



TSRC CORPORATION

2025 Annual Report

(Translation)

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Special items to be included

Any circumstances referred to in Paragraph 3(2) of Article 36 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the Company's securities



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Deputy Spokesman: Mingyi Wu
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TEL: 02-37016000
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Head office: 3F., No.17, Bo-ai Rd., Jhongjheng District, Taipei City 100, Taiwan R.O.C.
TEL: 02-23816288
<http://www.sinotrade.com.tw>

Financial Statement Auditing CPAs:
Name of CPA: Tza-Li Gung and Li-Yuan Kuo
Office: Deloitte & Touche
Head office: 20F., No. 100, Songren Road, Xinyi District, Taipei City Taiwan R.O.C.
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<https://www.deloitte.com.tw>

The name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: No
<http://www.tsrc.com.tw>

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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

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I. Information on Board of Directors and major managers

<1> Information on Board of Directors

Job title	Nationality or Place of registration	Name	Gender/Age	Date of elected	Term of contract	Date of first elected	Shares held when elected		Shares currently held		Shares currently held by their spouses and children of minor age	
							Share(s)	%	Share(s)	%	Share(s)	%
Chairman	ROC	Wei-Dar Development Co., Ltd. Representative: Nita Ing	Female 61 ~ 70	June 07, 2024	3	July 27, 1985	53,708,923 0	6.50 -	53,708,923 0	6.50 -	0	-
Director	ROC	Wei-Dar Development Co., Ltd. Representative: John Huang	Male 71 ~ 80	June 07, 2024	3	June 21, 2018	53,708,923 0	6.50 -	53,708,923 0	6.50 -	0	-
Director	ROC	Han-De Construction Co., Ltd. Representative: Charles Y. Huang	Male 61 ~ 70	June 07, 2024	3	June 07, 2024	63,093,108 0	7.64 -	63,093,108 0	7.64 -	0	-
Director	ROC	Han-De Construction Co., Ltd. Representative: Monling Lee	Female 51 ~ 60	June 07, 2024	3	June 07, 2024	63,093,108 0	7.64 -	63,093,108 0	7.64 -	0	-
Independent Director	ROC	Sean Chao	Male 61 ~ 70	June 07, 2024	3	June 21, 2018	0	-	0	-	0	-
Independent Director	ROC	Rex Yang	Male 61 ~ 70	June 07, 2024	3	June 21, 2018	0	-	0	-	0	-
Independent Director	ROC	Ellen Tsai	Female 51 ~ 60	June 07, 2024	3	June 07, 2024	0	-	0	-	0	-

Note: The relatives information of the chairman of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship.

Major shareholders of institutional shareholders

December 31, 2025

Institutional shareholders	Major institutional shareholders
Wei-Dar Development Co., Ltd.	MaoShi Corporation (99.59%), Han-De Construction Co., Ltd.(0.21%), Kayvan Corp. (0.20%)
Han-De Construction Co., Ltd.	MaoShi Corporation (99.37%), Wei-Dar Development Co., Ltd.(0.43%), Kayvan Corp. (0.20%)

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Shares held through nominees		Principal work experience and Academic qualification	Position(s) currently held in the Company and/or in any other Company	Other officers, directors or supervisors who are their spouses or relatives of 2 nd degree of relationship			Note
Share(s)	%			Job title	Name	Relationship	
0	-	Bachelors' Degree in Economics, UCLA Chairman of Continent Engineering Company Chairman of Taiwan High Speed Rail Corporation President of Continental Engineering Corporation Director of Continent Development Company Director of American Bridge Holding Company Vice Chairman of TSRC Corporation	Chairman of Continental Holdings Corporation. Chairman of Hao Ran Foundation	No	No	No	No
0	-	Bachelors' Degree in Accounting, NCKU Director of CDC Commercial Development Corporation Director of Continent Engineering Company Director of Continent Development Company Chief Auditor of Taiwan High Speed Rail Corporation President of Suzhou Standard Food Corporation Chief Auditor of Philips Taiwan Affiliates Assistant Audit Manager of Deloitte Touche Tohmatsu Limited	Director of Continental Holdings Corporation	No	No	No	No
0	-	MBA, The Wharton School of University of Pennsylvania Bachelor's degree in chemistry, University of Pennsylvania Independent Director of Entie Commercial Bank. Chairman of Taiwan Sugar Corporation, Director of Continental Holdings Corporation, Supervisor/Chairman and CEO of TSRC Corporation, Independent director of San Fu Chemical Co., Ltd. Executive director of Federal Group. Director of ITRI	Chairman of Circular Taiwan Network Director of Agricultural Technology Research Institute Chair Professor of Academy of Circular Economy, NCHU	No	No	No	No
0	-	MBA in Management & Technology Program, Rensselaer Polytechnic Institute, Troy, New York, USA Bachelor's degree in accounting, Soochow University. Vice president, Financial Department, Continental Engineering Corporation Vice president/senior vice president, Taishin International Bank	Director of Metropolis Property Management Corp. Director of Evergreen Steel Corp. Director of Hsin Yung Enterprise Corp. Director of La Mer Corp.	No	No	No	No
0	-	Masters' Degree in Business Administration, University of Chicago. Bachelors' Degree in Politics and International Relations, NTU Independent Director of HannStar Display corporation CEO of Morgan Stanley Taiwan President of UBS Group in Taiwan Chairman of UBS Fund in Taiwan Vice President of UBS AG Taipei	Independent Director of NAFCO	No	No	No	No
0	-	Bachelors' Degree in Business Administration, Soochow University CFO of Continental Holdings Corporation Chairman of TEAPO Electronic Corp CFO/CSO of Yageo Corporation CFO of Far Eastern New Century Corporation	Independent Director of Visco Vision Inc. Director of Kindred Plus Philanthropic Foundation of Taipei	No	No	No	No
0	-	Master's degree and Doctor's degree in Law, University of Tokyo Bachelor's degree and Master's Degree in Law, NTU Assistant professor /Associate professor of College of Law, NTU Independent Director of CHO Pharma, Inc. Practicing lawyer of Formosa Transnational Attorneys at Law	Professor of College of LAW, NTU Independent director of E.SUN FHC Independent director of E.SUN Bank	No	No	No	No

Major shareholders of institutional shareholders

December 31, 2025

Institutional shareholders	Major institutional shareholders
MaoShi Corporation	Jade Fortune Enterprises Inc.(99.99%), La Mer Corporation(0.01%)

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Disclosure of Directors' Professional Qualification and the Independent Status of Independent Directors

Condition	Professional Qualification and Experience	Independent Status	Number of Public Companies in which the Director is Concurrently An Independent Director
Name			
Chairman Nita Ing	<ul style="list-style-type: none">The Director possesses professional backgrounds related to business, finance, investment holding, and construction, and over 30 years of experiences in business management; currently, the Director is also the chairman of Continental Holdings Corporation and the chairman of Hao Ran Foundation; she was previously the chairman of Continental Engineering Company and Taiwan High Speed Rail Corporation.There is no circumstance stated in Article 30 of the Company Act.	<ul style="list-style-type: none">The Director, its spouse, or any relative of 2nd degree of relationship is not an employee of the Company of its affiliates.The Director, its spouse, or minor child(or in other's name) is not a natural person shareholder who hold 1% of the total issued shares of the Company or above or has the top 10 shareholding.The Director is not a director, supervisor, managerial officer, or shareholder with 5% of shareholding or above of particular companies or institutions possessing financial or business dealings with the Company.The Director has not obtained compensation for the provision of business, legal, financial, or accounting services to the Company or its affiliate in the most recent two years.The Director is not a spouse or a relative of the 2nd degree of relationship with any other directors.	0
Director John Huang	<ul style="list-style-type: none">The Director possesses professional backgrounds related to business, finance, and accounting, and over 20 years of experiences in financial and corporate operation audit; along with more than 10 years of general management experience. currently, the Director is also the director of Continental Holdings Corporation; he was previously the Director of CDC Commercial Development Corporation, Continent Engineering Company and Continent Development Company, the Chief Auditor of Taiwan High Speed Rail Corporation, president of Suzhou Standard Food Corporation, and the Chief Auditor of Philips Taiwan Affiliates.There is no circumstance stated in Article 30 of the Company Act.	<ul style="list-style-type: none">The Director, its spouse, or any relative of 2nd degree of relationship is not an employee of the Company of its affiliates.The Director, its spouse, or minor child(or in other's name) is not a natural person shareholder who hold 1% of the total issued shares of the Company or above or has the top 10 shareholding.The Director is not a director, supervisor, managerial officer, or shareholder with 5% of shareholding or above of particular companies or institutions possessing financial or business dealings with the Company.The Director has not obtained compensation for the provision of business, legal, financial, or accounting services to the Company or its affiliate in the most recent two years.The Director is not a spouse or a relative of the 2nd degree of relationship with any other directors.	0
Director Charles Y. Huang	<ul style="list-style-type: none">He possesses professional backgrounds in commerce and circular economy and over 30 years of experience in business management. He is the founder and chairman of the Circular Taiwan Network and is committed to promoting industry reformation with a circular economy as the target. At present, he is also the director of the Agricultural Technology Research Institute, the Chair Professor of the Academy of Circular Economy at National Chung Hsing University, and; he used to be the independent Director of Entie Commercial Bank, Ltd., the chairman of Taiwan Sugar Corporation, the director of Continental Holdings Corporation, the Supervisor/Chairman and CEO of TSRC Corporation, the independent director of San Fu Chemical Co., Ltd.There is no circumstance stated in Article 30 of the Company Act.	<ul style="list-style-type: none">The Director, its spouse, or any relative of 2nd degree of relationship is not an employee of the Company of its affiliates.The Director, its spouse, or minor child(or in other's name) is not a natural person shareholder who hold 1% of the total issued shares of the Company or above or has the top 10 shareholding.The Director is not a director, supervisor, managerial officer, or shareholder with 5% of shareholding or above of particular companies or institutions possessing financial or business dealings with the Company.The Director has not obtained compensation for the provision of business, legal, financial, or accounting services to the Company or its affiliate in the most recent two years.The Director is not a spouse or a relative of the 2nd degree of relationship with any other directors.	0
Director Monling Lee	<ul style="list-style-type: none">She possesses extensive professional backgrounds in commerce and finance with over 15 years of management experience. Currently, she is the director of Metropolis Property Management Cap. Ltd., the director of Evergreen Steel Corp. and the director of Hsin Yung Enterprise Corp; she used to be the vice president of Taishin Commercial Bank.There is no circumstance stated in Article 30 of the Company Act.	<ul style="list-style-type: none">The Director, its spouse, or any relative of 2nd degree of relationship is not an employee of the Company of its affiliates.The Director, its spouse, or minor child(or in other's name) is not a natural person shareholder who hold 1% of the total issued shares of the Company or above or has the top 10 shareholding.The Director is not a director, supervisor, managerial officer, or shareholder with 5% of shareholding or above of particular companies or institutions possessing financial or business dealings with the Company.The Director has not obtained compensation for the provision of business, legal, financial, or accounting services to the Company or its affiliate in the most recent two years.The Director is not a spouse or a relative of the 2nd degree of relationship with any other directors.	0
Independent Director Sean Chao	<ul style="list-style-type: none">The Independent Director possesses professional backgrounds related to business and finance, and over 20 years of experiences; he is familiar with professional fields ranging from investment banking, asset management, and private banking; He is currently the independent director of National Aerospace Fasteners Corporation, and he used to be the independent director of Hannstar Display Corp. he was previously the CEO of Morgan Stanley Taiwan, president of UBS Group in Taiwan, and chairman of UBS Fund in Taiwan.There is no circumstance stated in Article 30 of the Company Act.	<ul style="list-style-type: none">The Independent Director complies with the independence stated in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.No government, corporate, or its representative stated in Article 27 of the Company Act was elected.The Independent Director, its spouse, or any relative of 2nd degree of relationship is not a director, supervisor, or employee of the Company of its affiliates.The Independent Director, its spouse, or any relative of 2nd degree of relationship is not a director, supervisor, or employee of any affiliate or companies having particular relationships with the Company.The Independent Director, its spouse, or any relative of 2nd degree of relationship does not hold any share of the Company.The Independent Director has not obtained compensation for the provision of business, legal, financial, or accounting services to the Company or its affiliate in the most recent two years.The Independent Director is not a spouse or a relative of 2nd degree of relationship of any other Directors.	1
Independent Director Rex Yang	<ul style="list-style-type: none">The Independent Director possesses professional backgrounds related to business and finance, He is currently serving as an Independent Director at Visco Vision Inc., and over 20 years of experiences in finance and management; he was previously the CFO of Continental Holdings Corporation, CFO of Yageo Corporation, and chairman of TEAPO Electronic Corporation.There is no circumstance stated in Article 30 of the Company Act.	<ul style="list-style-type: none">The Independent Director complies with the independence stated in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.No government, corporate, or its representative stated in Article 27 of the Company Act was elected.The Independent Director, its spouse, or any relative of 2nd degree of relationship is not a director, supervisor, or employee of the Company of its affiliates.The Independent Director, its spouse, or any relative of 2nd degree of relationship is not a director, supervisor, or employee of any affiliate or companies having particular relationships with the Company.The Independent Director, its spouse, or any relative of 2nd degree of relationship does not hold any share of the Company.The Independent Director has not obtained compensation for the provision of business, legal, financial, or accounting services to the Company or its affiliate in the most recent two years.The Independent Director is not a spouse or a relative of 2nd degree of relationship of any other Directors.	1
Independent Director Ellen Tsai	<ul style="list-style-type: none">She possesses a professional background in law and specializes in The Act Governing Electronic Payment Institutions, the Securities and Exchange Act, the Company Act, and relevant financial regulations to continue improving legal compliance. She used to be the Assistant Professor/Associate Professor at NTU College of LAW, the independent director of CHO Pharma, Inc., and a practicing lawyer at Formosa Transnational Attorneys at Law. At present, she is a Professor at the NTU College of LAW, the independent director of E.SUN Financial Holding Co., Ltd., and the independent director of E.SUN Bank.There is no circumstance stated in Article 30 of the Company Act.	<ul style="list-style-type: none">The Independent Director complies with the independence stated in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.No government, corporate, or its representative stated in Article 27 of the Company Act was elected.The Independent Director, its spouse, or any relative of 2nd degree of relationship is not a director, supervisor, or employee of the Company of its affiliates.The Independent Director, its spouse, or any relative of 2nd degree of relationship is not a director, supervisor, or employee of any affiliate or companies having particular relationships with the Company.The Independent Director, its spouse, or any relative of 2nd degree of relationship does not hold any share of the Company.The Independent Director has not obtained compensation for the provision of business, legal, financial, or accounting services to the Company or its affiliate in the most recent two years.The Independent Director is not a spouse or a relative of 2nd degree of relationship of any other Directors.	2

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Board Diversity and independence:

1. Diversity of Board of Directors

The Company introduces the idea of diversity in its "Corporate Governance Best Practice Principles." Members of the Board shall possess knowledge, experiences, and abilities required for the execution of their duties; furthermore, the composition of the Board shall possess diversity and comply with laws and regulations, with reference to the characteristic, operations, market, and future development requirements of the Company. The Board shall, in general, possess the abilities of making business judgments, accounting and financial analysis, business management, emergency management, as well as industrial knowledge, and leadership, decision-making capacity, and international vision required for cross-nation operations.

2. Specific Objectives

In addition to evaluating the requisite professional qualifications, the Board of Directors also considers the future development needs of the Company in selecting appropriate candidates, setting forth objectives as follows:

- Independent directors shall not serve for more than three terms.
- At least one-third of the Board seats shall be held by female directors.

3. Implementation status

- The company's 18th Board of Directors consists of 7 members, including 3 female directors (43%) and 3 independent directors (43%), with all independent directors having served less than three terms.
- Board members are from different professional fields, comprising financial and accounting, commercial, legal, circular economy, and construction engineering professional backgrounds. They have assumed senior supervisor positions in international enterprises and possess knowledge and skills, leadership, and international viewpoints that are required for the execution of their duties. The capabilities possessed by the overall Board members comply with the diversification policy and the requirements for the Company's future business development.
- The age distribution of board members is as follows: Ages 51–60: 29% (2 members), Ages 61–70: 57% (4 members), Ages 71–80: 14% (1 member).
- There is no Director who is concurrently a managerial officer of the Company.

Diversity Item	Name	Gen-der	Term of Office as An Independent Director		Industrial Experiences and Background						Professional Abilities				
			1~3 Years	7~9 Years	Finan-cial Ac-counting	Finance	Business	Law	Cir-cular Econ-omy	Engi-neering and Con-struction	Oper-ational Judg-ment	Finan-cial Analy-sis	Busi-ness Man-agement	Emer-gency Man-agement	Lead-ership and Deci-sion-making
Chairman	Nita Ing	Female	-	-	-	-	√	-	-	√	√	√	√	√	√
Director	John Huang	Male	-	-	√	-	√	-	-	-	√	√	√	√	√
Director	Charles Y. Huang	Male	-	-	-	-	√	-	√	-	√	√	√	√	√
Director	Monling Lee	Female	-	-	√	√	√	-	-	-	√	√	√	√	√
Independent Director	Sean Chao	Male	-	√	-	√	√	-	-	-	√	√	√	√	√
Independent Director	Rex Yang	Male	-	√	√	-	√	-	-	-	√	√	√	√	√
Independent Director	Ellen Tsai	Female	√	-	-	-	-	√	-	-	√	√	-	√	√

Independence of the Board

The Board comprises seven Directors, including three Independent Directors (accounting for 43%); the Directors are not the employees of the Company or its affiliates, and no Director is a spouse or a relative of the 2nd degree relationship with another Director; there is no circumstance stated in paragraphs 3 and 4, Article 26-3 of the Securities Exchange Act; the Board, in general, is independent.

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<2> Information on presidents

Job title	Nationality	Name	Gender	Date of elected	Shares currently held		Shares currently held by their spouses and children of minor age		Shares held through nominees	
					Share(s)	%	Share(s)	%	Share(s)	%
CEO	SG	Joseph Chai	Male	November 01, 2015	0	-	0	-	65,000	-
Vice President Finance Division	ROC	Edward Wang	Male	June 01, 2016	0	-	0	-	0	-
Vice President Research & Development Division	USA	Qiwei Lu	Male	April 01, 2016	0	-	0	-	0	-
Vice President Synthetic Rubber Division	ROC	Kevin Liu	Male	June 01, 2016	0	-	0	-	0	-
Vice President Operations Division	ROC	Brian Hsu	Male	January 01, 2020	0	-	0	-	0	-
Vice President Advanced Materials Division	USA	Kent Emil Kvaal	Male	January 01, 2023	0	-	0	-	0	-
Sr Assistant Vice President and Corporate Governance Officer	ROC	Iting Tsai	Male	March 01, 2019	0	-	0	-	0	-
Human Resources & Management Department	ROC	Maggie Huang	Female	August 01, 2024	0	-	0	-	0	-
Chief Accounting officer	ROC	Grace Lin	Female	November 04, 2021	1,000	-	0	-	0	-

Note: Whether the general manager or one in equivalent position is the same person as the chairman, the spouse of the chairman, or the first-degree relative of the chairman.

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Principal work experience and Academic qualification	Position(s) currently held in the Company and/or in any other Company	Other officers, directors or supervisors who are their spouses or relatives of 2nd degree of relationship			Note
		Position	Name	Relationship	
MBA, Case Western Reserve University USA Lubrizol Corporation Deputy Vice President of Asia Pacific	Directors of Polybus Corporation Pte Ltd., TSRC (Hong Kong) Limited., Trimurti Holding Corporation., Hardison International Corporation., Dymas Corporation., Triton International Holdings Corporation., TSRC (USA) Investment Corporation., TSRC Specialty Materials LLC ; President of TSRC (USA) Investment Corporation.	No	No	No	No
Master of Business, Administration, Tunghai University Chief Financial Officer, HTC	Chairman of TSRC (Vietnam) Co., Ltd. ; Directors of Polybus Corporation PteLtd., Trimurti Holding Corporation., Triton International Holdings Corporation., TSRC (Hong Kong) Limited., TSRC (USA) Investment Corporation , TSRC Specialty Materials LLC., TSRC (Lux.) Corporation S.A R.L., Indian Synthetic Rubber Private Limited., Asia Pacific Energy Development Company Limited., Hardison International Corporation., Dymas Corporation; Supervisors of Shen Hua Chemical Industrial Ltd., TSRC(Nantong) Industrial Ltd., TSRC-UBE (Nantong) Chemical Industrial Co. Ltd., Independent Director of JPP Holding Company Limited	No	No	No	No
Doctor in Material Science and Engineering, University of Minnesota Global Strategic Technology Officer, Lubrizol	None	No	No	No	No
MSA, Cambridge College, USA Manager, Sales and Marketing, Department, Asst. Vice President Rubber Business Unit, TSRC. Spokesperson and Assistant Vice President, Sales Department, China Synthetic Rubber Corp.,	Chairman of Shen Hua Chemical Industrial Ltd. ,TSRC-UBE (Nantong) Chemical Industrial Co. Ltd., Indian Synthetic Rubber Private Ltd.; Director of Thai Synthetic Rubbers Company Limited., Trimurti Holding Corporation., Polybus Corporation Pte Ltd.,TSRC (Hong Kong) Limited., ARLANXEO-TSRC(Nantong) Chemical Industrial Co., Ltd. ,Nantong Qix Storage Co., Ltd.	No	No	No	No
Department of Chemical Engineering, National Taiwan University of Science and Technology Asia Operations Director, Elementis Group Plant Manager, Deuchem Co., Ltd.	Chairman of TSRC (Nantong) Industries Ltd., TSRC (Shanghai) Industries Ltd; Directors of Shen Hua Chemical Industrial Ltd.,TSRC(Nantong) Industrial Ltd. ,TSRC (USA) Investment Corporation ,TSRC (Lux.) Corporation S.à r.l., Indian Synthetic Rubber Private Ltd., TSRC (Vietnam) Co., Ltd	No	No	No	No
MBA, University of Minnesota, USA Vice President of Performance Products, Americas Region Huntsman Corporation	Director of TSRC (Lux.) Corporation S.à r.l. ,TSRC Specialty Materials LLC.	No	No	No	No
LL.B., University of California, Berkeley Senior manager, Legal Affairs Department, TSRC Corporation, Manager, ADATA Technology Co., Ltd., Lawyer, Lexcel Law Offices	Supervisor of TSRC (Vietnam) Co., Ltd.	No	No	No	No
Master's in Human Resources Management, National Sun Yat-sen University Senior manager, Human Resources and Management Department, TSRC Corporation, Assistant vice president, Far EasTone Telecommunications Co., Ltd.	None	No	No	No	No
EMBA, National Sun Yat-sen University Assistant Vice President, Accounting Department, TSRC Corporation, Vice president of finance, Life Travel & Tourist Service Co. Ltd.	None	No	No	No	No

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II. The remuneration of Directors and major managers

<1> Directors' remuneration

Job title	Name	Directors remuneration(Note)							
		Base compensation (A)		Severance pay and pensions (B)		Remuneration to directors (C)		Business execution expenses(D)	
		The Company	Companies in Financial Report	The Company	Companies in Financial Report	The Company	Companies in Financial Report	The Company	Companies in Financial Report
	Wei-Dar Development Co.,Ltd.	2,100	2,100	0	0	0	0	0	0
Chairman	Representative: Nita Ing	15,000	15,000	0	0	0	0	0	0
Director	Representative: John Huang	0	0	0	0	0	0	0	0
	Han-De Construction Co., Ltd.	4,200	4,200	0	0	0	0	0	0
Director	Representative: Charles Y. Huang	0	0	0	0	0	0	0	0
Director	Representative: Mönling Lee	0	0	0	0	0	0	0	0
Independent Director	Sean Chao	3,200	3,200	0	0	0	0	550	550
Independent Director	Rex Yang	3,200	3,200	0	0	0	0	500	500
Independent Director	Ellen Tsai	3,200	3,200	0	0	0	0	350	350

Note: The remuneration policy, procedures, standards, and packages for independent directors, as well as the linkage to factors such as individual responsibilities, risks, and time spent:

According to the Company's Articles of Incorporation, the Board is authorized to determine the remuneration of the Directors by considering their participation in the Company's business and their contribution value, and with reference to industry standards. 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.

The Compensation Committee shall regularly review the remuneration policies, procedures, standards, and packages for the Director's remuneration. The Company has approved, at the 13th meeting of the 17th Board of Directors, that director remuneration is fixed payment. Independent Directors of the Company are members of the Audit Committee and Compensation Committee; apart from the duties assumed by Independent Directors, the level of participation, the number of meetings each year, and extra time invested are also considered for the payment of remunerations; therefore, their remuneration may be higher than general Directors.

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Unit: thousand NTD

Percentage of the total of A, B, C and D accounting for income after tax		Relevant remuneration received by directors who are also employees								Percentage of total of A, B, C, D, E, F and G accounting for income after tax		Compensation paid to directors from non-consolidated affiliates
		Salary, bonus and special allowance(E)		Severance pay and pensions (F)		Employees' earnings (G)						
The Company	Companies in Financial Report	The Company	Companies in Financial Report	The Company	Companies in Financial Report	The Company		Companies in Financial Report		The Company	Companies in Financial Report	
						Cash	Stock	Cash	Stock			
2,100 /0.47	2,100 /0.47	0	0	0	0	0	0	0	0	2,100 /0.47	2,100 /0.47	0
15,000 /3.34	15,000 /3.34	0	0	0	0	0	0	0	0	15,000 /3.34	15,000 /3.34	0
0	0	0	0	0	0	0	0	0	0	0	0	0
4,200 /0.94	4,200 /0.94	0	0	0	0	0	0	0	0	4,200 /0.94	4,200 /0.94	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
3,750 /0.84	3,750 /0.84	0	0	0	0	0	0	0	0	3,750 /0.84	3,750 /0.84	0
3,700 /0.82	3,700 /0.82	0	0	0	0	0	0	0	0	3,700 /0.82	3,700 /0.82	0
3,550 /0.79	3,550 /0.79	0	0	0	0	0	0	0	0	3,550 /0.79	3,550 /0.79	0

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<2> Presidents' and vice presidents' remuneration

Unit: thousand NTD

Job title	Name	Salary(A)		Severance pay and pensions (B)		Bonus and special allowance(C)		Employees' compensation amount (D)				Percentage of the total of A, B, C and D accounting for income after tax (%)		Compensation paid to directors from non-consolidated affiliates	
		The Company	Companies in Financial Report	The Company	Companies in Financial Report	The Company	Companies in Financial Report	The Company		Companies in Financial Report		The Company	Companies in Financial Report		
								Cash Amount	Stock Amount	Cash Amount	Stock Amount				
CEO	Joseph Chai (Note)														
Vice President	Edward Wang														
Vice President	Kevin Liu	33,199	53,579	0	0	21,915	25,406	3,033	0	3,033	0	58,147 /12.97	82,018 /18.29	0	
Vice President	Qiwei Lu														
Vice President	Brian Hsu														
Vice President	Kent Emil Kvaal														

Note: One leased vehicle and one driver assigned to the CEO. The yearly rent for the leased vehicle is NTD 630 thousand and the remuneration paid to the driver is NTD 643 thousand and rental housing costs NTD 2,820 thousand.

Remuneration paid to the president and vice presidents	Name of president and vice presidents	
	The Company	Companies in Financial Report
1,000,000 below	-	-
1,000,000 (inclusive of 1,000,000)-2,000,000(does not contain 2,000,000)	-	-
2,000,000 (inclusive of 2,000,000)-3,500,000(does not contain 3,500,000)	-	-
3,500,000 (inclusive of 3,500,000)-10,000,000(does not contain 5,000,000)	-	-
5,000,000 (inclusive of 5,000,000)-10,000,000(does not contain 10,000,000)	Edward Wang, Kevin Liu, Brian Hsu	Edward Wang, Kevin Liu, Brian Hsu
10,000,000 (inclusive of 10,000,000)-15,000,000(does not contain 15,000,000)	-	Kent Emil Kvaal, Qiwei Lu
15,000,000 (inclusive of 15,000,000)-30,000,000(does not contain 30,000,000)	-	-
30,000,000 (inclusive of 30,000,000)-50,000,000(does not contain 50,000,000)	Joseph Chai	Joseph Chai
50,000,000 (inclusive of 50,000,000)-100,000,000(does not contain 100,000,000)	-	-
100,000,000 above	-	-

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<3> Bonus paid to management team and allocation

December 31, 2025

	Job title	Name	Stock	Cash (NTD in thousands)	Total (NTD in thousands)	Percentage of the total income after tax (%)
Managers	CEO	Joseph Chai	0	4,194	4,194	0.94
	Vice President	Edward Wang				
	Vice President	Kevin Liu				
	Vice President	Qiwei Lu				
	Vice President	Brian Hsu				
	Vice President	Kent Emil Kvaal				
	Sr. Assistant Vice President and Corporate Governance Officer	Iting Tsai				
	Assistant Vice President	Maggie Huang				
	Accountant officer	Grace Lin				

<4> The total remuneration as a percentage of net income paid by the Company, and by each Companies included in the consolidated financial statements, during the past two fiscal years to its directors, supervisors, vice presidents and describe the remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Remuneration paid-in the most recent two years

Unit: thousand NTD

Job title	The Company		Companies in Financial Report	
	2025	2024	2025	2024
Director remuneration	32,300	32,348	32,300	32,348
Director remuneration percentage of net income after taxes(%)	7.20	3.75	7.20	3.75
CEO and vice president	58,147	64,582	82,018	90,042
CEO and vice president remuneration percentage of net income after taxes(%)	12.97	7.49	18.29	10.44

2. Remuneration policies, standards, and packages for its Directors, CEO, and Vice Presidents, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure are as follows:

Remuneration of Directors:

According to the Company's Articles of Incorporation, the Board is authorized to determine the remuneration of the Directors by considering their participation in the Company's business and their contribution value, and with reference to industry standards. If there is profit for the year, the Company should contribute less than 1% as remunerations of Directors. According to Company's Compensation Committee Charter, the Committee shall regularly review the remuneration policies, procedures, standards, and packages for the Director's remuneration and regularly evaluate the performance of the Company's directors. Directors' remuneration is fixed payment, a distinction shall also be made between Independent Directors and general Directors. Independent Directors of the Company are members of the Audit Committee and Compensation Committee; apart from the duties assumed by Independent Directors, the level of participation, the number of meetings each year, and extra time invested are also considered for the payment of remunerations.

