285</u>	<u>236,256</u>
	<u>\$ 127,892</u>	<u>\$ 266,700</u>
		(Concluded)

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.

December 31, 2025

	<b>Not Past Due</b>	<b>Past Due Less than 30 Days</b>	<b>Past Due 31 to 90 Days</b>	<b>Past Due 90+ Days</b>	<b>Total</b>
Expected credit loss rate	0.00%	0.28%	5.11%	-	
Gross carrying amount	\$ 4,245,153	\$ 200,843	\$ 14,487	\$ -	\$ 4,460,483
Loss allowance (Lifetime ECLs)	<u>(118)</u>	<u>(553)</u>	<u>(740)</u>	<u>-</u>	<u>(1,411)</u>
Amortized cost	<u>\$ 4,245,035</u>	<u>\$ 200,290</u>	<u>\$ 13,747</u>	<u>\$ -</u>	<u>\$ 4,459,072</u>

December 31, 2024

	<b>Not Past Due</b>	<b>Past Due Less than 30 Days</b>	<b>Past Due 31 to 90 Days</b>	<b>Past Due 90+ Days</b>	<b>Total</b>
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>

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 6,459	\$ 2,490
Impairment losses (reversed) recognized for the year	(4,879)	3,864
Foreign exchange gains and losses	<u>(169)</u>	<u>105</u>
Balance on December 31	<u>\$ 1,411</u>	<u>\$ 6,459</u>

**9. INVENTORIES**

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Finished goods	\$ 5,404,385	\$ 4,520,849
Work in progress	352,358	411,338
Raw materials	<u>2,081,452</u>	<u>2,651,135</u>
	<u>\$ 7,838,195</u>	<u>\$ 7,583,322</u>

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Cost of inventories sold	\$ 32,349,541	\$ 32,592,697
Inventory write-downs (reversed)	70,494	(38,678)
Income from sale of scrap	(33,145)	(28,320)
Unallocated production overhead	486,578	562,137
Others	<u>23,690</u>	<u>5,172</u>
	<u>\$ 32,897,158</u>	<u>\$ 33,093,008</u>

The reversal of inventory write-downs resulted from sale or consumption of the inventories in the current year.

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### Investments in Equity Instruments at FVTOCI

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Non-current</u>		
Investments in equity instruments		
Domestic listed and emerging market shares	\$ 1,173,497	\$ 1,083,601
Domestic and foreign unlisted shares	<u>847,134</u>	<u>864,901</u>
	<u>\$ 2,020,631</u>	<u>\$ 1,948,502</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.

The Group adjusted its investment portfolio to diversify risk and sold ordinary shares of Hsin Jung Enterprise Co., Ltd. at a fair value of NT\$248,161 thousand. The related unrealized valuation gain of NT\$183,865 thousand, previously recognized in other equity under financial assets at fair value through other comprehensive income (FVTOCI), was reclassified to retained earnings for the year ended December 31, 2024.

## 11. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	<u>Proportion of Ownership</u>		Remark
			<u>December 31</u>		
			<u>2025</u>	<u>2024</u>	
The Corporation	Trimurti Holding Corporation	Investment	100.00	100.00	-
The Corporation	Hardison International Corporation	Investment	100.00	100.00	-
The Corporation and Hardison International Corporation	Dymas Corporation	Investment	100.00	100.00	1)
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	2)
Trimurti Holding Corporation	Polybus Corporation Pte Ltd	International commerce and investment corporation	100.00	100.00	-
Trimurti Holding Corporation	TSRC (Hong Kong) Limited	Investment	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	-
TSRC (Hong Kong) Limited	TSRC (Lux.) Corporation S.A R.L.	International commerce and investment corporation	100.00	100.00	-
TSRC (Lux.) Corporation S.A R.L.	TSRC (USA) Investment	Investment	100.00	100.00	-
TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	Production and sale of TPE	100.00	100.00	-
Polybus Corporation Pte Ltd	Shen Hua Chemical Industries Co., Ltd.	Production and sale of ESBR	90.92	88.00	3)
Polybus Corporation Pte Ltd	TSRC-UBE (Nantong) Industries Ltd.	Production and sale of BR	55.00	55.00	-
Polybus Corporation Pte Ltd	TSRC (Nantong) Industries Ltd.	Production and sale of thermoplastic elastomer	100.00	100.00	-
Hardison International Corporation	Triton International Holdings Corporation	Investment	100.00	100.00	-

#### Remarks:

- 1) TSRC directly owns 19.48% of Dymas Corporation's equity and indirectly owns 80.52% via Hardison International Corporation, for a total of 100% directly and indirectly owned equity.
- 2) 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 Shen Hua 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 88.00% to 90.92%.

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	
		December 31	
		2025	2024
Shen Hua Chemical Industries Co., Ltd.	China	9.08%	12.00%
TSRC-UBE (Nantong) Industries Ltd.	China	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.

	December 31	
	2025	2024
Current assets	\$ 7,084,628	\$ 4,325,284
Non-current assets	6,509,591	6,075,080
Current liabilities	(1,734,842)	(1,550,042)
Non-current liabilities	<u>(4,619,416)</u>	<u>(4,189,154)</u>
Equity	<u>\$ 7,239,961</u>	<u>\$ 4,661,168</u>
Equity attributable to		
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 6,558,533	\$ 4,092,675
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>681,428</u>	<u>568,493</u>
	<u>\$ 7,239,961</u>	<u>\$ 4,661,168</u>
	<b>2025</b>	<b>2024</b>
Revenue	<u>\$ 12,344,430</u>	<u>\$ 10,136,041</u>
Net profit for the year	\$ 653,932	\$ 469,018
Other comprehensive (loss) income	<u>(51,850)</u>	<u>142,000</u>
Total comprehensive income for the year	<u>\$ 602,082</u>	<u>\$ 611,018</u>
Profit attributable to		
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 579,613	\$ 403,774
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>74,319</u>	<u>65,244</u>
	<u>\$ 653,932</u>	<u>\$ 469,018</u>

(Continued)

	<b>2025</b>	<b>2024</b>
Total comprehensive income attributable to:		
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 532,470	\$ 528,795
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>69,612</u>	<u>82,223</u>
	<u>\$ 602,082</u>	<u>\$ 611,018</u>
Cash inflow (outflow) from		
Operating activities	\$ 1,184,657	\$ 313,030
Investing activities	(393,727)	(2,281,703)
Financing activities	1,804,564	2,238,614
Effects of exchange rate changes on cash and cash equivalents	<u>127,556</u>	<u>23,876</u>
Net cash inflow (outflow)	<u>\$ 2,723,050</u>	<u>\$ 293,817</u>
		(Concluded)

TSRC-UBE (Nantong) Industries Ltd.

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Current assets	\$ 1,535,113	\$ 1,792,891
Non-current assets	739,997	739,592
Current liabilities	(275,483)	(544,038)
Non-current liabilities	<u>(54,721)</u>	<u>(61,188)</u>
Equity	<u>\$ 1,944,906</u>	<u>\$ 1,927,257</u>
Equity attributable to		
Owners of TSRC-UBE (Nantong) Industries Ltd.	\$ 1,069,698	\$ 1,059,991
Non-controlling interests of TSRC-UBE (Nantong) Industries Ltd.	<u>875,208</u>	<u>867,266</u>
	<u>\$ 1,944,906</u>	<u>\$ 1,927,257</u>
	<b>2025</b>	<b>2024</b>
Revenue	<u>\$ 3,592,444</u>	<u>\$ 4,229,182</u>
Net profit for the year	\$ 191,139	\$ 269,208
Other comprehensive income	<u>1,782</u>	<u>69,971</u>
Total comprehensive income for the year	<u>\$ 192,921</u>	<u>\$ 339,179</u>
Profit attributable to		
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 105,127	\$ 148,064
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>86,012</u>	<u>121,144</u>
	<u>\$ 191,139</u>	<u>\$ 269,208</u>
		(Continued)

	2025	2024
Total comprehensive income attributable to:		
Owners of Shen Hua Chemical Industries Co., Ltd.	\$ 106,107	\$ 186,548
Non-controlling interests of Shen Hua Chemical Industries Co., Ltd.	<u>86,814</u>	<u>152,631</u>
	<u>\$ 192,921</u>	<u>\$ 339,179</u>
Cash inflow (outflow) from		
Operating activities	\$ 293,313	\$ 165,898
Investing activities	(45,644)	(87,253)
Financing activities	(224,977)	(328,504)
Effects of exchange rate changes on cash and cash equivalents	<u>3,764</u>	<u>24,600</u>
Net cash inflow (outflow)	<u>\$ 26,456</u>	<u>\$ (225,259)</u>
Dividends paid to non-controlling interest of:		
TSRC-UBE (Nantong) Industries Ltd.	<u>\$ 78,872</u>	<u>\$ 179,069</u>
		(Concluded)

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	2025	2024
Investments in associates	\$ 814,250	\$ 744,672
Investments in joint ventures	<u>2,430,094</u>	<u>2,223,872</u>
	<u>\$ 3,244,344</u>	<u>\$ 2,968,544</u>

### Investments in Associates

	<u>December 31</u>	
	2025	2024
Material associate		
ARLANXEO-TSRC (Nantong) Chemicals Industries Co., Ltd.	<u>\$ 814,250</u>	<u>\$ 744,672</u>

