



2026 Annual Shareholders' Meeting Handbook

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Meeting Date : May 29, 2026

Venue : FUBON International Conference Center
B2, No. 108 Dun Hua S. Road, Sec. 1 Taipei

Method : Physical shareholders' Meeting

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Agenda for 2026 Annual Meeting of Shareholders

(Translation based on Chinese document)

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Report Items

1. To Report 2025 Employees' Compensation and Directors' Compensation (Proposed by the Board of Directors)

The employees' compensation and Directors' compensation of the Company for 2025 was approved at the 12th and 13th Meeting of the 18th Term of Board of Directors in accordance with the Article 28-1 of the Articles of Incorporation. NT\$30,159,680 in cash was to be distributed as employees' compensation while no Directors' compensation was distributed.

2. To Report the Distribution of 2025 Cash Dividend (Proposed by the Board of Directors)

- (1) According to Article 29 of the Articles of Incorporation of the Company, the Board of Directors is authorized to distribute dividends in cash and the distribution shall be reported to the shareholders' meeting.
- (2) The Board of Directors has approved cash dividends of NT\$222,941,694 from 2025 earnings at NT\$0.27 per share.
- (3) The distribution is calculated to the dollar, and the remaining amount less than NT\$ 1 will be listed as the other income of the Company.
- (4) The Board of Directors authorizes the Chairman to determine the ex-dividend date, dividend payment date and all relevant matters including the allocation of dividends based on the actual situation.

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Approval Items

1. (Proposed by the Board of Directors)

Proposal : To approve 2025 Business Report and Financial Statements

Explanations: (1) 2025 business report is shown in attachment 1 (please refer to P.5) with the Parent Company Only Financial Statements and Consolidated Financial Report (also in attachment 1, please refer to P.6-24). The above reports were resolved by 6th Meeting of the 18th Term of Board of Directors.

(2) The financial report was audited by the certified accountant. The above business report and financial report were approved by the Audit Committee and the audited report was provided (also in attachment 1, please refer to P.25). Hence, we proposed to Annual Meeting of Shareholders for approval.

Resolution:

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2. (Proposed by the Board of Directors)

Proposal : To approve 2025 Earnings Distribution

Explanations: (1) The proposed 2025 earnings distribution was approved by the Audit Committee and the Board of Directors of the Company.

(2) The proposed 2025 earnings distribution table is as below.

TSRC Corporation
2025 Earnings Distribution Table

Unit: NTD

At the beginning of Unappropriated Retained Earnings	4,179,195,182
add: Net Income of 2025	448,455,319
subtract: Remeasurement of Defined Benefit Plan	(379,929)
Changes in ownership interests in subsidiaries	(61,646,797)
Legal Reserve (10%)	(38,642,859)
Earnings Available for Distribution	4,526,980,916
Distributable items:	
Cash Dividend (NT\$ 0.27 per share)	(222,941,694)
At the end of Unappropriated Retained Earnings	4,304,039,222

Chairman:Nita Ing

Manager:Joseph Chai

Chief Accountant: Grace Lin

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Attachment 1

2025 Business Report, Financial Statement and Audit Committee's Audit Report

2025 Business Report

In 2025, the global petrochemical and rubber industries underwent significant structural changes amid rising trade protectionism, heightened geopolitical tensions, and a cyclical economic downturn. Despite these external pressures, TSRC demonstrated resilience through disciplined operations and a robust global presence. By optimizing resource allocation, strengthening its strategic position in Asia's automotive materials value chain, and expanding into premium green tire materials, coupled with the successful commercialization of the new Shenhua plant, TSRC continued to enhance its production capacity and market competitiveness.

TSRC delivered stable performance during this challenging downcycle. Through focused execution and agile portfolio management, the Company navigated persistent supply-demand imbalances and intensified pricing competition faced by the Advanced Materials Business. In 2025, sales volume reached 616 thousand metric tons, an 11% increase versus 2024. Consolidated revenue totaled NTD 36,473 million, a slight decline of 2% from NTD 37,209 million in 2024. Gross profit declined by 13% to NTD 3,576 million, resulting in a gross margin of 10%. Operating profit was NTD 983 million, a 29% decrease from 2024, with an operating margin of 3%. TSRC recorded a net income of NTD 448 million and an EPS of NTD 0.54 for the year.

The Company continued advancing its ESG commitments, achieving solid annual progress in decarbonization. TSRC received recognition from leading sustainability rating institutions such as EcoVadis and expanded ISCC+ bio-material certifications across several production sites. Through close partnerships with strategic customers, TSRC accelerated commercialization in high-performance tire applications and medical solutions. In 2025, eight patents were granted to TSRC, underscoring its achievements in technology innovation and process optimization.

Looking ahead to 2026, global economic conditions remain uncertain due to ongoing geopolitical tensions, changes in tariff regimes, and shifting regional supply-demand dynamics—all contributing to volatile growth prospects. Additional capacity expansions in mainland China are expected to further pressure industry supply-demand balance. In response, TSRC will continue advancing its high-value portfolio strategy, accelerating its transition toward sustainability, strengthening operational resilience, and optimizing resource allocation to secure long-term growth and deliver sustained value creation.