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Remuneration of CEO and Vice President:

(1) Remuneration policy of managers

The Company carries out evaluations based on individual experiences, capacity, the scope of duties, and level of contribution to the business objectives of managers, taking into account the salary standard in the market, internal fairness, and other factors to provide reasonable remuneration solutions. The design of the remuneration payment of managers shall give equal consideration to the requirements of sustainable operation and operating performance. The Company adopts an operating performance-oriented remuneration policy.

(2) Remuneration standard and package of managers

The remuneration of managers includes fixed salaries and variable bonuses. Fixed salaries refer to salaries distributed on a monthly basis; variable bonuses are distributed based on the evaluation results of the organization's performance and individual performance. The indicators of the organization's performance and individual performance include the annual operating performance of the Group, the performance of operating functions, and the achievement of individual financial and non-financial performance targets.

(3) Approval procedures for the remuneration of managers

The fixed salaries and variable bonuses to managers are proposed by the HR department based on evaluations in accordance with the principles of the remuneration policy and the achievement of performance standards. After the proposal is signed-off based on the approval authority, it is submitted to the Compensation Committee for discussion and submitted to the Board for approval.

(4) Connectivity to operating performance and future risks

The remuneration policy of managers and remuneration distributions give equal consideration to the requirements of sustainable corporate operations and the objectives of operating performance. The setting of the performance objectives covers financial, non-financial, long-term, short-term, profitability, risk, and various balance operating indicators.

III. Status of corporate governance implementation

<1> Operation of the board of directors

Board of Directors held 7(A) meetings in 2025. The attendance of directors in the meetings is specified as follows:

The 18th Term of the Board of Directors: June 07, 2024~June 06, 2027

Job title	Name	Frequency of actual attendance (B)	Frequency of proxy attendance	Actual attendance rate (%) (B/A)	Remark
Chairman	Wei-Dar Development Co., Ltd. Representative: Nita Ing	7	0	100%	
Director	Wei-Dar Development Co., Ltd. Representative: John Huang	7	0	100%	
Director	Han-De Construction Co., Ltd. Representative: Charles Y. Huang	7	0	100%	
	Han-De Construction Co., Ltd. Representative: Monling Lee	6	1	86%	
Independent Director	Sean Chao	7	0	100%	
Independent Director	Rex Yang	7	0	100%	
Independent Director	Ellen Tsai	7	0	100%	

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Other matters to be recorded:

1. Provisions of Article 14-3 of Securities and Exchange Act

Meeting Date	Meeting Name	Major Resolutions	Implementation Status
January 01, 2025	18-5	1. Appointment of a certified public accountant to audit the 2025 financial statements.	All directors were present and the resolution was approved.
March 06, 2025	18-6	1. Amendment of the "Procedures for Lending Funds to Other Parties" of the Company. 2. Amendment of the "Internal Audit Standard Operating Procedures" of the Company. 3. 2024 remuneration for the Company's directors	All directors were present and the resolution was approved.
June 03, 2025	18-8	1. Replacement of the high voltage transformer.	All directors were present and the resolution was approved.
August 07, 2025	18-9	1. Capital Increase by Capital surplus of Shen Hua Chemical Industrial Co., Ltd.	All directors were present and the resolution was approved.
December 04, 2025	18-11	1. Capital increase of Trimurti Holding Corporation from retained earnings.	All directors were present and the resolution was approved.

The Company's response to the opinions of Independent Directors: Independent Directors of the Company unanimously approved all proposals, and the Board approved all proposals as proposed according to the recommendations of the Board.

2. In addition to the previous events, other resolutions made by the Board of Directors that the Independent Directors opposed or reserved with a record or written statement:

There were no resolutions that the Independent Directors opposed or reserved in 2025.

3. Implementation of Director's recusal of interest resolutions:

At the 9th meeting of the 18th term of the Board, when discussing the lease of 1F of Dun Nan Building, as Chairman Nita Ing recused herself from the discussion due to a conflict of interest, as she also serves as chairman of Continental Holdings Corp. which is the legal representa-tive of Continent Engineering Company.

<2> Implementation status of the Board of Directors' Self Evaluation:

1. Implementation status of the Board of Directors' Self Evaluation: The Company completed the Board performance evaluation in 2025, Please refer to "(IV) Implementation Status of Corporate Governance, Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof" on page 21 of the annual report.

Cycle	Period	Scope	Method	Content
Once a year	January 1, 2025 ~ December 31, 2025	Board of Directors	Self-evaluation the Board	1. Level of participation in the Company's operations. 2. Improvement of the Board's decision-making quality. 3. Awareness of the Board's composition and duties. 4. Election of Board members and continual education. 5. Internal control.
Once a year	January 1, 2025 ~ December 31, 2025	Functional Committees	Self-evaluation of Board members	1. Level of participation in the Company's operations 2. Improvement of the functional committee's decision-making quality. 3. Awareness of the functional committee's composition and duties. 4. Election of functional committee members and continual education. 5. Internal control.

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Cycle	Period	Scope	Method	Content
Once a year	January 1, 2025 ~ December 31, 2025	Individual Board member	Self-evaluation of Board members	<ol style="list-style-type: none">1. Control over the Company's objectives and tasks.2. Understanding the responsibilities of the Board of Directors.3. Participation in the Company's operations.4. Management and communication of the internal relationship.5. Directors' professional and continuous training6. Internal control.
Every 3 years	October 1, 2024 ~ September 30, 2025	<ul style="list-style-type: none">· Board of Directors· Functional Committees	Appoint an external professional institution	<ol style="list-style-type: none">1. Professional competencies of the Board of Directors.2. Effectiveness of the Board's decision-making.3. The Board's attention to and oversight of internal controls.

2. The current and most recent year's objectives and implementation status for enhancing the Board of Directors' functions:

- (1) The Board of the Company convenes meetings and performs discussions and resolution-making according to the Company Act and the Securities Exchange Act, as well as standards announced by the competent authority. To reinforce the functions of the Company's Board and improve the supervising function, the Company established its Audit Committee and Compensation Committee according to laws and regulations; functional committees assist the Board in reinforcing corporate governance and supervisory duties based on their function.
- (2) Article 21 of the "Corporate Governance Best Practice Principles" of the Company has stated the concept of Board diversification, knowledge, experience, and ability required of Board members for the execution of their duties; also, the Board composition shall be diverse, and in compliance with the requirements of laws and regulations with considerations given to the business features, requirements of operations and future development of the Company; the abilities possessed by the overall Board member shall comply with the diversification policy and the requirements of the Company's future development.
- (3) The Company completed the re-election of the 18th Board of Directors at the 2024 Annual Shareholders' Meeting, increasing the proportion of female directors to one-third of the Board.
- (4) The positions of Chairperson and President are not held concurrently, with clearly defined responsibilities to strengthen the checks and balances mechanism.
- (5) In addition to encouraging directors and the Corporate Governance Officer to pursue continuing education, the Company arranged professional training courses on "New Trends in AI and Corporate AI Transformation" and "Recent Developments and Applications of AI" on November 28, 2025.

<3> Operation of the Audit Committee

1. There are 3 members in the audit committee of this Company.
2. The Audit Committee convened a total of 7(A) meetings in 2025. The presence and attendance of the Independent Directors is as follows:

The 18th Term: June 07, 2024~June 06, 2027

Job title	Name	Frequency of actual attendance(B)	Frequency of proxy attendance	Actual attendance rate (%) (B/A)	Remark
Independent Director (Convener)	Sean Chao	7	0	100	
Independent Director	Rex Yang	7	0	100	
Independent Director	Ellen Tsai	7	0	100	

3. The highlight of the Audit Committee in 2025 is summarized as follows:
 - (1) To review the 2024 business report, financial report and earnings distribution.
 - (2) To review the financial reports for the 1st to 3rd quarters of 2025.
 - (3) To review the provision of guarantees of the Company.
 - (4) The review of the appointment of the CPAs for the Company's financial report review and certification.
 - (5) To review the budget for 2026.
 - (6) To review the 2026 audit plan.
 - (7) 2026 Enterprise Risk Management Report.

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Other matters that require reporting:

1. The matters listed in Article 14-5 of the Securities and Exchange Act:

Meeting Date	Session	Key Review Items	Items in Article 14-5 of the Securities Exchange Act	Independent Directors' Opinions
January 17, 2025	18-4	1. Appointment of a certified public accountant to audit the 2025 financial statements.	√	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion
February 27, 2025	18-5	1. 2024 financial reports and business reports.	√	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion
		2. The Company's 2024 earnings distribution.		
		3. Short-term banking facilities with the banks.		
		4. Amendment of the "Procedures for Lending Funds to Other Parties" of the Company.	√	
February 27, 2025	18-5	5. Amendment of the "Internal Audit Standard Operating Procedures" of the Company.	√	
		6. 2024 Statement of Internal Control System.	√	
April.30, 2025.	18-6	1. First quarterly financial report in 2025.	√	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion
May 28, 2025	18-7	1. Replacement of the high voltage transformer.	√	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion
July 31, 2025.	18-8	1. Second quarterly financial re-port in 2025.	√	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion
		2. Capital Increase by Capital surplus of Shen Hua Chemical Industrial Co., Ltd.	√	
October 30, 2025.	18-9	1. Third quarterly financial report in 2025.	√	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion
		2. Short-term banking facilities with the banks.		
		3. Long-term credit facilities with the banks.		
November 27, 2025	18-10	1. 2026 Plan and Budget.		All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion
		2. Capital increase of Trimurti Holding Corporation from retained earnings.	√	
		3. 2026 annual audit plan.		

2. Except for the above-mentioned matters, other matters not approved by the Audit Committee but received consent from more than two-thirds of the Directors :
No such circumstances in 2025.
3. For the recusal of Independent Directors regarding resolutions of interests:

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There was no Independent Director required to recuse themselves for the conflict of interest with the resolution in 2025.

4. Communication between the Independent Directors and the Head of Internal Audit and the CPAs:
 - (1) The internal audit officer delivered internal audit reports to Independent Directors and reported the status of internal auditing in the Audit Committee and Board of Directors' Meeting.
 - (2) The internal audit officer submits audit reports to independent directors at least once every one to two months, responds to inquiries, and communicates via email or in person as necessary.
 - (3) CPA periodically presented annual and quarterly audit status of financial reports and audit reports and communicate other matters like updating relevant laws in the Meeting of Audit Committees.
 - (4) Communications between Independent Directors and Internal Auditing Officers in 2025:

Date	Method	Main Issue	Results
January 17, 2025	Audit committee	1. Recent Audit Office report. 2. Internal Auditors Independence Report.	Notified the committee and Submitted to the Board of Directors.
February 27, 2025	Audit committee	1. Recent Audit Office report. 2. 2024 Declaration of Internal Control System. 3. Amendment of the "Internal Audit Standard Operating Procedures" of the Company.	1. Recent Audit Office report Notified the committee and Submitted to the Board of Directors. 2. 2024 Declaration of Internal Control System and Amendment of the "Internal Audit Standard Operating Procedures" - Approved by All independent presented and Submitted to the Board of Directors for Discussion.
April.30, 2025	Audit committee	Recent Audit Office report.	Notified the committee and Submitted to the Board of Directors.
July 31, 2025	Audit committee	Recent Audit Office report.	Notified the committee and Submitted to the Board of Directors.
July 31, 2025	Independent meeting	Implementation Status of Internal Audit Improvements.	The internal audit officer reports directly to the independent directors, without the presence of general directors or management
October 30, 2025.	Audit committee	Recent Audit Office report.	Notified the committee and Submitted to the Board of Directors.
November 27, 2025.	Audit committee	1. Recent Audit Office report. 2. 2026 annual audit plan.	1. Recent Audit Office report- Notified the committee and submitted to the Board of Directors. 2. 2026 annual audit plan -Approved by All independent presented and Submitted to the Board of Directors for Discussion.

The independent directors expressed no objections or reservations to the above matters

- (5) Communications between Independent Directors and CPAs in 2025:

Date	Method	Main Issue	Results
February 27, 2025	Audit committee	1. 2024 financial reports Explanation of key audit matters. 2. Audit Findings- Internal Control Deficiencies.	Approved by all independent presented and Submitted to the Board of Directors for Discussion.
April.30, 2025.	Audit committee	1. First quarterly financial report in 2025. 2. Updates on important regulations.	Approved by all independent presented and Submitted to the Board of Directors for Discussion.
July 31, 2025.	Audit committee	Second quarterly financial report in 2025.	Approved by all independent presented and Submitted to the Board of Directors for Discussion.

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Date	Method	Main Issue	Results
October 30, 2025.	Independent meeting	Group audit plan and Improvement of IT Audit Deficiencies	Notified the Independent Directors.
October 30, 2025.	Audit committee	Third quarterly financial report in 2025.	Approved by all independent presented and Submitted to the Board of Directors for Discussion.

The independent directors have no objection to the above matters.

<4> The operation of corporate governance, and the differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for any departure

Assessment Items	Status		Abstract Description	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for any departure
	Yes	No		
I. Has the Company abided by the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" to formulate and disclose the corporate governance best practice principles?	√		The Company has established its "Corporate Governance Guidelines" with reference to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and the Principles were approved at the 2 nd meeting of the 17 th Board to reinforce the functions of the Board and implement the corporate governance system, and were disclosed on the Company's website and MOPS.	No difference
II. Equity structure and shareholders right				
(1) Has the Company formulated internal SOP for handling shareholders' suggestions, doubts, disputes, litigations and implemented them according to the SOP?	√		(1) The Company has a spokesperson and acting spokesperson in place, and provides the contact section on the Company's website to handle shareholders' recommendations and questions; the Company also has relevant departments that address disputes and litigations with shareholders.	No difference
(2) Does the Company hold a list of the Company's key shareholders and their ultimate controllers?	√		(2) The Company makes monthly reports on the changes in the equity held by insiders and shareholders who hold shares more than 5% of the total shares, The Company owns the list of the final controllers of substantial shareholders who control the Company according to laws and regulations. The Company owns the list of the final controllers of substantial shareholders who control the Company according to laws and regulations.	No difference
(3) Has the Company established and implemented risk control and firewall mechanism with its affiliated companies?	√		(3) There are regulations in place to control Related-party transactions, endorsement/guarantee, and loans to others between the Company and its affiliates; the Company also established its internal control system and "Regulations for Investee Management and Monitoring" ; the audit department shall execute measures related to internal audit and internal control, and the rights and responsibilities of which shall be explicitly separated from the management rights and responsibilities of affiliates to ensure the risk control system.	No difference
(4) Has the Company stipulated internal regulations prohibiting inside personnel trading securities using information that has not yet been disclosed on the market?	√		(4) The Company established its "Code of Ethics," "Code of Business Conduct," "Management Procedure for Insider Trading," and "Management Procedure for Whistleblowing" to prohibit internal parties from using information not disclosed in the market to trade securities; we also regularly organize internal communications each year and make disclosures on our corporate website.	No difference

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Assessment Items	Status		Abstract Description	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for any departure
	Yes	No		
<p>III. The organization of the Board of Directors and their duties</p> <p>(1) Does the Board establish the diversity policy, substantial management targets, and make implementations appropriately?</p>	√		<p>(1) Article 21 of the Company's "Corporate Governance Guidelines" states the idea of Board diversity, where members of the Board shall possess knowledge, experiences, and abilities required for the execution of their duties with reference to the business characteristics, operations, and future development requirements of the Company. Please refer to page 9 of this annual report for details on the Company's Board of Directors' diversity policy, specific management objectives, and implementation status under the Diversity and Independence of Directors section.</p>	No difference
<p>(2) Besides creating the Compensation Committee and the Audit Committees according to the law, has the Company voluntarily established other functional committees?</p>		√	<p>(2) The Company has established an Audit Committee and a Compensation Committee in accordance with applicable laws and regulations. These committees review major financial and business matters, internal controls, and managerial compensation, and provide recommendations.</p>	Considering the management of business operations, the Company will not set up other functional committee for now.
<p>(3) Does the Company formulate the Regulations for the Performance Evaluation of the Board of Directors and its evaluation method? Does the Company conduct performance evaluations regularly every year, and submit and report the results of the performance evaluations to the Board of Directors, and take the results as a reference for the compensation and nomination renewal of individual directors?</p>	√		<p>(3) The Company approved the establishment of the "Regulations for Board Performance Evaluation" at the 19th meeting of the 16th session of the Board in 2020, which states that the Board performance evaluation shall be carried out at least once each year, an evaluation by engaging external parties at least every three years, and the result of the performance evaluation shall be completed by the end of Q1 in the following year. The Company has performed the 2025 evaluation according to the requirements. A self-evaluation by using questionnaires was adopted, and the meeting department of procedures was responsible for the execution. The evaluation was from 1 January 2025 to 31 December 2025, and the scope of evaluation includes the "Board," "functional committees," and "individual Board member"; the evaluation results were reported at the 5 May 2025 of the Board, and the declaration was completed; The results of the 2025 Board performance evaluation are summarized as follows:</p> <p>1. The overall performance evaluation of the Board of Directors was rated as "Meeting Expectations." The evaluation questionnaire for the Board consisted of a total of 30 indicators. All directors expressed a high level of recognition of the current operation of the Board and demonstrated a clear understanding of the Company's business policies. Board resolutions were made following thorough discussions and exchanges of opinions, with directors providing constructive suggestions and identifying potential risk issues, thereby fulfilling their responsibilities in guiding and supervising the Company's strategies.</p>	No difference

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Assessment Items	Status		Abstract Description	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for any departure
	Yes	No		
			<p>2. The performance evaluation results of the functional committees were rated as "Meeting Expectations." The evaluation questionnaire, comprising a total of 30 indicators, covered both the Audit Committee and the Compensation Committee. All committee members expressed strong recognition of the independent and transparent operation of the functional committees, demonstrated a clear understanding of their responsibilities, and actively participated in discussions by providing recommendations and reminders, thereby contributing to the effective oversight of internal controls.</p> <p>3. The performance evaluation results of individual directors were rated as "Meeting Expectations." The evaluation questionnaire for individual directors consisted of a total of 30 indicators. All Board members complied with the relevant regulations governing the exercise of their duties and affirmed that the Company has established sound systems and maintains transparent information disclosure. Sufficient information is provided to directors to enable them to stay informed of the Company's operations and to offer well-informed recommendations.</p> <p>The Company commissioned the Taiwan Institute of Ethical Business in 2025 to conduct an external performance evaluation of the Board of Directors. The evaluation period was from October 1, 2024 to September 30, 2025. The evaluation was carried out through questionnaires and on-site interviews with directors, and the evaluation report was issued in November 2025. The evaluation results were reported to the Board of Directors on December 4, 2025. For the overall assessment and recommendations for improvement provided by the external institution, please refer to the "Corporate Governance" section of the Company's website.</p>	
(4) Does the Company evaluate accountant independence on a regular basis?	√		<p>(4) The Company conducts an annual evaluation of the independence and suitability of its certifying CPAs. In addition, with reference to Audit Quality Indicators (AQIs), the Company evaluates the appointed CPAs based on five key aspects, taking into account information at both the firm level and the engagement level. Based on the evaluation, the service quality of Deloitte Taiwan in 2025, as well as the independence of CPA Tza-Li Gung and CPA Li-Yuan Kuo, were considered satisfactory. Although certain AQI indicators showed relative strengths and weaknesses when compared with industry peers, no significant differences were identified, and the overall suitability was deemed satisfactory. The evaluation results were approved by the Board of Directors on February 3, 2026. The Company has appointed CPA Tza-Li Gung and CPA Li-Yuan Kuo of Deloitte Taiwan as its certifying CPAs for 2026. Both CPAs have issued independence statements. Further details regarding the AQIs and independence indicators are provided in (Note).</p>	No difference

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Assessment Items	Status		Abstract Description	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for any departure
	Yes	No		
IV. Does the Company have an adequate number of corporate governance personnel with appropriate qualifications as well as a corporate governance officer in charge of relevant corporate governance matters (including but not limited to providing data required for director and supervisor operations, assisting directors and supervisors with regulatory compliance, handling matters relating to board meetings and shareholders meetings according to laws, as well as producing minutes for such meetings)?	√		Mr. Iting Tsai was appointed as the Corporate Governance Officer of the Company through the resolution passed at the 23 rd meeting of the 17 th Board. Mr. Iting Tsai is a qualified lawyer and has held senior positions in departments related to legal affairs in public companies for three years and above. The scope of duties of the Corporate Governance Officer includes "handling matters related to Board meetings and shareholders' meetings according to the law," "preparing meeting minutes for Board meetings and shareholders' meetings," "assisting Directors in on-boarding and continual education," "providing information required for the execution of business to Directors," "assisting Directors in legal compliance," and "other matters stated in the Articles of Incorporation or contracts." Meanwhile, it shall make coordination between relevant departments and promote the planning and execution of corporate governance operations, allowing the Company to achieve sustainable development under a healthy governance structure. For the continuing education status of the Corporate Governance Officer in 2025, please refer to the continual education status on page 60 of the annual report.	No difference
V. Does the Company maintain channels of communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and designate a stakeholders section on its website as well as properly respond to critical corporate social responsibility issues that stakeholders are concerned with?	√		The Company has established "Stakeholder Contact Information" and a "Whistleblowing Mailbox" on its website, providing communication channels for various stakeholders. The Company communicates with stakeholders through multiple channels and regularly reports to the Board of Directors on its stakeholder engagement. The stakeholder engagement for 2024 was reported to the Board of Directors on May 8, 2025. For issues of concern to stakeholders and the Company's responses, please refer to the "Sustainability" section of the Company's website and the 2024 Sustainability Report.	No difference
VI. Has the Company commissioned professional securities institutions to handle shareholders' meetings?	√		We commissioned SinoPac Securities to handle the shareholders' meeting.	No difference
VII. Disclosures (1) Does the Company set up a website to disclose financial business and corporate governance?	√		(1) The Company's website has the "Investor Relation" section that covers financial information, financial reports, and corporate governance information; it also regularly updates the content of the website, and the spokesperson of the Company announces material information to external parties according to the law.	No difference
(2) Does the Company also adopts other means for disclosure. (i.e. English web site, personnel dedicated to collect and disclose Company information, establishment of a spokesperson policy, disclosure of the process of investor conference on Company web site, etc.)	√		(2) The Company has established its websites in Traditional Chinese, English, and Simplified Chinese, and there is dedicated personnel being responsible for the information disclosure and updates. The spokesperson releases information regarding material matters to external parties at once. The Company provides briefing and real-time scenarios of its investor conference on the website.	No difference

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Assessment Items	Status		Abstract Description	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for any departure
	Yes	No		
(3) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second and third quarter financial reports and operating conditions of each month before the limitation date provided?	√		(3) The Company announces and files its Q1, Q2, Q3, and annual financial reports and the operating status of each month within the deadline as specified in laws and regulations.	No difference
VIII. Is there any other important information that will facilitate the understanding of the Company's corporate governance operations (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, further education of directors and supervisors, implementation of risk management policy and risk evaluation standards, client policy implementation, Company's liability insurance for its directors and supervisors and so on)?	√		<p>(1) Employees' rights and care for employees: The Company complies with regulations where its operations locate and protect employees' rights; it values employees' physical and mental; health, provides health inspections and group insurance, and has established its Employee Benefits Committee to plan for various benefit measures and recreational events. For the environment, we are committed to providing safe and healthy work environments for our employees, minimizing the risk of occupational disasters, and reinforcing employees' awareness of their rights protection through educational training. Please refer to "V. Labor Relations" on page 83 of the annual report.</p> <p>(2) Investor relations: The Company discloses material information on the MOPS and declares information related to corporate governance and finance according to the law, allowing investors to keep abreast of information at all times; we also set up a spokesperson system in place to maintain investor relations; we have a contact section on our website to provide smooth communication channels.</p> <p>(3) Supplier relations: The Company has established its "Supplier Evaluation and Management Regulation" to ensure our partners may implement the "Code of Conduct for Partners of TSRC Corporation," protecting the legal interests of both parties.</p> <p>(4) Stakeholders' interests: Please refer to the stakeholder section on the corporate website.</p> <p>(5) Continual education of Directors: The Company actively encourages Directors to participate in relevant courses organized by the competent authority. All Directors regularly participate in continual education programs each year for over six hours and above. Please refer to "Continual Education of Directors" on page 60 of the annual report.</p>	No difference

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Assessment Items	Status		Abstract Description	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for any departure
	Yes	No		
			<p>(6) Implementation of the risk management policy and risk measurement standards: The Company approved the establishment of the "risk management policy" at the 4th meeting of the 17th session of the Board in 2021 to build risk management systems, procedures, and scope, confirm the authority and responsibility of the organization, and regulate relevant implementation and supervisory systems, which were reported at the November 06, 2025 of the Board. Regarding the implementation status of risk management, please refer to the corporate governance section on the Company's website.</p> <p>Implementation of the risk management policy and risk measurement standards: The Company approved the establishment of the "risk management policy" at the 4th meeting of the 17th session of the Board in 2021 to build risk management systems, procedures, and scope, confirm the authority and responsibility of the organization, and regulate relevant implementation and supervisory systems, which were reported at the November 11, 2025 of the Board. Regarding the implementation status of risk management, please refer to the Risk Management section on the Company's website.</p> <p>(7) Execution of the customer policy: The Company ensures the health and safety of customers when using products of the Company through annual satisfaction surveys, interactive seminars, interviews, and other communication channels, and carries out examinations regarding the issues to propose improvement recommendations, so as to improve the quality of products and services.</p> <p>(8) Purchase of liability insurance for Directors by the Company: The Company purchases liability insurance for Directors and managerial officers for the scope of business execution and reports to the Board each year.</p>	
				<p>IX. Please indicate the improvement in respect to the corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and propose priority enhancements and measures for those which have not improved.</p> <ol style="list-style-type: none"> 1. According to the result of the 2024 Corporate Governance Evaluation, the Company was included in the list of listed companies ranging from 6% to 20%. The Company continues to improve its information transparency. 2. The Company conducted a self-assessment of corporate governance and found no significant deficiencies requiring improvement.

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Note : 2025 Certified Public Accountant Independence and Suitability Assessment Form
1. Accountant Suitability: Assessed based on Audit Quality Indicators (AQI)

Dimensions	Items Assessed	Description of Assessments	Complying with Qualifications Requirements
Professionalism	Audit Experience	Whether senior audit personnel possess sufficient audit experience to carry out the audit	Yes
	Training Hours	Whether accountants and audit personnel at the manager level and above receive adequate annual training to continuously acquire professional knowledge and skills	Yes
	Attrition Rate	Whether the firm maintains adequate senior personnel	Yes
	Professional Support	Whether the firm possesses sufficient professional staff to support the audit team	Yes
Quality control	CPA Workload	Whether CPA workload is adequate	Yes
	Involvement	Whether the audit team members are appropriately allocated at each audit stage	Yes
	Case Quality Control Review / Engagement Quality Control Review (EQCR)	Whether the EQCR CPAs dedicates an adequate number of hours to review the audit cases	Yes
	Quality Supporting Capacity	Whether the firm possesses sufficient quality control staff to support the audit team	Yes
Independence	Proportion of Non-Audit Services	Impact of the Proportion of Non-Audit Service Fees on Independence	Yes
	Client Familiarity	The impact of the cumulative years of service provided by the firm on independence	Yes
Monitoring	Lack of external inspection and sanctions / number of letters received from regulatory authorities	Compliance of the firm's quality control and audit cases with relevant laws and standards	Yes
Innovation and Initiatives	Innovation Programs or Initiatives	The firm's initiatives to implement and enhance audit quality-related plans	Yes

2. Evaluation of the Independence of CPAs

Evaluation Item	Results	
	Yes/ Compliance	No/Non-compliance
(1) CPA does not have any financial interest or business relations with the Company and therefore remains independent.	√	
(2) The CPAs or the audit team is not a spouse or linear blood relative of Directors, managers of the Company, or persons having a material influence on the duties in the most recent two years.	√	
(3) CPA does not regularly work at the Company or receive a fixed income from the Company.	√	
(4) No loans between CPA and the Company and/or affiliates.	√	
(5) CPA has not offered auditing services to the Company for seven consecutive years.	√	
(6) CPA and audit team has issued a Statement of Independence.	√	

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<5> Information on Compensation Committee:

1. Information on Compensation Committee

December 31, 2025

The identity		Professional Qualification and Experience	Independence Status	Number of Public Companies in which the Director is Concurrently A Member of the Remuneration Committee
Identity				
Independent Director (Convener)	Rex Yang	Please refer to Table "Disclosure of the Professional Qualification of Directors and the Independence of Independent Directors" on page 8 of the annual report.	1. Members are independent directors of the Company who have been verified against the checklist for qualifications of independent directors at the time of appointment, confirming their compliance with independence criteria. 2. There are no circumstances as defined under Article 6, Paragraph 1, of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange." 3. Neither the individual, their spouse, nor any relative within the second degree of kinship holds any company shares, either directly or through a nominee. 4. No remuneration has been received in the past two years for providing commercial, legal, financial, or accounting services to the Company or any of its affiliated enterprises.	1
Independent Director	Sean Chao			1
Independent Director	Ellen Tsai			2

- 2. There are 3 members in the Compensation Committee of the Company, all of whom are independent directors, The primary scope of duties of the Compensation Committee is as follows:
 - (a) Regularly examine the Charter of Compensation Committee and propose amendment recommendations.
 - (b) Stipulate and regularly examine the annual and long-term performance targets of Directors and managerial officers and the policies, system, standards, and structures of remuneration.
 - (c) Regularly evaluate the achievement of the performance targets of Directors and managerial officers and establish their respective content and amount of remuneration.
- 3. The main matters reviewed and discussed in 2025 are presented below:
 - (1) 2024 internal board performance evaluation results report.
 - (2) Distribution of 2024 employees' compensation and Directors' compensation.
 - (3) Performance evaluation and bonus for the managers.
 - (4) Manager's remuneration plan.
- 4. Operational information of the Compensation Committee.
 Compensation Committee held 6(A) meetings in 2025. The attendance of members in the Compensation committee meetings is specified as follows:
 The 18th Term of the Board of Directors: June 07, 2024~June 06, 2027

Job title	Name	Frequency of actual attendance (B)	Frequency of proxy attendance	Actual attendance rate (%) (B/A)	Remark
Convener	Rex Yang	6	0	100%	
Member	Sean Chao	6	0	100%	
Member	Ellen Tsai	6	0	100%	

Other matters to be stated:

1. Operating status of the Compensation Committee in 2025:

Meeting Date	Session	Key Review Items	Implementation Status
January 17, 2025	18-2	1. 2024 employee performance bonus. 2. To raise 2025 employee remuneration 3. The 2025 managerial performance plan	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion.