#### a. Material associate

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

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

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

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Current assets	\$ 1,588,523	\$ 1,265,234
Non-current assets	2,884,063	3,093,065
Current liabilities	(1,057,236)	(911,541)
Non-current liabilities	<u>(1,786,849)</u>	<u>(1,957,414)</u>
Equity	<u>\$ 1,628,501</u>	<u>\$ 1,489,344</u>
Proportion of the Group's ownership	50.00%	50.00%
Equity attributable to the Group	<u>\$ 814,250</u>	<u>\$ 744,672</u>
Carrying amount	<u>\$ 814,250</u>	<u>\$ 744,672</u>
	<b>2025</b>	<b>2024</b>
Revenue	<u>\$ 2,488,686</u>	<u>\$ 1,931,634</u>
Net profit for the year	\$ 127,993	\$ 137
Other comprehensive income (loss)	<u>76,240</u>	<u>(51,772)</u>
Total comprehensive income (loss) for the year	<u>\$ 204,233</u>	<u>\$ (51,635)</u>

b. Aggregate information of associates that are not individually material

	<b>2025</b>	<b>2024</b>
The Group's share of:		
Net profit for the year	\$ -	\$ 3,015
Other comprehensive income	<u>-</u>	<u>1</u>
Total comprehensive income for the period	<u>\$ -</u>	<u>\$ 3,016</u>

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

## Investments in Joint Ventures

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Investments in joint ventures</u>		
Material joint venture		
Indian Synthetic Rubber Private Limited	\$ 2,417,558	\$ 2,183,541
Joint ventures that are not individually material	<u>12,536</u>	<u>40,331</u>
	<u>\$ 2,430,094</u>	<u>\$ 2,223,872</u>

### a. Material joint venture

Name of Associate	Nature of Activities	Principal Place of Business	<b>Proportion of Ownership and Voting Rights</b>	
			<b>December 31</b>	
			2025	2024
Indian Synthetic Rubber Private Limited	Strategic alliance of production and sales of synthetic rubber products	India	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.

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Current assets	\$ 3,850,264	\$ 2,336,777
Non-current assets	2,492,681	4,572,696
Current liabilities	(1,079,094)	(1,685,010)
Non-current liabilities	<u>(299,970)</u>	<u>(722,125)</u>
Equity	<u>\$ 4,963,881</u>	<u>\$ 4,502,338</u>
Proportion of the Group's ownership	50%	50.00%
Equity attributable to the Group	<u>\$ 2,481,941</u>	<u>\$ 2,251,169</u>
Carrying amount	<u>\$ 2,417,558</u>	<u>\$ 2,183,541</u>
	<b>2025</b>	<b>2024</b>
Revenue	<u>\$ 6,950,622</u>	<u>\$ 7,404,388</u>
Net profit for the year	\$ 1,089,282	\$ 1,319,794
Other comprehensive (loss)	<u>(178,051)</u>	<u>(165,257)</u>
Total comprehensive income for the year	<u>\$ 911,231</u>	<u>\$ 1,154,537</u>

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

	2025	2024
The Group's share of:		
Net loss for the year	\$ (29,749)	\$ (19,245)
Other comprehensive income (loss)	<u>7,049</u>	<u>(2,009)</u>
Total comprehensive (loss) for the period	<u>\$ (22,700)</u>	<u>\$ (21,254)</u>

### 13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land and Land Improvements	Buildings	Machinery Equipment	Office and Other Equipment	Construction in Progress and Equipment under Installation	Total
<u>Cost</u>						
Balance on January 1, 2025	\$ 806,595	\$ 5,130,987	\$ 25,279,737	\$ 288,255	\$ 4,994,930	\$ 36,500,504
Additions	-	-	5,603	230	1,209,490	1,215,323
Disposals	-	(10,947)	(192,746)	(9,331)	(415)	(213,439)
Reclassification	415	770,178	2,404,160	9,583	(5,612,901)	(2,428,565)
Effects of foreign currency exchange differences	<u>(3,673)</u>	<u>27,308</u>	<u>(97,384)</u>	<u>(2,429)</u>	<u>(141,376)</u>	<u>(217,554)</u>
Balance on December 31, 2025	<u>\$ 803,337</u>	<u>\$ 5,917,526</u>	<u>\$ 27,399,370</u>	<u>\$ 286,308</u>	<u>\$ 449,728</u>	<u>\$ 34,856,269</u>
<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	-	(9,837)	(163,201)	(8,543)	-	(181,581)
Reclassification	-	(748,328)	(1,140,983)	(14,152)	-	(1,903,463)
Depreciation expenses	6,622	160,212	792,828	13,322	-	972,984
Effects of foreign currency exchange differences	<u>(1,613)</u>	<u>(19,622)</u>	<u>(190,264)</u>	<u>(2,747)</u>	<u>-</u>	<u>(214,246)</u>
Balance on December 31, 2025	<u>\$ 135,311</u>	<u>\$ 2,535,907</u>	<u>\$ 18,699,931</u>	<u>\$ 234,536</u>	<u>\$ -</u>	<u>\$ 21,605,685</u>
Carrying amounts on December 31, 2025	<u>\$ 668,026</u>	<u>\$ 3,381,619</u>	<u>\$ 8,699,439</u>	<u>\$ 51,772</u>	<u>\$ 449,728</u>	<u>\$ 13,250,584</u>
<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	-	-	15,603	170	3,338,174	3,353,947
Disposals	-	(3,823)	(385,972)	(5,575)	-	(395,370)
Reclassification	1,818	4,127	946,803	11,370	(295,029)	669,089
Effects of foreign currency exchange differences	<u>5,962</u>	<u>139,598</u>	<u>646,557</u>	<u>7,789</u>	<u>60,808</u>	<u>860,714</u>
Balance on December 31, 2024	<u>\$ 806,595</u>	<u>\$ 5,130,987</u>	<u>\$ 25,279,737</u>	<u>\$ 288,255</u>	<u>\$ 4,994,930</u>	<u>\$ 36,500,504</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	-	(2,371)	(326,070)	(5,120)	-	(333,561)
Recognize the impairment loss	-	-	237,621	6,576	-	244,197
Depreciation expenses	8,037	136,402	793,533	18,303	-	956,275
Effects of foreign currency exchange differences	<u>2,672</u>	<u>70,194</u>	<u>480,152</u>	<u>6,072</u>	<u>-</u>	<u>559,090</u>
Balance on December 31, 2024	<u>\$ 130,302</u>	<u>\$ 3,153,482</u>	<u>\$ 19,401,551</u>	<u>\$ 246,656</u>	<u>\$ -</u>	<u>\$ 22,931,991</u>
Carrying amounts on December 31, 2024	<u>\$ 676,293</u>	<u>\$ 1,977,505</u>	<u>\$ 5,878,186</u>	<u>\$ 41,599</u>	<u>\$ 4,994,930</u>	<u>\$ 13,568,513</u>

In order to improve overall production efficiency and allocation of the non-synthetic rubber business unit, the Group, after careful evaluation, resolved that TSRC (Vietnam) Co., Ltd. would cease production at the end of 2024. The Group anticipated a reduction in the future economic benefits of the machinery and equipment used to produce this product, resulting in a recoverable amount less than the carrying amount, and therefore recognized an impairment loss of NT\$244,197 thousand in 2024. This impairment loss is included under other gains and losses in the consolidated statement of comprehensive income.

The Group reclassified the residual value of scrapped equipment from the old plant to other non-current liabilities and, upon completion of the acceptance of the new plant and equipment in 2025, treated the residual value of the scrapped equipment as a deduction from the relocation compensation, recognizing the related government grant income under other income and expenses, net.

No impairment losses were recognized or reversed in 2025.

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 31.

#### 14. LEASE ARRANGEMENTS

##### a. Right-of-use assets

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Carrying amounts</u>		
Land	\$ 961,501	\$ 988,264
Buildings	99,930	156,758
Machinery	1,239,800	379,378
Transportation equipment	<u>25,586</u>	<u>35,145</u>
	<u>\$ 2,326,817</u>	<u>\$ 1,559,545</u>
	<b>2025</b>	<b>2024</b>
Additions to right-of-use assets	<u>\$ 979,925</u>	<u>\$ 61,662</u>
Depreciation charge for right-of-use assets		
Land	\$ 26,351	\$ 27,060
Buildings	49,620	50,003
Machinery	19,611	20,176
Transportation equipment	<u>11,639</u>	<u>10,684</u>
	<u>\$ 107,221</u>	<u>\$ 107,923</u>
Transfer to operating costs and inventories	<u>\$ 127,595</u>	<u>\$ 77,952</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 years ended December 31, 2025 and 2024.

The amount of right-of-use assets pledged as collateral for borrowings in Note 31.

b. Lease liabilities

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Carrying amounts</u>		
Current	<u>\$ 213,744</u>	<u>\$ 163,994</u>
Non-current	<u>\$ 1,186,364</u>	<u>\$ 442,737</u>

Range of discount rates for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Buildings	1.21%-6.45%	1.21%-6.45%
Machinery	1.86%-3.10%	1.86%-3.10%
Transportation equipment	1.31%-6.94%	1.21%-6.94%

c. Other lease information

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

	<b>2025</b>	<b>2024</b>
Expenses relating to short-term leases	<u>\$ 761</u>	<u>\$ 937</u>
Expenses relating to low-value assets leases	<u>\$ 23,775</u>	<u>\$ 29,772</u>
Total cash outflow for leases	<u>\$ 278,607</u>	<u>\$ 214,509</u>

The Group's leases of certain buildings and transportation equipment 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

	<b>Completed Investment Property</b>
<u>Cost</u>	
Balance on January 1, 2025 and December 31, 2025	<u>\$ 1,815,468</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2025	\$ 307,496
Depreciation expense	<u>14,725</u>
Balance on December 31, 2025	<u>\$ 322,221</u>
Carrying amount on December 31, 2025	<u>\$ 1,493,247</u>

(Continued)

	<b>Completed Investment Property</b>
<u>Cost</u>	
Balance on January 1, 2024 and December 31, 2024	<u>\$ 1,815,468</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2024	\$ 292,771
Depreciation expense	<u>14,725</u>
Balance on December 31, 2024	<u>\$ 307,496</u>
Carrying amount on December 31, 2024	<u>\$ 1,507,972</u> (Concluded)

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:

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Not later than 1 year	\$ 69,187	\$ 70,809
Later than 1 year and not later than 5 years	192,558	250,793
Later than 5 years	<u>-</u>	<u>7,956</u>
	<u>\$ 261,745</u>	<u>\$ 329,558</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, 2025 and 2024, were \$3,589,532 thousand and \$3,383,413 thousand, respectively. 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.