Chairman:Nita Ing

Manager:Joseph Chai

Chief Accountant: Grace Lin

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TSRC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

	(In Thousands of New Taiwan Dollars)			
	2025		2024	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 6,686,122	16	\$ 6,335,266	15
Financial assets at fair value through profit or loss - current	222	-	17,644	-
Notes receivable, net	1,280,832	3	1,394,513	3
Accounts receivable, net	3,178,240	8	4,018,085	9
Other receivables	127,892	-	266,700	1
Current tax assets	133,759	-	-	-
Inventories	7,838,195	18	7,583,322	18
Other current assets	487,901	1	501,678	1
Total current assets	19,733,163	46	20,117,208	47
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	2,020,631	5	1,948,502	4
Investments accounted for under equity method	3,244,344	8	2,968,544	7
Property, plant and equipment	13,250,584	31	13,568,513	31
Right-of-use assets	2,326,817	5	1,559,545	4
Investment property	1,493,247	3	1,507,972	3
Intangible assets	171,695	-	663,086	2
Deferred income tax assets	371,200	1	663,709	2
Other non-current assets	647,250	1	219,210	-
Total non-current assets	23,525,768	54	23,099,081	53
TOTAL	\$ 43,258,931	100	\$ 43,216,289	100

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	2025		2024	
	Amount	%	Amount	%
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 4,745,654	11	\$ 4,727,801	11
Short-term bills payable	-	-	99,950	-
Financial liabilities at fair value through profit or loss - current	1,426	-	217	-
Accounts payable	1,969,812	5	2,694,587	6
Accounts payable - related parties	-	-	73,628	-
Other payables	1,694,395	4	1,877,034	4
Current income tax liabilities	113,286	-	229,268	1
Provisions - current	170,060	-	-	-
Lease liabilities - current	213,744	-	163,994	-
Current portion of long-term borrowings	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>
NON-CURRENT LIABILITIES				
Long-term bank borrowings	5,954,401	14	6,308,861	15
Provisions - non-current	68,360	-	255,971	1
Non-current income tax liabilities	91,306	-	28,831	-
Deferred income tax liabilities	2,206,635	5	2,204,806	5
Lease liabilities - non-current	1,186,364	3	442,737	1
Other non-current liabilities	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>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				
Common stock	<u>8,257,099</u>	<u>19</u>	<u>8,257,099</u>	<u>19</u>
Capital surplus	<u>57,766</u>	<u>-</u>	<u>57,219</u>	<u>-</u>
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	<u>9,387,027</u>	<u>22</u>	<u>9,520,795</u>	<u>22</u>
Other equity	<u>2,253,334</u>	<u>5</u>	<u>2,516,380</u>	<u>6</u>
Total equity attributable to shareholders of the Company	<u>19,955,226</u>	<u>46</u>	<u>20,351,493</u>	<u>47</u>
NON-CONTROLLING INTERESTS				
Total equity	<u>21,511,862</u>	<u>50</u>	<u>21,787,252</u>	<u>50</u>
TOTAL	<u>\$ 43,258,931</u>	<u>100</u>	<u>\$ 43,216,289</u>	<u>100</u>

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	\$ 36,472,948	100	\$ 37,208,665	100
OPERATING COSTS	32,897,158	90	33,093,008	89
GROSS PROFIT	3,575,790	10	4,115,657	11
OPERATING EXPENSES				
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	(4,879)	-	3,864	-
Total operating expenses	2,751,325	7	2,916,887	8
OTHER INCOME AND EXPENSES, NET	158,613	-	178,211	1
OPERATING PROFIT	983,078	3	1,376,981	4
NON-OPERATING INCOME AND EXPENSES				
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	578,888	2	643,736	2
Total non-operating income	132,299	-	405,877	1
PROFIT BEFORE INCOME TAX	1,115,377	3	1,782,858	5
INCOME TAX EXPENSE	506,591	1	734,205	2
NET PROFIT FOR THE YEAR	608,786	2	1,048,653	3
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(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	3,135	-	(102,847)	-
	77,353	-	(292,200)	(1)
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	(47,381)	-	(109,519)	-
	(363,007)	(1)	869,229	2
Other comprehensive (loss) income for the year, net of income tax	(285,654)	(1)	577,029	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 323,132	1	\$ 1,625,682	4
NET INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 448,455	1	\$ 862,265	2
Non-controlling interests	160,331	1	186,388	1
	\$ 608,786	2	\$ 1,048,653	3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 166,706	1	\$ 1,390,828	4
Non-controlling interests	156,426	-	234,854	-
	\$ 323,132	1	\$ 1,625,682	4
EARNINGS PER SHARE				
Basic	\$ 0.54		\$ 1.04	
Diluted	\$ 0.54		\$ 1.04	

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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											
	Retained Earnings					Total Other Equity Interest						
	Common Stock	Capital Surplus	Legal Reserve	Unappropriated Retained Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total	Total Equity Attributable to Owners of Parent	Non-controlling Interests	Total Equity
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

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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
CASH FLOWS FROM OPERATING ACTIVITIES		
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	1,767,053	748,432

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(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
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
Dividends received	239,696	285,169
Compensation for relocation/Government grant	781,346	281,859
Net cash flow used in investing activities	<u>(649,633)</u>	<u>(1,975,294)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
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	(78,872)	(179,069)
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>

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Consolidated Financial Statements

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.

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The total compensation amount under the agreement was RMB 479,677 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 RMB 407,725 thousand out of the total compensation amount of RMB 479,677 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. Obtaining 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.

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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.