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Meeting Date	Session	Key Review Items	Implementation Status
February 27, 2025	18-3	1. Performance evaluation and bonus for the managers 2. Manager's remuneration plan. 3. 2024 compensation for the Company's directors.	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion.
April.30, 2025	18-4	Appointment of an external institution for Board performance evaluation.	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion.
July 31, 2025	18-6	Amendment of Subsidiary 2025 Performance Bonus Plan.	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion.
November 27, 2025.	18-7	Amendment of Subsidiary Performance Bonus Plan.	All members of the Audit Committee attended the meeting completed the review and Submitted to the Board of Directors for Discussion.

The Company's handling of the opinions of the Compensation Committee:
Approved by all the Compensation Committee members present and approved unanimously by all the Board Directors present at the board meeting.

2. Where the Board of Directors does not adopt or revise the recommendation from the Compensation Committee: No such circumstances in 2025.
3. If, with respect to any resolution of the Compensation committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement: No such circumstances in 2025.
3. To enhance the performance of functional committees, the Company conducts annual internal performance evaluations in accordance with the performance evaluations for Board of Directors. In addition, external performance evaluations are conducted by independent professional institutions at least once every three years.
The performance evaluation results of the functional committees (including the Compensation Committee) for 2025 were reported to the Board of Directors on March 5, 2026. For details on the evaluation period, methods, and criteria, please refer to pages 17 and 22 of this annual report.

<6> Sustainable Development Implementation and Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons

Evaluation Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
I. Has the Company established a governance structure for the promotion of sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development? Has the Board	√		<ol style="list-style-type: none"> 1. The Board of Directors is the highest governance body for the ESG structure of the Company, and it plays the role of supervision. The Executive Leadership Team is responsible for ESG/sustainability management and implementation. Their respective responsibilities are as follows: The Board of Directors (1) Determine the Group's sustainability (and climate-related) strategies and material targets. (2) Regularly acknowledge the management, preventive measures, and implementation of sustainability risks (including climate risks), and provide recommendations to the Executive Leadership Team for the advancement of sustainable development. (3) The Board of Directors mandated the Executive Leadership Team (also known as the ESG Steering Committee), composed of the Chief Executive Officer (CEO) and senior supervisors of functional departments, to establish ESG strategies and medium-to-long-term targets in 2021 and the Board continues to regularly track the implementation of material ESG targets. 	No difference

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Evaluation Item	Implementation Status		Abstract Illustration	Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No		
			<p>The Executive Leadership Team</p> <p>(1) Track the implementation of material ESG targets through quarterly ESG meetings each year. Functional departments convene meetings and formulate action plans as needed for the material sustainability issues, risks, and opportunities within their respective area of responsibility.</p> <p>(2) Report ESG implementation results to the Board of Directors at least twice a year, including sustainability performance such as material sustainability risks and opportunities (including climate-related risks and opportunities), their management and response strategies and targets, ESG actions and implementation, and stakeholder engagement approaches and results.</p> <p>2. To effectively promote the implementation of the ESG strategy and targets, the Company established an ESG Section under the Corporate Development Department in 2022. As a dedicated unit for ESG advancement, it is responsible for managing ESG initiatives, integrating sustainability information, and planning ESG actions and process management, evaluating and communicating the achievement of ESG targets, and proposing ESG reinforcement plans.</p> <p>3. In addition, a cross-functional department ESG Work Team was also established with members appointed by different functional departments (including the Business Division, Operations Division, Human Resources and Management Department, Finance Division, and R&D Division) to promote ESG projects through cross-function cooperation and regularly report to the Executive Leadership Team regarding the annual ESG targets and implementation achievements on a quarterly basis. Meanwhile, the Company regularly discloses material sustainability issues, ESG targets, and implementation achievements on its website and in its annual report or sustainability report.</p> <p>4. The ESG status under the management of the Board of Directors and the Executive Leadership Team in 2025 is as follows: : The Board of Directors (Including certain items initially reviewed by the Audit Committee):</p> <p>(1) Acknowledged the annual sustainability report and relevant ESG and sustainability issues reported by the Executive Leadership Team, including the identification of material topics, stakeholder engagement, GHG inventory results of the Group, the ESG (including climate-related) strategy and the implementation status of material targets, and ESG action plans and improvements, and agreed on the issuance of the sustainability report and the 2025 material ESG action plans in May 2025.</p> <p>(2) Acknowledged the report from the Executive Leadership Team on corporate governance and risk management in November 2025, including the implementation of ethical corporate management, the identification of the Company's climate-related risks and opportunities, impact pathways and effects, strategic responses, implementation, and future actions to enhance resilience. Regarding cybersecurity risks, the focus was placed on risk response and recommendations to strengthen cybersecurity resilience.</p> <p>(3) Acknowledged the business reports presented by the Executive Leadership Team in January, May, August, and November 2025, covering operational topics such as the development and sales of new products, and climate-related impacts on operating facilities.</p>	

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Evaluation Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<p>(4) Acknowledged the report by the Executive Leadership Team in December 2025 on the adoption of IFRS Sustainability Disclosure Standards S1 and S2, the establishment of a dedicated project team for the IFRS Sustainability Disclosure Standards in accordance with the regulatory timeline set by the competent authority, the formulation of the adoption plan, and the early completion of the gap analysis between current sustainability information and IFRS Sustainability Disclosure Standards.</p> <p>(5) Approved the 2026 budget (including ESG-related capital expenditures) and the annual audit plan (including sustainability information management items) in December 2025.</p> <p>Executive Leadership Team:</p> <p>(1) Acknowledged the implementation status of material ESG targets, international ESG development trends, global carbon pricing developments, updates on sustainability regulations, and the Company's response measures, the timeline for implementing IFRS S1 and S2, the project team and its responsibilities, and other material ESG issues and actions through ESG Work Team reports in January, April, August, and November 2025.</p> <p>(2) Acknowledged the ESG Work Team's report on climate risk and opportunity assessment results, internal carbon pricing recommendations, risk impacts, response measures, and future actions to enhance resilience in October 2025.</p> <p>(3) Understood the implementation status and operations of material HSE items of the Group at the monthly Executive Leadership Team meetings in 2025.</p>	
<p>II. Does the Company carry out risk assessment regarding the environment, social, and corporate governance issues related to its corporate operations based on the materiality principles and established relevant risk management policies or strategies?</p>	√		<p>1. The Company carried out the material topic analysis and identification for the Company and its subsidiaries (consistent with those of the subsidiaries substantially operated by the Company as disclosed in the financial statements) according to the GRI Standards, examined substantial and potential effects that may be generated from risk issues on the economy, environment, society/community through five major steps of "identification, assessment, analysis, verification, and approval" so as to continuously optimize the ESG strategy of TSRC, establish measures or countermeasures for the mitigation of risks, track the implementation status, and disclose the Group's material data and information related to ESG with reference to the Chemicals Sustainability Accounting Standard of the SASB.</p> <p>2. The Company has established relevant policies, management policies, or targets for material ESG topics (i.e., climate strategy, GHG emissions, energy management, water resource management, waste management, labor relations and human rights, risk management, operational strategy and performance, such as the reduction of GHG emissions, improvement in the wastewater circulation rate, increase in the consumption ratio of reclaimed water and renewable energy, TRIR and ratio of revenue from new products.</p> <p>3. Meanwhile, climate risk factors are integrated into the company's risk management, potential impacts of climate risks are integrated into the risk management system, risk response and emergency measures are formulated and specific actions to mitigate negative impacts and influences are planned, and new business opportunities are discovered therein.</p> <p>3. For relevant descriptions of the ESG topics of the Company, please refer to the 2025 Sustainability Report of the Company and the Sustainability Development section on the Company's website.</p>	No difference

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Evaluation Item	Implementation Status		Abstract Illustration	Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No		
<p>III. Environmental Issues:</p> <p>(1) Has the Company established an environmental management system based on the characteristics of their industries?</p>	√		<p>1. The Company is in the chemical industry, and its production and operation are in compliance with local laws and regulations of the production sites (including Taiwan, Mainland China, and the U.S.). In response to climate change and sustainable development, the Company has formulated its "environmental policy" to establish a comprehensive environmental management system for various environmental management, set improvement targets for GHGs, energy, water resources, water and use of recycled raw materials,, and regularly examined the implementation status.</p> <p>2. The Company' s environmental management and performance have been verified by third parties as evidenced by the Company' s success in obtaining valid certifications for ISO 14001 Environmental Management Systems, ISO 45001 Occupational Health and Safety Management, ISO 14064-1:2018 Greenhouse Gas Inventories, ISO 50001 Energy Management Systems, and QC 080000 Hazardous Substance Process Management System.</p> <p>(1) Environmental management: Kaohsiung Plant, Gangshan Plant, Shenhua Chemical, TSRC (Nantong) Industrial, TSRC-UBE, TSRC Shanghai, and TSRC Specialty Materials LLC have obtained the ISO 14001 environmental management system certification.</p> <p>Note: The validity of the certification for Kaohsiung Plant and Gangshan Plant is from February 6, 2024 to February 5, 2027; For the validity periods of certificates for other facilities, please visit the Sustainability section on our website > Environmental > Environmental Management</p> <p>(2) Occupational safety and health management: Kaohsiung Plant, Gangshan Plant, Shenhua Chemical, TSRC (Nantong) Industrial, TSRC-UBE, and TSRC Shanghai have obtained the ISO 45001 occupational safety and health management system certification, and all plants implement environmental safety and health management in their daily operations to ensure the provision of safe working environments.</p> <p>Note: The validity of the certification for Kaohsiung Plant and Gangshan Plant is from January 16, 2024 to January 15, 2027; For the validity periods of certificates for other facilities, please visit the Sustainability section on our website > Social > Safety & Health</p> <p>(3) GHG management: A GHG inventory system was established to regularly perform the inventory of GHG emissions. All companies of the Group (including the Company and subsidiaries under substantial operations) have passed the ISO-14064-1:2018 GHG inventory verification to fully grasp GHG emissions and reduction achievements.</p> <p>(4) Energy management: Kaohsiung Plant, TSRC (Nantong) Industrial and TSRC-UBE introduced the ISO 50001 energy management system to ensure the energy efficiency of plants so as to achieve the target of energy control and efficiency improvement. Global operating sites have continued to improve energy efficiency and reduce energy consumption through various measures and promote low-carbon procedure innovation and replacement of procedure equipment in combination with the carbon reduction targets; material plants have established their annual energy conservation targets.</p> <p>Note: The validity of the certification for the Kaohsiung Plant is from December 11, 2025 to December 12, 2028. For the validity periods of certificates for other facilities, please visit the Sustainability section on our website > Environment > Energy Management</p> <p>(5) Hazardous substance management: In 2011, Kaohsiung Plant established the QC 080000 hazardous substance procedure management system and passed the verification each year to ensure that the products comply with the requirements of customers and international regulations. The targets of chemical management and environmental safety and health of the Group were combined to ensure the use safety of chemicals through comprehensive management procedures.</p>	No difference

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Evaluation Item	Implementation Status		Abstract Illustration	Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons															
	Yes	No																	
(2) Is the Company committed to improving energy use efficiency and the use of renewable materials with low environmental impact?	√		<p>3. For detailed information regarding the Company's environmental strategy, objectives, annual performance, and management system, please refer to the Company's 2025 Sustainability Report and the Sustainability Development section on the Company's website.</p> <p>1. The Company actively responds to the government's net zero carbon emissions commitment by 2050 and has established the short-, mid-, and long-term carbon emissions reduction targets with reference to the SBTi targets by controlling the temperature increase within 2° C. The Group sets 2021 as the base year for GHGs (Scope 1 + 2), and the Scope 1 + 2 by 2030 shall reduce by 22.5% as compared to the base year. The carbon reduction action plans during the period include the use of low-carbon fuels, CHP(combined heat and power), the optimization of procedures to reduce the steam consumption per unit product, the replacement of energy consumption equipment, and the increase in renewable energy consumption so as to improve energy efficiency and achieve the carbon reduction targets.</p> <p>2. To increase the use of renewable energy, the target of renewable energy accounting for 30% of the total electricity consumption by 2030 was set. The Kaohsiung Plant, TSRC (Shanghai), and Shenhua Chemical have installed solar power generation equipment for on-site use. Each plant actively implements energy conservation and enhances energy use efficiency through measures such as the continuous addition of energy-saving equipment, improvement of energy use efficiency in production processes, and reduction of steam consumption per unit of product. The Group's greenhouse gas emissions and renewable energy usage rate for 2025 both outperformed the originally set annual targets, with the majority of the Company's plants also achieving their annual energy targets. In 2025, the Company generated 4,221 MWh of solar power and procured 85,693 MWh of green electricity.</p> <p>3. To enhance energy management, all major plants of the Company have established annual energy conservation targets. For descriptions of individual targets, please refer to the 2025 Sustainability Report. The energy usage of the Group over the past two years is as follows: unit: GJ</p> <table border="1"> <thead> <tr> <th></th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Non-renewable energy (A)</td> <td>5,072,871</td> <td>5,322,502</td> </tr> <tr> <td>Renewable energy (B)</td> <td>72,243</td> <td>323,689</td> </tr> <tr> <td>Total energy consumption (C)=(A)+(B)</td> <td>5,145,114</td> <td>5,646,192</td> </tr> <tr> <td>Renewable energy percentage (D)= (B)/(C)</td> <td>1.40%</td> <td>5.73%</td> </tr> </tbody> </table> <p>Note: (1) Energy consumption figures include the parent company and subsidiaries with substantial operations. (2) As of the printing date, the data in 2025 was under external certification; please refer to the 2025 Sustainability Report and the sustainability section on the Company's website for the actual data. (3) For relevant data on subsidiaries, please refer to the 2025 Sustainability Report and the sustainability section on the Company's website.</p>		2024	2025	Non-renewable energy (A)	5,072,871	5,322,502	Renewable energy (B)	72,243	323,689	Total energy consumption (C)=(A)+(B)	5,145,114	5,646,192	Renewable energy percentage (D)= (B)/(C)	1.40%	5.73%	No difference
	2024	2025																	
Non-renewable energy (A)	5,072,871	5,322,502																	
Renewable energy (B)	72,243	323,689																	
Total energy consumption (C)=(A)+(B)	5,145,114	5,646,192																	
Renewable energy percentage (D)= (B)/(C)	1.40%	5.73%																	

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Evaluation Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Has the Company evaluated the current and future risks and opportunities of climate change for the Company and adopted relevant countermeasures?	√		<p>4. The Company is committed to promoting the concept of a circular economy to mitigate the impact on environmental resources and reduce carbon emissions. To reduce product carbon footprints and increase the proportion of sustainable products, targets have been set for the procurement ratio of renewable raw materials and the revenue share of new products. Relevant management actions cover the use of renewable raw materials in products, the recovery and reuse of low-concentration waste materials, and the adoption of recyclable packaging materials. Furthermore, procurement of renewable materials from international renewable raw materials suppliers has commenced since 2024.</p> <p>5. As a manufacturer using renewable raw materials, the Company's Kaohsiung Plant, TSRC (Nantong) Industrial, TSRC Specialty Materials, and TSRC (Lux.) have all obtained ISCC PLUS sustainability product certification, demonstrating the Company's capability to provide customers with sustainable products made from renewable raw materials. In 2025, the Company also obtained certification from international brand customers for the use of sustainable raw materials. Furthermore, the Company actively develops products with sustainable characteristics, such as rTPE products manufactured from post-consumer recycled medical waste, where the relevant series of products has obtained Global Recycled Standard (GRS) certification.</p> <p>6. Regarding the improvement in energy efficiency, the use of renewable raw materials, other objectives of the Company, and detailed descriptions, please refer to the 2025 Sustainability Report of the Company and our website.</p> <p>1. In response to climate change, the Company advocates for GHG reduction initiatives and focuses on the impacts of climate change on the Company. Following the Company's adoption of the Task Force on Climate-related Financial Disclosures (TCFD) framework since 2021, the Company has also incorporated in the International Financial Reporting Standard S2 (IFRS S2) framework from 2025 onward, while reviewing and evaluating material topics in accordance with SASB Chemicals industry metrics.</p> <p>2. The Company plans to conduct the identification and comprehensive assessment of climate-related risks and opportunities once every three years, with reviews of changes in the likelihood and impact levels of risks and opportunities to be carried out in the intervening two years. The scope of disclosure is consistent with the entities included in the consolidated financial statements, and the assessment of impacts, strategies, targets, metrics, actions or response measures, and optimization of risk management processes are conducted in four areas, namely "Governance," "Strategy," "Risk Management," and "Metrics and Targets."</p> <p>3. The Company's climate risks and opportunities for 2025 were primarily built upon the results of the comprehensive climate risk assessment conducted in 2024, which identified 10 risks and 6 opportunities. Concurrently, the Company reviewed changes in the external environment, actual operational performance, and strategic development. The necessity for adjustments was determined by examining the degree of risk impact and the timing of occurrence (likelihood of occurrence) across the value chain, encompassing suppliers, the Company's own operations, and customers. Furthermore, the effectiveness of the Group's current climate</p>	No difference

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Evaluation Item	Implementation Status		Abstract Illustration	Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																					
	Yes	No																							
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?	√		<p>actions and response and prevention measures was reviewed to determine whether adjustments are warranted, thereby ensuring that risk impacts and potential consequences of climate-related disasters are reduced or mitigated. The Company also discloses the degree of climate-related impact on its operations, along with the corresponding improvement strategies and established targets, to continuously mitigate the effects of climate impact.</p> <p>4. An overview of transition risks, physical risks, and opportunities, including risk identification, assessment results, targets, and response measures, is listed in Appendix 2-2-3 of this annual report. For supplementary information regarding the core content of the IFRS S2 framework, please refer to the Company's 2025 Sustainability Report or the Sustainability/TCFD section on the Company's website.</p> <p>1. Greenhouse gas management: The Company has set the year 2021 as the base year. By 2024, greenhouse gas emissions (Scope 1 plus Scope 2) reduction target is 7.5%. By 2025, the reduction target is 10%, and by 2030, it is 22.5%. The Group's greenhouse gas emission performance over the past two years is as follows:</p> <p style="text-align: right;">Unit: tons CO₂e</p> <table border="1"> <thead> <tr> <th>Emission of Greenhouse Gas</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>151,362</td> <td>154,697</td> </tr> <tr> <td>Unit Product Carbon intensity (tons CO₂e /Metric Tons of Production)</td> <td>0.27</td> <td>0.24</td> </tr> <tr> <td>Scope 2</td> <td>356,420</td> <td>315,858</td> </tr> <tr> <td>Unit Product Carbon intensity (tons CO₂e /Metric Tons of Production)</td> <td>0.65</td> <td>0.49</td> </tr> <tr> <td>Scope 3</td> <td>1,331,675</td> <td>1,583,915</td> </tr> <tr> <td>Unit Product Carbon intensity (tons CO₂e /Metric Tons of Production)</td> <td>2.41</td> <td>2.44</td> </tr> </tbody> </table> <p>Note:</p> <ol style="list-style-type: none"> The aforementioned greenhouse gas emissions represent the total emissions of the Group, including the parent Company and all subsidiaries with substantial operational activities. Greenhouse gases include seven types: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride. The GWP values are cited from the IPCC Sixth Assessment Report. , Scope 2: Market-based method. For the 2024 certificate, please refer to the appendix of the annual report. The data for the year 2025, as of the printing deadline, is still under external audit. For the actual data following the audit, please consult the 2025 Sustainability Report or the Sustainability Development section of the Company's website. For individual data of each subsidiary, please refer to Appendix 2-2-3 1-1, which details the greenhouse gas inventory and assurance status for the Company over the most recent two years. 	Emission of Greenhouse Gas	2024	2025	Scope 1	151,362	154,697	Unit Product Carbon intensity (tons CO ₂ e /Metric Tons of Production)	0.27	0.24	Scope 2	356,420	315,858	Unit Product Carbon intensity (tons CO ₂ e /Metric Tons of Production)	0.65	0.49	Scope 3	1,331,675	1,583,915	Unit Product Carbon intensity (tons CO ₂ e /Metric Tons of Production)	2.41	2.44	No difference
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			<p>2. Water resource management: Set the wastewater recycling rate of 40% by 2030 and set the increase in the reclaimed water consumption rate of 40% by 2030. The Company has established three primary pillars for water resource management, including efficient water use, recycling and regeneration, and clean discharge, in order to reduce water resource risks and increase operational stability. The Company's 2025 targets were a wastewater recovery rate of 36% and a reclaimed water usage rate of 34%. In 2025, the Company recorded an actual wastewater recovery rate of 36%, where the annual target was met, and a reclaimed water usage rate of 29%, which was slightly below the annual target. The water consumption of the Group in the most recent two years is described as follows:</p> <p style="text-align: right;">Unit: 1,000 tons</p> <table border="1"> <thead> <tr> <th>Consumption</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Water Consumption of TSRC Group</td> <td>5,442</td> <td>5,836</td> </tr> <tr> <td>Unit Product Water Consumption</td> <td>9.85</td> <td>9.01</td> </tr> </tbody> </table> <p>Note:</p> <ol style="list-style-type: none"> The water consumption of the Group includes the parent company and subsidiaries substantially in operation. As of the printing date, the data in 2025 was under external certification; please refer to the 2025 Sustainability Report and the sustainability section on the Company's website for the actual data. For the water consumption, emission, recycling volume, and other information of subsidiaries, please refer to the 2025 Sustainability Report and the sustainability section on the Company's website. <p>3. Waste management: Material targets, aimed at strengthening the Company's waste management, have been formulated, such as increasing the Group's waste recycling rate with a target of over 54% in 2025 and over 56% in 2030. The Group's waste recycling (including reuse) rate in 2025 was 55.8%, thereby achieving its 2025 waste recycling rate target. Additionally, 10 waste reduction proposals were obtained during the year, where the Company will progressively evaluate the benefits and feasibility of these proposals and implement reduction measures accordingly. In terms of waste management, the Company applies a circular economy approach to conduct comprehensive assessments across product raw materials selection, manufacturing processes, packaging material selection, and green procurement. In addition to developing renewable raw materials aimed at reducing the use and disposal of fossil-based materials, the Company continues to optimize process controls to reduce waste and by-products during manufacturing. At the same time, the Company promotes the on-site reuse of by-products and resources in order to reduce waste disposal and resource costs, thereby enhancing overall environmental benefits. The waste generation of the Group over the past two years is as follows:</p> <p style="text-align: right;">Unit: ton</p> <table border="1"> <thead> <tr> <th>Weight of different wastes</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>General industrial Waste</td> <td>3,855</td> <td>3,753</td> </tr> <tr> <td>Hazardous industrial Waste</td> <td>2,086</td> <td>2,223</td> </tr> <tr> <td>Total weight of waste</td> <td>5,941</td> <td>5,976</td> </tr> </tbody> </table>	Consumption	2024	2025	Water Consumption of TSRC Group	5,442	5,836	Unit Product Water Consumption	9.85	9.01	Weight of different wastes	2024	2025	General industrial Waste	3,855	3,753	Hazardous industrial Waste	2,086	2,223	Total weight of waste	5,941	5,976	
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	Yes	No		
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<p>IV. Social Issues (1) Does the Company establish relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?</p>	√		<ol style="list-style-type: none"> To implement human rights protection, the Company has formulated the "Human Rights Policy," with the Human Resources and Administration Department responsible for promoting various key initiatives, and all functional departments complying with and implementing the policy. The policy states that the Company complies with local labor and human rights laws and regulations at all global operating locations, as well as supports and refers to the core principles of international human rights standards including the "Universal Declaration of Human Rights," the "United Nations Guiding Principles on Business and Human Rights," the "UN Global Compact," the "OECD Guidelines for Multinational Enterprises," the "International Labor Organization Declaration on Fundamental Principles and Rights at Work," and the "Responsible Business Alliance Code of Conduct." With the Human Rights Policy in place, the Company manages human rights issues concerning employees of the Company and its subsidiaries, affiliates, contractors, suppliers, customers, and communities. The Company values labor rights and fair treatment, prohibits any form of discrimination, prohibits forced labor and child labor, and does not impede employees' freedom of association and expression. The Company is committed to providing employees with a safe and healthy working environment, continuously improving workplace safety and health in compliance with relevant regulations, mitigating occupational health and safety risks safeguarding the safety of employees, promoting physical and mental health, and strengthening employees' awareness of human rights protection through education and training. At the same time, the Company actively promotes communication and cooperation with communities, suppliers, and contractors while complying with personal data protection laws and regulations to ensure the data privacy and rights of individuals, customers, and suppliers. For details regarding the human rights policy, please refer to the Company's website. To implement the Group's human rights protection, the Executive Leadership Team assumes the primary management role. The Human Resources and Management Department regularly confirms the implementation status of human rights protection measures and periodically reports on the execution status of functional or organizational units while subsequently reporting the implementation status to the Board of Directors, thereby continuously enhancing employee safety and promoting physical and mental health, as well as employee rights and interests. The Company conducted employee and supplier due diligence of human rights in 2024 and 2025, whose key points are as follows: (1) Assessment process: <ol style="list-style-type: none"> i. Establishment of checklist: Establish a checklist of human rights issues with reference to relevant laws and regulations, such as the United Nations Guiding Principles on Business and Human Rights and the EU Corporate Sustainability Due Diligence Directive. ii. Risk assessment: Conduct human rights risk assessments for employees and suppliers through questionnaires. iii. Assessment results: Develop a Human Rights Risk Matrix based on the survey results and identify material human rights risks. iv. Establishment of management indicators: Set management indicators, mitigation measures, and remedial measures for human rights risks. 	No difference

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Evaluation Item	Implementation Status		Abstract Illustration	Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons												
	Yes	No														
			<p>v. Effectiveness tracking: Regularly review implementation effectiveness, formulate subsequent improvement measures, periodically reassess human rights risks, and publicly disclose the results.</p> <p>(2) Assessment results: The Group's due diligence of human rights assessment questionnaires for employees and suppliers were distributed in 2024 and 2025, respectively. Based on the assessment results, various human rights topics for employees and suppliers were all identified as low risk, including personal freedom and security, basic rights to work and at work, freedom of speech and expression, freedom of assembly and association, anti-discrimination and equality, forced labor, fulfillment of basic living needs, privacy rights, and anti-corruption. There were no significant human rights risks identified, nor were there any human rights violations; hence, no remedial measures were required.</p> <p>(3) Considering the importance of human rights, the Company continues to develop enhanced management measures and remedial measures for potential risks, and regularly evaluates their effectiveness and adjusts management measures to control and mitigate risks, thereby improving the Company's human rights protection.</p> <p>(4) Based on the assessment, the potential human rights risks for employees and suppliers are as follows. For detailed information, please refer to the Company's 2025 Sustainability Report.</p> <table border="1"> <thead> <tr> <th>Subject</th> <th>Employees</th> <th>Suppliers</th> </tr> </thead> <tbody> <tr> <td>Potential human rights risk</td> <td>Working hours_Physical and mental health Working hours_Family life</td> <td>Labor rights</td> </tr> <tr> <td>Mitigation measures</td> <td> <ul style="list-style-type: none"> · Overtime pay is calculated and paid in accordance with rules and regulations, with attention given to employees and their supervisors when overtime hours approach the monthly ceiling. · Provide flexible work options to balance business and personal needs where working conditions permit </td> <td> <ul style="list-style-type: none"> · Conduct regular supplier audit and evaluations, with feedback and recommendations provided based on the evaluation results · Conduct regular supplier due diligence assessments to monitor the level of human rights risks among suppliers </td> </tr> <tr> <td>Remedial measures</td> <td> <ul style="list-style-type: none"> · Employees who require extended leave for health reasons may apply for unpaid leave in accordance with established procedures. · Provide a mechanism for employees to choose between payment of overtime pay or compensatory leave. </td> <td> <ul style="list-style-type: none"> · In the event of any human rights-related violations, improvement shall be required within a specified timeframe </td> </tr> </tbody> </table>	Subject	Employees	Suppliers	Potential human rights risk	Working hours_Physical and mental health Working hours_Family life	Labor rights	Mitigation measures	<ul style="list-style-type: none"> · Overtime pay is calculated and paid in accordance with rules and regulations, with attention given to employees and their supervisors when overtime hours approach the monthly ceiling. · Provide flexible work options to balance business and personal needs where working conditions permit 	<ul style="list-style-type: none"> · Conduct regular supplier audit and evaluations, with feedback and recommendations provided based on the evaluation results · Conduct regular supplier due diligence assessments to monitor the level of human rights risks among suppliers 	Remedial measures	<ul style="list-style-type: none"> · Employees who require extended leave for health reasons may apply for unpaid leave in accordance with established procedures. · Provide a mechanism for employees to choose between payment of overtime pay or compensatory leave. 	<ul style="list-style-type: none"> · In the event of any human rights-related violations, improvement shall be required within a specified timeframe 	
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Evaluation Item	Implementation Status		Abstract Illustration	Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No		
(2) Does the Company establish appropriately managed employee welfare measures (include remuneration, leave and others), and link operational performance or achievements with employee salary and compensation?	√		<p>4. TSRC provides human rights-related education and training, including human rights protection and diversity and inclusion advocacy, sexual harassment and prevention of unlawful workplace infringement, occupational safety and health, physical and mental health and work-life balance, and ethical corporate management advocacy. The total training hours of the Group were 50,286 hours, with a total of 22,461 participants across the Group.</p> <p>1. Welfare measures of TSRC employees are summarized as follows:</p> <p>(1) Employee compensation: The Company offers competitive compensation and benefits. With a view to enhancing the overall performance of employees and the organization, the Company formulates a compensation policy that effectively reflects the results of business performance in employee compensation. Through the implementation of performance management, including target setting, empowerment, communication and consultation, tying performance to rewards, and career development, the Company effectively measures the performance of all employees and provides feedback to support their career growth and development.</p> <p>In accordance with the Articles of Incorporation, if the Company posts a profit for the year, the Company shall set aside 1% or more as employee compensation and 1% or less as director remuneration. Of the employee compensation set aside, no less than 0.6% of the profit shall be reserved for distribution to non-managerial employees. For detailed information, please refer to the "Employee and Director Remunerations" section in this annual report. The Company annually reviews the overall compensation and benefits of employees and adjusts them appropriately based on market and industry benchmarks. Taking into account factors such as individual experience and capabilities, scope of responsibilities, contribution to operational targets, market compensation levels, and internal equity, the Human Resources Department submits the Company's annual operational performance results and compensation adjustment proposals to the Compensation Committee for review annually, while the Group's performance bonuses and salary adjustment ratios are approved by the Board of Directors.</p> <p>(2) Employee welfare: In comply with local regulation, the provision of employee welfare and insurance, meal subsidies, year-end dinner, health inspection subsidy, travel subsidies, and the provision of marriage gift money, maternity benefit, and injury/sickness condolence payment. In 2025, the Group's expenditure on employee salaries and benefits amounted to NT\$2,585,605,000.</p> <p>Regarding the leave system, employees who require extended leave for health reasons may apply for unpaid leave in accordance with established procedures.</p> <p>(3) Collective agreement: The Company has established labor union organizations in most of its plants in accordance with local laws and regulations. Union member representatives and union chairpersons are elected, and the unions hold annual general meetings of member representatives to conduct communication and coordination on labor rights through formal meetings. Employees may also express their opinions to the management through the Human Resources Department at any time. In practice, dynamic adjustments are made based on actual needs to achieve the ultimate goal of mutual communication and expression of opinions, thereby fulfilling requirements for feedback, communication, and oversight of implementation between labor and management. The Company and its subsidiary TSRC (Shanghai) have signed collective agreements with unionized employees, whereas Shenhua Chemical,</p>	No difference

