# TSRC Corporation

**Financial Statements for the**
**Years Ended December 31, 2024 and 2023 and**
**Independent Auditors' Report**

Deloitte.

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# INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
TSRC Corporation

## Opinion

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

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

## Basis for Opinion

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

## Key Audit Matters

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. The matter was addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matters for the audit of the financial statements of TSRC Corporation for the year ended 2024 are outlined as follows:

The Accuracy and Completeness of Revenue Disclosures from the Transactions within Related Parties

TSRC Corporation's operating revenue from related parties amounted to $731,950 thousand, accounting for 6% of its operating revenue in 2024. As revenue represents a fundamental business activity for corporate sustainability and directly impacts operational performance, coupled with the inherently higher risks associated with related party transactions. In addition, the revenue from related parties in 2024 was significantly higher than the revenue in 2023. Accordingly, the accuracy and completeness of disclosures for these transactions were designated as a key audit matter under IFRS and auditing standards for the year ended December 31, 2024. For detailed disclosures, refer to Notes 26 and 30 in the financial statements.

Key Audit Procedures Performed

1. Understanding and testing the design and operating effectiveness of internal controls related to the compilation and reconciliation of sales transactions with related parties.

2. Obtaining summary reconciliation reports of sales transactions with related parties and performing reconciliation procedures to verify the accuracy and completeness of the total amounts and counterparties involved.

3. Reviewing whether the amounts and counterparties of sales revenue from related parties have been properly and completely disclosed.

**Other Matter**

The financial statements of the Company for the year ended December 31, 2023 were audited by the other auditors, who issued a unmodified opinion report dated March 7, 2024.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 6, 2025

*<u>Notice to Readers</u>*

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and parent company only financial statements shall prevail.*

**TSRC CORPORATION**

**BALANCE SHEETS**
**DECEMBER 31, 2024 AND 2023**
**(In Thousands of New Taiwan Dollars)**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **ASSETS** | **Amount** | **%** | **Amount** | **%** |
| CURRENT ASSETS | | | | |
| Cash (Note 6) | $ 48,808 | - | $ 119,128 | - |
| Financial assets at fair value through profit or loss - current (Note 7) | 625 | - | - | - |
| Accounts receivable, net (Note 8) | 1,535,563 | 5 | 1,049,429 | 4 |
| Accounts receivables from related parties (Notes 8 and 26) | 155,239 | 1 | 86,396 | - |
| Other receivables (Notes 8 and 26) | 212,943 | 1 | 198,389 | 1 |
| Inventories (Note 9) | 2,095,798 | 7 | 1,992,764 | 7 |
| Other current assets | 84,922 | - | 116,478 | - |
| Total current assets | 4,133,898 | 14 | 3,562,584 | 12 |
| NON-CURRENT ASSETS | | | | |
| Financial assets at fair value through other comprehensive income - non-current (Notes 10 and 26) | 1,444,590 | 5 | 2,015,236 | 7 |
| Investments accounted for under equity method (Note 11) | 19,657,836 | 65 | 18,106,857 | 64 |
| Property, plant and equipment (Note 12) | 2,965,084 | 10 | 2,963,365 | 11 |
| Right-of-use assets (Note 13) | 161,111 | 1 | 190,273 | 1 |
| Investment property (Note 14) | 1,507,972 | 5 | 1,522,697 | 5 |
| Intangible assets (Notes 15 and 26) | 141,981 | - | 48,478 | - |
| Deferred income tax assets (Note 21) | 95,455 | - | 21,603 | - |
| Other non-current assets (Note 17) | 70,294 | - | 72,641 | - |
| Total non-current assets | 26,044,323 | 86 | 24,941,150 | 88 |
| TOTAL | $ 30,178,221 | 100 | $ 28,503,734 | 100 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings (Note 16) | $ 1,952,683 | 7 | $ 1,936,291 | 7 |
| Short-term bills payable (Note 16) | 99,950 | - | - | - |
| Financial liabilities at fair value through profit or loss - current (Note 7) | - | - | 1,227 | - |
| Accounts payable (Note 26) | 1,150,553 | 4 | 828,910 | 3 |
| Other payables (Note 26) | 663,906 | 2 | 628,205 | 2 |
| Current income tax liabilities (Note 21) | 156,075 | 1 | 185,206 | 1 |
| Lease liabilities - current (Note 13) | 46,985 | - | 42,991 | - |
| Current portion of long-term borrowings (Note 16) | 509,212 | 2 | 1,377,267 | 5 |
| Other current liabilities | 109,537 | - | 60,848 | - |
| Total current liabilities | 4,688,901 | 16 | 5,060,945 | 18 |
| NON-CURRENT LIABILITIES | | | | |
| Long-term bank borrowings (Note 16) | 3,090,941 | 10 | 2,464,560 | 9 |
| Non-current income tax liabilities (Note 21) | 28,831 | - | 98,026 | - |
| Deferred income tax liabilities (Note 21) | 1,655,015 | 6 | 1,263,147 | 4 |
| Lease liabilities - non-current (Note 13) | 115,839 | - | 147,737 | 1 |
| Other non-current liabilities (Notes 11 and 17) | 247,201 | 1 | 47,499 | - |
| Total non-current liabilities | 5,137,827 | 17 | 4,020,969 | 14 |
| Total liabilities | 9,826,728 | 33 | 9,081,914 | 32 |
| EQUITY (Note 18) | | | | |
| Common stock | 8,257,099 | 27 | 8,257,099 | 29 |
| Capital surplus | 57,219 | - | 179,833 | - |
| Retained earnings | | | | |
| Legal reserve | 4,713,729 | 16 | 4,647,059 | 16 |
| Unappropriated earnings | 4,807,066 | 16 | 4,135,538 | 15 |
| Total retained earnings | 9,520,795 | 32 | 8,782,597 | 31 |
| Other equity | 2,516,380 | 8 | 2,202,291 | 8 |
| Total equity | 20,351,493 | 67 | 19,421,820 | 68 |
| TOTAL | $ 30,178,221 | 100 | $ 28,503,734 | 100 |

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

(With Deloitte & Touche auditors' report dated March 6, 2025)

# TSRC CORPORATION

**STATEMENTS OF COMPREHENSIVE INCOME**
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | **Amount** | **%** | **Amount** | **%** |
| OPERATING REVENUE (Notes 19 and 26) | $ 12,684,055 | 100 | $ 10,449,554 | 100 |
| OPERATING COSTS (Notes 9, 20 and 26) | 11,155,058 | 88 | 9,001,724 | 86 |
| GROSS PROFIT | 1,528,997 | 12 | 1,447,830 | 14 |
| UNREALIZED LOSS ON TRANSACTIONS | (6,322) | - | (8,543) | - |
| OPERATING EXPENSES (Notes 8 and 26) | | | | |
| Selling expenses | 484,161 | 4 | 405,037 | 4 |
| General and administrative expenses | 623,897 | 5 | 541,539 | 5 |
| Research and development expenses | 280,113 | 2 | 264,125 | 3 |
| Expected credit reversed on trade receivables | (367) | - | (806) | - |
| Total operating expenses | 1,387,804 | 11 | 1,209,895 | 12 |
| OTHER INCOME AND EXPENSES, NET (Notes 20 and 26) | 236,509 | 2 | 269,015 | 3 |
| OPERATING PROFIT | 384,024 | 3 | 515,493 | 5 |
| NON-OPERATING INCOME AND EXPENSES (Note 20) | | | | |
| Interest income | 4,035 | - | 3,558 | - |
| Other income | 131,859 | 1 | 100,898 | 1 |
| Other gains and losses | 3,066 | - | 34,172 | - |
| Finance costs | (182,053) | (1) | (153,560) | (1) |
| Share of profit of subsidiaries and associates | 871,641 | 7 | 426,984 | 4 |
| Total non-operating income | 828,548 | 7 | 412,052 | 4 |
| PROFIT BEFORE INCOME TAX | 1,212,572 | 10 | 927,545 | 9 |
| INCOME TAX EXPENSE (Note 21) | 350,307 | 3 | 247,527 | 2 |
| NET PROFIT FOR THE YEAR | 862,265 | 7 | 680,018 | 7 |

(Continued)

# TSRC CORPORATION

**STATEMENTS OF COMPREHENSIVE INCOME**
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | **Amount** | **%** | **Amount** | **%** |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurement of defined benefit plans (Note 17) | $ 29,831 | - | $ (13,318) | - |
| Unrealized gain on investments in equity instruments at fair value through other comprehensive income | (322,485) | (2) | 828,956 | 8 |
| Share of other comprehensive income of subsidiaries and associates | 103,301 | 1 | 160,037 | 1 |
| Income tax related to items that will not be reclassified subsequently to profit or loss (Note 21) | (102,847) | (1) | (22,937) | - |
| | (292,200) | (2) | 952,738 | 9 |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of the financial statements of foreign operations | 816,686 | 6 | (102,945) | (1) |
| Share of the other comprehensive income of subsidiaries and associates | 4,077 | - | 3,120 | - |
| | 820,763 | 6 | (99,825) | (1) |
| Other comprehensive income for the year, net of income tax | 528,563 | 4 | 852,913 | 8 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | $ 1,390,828 | 11 | $ 1,532,931 | 15 |
| EARNINGS PER SHARE (Note 22) | | | | |
| Basic | $ 1.04 | | $ 0.82 | |
| Diluted | $ 1.04 | | $ 0.82 | |

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

(With Deloitte & Touche auditors' report dated March 6, 2025) (Concluded)

## TSRC CORPORATION

**STATEMENTS OF CHANGES IN EQUITY**
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**
**(In Thousands of New Taiwan Dollars)**

| | | | Retained Earnings | | | Total Other Equity Interest | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Common Stock | Capital Surplus | Legal Reserve | Unappropriated Retained Earnings | Total | Exchange Differences on Translation of the Financial Statements of Foreign Operations | Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income | Gain (Loss) on Hedging Instruments | Total | Total Equity |
| BALANCE AT JANUARY 1, 2023 | $ 8,257,099 | $ 51,725 | $ 4,463,584 | $ 4,544,080 | $ 9,007,664 | $ 251,770 | $ 1,004,081 | $ (45,789) | $ 1,210,062 | $ 18,526,550 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve | - | - | 183,475 | (183,475) | - | - | - | - | - | - |
| Cash dividends | - | - | - | (891,767) | (891,767) | - | - | - | - | (891,767) |
| Other changes in capital surplus | - | 1,561 | - | - | - | - | - | - | - | 1,561 |
| Net profit for the year ended December 31, 2023 | - | - | - | 680,018 | 680,018 | - | - | - | - | 680,018 |
| Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax | - | - | - | (13,318) | (13,318) | (102,945) | 966,056 | 3,120 | 866,231 | 852,913 |
| Total comprehensive income (loss) for the year ended December 31, 2023 | - | - | - | 666,700 | 666,700 | (102,945) | 966,056 | 3,120 | 866,231 | 1,532,931 |
| Difference between the actual acquisition price and the book value of the subsidiary | - | 126,547 | - | - | - | 125,998 | - | - | 125,998 | 252,545 |
| BALANCE AT DECEMBER 31, 2023 | 8,257,099 | 179,833 | 4,647,059 | 4,135,538 | 8,782,597 | 274,823 | 1,970,137 | (42,669) | 2,202,291 | 19,421,820 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve | - | - | 66,670 | (66,670) | - | - | - | - | - | - |
| Cash dividends | - | - | - | (338,541) | (338,541) | - | - | - | - | (338,541) |
| Cash dividends from capital surplus | - | (123,856) | - | - | - | - | - | - | - | (123,856) |
| Other changes in capital surplus | - | 1,242 | - | - | - | - | - | - | - | 1,242 |
| Net profit for the year ended December 31, 2024 | - | - | - | 862,265 | 862,265 | - | - | - | - | 862,265 |
| Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax | - | - | - | 30,609 | 30,609 | 816,686 | (322,809) | 4,077 | 497,954 | 528,563 |
| Total comprehensive income (loss) for the year ended December 31, 2024 | - | - | - | 892,874 | 892,874 | 816,686 | (322,809) | 4,077 | 497,954 | 1,390,828 |
| Disposal of investments in equity instruments designated as at fair value through other comprehensive income | - | - | - | 183,865 | 183,865 | - | (183,865) | - | (183,865) | - |
| BALANCE AT DECEMBER 31, 2024 | $ 8,257,099 | $ 57,219 | $ 4,713,729 | $ 4,807,066 | $ 9,520,795 | $ 1,091,509 | $ 1,463,463 | $ (38,592) | $ 2,516,380 | $ 20,351,493 |