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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

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TSRC CORPORATION

BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025		2024	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash	\$ 72,692	-	\$ 48,808	-
Financial assets at fair value through profit or loss - current	84	-	625	-
Accounts receivable, net	931,987	3	1,535,563	5
Accounts receivables from related parties	66,422	-	155,239	1
Other receivables	188,725	1	212,943	1
Inventories	1,976,441	7	2,095,798	7
Other current assets	80,438	1	84,922	-
Total current assets	<u>3,316,789</u>	<u>12</u>	<u>4,133,898</u>	<u>14</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	1,527,070	5	1,444,590	5
Investments accounted for under equity method	19,114,417	67	19,657,836	65
Property, plant and equipment	2,973,423	10	2,965,084	10
Right-of-use assets	111,214	1	161,111	1
Investment property	1,493,247	5	1,507,972	5
Intangible assets	104,302	-	141,981	-
Deferred income tax assets	105,710	-	95,455	-
Other non-current assets	23,988	-	70,294	-
Total non-current assets	<u>25,453,371</u>	<u>88</u>	<u>26,044,323</u>	<u>86</u>
TOTAL	<u>\$ 28,770,160</u>	<u>100</u>	<u>\$ 30,178,221</u>	<u>100</u>

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(In Thousands of New Taiwan Dollars)

	2025		2024	
	Amount	%	Amount	%
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 2,221,124	8	\$ 1,952,683	7
Short-term bills payable	-	-	99,950	-
Accounts payable	685,720	2	1,150,553	4
Other payables	534,357	2	663,906	2
Current income tax liabilities	78,537	-	156,075	1
Provisions - current	11,360	-	-	-
Lease liabilities - current	45,435	-	46,985	-
Current portion of long-term borrowings	1,000,465	4	509,212	2
Other current liabilities	77,000	-	109,537	-
Total current liabilities	<u>4,653,998</u>	<u>16</u>	<u>4,688,901</u>	<u>16</u>
NON-CURRENT LIABILITIES				
Long-term bank borrowings	2,590,476	9	3,090,941	10
Non-current income tax liabilities	37,245	-	28,831	-
Deferred income tax liabilities	1,446,757	5	1,655,015	6
Lease liabilities - non-current	68,080	1	115,839	-
Other non-current liabilities	18,378	-	247,201	1
Total non-current liabilities	<u>4,160,936</u>	<u>15</u>	<u>5,137,827</u>	<u>17</u>
Total liabilities	<u>8,814,934</u>	<u>31</u>	<u>9,826,728</u>	<u>33</u>
EQUITY				
Common stock	<u>8,257,099</u>	<u>29</u>	<u>8,257,099</u>	<u>27</u>
Capital surplus	<u>57,766</u>	<u>-</u>	<u>57,219</u>	<u>-</u>
Retained earnings				
Legal reserve	4,821,403	16	4,713,729	16
Unappropriated earnings	4,565,624	16	4,807,066	16
Total retained earnings	<u>9,387,027</u>	<u>32</u>	<u>9,520,795</u>	<u>32</u>
Other equity	<u>2,253,334</u>	<u>8</u>	<u>2,516,380</u>	<u>8</u>
Total equity	<u>19,955,226</u>	<u>69</u>	<u>20,351,493</u>	<u>67</u>
TOTAL	<u>\$ 28,770,160</u>	<u>100</u>	<u>\$ 30,178,221</u>	<u>100</u>

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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	\$ 10,642,764	100	\$ 12,684,055	100
OPERATING COSTS	9,641,280	91	11,155,058	88
GROSS PROFIT	1,001,484	9	1,528,997	12
UNREALIZED LOSS ON TRANSACTIONS	(11,843)	-	(6,322)	-
OPERATING EXPENSES				
Selling expenses	449,313	4	484,161	4
General and administrative expenses	570,369	5	623,897	5
Research and development expenses	280,242	3	280,113	2
Expected credit loss (reversed) on trade receivables	111	-	(367)	-
Total operating expenses	1,300,035	12	1,387,804	11
OTHER INCOME AND EXPENSES, NET	167,680	2	236,509	2
OPERATING PROFIT (LOSS)	(119,028)	(1)	384,024	3
NON-OPERATING INCOME AND EXPENSES				
Interest income	2,965	-	4,035	-
Other income	87,920	1	131,859	1
Other gains and losses	(10,270)	-	3,066	-
Finance costs	(165,276)	(2)	(182,053)	(1)
Share of gain of subsidiaries, associates and joint ventures accounted for under equity method	472,209	4	871,641	7
Total non-operating income	387,548	3	828,548	7
PROFIT BEFORE INCOME TAX	268,520	2	1,212,572	10
INCOME TAX EXPENSE (BENEFIT)	(179,935)	(2)	350,307	3
NET PROFIT FOR THE YEAR	448,455	4	862,265	7
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(475)	-	29,831	-
Unrealized gain (loss) on investments in equity instruments at fair value through other com-prehensive income	82,480	1	(322,485)	(2)
Share of other comprehensive income of sub-sidiaries and associates	(7,787)	-	103,301	1
Income tax related to items that will not be re-classified subsequently to profit or loss	3,135	-	(102,847)	(1)
	77,353	1	(292,200)	(2)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the fi-nancial statements of foreign operations	(371,691)	(3)	816,686	6
Share of the other comprehensive income of subsidiaries and associates	12,589	-	4,077	-
	(359,102)	(3)	820,763	6
Other comprehensive (loss) income for the year, net of income tax	(281,749)	(2)	528,563	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 166,706	2	\$ 1,390,828	11
EARNINGS PER SHARE				
Basic	\$ 0.54		\$ 1.04	
Diluted	\$ 0.54		\$ 1.04	