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	Yes	No		
			<p>TSRC (Nantong) Industrial, and TSRC-UBE have established their own labor unions, with no collective agreements signed, as actual communication and operations are smooth for the time being. For other regions where no labor union has been established and no collective agreement has been signed, the Company has separately established an Employee Handbook, detailing working conditions, regulations, protections, and also specifying employee grievance channels. Grievances may be filed through direct supervisors, the Human Resources Department, or the employee grievance mailbox. Working conditions and rights of employees not covered by collective agreements shall not be affected.</p> <p>(4) Retirement system: The Group adheres to relevant regulations in various jurisdictions and provides employee insurance and retirement benefits as required by law. The Taiwan plant follows the regulations outlined in the Labor Standards Act, the Labor Pension Act and its implementing regulations, as well as accounting standards for retirement benefits, to safeguard employee retirement benefits. To stabilize the retired lives of employees, the Company established the "Supervisory Committee of Business Entities' Labor Retirement Reserve" to regularly convene meetings on a quarterly basis to supervise the utilization of the pension fund and protect the rights and interests of employees. For the retirement system in Taiwan (including the appropriation rate, retirement application and conditions, and implementation status of retirement), please refer to the retirement system and the implementation status of the "labor-management relations" chapter in the annual report. The subsidiaries in China operate in compliance with the relevant provisions of the Social Insurance Law of the People's Republic of China. Accordingly, the Company and employees jointly contribute to basic old-age insurance, basic medical insurance, work injury insurance, unemployment insurance, maternity insurance, and housing provident fund according to the prescribed proportions. Upon retirement, employees receive retirement benefits distributed by the national labor and social security department in accordance with regulations. In the United States, subsidiaries operate under local safety welfare schemes such as the 401(k) plan. Similarly, subsidiaries in Vietnam, Singapore, and Europe comply with local regulations to ensure employee welfare.</p> <p>(5) Workplace diversity and equality: With a commitment to creating a diverse and equal working environment, the Company has formulated the "TSRC Human Rights Policy," placing great emphasis on the workplace environment, labor human rights, and gender equality. TSRC is committed to the principle of equal opportunity and aligns its practices with the Guidelines for Multinational Enterprises provided by the Organization for Economic Cooperation and Development (OECD). The cornerstone of its employment policy is professional ability and work experience, ensuring no discrimination based on age, gender, region, religion, race, marital status, or sexual orientation. TSRC prioritizes the employment and training of local staff and employs a transparent process for the selection of professional talent. Reflective of the industry's characteristics, the gender composition within the TSRC Group comprises 264 females (16.09%) and 1,377 males (83.91%). Within the Group, the employee age distribution is as follows: individuals under 30 years of age accounts for 9.69%, those between 30 and 50 years accounts for 66.67%, and employees over 50 years account for 23.64%. The proportion of male managers is 75.00%, while the proportion of female managers is 25.00%. The company is committed to fostering a diverse and inclusive culture that leverages the differences and unique qualities of its employees</p>	

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	Yes	No		
(3) Does the Company provide the employees with safe and healthy working environment and carry out regular training for regarding safety and health the employees?	√		<p>to inspire one another and support innovation. It has also established the "Measures for the Prevention of Sexual Harassment, Grievance Procedures, and Disciplinary Actions," which provide mechanisms and channels for preventing sexual harassment and handling complaints. In 2025, there were zero complaints related to sexual harassment. please refer to the 2025 Sustainability Report and the sustainability section on the Company's website.</p> <p>1. The company prioritizes employee safety and a healthy work environment. To enhance employees' awareness and emphasis on workplace health and safety, TSRC has been promoting the "TSRC Safety Culture" since 2021 through five "Safety Core Values" (TSRC HSE Core Values): "People-oriented," "Zero Accidents," "Commitment," "Discipline," and "Compliance." This initiative has further shaped TSRC's health and safety policy, operating under the principles of team safety, health and safety culture, responsibility, and communication, aiming to achieve the goals of zero disasters and zero injuries.</p> <p>The Company has also established management procedures and the "Safety and Health Work Rules" governing the health and safety of all employees. These regulations clearly define the rights and obligations of employees and contractors regarding safety standards, education and training, health guidance, first aid and emergency response, and incident reporting.</p> <p>(1) Health management: Locations of TSRC identify occupational hazard factors and carry out management for five occupational hazard factors, including noise, carbon disulfide, benzene, dust and butadiene and reduce the occurrence probability of hazards through management, changes in procedures, improvements in methods, adjustments to working hours, isolation, and personal protection. Arranges annual health checks for personnel who are potentially exposed to long-term health risks, If abnormalities are detected during health checks, medical personnel provide health guidance to the affected individuals. If a physician assesses that the individual cannot continue their current job duties, change the workplace, change the work or shorten the working hours according to the physician's recommendation, and take health management measures. Improve employees' physical and mental health, organize health improvement lectures and relevant education and training, improve employees' health awareness, build favorable health concepts, and implement them in daily life.</p> <p>(2) Occupational safety and health training: In accordance with local regulations, the Company defines various necessary types of education and training for occupational safety and health workers at different levels, such as hazard awareness, confined space entry, hot work, and working at heights. Each year, an annual education and training plan is developed, and relevant occupational safety and health training is conducted according to this plan. This ensures that all employees have the necessary awareness of workplace hazards and the safety and health knowledge and skills required to prevent accidents before commencing work. In response to the emergency events like leakage of materials/fire/explosion/ earthquake, and others, the Company stipulates the emergency management procedures. Organize various exercises and occupational safety education and training, including response to leakages of raw materials, response to leakages of industrial pipelines, fir management, and procedure safety management, and cultivate employees' abilities in emergency response and self-safety management. 2025 Number of Emergency Response Drills: 366.</p>	No difference

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Evaluation Item	Implementation Status		Abstract Illustration	Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No		
(4) Has the Company established effective career development training programs?	√		<p>2. TSRC has established occupational safety and health management systems in all of its factories. These systems operate based on the plan, do, check, and act cycle of the occupational safety and health management system, ensuring continuous improvement. The Company regularly implements the internal audit and management review of the management system each year. Kaohsiung Plant, Gangshan Plant, Shenhua Chemical, TSRC (Nantong) Industrial, TSRC-UBE, and TSRC Shanghai, with the established ISO 45001 management system, have set up their "Regulations for Occupational Safety and Health Hazard Identification and Risk Assessment" to formulate comprehensive occupational safety and health hazard identification and risk assessment procedures for operating personnel who are qualified the training to regularly assess periodical and non-periodical occupational safety and health risks and opportunities, and for supervisors to review and examine the effectiveness of existing control measures. Furthermore, the external verification for the ISO45001 management system is performed regularly to maintain the effective operation of the management system.</p> <p>Note: The validity of the certification for Kaohsiung Plant and Gangshan Plant is from January 16, 2024 to January 15, 2027; For the validity periods of certificates for other facilities, please visit the Sustainability section of our website > Social > Safety & Health</p> <p>3. The Group (the parent company and subsidiaries) recorded a total of five occupational disaster cases with five employees in 2025; Accounting for 0.3% of the total number of employees. The recordable occupational injury ratio of employees (recordable number of occupational injuries/total working hours x 200,000) of the Group was 0.28. After analyzing the cause of accidents, the Company will continue to reinforce the consultation and drills to ensure the safety of employees at work.</p> <p>4. The company did not experience any fire incidents causing injuries or fatalities in the year 2025.</p> <p>1. The Company established different career ability development training plans for employees of the Group based on their functions, job levels, duties, and targets, described as follows:</p> <p>(1) New employee training: To allow employees of the Group to understand the core value, corporate culture, production of products, and function allocation of the Company, new employees are required to receive new employee training to ensure that they can familiarize themselves with the operations of the Company.</p> <p>(2) Management leadership model: To cultivate the joint management capabilities of the leading team to be fully prepared for facing current and future challenges, TSRC formulated the capability model for for senior, middle, and and junior supervisors and planned for differentiated courses based on different job levels to carry out its internal training.</p> <p>(3) New supervisor training: Arrange online courses for new supervisors, together with the online review and question discussion system, to improve learning comprehension.</p> <p>(4) Cross-functional project development activities:</p> <ul style="list-style-type: none"> - Global Multilingual Performance Management Knowledge Competition: To promote a deeper understanding and practical application of performance management among managers across all locations. - Recruitment and Interviewing Skills Program: To assist managers in establishing a more consistent and credible talent selection process. 	No difference

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	Yes	No		
(5) Does the Company have its product and service comply with regulations and international rules related to customers' health and safety, privacy, sales, and labelling, and set policies to protect consumers' rights and consumer appeal procedures?	√		<ul style="list-style-type: none"> · Leadership Enhancement Program in Communication and Coaching for Subsidiary Executives: To establish effective behavioral models for communication and coaching through diverse and coherent learning designs. · Each professional department rolls out courses on critical thinking and team vision communication to strengthen the logical thinking and team collaboration capabilities of the organization. <p>(5) Language Learning Courses: Encourages all colleagues to participate in English courses, continuously improving English language and communication skills.</p> <p>(6) Online Learning Courses: A variety of themed online courses are offered, allowing colleagues to flexibly schedule their learning time and enhance learning opportunities.</p> <p>(7) Competency Workshop: Provide employees with important information to enhance functional learning.</p> <p>2. The learning management system was established to manage all training-related applications, learning resources, and records through a single platform and effectively utilize and manage the training business, improving the learning performance of employees.</p> <p>3. In 2025, the total training hours of all training of the Company reached 91,141 hours, and the average hours per person was 56 hours; the total training fees reached NT\$ 9,839 thousand in total.</p> <p>4. For details regarding employee development and training, please refer the Company's 2025 Sustainability Report or the Sustainability Development section on the Company's website.</p>	No difference

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	Yes	No		
			<p>4. On the other hand, the Company has obtained Global Recycled Standard (GRS) certification for rTPE products manufactured from post-consumer recycled medical waste. Furthermore, the Company actively communicates its business philosophy and product features regarding sustainable products with customers through social media, the Company's website, customer visits, or industry exchange events, such as seminars and product exhibitions.</p> <p>5. The Company sets guideline, nature, and usage instructions for rubber products it provided in the COA and safety data sheet to allow customers to understand the safe usage; we also state our consultation line to assist customers in obtaining the information required with our best efforts. We enclose SDS for the first shipment made to each customer; the SDS specifies the information of the substances, waste processing method, and using conditions. The SDS is available on our website and is also provided upon request by our customers at all times.</p> <p>6. Customers with any questions regarding products or product liability can raise their inquiries and complaints through the Company's website email or business contact points. The Company will address these issues timely and respond promptly to stakeholders based on the nature of the problem. The Company has established its "Code of Business Conduct" to prevent our products or services from harming stakeholders. We also work with different functional departments to improve customer satisfaction and provide convenient services for customers.</p> <p>7. The Company has established the "Privacy and Personal Data Protection Policy," which is applicable to all employees of the Company and its subsidiaries, customers, suppliers, subcontractors' personnel, visitors, website users, investors or shareholders, and job applicants. The Company is committed to collecting, processing, and utilizing personal data only within the necessary scope, while placing great emphasis on customer information security and internal data management. Furthermore, the Company has formulated the "Information Security Policy and Management," and adopts appropriate security measures to safeguard customer privacy during the retention period of personal data. At the same time, new employees are required to complete privacy and personal data protection training courses, and all employees are regularly briefed on relevant laws and regulations. In 2025, the employee personal data protection training consisted of a 0.33-hour online course, with a total of 349 people completing the training, in order to reinforce compliance awareness. The Company has also completed the implementation of the ISO 27001 Information Security Management System, with the intention of minimizing cybersecurity risks through compliance with ISO 27001 standards and measures. For matters regarding privacy and personal data protection, inquiries may be directed to the Company's responsible unit (TSRC Corporation Group Spokesperson) using the contact information provided.</p> <p>8. In 2025, there is no infringement events arising from violating health and safety regulations related to products or violating marketing regulations, or arising from product responsibilities. For details regarding product regulations and safety, please refer the Company's 2025 Sustainability Report or the Sustainability Development section on the Company's website.</p>	

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	Yes	No		
(6) Does the Company establish a supplier management policy, requiring suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their performing status?	√		<p>1. In response to the trend of sustainability, the Company focuses on the strategical objectives and performance of suppliers in terms of sustainability, Adopting the Responsible Business Alliance (RBA) Code of Conduct as the blueprint, with reference to relevant international standards, the Company has established the "TSRC Group Supplier Code of Conduct", "TSRC ESG Procurement Policy", "Privacy and Personal Data Protection Policy" and "Human Rights Policy". These policies regulate key issues such as corporate integrity, labor rights, occupational health and safety, environmental protection, and information security. We require supplier compliance and implementation as a material basis for our procurement decisions. Our supplier evaluation has included ISO 9001, RoHS (HSF), QC 080000, ISO 14001, ISO45001, CNS45001, and other material indicators of corporate social responsibility. We also require suppliers to provide self-declarations for their due implementation and substantial performance in terms of sustainability specifications and provide material evidence (i.e., management system certifications) to allow the Company to clearly understand their implementation status in terms of sustainability specifications. And ask the supplier to reply to the company to show commitment, Demonstrating commitment and looking forward to integrating the industry value chain to jointly promote sustainable operations. For details regarding the "TSRC Group Supplier Code of Conduct", please refer the Sustainability Development section on the Company's website.</p> <p>2. The Company carries out annual evaluations of suppliers at each operating location to ensure that suppliers' actual practices comply with the Company's standards and requirements. Should any environmental, safety, or health risk incidents or violations of international human rights-related regulations be identified, suppliers will be required to take corrective actions. According to the 2025 survey results, no suppliers were found to have violated the aforementioned material sustainability matters.</p> <p>3. In 2025, the Company continued to implement supplier sustainability commitments by requiring suppliers to sign the "TSRC Group Declaration of Compliance with Sustainable Corporate Management of Suppliers." At the same time, the Company conducted Supplier Environmental and Human Rights Due Diligence in accordance with international sustainability standards and guidelines, aimed at screening 308 key suppliers of the Group, including suppliers of raw materials, sea freight, packaging materials, and manpower services. A total of 292 supplier responses were received in this survey, representing a response rate of 95%. A "Supplier Sustainability Risk Matrix" was developed based on the analytical results of material sustainability topics, with "Supplier Material Sustainability Risks" identified in the process. The analysis concluded that key suppliers presented no material sustainability risk issues, and the overall risk level was deemed low. This survey will be conducted every three years, accompanied with continuous monitoring to mitigate sustainability risks in the supply chain. For details regarding supply chain management, please refer the Company's 2025 Sustainability Report or the Sustainability Development section on the Company's website.</p>	No difference

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Evaluation Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			4. Apart from valuing the occupational safety and health and labor human rights of suppliers, TSRC also focuses on contractor management. Apart from complying with local laws and regulations, the Company also formulated the "Regulations for Contractors" of different plants. The management aspects include the review and evaluation before any cooperation with contractors to ensure that contractors comply with the requirements and relevant laws and regulations. The Company carries out investigations or evaluations of safety and health management items and labor conditions of contractors (including but not limited to the age, qualification, and insurance items to be purchased under the law for personnel of contractors), notifies contractors of the level of potential danger of their operations, and provides occupational safety seminars before entering for work to prevent accidents and injuries and protect the health, rights, and interests of contractors' personnel. In 2025, seven safety promotional sessions were organized before the annual inspection in 2025 to realize the safety management of construction and achieve the performance of zero injuries during the annual inspection.	
V. Does the Company refer to internationally accepted reporting standards or guidelines for compiling sustainability non-financial information, reports, such as on corporate social responsibility? Does the previous released report obtain the assurance of the third-party verification unit?	√		<ol style="list-style-type: none"> 1. The Company's 2025 Sustainability Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards framework, the SASB standards, and the Task Force on Climate-related Financial Disclosures (TCFD), in reference to IFRS S2. In this report, material topics are categorized into the three ESG pillars and disclosed in accordance with regulatory requirements. 2. The report obtained the verification of SGS, a third-party institution, based on GRI, SASB, and TCFD guideline. For the four specific SASB indicators (energy management, water resource management, waste management, and occupational injury of employees), the Company engaged KPMG Taiwan to carry out the information assurance work based on the ISAE 3000 "Assurance Engagement for Audit or Review of Non-Historical Financial Information. After the verification, the Executive Leadership Team made examinations and confirmation and then submitted it to the Board for approval before publication. The report is published in Mandarin Chinese, English, and Simplified Chinese and disclosed on the Company's website. In addition, the Mandarin Chinese and English versions are filed and disclosed on the MOPS. 3. For the preparation principles of the report and the information of the third-party certifying institution, please refer to the 2025 Sustainability Report. 	No difference
<p>VI. Has the Company established its Sustainable Development Best Practice Principles according to the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies, describe the implementation status and the deviation from the Principles:</p> <p>The Company's sustainability operations and management are performed in reference to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," whereas the "Corporate Governance Best Practice Principles" and the "Regulations for Sustainability Information Management" have been formulated to carry out corporate governance and sustainability management. Simultaneously, the Company also references the United Nations Environment Program's (UNEP) "Global Chemicals Outlook (GCO)," sustainability ratings (e.g., CDP, Ecovadis, and MSCI), Sustainability Accounting Standards Board (SASB) standards, and the United Nations Sustainable Development Goals (SDGs) while taking into account industry regulations, issues of concern to upstream and downstream industry peers, stakeholder expectations, and the actual operational status of the Company. The Company effectively implements various sustainability activities and initiatives, and the execution of all such measures is in compliance with the objectives and principles set forth in the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, with no material differences from said Principles.</p>				

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	Yes	No		
VII. Other important information that is helpful to understand the implementation status of promoting sustainable development:				
			<ul style="list-style-type: none"> · The Company attaches great importance to its employees and conducts an employee engagement survey every two years to assess employees' sense of identification with the Company and identify directions for continuous reinforcement through the survey. This survey was executed by the Human Resources and Management Department. The most recent survey was completed in 2024, with the survey period covering the full calendar year of 2024. The scope of the survey included all employees of the Group, and its content covered areas including job duties, career development, and corporate ethics. A total of 1,479 employees participated in the survey, with a participation rate of 89.7% and a favorability rate of 80.8%, representing an increase of 7 percentage points compared to 2022. In 2025, based on the results of the employee engagement survey, the Company collaborated with plant managers to address areas of relative weakness, focusing on the enhancement of the commendation culture, communication quality, and employee engagement. Through measures such as timely recognition, supervisor communication training, one-on-one meetings, incentive systems, competency development, and orientation sessions for new employees, each unit continues to create a supportive, transparent, and fulfilling work environment to enhance employees' sense of belonging, identification, and team cohesion. · To promote the knowledge of sustainability concepts and their application in daily life while commemorating Earth Day 2025, the Company specially organized a month-long "Go Green" campaign. Through a series of themed activities, employees were encouraged to practice energy conservation and carbon reduction, circular economy, physical and mental health, and environmental protection in their daily lives, contributing to the planet and collectively moving towards a better life. This campaign carried out four themes with a total of 4,871 action instances recorded. · The Company also values communication between production sites and local communities. In 2025, the Kaohsiung plant conducted in-depth interviews with chiefs of neighboring villages adjacent to the plant area through sustainability risk surveys to understand the material sustainability issues of concern to the community. Furthermore, the Company actively participated in various events organized by the industrial park manufacturers' association to maintain good relations with the community, including two events such as an English workshop at Ke Liao Elementary School and a seafood festival held by the Fishermen's Association. · The Group's various operating locations continue to engage with local communities through diverse means, including supporting local agriculture, participating in local volunteer clean-up activities, and collaborating with communities to organizing blood donation drives in collaboration with local communities. Through these localized and tangible actions, the Company demonstrates its commitment to fulfilling social responsibilities, deepening employee engagement, and strengthening positive connections with the community. For information regarding relevant charitable contributions, please refer to the 2025 Sustainability Report. · The remuneration structure for the Company's senior management, including the Chief Executive Officer and the heads of functional departments at the level of Vice President or Assistant Vice President, which is designed to align with the needs of sustainable corporate operations and operational performance, comprises fixed remuneration and variable bonuses. Variable bonuses are issued based on the annual results of organizational performance linked to ESG/sustainability goals and individual performance appraisals. For details on the specific ESG/sustainability targets linked to senior executive remuneration, please refer to the 2025 Sustainability Report. 	

Implementation Status of Climate-Related Actions

Item	Implementation status
1. Describe the supervision and governance of the Board and the management on risks and opportunities related to climate.	<p>1. The management structure of climate-related risks and opportunities is as follows:</p> <p>The Board:</p> <ul style="list-style-type: none"> · The Board of Directors serves as the highest governance body for sustainability and climate risk management. Board members possess practical management experience in issues such as sustainable development, risk management, and climate change. The decision-making capabilities of Board members on sustainability-related material issues are continuously enhanced through continuing education and training for directors or directors' participation in relevant seminars on an annual basis. · The Board of Directors is responsible for determining the Group's sustainability (including climate-related) strategies and key targets while regularly overseeing the Group's climate management mechanisms and implementation status, encompassing risk and opportunity assessments, response strategies, targets, prevention, and mitigation measures. · listens to the implementation status of climate-related risks and opportunities reported by the Executive Leadership Team at least twice a year, and provides recommendations to the Executive Leadership Team.

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Item	Implementation status										
	<ul style="list-style-type: none"> · The Audit Committee, established under the Board of Directors, is responsible for overseeing the effectiveness of controls over the Group's sustainability information management system. Each year, the Audit Committee reviews the results of audit reports from the Chief Audit Executive with regards to sustainability information (including climate risks and opportunities) on a regular basis. The Remuneration Committee is responsible for the preliminary review of sustainability-related performance targets and the status of target achievement for key management personnel (i.e., the CEO), whereas the Board of Directors approves the remuneration and performance results of key management personnel to ensure that remuneration arrangements comply with and are linked to the Company's strategic goals. · The Board of Directors also takes into consideration sustainability and climate-related risks and opportunities when making major decisions, such as annual budgets and major investments. Executive Leadership Team: · The ESG Steering Committee, led by the Chief Executive Officer and composed of the senior supervisors of all functional departments of the Company, is responsible for formulating climate strategies and management mechanisms, enhancing the Group's climate resilience, and identifying the Company's climate risks and opportunities, management priorities, and action plans for mitigating or reducing climate-related impacts. The Committee reports its implementation status to the Board of Directors at least twice a year. · The Executive Leadership Team assigns the ESG Work Team to assess climate-related risks and opportunities, and reviews the ESG Work Team's reports quarterly to identify climate risks and opportunities, as well as assess the degree of impact, the achievement of key targets, and the implementation of response measures, with a view to continuously strengthening the Company's resilience against potential impacts from transition and physical risks and enhancing operational resilience. 										
2. Describe the effects of the identified climate risks and opportunities on the business, strategies, and finance of the enterprise (short-term, mid-term, and long-term).	<ol style="list-style-type: none"> 1. The Company assessed risks and opportunities related to climate change in 2021, and the Company adopted the structure based on the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to carry out climate risk identification, relevant financial analysis, and financial quantification, Actively formulating climate strategies, setting goals, and implementing response measures to mitigate climate impacts. 2. TSRC conducts the identification of climate-related risks and opportunities once every three years. The Company's climate risks and opportunities for 2025 were primarily built upon the results of the comprehensive climate risk assessment results conducted in 2024, which identified 10 risks and 6 opportunities. At the same time, considering changes in the external environment, the Company's actual operations, and strategic development, the Company reassessed the risk impacts across the value chain (including suppliers, its own operations, and customers) and whether adjustments need to be made to the levels of risk impact and the potential timing of occurrence (likelihood of occurrence) while reviewing the effectiveness of the Group's current climate actions and response/mitigation measures. Although no significant changes were identified in transition and physical risks over the two years, the description of these risks has been adjusted in response to the actual impact and effects of risks and opportunities on the Company's operations to ensure the reduction or mitigation of risk impacts and the potential effects of climate disasters. 3. In 2025, The effects of and responses to the material climate risks and opportunities are summarized as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #00A6C9; color: white;">Climate risk</th> <th style="background-color: #00A6C9; color: white;">Potential impact</th> <th style="background-color: #00A6C9; color: white;">Climate opportunity</th> <th style="background-color: #00A6C9; color: white;">Potential impact</th> <th style="background-color: #00A6C9; color: white;">Substantial action in 2025</th> </tr> </thead> <tbody> <tr> <td>Transition risk Carbon taxes/carbon fees</td> <td> <ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Imposition of carbon fees and carbon taxes, such as Taiwan's carbon fees, in response to the government's climate change policies, resulting in a slight increase in the Company's operating costs </td> <td> <ul style="list-style-type: none"> · Improve energy efficiency · Energy transition · Increase the application of the circular economic model </td> <td> <ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Reduction of GHG emissions through improved energy efficiency, thereby reducing Taiwan's carbon fees and electricity costs. </td> <td> <ul style="list-style-type: none"> · Established annual and medium-to-long-term targets for carbon reduction and renewable energy use · Replaced energy consumption equipment and continued to purchase energy-saving equipment to reduce energy consumption and improve energy efficiency · Generated electricity internally using cogeneration to reduce reliance on purchased power · Installed solar power generation facilities for self-consumption. </td> </tr> </tbody> </table>	Climate risk	Potential impact	Climate opportunity	Potential impact	Substantial action in 2025	Transition risk Carbon taxes/carbon fees	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Imposition of carbon fees and carbon taxes, such as Taiwan's carbon fees, in response to the government's climate change policies, resulting in a slight increase in the Company's operating costs 	<ul style="list-style-type: none"> · Improve energy efficiency · Energy transition · Increase the application of the circular economic model 	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Reduction of GHG emissions through improved energy efficiency, thereby reducing Taiwan's carbon fees and electricity costs. 	<ul style="list-style-type: none"> · Established annual and medium-to-long-term targets for carbon reduction and renewable energy use · Replaced energy consumption equipment and continued to purchase energy-saving equipment to reduce energy consumption and improve energy efficiency · Generated electricity internally using cogeneration to reduce reliance on purchased power · Installed solar power generation facilities for self-consumption.
Climate risk	Potential impact	Climate opportunity	Potential impact	Substantial action in 2025							
Transition risk Carbon taxes/carbon fees	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Imposition of carbon fees and carbon taxes, such as Taiwan's carbon fees, in response to the government's climate change policies, resulting in a slight increase in the Company's operating costs 	<ul style="list-style-type: none"> · Improve energy efficiency · Energy transition · Increase the application of the circular economic model 	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Reduction of GHG emissions through improved energy efficiency, thereby reducing Taiwan's carbon fees and electricity costs. 	<ul style="list-style-type: none"> · Established annual and medium-to-long-term targets for carbon reduction and renewable energy use · Replaced energy consumption equipment and continued to purchase energy-saving equipment to reduce energy consumption and improve energy efficiency · Generated electricity internally using cogeneration to reduce reliance on purchased power · Installed solar power generation facilities for self-consumption. 							