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

(With Deloitte & Touche audit report dated March 6, 2025)

# TSRC CORPORATION

**STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**
**(In Thousands of New Taiwan Dollars)**

| | 2024 | 2023 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income before tax | $ 1,212,572 | $ 927,545 |
| Depreciation | 284,999 | 260,766 |
| Amortization | 27,255 | 21,459 |
| Expected credit loss recognized reversed on trade receivables | (367) | (806) |
| Finance costs | 182,053 | 153,560 |
| Interest income | (4,035) | (3,558) |
| Dividend income | (131,859) | (100,898) |
| Share of profit of subsidiary and associates accounted for using the equity method | (871,641) | (426,984) |
| Loss on disposal of property, plant and equipment | 26,913 | - |
| Unrealized loss on transactions | (6,322) | (8,543) |
| Transfer to operating costs and inventories | 30,583 | 31,059 |
| Changes in operating assets and liabilities: | | |
| Financial assets at fair value through profit or loss | (625) | 14 |
| Accounts receivable | (485,767) | (53,238) |
| Accounts receivable from related parties | (68,843) | 13,736 |
| Other receivables | (14,554) | (19,659) |
| Inventories | (103,034) | 37,330 |
| Other current assets | 31,556 | (14,531) |
| Change in technical valuation | (42,436) | 27,242 |
| Financial liabilities at fair value through profit or loss | (1,227) | (2,438) |
| Accounts payable | 321,643 | 256,441 |
| Other payables | 31,089 | (42,152) |
| Other current liabilities | 48,689 | (7,342) |
| Net defined benefit liability | (2,623) | (305) |
| Other non-current liabilities gain (loss) | 4,178 | (152) |
| Cash flow generated from operating activities | 468,197 | 1,048,546 |
| Interest income received | 4,035 | 3,581 |
| Interest paid | (178,009) | (152,229) |
| Income taxes paid | (234,242) | (71,568) |
| Net cash flow generated from operating activities | 59,981 | 828,330 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of financial assets at fair value through other comprehensive income | 248,161 | - |
| Payments for property, plant and equipment | (297,559) | (316,251) |
| Acquisition of intangible assets | (100,919) | - |
| Decrease (increase) in other non-current assets | 2,347 | (24,444) |
| Dividends received | 654,099 | 309,711 |
| Net cash flow generated from (used in) investing activities | 506,129 | (30,984) |

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# TSRC CORPORATION

**STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**
**(In Thousands of New Taiwan Dollars)**

| | 2024 | 2023 |
|---|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in short-term borrowings | $ 17,610,846 | $ 17,832,260 |
| Decrease in short-term borrowings | (17,594,454) | (18,977,154) |
| Increase in short-term commercial paper payable | 2,727,000 | 1,973,000 |
| Decrease in short-term commercial paper payable | (2,627,000) | (2,223,000) |
| Proceeds from long-term borrowings | 1,135,593 | 2,077,720 |
| Repayments of long-term borrowings | (1,377,267) | (521,185) |
| Decrease in other long-term commercial paper payable | - | (350,000) |
| Repayments of lease liabilities | (49,505) | (50,449) |
| Cash dividends paid | (461,643) | (891,767) |
| Return of dividends not distributed within the stipulated period | - | 2,561 |
| Net cash flow (used in) financing activities | (636,430) | (1,128,014) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (70,320) | (330,668) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 119,128 | 449,796 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | $ 48,808 | $ 119,128 |

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

(With Deloitte & Touche auditors' report dated March 6, 2025) (Concluded)

# TSRC CORPORATION

**NOTES TO FINANCIAL STATEMENTS**
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

## 1. GENERAL INFORMATION

TSRC Corporation (formerly Taiwan Synthetic Rubber Corporation, hereinafter referred to as "the Corporation") was incorporated in the Republic of China (ROC) on November 22, 1973, as a corporation limited by shares in accordance with the ROC Company Act. In May 1999, Taiwan Synthetic Rubber Corporation was renamed TSRC Corporation and was approved by the shareholders in their meeting. In June 2016, the Corporation changed its registered address to No. 2, Singgong Rd., Dashe Dist., Kaohsiung City. The Corporation mainly manufactures, imports and sells various types of synthetic rubber and does import-export trades of related raw materials.

The financial statements of the Corporation are presented in the Corporation's functional currency, the New Taiwan dollar.

## 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation's board of directors and were authorized for issue on March 6, 2025.

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

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

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Corporation's accounting policies.

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

| New, Amended and Revised Standards and Interpretations | Effective Date Announced by IASB |
|---|---|
| Amendments to IAS 21 "Lack of Exchangeability" | January 1, 2025 (Note) |

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Corporation shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Corporation shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

| New, Amended and Revised Standards and Interpretations | Effective Date Announced by IASB (Note) |
|---|---|
| Annual Improvements to IFRS Accounting Standards - Volume 11 | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity" | January 1, 2026 |
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined by IASB |
| IFRS 17 "Insurance Contracts" | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information" | January 1, 2023 |
| IFRS 18 "Presentation and Disclosure in Financial Statements" | January 1, 2027 |
| IFRS 19 "Subsidiaries without Public Accountability: Disclosures" | January 1, 2027 |

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Corporation shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Corporation shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Corporation as a whole, the Corporation shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are not translated using the exchange rate at the date of the transaction.

For the purpose of presenting the financial statements, the functional currencies of the Corporation and the entities in the Corporation (including subsidiaries and associates in other countries that use currencies which are the different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

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

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are accounted for as equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Corporation's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further loss, if any.

Unrealized profit or loss resulting from downstream transactions is eliminated in full only in the parent corporation only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent corporation only financial statements and only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. These assets are depreciated and placed in the appropriate categories of property, plant and equipment when completed and ready for intended use

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

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

h. Investment properties

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

Freehold investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

Investment properties are depreciated using the straight-line method.

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

i. Intangible assets

Intangible assets are measured at cost, less accumulated amortization and accumulated impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis. The entity reviews the estimated useful life, residual value, and amortization method at least at the end of each annual reporting period, with the effect of any changes in accounting estimates being applied prospectively. Intangible assets with indefinite useful lives are reported at cost less accumulated impairment losses.

j. Impairment of property, plant and equipment, right-of-use assets, investment properties and assets related to contract costs

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

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

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

Before the Corporation recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Corporation expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

k. Financial instruments

Financial assets and financial liabilities are recognized when an entity in the Corporation becomes a party to the contractual provisions of the instruments.

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

Financial assets

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

1) Measurement categories

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

   a) Financial assets at FVTPL

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

   b) Financial assets at amortized cost

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

      i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

      ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

   c) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets and contract assets

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

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

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

3) Derecognition of financial assets

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

On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Equity instruments

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

Financial liabilities

1) Subsequent measurement

Except for financial liabilities at fair value through profit or loss, other financial liabilities are measured at amortized cost using the effective interest method.

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

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

2) Derecognition of financial liabilities

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

Derivative financial instruments

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

l. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Corporation transfers a promised good or service to a customer and the date on which the customer pays for that good or service is within one year, the Corporation does not adjust the promised amount of consideration for the effect of a significant financing component.

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

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

m. Leases

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

1) The Corporation as lessor

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

2) The Corporation as lessee

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

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

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

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

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

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

o. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes

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

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

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

Write-down of inventories

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

## 6. CASH

| | December 31 | |
|---|---|---|
| | **2024** | **2023** |
| Checking accounts and demand deposits | $ 48,808 | $ 119,128 |

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

| | December 31 | |
|---|---|---|
| | **2024** | **2023** |
| Financial assets at FVTPL - current | | |
| Financial assets mandatorily classified as at FVTPL | | |
| Derivative financial assets (not under hedge accounting) | | |
| Foreign exchange forward contracts | | |
| Cross-currency swap contracts | $ 625 | $ - |
| Financial liabilities at FVTPL - current | | |
| Financial liabilities held for trading | | |
| Derivative financial liabilities (not under hedge accounting) | | |
| Foreign exchange forward contracts | | |
| Cross-currency swap contracts | $ - | $ 1,227 |

At the end of the reporting period, foreign exchange forward contracts and cross-currency swap contracts not under hedge accounting were as follows:

| | **Currency** | **Maturity Date** | **Notional Amount (In Thousands)** |
|---|---|---|---|
| December 31, 2024 | | | |
| Sell (forward contracts) | EUR/USD | 2025.01.24-2025.02.27 | EUR850/USD898 |
| Sell (forward contracts) | JPY/USD | 2025.01.24-2025.02.27 | JPY27,500/USD179 |
| Swap contracts | EUR/USD | 2025.01.24-2025.01.24 | EUR250/USD266 |
| December 31, 2023 | | | |
| Sell (forward contracts) | EUR/USD | 2024.01.12-2024.02.16 | EUR1,100/USD1,189 |
| Swap contracts | EUR/USD | 2024.01.12 | EUR150/USD159 |
| Swap contracts | JPY/USD | 2024.01.12 | JPY20,000/USD138 |

The Corporation entered into foreign exchange forward contracts and cross-currency swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

## 8. TRADE RECEIVABLES AND OTHER RECEIVABLES (INCLUDING RELATED PARTIES)

| | December 31 | |
|---|---|---|
| | **2024** | **2023** |
| Trade receivables | | |
| At amortized cost | | |
| Gross carrying amount | $ 1,535,619 | $ 1,049,852 |
| Less: Allowance for impairment loss | (56) | (423) |
| | $ 1,535,563 | $ 1,049,429 |

(Continued)

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Trade receivables from related parties | | |
| At amortized cost | $ 155,239 | $ 86,396 |
| Other receivables | | |
| Other receivables from related parties | $ 107,698 | $ 131,956 |
| Others | 105,245 | 66,433 |
| | $ 212,943 | $ 198,389 |

(Concluded)

The average credit period of sales of goods was 40 days. In order to minimize credit risk, the Corporation authorized a department to be responsible for determining credit limits, credit approvals, credit management and to manage other unusual risk to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Corporation applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information.