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TSRC CORPORATION

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	Retained Earnings				Total Other Equity Interest				Total Equity	
	Common Stock	Capital Surplus	Legal Reserve	Unappropriated 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		
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
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	66,670	(66,670)	-	-	-	-	-	-
Cash dividends	-	-	-	(338,541)	(338,541)	-	-	-	-	(338,541)
Cash dividends from capital surplus	-	(123,856)	-	-	-	-	-	-	-	(123,856)
Other changes in capital surplus	-	1,242	-	-	-	-	-	-	-	1,242
Net profit for the year ended December 31, 2024	-	-	-	862,265	862,265	-	-	-	-	862,265
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
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
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	183,865	183,865	-	(183,865)	-	(183,865)	-
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
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	107,674	(107,674)	-	-	-	-	-	-
Cash dividends	-	-	-	(520,197)	(520,197)	-	-	-	-	(520,197)
Other changes in capital surplus	-	547	-	-	-	-	-	-	-	547
Net profit for the year ended December 31, 2025	-	-	-	448,455	448,455	-	-	-	-	448,455
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)
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
Changes in ownership interests in subsidiaries	-	-	-	(61,646)	(61,646)	18,323	-	-	18,323	(43,323)
BALANCE AT 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

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TSRC CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before tax	\$ 268,520	\$ 1,212,572
Adjustments for		
Depreciation	306,390	284,999
Amortization	32,350	27,255
Expected credit loss (reversed) on trade receivables	111	(367)
Finance costs	165,276	182,053
Interest income	(2,965)	(4,035)
Dividend income	(87,920)	(131,859)
Share of profit of subsidiary, associates and joint ventures accounted for using the equity method	(472,209)	(871,641)
Loss on disposal of property, plant and equipment	2,046	26,913
Transfer to operating costs and inventories	29,076	30,583
Impairment loss recognized on intangible assets	15,208	-
Unrealized loss on transactions	(11,843)	(6,322)
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	541	(625)
Accounts receivable	603,465	(485,767)
Accounts receivable from related parties	88,817	(68,843)
Other receivables	24,218	(14,554)
Inventories	119,357	(103,034)
Other current assets	4,484	31,556
Amortization of technical valuation (deferred credit)	(11,444)	(42,436)
Financial liabilities at fair value through profit or loss	-	(1,227)
Accounts payable	(464,833)	321,643
Other payables	(117,727)	31,089
Provisions	11,360	-
Other current liabilities	(32,537)	48,689
Net defined benefit assets	(2,079)	(2,623)
Other non-current liabilities	(67)	4,178

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(In Thousands of New Taiwan Dollars)

	2025	2024
Cash flow generated from operating activities	\$ 467,595	\$ 468,197
Interest income received	2,965	4,035
Interest paid	(171,923)	(178,009)
Income taxes paid	(104,662)	(234,242)
Net cash flow generated from operating activities	<u>193,975</u>	<u>59,981</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	-	248,161
Payments for property, plant and equipment	(297,425)	(297,559)
Acquisition of intangible assets	-	(100,919)
Decrease in other non-current assets	48,005	2,347
Dividends received	<u>487,867</u>	<u>654,099</u>
Net cash flow generated from investing activities	<u>238,447</u>	<u>506,129</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	16,805,200	17,610,846
Decrease in short-term borrowings	(16,536,759)	(17,594,454)
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	500,265	1,135,593
Repayments of long-term borrowings	(509,477)	(1,377,267)
Repayments of lease liabilities	(48,038)	(49,505)
Cash dividends paid	<u>(519,729)</u>	<u>(461,643)</u>
Net cash flow used in financing activities	<u>(408,538)</u>	<u>(636,430)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,884	(70,320)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>48,808</u>	<u>119,128</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 72,692</u>	<u>\$ 48,808</u>

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Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

TSRC Corporation

Opinion

We have audited the accompanying parent company only financial statements of TSRC Corporation (the "Corporation"), which comprise the parent company only balance sheet as of December 31, 2025 and 2024, and the parent company only statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 parent company only Financial Statements section of our report. We are independent of the Company 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 for our opinion.

Key Audit Matters

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. The matter was addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

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

The Accuracy of the Recognition of Relocation Compensation Income from Subsidiaries

As of December 31, 2025, the carrying amount of investments accounted for using the equity method by TSRC Corporation amounted to NT\$19,114,417 thousand, representing 67% of the total assets in the parent company only financial statements and thus considered material. Among them, the subsidiary 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 origi-

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nal 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 of the subsidiary, please refer to Note 24.

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.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 detect-

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ing 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 Company'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 Company'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 parent company only 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the Company 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 parent company only 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

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Audit Report of Audit Committee

To:

2026 Annual Shareholders' Meeting

Audit Report of Audit Committee

The Board of Directors has proposed the Company's 2025 Business Report, Financial Statements, and distribution of earnings. Financial Statements have been audited by Deloitte and an audit report is accordingly issued.

The Proposal of Business Report, Financial Statements, and distribution have been examined and deemed as fairly presented by Audit Committee. This Audit Report is duly submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of The Company Act. Submission for perusal.

Sean Chao

The convener of Audit Committee TSRC Corporation

Date: March 5, 2026

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Appendix 1

Rules and Procedures of Shareholders' Meeting

Amended on June 10, 2015

1. The shareholders' meeting of the Company shall be conducted in accordance with these Rules and Procedures for Shareholders' Meeting (the "Rules").

2. The shareholders (or their proxies) attending the shareholders' meeting shall hand their attendance cards to the Company in lieu of signing in. The number of shares present in the meeting will be calculated based on the shares indicated by the attendance cards and plus the number of shares that have exercised their voting rights electronically. Any proxy that is not a shareholder of the Company and any proxy solicitor shall bring their IDs for the verification of their identities.

The following shares of the Company shall have no voting rights and will not be counted toward the total number of issued shares and the number of shares in attendance:

(1) shares held by the Company pursuant to the law.

(2) shares held by any subsidiary in which the Company holds more than 50% of all issued voting shares or of which the Company holds more than 50% of the aggregate capital.