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Item	Implementation status				
	Climate risk	Potential impact	Climate opportunity	Potential impact	Substantial action in 2025
					<ul style="list-style-type: none"> · Optimized production processes to reduce steam consumption per unit product
Transition risk	Increase of sustainability regulations – use of renewable energy	<ul style="list-style-type: none"> · Anticipated timeline: Medium to long term · Increased use of renewable energy by subsidiaries in Taiwan and Nantong regions due to regulatory or local policy requirements, resulting in an increase in energy procurement costs and maintenance expenses for renewable energy equipment 	<ul style="list-style-type: none"> · Energy transition · Improve products' competitiveness 	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · The use of renewable energy reduces the carbon footprint of products, meeting customers' requirements for low-carbon products. 	<ul style="list-style-type: none"> · Installed solar power generation facilities at the Kaohsiung Plant, TSRC (Shanghai), and Shenhua Chemical for on-site use. · Implement procurement of green power at TSRC (Nantong) Industrial, TSRC-UBE, and Shenhua Chemical
Transition risk	Changes in customer behaviors or preference	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Increased raw material procurement and operating costs due to providing low-carbon products or new products using renewable raw materials in response to customer demand 	<ul style="list-style-type: none"> · Development of new products · Improve products' competitiveness 	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Improve the operating income and market competitiveness of the Group through the sales of new products or low-carbon products 	<ul style="list-style-type: none"> · Kaohsiung, TSRC (Nantong) Industrial, TSRC Specialty Materials, TSRC (Lux.) Plant have obtained the ISCC Plus certification and started to sell products that made use of recycled raw materials · Granted product certification for the use of renewable raw materials by international brand owners · Currently, several major international manufacturers have successively requested the procurement of products made from renewable raw materials · Optimized procedures, reduce the steam consumption per unit product, and reduce the product carbon footprints · Won the silver award from the Ecovadis rating and improved customers' trust

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Item	Implementation status				
	Climate risk	Potential impact	Climate opportunity	Potential impact	Substantial action in 2025
	Transition risk Increase in raw material costs	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Increase in procurement costs due to the transfer of carbon fees by suppliers · Increased costs of raw materials procurement following the procurement of renewable raw materials. 	<ul style="list-style-type: none"> · Development of new products · Improve products' competitiveness 	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term 	<ul style="list-style-type: none"> · Focused on the development of the sustainable product market · Planned for the product pricing strategies and improved product competitiveness, Increase revenue from new products
	Transition risk Technological development for low-carbon transition	<ul style="list-style-type: none"> · Anticipated timeline: Medium to long term · Continued development of carbon reduction process technologies and energy-saving equipment required in line with the Company's production capacity expansion · Continue to strengthen talent development and recruitment in response to the low-carbon transition 	<ul style="list-style-type: none"> · Increase the application of the circular model · Development of new products · Improve products' competitiveness 	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Increased revenue and market competitiveness through new product sales · Reduce carbon emissions through the recovery of process wastewater to increase circular economy benefits and enhance product value 	<ul style="list-style-type: none"> · Installed solar power generation facilities at Shenhua Chemical for on-site use · Increased procurement of green power · Optimized procedures, reduce the steam consumption per unit product, and reduce the product carbon footprints · Optimized the wastewater recycling system to reduce wastewater volume
	Physical risk Droughts	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Installation of backup water sources to avoid production disruptions due to water shortages, resulting in increasing annual pipeline maintenance expenses · Financial losses due to production line adjustments caused by water suspension policies in the Kaohsiung area 	<ul style="list-style-type: none"> · Increase the application of the circular model · Improve water resource utilization 	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Improve water resource efficiency through wastewater reclamation, reduce the demand for freshwater · Upgrade wastewater recirculation system equipment to reduce wastewater discharge 	<ul style="list-style-type: none"> · Completed the installation of the backup pipelines of the Kaohsiung Plant · Continuously improve wastewater recycling system equipment at the Kaohsiung Plant, TSRC (Nantong) Industrial, and TSRC-UBE

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	Climate risk		Potential impact	Climate opportunity	Potential impact	Substantial action in 2025
	Physical risk	Floods	<ul style="list-style-type: none"> · Anticipated timeline: Short-term to long-term · Flooding can damage equipment and inventory on the factory premises, potentially leading to operational disruptions and financial losses. · Increases in insurance premiums or stricter claims requirements · Conduct maintenance for flood control and drainage channels annually, resulting in increasing annual maintenance expenses 	Mitigate risk impacts and improve operations	Strengthen operating resilience	<ul style="list-style-type: none"> · Carry out typhoon disaster control and emergency responses at the Kaohsiung Plant to mitigate the impacts of climate disasters
3. Describe the effects of extreme weather and transition actions on finance.	<ol style="list-style-type: none"> 1. TSRC has performed impact assessments for material climate risks and opportunities identified to serve as an important reference for formulating risk mitigation and opportunity expansion actions. <ol style="list-style-type: none"> (1) The potential financial impacts of transition risks are mainly costs generated from the low-carbon transition (including the reduction of GHG emissions, Expanding production capacity for sustainable products, replacing energy-intensive equipment, increasing the use of renewable energy, and increasing wastewater recycling) of the Group, including the imposition of carbon fees in Taiwan, capital expenditures for energy-saving and carbon reduction equipment and equipment with improved technologies, purchased green electricity, low-carbon raw materials purchased, and other operating costs. Regarding the capital expenditures and expenses for energy conservation and carbon reduction in 2025, please refer to the "expenditures related to environmental items" in the 2025 sustainability report. (2) The potential financial impacts of physical risks are mainly equipment maintenance costs or capital expenditures invested to improve the Company's climate resilience (i.e., drought resistance and flood resistance). Drought resistance includes the installation of wastewater recycling systems, purchases of backup water sources, and other fees; for flood resistance, the maintenance of equipment and water drainage systems of plants are the main operating expenses. Regarding the capital expenditures and expenses for improving water efficiency in 2025, please refer to the "expenditures related to environmental items" in the 2025 sustainability report. (3) The estimation for the financial benefits of climate opportunities includes the electricity fees reduced due to the improvement in the energy efficiency of plants, the wastewater treatment costs reduced due to the improvement in water resource efficiency, and the increase in the ratio of sustainable products and sustainable financing amounts. For product sales income with environmental benefits, please refer to the "Revenue from Products with Environmental Contribution" in the 2025 sustainability report. 					
4. Describe the method to integrate the identification, evaluation, and management procedures with the overall risk management system.	<ol style="list-style-type: none"> 1. The cross-function ESG Work Team (including the finance, human resources, R&D, operations division, business division, procurement, and other functional departments) and relevant personnel implement climate risk identification and assessment and set out seven prioritized climate risks based on the standards of the "prioritized risks" in the "Procedures for Risk Management." For climate actions, apart from performing an inventory for substantial countermeasures and adaptation measures, corresponding climate actions or measures based on the scope of the effects of risk and opportunities and the time length are planned. Feasible plans and preventive measures are formulated for climate-related risks and opportunities, and they are implemented after being agreed upon by the Executive Leadership Team. 2. The ESG Work Team regularly reports to the Executive Leadership Team regarding the implementation status and achievement of climate-related targets to effectively control and improve possible effects and impacts on the operation. The climate assessment results and the risk management procedures of the Company are appropriately integrated to include potential impacts that may be generated from the response to climate risks in the risk management system so as to formulate management measures for risk response and emergency management. 					

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Item	Implementation status
5. If scenario planning is adopted to evaluate the tolerance to risks of climate change, please describe the scenarios, parameters, assumptions, analytical factors used, and the major financial effects.	<ol style="list-style-type: none">1. The Company carried out climate risk analysis based on different scenarios and performed more quantitative and qualitative assessments of climate risks to ensure the effectiveness of climate risk management.<ol style="list-style-type: none">(1) Physical risk scenario and parameters: Observational data includes Central Weather Administration (Taiwan) and CMIP6 Historical run (outside of Taiwan), whereas projection data includes TCCIP AR6 (Taiwan) and IPCC AR6 (outside of Taiwan), with climate scenario assessments conducted under SSP2-4.5 and SSP5-8.5.(2) Physical risk assumptions: Flooding: Flood warning thresholds and flood potential maps from the Taiwan Water Resources Agency. Drought: Standardized Precipitation Index (SPI) 3. High temperature: 36 degrees Celsius. Strong winds: Wind speed reaching Level 8 on the Beaufort scale.(3) Transition risk scenario analysis: Adopt the Net Zero Emissions by 2050 Scenario (NZE) and Stated Policies Scenario (STEPS) of the International Energy Agency (IEA).(4) Transition risks assumptions: Based on the projected carbon fee rates published by the Ministry of Environment of Taiwan and IEA reports.2. The Company carried out a financial assessment with regards to "Transition Risk – Carbon Fee/ Carbon Tax." Considering that among all of TSRC's production sites, only Taiwan has a relatively defined carbon fee policy, the financial impact of TSRC's carbon fees, in accordance with the principle of reasonable assumptions, is primarily based on the impact of Taiwan's carbon fees. Hence, the Company adopts the carbon fee rates published by the Ministry of Environment of Taiwan. In light of the Kaohsiung plant's successful approval of the Voluntary Reduction Plan, which has qualified for Preferential Rate B, at the end of 2025, the carbon fee is set at the current Taiwan. rate of NTD 100 per metric ton and is projected to remain at this level through 2030. From 2031 onwards, calculations will be made based on the Ministry of Environment's projected rate of NTD 1,800 per metric ton, with dynamic adjustments to be implemented in accordance with future official announcements. Owing to the impact of overall carbon pricing on the Company, the aforementioned rates are adopted as the Company's internal carbon pricing in Taiwan. Furthermore, the Company also references carbon price projections for developed economies detailed in the IEA's World Energy Outlook (WEO), with a view to evaluating potential financial impacts under different climate scenarios.3. The analysis results show that the financial impact on TSRC in the NZE will be higher than STEPS. In the case of NZE, if TSRC implements GHG reduction behaviors for carbon emissions, including low-carbon fuel manufacturing, consumption of renewable energy, and improvement in energy efficiency, the financial impact caused by carbon fees may be reduced as compared to the "discontinuation of the implementation of carbon reduction management measures, and the financial impact in 2030 will be reduced from 1.1% of the operating income to less than 1%.4. As the products of TSRC are not within the scope of the stage 1 import products of CBAM of the EU at present, there is no significant effect on the products of TSRC in the short run, and the potential financial effects will be updated after the EU had published the control timetable of products.

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Item	Implementation status
6. If there if any transition plan in response to the management of risks related to climate, please describe the content of the plan and the indicators used in identifying and managing physical risks and transition risks and objectives.	<ol style="list-style-type: none">1. TSRC focuses on the low-carbon transition to develop its climate change countermeasures and establish objectives related to climate. The descriptions are as follows: In terms of environmental initiatives<ol style="list-style-type: none">(1) Reduce total carbon emissions: TSRC has set Group-wide carbon reduction goals (Scope 1 + Scope 2), with the year 2011 as the baseline. The company plans to reduce emissions by 10% in 2025 and 22.5% in 2030. TSRC aims to achieve these carbon reduction targets gradually through continuous process optimization, reducing steam consumption, improving energy efficiency, using low-carbon fuels, and increasing the use of renewable energy. The carbon reduction target for 2025 has been achieved.(2) Increase the ratio of renewable energy: The Company plans to increase the consumption to achieve renewable energy consumption of 10% by 2025 and 30% by 2030. The renewable energy target for 2025 has been achieved.(3) Optimize water resource utilization: The Company is committed to improving wastewater recycling and reclaimed water consumption rate, and it is planned to achieve 40% by 2030. The target for 2025 has been achieved.For products<ol style="list-style-type: none">(1) Increase the proportion of new products: By introducing new products (including those with sustainable features and made from recycled materials), we aim to set a target of >15% for the proportion of new products in 2025 and achieve this goal by 2025.(2) Develop products that reduce environmental impacts: TSRC actively develops the use of recycled raw materials and plans to achieve 5% of the consumption ratio of recycled raw materials by 2025 and 15% by 2030, 4% has already been achieved in 2025. It continues to develop products with sustainability characteristics to reduce product carbon footprint and plans to achieve a ratio of products with sustainability characteristics to the total sales of 20% by 2025 and 40% by 2030. At present, 2025 has already reached 13%.2. For the details of the implementation status and description, please refer to the 2025 sustainability report or the sustainable development section on the corporate website. The Company will continue to evaluate environmental impacts, minimize climate risks, and realize its mid-and long-term targets for climate step by step.
7. If internal carbon pricing is used as the planning tool, please describe the foundation for the pricing.	<ol style="list-style-type: none">1. In response to the carbon pricing era, the Company continues to focus on price and development in the international carbon market. Considering the effects of carbon pricing on the operations of the Company and suppliers, In light of the financial impact, the Company adopts reasonable and supportive assumptions and applicable conditions for its internal carbon pricing.2. After careful internal evaluation, given that the short-term financial impact of carbon pricing on TSRC is at present primarily attributable to Taiwan' s carbon fee, and the Kaohsiung plant has obtained approval for the Voluntary Reduction Plan, which has qualified for Preferential Rate B, the Company has adopted the preferential rate of NTD 100 published by the Ministry of Environment and the projected rate change (NTD 1,800 from 2031 onwards) as the internal carbon pricing for Taiwan under the Stated Policies Scenario. The rate will be reviewed and dynamically adjusted on an annual basis in accordance with actual conditions at that time.3. For other production sites (i.e., Mainland China and the U.S.), as the carbon pricing policy implementation details that apply to TSRC are uncertain, the Company will continue to keep abreast of the development and updates. Regarding the price of internal carbon pricing, please refer to the description of the effects of financial impacts above.
8. If there are objectives related to climate established, please describe the activities covered, the scope of GHG emissions, the schedule, progress each year, and other information. If carbon offset or RECs are used to achieve relevant objectives, please describe the source of carbon dioxide limit offset or the quantity of RECs.	<ol style="list-style-type: none">1. In response to climate risks, the Company set up climate-related targets, including carbon reduction targets and renewable energy consumption targets (please refer to the description in paragraph 6), and the reduction of the (Scope 1 + Scope 2) GHG emissions of the Group is the primary target. To achieve carbon reduction goals in 2025, the company adopted several measures, including utilizing low-carbon fuels, activating solar power generation devices and combined heat and power systems, optimizing production processes, increasing the use of renewable energy, replacing energy-intensive machinery and equipment, and reducing energy consumption (including electricity and steam), successfully meeting the annual targets.2. In 2025, TSRC subsidiaries Shenhua Chemical, TSRC (Nantong) Industrial, and TSRC-UBE purchased 42,664.85 MWh, 31,528 MWh, and 11,500 MWh of green electricity, respectively, to offset Scope 2 indirect carbon emissions.
9. GHG inventory and assurance (please otherwise fill in 1-1).	

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1-1 Which details the greenhouse gas inventory and assurance status for the Company over the most recent two years.

years	Range	Scope 1(Category 1)			Scope 2(Category 2)			Scope 3(Category 3-6)			Assurance institution	Description of assurance
		Total emission (ton-CO ₂ e)	Intensity (ton-CO ₂ e per unit product)	Intensity (ton-CO ₂ e/Million NTD)	Total emission (ton-CO ₂ e)	Intensity (ton-CO ₂ e per unit product)	Intensity (ton-CO ₂ e/Million NTD)	Total emission (ton-CO ₂ e)	Intensity (ton-CO ₂ e per unit product)	Intensity (ton-CO ₂ e/Million NTD)		
2025	Parent company (Note 2)	116,947.7555	0.64		24,114.2973	0.13		365,406.5014	2.01		DNV GL Business Assurance Co., Ltd. (DNV)	Currently in confirmation and assurance. The complete confirmation information will be disclosed in the 2025 Sustainability Report or on the Company's website.
	Shen Hua Chemical Industrial Co., Ltd	7,977.9740	0.03		96,500.1786	0.35		729,557.2416	2.67			
	TSRC (Nantong) Industries Ltd	7,020.7784	0.10		102,196.8048	1.45		204,683.7683	2.91			
	TSRC-UBE (Nantong) Chemical Industrial Company Limited	3,246.0944	0.05		69,396.1023	1.02		159,753.5784	2.34			
	TSRC (Shanghai) Industries Ltd	29.3275	0.004	4.24	1,537.7507	0.21	8.66	24,278.5675	3.29	43.43		
	TSRC (Vietnam) Company Limited	Note 4	-		Note 4	-		Note 4	-			
	TSRC Specialty Materials LLC	19,474.9635	0.41		22,110.3646	0.47		100,233.8999	2.13			
	POLYBUS Corporation Pte Ltd	0.0000	Note 3		1.9913	Note 3		0.7136	Note 3			
	TSRC (Lux.) Corporation S.à r.l.	0.0000	Note 3		0.1175	Note 3		1.0511	Note 3			
2024	Parent company (Note 2)	107,440.1270	0.60		34,438.1227	0.19		358,629.2267	2.01		DNV GL Business Assurance Co., Ltd. (DNV)	According to various verification criteria, DNV believes that there are no significant discrepancies that do not comply with the verification standards.
	Shen Hua Chemical Industrial Co., Ltd	5,781.8703	0.03		91,750.1521	0.51		483,359.3566	2.67			
	TSRC (Nantong) Industries Ltd	7,763.5252	0.11		121,349.8721	1.77		202,930.3171	2.97			
	TSRC-UBE (Nantong) Chemical Industrial Company Limited	4,252.6594	0.06		82,971.6371	1.22		160,176.6043	2.35			
	TSRC (Shanghai) Industries Ltd	29.2628	0.004	4.07	1,472.9643	0.23	9.58	20,137.1351	3.08	35.79		
	TSRC (Vietnam) Company Limited	6.7107	0.005		1,011.3817	0.78		3,946.6669	3.06			
	TSRC Specialty Materials LLC	26,088.1095	0.55		23,425.0942	0.49		102,494.7375	2.15			
	POLYBUS Corporation Pte Ltd	0.0000	Note 3		1.0473	Note 3		0.3546	Note 3			
	TSRC (Lux.) Corporation S.à r.l.	0.0000	Note 3		0.1753	Note 3		0.9765	Note 3			

Note1: Direct emission (Scope 1, also referred to as category 1; refers to emission sources that the company owns or has control over), energy indirect emission (Scope 2, also referred to as category 2; refers to GHG emissions that are generated from use of electricity, heat, or steam), and other indirect emission (Scope 3, or category 3-6; refers to emissions generated from the company's activities that do not fall within the scope of energy indirect emission, but from emission sources owned or controlled by other companies). The calculation items of Scope 3 include Category 3 (indirect emissions from transportation) – emissions generated from upstream transportation and delivery (main raw materials) and Category 4 (indirect GHG emissions of products used by the organization) – emissions of products procured (main raw materials), emissions of activities in which the energy and resources are used (other than Category 1 and Category 2), and emissions generated from the clearance and processing of waste during the course of operation, and other material Scope 3 emissions.

Note2: The parent company includes the GHG emission of the Kaohsiung Plant, Gangshan Plant, and Global Business Headquarters(Taipei Office) in Taiwan.

Note3: Polybus Corporation Pte Ltd and TSRC (Lux.) Corporation S.à r.l., the two subsidiaries, mainly engage in holding and trading activities. Their operations take place in offices, not production sites, and they have no production output.

Note4: TSRC (Vietnam) did not conduct a greenhouse gas inventory in 2025 as the facility suspended business operations and ceased production since the end of December 2024.

Note5: ISO 14064-1:2018 released by International Organization for Standardization, ISO

Note6: Subsidiaries Shenhua Chemical, TSRC (Nantong) Industrial, and TSRC-UBE acquired 85,693 MWh of renewable energy in total through the purchase of Renewable Energy Certificates (Bundled).

Note7: According to electricity factors published by the competent authority in Mainland China, in 2024, TSRC (Nantong) Industrial quoted the average national electricity CO₂ emission factor (excluding non-fossil energy and electricity trading in the market), and Shenhua Chemical, TSRC-UBE, and TSRC Shanghai quoted the average national electricity CO₂ emission factor. Chemical. In 2025, Shenhua Chemical, TSRC (Nantong) Industrial, TSRC-UBE quoted the average national electricity CO₂ emission factor (excluding non-fossil energy and electricity trading in the market), TSRC Shanghai quoted Residual mix CO₂ emission factor of the public electricity grid.

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2. Greenhouse Gas Inventory Management Report

Independent Verification Opinion

Verification Opinion No.: C739497-2024-AG-TWN-DNV Issued Place and Date: Taipei, 31 March, 2025 Page 1 of 2

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2024) of

TSRC Corporation

Scope of Verification
DNV Business Assurance (DNV) has been commissioned by TSRC Corporation (hereafter "the Organization") to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2024) (hereafter the "Inventory Report") in Taiwan, R.O.C. with respect to the sites listed as below.

Site	Address
TSRC Corporation - Global Business Headquarter	18F-24F, 95, Sec. 2, Dunhua S. Rd., Taipei City 106, Taiwan R.O.C.
TSRC Corporation - Kaohsiung Factory	No. 2, Hsiao Kung Rd., Ta-Sha Industrial District, Kaohsiung City, Taiwan, R.O.C.
TSRC Corporation - Gangshan Factory	No. 39, Bengong 1st Rd., Gangshan District, Kaohsiung City, Taiwan, R.O.C.
Shen Hua Chemical Industrial Co., Ltd.	No. 1 Shen Hua Road, Nantong Economic & Technological Development Zone, Nantong, Jiangsu, P.R.China (PC: 226009)
TSRC (Shanghai) Industries Ltd.	No. 89 Niang Road, Nantong Economic & Technological Development Zone, Nantong, Jiangsu, P.R.China
TSRC-USE (Nantong) Chemical Industrial Co., Ltd.	1408 Yaohu Road, Nantong Economic & Technological Development Zone, Nantong, Jiangsu, P.R.China (PC: 226031)
TSRC (Nantong) Industries Ltd.	No.22 TongWang Road, Nantong Economic and Technological Development Zone, Nantong, Jiangsu, P.R.China (PC: 226017)
TSRC (Vietnam) Co., Ltd.	No. 8 VSP/Phu Street 31, Vietnam Singapore Industrial Park B/A, Vinh Tan Ward, Tan Uyen City, Binh Duong Province, Vietnam
TSRC Specialty Materials LLC - Factory in Plaquemine, Louisiana	21259 LA Highway 1, Plaquemine, LA 70764, U.S.A.
TSRC Specialty Materials LLC - Office	23072 Sherwood Lane, Newry TX 77464, U.S.A.
TSRC (Lux) Corporation S.à r.l.	99-43 Avenue de la Liberté L-1931 Luxembourg
Polybus Corporation Pte Ltd.	100 Peck Seah Street, #09-16, Singapore 079333

The Reporting Boundary for the verification including direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation, indirect GHG emissions from products used by the Organization and indirect GHG emissions associated with the use of products from the Organization. The further descriptions for the Reporting Boundary listed in Appendix A.

Verification Criteria and GHG Programme
The verification was performed on the basis of Financial Supervisory Commission Sustainable Development Roadmap Scheme in Taiwan and ISO 14064-1:2018 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting. The verification was conducted in accordance with ISO 14066:2023, ISO 14065:2020, ISO14064-3:2019.

Verification Opinion
It is DNV's opinion that the Inventory Report (2024), which was published on March 24, 2024 (V. 1), is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches:
For the Direct (Category/Scope 1) GHG emissions and Indirect GHG emissions from imported energy (Category/Scope 2), the reliability of the information within the Inventory Report (2024) was verified with reasonable level of assurance.
For the other indirect GHG emissions, the involved information was verified with limited level of assurance. Also, the GHG information as stated in Appendix B has been verified during the process.

GHG Verifier: Celine Wang
For the issuing office: DNV Business Assurance Co., Ltd.
Management Representative

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The issuing office: 25F, No. 293, Sec. 2, Weishua Rd., Banqiao District, New Taipei City 220, Taiwan Tel.: +886-2-82537800. <https://www.dnv.com/tw/>
DNV 2NATW-QP-F50, Rev. 14, 2025-03

APPENDIX A

The Reporting Boundary of TSRC Corporation Greenhouse Gas Inventory Management Report (2024)

Category	Subcategory	Boundary
Indirect GHG emissions from transportation	Upstream transportation and distribution of main raw materials	If determined as significant, considering domestic land transportation of main raw materials only paid by TSRC Corporation.
Indirect GHG emissions from products used by organization	Purchased goods – main raw materials	If determined as significant, considering upstream emissions of used raw materials defined by each site.
	Water, fuel-and-energy-related activities (not included in category 1 or 2)	If determined as significant, considering upstream emissions of purchased tap water, natural gas, LPG, fuel oil and electricity, according to each site related activities.
	Waste generated in operations	If determined as significant, consider emissions from the disposal treatment and transportation of solid and liquid waste.

The scope of other indirect emissions (other than Imported Energy with specified/limited list of sources) was defined by the Organization's own pre-determined criteria for significance of indirect emissions, considering the intended use of the GHG inventory.

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Supplement to Verification Opinion

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Supplement to Verification Opinion

Process and Methodology
The reviews of the Inventory Report and relevant documents, and the subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfillment of stated criteria.

Quantification of Greenhouse Gas Emission
The Inventory Report covering the period 1st January, 2024 to 31st December, 2024, it is DNV's opinion that GHG emissions and removals identified within the Reporting Boundary has been included in the Inventory Report as claimed in accordance with the verification criteria identified as stated above, and results in quantification of GHG emissions that are real, transparent and measurable.

Organizational Boundary of Verification
 Financial Management Control; Operational Management Control; Equity Share

GHGs Verified
 CO₂ CH₄ N₂O HFCs PFCs SF₆ NF₃

Quantification of Emissions
The Global Warming Potential (GWP) defined in AR6(2021) has been chosen and correctly referred by the Organization.

Category	Subcategory	tonnes CO ₂ e
1: Direct emissions		151,362.2649
2: Imported energy indirect emissions		360,432.3215
3: Indirect GHG emissions from transportation	Upstream transportation and distribution of main raw materials	837.8494
	Purchased goods – main raw materials	1,266,833.8218
4: Indirect GHG emissions from products used by organization	Water, fuel-and-energy-related activities (not included in Category 1 or 2)	48,398.5253
	Waste generated in operations	15,605.1787
Total		1,843,469.962

*In Taiwan, the Imported Energy Indirect Emissions was calculated based on 2023 electricity emission factor of 0.484 kg CO₂e/kWh, which was announced by Energy Administration, Ministry of Economic Affairs in 2024.
*In China, the Imported Energy Indirect Emissions was calculated based on the year 2022 national grid's average carbon emission factor of 0.5856 kg CO₂e/kWh (excluding market-traded non-fossil energy electricity) announced by the Ministry of Ecology and Environment of the PRC in 2024. However, the differences in the selection of the national average carbon emission factors for electricity, independently verified by various sites in China. Please see Appendix B for further details.
*In Luxembourg, the Imported Energy Indirect Emissions was calculated based on Luxembourg 2023 electricity emission factor of 0.056 kg CO₂e/kWh (IEA Greenhouse gas emission intensity of electricity generation in Europe, published: 25 October 2024, modified: 14 February 2025).
*In Singapore, the Imported Energy Indirect Emissions was calculated based on 2023 electricity emission factor of 0.412 kg CO₂e/kWh (Singapore's average CO₂ GSF, Energy Market Authority).
*In USA, the Imported Energy Indirect Emissions was calculated based on 2023 electricity emission factor of CO₂=738.415 t/MWh, CH₄=0.032 t/MWh, N₂O= 0.004 t/MWh, 1 b = 0.4359237 Kg (US EPA database SRM1 grid, last modified: 15 January 2025).
*In Viet Nam, the Imported Energy Indirect Emissions was calculated based on 2023 electricity emission factor of 0.6992 kg CO₂e/kWh, announced by Ministry of Natural Resources and Environment of Viet Nam.

Type of Opinion
 unmodified modified adverse

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APPENDIX B

TABLE 1: Direct emission

GHG type	GHG Emission (tons CO ₂ e)							Total
	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	
Total	147,464.0174	166,7209	74.6141	3,658.9124	0.0000	0.0000	0.0000	151,362.2649

TABLE 2: GHG emission of each site (tons CO₂e)

sites	Category 1	Category 2	Category 3	Category 4	total
	Direct Emissions	Imported Energy Indirect Emissions	Indirect GHG emissions from transportation	Indirect GHG emissions from products used by organization	
TSRC Corporation - Global Business Headquarter	1.3288	151.8208	NS	30.4692	183.619
TSRC Corporation - Kaohsiung Factory	107,426.6382	33,145.7547	273.7486	352,177.5379	493,023.679
TSRC Corporation - Gangshan Factory	12.1600	1,140.5472	0.3681	6,147.1029	7,300.178
Shen Hua Chemical Industrial Co., Ltd.	5,781.8703	91,750.1521	378.2577	482,981.0989	580,891.379
TSRC (Shanghai) Industries Ltd.	29.2628	1,472.9643	0.5664	20,136.5687	21,639.362
TSRC-USE (Nantong) Chemical Industrial Co., Ltd.	4,252.6594	82,971.6371	0.2651	160,176.3392	247,400.901
TSRC (Nantong) Industries Ltd.	7,763.5252	121,349.8721	0.1878	202,930.1293	332,043.714
TSRC (Vietnam) Co., Ltd.	6.7107	1,011.3817	7.7895	3,938.8774	4,964.759
TSRC Specialty Materials LLC - Factory in Plaquemine, Louisiana	26,087.8213	23,137.8691	176.6662	102,190.2018	151,582.558
TSRC Specialty Materials LLC - Office	0.2882	287.2251	NS	127.8695	415.383
TSRC (Lux.) Corporation S.à r.l.	0.0000	0.1753	NS	0.9765	1.152
Polybus Corporation Pte Ltd.	0.0000	1.0473	NS	0.3545	1.402

*NS : determined as non-significant
* This table presents the verified values of each factory. Among them, TN purchases renewable energy electricity (bundled), and therefore the indirect emissions were calculated based on the 2022 national grid's average carbon emission factor of 0.5856 kg CO₂e/kWh (excluding market-traded non-fossil energy electricity) announced by the Ministry of Ecology and Environment of the PRC in 2024. However, TU, Shen Hua, and Shanghai did not purchase renewable energy electricity. Their imported energy indirect emissions were calculated based on the national grid's average carbon emission factor for 2022, which is 0.5366 kg CO₂e/kWh, also announced in 2024 by the Ministry of Ecology and Environment of the PRC.