The Corporation writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivables and trade receivables based on the Corporation's provision matrix.

December 31, 2024

| | Not Past Due | Past Due Less than 3 Months | Past Due 3 to 6 Months | Past Due 6 Months - 1 Years | Past Due Over 1 years | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.00% | 0.10% | - | - | - | |
| Gross carrying amount | $ 1,643,639 | $ 47,219 | $ - | $ - | $ - | $ 1,690,858 |
| Loss allowance (Lifetime ECLs) | (10) | (46) | - | - | - | (56) |
| Amortized cost | $ 1,643,629 | $ 47,173 | $ - | $ - | $ - | $ 1,690,802 |

December 31, 2023

| | Not Past Due | Past Due Less than 3 Months | Past Due 3 to 6 Months | Past Due 6 Months - 1 Years | Past Due Over 1 years | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.02% | - | 100% | - | - | |
| Gross carrying amount | $ 1,135,999 | $ - | $ 249 | $ - | $ - | $ 1,136,248 |
| Loss allowance (Lifetime ECLs) | (174) | - | (249) | - | - | (423) |
| Amortized cost | $ 1,135,825 | $ - | $ - | $ - | $ - | $ 1,135,825 |

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

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Balance at January 1 | $ 423 | $ 1,229 |
| Impairment reversed recognized for the year | (367) | (806) |
| Balance at December 31 | $ 56 | $ 423 |

## 9. INVENTORIES

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Finished goods | $ 1,270,420 | $ 1,234,778 |
| Work in progress | 142,264 | 135,666 |
| Raw materials | 676,183 | 612,659 |
| Goods | 6,931 | 9,661 |
| | $ 2,095,798 | $ 1,992,764 |

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

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Cost of inventories sold | $ 11,086,933 | $ 8,938,401 |
| Inventory write-downs (reversed) | 7,826 | (28,298) |
| Income from sale of scrap | (26,046) | (27,754) |
| Unallocated production overhead | 86,211 | 119,375 |
| Others | 134 | - |
| | $ 11,155,058 | $ 9,001,724 |

The reversal of inventory write-downs for the year ended December 31, 2023, which resulted from sale or consumption of the inventories in the current year.

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

**Investments in Equity Instruments at FVTOCI**

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Non-current | | |
| Investments in equity instruments | | |
| Domestic listed and emerging market shares | $ 1,083,601 | $ 1,263,392 |
| Domestic and foreign unlisted shares | 360,989 | 751,844 |
| | $ 1,444,590 | $ 2,015,236 |

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

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

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Investments in subsidiaries | $ 19,657,836 | $ 18,106,857 |

**Investments in Subsidiaries**

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Trimurti Holding Corporation | $ 18,775,558 | $ 16,953,644 |
| Hardison International Corporation | 718,726 | 850,397 |
| Dymas Corporation | 163,552 | 186,077 |
| TSRC (Vietnam) Co., Ltd. | - | 116,739 |
| | $ 19,657,836 | $ 18,106,857 |
| Credit balance of investments accounted for using equity method transferred to other non-current liabilities | $ 228,756 | $ - |

| | Proportion of Ownership and Voting Rights | | |
|---|---|---|---|
| | December 31 | | |
| Name of Subsidiary | 2024 | 2023 | Remark |
| Trimurti Holding Corporation | 100.00% | 100.00% | - |
| Hardison International Corporation | 100.00% | 100.00% | - |
| Dymas Corporation | 100.00% | 100.00% | Note |
| TSRC (Vietnam) Co., Ltd. | 100.00% | 100.00% | - |

Note: TSRC directly owns 19.48% of Dymas Corporation's equity and indirectly owns 80.52% via Hardison International Corporation, for a total of 100% directly and indirectly owned equity.

## 12. PROPERTY, PLANT AND EQUIPMENT

| | Freehold Land and Land Improvements | Buildings | Machinery Equipment | Office and Other Equipment | Construction in Progress and Equipment under Installation | Total |
|---|---|---|---|---|---|---|
| Cost | | | | | | |
| Balance at January 1, 2024 | $ 704,834 | $ 1,231,022 | $ 9,732,709 | $ 109,940 | $ 652,201 | $ 12,430,706 |
| Additions | - | - | - | - | 301,624 | 301,624 |
| Disposals | - | (3,103) | (252,907) | (1,016) | - | (257,026) |
| Reclassification | 1,818 | - | 727,130 | 4,366 | (751,153) | (19,839) |
| Balance at December 31, 2024 | $ 706,652 | $ 1,227,919 | $ 10,260,932 | $ 113,290 | $ 200,672 | $ 12,455,465 |
| Accumulated depreciation and impairment | | | | | | |
| Balance at January 1, 2024 | $ 77,720 | $ 1,011,258 | $ 8,278,738 | $ 99,625 | $ - | $ 9,467,341 |
| Disposals | - | (2,268) | (226,829) | (1,016) | - | (230,113) |
| Depreciation expenses | 2,576 | 19,990 | 225,701 | 4,886 | - | 253,153 |
| Balance at December 31, 2024 | $ 80,296 | $ 1,028,980 | $ 8,277,610 | $ 103,495 | $ - | $ 9,490,381 |
| Carrying amounts at December 31, 2024 | $ 626,356 | $ 198,939 | $ 1,929,322 | $ 9,795 | $ 200,672 | $ 2,965,084 |
| Cost | | | | | | |
| Balance at January 1, 2023 | $ 704,834 | $ 1,231,022 | $ 9,628,425 | $ 110,179 | $ 498,361 | $ 12,172,821 |
| Additions | - | - | - | - | 317,517 | 317,517 |
| Disposals | - | - | (51,221) | (4,882) | - | (56,103) |
| Reclassification | - | - | 155,505 | 4,643 | (163,677) | (3,529) |
| Balance at December 31 2023 | $ 704,834 | $ 1,231,022 | $ 9,732,709 | $ 109,940 | $ 652,201 | $ 12,430,706 |
| Accumulated depreciation and impairment | | | | | | |
| Balance at January 1, 2023 | $ 75,234 | $ 986,243 | $ 8,134,679 | $ 98,748 | $ - | $ 9,294,904 |
| Disposals | - | - | (51,221) | (4,882) | - | (56,103) |
| Depreciation expenses | 2,486 | 25,015 | 195,280 | 5,759 | - | 228,540 |
| Balance at December 31, 2023 | $ 77,720 | $ 1,011,258 | $ 8,278,738 | $ 99,625 | $ - | $ 9,467,341 |
| Carrying amounts at December 31, 2023 | $ 627,114 | $ 219,764 | $ 1,453,971 | $ 10,315 | $ 652,201 | $ 2,963,365 |

No impairment losses were recognized or reversed in 2024 and 2023.

The above items of property, plant and equipment are depreciated over their estimated useful lives of the assets as follows:

| | |
|---|---|
| Land improvements | 7-30 years |
| Buildings | 3-60 years |
| Machinery equipment | 3-50 years |
| Office and other equipment | 3-8 years |

Property, plant and equipment used by the Corporation were not pledged as collaterals.

## 13. LEASE ARRANGEMENTS

a. Right-of-use assets

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Carrying amounts | | |
| Land | $ 1,596 | $ 510 |
| Buildings | 50,623 | 53,995 |
| Machinery | 107,142 | 133,927 |
| Transportation equipment | 1,750 | 1,841 |
| | $ 161,111 | $ 190,273 |

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Additions to right-of-use assets | $ 18,540 | $ 149,156 |
| Depreciation charge for right-of-use assets | | |
| Land | $ 358 | $ 312 |
| Buildings | 15,641 | 16,089 |
| Transportation equipment | 1,122 | 1,099 |
| | $ 17,121 | $ 17,500 |
| Transfer to operating costs and inventories | $ 30,583 | $ 31,059 |

Except for the aforementioned addition, recognized depreciation and transferred to operating costs and inventories, the Corporation did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2024 and 2023.

b. Lease liabilities

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Carrying amounts | | |
| Current | $ 46,985 | $ 42,991 |
| Non-current | $ 115,839 | $ 147,737 |

Range of discount rates for lease liabilities was as follows:

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Buildings | 1.21%-2.21% | 1.21%-1.31% |
| Machinery | 1.86%-1.86% | 1.31%-1.86% |
| Transportation equipment | 1.21%-2.20% | 1.21%-1.86% |

c. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 14.

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Expenses relating to short-term leases | $ 937 | $ 921 |
| Expenses relating to low-value assets leases | $ 462 | $ 509 |
| Total cash outflow for leases | $ 53,963 | $ 54,095 |

The Corporation leases certain office Equipment and transportation equipment which qualify as short-term leases. The Corporation has elected to apply the recognition exemption, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 14. INVESTMENT PROPERTIES

| | Completed Investment Property |
|---|---|
| Cost | |
| Balance at January 1, 2024 and December 31, 2024 | $ 1,815,468 |
| Accumulated depreciation and impairment | |
| Balance at January 1, 2024 | $ 292,771 |
| Depreciation expense | 14,725 |
| Balance at December 31, 2024 | $ 307,496 |
| Carrying amount at December 31, 2024 | $ 1,507,972 |
| Cost | |
| Balance at January 1, 2023 and December 31, 2023 | $ 1,815,468 |
| Accumulated depreciation and impairment | |
| Balance at January 1, 2023 | $ 278,045 |
| Depreciation expense | 14,726 |
| Balance at December 31, 2023 | $ 292,771 |
| Carrying amount at December 31, 2023 | $ 1,522,697 |

The abovementioned investment properties were leased out for 3 to 10 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiration of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Not later than 1 year | $ 69,056 | $ 52,875 |
| Later than 1 year and not later than 5 years | 250,793 | 84,592 |
| Later than 5 years | 7,956 | 30,687 |
| | $ 327,805 | $ 168,154 |

Investment properties were depreciated by applying the straight-line method:

| | |
|---|---|
| Buildings | 50 years |

The fair value of the Corporation's investment properties as of December 31, 2024, and December 31, 2023, was $3,383,413 thousand. The fair value of the investment properties was based on the valuation carried out by independent valuers, and the input values used in the fair value measurement are classified as Level 3. The valuation was carried out based on market value.

All of the Corporation's investment properties were held under freehold interests. The investment properties are not pledged as collateral for bank borrowings.