(3) shares held by other companies in which the Company and its subsidiaries hold, either directly or indirectly, more than 50% of all issued voting shares or of which the Company and its subsidiaries hold more than 50% of the aggregate capital.

2-1. The chair of the meeting may appoint designated attorneys, certified public accountants or other relevant personnel to attend the shareholders' meeting in non-voting capacity.

The chair may also direct personnel organizing the shareholders' meeting and the proctors (or security officers) maintaining the on-site order to assist with the proceeding of the meeting, provided that those individuals shall wear a badge or armband.

3. The chair shall call the meeting to order at the designated meeting time; provided, however, that if the shareholders present at the shareholders' meeting do not represent more than 50% of the total number of the issued shares, the chair may announce postponement of the meeting up to two times. The postponement shall last less than one hour in the aggregate. If, after two postponements, the quorum is still not met, but the shareholders present at the meeting can represent more than one-third the total number of the issued shares, a tentative resolution may be made pursuant to Article 175, Paragraph 1 of the Company Act.

When, prior to the conclusion of the meeting, the shareholders present at the meeting represent more than 50% of the total number of the issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

4. The meeting agenda shall be set by the Board of Directors, and the meeting shall proceed in accordance with the order of the agenda which may not be changed without a resolution of the shareholders' meeting.

The chair may not declare the meeting adjourned prior to the completion of the meeting agenda (including extraordinary motions) as decided under the preceding paragraph, except by way of the resolution of the shareholders' meeting.

Once the meeting is adjourned, any shareholder may not elect another chairperson to resume the meeting either at the original or a different venue. However, if the chair declares the meeting adjourned in violation of the Rules, a new chair may be elected by a majority vote of the shareholders present at the meeting and resume the shareholders' meeting.

If there is amendment to or substitute for a proposal, the chair shall decide the order of voting on the proposal, the amendment or the substitute. If any of them is passed at the meeting, the others will be deemed as vetoed and no further voting shall be required.

The chair of the meeting shall preside over the discussion and order of voting in relation to each proposal moved as an extraordinary motion.

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4-1. The Board of Directors shall specify, in the ordinary shareholders' meeting handbook, the reasons for not including any proposal submitted by shareholder in the meeting agenda. Such proposal will not be included in the meeting agenda nor will it be recorded in the meeting minutes.

If any shareholder-submitted proposal may be listed in the meeting agenda under paragraph 3 of Article 4-2 of the Procedure Rules of the Board of Directors Meeting, the chair of the shareholders' meeting shall combine it with other proposals of similar nature and paragraph 5 of Article 4 above shall apply mutatis mutandis.

4-2. If any shareholder appoints a juristic person who is not a shareholder of the Company as a proxy to attend the shareholders' meeting, such juristic person shall designate only one person to attend and speak on the shareholder's behalf.

Only one person shall be designated to speak as a representative of any government or corporate shareholder who appoints two or more representatives to attend the shareholders' meeting, or who attends the shareholders' meeting as a proxy on behalf of another shareholder.

4-3. If the shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board of Directors (the "Chairperson"). The Vice Chairperson shall act on behalf of the Chairperson if the Chairperson is on leave or for any reason unable to exercise his or her powers as Chairperson. If there is no Vice Chairperson or the Vice Chairperson is also on leave or for any reason unable to exercise the powers of his or her position, the Chairperson shall appoint a director to act on his or her behalf, or if no such director is appointed, the directors shall select one person from among themselves to serve as the chair of the meeting. If the shareholders' meeting is convened by any other party with the power to convene, such convening party shall serve as the chair of the meeting, and if there are two or more such convening parties, a chair shall be mutually selected from among themselves.

5. Before speaking, an attending shareholder who wishes to speak must specify on a speaker's slip the subject of the speech, attendance card number and name. The chair of the meeting will decide the order in which the shareholders speak. Any attending shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content will prevail.

6. Each shareholder may speak to inquire any report matter on the agenda only after all report matters have been read out or briefed by the chair of the meeting or the designee thereof. Any shareholder may not speak more than twice, and each time may not exceed five minutes. However, with the consent of the chair, the duration of the speech may be extended for another five minutes but only once.

The duration and the number of times for which each shareholder may speak on each proposal for ratification or discussion, or each extraordinary motion shall be in accordance with the preceding paragraph.

During the section of extraordinary motion, the duration and the number of times for which each shareholder may speak on a matter not constituting a proposal shall be in accordance with paragraph 1 of this Article 6.

6-1. After the speech of a shareholder, the chair may respond in person or appoint any relevant personnel to respond.

7. If any shareholder's speech exceeds the stipulated duration of time or the scope of the agenda items, the chair may discontinue the speech. If afterwards the shareholder still goes on speaking or otherwise act in any manner that impedes the proceeding of the meeting, the chair may direct the proctors (or security officers) to maintain the order on-site or take necessary measures to keep the meeting moving smoothly.

When one shareholder is speaking, the other shareholders at the meeting may not speak or interrupt unless with the consent of the chair and the shareholder who is taking the floor. The chair shall stop any shareholder from violating the aforementioned provision and will take necessary measures as set forth in the preceding paragraph.

8. During discussion of the proposals, the chair of the meeting may give the order to end the discussion and put the matter to the vote.

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9. The passage of any proposal at the meeting shall require an affirmative vote of an absolute majority of the voting rights represented by the shareholders present at the meeting except as otherwise provided in the Company Act and in the Company's Articles of Incorporation,. However, the election of directors shall be conducted in accordance with the Rules for Election of Directors.

The shareholders may exercise their voting rights either by correspondence or by electronic means. The exercise method shall be specified in the notice of the shareholders' meeting.

Any shareholder exercising voting rights by correspondence or by electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to the original proposals of that meeting.