## 16. INTANGIBLE ASSETS

	Industrial Technology and Know-how	Computer Software	Patent and Trademark	Customer Relationship	Total
<u>Cost</u>					
Balance on January 1, 2025	\$ 1,104,050	\$ 333,401	\$ 640,486	\$ 1,176,838	\$ 3,254,775
Reclassification	-	16,908	-	-	16,908
Effects of foreign currency exchange differences	<u>(21,956)</u>	<u>616</u>	<u>(16,786)</u>	<u>(48,214)</u>	<u>(86,340)</u>
Balance on December 31, 2025	<u>\$ 1,082,094</u>	<u>\$ 350,925</u>	<u>\$ 623,700</u>	<u>\$ 1,128,624</u>	<u>\$ 3,185,343</u>
<u>Accumulated depreciation and impairment</u>					
Balance on January 1, 2025	\$ 933,017	\$ 310,696	\$ 470,472	\$ 877,504	\$ 2,591,689
Recognize the impairment loss	83,419	-	112,394	190,624	386,437
Amortization expenses	36,887	13,656	16,538	30,326	97,407
Reclassification	(93,858)	-	26,677	67,181	-
Effects of foreign currency exchange differences	<u>(14,276)</u>	<u>427</u>	<u>(11,025)</u>	<u>(37,011)</u>	<u>(61,885)</u>
Balance on December 31, 2025	<u>\$ 945,189</u>	<u>\$ 324,779</u>	<u>\$ 615,056</u>	<u>\$ 1,128,624</u>	<u>\$ 3,013,648</u>
Carrying amounts on December 31, 2025	<u>\$ 136,905</u>	<u>\$ 26,146</u>	<u>\$ 8,644</u>	<u>\$ -</u>	<u>\$ 171,695</u>
<u>Cost</u>					
Balance on January 1, 2024	\$ 1,045,911	\$ 310,790	\$ 604,920	\$ 1,103,387	\$ 3,065,008
Reclassification	-	19,839	-	-	19,839
Effects of foreign currency exchange differences	<u>58,139</u>	<u>2,772</u>	<u>35,566</u>	<u>73,451</u>	<u>169,928</u>
Balance on December 31, 2024	<u>\$ 1,104,050</u>	<u>\$ 333,401</u>	<u>\$ 640,486</u>	<u>\$ 1,176,838</u>	<u>\$ 3,254,775</u>
<u>Accumulated depreciation and impairment</u>					
Balance on January 1, 2024	\$ 818,774	\$ 291,586	\$ 427,922	\$ 787,268	\$ 2,325,550
Amortization expenses	66,891	16,358	18,090	37,041	138,380
Recognize the impairment loss	-	81	-	-	81
Effects of foreign currency exchange differences	<u>47,352</u>	<u>2,671</u>	<u>24,460</u>	<u>53,195</u>	<u>127,678</u>
Balance on December 31, 2024	<u>\$ 933,017</u>	<u>\$ 310,696</u>	<u>\$ 470,472</u>	<u>\$ 877,504</u>	<u>\$ 2,591,689</u>
Carrying amounts on December 31, 2024	<u>\$ 171,033</u>	<u>\$ 22,705</u>	<u>\$ 170,014</u>	<u>\$ 299,334</u>	<u>\$ 663,086</u>

The Synthetic Rubber Business Division of the Group experienced intensified market competition and increased production capacity within the industry, resulting in a decline in revenue and gross margin for certain synthetic rubber products and indications of impairment. The Group anticipates that, as of April 2011, the fair value of the assets acquired and recognized in connection with the acquisition of TSRC Specialty Materials LLC (formerly Dexco Polymers L.P. and Dexco Polymers Operating LLC) for the production of such products was lower than their carrying amount, leading to an impairment loss. The discount rate applied in determining the fair value was 10.3%, which was estimated based on the industry's weighted average cost of capital. The projected cash flows were estimated by the Group based on both internal and external historical information, as well as forecasts regarding future industry trends.

During the year ended December 31, 2025, the Group recognized an impairment loss of NT\$386,437 thousand on intangible assets, including industrial technology and know-how, patent and trademark, and customer relationship, which was recorded under other gains and losses. The recoverable amounts of the industrial technology and know-how, patent and trademark related to the impairment were determined based on their value in use.

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

An analysis of depreciation by function:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Operating costs	\$ 6,566	\$ 9,841
Selling and marketing expenses	605	271
General and administrative expenses	86,791	124,678
Research and development expenses	<u>3,445</u>	<u>3,590</u>
	<u>\$ 97,407</u>	<u>\$ 138,380</u>

## 17. BORROWINGS

### a. Short-term borrowings

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>\$ 4,745,654</u>	<u>\$ 4,727,801</u>
Range of interest rate	1.28%-5.43%	1.00%-5.98%

### b. Short-term bills payable

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Commercial paper	\$ -	\$ 100,000
Less: Unamortized discounts on bills payable	<u>-</u>	<u>(50)</u>
	<u>\$ -</u>	<u>\$ 99,950</u>
Range of interest rate	-	2.02%

c. Long-term borrowings

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Secured borrowings (Note 31)</u>		
Bank loans (RMB) (1)	\$ 2,813,765	\$ 2,617,208
<u>Unsecured borrowings</u>		
Bank loans (NTD) (2)	3,590,941	3,600,153
Bank loans (USD) (3)	<u>775,261</u>	<u>699,055</u>
	7,179,967	6,916,416
Less: Current portion	<u>(1,225,566)</u>	<u>(607,555)</u>
Long-term borrowings	<u>\$ 5,954,401</u>	<u>\$ 6,308,861</u>

1) December 31, 2025: The loan will be repayable in 2032 with interest at 2.15%-2.41%.

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

2) December 31, 2025: The loan will be repayable in 2026-2029 with interest at 2.05%-2.40%.

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

3) December 31, 2025: The loan will be repayable in 2026-2027 with interest at 5.00%-5.64%.

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

## 18. PROVISIONS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Demolition and relocation costs	\$ 158,700	\$ -
Carbon fees	<u>11,360</u>	<u>-</u>
	<u>\$ 170,060</u>	<u>\$ -</u>
<u>Non-current</u>		
Demolition and relocation costs	<u>\$ 68,360</u>	<u>\$ 255,971</u>

	<b>Carbon fees</b>	<b>Demolition and Relocation Costs</b>	<b>Total</b>
Balance on January 1, 2025	\$ -	\$ 255,971	\$ 255,971
Recognized	11,360	-	11,360
Paid	-	(30,016)	(30,016)
Effect of foreign currency exchange differences	<u>-</u>	<u>1,105</u>	<u>1,105</u>
Balance on December 31, 2025	<u>\$ 11,360</u>	<u>\$ 227,060</u>	<u>\$ 238,420</u>

Starting from 2025, the Group recognizes a carbon fee provision in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. On December 18, 2025, the Group obtained approval for the self-determined reduction plan from the competent authority. The Group expects to submit the implementation progress report of the self-determined reduction plan for the current year before April 30, 2026; therefore, the carbon fee provision was calculated based on the preferential rate.

Please refer to Notes 33 for further descriptions of demolition and relocation costs.

## 19. RETIREMENT BENEFIT PLANS

### a. Defined benefit plans

According to the Labor Pension Act, the Corporation's pension plan is a government-managed defined contribution plan, under which 6% of each employee's monthly salary is contributed to the individual account with the Bureau of Labor Insurance. Consolidated subsidiaries also contribute to pension management institutions in accordance with local laws and regulations. Under these regulations, the amounts recognized as expenses for the years ended December 31, 2025 and 2024 were \$140,847 thousand and \$137,913 thousand, respectively.

### b. Defined benefit plans

The Corporation's pension plan under the Labor Standards Act is a government-managed defined benefit plan. Employee retirement benefits are paid based on years of service and the average salary of the six months prior to the approved retirement date. The Corporation contributes 2% of the total monthly salaries of employees to a dedicated account at Bank of Taiwan under the name of the Labor Retirement Reserve Fund Supervision Committee. Before the end of each year, if the estimated balance of the dedicated account is insufficient to pay the retirement benefits of employees expected to meet the retirement conditions in the following year, the Corporation will make a one-time appropriation of the difference before the end of March of the following year. The dedicated account is managed by the Bureau of Labor Funds, Ministry of Labor, and the Corporation has no right to influence the investment management strategy.