## 15. INTANGIBLE ASSETS

| | Industrial Technology and Know-how | Computer Software | Patent And Trademark | Total |
|---|---|---|---|---|
| Cost | | | | |
| Balance at January 1, 2024 | $ 107,213 | $ 229,189 | $ - | $ 336,402 |
| Additions | 75,968 | - | 24,951 | 100,919 |
| Reclassification | - | 19,839 | - | 19,839 |
| Balance at December 31, 2024 | $ 183,181 | $ 249,028 | $ 24,951 | $ 457,160 |
| Accumulated depreciation and impairment | | | | |
| Balance at January 1, 2024 | $ 74,575 | $ 213,349 | $ - | $ 287,924 |
| Amortization expenses | 11,972 | 13,659 | 1,624 | 27,255 |
| Balance at December 31, 2024 | $ 86,547 | $ 227,008 | $ 1,624 | $ 315,179 |
| Carrying amounts at December 31, 2024 | $ 96,634 | $ 22,020 | $ 23,327 | $ 141,981 |

(Continued)

| | Industrial Technology and Know-how | Computer Software | Patent And Trademark | Total |
|---|---|---|---|---|
| Cost | | | | |
| Balance at January 1, 2023 | $ 107,213 | $ 225,660 | $ - | $ 332,873 |
| Reclassification | - | 3,529 | - | 3,529 |
| Balance at December 31, 2023 | $ 107,213 | $ 229,189 | $ - | $ 336,402 |
| Accumulated depreciation and impairment | | | | |
| Balance at January 1, 2023 | $ 68,030 | $ 198,435 | $ - | $ 266,465 |
| Amortization expenses | 6,545 | 14,914 | - | 21,459 |
| Balance at December 31, 2023 | $ 74,575 | $ 213,349 | $ - | $ 287,924 |
| Carrying amounts at December 31, 2023 | $ 32,638 | $ 15,840 | $ - | $ 48,478 |

(Concluded)

Except for amortization recognized, the Corporation did not have significant addition, disposal, or impairment of other intangible assets during the year ended December 31, 2023. Other intangible assets are amortized on a straight-line basis over their estimated useful lives, as follows:

| | |
|---|---|
| Industrial technology and know-how | 10-20 years |
| Computer software | 3 years |
| Patent | 20 years |
| Trademark | Undetermined |

An analysis of depreciation by function:

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Operating costs | $ 7,143 | $ 8,576 |
| Selling and marketing expenses | 221 | - |
| General and administrative expenses | 16,419 | 9,383 |
| Research and development expenses | 3,472 | 3,500 |
| | $ 27,255 | $ 21,459 |

The entity has no intangible assets pledged as collateral.

## 16. BORROWINGS

a. Short-term borrowings

| | December 31 2024 | December 31 2023 |
|---|---|---|
| Unsecured borrowings | | |
| Line of credit borrowings | $ 1,952,683 | $ 1,936,291 |

The range of weighted average effective interest rates on bank loans was 1.90%-5.87% and 1.80%-6.37% per annum as of December 31, 2024 and 2023, respectively.

b Short-term bills payable

| | December 31 2024 | December 31 2023 |
|---|---|---|
| Commercial paper | $ 100,000 | $ - |
| Less: Unamortized discounts on bills payable | (50) | - |
| | $ 99,950 | $ - |
| Range of interest Rate | 2.02% | - |

c. Long-term borrowings

| | December 31 2024 | December 31 2023 |
|---|---|---|
| Unsecured borrowings | | |
| Bank loans (NTD) | $ 3,600,153 | $ 3,841,827 |
| Less: Current portion | (509,212) | (1,377,267) |
| Long-term borrowings | $ 3,090,941 | $ 2,464,560 |

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

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

## 17. RETIREMENT BENEFIT PLANS

a. Defined benefit plans

According to the Labor Pension Act, the Corporation’s pension plan is a government-managed defined contribution plan, under which 6% of each employee’s monthly salary is contributed to the individual account with the Bureau of Labor Insurance.

b. Defined benefit plans

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

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

| | December 31 | |
|---|---|---|
| | **2024** | **2023** |
| Present value of defined benefit obligation | $ 463,179 | $ 507,991 |
| Fair value of plan assets | (467,191) | (478,771) |
| Net defined benefit liabilities (assets)(Recognize other non-current assets and liabilities) | $ (4,012) | $ 29,220 |

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

| | **Present Value of the Defined Benefit Obligation** | **Fair Value of the Plan Assets** | **Net Defined Benefit Liabilities (Assets)** |
|---|---|---|---|
| Balance at January 1, 2023 | $ 555,084 | $ (538,877) | $ 16,207 |
| Service cost | | | |
| Current service cost and interest | 3,650 | - | 3,650 |
| Net interest expense (income) | 8,091 | (7,880) | 211 |
| Recognized in profit or loss | 11,741 | (7,880) | 3,861 |
| Remeasurement | | | |
| Return on plan assets (excluding amounts included in net interest) | - | (3,371) | (3,371) |
| Actuarial (gain) loss | | | |
| Changes in financial assumptions | 3,965 | - | 3,965 |
| Experience adjustments | 12,724 | - | 12,724 |
| Recognized in other comprehensive income | 16,689 | (3,371) | 13,318 |
| Contributions from plan participants | - | (4,166) | (4,166) |
| Benefits paid | (75,523) | 75,523 | - |
| Balance at December 31, 2023 | 507,991 | (478,771) | 29,220 |
| Service cost | | | |
| Current service cost and interest | 2,399 | - | 2,399 |
| Net interest expense (income) | 6,740 | (6,366) | 374 |
| Recognized in profit or loss | 9,139 | (6,366) | 2,773 |
| Remeasurement | | | |
| Return on plan assets (excluding amounts included in net interest) | - | (45,033) | (45,033) |

(Continued)

| | Present Value of the Defined Benefit Obligation | Fair Value of the Plan Assets | Net Defined Benefit Liabilities (Assets) |
|---|---|---|---|
| Actuarial (gain) loss | | | |
| Changes in financial assumptions | $ (6,977) | $ - | $ (6,977) |
| Experience adjustments | 22,179 | - | 22,179 |
| Recognized in other comprehensive income | 15,202 | (45,033) | (29,831) |
| Contributions from plan participants | - | (6,174) | (6,174) |
| Benefits paid | (69,153) | 69,153 | - |
| Balance at December 31, 2024 | $ 463,179 | $ (467,191) | $ (4,012) |

(Concluded)

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

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

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

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Discount rate(s) | 1.625% | 1.375% |
| Expected rate(s) of salary increase | 1.500% | 1.500% |

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

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Discount rate(s) | | |
| 0.25% increase | $ (6,810) | $ (7,872) |
| 0.25% decrease | $ 6,977 | $ 8,069 |
| Expected rate(s) of salary increase | | |
| 0.25% increase | $ 6,689 | $ 7,731 |
| 0.25% decrease | $ (6,569) | $ (7,583) |

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

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Expected contributions to the plans for the next year | $ 3,990 | $ 2,200 |
| Average duration of the defined benefit obligation | 8.36 years | 8.62 years |

## 18. EQUITY

a. Share capital - ordinary shares

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Shares of authorized shares (in thousands of shares) | 1,200,000 | 1,200,000 |
| Shares authorized, par value | $ 12,000,000 | $ 12,000,000 |
| Shares issued and fully paid (in thousands of shares) | 825,710 | 825,710 |
| Shares issued and fully paid | $ 8,257,099 | $ 8,257,099 |

b. Capital surplus

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| May be used to offset a deficit, distributed, as cash dividends, or transferred to share capital* | | |
| Issuance of ordinary shares | $ 849 | $ 849 |
| The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | 2,691 | 126,547 |
| May only be used to offset a deficit | | |
| Overdue unclaimed dividends | 53,679 | 52,437 |
| | $ 57,219 | $ 179,833 |

* Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of Corporation's capital surplus and to once a year).

c. Retained earnings and dividend policy

In accordance with the Corporation's articles of incorporation, when allocating the earnings for each fiscal year, the Corporation may, after offsetting losses from previous years, paying taxes and setting aside any statutory and appropriated retained earnings of 10% by ordinary resolution, allocate the remaining balance dividends, retained earnings or other purposes. The allocation shall be proposed by the board of directors for a resolution at the shareholders' general meeting. However, dividends, employee bonuses, capital surplus, and legal reserve distributed wholly or partially in cash may be passed by the board of directors with more than two-thirds of the directors' attendance and resolved by more than half of the directors thereafter and shall be reported during the shareholders' general meeting. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 20-h.

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

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

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

The appropriations of earnings for 2023 and 2022 as follows:

| | For the Year Ended December 31 | |
|---|---|---|
| | **2023** | **2022** |
| Legal reserve | $ 66,670 | $ 183,475 |
| Cash dividends | $ 338,541 | $ 891,767 |
| Cash dividends per share (NT$) | $ 0.41 | $ 1.08 |

The aforementioned cash dividends were resolved for distribution by the board of directors on March 7, 2024 and March 9, 2023, respectively, and the remaining earnings appropriation items were resolved at the Annual General Meeting of Shareholders on June 7, 2024 and May 31, 2023, respectively.

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

On March 6, 2025, the Board of Directors proposed the appropriation of earnings for the year ended December 31, 2024, as follows:

| | For the Year Ended December 31, 2024 |
|---|---|
| Legal reserve | $ 107,674 |
| Cash dividends | $ 520,197 |
| Cash dividends per share (NT$) | $ 0.63 |

The aforementioned cash dividends have been resolved for distribution by the board of directors, and the remaining matters are subject to resolution at the Annual General Meeting of Shareholders scheduled for June 3, 2025.

d. Other equity items

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

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Balance at January 1 | $ 274,823 | $ 251,770 |
| Recognized for the year | | |
| Exchange differences on translating the financial statements of foreign operations | 816,686 | (102,945) |
| Acquisition of interests in subsidiaries | - | 125,998 |
| Balance at December 31 | $ 1,091,509 | $ 274,823 |

2) Unrealized gain on financial assets at FVTOCI

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Balance at January 1 | $ 1,970,137 | $ 1,004,081 |
| Recognized for the year | | |
| Unrealized gain - equity instruments | (322,809) | 966,056 |
| Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal | (183,865) | - |
| Balance at December 31 | $ 1,463,463 | $ 1,970,137 |

3) Gain/(loss) on hedging instruments

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Balance at January 1 | $ (42,669) | $ (45,789) |
| Recognized for the year | | |
| Share from associates/joint ventures accounted for using the equity method | 4,077 | 3,120 |
| Balance at December 31 | $ (38,592) | $ (42,669) |

## 19. REVENUE

### Disaggregation of Revenue

For the year ended December 31, 2024

| | Synthetic Rubber | Non-synthetic Rubber | Total |
|---|---|---|---|
| Primary geographical markets | | | |
| Asia | $ 10,204,719 | $ 223,268 | $ 10,427,987 |
| Americas | 1,273,353 | 173 | 1,273,526 |
| Europe | 895,193 | 404 | 895,597 |
| Others | 86,945 | - | 86,945 |
| | $ 12,460,210 | $ 223,845 | $ 12,684,055 |
| Major product lines | | | |
| Synthetic rubber/elastomers | $ 11,507,067 | $ - | $ 11,507,067 |
| Applied materials | - | 221,388 | 221,388 |
| Others | 953,143 | 2,457 | 955,600 |
| | $ 12,460,210 | $ 223,845 | $ 12,684,055 |