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Special items to be included

Any circumstances referred to in Paragraph 3(2) of Article 36 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the Company's securities

<7> Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons

Assessment Items	Status			Any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Abstract Description	
<p>I. Define the program for operation in good faith</p> <p>(1) Does the Company clearly state the policy and the practice of ethical corporate management in the regulations and external documents when formulating the ethical corporate management approved by the Board of Directors, and do the board of directors and senior management level actively implement the ethical corporate management policy?</p> <p>(2) Does the Company establish an evaluation mechanism for the risk of dishonesty behaviors, regularly analyzes and evaluates business activities with a higher risk of dishonesty behaviors in the business scope. Based on the mechanism, does the Company formulate a plan for preventing dishonesty behaviors, at least covering the preventive measures in the second paragraph of Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM listed companies?"</p> <p>(3) Does the Company clearly set up the operating procedures, behavior guidelines, punishment and appeal system for violations in the plan of preventing dishonesty, implement it, and regularly review and revise the above-mentioned plan?</p>	<p>√</p> <p>√</p> <p>√</p>		<p>1. The Board of the Company has established the "Code of Business Conduct" and "Code of Ethics" to state the philosophy and principles of ethical corporate management and establish specifications and structures for joint observation.</p> <p>2. The Company has established the "Risk Management Policy" and assess the risk level of different dishonesty behaviors. Following the assessment, the Company has established regulations such as "Management Procedure for Insider Trading", "Gift, Entertainment & Hospitality Policy", "Conflict of Interest Management Procedure", "Management Procedure for Antitrust Compliance", "RD Management Procedure" and "Patent Management Procedure", in which specifies the matters to be observed to prevent high risk dishonesty behaviors. In addition, the Company has established the "Supplier Assessment Procedure" to ensure the Suppliers will implement "TSRC Group Supplier Code of Conduct". The above-mentioned rules and regulations fully cover the prevention measures required in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p> <p>3. The Company communicates with and requires managerial officers and all employees to comply with the above-mentioned rules and regulations through our educational training programs, and the responsible superiors as well as legal, finance, human resource, and other departments shall monitor the execution; the Company also requires employees to regularly disclose and confirm their status of conflict of interest annually for the responsible superiors to make arrangements according to the requirements.</p> <p>4. The Company also has the "Management Procedure for Whistleblowing" and "Recognition and Discipline Management Procedure" in place to ensure the compliance of the above-mentioned rules and regulations by employees.</p>	No difference

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Special items to be included

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Assessment Items	Status		Abstract Description	Any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No		
<p>II. Fulfillment of operation in good faith</p> <p>(1) Has the Company assessed the ethical record of its partners and stipulated the ethical behavior clause in the contract?</p>	√		1. For counterparties of business transactions, the Company has established the "Supplier Assessment Procedure" to ensure the Suppliers will implement "TSRC Group Supplier Code of Conduct" .	No difference
<p>(2) Does the company have a dedicated unit to promote ethical corporate management under the Board of Directors, and regularly (at least once a year) report to the Board of Directors about its policy on ethical corporate management, plans to prevent dishonesty and monitor implementation?</p>	√		2. The Company has appointed a Corporate Governance Officer in accordance with the law aimed at promoting ethical corporate management in collaboration with the heads of various departments. The implementation status of ethical corporate management in 2025 was reported to the Board of Directors on November 6, where the implementation status of relevant measures has been published on the Company' s website.	
<p>(3) Has the Company stipulated policies to prevent the conflict of interest, provided an adequate complaint channel and ensured by its proper implementation?</p>	√		3. The Company has established its " Conflict of Interest Management Procedure " that requires Directors, managerial officers, and employees to complete the questionnaires for the disclosure of conflict of interests each year; For any conflict of interests, such parties involved shall make declarations actively and recuse themselves according to the requirements. In 2025, a total of 392 individuals completed the Declaration of Compliance with Ethical Corporate Management and the Conflict-of-Interest Survey and Declaration at regular intervals, with 1 case of voluntary disclosure filed with the Company.	
<p>(4) Does the Company establish an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal auditing system. Based on the results of the assessment of the risk of dishonesty behaviors, the audit unit should draw up relevant audit plans, and based on it, check if the plan of preventing dishonest behavior is followed, or commission an accountant to perform the check?</p>	√		4. The accounting system and the internal control system of the Company are established according to the requirements of the competent authority, and the Company prepares its financial reports according to the International Accounting Standards. The internal audit department regularly evaluates risks and prepares audit plans according to the "internal control system," regularly performs audits regarding the compliance status of the system above, prepares audit reports and submits them to the Audit Committee and the Board.	No difference

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Assessment Items	Status			Any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies																																																								
	Yes	No	Abstract Description																																																									
(5) Has the Company regularly organized internal and external education and training concerning ethical management?	√		<p>5. In an effort to promote the Company's ethical corporate management policy, the ethical corporate management-related education and training programs organized by the Company in 2025 are listed as follows:</p> <table border="1"> <thead> <tr> <th>Program(s)</th> <th>Hours</th> <th>Number of re-quired attendances</th> <th>Complete the course</th> </tr> </thead> <tbody> <tr> <td>The Mindset of Combating Corporate Corruption and Strengthening Corporate Governance</td> <td>1.5</td> <td>214</td> <td>213</td> </tr> <tr> <td>Corporate Governance and Anti-Corruption Training</td> <td>1.5</td> <td>120</td> <td>120</td> </tr> <tr> <td>Anti-Bribery and Anti-Corruption</td> <td>0.42</td> <td>111</td> <td>111</td> </tr> <tr> <td>Anti-Money Laundering and Anti-Fraud</td> <td>1.5</td> <td>NA</td> <td>70</td> </tr> <tr> <td>Workplace Sexual Harassment</td> <td>0.75</td> <td>93</td> <td>93</td> </tr> <tr> <td>Trade Sanctions</td> <td>0.42</td> <td>18</td> <td>17</td> </tr> <tr> <td>Official Gifts and Hospitality</td> <td>0.25</td> <td>257</td> <td>255</td> </tr> <tr> <td>Antitrust Laws</td> <td>0.5</td> <td>8</td> <td>8</td> </tr> <tr> <td>Conflicts of Interest and Disclosure</td> <td>0.25</td> <td>18</td> <td>18</td> </tr> <tr> <td>Personal Data Management and Protection</td> <td>0.33</td> <td>353</td> <td>349</td> </tr> <tr> <td>Prevention of Sexual Harassment in the Workplace</td> <td>0.25</td> <td>651</td> <td>651</td> </tr> <tr> <td>Introduction to TSRC Management Procedures for Insider Trading</td> <td>0.5</td> <td>8</td> <td>8</td> </tr> <tr> <td>Case Studies on Insider Trading</td> <td>NA</td> <td>208</td> <td>208</td> </tr> </tbody> </table>	Program(s)	Hours	Number of re-quired attendances	Complete the course	The Mindset of Combating Corporate Corruption and Strengthening Corporate Governance	1.5	214	213	Corporate Governance and Anti-Corruption Training	1.5	120	120	Anti-Bribery and Anti-Corruption	0.42	111	111	Anti-Money Laundering and Anti-Fraud	1.5	NA	70	Workplace Sexual Harassment	0.75	93	93	Trade Sanctions	0.42	18	17	Official Gifts and Hospitality	0.25	257	255	Antitrust Laws	0.5	8	8	Conflicts of Interest and Disclosure	0.25	18	18	Personal Data Management and Protection	0.33	353	349	Prevention of Sexual Harassment in the Workplace	0.25	651	651	Introduction to TSRC Management Procedures for Insider Trading	0.5	8	8	Case Studies on Insider Trading	NA	208	208	
Program(s)	Hours	Number of re-quired attendances	Complete the course																																																									
The Mindset of Combating Corporate Corruption and Strengthening Corporate Governance	1.5	214	213																																																									
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Assessment Items	Status			Any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Abstract Description	
III. Status of the Company's reporting mechanism. (1) Has the Company stipulated a specific reporting and reward system, established a convenient reporting channel and assigned appropriate personnel to the accused? (2) Does the Company establish standard operating procedures of investigations to receive reports, follow-up measures after the investigation is completed, and related confidentiality mechanisms? (3) Has the Company taken measures to protect the reporter from being wrongfully treated?	√		1. The Company has not only established the "Management Procedures for Whistleblowing" and set up a public whistleblowing mailbox on the Company's website, but also accepts whistleblowing reports submitted by mail. The Procedures stipulate that a dedicated person shall be assigned to handle whistleblowing cases and that investigations must be conducted with the identity of the whistleblower kept confidential. 2. For any illegal or unethical behaviors, the Company will investigate and discipline the violator in an objective, just and rigorous manners. The Company will upgrade relevant regulations and management procedures based on the learnings of any violations so that we can keep that happening again. The Company will take legal actions to protect its rights, interests and good reputation, if necessary. 3. The Procedures expressly require that all cases shall be handled confidentially and prohibit retaliation against whistleblowers. Relevant regulations are also specified on the whistleblower mailbox section of the Company's website.	No difference
IV. Enhance the disclosure of information Has the Company disclosed the performance of its ethical management on the Company website and the MOPS?	√		The Company discloses its "Code of Business Ethics", "Code of Ethics" relevant management procedures, and the implementation status on the corporate website.	No difference
V. If the Company has defined its ethical corporate management practice in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please state the operation thereof and difference between the Principles and the practice defined by the Company: The company operates in accordance with the 'Code of Ethics' and the 'Integrity Management Guidelines, there is no difference.				
VI. Any other important information helpful to comprehend the Company's operation in good faith: None.				

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<8> Other crucial information to better understand the implementation of corporate governance

1. Continuing Education

Job title	Name	Date of Training	Organizer	Course/Seminar	Hours
Chairman	Nita Ing	November 28, 2025.	Securities and Futures Institute	New Trends in AI and Corporate AI Transformation	3
				Recent Developments and Applications of AI	3
Director	John Huang	November 28, 2025.	Securities and Futures Institute	New Trends in AI and Corporate AI Transformation	3
				Recent Developments and Applications of AI	3
Director	Charles Y.Huang	November 28, 2025.	Securities and Futures Institute	New Trends in AI and Corporate AI Transformation	3
				Recent Developments and Applications of AI	3
Director	Monling Lee	July 10,2025	Taiwan Corporate Governance Association	Risk Management - Nature-related Risk Analysis and Circular Economy	3
		October 29,2025	Taiwan Corporate Governance Association	Trump 2.0 - Global Economic and Industry Outlook	3
		November 28, 2025	Securities and Futures Institute	New Trends in AI and Corporate AI Transformation	3
Recent Developments and Applications of AI	3				
Independent Director	Sean Chao	August 29, 2025	Business Council for Sustainable Development, Taiwan	Launch Event for the Analysis Report on Questions Concerning IFRS S2 Mapping to CDP	3
		November 28, 2025.	Securities and Futures Institute	New Trends in AI and Corporate AI Transformation	3
Recent Developments and Applications of AI	3				
Independent Director	Rex Yang	November 28, 2025	Securities and Futures Institute	New Trends in AI and Corporate AI Transformation	3
				Recent Developments and Applications of AI	3
Independent Director	Ellen Tsai	July 29,2025	Taiwan Academy of Banking and Finance	Seminar on Financial Fraud Prevention and Treating Customers Fairly	3
		August 18, 2025	Taiwan Academy of Banking and Finance	Management Trends in Anti-Money Laundering and Countering the Financing of Terrorism in the Financial Industry and Challenges in Deepening the Internal Ratings-based Approach	3
		November 28, 2025	Securities and Futures Institute	New Trends in AI and Corporate AI Transformation	3
Recent Developments and Applications of AI	3				

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Job title	Name	Date of Training	Organizer	Course/Seminar	Hours
Corporate Governance Officer	Iting Tsai	March 5, 2025	Securities and Futures Institute	Introduction to Recent Cases of Corporate Control Disputes	3
		May 22, 2025	Securities and Futures Institute	Dual-axis Transformation for Strengthening Organizational Resilience: AI Governance and Sustainability Governance	3
		September 25, 2025	Taiwan Institute for Sustainable Development	Corporate Governance and Regulatory Governance - Corporate Governance and Regulatory Case Practice	3
		November 28, 2025.	Securities and Futures Institute	New Trends in AI and Corporate AI Transformation	3
				Recent Developments and Applications of AI	3
		December 10, 2025	Taipei Bar Association	2025 Corporate Governance Forum: Corporate Governance in a Changing Environment	3

2. **The Company continues to improve its corporate governance operation. Apart from announcing relevant information according to the requirements of the competent authority, it also regularly makes updates in the "investor relations" and "corporate governance" sectors on its website.**

3. **Procedures for handling material inside information**

The Company has implemented "Procedures for handling materials inside information" to establish a sound mechanism for the handling and disclosure of material inside information. The Procedures have been announced and made accessible internally, and apply to all directors, supervisors, managerial officers, and employees of the Company, and any other person who acquires knowledge of the Company's material inside information due to their position, profession, or relationship of control. The Company has also conducted educational campaigns or training programs to promote the awareness of these procedures and relevant laws and regulations.

<9> Implementation of the Company's internal control system

1. A statement of Internal Control

Please refer to Market Observation Post System (<https://mops.twse.com.tw>)

Path: Individual Company > Corporate Governance > Corporate Rules/Internal Control > Internal Control Statement Announcement

2. Hiring CPA to carry on a special audit of the internal control system: No

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<10> The important resolutions made by shareholders' regular meetings and board of directors' meeting in 2025 and until the annual report being published.

1. The important resolutions made by shareholders' regular meetings in 2025	The status of implementation
(1) To approve the 2024 Business Report and Financial Statements	Resolutions approved.
(2) To approve the 2024 earnings distribution	Resolved, by the Board of Directors, to set July 7, 2025 as the ex-dividend date for the distribution of cash dividends of NT\$0.63 per share and the payment date is July 18, 2025.
(3) Proposal for the amendment to the "Articles of Incorporation" of the Company	Became effective after the resolution was made at the shareholders' meeting
(4) Amendment of the "Procedures for Lending Funds to Other Parties" of the Company.	Became effective after the resolution was made at the shareholders' meeting

2. Important resolutions made by board of directors' meeting	
Date	Important resolutions
May 08, 2025	· Resolved to approve the financial report for the 1st quarter of FY2025.
August 07, 2025	· Resolved to approve the financial report for the 2nd quarter of FY2025. · Resolved to approve the Capital Increase by Capital surplus of Shen Hua Chemical Industrial Co., Ltd.
November 06, 2025	· Resolved to approve the financial report for the 3rd quarter of FY2025. · Resolution to approve the release of non-competition restriction on managers serving as Directors . · Resolution to approve the change of spokesperson.
December 04, 2025	· Resolution to approve the issuance of new shares through the capitalization of retained earnings by subsidiary Trimurti Holding Corporation.
March 05, 2025	· Resolved to approve the consolidated financial statements for FY 2025. · Resolved to approve the 2026 annual meeting of shareholders. · Resolved to approve the earnings distribution for FY 2025.

<11> Whether any director or supervisor has shown dissent against any important resolution made by the Board of Directors, which is also included in a written statement or recorded resolution in 2025 and until the annual report being published : None

IV. Information regarding TSRC's audit fees

<1> Information about audit fee and non-audit fee paid to CPA and the accounting firm, and its affiliates:

Unit: thousand NTD

Name of the accounting firm	Name of the CPA	CPA's audit period	Audit fee	Non-audit fee	Total	Remarks
Deloitte & Touche	Tza-Li Gung	January 1, 2025 to December 31, 2025	8,350	2,560	10,910	Others under the Non-audit fee primarily consist of ESG assurance, advisory fees, and tax certification fees.
	Li-Yuan Kuo					

<2> The audit fees paid for the fiscal year with accounting firm changed has decreased compared to the previous year : Not applicable

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<3> If the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more : Not applicable

V. Information on replacement of CPA: None

VI. Chairman, CEO, or managers in charge of the Company's finance or accounting matters in the most recent year held a position at the accounting firm or any of its affiliated Company: None

VII. Changes in Shareholding by Directors, Management and Shareholders with 10% Shareholdings or More

Please refer to Market Observation Post System (<https://mops.twse.com.tw>)

Path: Individual Company > Changes in Equity/Securities Issuance > Shareholding/Pledge/Transfer by Directors, Supervisors, and Major Shareholders

Information on related parties as counterparties in equity transfer and equity pledge: None

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VIII. Disclosure of Interrelationship among top 10 largest shareholders

March 31, 2026

Name	Share(s) held personally		Shares currently held by their spouses and children of minor age		Shares held in another person's name		Names and relationship of any of the top ten shareholders and their spouses or relatives of 2nd degree of relationship who are related defined in the Statement		Remarks
	Share (s)	(%)	Share (s)	(%)	Share (s)	(%)	Name/name	Relationship	
Bunker Industry Inc. Representative: Liu Gui Ying	69,524,417	8.42	0	-	0	-	Han-De Construction Co., Ltd. Wei-Dar Development Co., Ltd. Tamerton Group Limited Miriton Investment Limited	Related-party	
Han-De Construction Co., Ltd. Chairman: MaoShi Corporation	63,093,108	7.64	0	-	0	-	Bunker Industry Inc. Wei-Dar Development Co., Ltd. Tamerton Group Limited Miriton Investment Limited	Related-party	
							Wei-Dar Development Co., Ltd.	Chairman of the same person	
Wei-Dar Development Co., Ltd. Chairman: MaoShi Corporation	53,708,923	6.50	0	-	0	-	Bunker Industry Inc. Han-De Construction Co., Ltd. Tamerton Group Limited Miriton Investment Limited	Related-party	
							Han-De Construction Co., Ltd.	Chairman of the same person	
Formosa Petrochemical Corporation Chairman: Cao Ming	41,201,000	4.99	0	-	0	-	None	None	
Tamerton Group Limited Representative: Wang, Hui-Ling	34,578,143	4.19	0	-	0	-	Bunker Industry Inc. Han-De Construction Co., Ltd. Wei-Dar Development Co., Ltd. Miriton Investment Limited	Related-party	
Hao Ran Foundation Chairman: Nita Ing	28,171,319	3.41	0	-	0	-	None	None	
Miriton Investment Limited Representative: Wang,Hui-Ling	14,151,148	1.71	0	-	0	-	Bunker Industry Inc. Han-De Construction Co., Ltd. Wei-Dar Development Co., Ltd. Tamerton Group Limited	Related-party	
JPMorgan Chase Bank Taipei Branch in custody of Advanced Starlight Advanced Aggregate International Stock Index Fund	8,126,009	0.98	0	-	0	-	None	None	

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Name	Share(s) held personally		Shares currently held by their spouses and children of minor age		Shares held in another person's name		Names and relationship of any of the top ten shareholders and their spouses or relatives of 2nd degree of relationship who are related defined in the Statement		Remarks
	Share (s)	(%)	Share (s)	(%)	Share (s)	(%)	Name/name	Relationship	
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds, under custody of JPMorgan Chase Bank, N.A., Taipei Branch	7,272,940	0.88	0	-	0	-	None	None	
Chen, Jin-Hui	4,024,000	0.49	0	-	0	-	None	None	

IX. Equity investment and shareholding information held by the Company, its directors, managers and directly/indirectly owned subsidiaries

Unit: shares; %

Investees (Note)	Investment by the Company		Investment by directors, managers and enterprises directly or indirectly controlled by the Company		Total investment	
	Share(s)	(%)	Share(s)	(%)	Share(s)	(%)
Trimurti Holding Corporation	99,520,000	100.00	-	-	99,520,000	100.00
Hardison International Corporation	3,896,305	100.00	-	-	3,896,305	100.00
Dymas Corporation	1,161,004	19.48	4,798,566	80.52	5,959,570	100.00
TSRC (Vietnam) Co., Ltd.	N/A	54.31	N/A	45.69	N/A	100.00

Note: Long-term investments accounted for using the equity method.

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I. Capital and shares

<1> Source of capital stock

March 31, 2026

Year/ month	Issue price (NTD)	Authorized stock capital		Paid-in capital		Remarks		
		Shares(s) (1,000 shares)	Amount (NTD1,000)	Shares(s) (1,000 shares)	Amount (NTD 1,000)	Source of stock capital	Property other than cash offset against capital	Other
July 1973	10	20,000	200,000	5,100	51,000	Incorporation of Company		
June 1974	10	20,000	200,000	13,200	132,000	Increase of NTD 51,000,000	Technical cooperation remuneration transferred to capital stock NTD 30,000,000	
February 1975	10	20,000	200,000	20,000	200,000	Increase of NTD 61,928,000	Technical cooperation remuneration transferred to capital stock NTD 6,072,000	
Novem- ber 1975	10	40,000	400,000	30,000	300,000	Increase of NTD 100,000,000		
Decem- ber 1975	10	40,000	400,000	40,000	400,000	Increase of NTD 100,000,000		
July 1976	10	60,000	600,000	50,000	500,000	Increase of NTD 100,000,000		
April 1977	10	60,000	600,000	54,000	540,000	Increase of NTD 40,000,000		
July 1980	10	110,000	1,100,000	73,238	732,380	NTD 14,000,000 transferred from earnings NTD 52,380,000 transferred from capital		
Septem- ber 1981	10	110,000	1,100,000	92,300	923,000	Increase of NTD 16,980,000 NTD 173,640,000 transferred from earnings		Issue date: May 18,1981
April 1982	10	120,000	1,200,000	116,000	1,160,000	Increase of NTD 135,470,000 NTD 101,530,000 transferred from capital		Listed date: September 25, 1982
October 1983	10	121,800	1,218,000	121,800	1,218,000	NTD 58,000,000 transferred from capital		
Septem- ber 1984	10	145,000	1,450,000	127,890	1,278,900	NTD 60,900,000 transferred from capital		
August 1985	10	145,000	1,450,000	140,679	1,406,790	NTD 63,945,000 transferred from earnings NTD 63,945,000 transferred from capital		

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Year/ month	Issue price (NTD)	Authorized stock capital		Paid-in capital		Remarks		
		Shares(s) (1,000 shares)	Amount (NTD1,000)	Shares(s) (1,000 shares)	Amount (NTD 1,000)	Source of stock capital	Property other than cash offset against capital	Other
Septem- ber 1986	10	164,200	1,642,000	164,200	1,642,000	Increase of NTD 80,463,000 NTD 119,577,000 transferred from earnings NTD 35,170,000 transferred from capital		
July 1987	10	201,966	2,019,660	201,966	2,019,660	NTD 344,820,000 transferred from earnings NTD 32,840,000 transferred from capital		
August 1988	10	238,319	2,383,199	238,319	2,383,199	NTD 363,539,000 transferred from earnings		
August 1989	10	274,068	2,740,679	274,068	2,740,679	NTD 357,480,000 transferred from earnings		
October 1991	10	306,956	3,069,560	306,956	3,069,560	NTD 328,881,000 transferred from earnings		
August 1995	10	550,000	5,500,000	369,700	3,697,000	NTD 627,440,000 transferred from earnings		
July 1997	10	550,000	5,500,000	502,900	5,029,000	NTD 1,332,000,000 transferred from earnings		
July 1998	10	750,000	7,500,000	580,487	5,804,870	NTD 775,870,000 transferred from earnings		Authorized stock capital includes convertible corporate bonds totaling 100 million shares
July 1999	10	750,000	7,500,000	609,511	6,095,114	NTD 290,244,000 transferred from earnings		June 29, 1999 Approved by the official letter under (88) Tai- Tsai-Cheng (1) No. 59287
June 2006	10	750,000	7,500,000	649,909	6,499,095	NTD 403,981,000 transferred from earnings		Approval by letter under Chin-Kuan- Cheng- Yi-Tze No. 0950124967 dated June 20, 2006
June 2011	10	900,000	9,000,000	714,900	7,149,004	NTD 649,909,000 transferred from earnings		Approval by letter under Chin-Kuan- Cheng- Yi-Tze No. 1000028593 dated June 22, 2011

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Year/ month	Issue price (NTD)	Authorized stock capital		Paid-in capital		Remarks		
		Shares(s) (1,000 shares)	Amount (NTD1,000)	Shares(s) (1,000 shares)	Amount (NTD 1,000)	Source of stock capital	Property other than cash offset against capital	Other
June 2012	10	900,000	9,000,000	786,390	7,863,904	NTD 714,900,000 transferred from earnings		Approval by letter under Chin-Kuan- Cheng- Ya-zi No. 1010027239 dated June 19, 2012
June 2014	10	900,000	9,000,000	825,709	8,257,099	NTD 393,195,000 transferred from earnings		Approval by letter under Chin-Kuan- Cheng- Ya-zi No. 1030023928 dated June 25, 2014
June 2019	10	1,200,000	12,000,000	825,709	8,257,099			

March 31, 2026

Type of shares	Authorized stock capital (shares)			Remarks
	Listed Shares	Non-listed shares	Total	
Common stocks	825,709,978	374,290,022	1,200,000,000	
Preferred stocks	-	-	-	

Information related to general report system: Not applicable

<2> Major shareholders

March 31, 2026

Shareholders	Shares	Shares held	Stake (%)
Bunker Industry Inc.		69,524,417	8.42
Han-De Construction Co., Ltd.		63,093,108	7.64
Wei-Dar Development Co., Ltd.		53,708,923	6.50
Formosa Petrochemical Corporation		41,201,000	4.99
Tamerton Group Limited		34,578,143	4.19
Hao Ran Foundation		28,171,319	3.41
Miriton Investment Limited		14,151,148	1.71
JPMorgan Chase Bank Taipei Branch in custody of Advanced Starlight Advanced Aggregate International Stock Index Fund		8,126,009	0.98
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds, under custody of JPMorgan Chase Bank, N.A., Taipei Branch		7,272,940	0.88
Chen, Jin-Hui		4,024,000	0.49

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Any circumstances referred to in Paragraph 3(2) of Article 36 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the Company's securities

<3> Company Dividend Policy and Implementation

1. Dividend policy

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 unretained 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.

In line with the Company's long-term capital planning strategy, and adhering to principles of stability and balance, the Company has allocated 50% to 60% of the after-tax net profit for the fiscal year as cash dividends to shareholders in recent years.

2. Distribution of dividends scheduled at the shareholders' annual meeting

The Board of Directors of the Company, in line with the Company's operational development and considering shareholder interests, intends to distribute a cash dividend of NT\$0.27 per share. Submitted to the 2026 Shareholders' Meeting for Report.

<4> Effect upon business performance and EPS of stock dividend distribution plans drafted at the shareholders' annual meeting: Not applicable.

<5> Employees' compensation and directors' remuneration

1. In accordance with the Article 28-1 of the Company's articles of incorporation, 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.

2. The amount of the employee's and Directors' remuneration compensation in 2025 is estimated at a certain ratio according to the profit and loss of the current year. The remuneration of the director is accounted for by the expected amount. If there is a discrepancy between the above-estimated amount and the actual issued amount, it will be treated according to the changes in accounting estimates and recorded in the year of issuance.
3. Board of Director Resolutions on Compensations:
 - (1) In 2025, the Company distributed remunerations of employees and remunerations of Directors in cash of NT\$30,160 thousand and 0; the amounts are in line with the estimated amounts during the year of recognition.
 - (2) The Company does not distribute employees' remuneration in stock in 2025.
4. The actual distribution of the remunerations of employees and Directors for the preceding year:

In 2024, the Company distributed remunerations of employees and remunerations of Directors in cash of NT\$62,289 thousand and 0; the amounts are in line with the estimated amounts during the year of recognition.

<6> Share repurchases: None

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- II. Corporate bonds: None
- III. Preferred stocks Status: None
- IV. Global depository receipts Status: None
- V. Employee stock options Status: None
- VI. Restricted Stock Awards Status: None
- VII. Status of issuance of new shares for mergers or acquisitions of other companies: None
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I. Business overview

<1> Business Scope

1. Major business and product lines:

The business focuses on developing, manufacturing and selling various synthetic materials, including:

- (1) Synthetic rubber and elastomers: E-SBR, S-SBR, BR and TPE
- (2) Applied Materials

2. Product Portfolio

Unit: thousand NTD

Items	Revenue in 2025	Total Turnover(%)
Synthetic rubber and elastomers	35,808,259	98%
Applied materials	664,689	2%
Total	36,472,948	100%

3. Planned Developments of New Products

- 1 TSRC is actively advancing next-generation technology platforms, investing in the development of new-generation eco-friendly S-SBR and Li-BR rubber products to meet the growing needs for high-performance and electric vehicle tires.
- 2 Continuously expand the application fields of BR products, enhance energy efficiency and high wear resistance, and meet the needs of footwear and tire customers.
- 3 Development of high-value-added differentiated SBC products is underway, including applications in medical-grade materials and Oil Additives and sanitary products.
- 4 Development of functional film materials suitable for medical and electronic products is also progressing, Provide sustainable and customized solutions.

<2> Industry Overview:

1. Global Economic Environment

In 2025, the global economy was affected by U.S. tariff policies and geopolitics, with rising trade costs dampening consumer confidence and prompting businesses to adopt a wait-and-see approach toward production and investment activities in response to high policy uncertainty. The global economy maintained slow growth amid divergent forces. Ongoing global geopolitical conflicts, compounded by the impact of tariffs, further intensified the already challenging economic conditions in China, with persistently weak domestic demand and the export of excess capacity exacerbating competition in global markets. The overall environment was particularly unfavorable for export-oriented Asian manufacturers.

Looking ahead to 2026, as tariff measures gradually become clearer and uncertainty decreases, businesses are expected to resume some investment and production planning. Major central banks have also begun to implement more accommodative monetary policy adjustments, and the impact of interest rate cuts is expected to gradually transmit to the real economy. The International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD) have projected global economic growth rates of 3.3% and 2.9% for 2026, respectively, indicating that the global economy will maintain a moderate growth trajectory. However, downside risks arising from policy and economic variables persist. The Russia-Ukraine war shows no signs of ceasing, and the outbreak of conflict in the Middle East has impacted global shipping and supply chains, with the blockage of key shipping routes triggering uncertainty in oil and gas supplies. In China, structural issues continue to spill over, including weak domestic demand and investment confidence, subdued employment and real estate markets, and unresolved debt pressure on local governments, causing its economic momentum to continue weakening. The European region faced rising energy costs and inflationary pressures, with economic recovery continuing to be hindered.

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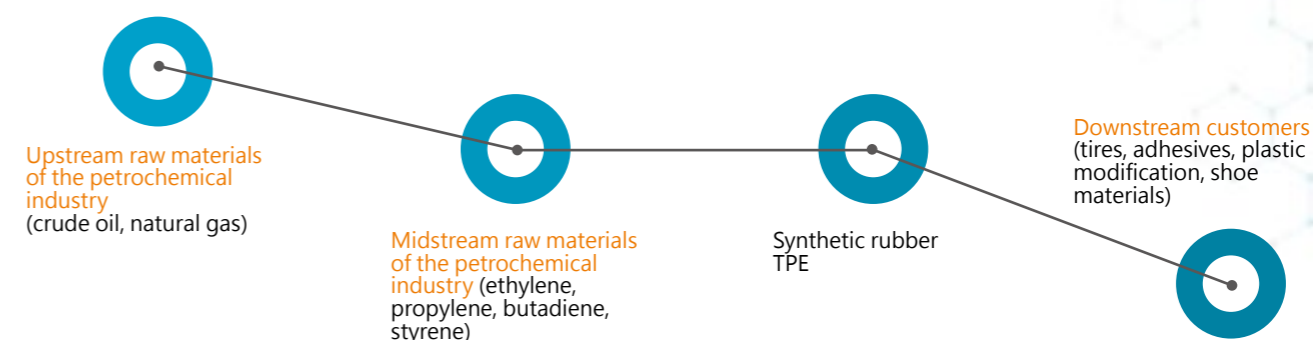
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Review and analysis of the Company's financial position and financial performance, and risk management

Special items to be included

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2. Relevance of the industry's upstream, midstream and downstream:



Upstream raw materials of the industry are crude oil and natural gas. Midstream raw materials refer to raw materials produced by cracking "petrochemical primary raw materials" e.g. naphtha, followed by reactions such as polymerization, oxidation, and synthetization. The downstream of petrochemical industry processes midstream raw materials to produce plastics, chemical fibers, rubbers, and other chemical products such as tires, plastic modification, adhesives, shoe materials and other industrial goods.