The amounts in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Present value of defined benefit obligation	\$ 431,978	\$ 463,179
Fair value of plan assets	<u>(437,689)</u>	<u>(467,191)</u>
Net defined benefit assets (included in other non-current assets)	<u>\$ (5,711)</u>	<u>\$ (4,012)</u>

The changes in the net defined benefit liability (asset) are as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities (Assets)</b>
Balance on January 1, 2025	<u>\$ 463,179</u>	<u>\$ (467,191)</u>	<u>\$ (4,012)</u>
Service cost			
Current service cost and interest	1,815	-	1,815
Net interest expense (income)	<u>7,226</u>	<u>(7,324)</u>	<u>(98)</u>
Recognized in profit or loss	<u>9,041</u>	<u>(7,324)</u>	<u>1,717</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(34,470)	(34,470)
Actuarial (gain) loss			
Experience adjustments	<u>34,945</u>	<u>-</u>	<u>34,945</u>
Recognized in other comprehensive income (loss)	<u>34,945</u>	<u>(34,470)</u>	<u>475</u>
Contributions from plan participants	<u>-</u>	<u>(3,891)</u>	<u>(3,891)</u>
Benefits paid	<u>(75,187)</u>	<u>75,187</u>	<u>-</u>
Balance on December 31, 2025	<u>\$ 431,978</u>	<u>\$ (437,689)</u>	<u>\$ (5,711)</u>
Balance on January 1, 2024	<u>\$ 507,991</u>	<u>\$ (478,771)</u>	<u>\$ 29,220</u>
Service cost			
Current service cost and interest	2,399	-	2,399
Net interest expense (income)	<u>6,740</u>	<u>(6,366)</u>	<u>374</u>
Recognized in profit or loss	<u>9,139</u>	<u>(6,366)</u>	<u>2,773</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(45,033)	(45,033)
Actuarial (gain) loss			
Changes in financial assumptions	(6,977)	-	(6,977)
Experience adjustments	<u>22,179</u>	<u>-</u>	<u>22,179</u>
Recognized in other comprehensive income (loss)	<u>15,202</u>	<u>(45,033)</u>	<u>(29,831)</u>
Contributions from plan participants	<u>-</u>	<u>(6,174)</u>	<u>(6,174)</u>
Benefits paid	<u>(69,153)</u>	<u>69,153</u>	<u>-</u>
Balance on December 31, 2024	<u>\$ 463,179</u>	<u>\$ (467,191)</u>	<u>\$ (4,012)</u>

Through the defined benefit plans under the Labor Standards Act, the Corporation is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Discount rate(s)	1.625%	1.625%
Expected rate(s) of salary increase	1.500%	1.500%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Discount rate(s)		
0.25% increase	<u>\$ (6,061)</u>	<u>\$ (6,810)</u>
0.25% decrease	<u>\$ 6,210</u>	<u>\$ 6,977</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 5,927</u>	<u>\$ 6,689</u>
0.25% decrease	<u>\$ (5,833)</u>	<u>\$ (6,569)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Expected contributions to the plans for the next year	<u>\$ 3,624</u>	<u>\$ 3,990</u>
Average duration of the defined benefit obligation	8.04 years	8.36 years

## 20. EQUITY

- a. Share capital - ordinary shares

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Shares of authorized shares (in thousands of shares)	<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>
Shares issued and fully paid (in thousands of shares)	<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>

b. Capital surplus

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>May be used to offset a deficit, distributed, as cash dividends, or transferred to share capital*</u>		
Issuance of ordinary shares	\$ 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
<u>May only be used to offset a deficit</u>		
Overdue unclaimed dividends	<u>54,226</u>	<u>53,679</u>
	<u>\$ 57,766</u>	<u>\$ 57,219</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 Corporation's articles of incorporation, when allocating the earnings for each fiscal year, the Corporation may, after offsetting losses from previous years, paying taxes and setting aside any statutory and appropriated retained earnings of 10% by ordinary resolution, allocate the remaining balance dividends, retained earnings or otherwise. The allocation shall be proposed by the board of directors for a resolution at the shareholders' general meeting. However, dividends, employee bonuses, capital surplus, and legal reserve distributed wholly or partially in cash may be passed by the board of directors with more than two-thirds of the directors' attendance and resolved by more than half of the directors thereafter and shall be reported during the shareholders' general meeting. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 22-h.

In accordance with the Corporation'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 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 aforementioned cash dividends were resolved for distribution by the board of directors on March 6, 2025 and March 7, 2024, respectively, and the remaining earnings appropriation items were resolved at the Annual General Meeting of Shareholders on June 3, 2025 and June 7, 2024, respectively.

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

On March 5, 2026, the Board of Directors proposed the appropriation of earnings for the year ended December 31, 2025, as follows:

	<b>For the Year Ended December 31, 2025</b>
Legal reserve	<u>\$ 38,643</u>
Cash dividends	<u>\$ 222,942</u>
Cash dividends per share (NT\$)	<u>\$ 0.27</u>

The aforementioned cash dividends have been resolved for distribution by the board of directors, and the remaining matters are subject to resolution at the Annual General Meeting of Shareholders scheduled for May 29, 2026.

d. Other equity items

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 1,091,509	\$ 274,823
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(311,721)	930,282
Share from associates/joint ventures accounted for using the equity method	<u>(59,970)</u>	<u>(113,596)</u>
	<u>(371,691)</u>	<u>816,686</u>
Changes in ownership interests in subsidiaries	<u>18,323</u>	<u>-</u>
Balance on December 31	<u>\$ 738,141</u>	<u>\$ 1,091,509</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 1,463,463	\$ 1,970,137
Recognized for the year		
Unrealized gain (loss) - equity instruments	77,733	(322,809)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(183,865)</u>
Balance on December 31	<u>\$ 1,541,196</u>	<u>\$ 1,463,463</u>

3) Gain (loss) on hedging instruments

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ (38,592)	\$ (42,669)
Recognized for the year		
Share from associates/joint ventures accounted for using the equity method	<u>12,589</u>	<u>4,077</u>
Balance on December 31	<u>\$ (26,003)</u>	<u>\$ (38,592)</u>

## 21. REVENUE

### Disaggregation of Revenue

For the year ended December 31, 2025

	<b>Synthetic Rubber</b>	<b>Non-synthetic Rubber</b>	<b>Total</b>
<u>Primary geographical markets</u>			
Asia	\$ 27,215,541	\$ 657,385	\$ 27,872,926
Americas	4,945,024	7,238	4,952,262
Europe	3,229,571	66	3,229,637
Others	<u>418,123</u>	<u>-</u>	<u>418,123</u>
	<u>\$ 35,808,259</u>	<u>\$ 664,689</u>	<u>\$ 36,472,948</u>
<u>Major product lines</u>			
Synthetic rubber/elastomers	\$ 35,454,484	\$ -	\$ 35,454,484
Applied materials	-	664,639	664,639
Others	<u>353,775</u>	<u>50</u>	<u>353,825</u>
	<u>\$ 35,808,259</u>	<u>\$ 664,689</u>	<u>\$ 36,472,948</u>

For the year ended December 31, 2024

	<b>Synthetic Rubber</b>	<b>Non-synthetic Rubber</b>	<b>Total</b>
<u>Primary geographical markets</u>			
Asia	\$ 27,483,526	\$ 756,152	\$ 28,239,678
Americas	5,344,490	5,710	5,350,200
Europe	3,277,384	66	3,277,450
Others	<u>341,337</u>	<u>-</u>	<u>341,337</u>
	<u>\$ 36,446,737</u>	<u>\$ 761,928</u>	<u>\$ 37,208,665</u>
<u>Major product lines</u>			
Synthetic rubber/elastomers	\$ 35,555,707	\$ -	\$ 35,555,707
Applied materials	-	760,232	760,232
Others	<u>891,030</u>	<u>1,696</u>	<u>892,726</u>
	<u>\$ 36,446,737</u>	<u>\$ 761,928</u>	<u>\$ 37,208,665</u>

## 22. NET PROFIT

### a. Other income and expenses

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Rental income	\$ 71,385	\$ 80,192
Royalty income	18,722	83,433
Net service income	7,826	12,661
Depreciation of investment properties	(14,725)	(14,725)
Net other income	<u>75,405</u>	<u>16,650</u>
	<u>\$ 158,613</u>	<u>\$ 178,211</u>

### b. Interest income

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Bank deposits	<u>\$ 160,695</u>	<u>\$ 250,018</u>

c. Other income

**For the Year Ended December 31**  
**2025**                      **2024**

Dividends	\$ <u>127,220</u>	\$ <u>174,325</u>
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d. Other gains and losses

**For the Year Ended December 31**  
**2025**                      **2024**

Gain (loss) on disposal of financial assets and financial liabilities	\$ (82,241)	\$ 56,748
Net foreign exchange gain (loss)	132,657	(15,622)
Loss on disposal of property, plant and equipment	(19,498)	(59,838)
Impairment loss	(386,437)	(244,278)
Others	<u>(3,030)</u>	<u>420</u>
	<b>\$ (358,549)</b>	<b>\$ (262,570)</b>

e. Finance costs

**For the Year Ended December 31**  
**2025**                      **2024**

Interest on bank loans	\$ 350,659	\$ 386,430
Interest on lease liabilities	<u>25,296</u>	<u>13,202</u>
	<b>\$ <u>375,955</u></b>	<b>\$ <u>399,632</u></b>

f. Depreciation and amortization

**For the Year Ended December 31**  
**2025**                      **2024**

An analysis of depreciation by function		
Operating costs	\$ 954,474	\$ 930,138
Operating expenses	<u>125,731</u>	<u>134,060</u>
	<b>\$ <u>1,080,205</u></b>	<b>\$ <u>1,064,198</u></b>
An analysis of amortization by function		
Operating costs	\$ 6,566	\$ 9,841
Operating expenses	<u>90,841</u>	<u>128,539</u>
	<b>\$ <u>97,407</u></b>	<b>\$ <u>138,380</u></b>