For the year ended December 31, 2023

| | Synthetic Rubber | Non-synthetic Rubber | Total |
|---|---|---|---|
| Primary geographical markets | | | |
| Asia | $ 8,006,852 | $ 222,505 | $ 8,229,357 |
| Americas | 1,384,531 | - | 1,384,531 |
| Europe | 756,584 | - | 756,584 |
| Others | 79,082 | - | 79,082 |
| | $ 10,227,049 | $ 222,505 | $ 10,449,554 |
| Major product lines | | | |
| Synthetic rubber/elastomers | $ 9,820,291 | $ - | $ 9,820,291 |
| Applied materials | - | 218,313 | 218,313 |
| Others | 406,758 | 4,192 | 410,950 |
| | $ 10,227,049 | $ 222,505 | $ 10,449,554 |

## 20. NET PROFIT

a. Other income and expenses

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Rental income | $ 77,687 | $ 71,009 |
| Royalty income | 151,124 | 191,215 |
| Net service income | 5,143 | 5,531 |
| Depreciation of investment properties | (14,725) | (14,726) |
| Net other income | 17,280 | 15,986 |
| | $ 236,509 | $ 269,015 |

b. Interest income

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Bank deposits | $ 4,035 | $ 3,558 |

c. Other income

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Dividends | $ 131,859 | $ 100,898 |

d. Other gains and losses

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Gain (loss) on disposal of financial assets and financial liabilities | $ 3,663 | $ (633) |
| Loss on disposal of property, plant and equipment | (26,913) | - |
| Net foreign exchange gain (loss) | 21,092 | 34,620 |
| Others | 5,224 | 185 |
| | $ 3,066 | $ 34,172 |

e. Finance costs

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Interest on bank loans | $ 178,994 | $ 151,344 |
| Interest on lease liabilities | 3,059 | 2,216 |
| | $ 182,053 | $ 153,560 |

f. Depreciation and amortization

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| An analysis of depreciation by function | | |
| Operating costs | $ 202,154 | $ 177,861 |
| Operating expenses | 68,120 | 68,179 |
| | $ 270,274 | $ 246,040 |
| An analysis of amortization by function | | |
| Operating costs | $ 7,143 | $ 8,576 |
| Operating expenses | 20,112 | 12,883 |
| | $ 27,255 | $ 21,459 |

The depreciation did not include the depreciation of investment properties (included in other income and expenses), the amounts for the years ended December 31, 2024 and 2023 were $14,725 thousand and $14,726 thousand, respectively.

g. Employee benefits expense

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Short-term benefits | $ 887,887 | $ 853,179 |
| Post-employment benefits | | |
| Defined contribution plans | 30,213 | 28,606 |
| Defined benefit plans (Note 17) | 2,652 | 3,611 |
| | 32,865 | 32,217 |
| Other employee benefits | 121,585 | 125,652 |
| Total employee benefits expense | $ 1,042,337 | $ 1,011,048 |
| An analysis of employee benefits expense by function | | |
| Operating costs | $ 491,466 | $ 471,281 |
| Operating expenses | 550,871 | 539,767 |
| | $ 1,042,337 | $ 1,011,048 |

The defined benefit plan excludes post-employment benefits recognized in other income and expenses, which amounted to NT$121 thousand in 2024 and NT$250 thousand in 2023.

h. Employees' compensation and remuneration of directors

In accordance with the Corporation's articles of incorporation, if there is profit for the year, the Corporation should contribute more than 1% of its profit as employee remuneration and less than 1% as directors' remuneration. The accrued employees' compensation and remuneration of directors for the years ended December 31, 2024 and 2023 were as follows:

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| | Cash | Cash |
| Employees' compensation | $ 62,289 | $ 69,010 |
| Remuneration of directors | - | - |

If there is a change in the amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2023 and 2022.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Current tax | | |
| In respect of the current year | $ 148,600 | $ 115,664 |
| Income tax on unappropriated earnings | 3,940 | 27,524 |
| Adjustments for prior year | (17,402) | (6,929) |
| | 135,138 | 136,259 |
| Deferred tax | | |
| In respect of the current year | 215,169 | 111,268 |
| | $ 350,307 | $ 247,527 |

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

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Profit before tax from continuing operations | $ 1,212,573 | $ 927,545 |
| Income tax expense calculated at the statutory rate | $ 242,515 | $ 185,509 |
| Tax-exempt income | (20,318) | (16,673) |
| Adjustments for prior year | (17,402) | (6,929) |
| Reduction of investments used | (26,035) | (25,000) |
| Occurrence of temporary differences | 167,607 | 83,096 |
| Income tax on unappropriated earnings | 3,940 | 27,524 |
| | $ 350,307 | $ 247,527 |

b. Income tax recognized in other comprehensive income

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Deferred tax | | |
| In respect of the current period | | |
| Fair value changes of financial assets at FVTOCI | $ 103,625 | $ 22,937 |
| Remeasurement of defined benefit plans | (778) | - |
| | $ 102,847 | $ 22,937 |

c. Current income tax assets and liabilities

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Current tax liabilities - current | | |
| Income tax payable | $ 156,075 | $ 185,206 |
| Current tax liabilities - non-current | | |
| Income tax payable | $ 28,831 | $ 98,026 |

d. Deferred income tax assets and liabilities

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

For the year ended December 31, 2024

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Closing Balance |
|---|---|---|---|---|
| Deferred tax assets | | | | |
| Temporary differences | | | | |
| Allowance inventory write-downs | $ 8,390 | $ (3,288) | $ - | $ 5,102 |
| Recognized foreign investment income in equity method | - | 77,517 | - | 77,517 |
| Unrealized profit on the transactions with subsidiaries | 8,214 | (1,264) | - | 6,950 |
| Others | 4,999 | 887 | - | 5,886 |
| | $ 21,603 | $ 73,852 | $ - | $ 95,455 |
| Deferred tax liabilities | | | | |
| Temporary differences | | | | |
| Investments accounted for using the equity method | $ 1,126,623 | $ 289,479 | $ - | $ 1,416,102 |
| Permanent differences between accounting and tax for fixed assets | 35,159 | (1,291) | - | 33,868 |
| Land value increment tax | 56,683 | - | - | 56,683 |
| Financial assets measured at fair value through profit or loss | 43,809 | - | 103,625 | 147,434 |
| Others | 873 | 883 | (778) | 928 |
| | $ 1,263,147 | $ 289,021 | $ 102,847 | $ 1,655,015 |

For the year ended December 31, 2023

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Closing Balance |
|---|---|---|---|---|
| Deferred tax assets | | | | |
| Temporary differences | | | | |
| Allowance inventory write-downs | $ 14,050 | $ (5,660) | $ - | $ 8,390 |
| Unrealized profit on the transactions with subsidiaries | 12,265 | (4,051) | - | 8,214 |
| Others | 5,779 | (780) | - | 4,999 |
| | $ 32,094 | $ (10,491) | $ - | $ 21,603 |
| Deferred tax liabilities | | | | |
| Temporary differences | | | | |
| Investments accounted for using the equity method | $ 1,025,428 | $ 101,195 | $ - | $ 1,126,623 |
| Permanent differences between accounting and tax for fixed assets | 33,366 | (1,040) | - | 32,326 |
| Land value increment tax | 56,683 | - | - | 56,683 |
| Financial assets measured at fair value through profit or loss | 20,872 | - | 22,937 | 43,809 |
| Others | 3,084 | 622 | - | 3,706 |
| | $ 1,139,433 | $ 100,777 | $ 22,937 | $ 1,263,147 |

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

A portion of the investment income from subsidiaries controlled by the entity has been utilized for overseas reinvestment, and such investment income is not expected to be distributed in the foreseeable future. The amounts allocated for overseas reinvestment as of December 31, 2024 and 2023 were $8,685,615 thousand each year.

f. Income tax assessments

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

## 22. EARNINGS PER SHARE

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Basic earnings per share | $ 1.04 | $ 0.82 |
| Diluted earnings per share | $ 1.04 | $ 0.82 |

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

**Net Profit for the Year**

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Earnings used in the computation of basic and diluted earnings per share | $ 862,265 | $ 680,018 |

**Weighted Average Number of Ordinary Shares Outstanding**

**(In Thousands of Shares)**

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Weighted average number of ordinary shares outstanding in computation of basic earnings per share | 825,710 | 825,710 |
| Effects to potentially dilutive ordinary shares | | |
| Employees' compensation | 3,441 | 3,674 |
| Weighted average number of ordinary shares outstanding in computation of diluted earnings per share | 829,151 | 829,384 |

The Corporation may settle the compensation of employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares, and the resulting potentially shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 23. CASH FLOW INFORMATION

### Changes in Liabilities Arising from Financing Activities

For the nine months ended December 31, 2024

| | January 1, 2024 | Cash Flow | Non-cash Changes: Foreign Exchange Movement | Non-cash Changes: Amortization of Commercial Paper Discount | Non-cash Changes: Others | December 31, 2024 |
|---|---|---|---|---|---|---|
| Short-term borrowings (including short-term bills payable) | $ 1,936,291 | $ 45,702 | $ 70,690 | $ (50) | $ - | $ 2,052,633 |
| Long-term borrowings (including current portion) | 3,841,827 | (242,617) | - | 943 | - | 3,600,153 |
| Lease liabilities | 190,728 | (48,505) | - | 3,059 | 18,542 | 162,824 |
| | $ 5,968,846 | $ (246,420) | $ 70,690 | $ 3,952 | $ 18,542 | $ 5,815,610 |

For the nine months ended December 31, 2023

| | January 1, 2023 | Cash Flow | Non-cash Changes: Foreign Exchange Movement | Non-cash Changes: Amortization of Commercial Paper Discount | Non-cash Changes: Others | December 31, 2023 |
|---|---|---|---|---|---|---|
| Short-term borrowings (including short-term bills payable) | $ 3,330,889 | $ (1,391,918) | $ (2,976) | $ 296 | $ - | $ 1,936,291 |
| Long-term borrowings (including current portion) | 2,285,292 | 1,556,535 | - | - | - | 3,841,827 |
| Other long-term borrowings (including current portion) | 349,767 | (350,000) | - | 233 | - | - |
| Lease liabilities | 93,096 | (50,449) | - | 2,216 | 145,865 | 190,728 |
| | $ 6,059,044 | $ (235,832) | $ (2,976) | $ 2,745 | $ 145,865 | $ 5,968,846 |

## 24. CAPITAL MANAGEMENT

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

## 25. FINANCIAL INSTRUMENTS

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

The Corporation's management believes that the carrying amounts of financial assets not measured at fair value approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Derivative financial assets | $ - | $ 625 | $ - | $ 625 |
| Financial assets at FVOCI | | | | |
| Investments in equity instruments | | | | |
| Listed shares (domestic) | $ 1,083,601 | $ - | $ - | $ 1,083,601 |
| Unlisted shares (domestic and overseas) | - | - | 360,989 | 360,989 |
| | $ 1,083,601 | $ - | $ 360,989 | $ 1,444,590 |

December 31, 2023

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVOCI | | | | |
| Investments in equity instruments | | | | |
| Listed shares (domestic) | $ 1,263,392 | $ - | $ - | $ 1,263,392 |
| Unlisted shares (domestic and overseas) | - | - | 751,844 | 751,844 |
| | $ 1,263,392 | $ - | $ 751,844 | $ 2,015,236 |
| Financial liabilities at FVTPL | | | | |
| Derivatives financial liabilities | $ - | $ 1,227 | $ - | $ 1,227 |