The resolution result of the proposals shall be specified in detail in the meeting minutes.

9-1. Two vote monitoring personnel and several counting personnel shall be appointed by the chair of the meeting when the proposals are put to the vote, provided that all vote monitoring personnel shall be shareholders of the Company. The votes on the ballots will not be read aloud during the counting process. The result of voting shall be announced on site and recorded at the meeting.

10. In case that all vote monitoring personnel believe any of the following situations occurs, the relevant ballot shall be considered invalid:

(1) The ballot paper is not made and printed by the Board of Directors or is not in the form and format specified by the chair of the meeting.

(2) The ballot is blank and cast into the ballot box.

(3) The ballot is damaged or marked with blurry writing that makes the voter's decision unreadable.

(4) The ballot is tampered or filled in with other texts or symbols.

(5) The ballot is marked to vote both for and against a proposal.

(6) Other scenarios where it is hard to determine whether the voter is for or against a proposal.

11. If any shareholder disputes the voting process, vote counting method, or validity of any ballot, the voting monitoring personnel shall write down such shareholders' shareholder account number, number of shares held and argument, and then archive this record after it is signed or affixed with the seal imprint.

12. The chair may in his or her discretion announce breaks during the meeting.

If there is any air raid alert or other events that disrupt the meeting, the meeting shall be suspended immediately and be resumed one hour after the event or lifting of the air raid alert.

13. The procedure, proceedings, resolution method and all other relevant matters of the shareholders' meeting shall be governed by the Rules. Any matter not contained herein shall be decided by the chair of the meeting unless expressly provided in the Company Act, Securities and Exchange Act, or the Articles of Incorporation of the Company.

14. The Rules and any amendment thereof shall become effective upon the approval of the shareholders' meeting.

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Articles of Incorporation

Amended on June 3, 2025

Chapter 1 General Provisions

Article 1 The Company shall be incorporated under the Company Act of the Republic of China. Its Chinese name shall be 台橡股份有限公司 and its English name shall be TSRC Corporation.

Article 2 The business scope of the Company shall be as follows:

1. C801060 Synthetic Rubber Manufacturing
2. C804020 Industrial Rubber Products Manufacturing
3. C804990 Other Rubber Products Manufacturing
4. D101040 Non-Public Electric Power Generation
5. D401010 Thermal Energy Supply
6. F401010 International Trade
7. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The aggregate amount of re-investment made by the Company into other businesses as a limited liability shareholder shall not be restricted by the limit of forty percent (40%) of the amount of the Company's paid-in capital.

Article 2-2 The Company may act as a guarantor where required by the business operation or investment of the Company.

Article 3 The Company shall have its head office in Kaohsiung City, and may, establish branch offices or factories at suitable locations within or outside the territories of the Republic of China. The establishment, change or termination of any such office or factory shall be made pursuant to a resolution of the board of directors of the Company ("Board of Directors")

Article 4 Public announcements of the Company shall be made in accordance with the Company Act.

Chapter 2 Shares

Article 5 The authorized capital of the Company shall be twelve billion New Taiwan Dollars (NT\$12,000,000,000), divided into one billion and two hundred million (1,200,000,000) shares of a par value of ten New Taiwan Dollar each (NT\$10), which may be issued by the Board of Directors in installments according to the actual needs.

Share certificates may not need to be issued in respect of any share issued by the Company, or in case of any new share issued, a consolidated share certificate may be printed to represent the total number of the new shares to be issued at the same time of issue, and in such case, the share certificate shall be either registered with or in the custody of a centralized securities depository enterprise.

Article 6 [Deleted]

Article 7 Unless otherwise stipulated not to print physical share certificates for shares issued by the Company, the share certificates of the Company shall bear the shareholder's name and be issued in accordance with the Company Act and other applicable laws and regulations unless otherwise requires.

Article 8 [Deleted]

Article 9 Any share transfer, creation of share pledge, reporting of loss, inheritance, gifting of shares, change or reporting of loss of specimen seal, or change of address by the shareholder of the Company shall be made in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies and other applicable laws and regulations.

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Article 10 Registration for change of shareholder or transfer of shares shall be suspended for a period of sixty (60) days prior to a general shareholders' meeting, thirty (30) prior to an extraordinary shareholders' meeting, or five (5) days prior to the day on which dividends, bonuses, or any other benefits are scheduled to be paid by the Company.

Article 11 [Deleted]

Chapter 3 Shareholders' Meeting

Article 12 Shareholders' meetings of the Company are of two kinds: (1) general meeting and (2) extraordinary meeting. The general meeting shall be convened at least once a year within six (6) months after close of each fiscal year. The extraordinary meeting shall be convened whenever necessary in accordance with the applicable laws and regulations.

The meeting notice for the general meeting shall be given to each shareholder no less than thirty (30) days in advance, and for the extraordinary meeting, no less than fifteen (15) days in advance; provided, however, that a public announcement may be made in lieu of meeting notice for shareholders who each holds less than one thousand (1,000) bearer shares in the Company.

Article 12-1 The shareholders' meeting of the Company may be conducted through video conference or other means as announced by the competent authority.

Video conference for the shareholders' meeting shall be held in accordance with the applicable laws, regulations, and the Rules of Procedure for Shareholders' Meetings of the Company.

Article 13 The shareholders' meeting shall be chaired by the Chairperson of the Board of Directors (the "Chairperson").

If the shareholders' meeting is convened by any other party with the power to convene, such convening party shall serve as the chair of the meeting, and if there are two (2) or more such convening parties, a chair shall be mutually selected from among themselves.