The depreciation did not include the depreciation of investment properties (included in other income and expenses), the amounts for the years ended December 31, 2025 and 2024 were both \$14,725 thousand.

g. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Short-term benefits	<u>\$ 2,148,555</u>	<u>\$ 2,038,934</u>
Post-employment benefits (Note 19)		
Defined contribution plans	140,847	137,913
Defined benefit plans	<u>1,717</u>	<u>2,773</u>
	<u>142,564</u>	<u>140,686</u>
Other employee benefits	<u>294,486</u>	<u>339,514</u>
Total employee benefits expense	<u>\$ 2,585,605</u>	<u>\$ 2,519,134</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 1,582,728	\$ 1,529,190
Operating expenses	<u>1,002,877</u>	<u>989,944</u>
	<u>\$ 2,585,605</u>	<u>\$ 2,519,134</u>

h. Employees' compensation and remuneration of directors

In accordance with the Corporation's articles of incorporation, if there is profit for the year, the Corporation 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 Corporation'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 years ended December 31, 2025 and 2024 were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
	<b>Cash</b>	<b>Cash</b>
Employees' compensation	\$ 30,160	\$ 62,289
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.

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:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Current tax		
In respect of the current year	\$ 199,068	\$ 385,714
Income tax on unappropriated earnings	10,209	3,940
Adjustments for prior year	<u>(159)</u>	<u>(13,137)</u>
	<u>209,118</u>	<u>376,517</u>
Deferred tax		
In respect of the current year	<u>297,473</u>	<u>357,688</u>
	<u>\$ 506,591</u>	<u>\$ 734,205</u>

The reconciliation of accounting income and income tax expense is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Profit before tax from continuing operations	<u>\$ 1,115,377</u>	<u>\$ 1,782,858</u>
Income tax calculated based on the domestic tax rate where the Corporation locates	\$ 223,075	\$ 356,572
Effects of differences on tax rates in foreign jurisdictions	11,157	133,016
Tax-exempt income	(17,428)	(20,318)
Adjustments for prior year	(159)	(13,137)
Reduction of investments used	(35,690)	(22,031)
Occurrence of temporary differences	315,427	296,163
Income tax on unappropriated earnings	<u>10,209</u>	<u>3,940</u>
Income tax expense recognized in profit or loss	<u>\$ 506,591</u>	<u>\$ 734,205</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Deferred tax</u>		
In respect of the current period		
Fair value changes of financial assets at FVTOCI	\$ (3,040)	\$ 103,625
Remeasurement of defined benefit plans	<u>(95)</u>	<u>(778)</u>
	<u>\$ (3,135)</u>	<u>\$ 102,847</u>

c. Current income tax assets and liabilities

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Current tax assets - current		
Tax refund receivable	<u>\$ 133,759</u>	<u>\$ -</u>
Current tax liabilities - current		
Income tax payable	<u>\$ 113,286</u>	<u>\$ 229,268</u>
Current tax liabilities - non-current		
Income tax payable	<u>\$ 91,306</u>	<u>\$ 28,831</u>

d. Deferred income tax assets and liabilities

The changes in deferred tax assets and liabilities are as follows:

For the year ended December 31, 2025

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income (Loss)</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for inventory write-down	\$ 57,810	\$ 13,098	\$ -	\$ 70,908
Tax losses	345,384	(345,384)	-	-
Permanent differences between accounting and tax for fixed assets	58,685	69,111	-	127,796
Others	<u>201,830</u>	<u>(29,334)</u>	<u>-</u>	<u>172,496</u>
	<u>\$ 663,709</u>	<u>\$ (292,509)</u>	<u>\$ -</u>	<u>\$ 371,200</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Recognized foreign investment income in equity method	\$ 1,568,288	\$ (162,300)	\$ -	\$ 1,405,988
Permanent differences between accounting and tax for fixed assets	279,646	292,877	-	572,523
Land value increment tax	56,683	-	-	56,683
Financial assets measured at FVTOCI	147,434	-	(3,040)	144,394
Others	<u>152,755</u>	<u>(125,613)</u>	<u>(95)</u>	<u>27,047</u>
	<u>\$ 2,204,806</u>	<u>\$ 4,964</u>	<u>\$ (3,135)</u>	<u>\$ 2,206,635</u>

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for inventory write-down	\$ 65,049	\$ (7,239)	\$ -	\$ 57,810
Tax losses	259,720	85,664	-	345,384
Investment credits	64,436	(64,436)	-	-
Permanent differences between accounting and tax for fixed assets	19,252	39,433	-	58,685
Others	<u>128,158</u>	<u>73,672</u>	<u>-</u>	<u>201,830</u>
	<u>\$ 536,615</u>	<u>\$ 127,094</u>	<u>\$ -</u>	<u>\$ 663,709</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Recognized foreign investment income in equity method	\$ 1,126,623	\$ 441,665	\$ -	\$ 1,568,288
Permanent differences between accounting and tax for fixed assets	265,513	14,133	-	279,646
Land value increment tax	56,683	-	-	56,683
Financial assets measured at FVTOCI	43,809	-	103,625	147,434
Others	<u>124,549</u>	<u>28,984</u>	<u>(778)</u>	<u>152,755</u>
	<u>\$ 1,617,177</u>	<u>\$ 484,782</u>	<u>\$ 102,847</u>	<u>\$ 2,204,806</u>

- e. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

A portion of the investment income from subsidiaries controlled by the Group has been utilized for overseas reinvestment, and such investment income is not expected to be distributed in the foreseeable future. The amounts allocated for overseas reinvestment as of December 31, 2025 and 2024 were \$10,289,348 thousand and \$8,685,615 thousand, respectively.

- f. Income tax assessments

The income tax returns of the Corporation have been assessed by the authorities for all years through 2023.

- g. Pillar Two income tax legislation

Montrion Corporation is the ultimate controlling party of the Corporation. 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.

Based on the assessment performed, the Pillar Two income tax legislation did not have a material impact on the Group's income tax expense for the period from January 1 to December 31, 2025. The Group is continuing to assess the impact of the Pillar Two income tax legislation on its future financial performance.

## 24. EARNINGS PER SHARE

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Basic earnings per share	<u>\$ 0.54</u>	<u>\$ 1.04</u>
Diluted earnings per share	<u>\$ 0.54</u>	<u>\$ 1.04</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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 448,455</u>	<u>\$ 862,265</u>

### Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	825,710	825,710
Effects to potentially dilutive ordinary shares		
Employees' compensation	<u>1,884</u>	<u>3,441</u>
Weighted average number of ordinary shares outstanding in computation of diluted earnings per share	<u>827,594</u>	<u>829,151</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. GOVERNMENT GRANTS

As of December 31, 2025, the Group received RMB407,725 thousand of the total amount of RMB479,677 thousand relating to the relocation compensation of Shen Hua Chemical Industries Co., Ltd. The amount was recognized as other non-current liabilities and subsequently transferred to profit or loss over the useful life of the related asset. This policy resulted in a other income and expenses of \$47,956 thousand in 2025.

## 26. CASH FLOW INFORMATION

### Changes In Liabilities Arising from Financing Activities

For the year ended December 31, 2025

	January 1, 2025	Cash Flow	Non-cash Changes			December 31, 2025
			Foreign Exchange Movement	Amortization of Commercial Paper Discount	Others	
Short-term borrowings (including short-term bills payable)	\$ 4,827,751	\$ (7,549)	\$ (74,598)	\$ 50	\$ -	\$ 4,745,654
Long-term borrowings (including current portion)	6,916,416	388,661	(125,110)	-	-	7,179,967
Lease liabilities	<u>606,731</u>	<u>(228,775)</u>	<u>16,931</u>	<u>25,296</u>	<u>979,925</u>	<u>1,400,108</u>
	<u>\$ 12,350,898</u>	<u>\$ 152,337</u>	<u>\$ (182,777)</u>	<u>\$ 25,346</u>	<u>\$ 979,925</u>	<u>\$ 13,325,729</u>

For the year ended December 31, 2024

	January 1, 2024	Cash Flow	Non-cash Changes			December 31, 2024
			Foreign Exchange Movement	Amortization of Commercial Paper Discount	Others	
Short-term borrowings (including short-term bills payable)	\$ 4,580,149	\$ 79,711	\$ 167,941	\$ (50)	\$ -	\$ 4,827,751
Long-term borrowings (including current portion)	4,676,646	2,172,575	67,195	-	-	6,916,416
Lease liabilities	<u>680,008</u>	<u>(170,598)</u>	<u>22,457</u>	<u>13,202</u>	<u>61,662</u>	<u>606,731</u>
	<u>\$ 9,936,803</u>	<u>\$ 2,081,688</u>	<u>\$ 257,593</u>	<u>\$ 13,152</u>	<u>\$ 61,662</u>	<u>\$ 12,350,898</u>

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

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

## 28. CAPITAL MANAGEMENT

The objective of the consolidated corporation's capital management policy is to safeguard the consolidated corporation's ability to continue as a going concern, thereby providing sustained returns to shareholders and benefits to other stakeholders. To ensure these objectives are met, the consolidated corporation's management regularly reviews its capital structure. This review considers macroeconomic conditions, funding costs, and the adequacy of cash flows from operating activities. Adjustments to the capital structure are made through measures such as dividend distributions, issuance of new shares, share buybacks, adjusting debt levels (increasing or decreasing borrowings), and issuing or redeeming bonds.