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

| Financial Assets | Financial Assets at FVTOCI<br>Equity Instruments |
|---|---|
| Balance at January 1, 2024 | $ 751,844 |
| Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI) | (142,694) |
| Disposal | (248,161) |
| Balance at December 31, 2024 | $ 360,989 |

For the year ended December 31, 2023

| Financial Assets | Financial Assets at FVTOCI<br>Equity Instruments |
|---|---|
| Balance at January 1, 2023 | $ 559,443 |
| Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI) | 192,401 |
| Balance at December 31, 2023 | $ 751,844 |

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

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

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

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

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

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

| Item | Valuation Technique | Significant Unobservable Inputs | Inter-Relationship between Significant Unobservable Inputs and Fair Value Measurement |
|---|---|---|---|
| Financial assets at fair value through other comprehensive income-equity investments without an active market | Comparative listed corporation | • Multipliers of price-to-earnings ratios as of December 31, 2024 and 2023, was all 14.29 and 10.90-18.41.<br><br>• Market liquidity discount rate as of 20% | • The estimated fair value would have been higher if the price-to-earnings ratios had been higher<br><br>• The estimated fair value would have been higher if the market liquidity discount had been lower |

b) Fair value measurements in Level 3 - sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

| | Input | Move Up or Down | Other Comprehensive Income | |
|---|---|---|---|---|
| | | | Favourable | Unfavourable |
| December 31, 2024 | | | | |
| Financial assets fair value through other comprehensive income | | | | |
| Equity investments without an active market | Liquidity discount at 20% | 1% | $ 4,512 | $ (4,512) |
| December 31, 2023 | | | | |
| Financial assets fair value through other comprehensive income | | | | |
| Equity investments without an active market | Liquidity discount at 20% | 1% | 9,396 | (9,396) |

The favorable and unfavorable effects represent the changes in fair value, and the fair value is based on various unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

c. Categories of financial instruments

| | December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Financial assets | | |
| FVTPL | | |
| Mandatorily classified as at FVTPL | $ 625 | $ - |
| Financial assets at amortized cost (1) | 1,959,480 | 1,468,252 |
| Financial assets at FVTOCI | | |
| Equity instruments | 1,444,590 | 2,015,236 |
| Financial liabilities at FVTPL | | |
| Held for trading | - | 1,227 |
| Financial liabilities at amortized cost (2) | 7,484,507 | 7,252,107 |

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, trade payables, other payables, long-term borrowings and deposits received.

d. Financial risk management objectives and policies

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

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

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

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

1) Market risk

The Corporation’s activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

a) Foreign currency risk

The Corporation had foreign currency denominated sales, purchases and loan transactions, which exposed the Corporation to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts and cross-currency swap contracts.

The carrying amounts of the Corporation’s foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 29.

Sensitivity analysis

The Corporation was mainly exposed to the USD, RMB, JPY and EUR.

The following table details the Corporation’s sensitivity to a 1% increase and a 1% decrease in the New Taiwan dollar against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and their adjusted translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number indicates an increase (decrease) in pre-tax profit when the New Taiwan dollar strengthened by 1% against the relevant foreign currency. Conversely, a negative number below indicates a decrease in pre-tax profit when the New Taiwan dollar weakening by 1% against the relevant foreign currency.

| | **USD Impact** | |
|---|---|---|
| | **For the Year Ended December 31** | |
| | **2024** | **2023** |
| Profit or loss* | $ 1,301 | $ 3,169 |

| | RMB Impact | |
|---|---|---|
| | **For the Year Ended December 31** | |
| | **2024** | **2023** |
| Profit or loss* | $ (740) | $ (733) |

| | JPY Impact | |
|---|---|---|
| | **For the Year Ended December 31** | |
| | **2024** | **2023** |
| Profit or loss* | $ 5 | $ (42) |

| | EUR Impact | |
|---|---|---|
| | **For the Year Ended December 31** | |
| | **2024** | **2023** |
| Profit or loss* | $ (4) | $ (11) |

This was mainly attributable to the exposure on outstanding USD, RMB, JPY and EUR bank deposits, receivables, borrowings and payables which were not hedged at the end of the reporting period.

There have been no significant changes in the sensitivity analysis of the Corporation to exchange rate of USD, RMB, JPY and EUR compared to the previous period.

b) Interest rate risk

The carrying amounts of the Corporation's financial liabilities with exposure to interest rates for the years ended December 31, 2024 and 2023 were $5,552,836 thousand and $5,778,118 thousand, respectively.

Sensitivity analysis

The sensitivity analyses below were determined based on the Corporation's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A sensitivity rate of 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2024 and 2023 would have decreased/increased by $55,528 thousand and $57,781 thousand, respectively.

The Corporation's sensitivity to changes in interest rates is mainly due to borrowing at floating rates.

c) Other price risk

The Corporation was exposed to price risk through its investments in listed equity securities. The Corporation has appointed a special team to monitor the price risk and make plans to manage the price risk.

Regarding the sensitivity to changes in Level 3 fair value measurement, please refer to the Note (b) above, Fair value of financial instruments is measured at fair value on a recurring basis.

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

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk which would cause a financial loss to the Corporation due to the failure of the counterparties to discharge their obligation and due to the financial guarantees provided by the Corporation, could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantees issued by the Corporation.

The credit risk on liquid funds and derivatives was limited because the counterparties are reputable banks.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Corporation relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and 2023, the Corporation had available unutilized short-term bank loan facilities of $7,444,989 thousand and $8,200,799 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Corporation's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2024

| Non-derivative financial liabilities | On Demand or Less than 1 Year | 1-2 Years | 2-5 Years | 5+ Years |
|---|---|---|---|---|
| Short-term borrowings (including short-term bills payable) | $ 2,066,189 | $ - | $ - | $ - |
| Accounts payable (including related parties) | 1,142,764 | - | - | - |
| Other payables | 664,443 | - | - | - |
| Long-term borrowings (including current portion) | 588,706 | 1,058,110 | 2,150,128 | - |
| Lease liabilities | 49,418 | 48,913 | 69,627 | 93 |
| Deposits received | - | - | 14,142 | 3,120 |
| | $ 4,511,520 | $ 1,107,023 | $ 2,233,897 | $ 3,213 |

December 31, 2023

| | On Demand or Less than 1 Year | 1-2 Years | 2-5 Years | 5+ Years |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Short-term borrowings (including short-term bills payable) | $ 1,942,431 | $ - | $ - | $ - |
| Accounts payable (including related parties) | 828,910 | - | - | - |
| Other payables | 629,464 | - | - | - |
| Long-term borrowings (including current portion) | 1,441,966 | 483,401 | 2,081,291 | - |
| Lease liabilities | 45,859 | 42,390 | 110,049 | 167 |
| Deposits received | 11,247 | - | 2,507 | 3,120 |
| | $ 4,899,877 | $ 525,791 | $ 2,193,847 | $ 3,287 |

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Corporation's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

December 31, 2024

| | On Demand or Less than 1 Year | 1-2 Years | 2 Years to 5 Years | 5+ Years |
|---|---|---|---|---|
| Foreign exchange forward contracts/cross - currency swap contracts | | | | |
| Inflow | $ 625 | $ - | $ - | $ - |

December 31, 2023

| | On Demand or Less than 1 Year | 1-2 Years | 2 Years to 5 Years | 5+ Years |
|---|---|---|---|---|
| Foreign exchange forward contracts/cross - currency swap contracts | | | | |
| Outflow | $ 1,227 | $ - | $ - | $ - |

## 26. TRANSACTIONS WITH RELATED PARTIES

a. Parent corporation and ultimate controlling party

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

b. Related party name and category

Besides information disclosed elsewhere in the other notes, details of transactions between the Corporation and other related parties are disclosed as follows:.

| Name of Related Party | Relationship with the Corporation |
|---|---|
| Trimurti Holding Corporation | The Corporation's subsidiary |
| TSRC (Shanghai) Industries Ltd. | The Corporation's subsidiary |
| TSRC (Lux.) Corporation S.A R.L. | The Corporation's subsidiary |
| TSRC (USA) Investment Corporation | The Corporation's subsidiary |
| TSRC Specialty Materials LLC | The Corporation's subsidiary |
| Polybus Corporation Pte Ltd. | The Corporation's subsidiary |
| Shen Hua Chemical Industries Co., Ltd. | The Corporation's subsidiary |
| TSRC-UBE (Nantong) Chemical Industries Ltd. | The Corporation's subsidiary |
| TSRC (Nantong) Industries Ltd. | The Corporation's subsidiary |
| TSRC (Vietnam) Co., Ltd. | The Corporation's subsidiary |
| Metropolis Property Management Corporation | Other related parties of the Corporation |
| WFV Corporation | Other related parties of the Corporation |
| Continental Consulting Limited Company | Other related parties of the Corporation |
| Evergreen Steel Corporation | Other related parties of the Corporation |
| Marubeni Corporation | Subsidiary's corporate director |
| ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd. | The subsidiary recognized associate under equity method |
| Indian Synthetic Rubber Private Limited | The subsidiary recognized joint venture under equity method |

c. Operating revenue

| Line Items | Related Parties Categories/Name | For the Year Ended December 31 2024 | 2023 |
|---|---|---|---|
| Sales | Subsidiary | $ 725,703 | $ 707,006 |
| Sales | Associate | 6,247 | - |
| | | $ 731,950 | $ 707,006 |

d. Purchases of goods

| Related Parties Categories/Name | For the Year Ended December 31 2024 | 2023 |
|---|---|---|
| Subsidiary | $ 32,838 | $ 24,308 |
| Subsidiary's corporate director | 53,220 | - |
| | $ 86,058 | $ 24,308 |

e. Receivables from related parties

| Line Items | Related Parties Categories/Name | For the Year Ended December 31 2024 | 2023 |
|---|---|---|---|
| Trade receivables from related parties | Subsidiary | | |
| | Polybus Corporation Pte Ltd. | $ 14,900 | $ 11,111 |
| | TSRC (Lux.) Corporation S.AR.L. | 33,343 | 37,637 |
| | TSRC Specialty Materials LLC | 103,560 | 35,221 |
| | Others Subsidiary | 3,436 | 2,427 |
| | | $ 155,239 | $ 86,396 |
| Other receivables from related parties | Associate | | |
| | Others Associate | $ 13,980 | $ 18,150 |
| | Subsidiary | | |
| | TSRC (Nantong) Industries Ltd. | 85,475 | 91,665 |
| | Others | 8,243 | 9,031 |
| | Joint Ventures | | |
| | Others Joint | - | 13,110 |
| | | $ 107,698 | $ 131,956 |

The outstanding accounts receivable from related parties are unsecured. No bad debt expense was provided for accounts receivable from related parties for the years ended December 31, 2024 and 2023.

f. Payables to related parties

| Line Items | Related Parties Categories/Name | For the Year Ended December 31 2024 | 2023 |
|---|---|---|---|
| Trade payables to related parties | Subsidiary | $ 7,790 | $ 9,225 |
| Other payables to related parties | Others subsidiary | 32,417 | 38,904 |
| | Other related parties | 435 | 483 |
| | | $ 32,852 | $ 39,387 |