Article 14 Each shareholder shall be entitled to one vote for each share held unless otherwise provided in the laws and regulations.

A shareholder, if unable to attend the shareholders' meeting in person, may appoint one proxy to attend on his/her/its behalf by providing a power of attorney in the form printed by the Company and specifying the scope of power authorized to the proxy.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two (2) or more shareholders, the number of voting rights represented by such proxy, if exceeding three percent (3%) of the total number of issued shares of the Company, the excessive portion of the voting rights shall not be counted.

Any shareholder's power of attorney shall be served to the Company no later than five (5) days prior to the date of the shareholders' meeting. In case that two (2) or more copies of the same power of attorney are received from one (1) shareholder, the first one received by the Company shall prevail unless an explicit statement to revoke the previous version is made in the power of attorney which comes later.

After the power of attorney of the shareholder is served to the Company, in case the shareholder issuing the said power of attorney intends to attend the shareholders' meeting in person or to exercise his/her/its voting rights in writing or by electronic means, a written proxy rescission notice shall be provided to the Company two (2) days prior to the date of the shareholders' meeting. If such proxy rescission notice is delayed, the voting rights exercised by the authorized proxy at the meeting will prevail.

Article 15 A resolution of the shareholders' meeting shall, unless otherwise provided by the laws, the regulations, and these articles of incorporation of the Company, be passed by a majority of the shareholders who are present and entitled to vote at the meeting with a quorum of shareholders representing more than fifty percent (50%) of the total number of the issued shares of the Company.

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Chapter 4 Directors

Article 16 The Company shall have five (5) to nine (9) directors, and the actual number of directors to be elected shall be decided by the resolution of the Board of Directors.

The directors shall be elected at the shareholders' meeting from among the individuals who have legal capacity. The total number of shares held by all directors in the Company shall comply with the regulations of the securities regulatory authority.

A candidates nomination system as set forth in Article 192-1 of the Company Act shall be adopted for the election of the directors. The shareholders shall elect the directors from the nominees listed in the roster of director candidates.

Article 16-1 The number of directors provided in the preceding clause to constitute the Board of Directors shall include three (3) independent directors. The independent directors and the non-dependent directors shall be elected at the same time but the elected number of the independent directors and the non-dependent directors shall be calculated separately.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and election, performance of duties and power, and other requirements with regards to the independent directors shall be governed by the Securities and Exchange Act and other relevant laws and regulations.

Article 16-2 The Company shall establish an audit committee consisting of all independent directors in accordance with the laws and regulations. The duties, power and other relevant requirements of the audit committee and its members shall be governed by the Securities and Exchange Act and other relevant laws.

Article 17 The term of office for directors shall three (3) years. and all directors may be eligible for re-election.

Article 18 The directors shall elect one (1) Chairperson from among themselves and such Chairperson shall externally represent the Company.

The Chairperson shall appoint one (1) director to act on his or her behalf if he or she is on leave or for any reason unable to exercise his or her power as Chairperson; if no acting chairperson is appointed, the directors shall elect one from among themselves.

Article 19 The Board of Directors shall decide the business policies and other important matters of the Company unless any of them is required to be resolved by the shareholders' meeting under the Company Act or the articles of incorporation of the Company.

The meeting of the Board of Directors shall be convened and chaired by the Chairperson.

In the event that any director is unable to attend the meeting of the Board of Directors, he or she may appoint another director to act on his or her behalf at the meeting.

A director acting as a proxy, as mentioned in the preceding paragraph, may be appointed by only one person.

The notice of the meeting of the Board of Directors may be in writing or sent via fax or email.

Article 20 Unless otherwise provided in the laws and regulations, any resolution of the Board of Directors shall be approved by a majority of the directors present at the meeting of the Board of Directors with a quorum of more than one-half of all directors.

Article 21 [Deleted]

Article 22 [Deleted]

Article 23 The remuneration for the directors will be determined by the Board of Directors based on each director's level of involvement and contribution to the Company's operation, while also considering the industry-wide remuneration standards.

Article 24 [Deleted]

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Article 24-1 To strengthen its governance and management capabilities, the Board of Directors may form various functional committees. The regulations and policies governing the authorities of these committees shall be established by the Board of Directors.

Article 24-2 The Company may obtain liability insurance to cover the liabilities of its directors that may result from exercising their duties during their term of office.

Chapter 5 Managerial Officers

Article 25 The Company may have one (1) or more managerial officers who shall legally manage the business of the Company in accordance with the resolutions of the Board of Directors. The appointment and removal of the managerial officers shall be made in accordance with Article 29 of the Company Act.

The foregoing managerial officers shall have the power to sign documents on behalf of the Company within the authorized scope defined by the relevant regulations regarding levels of delegation.

Article 26 [Deleted]

Article 27 [Deleted]

Chapter 6 Accounting

Article 28 The fiscal year of the Company shall commence on January 1 and end on December 31 annually. After the close of each fiscal year, the Board of Directors shall prepare the reports and statements under Article 228 of the Company Act and submit the same to the general meeting of the shareholders for ratification in accordance with the statutory procedures.

Article 28-1 If there is profit at the end of each fiscal year, a ratio of no less than one percent (1%) of the profit shall be allocated as employees' compensation and not more than one percent (1%) of the profit shall be allocated as directors' compensation.

At least 0.6 percent of the profit shall be reserved from the employees' compensation mentioned in the preceding paragraph for distribution to non-executive employees.

The amount of directors' compensation and the regulation governing the employees' compensation as mentioned in paragraph 1 shall be decided by the Board of Directors.