## 29. FINANCIAL INSTRUMENTS

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

The Group'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

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ <u>          -</u>	\$ <u>      222</u>	\$ <u>          -</u>	\$ <u>      222</u>
Financial assets at FVOCI				
Investments in equity instruments				
Listed shares (domestic)	\$ 1,173,497	\$ -	\$ -	\$ 1,173,497
Unlisted shares (domestic and overseas)	<u>          -</u>	<u>          -</u>	<u>  847,134</u>	<u>  847,134</u>
	<u>\$ 1,173,497</u>	<u>\$ -</u>	<u>\$ 847,134</u>	<u>\$ 2,020,631</u>
Financial liabilities at FVTPL				
Derivatives financial liabilities	\$ <u>          -</u>	\$ <u>  1,426</u>	\$ <u>          -</u>	\$ <u>  1,426</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>

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 year ended December 31, 2025

<b>Financial Assets</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance on January 1, 2025	\$ 864,901
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	<u>(17,767)</u>
Balance on December 31, 2025	<u>\$ 847,134</u>

For the year ended December 31, 2024

<b>Financial Assets</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance on January 1, 2024	\$ 1,148,549
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	(35,487)
Disposal	<u>(248,161)</u>
Balance on December 31, 2024	<u>\$ 864,901</u>

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

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

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

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

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

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

Item	Valuation Technique	Significant Unobservable Inputs	Inter-Relationship between Significant Unobservable Inputs and Fair Value Measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Comparative listed corporation	<ul style="list-style-type: none"> <li>• Multipliers of price-to-earnings ratios as of December 31, 2025 and 2024, were 9.38 and 14.29, 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>December 31, 2025</u>				
Financial assets fair value through other comprehensive income Equity investments without an active market	Liquidity discount at 20%	1%	\$ 10,589	\$(10,589)
<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)

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 222	\$ 17,644
Financial assets at amortized cost (1)	11,372,964	12,123,486
Financial assets at FVTOCI		
Equity instruments	2,020,631	1,948,502
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	1,426	217
Financial liabilities at amortized cost (2)	15,728,675	16,476,513

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

d. Financial risk management objectives and policies

The Group's risk management strategy for derivative financial instrument transactions is primarily focused on ensuring the corporation's stable and secure operations.

The Group's finance department is responsible for establishing and managing the risk management framework and policies, and reports on their operations to the management, audit committee, and board of directors, under their supervision.

The development of the Group's risk management policy aims to identify and analyze the risks the Group faces, establish appropriate risk control systems and procedures, and oversee their implementation. The risk management policies and systems are regularly reviewed to reflect changes in market conditions and the Group's operations. The Group fosters a disciplined and constructive control environment through training, management meetings, management guidelines, and operational procedures, ensuring that relevant employees understand their roles and responsibilities.

The Group's audit committee oversees how the finance department monitors compliance with the Group's risk management policies and procedures, and reviews the appropriateness of the Group's risk management framework in addressing the risks it faces. Internal audit personnel assist the audit committee in its supervisory role. These personnel conduct regular and ad hoc reviews of risk management controls and procedures and report the findings to the audit committee.

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 34.

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 Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss*	\$ 1,729	\$ 668
	<b>EUR Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss*	\$ (351)	\$ (52)
	<b>JPY Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss*	\$ (82)	\$ -
	<b>RMB Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss*	\$ (814)	\$ (828)

\* 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 years ended December 31, 2025 and 2024 were \$11,925,621 thousand and \$11,644,217 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 years ended December 31, 2025 and 2024 would have decreased/increased by \$119,256 thousand and \$116,442 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.

The Group's sensitivity to equity securities investments has not changed significantly compared to the previous year.

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 December 31, 2025 and 2024, the Group had available unutilized short-term bank loan facilities of \$18,001,435 thousand and \$17,026,695 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.

#### December 31, 2025

	<b>On Demand or Less than 1 Year</b>	<b>1-2 Years</b>	<b>3-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings (including short-term bills payable)	\$ 4,765,336	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	1,969,812	-	-	-
Other payables	1,694,395	-	-	-
Long-term borrowings (including current portion)	1,447,790	2,225,121	3,205,093	1,012,006
Lease liabilities	226,347	212,123	324,060	827,739
Deposits received	<u>-</u>	<u>121,585</u>	<u>14,142</u>	<u>3,120</u>
	<u>\$ 10,103,680</u>	<u>\$ 2,558,829</u>	<u>\$ 3,543,295</u>	<u>\$ 1,842,865</u>

#### December 31, 2024

	<b>On Demand or Less than 1 Year</b>	<b>1-2 Years</b>	<b>3-5 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	<u>-</u>	<u>69,835</u>	<u>14,142</u>	<u>3,120</u>
	<u>\$ 10,484,725</u>	<u>\$ 1,729,502</u>	<u>\$ 2,669,768</u>	<u>\$ 3,195,892</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.

December 31, 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>\$ (322)</u>	<u>\$ (1,104)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Inflow	<u>\$ 51</u>	<u>\$ 171</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>
Inflow	<u>\$ 17,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**30. 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 shares.

b. Related party name and category

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, 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 were disclosed below.

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Montrion Corporation	Parent company
Indian Synthetic Rubber Private Limited	Joint venture
Nantong Qix Storage Co., Ltd	Joint venture
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	Associate

(Continued)

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Evergreen Steel Corporation	Other related parties
Marubeni Corporation	Corporate director of one of the group entity
Metropolis Property Management Corporation	Other related parties
WFV Corporation	Other related parties
Continental Consulting Limited Company	Other related parties
UBE (Shanghai) Ltd.	Subsidiary of the Group's other related party
Marubeni Petrochemicals Investment B.V.	Substantive related party

(Concluded)

c. Operating revenue

<b>Line Items</b>	<b>Related Parties Categories/Name</b>	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
Sales	Associate	<u>\$ 36,933</u>	<u>\$ 79,857</u>

d. Purchases of goods

<b>Related Parties Categories/Name</b>	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Corporate director of one of the group entity	\$ 159,307	\$ 1,187,114
Associate	<u>11,023</u>	<u>-</u>
	<u>\$ 170,330</u>	<u>\$ 1,187,114</u>

e. Receivables from related parties

<b>Line Items</b>	<b>Related Parties Categories/Name</b>	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
Other receivable (included in other receivable and non-current assets)	Parent corporation		
	Montrion Corporation	\$ 54,061	\$ -
	Associate		
	ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	19,589	30,223
	Joint venture	<u>18</u>	<u>221</u>
		<u>\$ 73,668</u>	<u>\$ 30,444</u>

f. Payables to related parties

Line Items	Related Parties Categories/Name	For the Year Ended December 31	
		2025	2024
Trade payables to related parties	Corporate director of one of the group entity	\$ <u>          -</u>	\$ <u>  73,628</u>
Other payables	Associate	\$ 582	\$ 8
	Subsidiary of the Group's other related party	895	911
	Other related parties	<u>1,349</u>	<u>435</u>
		<u>\$ 2,826</u>	<u>\$ 1,354</u>

g. Other transactions with related parties

Line Items	Related Parties Categories/Name	For the Year Ended December 31	
		2025	2024
Service income and expense (included in other income and expenses)	Associate		
	ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	\$ 89,703	\$ 172,015
	Joint venture	6,863	13,580
	Other related parties	<u>(14,175)</u>	<u>(13,941)</u>
		<u>\$ 82,391</u>	<u>\$ 171,654</u>
Rental revenue (included in other income and expenses)	Associates	\$ 1,574	\$ 2,505
	Other related parties	<u>4,633</u>	<u>4,587</u>
		<u>\$ 6,207</u>	<u>\$ 7,092</u>
Rental expenses (included in operating expenses)	Other related parties	<u>\$ 10,703</u>	<u>\$ 10,370</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 years ended December 31, 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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 155,994	\$ 149,777
Post-employment benefits	<u>2,080</u>	<u>2,207</u>
	<u>\$ 158,074</u>	<u>\$ 151,984</u>

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

i. Disposal of financial assets

For the years ended December 31, 2024

<b>Related Party Category/Name</b>	<b>Line Item</b>	<b>Number of Shares</b>	<b>Underlying Assets</b>	<b>Proceeds</b>	<b>Gain on Disposal (Note)</b>
Other party	Financial assets at fair value through other comprehensive income - non-current	5,657,000	Hsin-Yung Enterprise Corporation	<u>\$ 248,161</u>	<u>\$ 183,865</u>

Note: Reclassified to retained earnings.

### 31. 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:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Restricted savings deposits (included in other non-current assets)	\$ 1,136	\$ 1,222
Buildings (included in property, plant and equipment)	755,928	598,435
Land-use right (included in right-of-use assets)	<u>589,234</u>	<u>599,188</u>
	<u>\$ 1,346,298</u>	<u>\$ 1,198,845</u>

### 32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2025 were as follows:

- a. As of December 31, 2025 and 2024, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$1,656,336 thousand and \$1,134,991 thousand, respectively.