The outstanding payables to related parties are unsecured.

g. Acquisition of other assets

| Related Party Category/Name | Line Items | Purchase Price For the Year Ended December 31 2024 | 2023 |
|---|---|---|---|
| Subsidiary | Intangible assets | $ 100,919 | $ - |

h. Endorsements and guarantees

Endorsements and guarantees provided by the Corporation

| **Related Party Category/Name** | **December 31** 2024 | 2023 |
|---|---|---|
| Associate | | |
| Subsidiary | | |
| TSRC (Vietnam) Co., Ltd. | $ 563,833 | $ 568,599 |
| TSRC (USA) Investment Corporation | 1,639,050 | 768,375 |
| | $ 2,202,883 | $ 1,336,974 |

i. Other transactions with related parties

| **Line Items** | **Related Parties Categories/Name** | **For the Year Ended December 31** 2024 | 2023 |
|---|---|---|---|
| Service income and expense (included in other income and expense) | Subsidiary | | |
| | TSRC (Nantong) Industries Ltd. | $ 79,019 | $ 81,863 |
| | Others subsidiary | 36,298 | 45,304 |
| | Associate | | |
| | Others associate | 33,414 | 30,949 |
| | Joint venture | | |
| | Indian Synthetic Rubber Private Limited | 10,848 | 61,439 |
| | | $ 159,579 | $ 219,555 |
| Rental revenue (included in other income and expense) | Others related parties | $ 4,587 | $ 4,587 |

In 2024 and 2023, the Corporation engaged subsidiaries and other related parties to provide consulting services for sales and R&D, as well as processing, environmental, security, brokerage, and other services, amounting to NT$95,742 thousand and NT$122,442 thousand, respectively, which were recognized under operating costs and operating expenses.

The transactions with related parties were made at prices and terms comparable to those that would be obtained in similar transactions with non-related parties.

The aforementioned rentals collected or paid monthly were based on prevailing market rates.

j Remuneration of key management personnel

| **Related Party Category/Name** | **For the Year Ended December 31** 2024 | 2023 |
|---|---|---|
| Short-term employee benefits | $ 111,314 | $ 124,073 |
| Post-employment benefits | 1,087 | 774 |
| | $ 112,401 | $ 124,847 |

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

k. Disposal of financial assets

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

Note: Reclassified to retained earnings.

## 27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Corporation as of December 31, 2024 were as follows:

a. As of December 31, 2024 and 2023, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately $1,098,871 thousand and $940,490 thousand, respectively.

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

| | For the Year Ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Total amounts of construction in progress contracts | $ 87,500 | $ 496,819 |
| Cumulative payments | $ 21,200 | $ 398,309 |

## 28. OTHER MATTERS

On February 15, 2023, the president of the ROC announced the amendments to the "Climate Change Response Act", which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the "Regulations Governing the Collection of Carbon Fees", "Regulations for Administration of Voluntary Reduction Plans" and "Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees" on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025.

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

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

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

December 31, 2024

| | Foreign Currency | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 41,049 | 32.7810 (USD:NTD) | $ 1,345,627 |
| RMB | 16,535 | 4.4778 (RMB:NTD) | 74,040 |
| JPY | 26,948 | 0.2098 (JPY:NTD) | 5,654 |
| EUR | 1,181 | 34.1316 (EUR:NTD) | 40,309 |
| Non-monetary items | | | |
| Equity instruments | | | |
| THB | 375,131 | 0.9623 (THB:NTD) | 360,989 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 45,017 | 32.7810 (USD:NTD) | 1,475,702 |
| JPY | 29,314 | 0.2098 (JPY:NTD) | 6,150 |
| EUR | 1,170 | 34.1316 (EUR:NTD) | 39,934 |

December 31, 2023

| | Foreign Currency | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 28,501 | 30.7350 (USD:NTD) | $ 875,978 |
| RMB | 16,915 | 4.3309 (RMB:NTD) | 73,257 |
| JPY | 42,148 | 0.2173 (JPY:NTD) | 9,159 |
| EUR | 1,627 | 34.0114 (EUR:NTD) | 55,337 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 38,811 | 30.7350 (USD:NTD) | 1,192,856 |
| JPY | 22,835 | 0.2173 (JPY:NTD) | 4,962 |
| EUR | 1,595 | 34.0114 (EUR:NTD) | 54,248 |

Please refer to the statements of income for the aggregate of realized and unrealized foreign currency exchange gains and losses for the years ended December 31, 2024 and 2023. Due to various kinds of foreign currency transactions, it is not possible to disclose exchange gains and losses separately for material impacts of foreign currency.

## 30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

   1) Financing provided to others: Table 1.

   2) Endorsements/guarantees provided: Table 2.

   3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3.

   4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

   5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

   6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

   7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.

   8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5.

   9) Trading in derivative instruments: Refer to Note 7.

b. Information on investees (excluding investees in mainland China): Table 7.

c. Information on investments in mainland China

   1) Information on any investee corporation in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 8.

   2) Any of significant transactions with investee companies in mainland China, either directly or indirectly through a corporation in third area, and their prices, payment terms, and unrealized gains or losses: Table 6.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9.

## 31. OPERATING SEGMENT INFORMATION

The Corporation has provided the operating segments disclosure in the financial statements.

# TSRC CORPORATION AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS**
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| No. | Lender | Borrower | Financial Statement Account | Related Party | Highest Balance for the Period | Ending Balance | Actual Amount Borrowed | Interest Rate (%) | Nature of Financing (Note 5) | Business Transaction Amount | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 1) | Aggregate Financing Limit (Note 2) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | | |
| 1 | TSRC (Shanghai) Industries Ltd. | TSRC (Nantong) Industries Ltd. | Entrusted loans | Yes | $ 74,033 | $ 67,167 | $ 67,167 | 2.48-2.68 | 2 | $ - | Operational turnaround | $ - | - | $ - | $ 165,272 | $ 330,543 | |
| 2 | Polybus Corporation Pte Ltd. | TSRC Specialty Materials LLC | Other receivables from related parties | Yes | 327,810 | 327,810 | - | 5.36 | 2 | - | Operational turnaround | - | - | - | 5,364,545 | 10,729,089 | |
| | | TSRC (Vietnam) Co., Ltd. | Other receivables from related parties | Yes | 121,290 | 121,290 | - | 5.36 | 2 | - | Operational turnaround | - | - | - | 5,364,545 | 10,729,089 | |
| 3 | TSRC (Hong Kong) Ltd. | TSRC (Vietnam) Co., Ltd. | Other receivables from related parties | Yes | 166,561 | 104,899 | 42,615 | 5.35-5.53 | 2 | - | Operational turnaround | - | - | - | 1,300,537 | 2,601,073 | |

Note 1: The loan limit extended per party should not be over 10% of the total equity. However, if the counterparty is a subsidiary 100% owned, directly or indirectly by TSRC, the loan limit extended per party should not be over 50% of the total equity of the most recent financial statements audited or reviewed by a CPA.

Note 2: The maximum loan extended to all parties should not be over 40% of the total equity. However, if the counterparty is a subsidiary 100% owned, directly or indirectly by TSRC, the loan limit should not be over 100% of total equity of the most recent financial statements audited or reviewed by a CPA.

Note 3: The fund of loan and the loan to the other party are 100% owned by TSRC.

Note 4: The total amount of loans and individual limits comply with the regulations set forth by the company’s lending policy for funds.

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

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

TABLE 2

## TSRC CORPORATION AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED**
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| No. | Endorser/Guarantor | Endorsee/Guarantee | | Limits on Endorsement/ Guarantee Given on Behalf of Each Party | Maximum Amount Endorsed/ Guaranteed During the Period | Outstanding Endorsement/ Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/ Guaranteed by Collaterals | Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/ Guarantee Limit | Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries | Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent | Endorsement/ Guarantee Given on Behalf of Companies in Mainland China | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Name | Relationship (Note 1) | | | | | | | | | | | |
| 0 | TSRC Corporation | TSRC (USA) Investment Corporation | d | $ 12,210,896 (Note 2) | $ 1,639,050 | $ 1,639,050 | $ 86,050 | $ - | 8.05 | $ 30,527,240 (Note 3) | Y | N | N | |
| | | TSRC (Vietnam) Co., Ltd. | d | 12,210,896 (Note 2) | 602,028 | 563,833 | 449,100 | - | 2.77 | 30,527,240 (Note 3) | Y | N | N | |

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

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

Note 2: The limit for endorsement of a single enterprise is 60% of the net value of the Corporation’s latest financial statements, which is calculated to be $12,210,896 thousand.

Note 3: The maximum limit is 150% of total equity, which is calculated to be $30,527,240 thousand.

<u>**TABLE 3**</u>

## TSRC CORPORATION AND SUBSIDIARIES

**MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)**
**DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Shares | Carrying Amount | Percentage of Ownership | Fair Value |
| TSRC Corporation | <u>Shares</u> | | | | | | |
| | Evergreen Steel Corporation | - | Financial assets at FVTOCI | 12,148,000 | $ 1,083,601 | 2.91 | $ 1,083,601 |
| | Thai Synthetic Rubbers Co., Ltd. | - | Financial assets at FVTOCI | 599,999 | 360,989 | 5.42 | 360,989 |
| Dymas Corporation | <u>Shares</u> | | | | | | |
| | Thai Synthetic Rubbers Co., Ltd. | - | Financial assets at FVTOCI | 837,552 | 503,912 | 7.57 | 503,912 |