Article 29 The industries in which the Company operates its businesses have reached a mature and stable stage. The Company is actively moving toward a globalized and diversified development to seek sustainable growth pursuant to the Company's long-term plan. The dividend policy of the Company is as follows: If there are earnings after closing of accounts, the Company shall first pay all taxes, and make up the losses of the preceding years and then, pursuant to the applicable laws and regulations, set aside a legal reserve of ten percent (10%) of the net profit and either make allowance or reversal for the special surplus reserve. Subsequently, the amount of the remaining profit shall be added to the adjusted beginning period un-retained earnings as the distributable earnings. The Board of Directors shall prepare an earnings distribution proposal for such distributable earnings and submit it to the shareholders' meeting for approval. However, in the case of cash dividends, the proposal could be approved by a majority vote of the directors at the meeting of the Board of Directors with a quorum of two-thirds or more of the directors present and be reported to the shareholders' meeting.

In the distribution of dividends to the shareholders as mentioned in the preceding paragraph, the amount of cash dividends shall not be less than twenty percent (20%) of the aggregate distributable amount.

Article 30 [Deleted]

Article 31 The Company may, in accordance with Article 241 of the Company Act, distribute all or part of the legal reserve and capital surplus by the resolution of the shareholders' meeting, in the form of new shares or cash, to the shareholders in proportion to their shareholding percentages. Cash distribution could be approved by a majority vote of the directors at the meeting of the Board of Directors with a quorum of two-thirds or more of the directors present and be reported to the shareholders' meeting.

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Article 32 If the legal reserve has reached the amount of the paid-in capital of the Company, the shareholders' meeting may resolve to stop setting aside any additional amount for the legal reserve.

Chapter 7 Miscellaneous

Article 33 [Deleted]

Article 34 Matters not provided herein shall be governed by the Company Act and other relevant laws and regulations.

Article 35 These Articles of Incorporation was established on July 27, 1973. The first amendment of the Articles of Incorporation was made on June 25, 1974. The second amendment of the Articles of Incorporation was made on April 23, 1975. The third amendment of the Articles of Incorporation was made on February 27, 1976. The fourth amendment of the Articles of Incorporation was made on June 30, 1976. The fifth amendment of the Articles of Incorporation was made on April 26, 1977. The sixth amendment of the Articles of Incorporation was made on June 20, 1979. The seventh amendment of the Articles of Incorporation was made on May 23, 1980. The eighth amendment of the Articles of Incorporation was made on May 11, 1981. The ninth amendment of the Articles of Incorporation was made on November 25, 1981. The tenth amendment of the Articles of Incorporation was made on May 24, 1983. The eleventh amendment of the Articles of Incorporation was made on May 23, 1984. The twelfth amendment of the Articles of Incorporation was made on April 26, 1985. The thirteenth amendment of the Articles of Incorporation was made on April 29, 1986. The fourteenth amendment of the Articles of Incorporation was made on April 29, 1987. The fifteenth amendment of the Articles of Incorporation was made on May 10, 1988. The sixteenth amendment of the Articles of Incorporation was made on May 12, 1989. The seventeenth amendment of the Articles of Incorporation was made on April 12, 1990. The eighteenth amendment of the Articles of Incorporation was made on April 24, 1991. The nineteenth amendment of the Articles of Incorporation was made on May 14, 1992. The twentieth amendment of the Articles of Incorporation was made on May 20, 1993. The twenty-first amendment of the Articles of Incorporation was made on June 27, 1995. The twenty-second amendment of the Articles of Incorporation was made on June 16, 1996. The twenty-third amendment of the Articles of Incorporation was made on May 24, 1997. The twenty-fourth amendment of the Articles of Incorporation was made on May 26, 1998. The twenty-fifth amendment of the Articles of Incorporation was made on May 29, 1999. The twenty-sixth amendment of the Articles of Incorporation was made on May 27, 2000. The twenty-seventh amendment of the Articles of Incorporation was made on June 20, 2001. The twenty-eighth amendment of the Articles of Incorporation was made on May 30, 2003. The twenty-ninth amendment of the Articles of Incorporation was made on May 31, 2005. The thirtieth amendment of the Articles of Incorporation was made on June 13, 2008. The thirty-first amendment of the Articles of Incorporation was made on June 10, 2011. The thirty-second amendment of the Articles of Incorporation was made on June 6, 2012. The thirty-third amendment of the Articles of Incorporation was made on June 11, 2014. The thirty-fourth amendment of the Articles of Incorporation was made on June 10, 2015. The thirty-fifth amendment of the Articles of Incorporation was made on June 24, 2016. The thirty-sixth amendment of the Articles of Incorporation was made on June 21, 2018. The thirty-seventh amendment of the Articles of Incorporation was made on June 6, 2019. The thirty-eighth amendment of the Articles of Incorporation was made on June 19, 2020. The thirty-ninth amendment of the Articles of Incorporation was made on was made on June 17, 2022. 40th amendment is made on June 3, 2025.

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Appendix 3

Disclosure of Directors' Shareholdings

March 31, 2026

Title	Name	Shares held
Chairman	Wei-Dar Development Co., Ltd. Representative: Ms. Nita Ing	53,708,923
Director	Wei-Dar Development Co., Ltd. Representative: Mr. John Huang	
Director	Han-De Construction Co., Ltd. Representative: Mr. Charles Y. Huang	63,093,108
Director	Han-De Construction Co., Ltd. Representative: Ms. Monling Lee	
Independent Director	Mr. Sean Chao	0
Independent Director	Mr. Rex Yang	0
Independent Director	Ms. Ellen Tsai	0
Shareholdings of Directors subtotal		116,802,031
Minimum shareholdings of Directors		26,422,719

Remark: Up until March 31, 2026, share capital on book closure date, there are 825,709,978 shares.