3. Current Industry Status and Outlook:

In 2025, the global economy continues to face numerous challenges, including structural issues in China's economy, weak demand, and tariff protection measures. The automobile and tire markets, which are highly relevant to TSRC, were affected by tariffs and weak sales in China. Although the Chinese government continued to introduce consumption stimulus policies, corporate orders remained generally conservative. New production capacity in the petrochemical and synthetic rubber industries continues to be released, but demand has not grown in tandem, exacerbating the oversupply and resulting in low capacity utilization. The spillover of excess capacity from China has intensified regional competition, placing significant pressure on industry profitability.

Geopolitical polarization and fragmentation are expected to persist through 2026 without immediate relief. Ongoing regional conflicts will continue to disrupt supply chains, while crude oil, which is closely linked to TSRC's primary raw material costs, faces supply volatility. These factors are projected to impact the supply and cost stability of key raw materials, such as butadiene, in the short term. On the other hand, gradually stabilizing global tariff policies are still expected to drive a slow but steady global economic recovery. Demand in the automotive and tire markets continues to expand, especially with relatively stable growth in the Asian region, which is conducive to driving demand for specialty rubber and related materials. However, as structural issues in China's economy show no improvement and industrial overcapacity remains unregulated, the large-scale export of production capacity at low prices will continue to have an adverse impact on the petrochemical and rubber industries. Although the markets in which TSRC operates face short-term pressures, the medium-to-long-term demand for high-performance electric vehicle (EV) tires, sustainable bio-products, and medical material applications will continue to inject long-term growth momentum into the industry.

In the face of a complex and rapidly evolving competitive environment, the Company will leverage thorough coordination across sales, production, and procurement, and work in close collaboration with key customers on supply, technical services, logistics, and cost management to continue deepening long-term cooperative relationships. Concurrently, the Company will actively optimize production quality and product performance to meet customers' expectations for top-notch products. Looking forward, the Company will continue to promote new technological platforms and application R&D and accelerate the commercial production of high-value-added product applications while actively developing sustainable product solutions.

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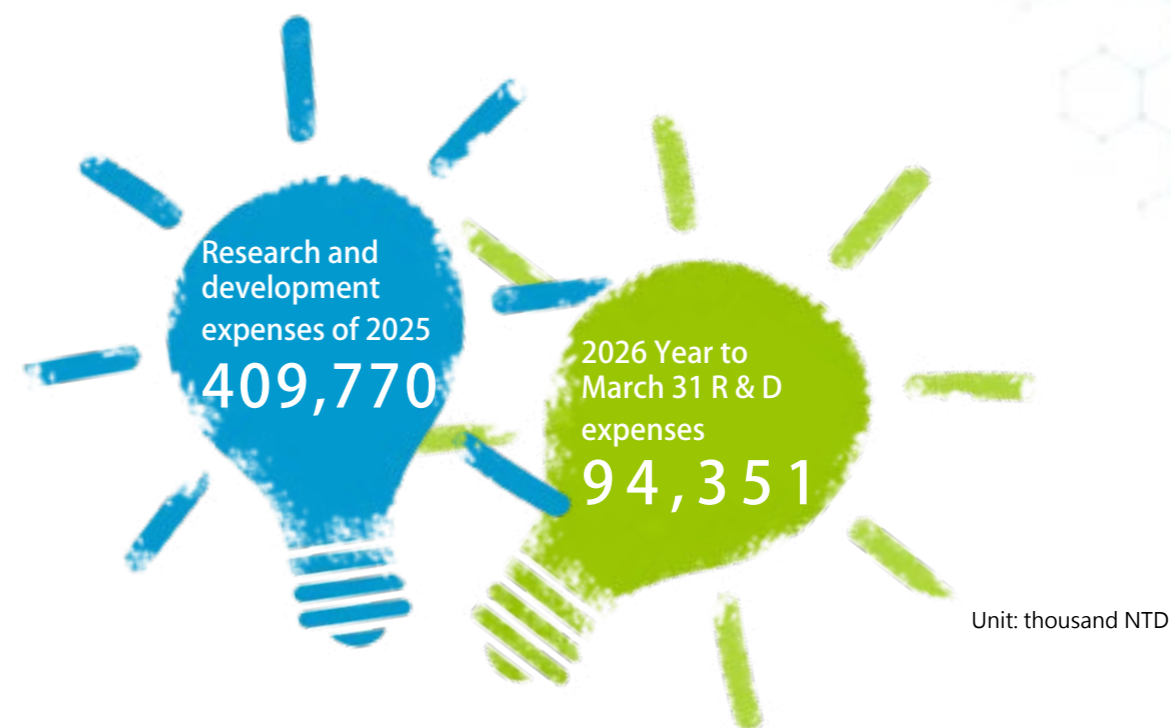
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<3> Overview of technology and R&D

1. R&D expenses



2. Successfully developed technology or products

Item	Result
Patents	<ul style="list-style-type: none">· There are 8 patents granted for this year.
Development of new generation rubber materials	<ul style="list-style-type: none">· Commercialized third-generation high-performance S-SBR/Li-BR products for full market launch and application as they demonstrate excellent ultra-low rolling resistance performance.· Thanks to breakthroughs in next-generation technology, the fourth-generation high-performance materials have been validated by several international tire manufacturers and have entered the factory testing phase.
Development of tires for new energy vehicles.	<ul style="list-style-type: none">· Developed new energy vehicle application technologies covering summer, winter, and all-season requirements and established a comprehensive guide on EV tire solutions.· The utilization of structural control technology enables an optimal balance among rolling resistance, wear resistance, and processability in materials, which are key considerations for new energy vehicles.
Product optimization - ESB/BR	<ul style="list-style-type: none">· Successfully developed bio-circular (ISCC PLUS certified) E-SBR and BR products to reduce reliance on traditional petrochemical raw materials. Having successfully passed audit and certification by major international manufacturers, these products incorporate renewable raw materials while maintaining core rubber performance, effectively meeting customer demand for sustainable materials.· Completed the second-source verification of critical raw materials, effectively reducing supply chain risks and optimizing the cost structure.

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Item	Result
Development of high-value Styrene-Butadiene Copolymer (SBC) products	<ul style="list-style-type: none">· Develop a new generation of crosslinkable SBC technology to create UV-curable adhesive solutions with high temperature resistance, high shear strength, and good adhesion, enhancing product competitiveness in the advanced tape market.· By utilizing diblock technology optimization, the viscosity stability and oil resistance of cable filling adhesives have been successfully improved, demonstrating the company's leading strength in the research and development of high-performance polymer materials and laying a technical foundation for applications in the high-speed communication and smart energy markets.· Through solvent polarity adjustment technology, a new SBS/SIS process with high vinyl content was successfully established at the U.S. plant, enhancing product added value, profit structure, and market competitiveness.· Successfully established the design methodology for high-flow SBC, which is centered upon the development of structure-performance simulation and material design tools, while demonstrating superior processability and adhesive performance in adhesive applications compared to existing SEBS grades.
Development of ESG shoe material product	<ul style="list-style-type: none">· Developed thermoplastic elastomers with GRS-certified recycled content (r-TPE) and secured commercial orders, realizing environmental sustainability goals.
Compounds for medical use	<ul style="list-style-type: none">· The development of the first-generation medical-grade composite material has been completed, officially mass-produced, and is being supplied steadily; meanwhile, a non-PVC alternative material with excellent flexural resistance and adhesive properties has been successfully developed and applied to products such as medical bottle stoppers and septa.· Successfully enhanced the kink resistance and solvent bonding performance of medical tubing through a new polymer design while achieving flow stability and mechanical performance comparable to PVC, thereby laying a solid technical foundation for plasticizer-free medical materials as alternatives to PVC; as well as developed high-performance medical catheters and tubing products to meet market demands for safety and reliability.
Compounds for special applications	<ul style="list-style-type: none">· Developed high-performance film material system products, which significantly enhance impact resistance in low-temperature environments, continuously increasing sales volume.
Development of cutting-edge process technologies	<ul style="list-style-type: none">· Developed high-purity control technology and optimized the de-ashing process, achieving extremely low levels of residual impurities in materials to meet the stringent medical application requirements.· Continuously devise low-carbon processes, and develop next-generation energy-saving drying technologies and solvent recovery processes to significantly reduce production energy consumption and support corporate carbon reduction goals.
AI and Digital Transformation	<ul style="list-style-type: none">· Accelerate innovation and R&D efficiency by establishing AI simulation models used to predict the compatibility of polymers and fillers, filler dispersion, and tensile strength.

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<4> Long-Term and Short-Term Business Development Plans

To realize High-Value transformation and in response to the increasing global awareness of ESG, the Company's major R&D direction will focus on developing new products and new technologies with high added-values by using advanced environmental protection process, to allow products and services of the Company to gain customers' satisfaction and solve issues of customers arising from the use of rubber, creating the niche for mutual benefits. The substantial development plan includes:

1. Long-term plan:
 - (1) Target key end-market applications and collaborate with customers' R&D teams to jointly develop high-value innovative products, serving as a total solution provider for the customers.
 - (2) Upgrade manufacturing equipment and the utilization of raw materials to improve production efficiency and production costs optimization.
 - (3) Continue examining synthetic rubber market dynamics and customer needs while exploring opportunities in new products, market, and applications, and evaluate opportunities of upstream and downstream strategic alliances.
 - (4) Offer local supply and customer services for target market industries and supply chain in order to strengthen TSRC's market position and expand customer base.
 - (5) Evaluate the feasibility of using biomass raw materials, biodegradable packaging materials, and eco-friendly materials in product procedures and improve the consumption of renewable energy and the reclamation ratio of water resources.
 - (6) Continue to promote the R&D of innovative TPE technology platforms and applications to satisfy the requirements for innovative products in the market and further reinforce customer and technical services to establish differentiated competitive strength. Combining with the development of the downstream industry and customer requirements, we are committed to developing application materials with high added value, including medical films, medical devices, protective films, personal hygiene products, and other application products with high added value to satisfy the use requirements of the emerging market through increasing the diversity of product portfolio.
 - (5) The Company deepens its research on end-use applications and markets to establish an effective communication platform with end-customers' R&D teams. In addition to enhancing its response speed to changes in market demand, the Company aims to become a comprehensive solution provider for customers through the joint development of high-quality innovative products.
 - (6) The Company closely monitors the latest technologies and market trends in the footwear materials industry, and continuously invests in research and development to provide high-value products and professional applications while establishing long-term cooperation with global brands. The Company is committed to becoming the preferred supplier of footwear material solutions, covering the development of alternative materials and supercritical physical foaming materials to meet customers' diverse and rapidly evolving needs.
2. Short-Term Plan:
 - (1) In response to the progressive introduction of eco-tire labeling regulations in the European Union, Japan, and China, and other countries, as well as the continuous growth in the electric vehicle market share, the Company focuses on developing products with low rolling resistance and high wet grip resistance, and offers customized tire solutions tailored to the specific requirements of electric vehicles. We will reinforce S-SBR and other special synthetic rubber product portfolio to respond to the carbon reduction requirements of customers, securing the certification from major tire customers and increasing our market share.
 - (2) Focus on high-rigidity, high-traction, wear resistance, and low-rolling resistance features for EV tire and continue to develop new products to satisfy the requirements of tire customers.
 - (3) Strengthen the Company's market positioning by utilizing the production capacity of the Vietnam Plant and its geographical advantages and enter new regions, including India and Southeast Asia; continue expanding our customer base to improve the supply chain benefits.
 - (4) Proactively responding to industry headwinds through stable product quality, close collaboration with customers, and differentiated market positioning with high-value product supply.
 - (5) The Company's thermoplastic elastomer (TPE) production bases in China and the United States, as well as its sales office in Europe, have all obtained ISCC PLUS certification, which further strengthens the Company's sustainable product supply and product portfolio, thereby demonstrating its proactive effort in implementing its commitment to the development of sustainable materials.
 - (6) Strengthen the biomass TPE product portfolio to provide forward-looking options for high-performance materials to satisfy the product design requirements of customers and strive to improve the sustainability of high-performance materials through recycling and innovative application plans.
 - (7) Facing high uncertainties in the industrial environment, focus on rational upstream raw material procurement and production decisions and segregate with other companies in the market through inventory level management, product quality control, customer cooperation and exchanges.

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II. Market overview and production/sales analysis

<1> Market Analysis

1. Major sales destinations

Unit: thousand NTD/Metric Ton

Name of product	2025		Exported territories
	Sales volume	Sales amount	
Synthetic rubber and elastomers	606,386	35,808,259	China, USA, Taiwan, Thailand, Vietnam, Germany
Applied materials	9,169	664,689	China, Vietnam, Thailand,

2. Market share:

TSRC had ranked NO.7 in the world based on IISRP 2025 Annual Synthetic Rubber Capacity Survey.

3. Industry demand supply and market growth projection

Overall, the synthetic rubber industry remains in a market environment with relatively ample supply, and the short-term oversupply situation has not yet been fully alleviated. However, as automobiles and tires are daily necessities and industrial essentials, long-term demand exhibits a certain degree of rigidity. With the growth of global vehicle ownership and the continuous expansion of transportation demand, market demand is expected to maintain stable growth, providing a solid foundation for the Company' s operations.

From a regional perspective, the automobile and tire markets in Asia continue to serve as areas with the most notable global demand growth. The Company will continue to enhance overall operational efficiency and profitability through the optimization of customer portfolios and product structures, flexible allocation of orders, and adjustments to production line configurations.

With the rapid development of the electric vehicle industry, market demand for new-generation tire materials continues to rise as these materials possess characteristics such as energy efficiency, wear resistance, high performance, and low rolling resistance, creating new growth momentum for the application of synthetic rubber products. Having obtained certifications from multiple major international tire manufacturers for its customized S-SBR high-performance products, the Company continues to jointly develop new products and solutions with customers to strategically position itself in the market and consolidate its competitive advantages.

Furthermore, the new E-SBR production capacity established by the Company at Shenhua Chemical Industry Co., Ltd. successfully commenced commercial operations in 2025 and has progressively obtained quality certifications from major international manufacturers. In addition, the new S-SBR production line is expected to commence commercial operations in 2027, which is anticipated to gradually alleviate existing capacity constraints in the future and. At the same time, the Company aims to increase market share and customer loyalty through highly customized and high-value-added products, thereby strengthening long-term cooperative relationships.

In terms of sustainable development, rising global consciousness of ESG has led to a significant boost in market demand for energy conservation, carbon reduction, and sustainable materials. This is particularly evident within the tire and footwear sectors as leading global brands are increasingly focused on low-carbon design, circular economy practices, and supply chain integration, with growing emphasis on raw material sourcing and carbon footprint management. Having obtained ISCC PLUS certification, the Company possesses the capability to provide bio-based raw materials and sustainable material solutions. The Company will leverage its material technology advantages in conjunction with sustainable development strategies to deepen its collaboration with brand customers. In the future, the Company will continue to increase the proportion of sustainable raw materials usage to expand high-value-added applications while capturing growth opportunities arising from industrial transformation, responding to customer needs, and advancing the Company' s ESG goals.

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The thermoplastic elastomer (TPE) industry is currently facing continuous pressure from oversupply, primarily driven by new production capacity from both state-owned and private enterprises in China. The global SBS operating rate has dropped to below 60%. Although SIS demand grew slightly compared to last year, the situation of market oversupply is becoming increasingly severe as Chinese petrochemical enterprises continue to expand production capacity. Coupled with weakening demand in the real estate market and a significant decline in the application of waterproof membranes in China, the capacity utilization rate is expected to further decrease to below 60% in 2026. In terms of SEBS, although demand was driven by the automotive industry and moderate economic growth, the growth rate decreased slightly to 4% compared to last year. With the commercial operation of new production capacity in China, the global operating rate remains below 70%. SEBS is widely used in the modification of various polymers and plastics due to its excellent elasticity, impact resistance, soft touch, processability, and cold resistance, and demonstrates high value in fields such as automotive, medical, consumer products, and packaging. In the light of increasing demand for high-performance and recyclable materials, the global SEBS market is expected to continue growing. Overall, the dynamic changes in industrial structure and market demand continue to affect the global chemicals market, and companies must closely monitor industry trends and flexibly adjust business strategies to address various challenges.

In terms of downstream TPE applications, demand in the medical field is particularly prominent. As healthcare standards improve and populations age, demand for medical materials continues to increase, and the global non-PVC infusion bag market is gradually replacing PVC, PP bottles, and glass bottles. In the U.S., driven by the implementation of the Toxic-free Medical Devices Act in California and North Carolina, the infusion bag market is accelerating its transition from PVC to non-PVC materials while global demand for SEBS is expected to continue rising.

On top of that, the global adhesive formulation market is primarily driven by increasing purchasing power across middle class, with rising demand in the packaging and medical sectors creating new opportunities. However, fluctuations in raw material costs and intensifying competition are exerting price pressures and constraining profitability.

Finally, as global energy conservation and carbon reduction issues continue to gain momentum, demand for recyclable and low-carbon materials is intensifying. Beyond the continuous advancement of material technologies, end-product designs are increasingly prioritizing the reduction of recycling costs and the enhancement of disposal convenience. In the footwear industry, global brands are focusing on low-carbon strategies, the circular economy, and supply chain integration. Notably, Taiwan's footwear supply chain is actively expanding new production bases in India and Indonesia to mitigate geopolitical and tariff risks, with the aim of actively diversifying the supply chain to reduce dependence on any single country.

4. Competitive positioning, future development factors and actions

The Company's principal synthetic rubber products, E-SBR and BR, are mature products with relatively stable industrial technical barriers and limited product differentiation among manufacturers. Cost control is a critical factor affecting profitability. As the Company does not possess the advantage of vertical integration with upstream raw materials, its operating performance is susceptible to fluctuations in raw material prices, with changes in the price of butadiene being the most significant. In recent years, the commissioning of new butadiene capacity in Asia has contributed to greater supply flexibility in the raw materials. By leveraging its long-term accumulated procurement scale and bargaining power, the Company is expected to gradually narrow the cost gap with vertically integrated manufacturers, thereby reducing the adverse impact of raw materials price fluctuations on operations.

On enhancing product competitiveness, the Company continues to increase its R&D investment in S-SBR and other high-value-added synthetic rubber products, aimed at strengthening product differentiation and improving overall profit structure through technical upgrades and customized applications. Concurrently, the Company is actively expanding into non-tire application areas to diversify its reliance on a single market and broaden its sales channels and revenue sources.

Amid shifting international tariff policies, rising trade barriers, and frequent geopolitical conflicts, global supply chain risks have escalated significantly. Hence, the industrial supply chain footprint is gradually pivoting from the pursuit of minimum production costs towards supply stability that balances both diversification and localization. With production facilities in multiple regions worldwide, the Company is well-positioned to assist customers in reducing supply disruption risks and to optimize overall cost structures in response to trade frictions or policy changes, such as trade frictions, carbon fees, or carbon border adjustment mechanisms, further consolidating its competitive advantage in the market.

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As the global thermoplastic elastomer (TPE) industry continues to expand, several new TPE facilities in China have been successively commissioned in recent years, with commercial operations expected to formally commence in 2026. At that time, the supply of low-priced goods in the market will increase significantly. For downstream industries with pronounced seasonal fluctuations, the pressure of low-price competition will further intensify, potentially exacerbating supply-demand imbalances. In addition, external factors such as geopolitical conflicts, elevated energy prices, the advancement of carbon tax policies, and U.S. tariff adjustments are profoundly affecting the global TPE industry landscape. These factors are not only driving up raw material and production costs, but also accelerating the restructuring of international supply chains and industrial chains. Export-oriented businesses face greater challenges, and companies must strengthen supply chain resilience and pursue diversified deployment to address changes in international markets.

In the face of competitive pressures from new capacity entrants, an increasing number of companies are actively adjusting their global supply chain strategies to balance short-term, long-term, and sustainable development benefits. Many companies have obtained international sustainability certifications (e.g., ISCC PLUS), which not only help expand the supply of sustainable products, but also enhance the competitiveness of enterprises in high-performance materials and diversified application solutions. Going forward, the Company will continue to promote innovative solutions, focusing on high-end technical applications such as hydrogenated thermoplastic elastomers and compounds, with the aim of moving beyond pure price competition to enhance added value of products and market position.

On the whole, driven by the twin engines of capacity expansion and quality upgrades, the TPE industry will progressively transition from scale-oriented to specialization and differentiation in the coming years. Only by accelerating technological innovation, strengthening sustainable development, and flexibly responding to changes in international trade and policies can companies maintain a competitive advantage in the global TPE market.

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<2> Important application and manufacturing processes of main products

1. Main product important use:

E-SBR	General material for car tires, soles, conveyor belts, hoses, sport facilities, toys and other industrial products.
S-SBR	Energy-saving (low rolling resistance) tires, high-function tires, snow tires and all-season tires.
BR	High-speed tires, soles, sport facilities, High Impact polystyrene (HIPS) and other industrial products.
TPE	Adhesives, hot melt adhesives, plastic modifiers, film, medical transfusion suppliers, tar modification, and other industrial products of special applications
Applied Materials	Advanced shoe materials, foamed shoe materials, toys, stationery, wire and cable, baby supplies, personal care, hand tools covering, materials, car industry and other industries such as refrigeration.

2. Outline of production process:

E-SBR	E-SBR is produced in an emulsion polymerization system. Soap is used as the reaction medium and emulsifier for the polymerization of butadiene and styrene to produce high molecular latex. After the addition of anti-oxidant and extender oil (for oil-extended rubber products), the coagulation crumb is then washed, dewatered, dried, baled and packaged.
S-SBR	S-SBR is produced in a solution polymerization system. Butadiene and styrene was polymerized to high molecule weight rubber solution via anionic initiator in organic solvent system. After the addition of anti-oxidant and extender oil (for oil-extended rubber products), the coagulation crumb is then washed, dewatered, dried, baled and packaged.
BR	BR is produced in a solution polymerization system. Crumb is made after polymerization of butadiene (BD), and is condensed into pallets, ash content is washed off and then dewatered and packed.
TPE	TPE is produced in a solution polymerization system. Crumb is made after polymerization of butadiene and styrene after being steamed to recall solvent, it is dewatered, pelleting and then packed.
Applied Materials	TPE products and other raw materials are mixed, blended and granulated.

<3> Supply of main raw materials

The synthetic rubber produced by the Company is mainly polymerized from butadiene and styrene within the petro-chemical products.

Item	Main source	Supply situation
Butadiene	Domestic, imports	Domestic butadiene is primarily supplied by CPC and FPCC and imported in the case of the short supply.
Styrene	Domestic	Styrene is primarily supplied by SMCT, FCFC and GPPC

<4> Suppliers (Customers) accounting for 10% or more of the Company's total procurement (sales) amount in either of the most recent two fiscal years, the amounts bought from (sold to) each, and the percentage of total procurement (sales) respectively, and reasons for increase/decrease

There was no supplier or customer accounted for 10% or more of the Company's total purchases or sales value in the most recent two years.

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III. Employees information

Year	2024	2025	As of March 31, 2026
Direct workers	887	866	877
Indirect workers	771	775	777
Total	1,658	1,641	1,654
Average age	42.2 (years old)	42.7 (years old)	42.6 (years old)
Average seniorities	12.0 (years)	12.5 (years)	12.4 (years)
Education level	Ph.D.	1%	1%
	Master	14%	14%
	Bachelor	68%	68%
	Senior high school	15%	14%
	Below senior high school	2%	3%

IV. Disbursements of environmental protections

In 2025 and up to the publication date of the annual report (March 31, 2026), the description of losses incurred due to environmental pollution is as follows:

No. of Fine Notification	Regulation or Provision Violated	Disposal	Amount of Fine	Countermeasure
Kao-Shi-Huan-Ju-kong-Chu-Zi No.20-114-060015	Article 23, Paragraph 2 of the Air Pollution Control Act	The Environmental Protection Bureau conducted an on-site inspection on March 31, 2025, and discovered that the cover of the process trench (D-07) was open. On-site measurement of Volatile Organic Compounds (VOCs) recorded a concentration of 24,424 ppm, indicating a failure to maintain an airtight condition. The wastewater surface of its wastewater collection system was exposed to the atmosphere, which is not in compliance with the provisions of Article 38 of the "Air Pollution Control and Emission Standards for Volatile Organic Compounds."	NT\$ 220,000	<ol style="list-style-type: none">1. Cleaned the process trenches immediately, and schedule regular cleaning every six months.2. Improved the drainage of the water seal tank to reduce odor and VOC residues in the process trench.3. Conducted VOC monitoring at the process trenches on a daily basis, and carried out cleaning operations immediately if the readings exceeded the designated threshold.
Kao-Shi-Huan-Ju-Fei-Chu-Zi No 40-114-120038	Article 36, Paragraph 1 of the Waste Disposal Act; and Article 6, Paragraph 1, Subparagraph 2 of the Methods and Facility Standards for the Storage, Clearance and Disposal of Industrial Waste	The Environmental Management Administration, Ministry of the Environment dispatched personnel for an inspection on October 27, 2025, and discovered residual waste rubber (D-0399) on the ground near the stripper of the SBR plant (M02 process), resulting in the contamination of the ground by waste rubber (D-0399). Additionally, waste rubber (D-0399) was found to have dropped and contaminated the ground beneath the GF-407B filter behind the blending tank.	NT\$ 6,000	<ol style="list-style-type: none">1. Conducted immediate cleanup.2. Implemented barrier and collection measures for operations where rubber materials may splash during cleaning to prevent ground contamination caused by splashing of waste rubber.3. Established a shift-based inspection mechanism for accumulated rubber on the floor.

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V. Labor relations

<1> **Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and measures for preserving employees' rights and interests:**

1. Regarding welfare measures

- (1) Besides providing employees with cash gifts for the three major festivals (Dragon Boat Festival, Moon Festival, Chinese New Year), birthday and Labor day through Employee Welfare Committee, the Company also implements "cafeteria benefit", a welfare project for employees to combine the "bonus points" satisfying their own welfare demands, including travel and leisure activities, education subsidy for their children, self-selected group buying of daily supplies from employee welfare club, etc., to truly implement the actual concepts of employee welfare.
- (2) TSRC hosts large annual gatherings and galas each year for better employee relationships.
- (3) Setting up staff cafeteria and subsidizing staff's meals.
- (4) Gives employees cash gifts for weddings, childbirth, injuries, and allowances for disease.
- (5) As for the insurance, besides labor and health insurance, TSRC also provides free group insurance that covers employees and their family members.
- (6) Has one nurse for each medical room; and offers medical consultation services with physicians.
- (7) Provide care and support for employees' work-life balance and physical and mental health.

2. Education and Training

TSRC continuously promotes talent development through systematic and data-driven approaches to create a learning environment that supports the continuous growth of employees and the sustainable development of the organization. By establishing a comprehensive training governance mechanism through the Learning Management System (LMS), promoting the globalization of management competency training, and implementing the institutionalized design of development journeys for new supervisors, the Company assists employees in clearly understanding their current capabilities and growth direction. Concurrently, the Company also cultivates key competencies through diverse courses such as language proficiency, regulatory compliance, general knowledge, and professional skills. TSRC aspires for every colleague to accumulate expertise and leverage their strengths under a comprehensive learning framework, becoming an important force in driving corporate sustainability. The Company's total training expenses for 2025 amounted to NTD 9,839 thousand, with an average of approximately 56 training hours per person.

3. Retirement System and Its Implementation

TSRC Group complies with relevant laws and regulations to provide employees with insurance and pension benefits. TSRC Group makes monthly pension contributions to employees' individual accounts at the Bank of Taiwan and the Bureau of Labor Insurance in accordance with the "Labor Standards Act," the "Labor Pension Act" and its enforcement rules, as well as accounting standards for retirement benefits. Furthermore, regular meetings are held via the Labor Retirement Preparation Fund Supervisory Committee to review the status of pension utilization, with the intention of safeguarding employees' retirement rights and interests. Subsidiaries in China operate in compliance with the relevant provisions of the Social Insurance Law of China. Accordingly, the Company and employees jointly contribute on a proportional basis to basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance, maternity insurance, and housing provident fund. Upon retirement, employees receive pensions uniformly distributed by the national labor and social security authorities in accordance with laws and regulations.

Subsidiaries in the U.S. not only provide various types of insurance coverage in accordance with local social security regulations, but also offer the U.S. retirement security benefit plan (401(k)). Operations in Singapore and Europe also comply with local regulations to ensure employee welfare.

Implementation of TSRC's Retirement System in Taiwan.

To ensure the stability of employees' lives after retirement, the Company has established a Labor Retirement Regulations and formed a Labor Retirement Preparation Fund Supervisory Committee. This committee convenes regular quarterly meetings to oversee the utilization of the retirement fund, safeguarding the interests of colleagues. In the year 2025, a total of four meetings were held to fulfill this responsibility.