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Total amounts of construction in progress contracts	<u>\$ 2,896,927</u>	<u>\$ 4,995,774</u>
Cumulative payments	<u>\$ 276,232</u>	<u>\$ 4,658,856</u>

### 33. 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 RMB479,677 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. The relevant information is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Cumulative compensation received	<u>\$ 1,833,581</u>	<u>\$ 1,081,538</u>
Land-use right price for new location/prepaid land-use right price for new location	<u>\$ 626,844</u>	<u>\$ 624,154</u>
Provision for demolish and relocation	<u>\$ 227,060</u>	<u>\$ 255,971</u>

### 34. 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:

December 31, 2025

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 66,363	31.4380 (USD:NTD)	\$ 2,086,320
EUR	9,059	36.8988 (EUR:NTD)	334,266
JPY	418,510	0.2008 (JPY:NTD)	84,037
RMB	18,307	4.4971 (RMB:NTD)	82,328
Non-monetary items			
Equity instruments			
THB	1,135,355	0.9466 (THB:NTD)	1,074,728

(Continued)

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 71,864	31.4380 (USD:NTD)	\$ 2,259,260
EUR	8,107	36.8988 (EUR:NTD)	299,139
JPY	377,662	0.2008 (JPY:NTD)	75,835
RMB	198	4.4971 (RMB:NTD)	890
			(Concluded)

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	0.9423 (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

Please refer to the consolidated statements of income for the aggregate of realized and unrealized foreign currency exchange gains and losses for the years ended December 31, 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.

### 35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others: Table 1.
- 2) Endorsements/guarantees provided: Table 2.
- 3) Significant 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.

### 36. OPERATING SEGMENT INFORMATION

a. 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 year ended				
<u>December 31, 2025</u>				
Revenue				
Revenue from external customers	\$ 35,808,259	\$ 664,689	\$ -	\$ 36,472,948
Interest income	<u>150,994</u>	<u>874</u>	<u>8,827</u>	<u>160,695</u>
	<u>\$ 35,959,253</u>	<u>\$ 665,563</u>	<u>\$ 8,827</u>	<u>\$ 36,633,643</u>
Finance costs	<u>\$ 361,119</u>	<u>\$ 14,836</u>	<u>\$ -</u>	<u>\$ 375,955</u>
Depreciation and amortization	<u>\$ 1,103,126</u>	<u>\$ 74,486</u>	<u>\$ 14,725</u>	<u>\$ 1,192,337</u>
Share of profit or loss of associates and joint ventures accounted for using the equity method	<u>\$ 608,637</u>	<u>\$ -</u>	<u>\$ (29,749)</u>	<u>\$ 578,888</u>
Segment profit or loss to be reported	<u>\$ 1,242,407</u>	<u>\$ (81,088)</u>	<u>\$ (45,942)</u>	<u>\$ 1,115,377</u>
Assets and liabilities to be reported by segment (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

	<b>Synthetic Rubber</b>	<b>Non-synthetic Rubber</b>	<b>Others</b>	<b>Total</b>
For the year ended <u>December 31, 2024</u>				
Revenue				
Revenue from external customers	\$ 36,446,737	\$ 761,928	\$ -	\$ 37,208,665
Interest income	<u>217,313</u>	<u>1,830</u>	<u>30,875</u>	<u>250,018</u>
	<u>\$ 36,664,050</u>	<u>\$ 763,758</u>	<u>\$ 30,875</u>	<u>\$ 37,458,683</u>
Finance costs	<u>\$ 365,989</u>	<u>\$ 33,643</u>	<u>\$ -</u>	<u>\$ 399,632</u>
Depreciation and amortization	<u>\$ 1,080,702</u>	<u>\$ 121,876</u>	<u>\$ 14,725</u>	<u>\$ 1,217,303</u>
Share of profit or loss of associates and joint ventures accounted for using the equity method	<u>\$ 659,966</u>	<u>\$ -</u>	<u>\$ (16,230)</u>	<u>\$ 643,736</u>
Segment profit or loss to be reported	<u>\$ 2,221,890</u>	<u>\$ (438,899)</u>	<u>\$ (133)</u>	<u>\$ 1,782,858</u>
Assets and liabilities to be reported by segment (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
				(Concluded)

Note: As the information on segment assets and liabilities was not provided to the chief operating decision maker, the information on segment assets and liabilities is not disclosed.

b. Information about major customers

For the years ended December 31, 2025 and 2024, there were no revenues from any single customer that accounted for more than 10% of the total consolidated company revenue.

## TSRC CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 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 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
1	TSRC (Shanghai) Industries Ltd.	TSRC (Nantong) Industries Ltd.	Entrusted loans	Yes	\$ 114,258	\$ 89,942	\$ 44,971	2.10	2	\$ -	Operational turnaround	\$ -	-	\$ -	\$ 331,686	\$ 331,686	-
2	Polybus Corporation Pte Ltd.	TSRC Specialty Materials LLC TSRC (Vietnam) Co., Ltd.	Other receivables from related parties	Yes	331,820	314,380	-	4.68	2	-	Operational turnaround	-	-	-	5,425,190	5,425,190	-
			Other receivables from related parties	Yes	216,922	216,922	182,340	4.86-4.99	2	-	Operational turnaround	-	-	-	5,425,190	5,425,190	-
3	TSRC (Hong Kong) Ltd.	TSRC (Vietnam) Co., Ltd.	Other receivables from related parties	Yes	106,182	-	-	-	2	-	Operational turnaround	-	-	-	3,544,446	3,544,446	-
4	TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	Other receivables from related parties	Yes	1,068,892	1,068,892	842,538	5.19-5.83	2	-	Operational turnaround	-	-	-	2,242,024	2,242,024	-

Note 1: The total amount of funds lent by the Company and its subsidiaries shall not exceed 40% of the lending entity's net worth, and the amount extended to any individual counterparty shall not exceed 10% of the lending entity's net worth. However, in the case of overseas subsidiaries in which the Company directly or indirectly holds 100% of the voting shares, or where such subsidiaries provide funds to the Company due to operational financing needs, the foregoing limits shall not apply; provided that the amount extended to any single counterparty and the aggregate amount shall not exceed the lending entity's net worth respectively.

Note 2: Loans to other parties are numbered as follows:

- a. If its ordinary business relationship, the number is "1".
- b. If it needs short-term financial funds, the number is "2".

## TSRC CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 2)	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 (Note 3)	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 TSRC (Vietnam) Co., Ltd.	d d	\$ 11,973,136 11,973,136	\$ 1,634,100 570,731	\$ 1,257,520 -	\$ 967,033 -	\$ - -	6.30 -	\$ 29,932,839 29,932,839	Y Y	- -	- -	

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

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

Note 2: The limit for endorsement of a single enterprise is 60% of the net value of the Corporation's latest financial statements.

Note 3: The maximum limit is 150% of total equity of the Corporation.

**TSRC CORPORATION AND SUBSIDIARIES**

**SIGNIFICANT MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
TSRC Corporation	<u>Shares</u> Evergreen Steel Corporation	-	Financial assets at FVTOCI - non-current	12,148,000	\$ 1,173,497	2.91	\$ 1,173,497
	Thai Synthetic Rubbers Co., Ltd.	-	Financial assets at FVTOCI - non-current	599,999	353,573	5.42	353,573
Dymas Corporation	<u>Shares</u> Thai Synthetic Rubbers Co., Ltd.	-	Financial assets at FVTOCI - non-current	837,552	493,561	7.57	493,561

## TSRC CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 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 (Lux.) Corporation S.A R.L.	TSRC Corporation	Parent and subsidiary	Purchases	\$ 162,964	7.91	Payment in 60 days after acceptance	\$ -	-	\$ (12,710)	(4.20)	
TSRC Corporation	TSRC (Lux.) Corporation S.A R.L.	Parent and subsidiary	Sales	(162,964)	(1.53)	Collect receivables in 60 days after confirming	-	-	12,710	1.27	
TSRC Specialty Materials LLC	TSRC Corporation	Parent and subsidiary	Purchases	339,135	9.53	Payment in 60 days after acceptance	-	-	(43,801)	(10.57)	
TSRC Corporation	TSRC Specialty Materials LLC	Parent and subsidiary	Sales	(339,135)	(3.19)	Collect receivables in 60 days after confirming	-	-	43,801	4.39	
Shen Hua Chemical Industries Co., Ltd.	Marubeni Corporation	Director of the related parties	Purchases	117,599	1.04	Payment in 30 days after acceptance	-	-	-	-	
Polybus Corporation Pte Ltd	TSRC (Nantong) Industries Ltd.	Related parties	Purchases	290,011	48.11	Payment in 60 days after acceptance	-	-	(48,882)	(49.66)	
TSRC (Nantong) Industries Ltd.	Polybus Corporation Pte Ltd	Related parties	Sales	(290,011)	(5.52)	Collect receivables in 60 days after confirming	-	-	48,882	7.03	
Polybus Corporation Pte Ltd	Shen Hua Chemical Industries Co., Ltd.	Related parties	Purchases	272,159	45.15	Payment in 60 days after acceptance	-	-	(44,243)	(44.95)	
Shen Hua Chemical Industries Co., Ltd.	Polybus Corporation Pte Ltd	Related parties	Sales	(272,159)	(2.20)	Collect receivables in 60 days after confirming	-	-	44,243	2.64	
TSRC (Lux.) Corporation S.A R.L.	TSRC Specialty Materials LLC	Related parties	Purchases	393,972	19.12	Payment in 60 days after acceptance	-	-	(45,187)	(14.94)	
TSRC Specialty Materials LLC	TSRC (Lux.) Corporation S.A R.L.	Related parties	Sales	(393,972)	(8.84)	Collect receivables in 60 days after confirming	-	-	45,187	8.93	
TSRC (Lux.) Corporation S.A R.L.	TSRC (Nantong) Industries Ltd.	Related parties	Purchases	1,501,690	72.89	Payment in 60 days after acceptance	-	-	(247,529)	(81.86)	
TSRC (Nantong) Industries Ltd.	TSRC (Lux.) Corporation S.A R.L.	Related parties	Sales	(1,501,690)	(28.60)	Collect receivables in 60 days after confirming	-	-	247,529	35.61	

**TSRC CORPORATION AND SUBSIDIARIES**

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

**DECEMBER 31, 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>\$ 247,529</u>	7.19 times for a year	<u>\$ -</u>	-	<u>\$ 247,529</u> (Note)	<u>\$ -</u>	

Note 1: Amounts received before March 5, 2026.