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Item	Old System	New System
Legal Foundation	Labor Standards Act	Labor Pension Act
Allocation Ratio and Status of Retirement Funds	<p>For employees eligible for retirement under the Labor Standards Act, 2% of their total monthly salary is deducted and deposited monthly into the Taiwan Bank's labor retirement reserve account.</p> <p>Every year, Yuetian Actuarial Consultants is commissioned to conduct actuarial calculations for retirement pensions. At the end of each year, the amount in the labor retirement reserve account is reviewed to determine if it is sufficient to cover the retirement pensions estimated to be required by employees who meet the retirement criteria for that year. If there is an insufficiency, the required retirement contributions will be topped up by the end of March of the following year in accordance with the law.</p> <p>As of the end of December 2025, there were 76 employees subject to the old retirement system, while there were 78 employees subject to both the new and old retirement systems simultaneously.</p>	<p>For employees covered by the Labor Pension Act, the company contributes a percentage ranging from 6% of each employee's monthly total salary according to the Salary Grading Table for Monthly Contributions to the Employee's Individual Pension Account to the individual pension accounts at the Bureau of Labor Insurance. Since the implementation of the Labor Pension Act on July 1, 2005, the proportion of new employees covered by the new retirement pension system among regular employees has been 100%.</p> <p>As of the end of December 2025, a total of 505 employees were covered by the new retirement system.</p>
Qualifications for Retirement Application	<p>Voluntary Retirement:</p> <ol style="list-style-type: none">a. Employees with 25 years of service in the Company.b. Employees aged 55 or above with 15 years of service in the Company.c. Employees aged 60 or above with 10 years of service in the Company. <p>Mandatory Retirement:</p> <ol style="list-style-type: none">a. Employees aged 65 or above. However, this does not apply to employees whom the company requires to stay.b. Employees who are physically or mentally incapable of performing their duties.	As Left
Retirement Application Procedure	Employees eligible for retirement should complete the retirement application form. Upon approval, the retirement procedures will be carried out.	As Left
Retirement Pension Payment Standards	<p>For employees covered by the "Labor Standards Act" and eligible for retirement based on their years of service, the retirement pension is calculated as follows: For each year of service, 2 times the basic wage is provided; After completing 15 years of service, an additional 1 times the basic wage is provided for each year beyond 15 years; The total number of basic wages provided is capped at 45; For periods of less than half a year, it is counted as half a year, and for periods exceeding half a year, it is counted as one year.</p> <p>The Company should provide the retirement pension to employees within 30 days from the date of their retirement.</p>	When reaching the age of 60, individuals may apply to the Bureau of Labor Insurance to withdraw the accumulated funds from their personal accounts.

4. Measures for preserving employees' rights and interests:

The Company has established a labor union organization, providing diversified communication mechanisms and platforms to maintain harmonious and mutually beneficial labor-management relations. Regular labor-management meetings are held quarterly to facilitate regular and effective communication between labor and management. In 2025, a total of four labor-management meetings were convened to promote regular and effective communication between labor and management.

In addition, through the signing of a collective agreement with the enterprise union at the Kaohsiung factory, arrangements for work schedules and rest days for shift work are stipulated in the collective agreement for both labor and management to adhere to, fostering a friendly and harmonious working environment together.

<2> In 2025 and until the publication date, there is no loss suffered from labor disputes.

<3> Estimated loss suffered by the Company due to labor disputes currently and in the future, and explanation measures.

Since the incorporation of the labor union, the relationship between employees and the Company has remained fair through the good interaction and communication. Therefore, no significant dispute over labor has occurred, let alone the loss thereof. Therefore, the Company and employees will abide by the communication models to create a win-win

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situation when proceeding with communication, and there is no likelihood of any monetary loss resulting from labor dispute.

VI. Cybersecurity Management

In the era of accelerated digital transition, cybersecurity has become the key to stable operations and sustainable development of enterprises. Facing increasingly complicated network threats and information risks, the Company is deeply aware of the importance of information asset protection. Therefore, we strive to build a comprehensive cybersecurity management system that covers the cybersecurity risk management structure, cybersecurity policies, substantial management plans, and resources invested in cybersecurity management to comprehensively enhance our information security resilience.

By continuously improving our information security governance capabilities, we not only safeguard the stable operation of businesses but also protect the trust of customers and partners.

1. Cybersecurity risk management structure

The Company adopts cybersecurity as the key to sustainable corporate development and has established a comprehensive and stringent cybersecurity risk management structure. The Information Department has established a dedicated department with an Information Security Officer and information security personnel allocated to fully respond to information security issues. We carry out the risk level identification of core systems, regular cybersecurity equipment inventory, and annual information security risk assessments through information security risk management specifications, implementation regulations, and relevant rules. The annual cybersecurity implementation status and material targets for 2026 were reported to the Board of Directors in November 2025.

In addition, the Company continues to deepen its cybersecurity governance as evidenced by its comprehensive implementation of international information security management standard ISO 27001. TSRC's Taiwan headquarters has completed the annual re-certification in 2025, while the relevant certificates have been disclosed on the Company's official website. At the same time, the scope of ISO 27001 certification was also expanded this year to include the Company's subsidiaries in Mainland China, further strengthening the Group's overall information security management system and operational resilience. The Company has also joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT.CC), a collaborative defense organization in Taiwan, with the intention of obtaining the latest collaborative intelligence and conducting real-time responses.

2. Cybersecurity policies

The Company formulates and implements its cybersecurity policies, and the scope covers all information equipment, application software, communication equipment, large-scale servers, system software, and corporate data and ensures the safety and compliance of systems through the computer resource use specifications, software and hardware management regulations, and the employee account and password management system.

For potential information security threats, the Company has established a comprehensive protection system, including information security firewalls, e-mail filter system, IDS/IPS, and APT protection, and utilized the cloud security gateway and ZTNA to reinforce the remote access security and data transmission protection.

3. Substantial management plan

(1) Information security education and training:

- Implement social engineering drills, education and training and improve employees' awareness of information security.
- Dispatch information security promotion information via e-mail quarterly to share recent information security incidents and improve the information security awareness of employees.

(2) Incident response system:

- Establish comprehensive information security incident response and reporting procedures to ensure the rapid evaluation of effects and the adoption of countermeasures upon the occurrence of incidents. Relevant cybersecurity incident handling procedures have been disclosed on the Company's official website.

(3) Internal information security monitoring and audit:

- The information security team of the Information Department convenes outsourced monitoring service report meetings with SOC suppliers quarterly and regularly carries out internal information security projects and internal control meetings.

(4) Data protection and access management:

- Implement a multi-layer protection system that covers access permission management, transmission encryption, and operating record monitoring to ensure the security of sensitive data.

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4. Resources invested in cybersecurity management

The Company continues to invest resources in cybersecurity management to ensure the continuous optimization and effective operation of the information security system, including:

1. Human Resources: The Company has appointed one Chief Information Security Officer, one Information Security Department Head, and several information security team members, who are tasked with executing information security management tasks and monitoring cybersecurity risks.
2. Technical Resources: The Company has implemented the ISO 27001 international information security management standard to enhance its cybersecurity risk management capabilities. The current certificate is valid from February 20, 2025 to February 20, 2028.
3. External cooperation: Cooperate with TWCERT/CC to grasp the latest information security intelligence and cooperate with SOC suppliers for the provision of real-time monitoring and incident response services.
4. Educational Resources: To enhance the Company's overall information security protection level and strengthen personnel awareness of cybersecurity issues, the IT Department compiles relevant cybersecurity information, conducts cybersecurity promotion via email on a quarterly basis, and shares case studies on recent cybersecurity incidents to heighten employees' cybersecurity vigilance. All colleagues are required to complete at least one hour of information security education and training every year, whereas at least one social engineering drill will be conducted every year to reduce human-related risks. Concurrently, the IT Department implements vulnerability scanning operations every quarter on the Company's information systems to identify potential vulnerabilities and risks, and draws up remediation and reinforcement measures based on the assessment results to continuously reduce information security threats.
5. In the most recent year and as of the publication date of the annual report, there were no material cybersecurity incidents, and there were no business or operational losses caused by cybersecurity issues. In the future, we will continue to optimize information security protection measures to ensure stable corporate operations and the security of information assets.

VII. Material Contracts

March 31, 2026

Nature	Concerned party	Duration	Contents	Restrictive terms
Joint venture	UBE Industries Ltd., Marubeni Corporation UBE (Thailand) Co.,Ltd	October 20, 1995 until termination of the cooperative relationship	The joint venture for production and sale of BR with the annual capacity of 50 thousand metric tons of BR in Thailand	No
Joint venture	UBE Industries Ltd., Marubeni Petrochemicals Investment B.V.	October 26, 2006 until termination of the cooperative relationship	The joint venture for production and sale of BR plant with the annual capacity of 72 thousand metric tons in China	No
Technical support and services	Trimurti Holding Corporation	December 31, 2006 ~ until termination of the cooperative relationship	Authorize to use SEBS technology	No
Technology license	JSC VORONEZH SYNTHETZKAUCHUK	May 27, 2009 the partnership has been terminated	Authorize for production of thermoplastic elastomers with the annual capacity of 50 thousand metric tons	No
Joint venture	Indian Oil Corporation	April 3, 2010 until termination of the cooperative relationship	The joint venture for production and sales of ESBR plant with the annual capacity of 120 thousand metric tons in India	No
Technology license	Indian Synthetic Rubber Private Ltd.	September 1, 2010 until termination of the cooperative relationship	A license for India Synthetic Rubber Private Limited. to use ESBR technology	No

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Nature	Concerned party	Duration	Contents	Restrictive terms
Joint venture	ARLANXEO Holding B.V	May 7, 2010 until termination of the cooperative relationship	The joint venture for production and sales of NBR plant with the annual capacity of 30 thousand metric tons in China	No
Technology license	ARLANXEO-TSRC (Nantong) Chemical Industrial Co., Ltd	December 1, 2010 until termination of the cooperative relationship	A license for ARLANXEO-TSRC (Nantong) Chemical Industrial Co Ltd. to use NBR technology	No
Technology license	TSRC (Nantong) Industrial Ltd.	January 02, 2022 to December 31, 2041	Extend to a 35 thousand metric tons-SEBS technology licensing	No
Technology license	TSRC (Nantong) Industrial Ltd.	September 01, 2017 to December 31, 2041	Adding the permission for SEBS authorized products with the annual production of 20 thousand metric tons	No
Technology license	TSRC (Nantong) Industrial Ltd.	October 1, 2022 to September 30, 2032	Extend to a 25 thousand metric tons-SIS technology licensing	No
Relocation Compensation Contract	Chemical Industrial Park Management Office of Nantong Economic & Technological Development Area, Nantong Nengda River Science Innovation Park Development Co., Ltd. and Shen Hua Chemical Industrial Co., Ltd.	December 4, 2021 until termination of the cooperative relationship	Compensation agreement for Shen Hua Chemical Industrial Co., Ltd. to relocate in accordance with the policy	No
Investment agreement	Chemical Industrial Park Management Office of Nantong Economic & Technological Development Area, Nantong Nengda River Science Innovation Park Development Co., Ltd. and Shen Hua Chemical Industrial Co., Ltd.	December 4, 2021 until termination of the cooperative relationship	The investment of relocating Shen Hua's plant that initially located in the North Development Zone to the South Development Zone In response to the "Industrial Upgrade, Reformation, and Relocation Project" of the Chemical Industrial Park of Nantong Economic & Technological Development Area	No
Medium-and long-term loan	Chang Hwa Bank	January 14, 2022 to January 14, 2027	Loaned NTD 500 million	Loan amount cannot be drawn again.
Medium-and long-term loan	HSBC Bank (Taiwan) Limited	May 10, 2023 to May 8, 2026	Loaned NTD 84 million	All amounts borrowed are used as the funds for our green project in compliance with the principles of green loans
Medium-and long-term loan	CTBC Bank	March 27, 2023 to March 27, 2028	Loaned NTD 650 million	Loan amount cannot be drawn again.
Medium-and long-term loan	HSBC Bank (Taiwan) Limited	March 10, 2023 to March 10, 2026	Loaned NTD 500 million	Loan amount cannot be drawn again.
Medium-and long-term loan	Mega Bank	March 20, 2024 to March 20, 2029	Loaned NTD 500 million	Loan amount cannot be drawn again.

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Nature	Concerned party	Duration	Contents	Restrictive terms
Medium- and long-term loan	Bank of Taiwan	October 26, 2023 to October 26, 2028	Loaned NTD 1500 million	Loan amount cannot be drawn again.
Medium- and long-term loan	O-Bank	January 21, 2025 to May 01, 2027	Loaned NTD 500 million	No
Medium- and long-term loan	CTBC Bank	Drawdown date of the limit to five years from the drawdown date	Loaned NTD 500 million	Loan amount cannot be drawn again.
Medium- and long-term loan	Bank of Taiwan	January 26, 2026 to January 26, 2031	Loaned NTD 500 million	Loan amount cannot be drawn again.
Investment agreement and supplementary agreement	The Administrative Committee of Nantong Economic and Technological Development Area and Shenhua Chemical Industry Co., Ltd.	April 05, 2025 until termination of the cooperative relationship	Phase II of the Shenhua Chemical Industry Co., Ltd. Relocation and Safety/Environmental Upgrade Project Beyond the 1-km Zone of the Yangtze River, which involves the construction of new production facilities with an annual capacity of 70,000 metric tons of solution-polymerized styrene-butadiene rubber (S-SBR) and lithium-based polybutadiene rubber (Li-BR)	No
Technology license	Shen Hua Chemical Industrial Co., Ltd	April 04, 2025 until termination of the cooperative relationship	Technology Licensing Agreement for the Annual Production of 70,000 Metric Tons of S-SBR and Li-BR	No

VIII. Intellectual Property Management Plan

<1> Intellectual Property Management Plan

To enhance innovation capabilities and brand value in alignment with corporate operational objectives and short-, medium-, and long-term business development plans, TSRC has established multiple operating procedures to manage the intellectual property required for operational development. Concurrently, the management system is refined and improved through internal audit assessments and reviews, with the aim of safeguarding the Company's technological innovation capabilities, enhancing competitiveness, and driving profit growth.

1. Patent Management

Patents are an important indicator of a company's technological innovation and R&D capabilities. TSRC attaches great importance to the quality of its patents and uses high-quality patents as a cornerstone to enhance its competitive advantage, enabling customers to understand that the Company is continuously innovating and possesses research and development capabilities.

- (1) Through the established patent management measures, R&D personnel are provided with a basis for compliance from the generation of new ideas to patent application.
- (2) To effectively protect the Company's innovative research and development technologies, an evaluation committee has been established to discuss each invention proposal, thereby enhancing patent quality.
- (3) Through an incentive system for patent applications, approvals, and actual use in products, R&D personnel are encouraged to innovate and submit patent applications.
- (4) Continuously optimize the Company's patent layout and portfolio through patent maintenance and abandonment assessment operations.

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- (5) Continuously enhance employees' patent awareness and skills through patent education and training courses.
- (6) Respect the patent rights of others and conduct a freedom to operate (FTO) patent search and analysis.

2. Trade Secret Management

Trade secrets are an important cornerstone of the Company's technological leadership and customer trust. To effectively protect trade secrets, the Company has established various internal operating procedures to manage the trade secrets.

- (1) Encourage the generation of trade secrets through the establishment of an evaluation committee and a trade secret incentive system.
- (2) Ensure that the Company's trade secrets, such as technological innovation and research and development, are strictly protected through encryption, access control, inventory, and tracking of confidential information.
- (3) To prevent losses arising from trade secret leakage, the Company continuously strengthens employee education and training, requiring employees to strictly protect the Company's trade secrets during their employment and after their employment; and prohibiting employees from using, disclosing, or infringing upon the trade secrets of others.
- (4) With confidential information control and incentive/disciplinary measures in place, the Company establishes clear guidelines for the management of confidential information and stipulates penalties for the leakage of trade secrets.
- (5) Business partners are required to sign confidentiality clauses to protect trade secrets and mitigate the risk of trade secret leakage.

3. Trademark Management

With a view to establishing and maintaining the Company's brand image,, TSRC, in accordance with the Company's development strategy, periodically commissions external patent and trademark firms to conduct global trademark portfolio applications and maintenance, and files oppositions against potentially confusing or similar trademarks to prevent market dilution, thereby ensuring the Company's products remain distinct and securing its competitive edge.

- (1) With the established trademark management measures in place, the Company has a basis for trademark deployment, maintenance management, usage specifications, and remedies for rights.
- (2) Continuously review the use of registered trademarks and evaluate the necessity of trademark maintenance.
- (3) File oppositions against similar trademarks owned by others to prevent confusion or misidentification of the Company's products.
- (4) New trademark registration applications are filed in advance to align with marketing and business strategies, with prior searches conducted before trademark applications to assess relevant legal risks.

<2> Status of implementation

The Company regularly reports intellectual property-related matters to the Board of Directors in Q4 of each year. The most recent report was submitted on November 6, 2025.

1. The key implementation results in recent years are as follows:

- (1) 2023: Updated the intellectual property management plan and disclosed it on the Company's website; optimized the application processes for provisional and formal patents; as well as conducted evaluations of new patent firms.
- (2) 2024: Updated the intellectual property management plan and disclosed it on the Company's website; strengthened the application process for provisional patent to ensure patent quality; as well as abandoned certain patent cases and jurisdictions to further optimize the patent portfolio.
- (3) 2025: Updated the intellectual property management plan and disclosed it on the Company's website; updated the status of the Company's patent utilization to enhance customer confidence and product sales; as well as abandoned certain patent cases and jurisdictions to further optimize the patent portfolio.

2. The Company's inventory of acquired intellectual property and corresponding achievements are detailed as follows

- (1) Patents: As of December 31, 2025, TSRC has filed a cumulative total of 575 patent applications worldwide and has been granted a cumulative total of 482 patents around the globe.
- (2) Trademarks: As of December 31, 2025, TSRC has been granted a cumulative total of 123 trademark registrations around the world.

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I. Financial position:

Unit: thousand NTD

Item	Fiscal year	2025	2024	Amount change	Percentage change (%)
Current assets		19,733,163	20,117,208	(384,045)	(1.91)
Property, plant and equipment		13,250,584	13,568,513	(317,929)	(2.34)
Intangible assets		171,695	663,086	(491,391)	(74.11)
Other assets		10,103,489	8,867,482	1,236,007	13.94
Total assets		43,258,931	43,216,289	42,642	0.10
Current liabilities		10,542,917	10,840,280	(297,363)	(2.74)
Non-current liabilities		11,204,152	10,588,757	615,395	5.81
Total liabilities		21,747,069	21,429,037	318,032	1.48
Capital stock		8,257,099	8,257,099	0	0.00
Capital Surplus		57,766	57,219	547	0.96
Retained earnings		9,387,027	9,520,795	(133,768)	(1.41)
Total shareholders' equity		21,511,862	21,787,252	(275,390)	(1.26)

Significant Financial Changes:

1. The decrease in intangible assets is mainly due to the recognition of impairment losses on intangible assets.

II. Financial performance:

Analysis and comparison of financial performance

Unit: thousand NTD

Item	Fiscal year	2025	2024	Amount change	Percentage change (%)
Revenue		36,472,948	37,208,665	(735,717)	(1.98)
Operating cost		32,897,158	33,093,008	(195,850)	(0.59)
Gross profit		3,575,790	4,115,657	(539,867)	(13.12)
Operating expenses		2,751,325	2,916,887	(165,562)	(5.68)
Other income and expenses		158,613	178,211	(19,598)	(11.00)
Operating profit		983,078	1,376,981	(393,903)	(28.61)
Non-operating revenues and gains		132,299	405,877	(273,578)	(67.40)
Net income before tax		1,115,377	1,782,858	(667,481)	(37.44)
Less: income tax expenses		506,591	734,205	(227,614)	(31.00)
Net income		608,786	1,048,653	(439,867)	(41.95)

Significant Financial Changes:

1. The decrease in operating profit is due to the decline in raw material market prices, high-priced inventory, and reduced raw material trading affecting profitability.

2. The decrease in non-operating income and expenses is due to the recognition of intangible asset impairment losses.

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Sales volume forecast and the basis there of

Unit: Metric Ton

Name of product	2026	
	Sales volume forecast	Basis
Synthetic rubber and elastomers	587,967	Subject to the requirement of the market and customers forecast
Applied Materials	12,970	Subject to the requirement of the market and customers forecast
Total	600,937	

III. Cash flow analysis:

Unit: Metric Ton

Cash balance at the beginning	Net cash flow from operating activities of the year	Cash inflow (outflow) of the year	The impact of exchange rate fluctuation on cash	Remainder (deficit) of cash	Remedy for insufficient cash	
					Investment plan	Financial plan
6,335,266	1,767,053	(1,095,897)	(320,300)	6,686,122	-	-

<1> Analysis of change in cash flow in the current year:

1. Operating activities: Operating activities: Mainly from the cash inflow of NT\$2,345,517 thousand generated from items of profit or loss, the cash inflow of NT\$124,480 thousand generated from the net changes in operating assets and liabilities, net interest expenditures of NT\$252,404 thousand, and paid income tax of NT\$450,540 thousand.

2. Investing activities: Investing activities: The net cash outflow from investing activities of NT\$649,633 thousand was primarily due to the net outflow from the acquisition and disposal of property, plant and equipment of NT\$1,392,210 thousand, dividend received of NT\$239,696 thousand, the receipt of relocation compensation of NT\$781,346 thousand, and the increase in other non-current assets of NT\$278,465 thousand.

3. Financing activities: Financing activities: The net cash outflow from financing activities was NT\$446,264 thousand, primarily due to the net inflow of short-term borrowings of NT\$92,451 thousand, the decrease in short-term notes of NT\$100,000 thousand, the net inflow of long-term borrowings of NT\$388,661 thousand, the repayments of lease principal of NT\$228,775 thousand, and the distribution of cash dividends of NT\$598,601 thousand.

<2> Improvement plan for insufficient liquidity-none.

<3> Liquidity analysis for the coming year:

Unit: thousand NTD

Cash balance at the beginning(1)	Projected cash flow from operation of the year (2)	Estimated annual net cash flow from investing and financing activities(3)	Projected remainder (deficit) of cash (1)+(2)-(3)	Remedy for insufficient cash	
				Investment plan	Financial plan
6,686,122	1,603,000	(2,158,000)	6,131,122	-	-

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IV. Impact of major capital expenditures within the most recent fiscal year on financial operations.

<1> Major capital expenditure condition and source of funding

Unit: thousand NTD

Item	Sources of funds	Actual of intended completion date	Amount	Year	
				2025	2026
New plant of Shen Hua	Self-owned capital and loads from banks	2027	6,226,000	769,000	165,000
SSBR New production line	Self-owned capital and loads from banks	2027	5,135,000	467,000	4,090,000
Flare exhaust gas incinerators	Self-owned capital	2027	150,000	-	108,000

<2> Benefits generated: Expected to increase profitability.

It is estimated that the Shen Hua new Plant may improve our market share and profits, Flare exhaust gas incinerators are to comply with the emission requirements, and the new SSBR lines are to respond to the high-speed growth of the EV industry and to satisfy the high requirements of customers.

V. The Company's reinvestment policy for the most recent fiscal year, the main reasons for profit/loss generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

To maintain a leading position in the synthetic rubber market, the Company continues its strategic investment projects on specialty rubber with higher value and profit margins to sustain operating performance of the Company.

VI. Analysis and assessment of risk management

<1> The effect of the change in interest rate and exchange rate and inflation on the profit and loss of the Company and future countermeasures.

The impact on our company's profits and losses:

Unit: thousand NTD

2025	Amount	Accounting for the percentage of net operating revenues (%)	Accounting for the percentage of net profit before taxation (%)
Net interest income (expense)	(215,260)	(0.6)	(19.3)
Net exchange gain (loss)	50,416	0.1	4.5

Interest rate change:

The interest rate risk of the Company comes from the liabilities generated from the operating demand. If there are obvious fluctuations for the expected interest rate, the Company will shorten the term for account receivables offered to customers or adopt proper financial instruments, such as long-term liabilities with fixed interest rates, adjustment in the borrowing currency or loan period, to lower the costs of funds with the most suitable borrowing portfolio.

Exchange rate fluctuation:

The Company receives and pays in foreign currencies for part of its sales and purchases. Therefore, significant changes in foreign exchange rates will have an impact on the Company's operating revenues, cost of goods sold and operating income. The Company has conducted exchange rate hedges for foreign currency assets and liabilities held and scheduled to be traded in order to reduce the impact of exchange rate fluctuations on its operations.

Inflation:

The increase in inflation may cause a rise in raw material prices, and the interest rate may also rise due to the tight monetary policy adopted by the Central Bank, affecting the Company's operating costs. Our risk countermeasures include the reduction of cost changes through mass procurement or long-term contract. Selling prices of products are appropriately adjusted based on costs and market conditions. For interest rates, the Company adjusts the collection and payment period or adopts appropriate financial instruments to manage the effects of inflation on the Company.

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<2> Policy on high risk and high leverage investments, loans to others, guarantee and endorsement and derivative transactions, and the main reason for profit or loss, and response measure to be taken in the future

The Company has not engaged in any high-risk, high-leveraged investments, extending loans to others, or derivatives transactions. Granting endorsements and guarantees is limited to an investee Company accounted for under the equity method. The above transactions will be performed in accordance with relevant requirements prescribed in the Company's "Procedure for Acquisition or Disposal of Assets," "Procedures for Lending Funds to Other Parties," "Procedures for Making of Endorsement and Guarantee."

<3> R&D work to be carried out in the future and future expenditures expected for R&D work

Unit: thousand NTD

Project name	Expected R&D spending
New Generation and High Performance Tire Product Development	77,000
New Differentiated Polybutadiene Products	51,000
High Value-Added Thermoplastic Elastomer (TPE) Products	154,000
High Performance Materials and Formulas for Footwear	42,000
Medical application blended materials and special film application.	85,000
Advanced Process Technology Development	68,000

<4> Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

In recent years, the governments worldwide proactively responded to the climate changes and pledged to uphold the Paris Agreement by setting carbon emission targets to deliver on their Net Zero commitment. Being in the carbon-intensive industry with production & commercial base worldwide, TSRC faithfully uphold the Taiwan's Climate Change Response Act, the Sustainable Development Action Plan for Listed Companies, and EU's Carbon Border Adjustment Mechanism (CBAM). TSRC has set a series of mid-to-long term carbon emission targets, conducts GHG certification, and implement energy-saving & carbon reduction measures. In addition, TSRC continues to strengthen its organization's sustainability capability, enhances sustainability disclosure, and mitigates impacts on business portfolio and operating cost.

The change in government policies and laws in the country and foreign jurisdiction in the recent years has not impacted the Company's finance and operations.

<5> Effect of changes in technology (including cybersecurity risks) and industry dynamics on the Company's financial and business operations, as well as the measures to be taken in response

As the industry technology develops, The Company has invested greatly in R&D and process technology, continued to build various technology platforms, and worked with customers to jointly develop new technologies and products. Through these activities, The Company was able to enhance its technology and provide new solutions for customers, strengthening The Company position in specialty materials applications and market segments. However, synthetic rubber business can be highly influenced by the external factors such as butadiene price, natural rubber price, synthetic rubber supply-demand balance, and intensified market competition caused by new capacity additions. The Company has a sales-production-procurement (SPP) coordination mechanism in place to periodically review those external factors to control upstream cost and reduce the impact of price fluctuations to the Company. In addition, The Company has expanded its global presence and continued developing products for high-value applications to reduce the risk of being held limited to a single geographic location or industrial area, further strengthening its ability in responding to market changes. Regarding the increasingly important cybersecurity, apart from reinforcing the information protection educational training, the Company also introduced the "zero trust network," "multi-factor authentication," and "instant information security monitoring" systems to effectively improve the information safety protection ability of the Company and minimize risks related to information security.

<6> Effect of changes in the Company's corporate image on the Company's crisis management, and measures to be taken in response:

The Company adheres to the philosophy of treasuring the resources of the earth and implementing sustainable operations, values contributions to environments and society and communication with stakeholders, and commits to minimizing the impact of operating activities on the environment. Meanwhile, the Company constantly makes

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improvements and innovations for its ESG strategies and actions and implements healthy corporate citizen and social responsibilities. The Company attaches great attention to social participation, continues to make donations to disadvantaged students, and supports disadvantaged groups through various social activities. Concurrently, the Company invests in volunteer assistance on chemistry education and inheritance to provide corporate returns and create value for the overall society.

<7> Expected benefits and risks associated with merger and acquisitions, and mitigation measures being or to be taken:

To achieve corporate transformation and increase shareholders value, The Company continues to develop and assess equity investment, strategic alliance and merger and acquisitions (M&A) opportunities. The main risks of cross-border M&A include compliance with local M&A regulations and foreign investment requirements as well as post-M&A operation management. To ensure a smooth transition from transaction to post-deal integration, the Company would consult professional advisors with local expertise to set the deal structure conforming to both local and domestic regulations, while the Executive Leadership Team would construct a global operating model to align with the Company's cross-border M&A strategy. Minimize potential risks arising from M&A.

<8> Expected benefits and risks associated with plant expansion and mitigation measures being or to be taken:

Regarding the initiative related to the environmental protection along the Yangtze River promoted by local governments and our optimistic view on the continual growth in the demand for synthetic rubber in the regional markets, the Company relocate Shen Hua Chemical to the South Area of the Chemical Industry Park of NETDA in Jiangsu Province and expanded its production capacity to 220,000 MT, the facility was completed and began production operations in 2025.

In addition, in response to the rapid development of the high-performance tire market, the company has officially launched the construction project of a new solution-polymerized styrene-butadiene rubber (S-SBR) production line. The plan is to invest in establishing a new production line with an annual capacity of 60,000 tons, with mechanical completion expected in 2027. The capacity expansion is necessary for operations and has undergone meticulous capital expenditure planning, with risks considered to be controllable.

<9> Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

Purchase: The company's main raw material-butadiene-is sourced not only from domestic suppliers but also from multiple channels to diversify procurement risks. In addition to signing supply contracts with major domestic suppliers, spot purchases are made based on production needs. This raw material is an internationally traded commodity; in the event that domestic suppliers encounter force majeure events, the material can be obtained from foreign manufacturers, eliminating the risk of supply interruption.

Sales: The Company's main customers are world's leading companies and the Company's long-term partners. Most of them are contract customers with strong financial health. The Company's business divisions also have control on the amount a customer can purchase while continue conducting credit investigation. Hence, to avoid significant operational and operational risks.

<10> Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

In the case of directors, managers, or shareholders holding more than 10% of the Company's common share transferring a major quantity of shares or otherwise changed hands may result in the change of management of the Company or affecting the stock price of the Company. TSRC's directors, managers, and shareholders holding more than 10% of the Company's common share are required to report any changes in their shareholding to the competent authority. As of the date of this annual report, there have been no events of TSRC's directors, manager, or shareholders holding more than 10% of the Company's common share transferring a major quantity of shares or otherwise changed hands.

<11> Effect upon and risk to Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: No

<12> Litigious and non-litigious matters involved the Company and/or any Company director, any Company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any Company or companies controlled by the Company: No

<13> Other important risks, and mitigation measures being or to be taken: No

VII. Other important matters: None

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I. Information related to the Company's affiliates

Please refer to the Market Observation Post System (<https://mops.twse.com.tw>)

Path: Individual Company > Electronic Document Download > Affiliated Enterprises' Three Statements Section

II. State of the Company's private placement of marketable securities: None.

III. Other matters that require additional description: None.

Any circumstances referred to in Paragraph 3(2) of Article 36 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the Company's securities: None