Note 2: The amount was eliminated upon consolidation.

## TSRC CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			% to Total Sales or Assets
				Financial Statement Account	Amount (Note 4)	Payment Terms	
0	TSRC	TSRC (Lux.) Corporation S.A R.L	a	Sales	\$ 162,964	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.45
		Polybus Corporation Pte Ltd	a	Sales	39,938	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.11
		TSRC Specialty Materials LLC	a	Sales	339,135	The transaction is not significantly different from normal transactions, and the collection terms were about three months	0.93
		TSRC Specialty Materials LLC	a	Trade receivables from related parties	43,801	The transaction is not significantly different from normal transactions, and the collection terms were about three months	0.10
		TSRC (Nantong) Industries Ltd.	a	Other income and expenses	51,997	The transaction is not significantly different from normal transactions, and the collection terms were about six months	0.14
		TSRC (Nantong) Industries Ltd.	a	Other income and expenses	76,722	The transaction is not significantly different from normal transactions, and the collection terms were about one year	0.21
1	TSRC (Nantong) Industries Ltd.	TSRC (Shanghai) Industries Ltd.	c	Sales	62,570	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.17
		Polybus Corporation Pte Ltd	c	Sales	290,011	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.80
		Polybus Corporation Pte Ltd	c	Trade receivables from related parties	48,882	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.11
		TSRC (Lux.) Corporation S.A R.L	c	Sales	1,501,690	The transaction is not significantly different from normal transactions, and the collection terms were about two months	4.12
		TSRC (Lux.) Corporation S.A R.L	c	Trade receivables from related parties	247,529	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.57

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			% to Total Sales or Assets
				Financial Statement Account	Amount (Note 4)	Payment Terms	
2	TSRC Specialty Materials LLC	TSRC (Lux.) Corporation S.A R.L	c	Sales	\$ 393,972	The transaction is not significantly different from normal transactions, and the collection terms were about two months	1.08
		TSRC (Lux.) Corporation S.A R.L	c	Trade receivables from related parties	45,187	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.10
3	Shen Hua Chemical Industries Co., Ltd.	Polybus Corporation Pte Ltd	c	Sales	272,159	The transaction is not significantly different from normal transactions, and the collection terms were about two months	0.75
		Polybus Corporation Pte Ltd	c	Trade receivables from related parties	44,243	The transaction is not significantly different from normal transactions, and the collection terms were about two month	0.10
4	TSRC (Shanghai) Industries Ltd.	TSRC (Nantong) Industries Ltd.	c	Entrusted loan	44,971	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	0.10
5	TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	c	Other receivables from related parties	842,538	The transaction is not significantly different from normal transactions, and the payment method is based on a one- to two-year period starting from the date of the initial disbursement	1.95
6	Polybus Corporation Pte Ltd	TSRC (Vietnam) Co., Ltd.	c	Other receivables from related parties	182,340	The transaction is not significantly different from normal transactions, and the payment method is based on a one- to two-year period starting from the date of the initial disbursement	0.42

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

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

Note 2: Relationships between counterparties are categorized as follows:

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

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

Note 4: The amount was eliminated upon consolidation.

(Concluded)

## TSRC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
TSRC	Trimurti Holding Corporation	Tortola B.V.I.	Investment	\$ 1,005,495	\$ 1,005,495	99,520,000	100.00	\$ 18,514,928	\$ 513,554	\$ 513,554	Subsidiary
	Hardison International Corporation	Tortola B.V.I.	Investment	109,442	109,442	3,896,305	100.00	465,715	(13,152)	(13,152)	Subsidiary
	Dymas Corporation	Tortola B.V.I.	Investment	38,376	38,376	1,161,004	19.48	109,127	20,801	4,052	Subsidiary (Note 2)
	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	24,647	(49,236)	(32,245)	Subsidiary (Note 3)
Trimurti Holding Corporation	Polybus Corporation Pte Ltd	Singapore	International commerce and investment corporation	4,514,528 (US\$ 143,601)	2,691,124 (US\$ 85,601)	209,853,000	100.00	13,592,877	980,290	980,290	Subsidiary
	TSRC (Hong Kong) Limited	Hong Kong	Investment	3,264,836 (US\$ 103,850)	3,264,836 (US\$ 103,850)	103,850,000	100.00	1,428,322	(1,062,015)	(1,062,015)	Subsidiary
	Indian Synthetic Rubber Private Limited	New Delhi, India	Production and sale of synthetic rubber products	926,572 (US\$ 29,473)	926,572 (US\$ 29,473)	222,861,375	50.00	2,417,558	1,089,282	544,641	Joint ventures
TSRC (Hong Kong) Limited	TSRC (Lux.) Corporation S.A R.L.	Luxembourg	International commerce and investment	2,762,613 (EUR 74,870)	2,762,613 (EUR 74,870)	74,869,617	100.00	872,388	(1,116,724)	(1,116,724)	Subsidiary
TSRC (Lux.) Corporation S.A R.L.	TSRC (USA) Investment Corporation	Delaware, U.S.A.	Investment	3,019,620 (US\$ 96,050)	3,019,620 (US\$ 96,050)	130	100.00	1,033,148	(1,031,191)	(1,031,191)	Subsidiary
TSRC (USA) Investment Corporation	TSRC Specialty Materials LLC	Texas, U.S.A.	Production and sale of TPE	6,872,881 (US\$ 218,617)	6,872,881 (US\$ 218,617)	-	100.00	1,077,351	(353,058)	(353,058)	Subsidiary
Hardison International Corporation	Triton International Holdings Corporation	Tortola B.V.I.	Investment	1,572 (US\$ 50)	1,572 (US\$ 50)	50,000	100.00	12,657	(29,820)	(29,820)	Subsidiary
	Dymas Corporation	Tortola B.V.I.	Investment	150,871 (US\$ 4,799)	150,871 (US\$ 4,799)	4,798,566	80.52	451,072	20,801	16,749	Subsidiary (Note 2)
Dymas Corporation	TSRC (Vietnam) Co., Ltd.	Binh Duong Province, Vietnam	Production and processing of rubber color masterbatch, thermoplastic elastomer and plastic compound products	314,380 (US\$ 10,000)	- (US\$ -)	-	45.69	20,735	(49,236)	(16,991)	Subsidiary (Note 3)

Note 1: Amounts in foreign currencies were translated based on the exchange rate at the reporting date (US\$1 to NT\$31.4380; EUR1 to NT\$36.8988).

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 TSRC (Vietnam) Co., Ltd. equity and indirectly owns 45.69% via Dymas Corporation, total directly and indirectly owns of equity are 100%.

## TSRC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 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 December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Amount as of December 31, 2025 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Shen Hua Chemical Industries Co., Ltd.	Production and sale of synthetic rubber products	\$ 4,443,761 (US\$ 141,350)	b. 1)	\$ -	\$ -	\$ -	\$ -	\$ 653,932	90.92	\$ 579,613 b	\$ 6,567,331 b	\$ 4,786,340	-
TSRC (Shanghai) Industries Ltd.	Production and sale of compounding materials	172,909 (US\$ 5,500)	b. 2)	123,237 (US\$ 3,920)	-	-	123,237 (US\$ 3,920)	52,013	100.00	52,013 b	345,433 b	-	-
Nantong Qix Storage Co., Ltd.	Storehouse for chemicals	94,314 (US\$ 3,000)	b. 3)	47,157 (US\$ 1,500)	-	-	47,157 (US\$ 1,500)	(59,499)	50.00	(29,749) b	12,536 b	74,060	-
TSRC-UBE (Nantong) Chemical Industrial Co., Ltd.	Production and sale of synthetic rubber products	1,257,520 (US\$ 40,000)	b. 1)	31,438 (US\$ 1,000)	-	-	31,438 (US\$ 1,000)	191,139	55.00	105,127 b	1,069,698 b	208,813	-
TSRC (Nantong) Industries Ltd.	Production and sale of TPE	3,304,920 (US\$ 105,125)	b. 1)	209,000 (US\$ 6,648)	-	-	209,000 (US\$ 6,648)	247,238	100.00	247,238 b	4,323,295 b	440,864	-
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd.	Production and sale of NBR	1,408,422 (US\$ 44,800)	b. 1)	-	-	-	-	127,993	50.00	63,996 a	814,250 a	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 531,302 (US\$ 16,900)	\$ 9,529,549 (US\$ 303,122) (Note 5)	No upper limit on the amount of investment (Note 4)

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\$31.4380)

Note 3: Investment income (loss) and book value column:

- a. The financial statements have been audited and certified by an international accounting firm with a partnership with Certified Public Accountant firms in the Republic of China.
- b. The financial statements that have been audited by CPA of parent company.

Note 4: 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 5: This amount includes capital increase out of earnings, approved by the Investment Commission, MOEA.