## TSRC CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL**
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Company Name | Related Party | Relationship | Transaction Details | | | | Abnormal Transaction | | Notes/Accounts Receivable (Payable) | | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Purchases/Sales | Amount | % to Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % to Total | |
| TSRC (Lux) Corporation S.A R.L. | TSRC Corporation | Parent and Subsidiary | Purchases | $ 223,104 | 10.46 | Payment in 60 days after acceptance | $ - | - | $ (33,343) | (12.87) | |
| TSRC Corporation | TSRC (Lux) Corporation S.A R.L. | Parent and Subsidiary | Sales | (223,104) | (1.76) | Collect receivables in 60 days after confirming | - | - | 33,343 | 1.95 | |
| TSRC Specialty Materials LLC | TSRC Corporation | Parent and Subsidiary | Purchases | 290,361 | 10.01 | Payment in 95 days after acceptance | - | - | (103,560) | (26.59) | |
| TSRC Corporation | TSRC Specialty Materials LLC | Parent and Subsidiary | Sales | (290,361) | (2.29) | Collect receivables in 95 days after confirming | - | - | 103,560 | 6.12 | |
| TSRC-UBE (Nantong) Chemical Industries Ltd. | Marubeni Corporation | Director of the TSRC-UBE (Nantong) Industries Ltd. | Purchases | 441,339 | 13.23 | Payment in 30 days after acceptance | - | - | (29,028) | (9.05) | |
| TSRC (Nantong) Industries Ltd. | Marubeni Corporation | Director of the Related parties | Purchases | 159,759 | 4.81 | Payment in 30 days after acceptance | - | | (11,055) | (5.58) | |
| Shen Hua Chemical Industries Co., Ltd. | Marubeni Corporation | Director of the Related parties | Purchases | 532,796 | 6.19 | Payment in 30 days after acceptance | - | - | (33,545) | (4.15) | |
| Polybus Corporation Pte Ltd | TSRC (Nantong) Industries Ltd. | Related parties | Purchases | 272,347 | 31.85 | Payment in 60 days after acceptance | - | - | (49,076) | (29.27) | |
| TSRC (Nantong) Industries Ltd. | Polybus Corporation Pte Ltd | Related parties | Sales | (272,347) | (5.06) | Collect receivables in 60 days after confirming | - | - | 49,076 | 8.18 | |
| Polybus Corporation Pte Ltd | Shen Hua Chemical Industries Co., Ltd. | Related parties | Purchases | 513,894 | 60.09 | Payment in 60 days after acceptance | - | - | (102,647) | (61.23) | |
| Shen Hua Chemical Industries Co., Ltd. | Polybus Corporation Pte Ltd | Related parties | Sales | (513,894) | (5.07) | Collect receivables in 60 days after confirming | - | - | 102,647 | 12.53 | |
| TSRC (Lux) Corporation S.A R.L. | TSRC Specialty Materials LLC | Related parties | Purchases | 481,875 | 22.60 | Payment in 60 days after acceptance | - | - | (53,235) | (20.80) | |
| TSRC Specialty Materials LLC | TSRC (Lux) Corporation S.A R.L. | Related parties | Sales | (481,875) | (10.40) | Collect receivables in 60 days after confirming | - | - | 53,235 | 11.15 | |
| TSRC (Lux) Corporation S.A R.L. | TSRC (Nantong) Industries Ltd. | Related parties | Purchases | 1,426,679 | 66.90 | Payment in 60 days after acceptance | - | - | (170,209) | (66.51) | |
| TSRC (Nantong) Industries Ltd. | TSRC (Lux) Corporation S.A R.L. | Related parties | Sales | (1,426,679) | (26.52) | Collect receivables in 60 days after confirming | - | - | 170,209 | 28.37 | |

**TABLE 5**

## TSRC CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL**
**DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Company Name | Related Party | Relationship | Ending Balance | | Turnover Rate | Overdue | | Amounts Received in Subsequent Year | Allowance for Impairment Loss | Note |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Amount | Actions Taken | | | |
| TSRC Corporation | TSRC Specialty Materials LLC | Parent and Subsidiary | Accounts receivable | $ 103,560 | 4.18 times for a year | $ - | - | $ 44,498 (Note) | $ - | |
| TSRC (Nantong) Industries Ltd. | TSRC (Lux) Corporation S.A R.L. | Related parties | Accounts receivable | $ 170,209 | 6.82 times for a year | $ - | - | $ 170,209 (Note) | $ - | |
| Shen Hua Chemical Industries Co., Ltd. | Polybus Corporation Pte Ltd | Related parties | Accounts receivable | $ 102,647 | 5.11 times for a year | $ - | - | $ 102,647 (Note) | $ - | |

Note: Amounts received before March 6, 2025.

**TABLE 6**

## TSRC CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS**
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| No. (Note 1) | Investee Company | Counterparty | Relationship (Note 2) | Transactions Details | | | % to Total Sales or Assets |
|---|---|---|---|---|---|---|---|
| | | | | Financial Statement Account | Amount (Note 4) | Payment Terms | |
| 0 | TSRC | TSRC (Nantong) Industries Ltd. | a | Other income and expenses | $ 48,176 | The transaction is not significantly different from normal transactions, and the collection terms were about six months | 0.13 |
| | | TSRC (Lux) Corporation S.A R.L | a | Sales | 223,104 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 0.60 |
| | | Polybus Corporation Pte Ltd | a | Sales | 68,716 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 0.18 |
| | | TSRC Specialty Materials LLC | a | Sales | 290,361 | The transaction is not significantly different from normal transactions, and the collection terms were about three months | 0.78 |
| | | TSRC Specialty Materials LLC | a | Trade receivables | 103,560 | The transaction is not significantly different from normal transactions, and the collection terms were about three months | 0.24 |
| | | TSRC (Nantong) Industries Ltd. | a | Other income and expenses | 71,753 | The transaction is not significantly different from normal transactions, and the collection terms were about one year | 0.19 |
| | | TSRC (Nantong) Industries Ltd. | a | Sales | 38,893 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 0.10 |
| | | Shen Hua Chemical Industries Co., Ltd. | a | Sales | 49,977 | The transaction is not significantly different from normal transactions, and the collection terms were about one months | 0.13 |
| | | TSRC-UBE (Nantong) Industries Ltd. | a | Sales | 46,853 | The transaction is not significantly different from normal transactions, and the collection terms were about one months | 0.13 |
| 1 | TSRC (Nantong) Industries Ltd. | TSRC (Shanghai) Industries Ltd. | c | Sales | 75,946 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 0.20 |
| | | Polybus Corporation Pte Ltd | c | Sales | 272,347 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 0.73 |
| | | Polybus Corporation Pte Ltd | c | Trade receivables | 49,076 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 0.11 |

(Continued)

| No. (Note 1) | Investee Company | Counterparty | Relationship (Note 2) | Transactions Details | | | % to Total Sales or Assets |
|---|---|---|---|---|---|---|---|
| | | | | Financial Statement Account | Amount (Note 4) | Payment Terms | |
| | | TSRC (Lux) Corporation S.A R.L | c | Sales | $ 1,426,679 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 3.83 |
| | | TSRC (Lux) Corporation S.A R.L | c | Trade receivables | 170,209 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 0.39 |
| | | TSRC-UBE (Nantong) Industries Ltd. | c | Other income and expenses | 289,885 | The transaction is not significantly different from normal transactions, and the collection terms were about one month | 0.78 |
| 2 | TSRC Specialty Materials LLC | TSRC (Lux) Corporation S.A R.L | c | Sales | 481,875 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 1.30 |
| | | TSRC (Lux) Corporation S.A R.L | c | Trade receivables | 53,235 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 0.12 |
| 3 | Shen Hua Chemical Industries Co., Ltd. | Polybus Corporation Pte Ltd | c | Sales | 513,894 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 1.38 |
| | | Polybus Corporation Pte Ltd | c | Trade receivables | 102,647 | The transaction is not significantly different from normal transactions, and the collection terms were about two months | 0.24 |
| 4 | TSRC (Shanghai) Industries Ltd. | TSRC (Nantong) Industries Ltd. | c | Entrusted loan | 67,167 | The transaction is not significantly different from normal transactions, and the payment method is based on a one-year period starting from the date of the initial disbursement. | 0.16 |
| 5 | TSRC (Hong Kong) Limited | TSRC (Vietnam) Co., Ltd. | c | Other receivables from related parties | 42,615 | The transaction is not significantly different from normal transactions, and the payment method is based on a one-year period starting from the date of the initial disbursement. | 0.10 |

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

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

Note 2: Relationships between counterparties are categorized as follows:

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

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

(Concluded)

## TSRC CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)**
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of December 31, 2024 | | | Net Income (Loss) of the Investee | Share of Profits (Loss) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | Shares | % | Carrying Amount | | | |
| TSRC | Trimurti Holding Corporation | Tortola B.V.I. | Investment | $ 1,005,495 | $ 1,005,495 | 86,920,000 | 100.00 | $ 18,775,588 | $ 1,172,144 | $ 1,172,144 | Subsidiary |
| | Hardison International Corporation | Tortola B.V.I. | Investment | 109,442 | 109,442 | 3,896,305 | 100.00 | 718,726 | 32,788 | 32,788 | Subsidiary |
| | Dymas Corporation | Tortola B.V.I. | Investment | 38,376 | 38,376 | 1,161,004 | 19.48 | 163,552 | 64,782 | 12,619 | Subsidiary (Note 2) |
| | TSRC (Vietnam) Co., Ltd. | Binh Duong Province, Vietnam | Production and processing of rubber color masterbatch, thermoplastic elastomer and plastic compound products | 387,585 | 387,585 | - | 100.00 | (228,756) | (345,910) | (345,910) | Subsidiary |
| Trimurti Holding Corporation | Polybus Corporation Pte Ltd | Singapore | International commerce and investment corporation | 2,806,086 (US$ 85,601) | 2,806,086 (US$ 85,601) | 133,728,000 | 100.00 | 10,729,089 | 711,088 | 711,088 | Subsidiary |
| | TSRC (Hong Kong) Limited | Hong Kong | Investment | 3,404,307 (US$ 103,850) | 3,404,307 (US$ 103,850) | 103,850,000 | 100.00 | 2,601,073 | (341,770) | (341,770) | Subsidiary |
| | Indian Synthetic Rubber Private Limited | New Delhi, India | Production and sale of synthetic rubber products | 966,154 (US$ 29,473) | 966,154 (US$ 29,473) | 222,861,375 | 50.00 | 2,183,541 | 1,319,794 | 659,897 | Joint ventures |
| TSRC (Hong Kong) Limited | TSRC (Lux.) Corporation S.A R.L. | Luxembourg | International commerce and investment | 2,555,420 (EUR 74,870) | 2,555,420 (EUR 74,870) | 74,869,617 | 100.00 | 2,095,031 | (388,559) | (388,559) | Subsidiary |
| TSRC (Lux.) Corporation S.A R.L. | TSRC (USA) Investment Corporation | Delaware, U.S.A. | Investment | 3,148,615 (US$ 96,050) | 3,148,615 (US$ 96,050) | 130 | 100.00 | 2,160,775 | (392,008) | (392,008) | Subsidiary |
| TSRC (USA) Investment Corporation | TSRC Specialty Materials LLC | Texas, U.S.A. | Production and sale of TPE | 7,166,484 (US$ 218,617) | 7,166,484 (US$ 218,617) | - | 100.00 | 1,494,333 | (280,990) | (280,990) | Subsidiary |
| Hardison International Corporation | Triton International Holdings Corporation | Tortola B.V.I. | Investment | 1,639 (US$ 50) | 1,639 (US$ 50) | 50,000 | 100.00 | 40,531 | (19,309) | (19,309) | Subsidiary |
| | Dymas Corporation | Tortola B.V.I. | Investment | 157,316 (US$ 4,799) | 157,316 (US$ 4,799) | 4,798,566 | 80.52 | 676,039 | 64,782 | 52,162 | Subsidiary (Note 2) |
| Dymas Corporation | Asia Pacific Energy Development Co., Ltd. | Cayman Islands | Consulting for electric power facilities management and electrical system design | - (US$ -) | 369,934 (US$ 11,285) | - | - | - | 7,981 | 3,015 | Associate |

Note 1: Amounts in foreign currencies were translated based on the exchange rate at the reporting date (US$1 to NT$32.7810; EUR1 to NT$34.1316).

Note 2: TSRC directly owns 19.48% of Dymas's equity and indirectly owns 80.52% via Hardison International Corporation, total directly and indirectly owns of equity are 100%.

**TABLE 8**

## TSRC CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA**
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Investee Company in Mainland China | Main Businesses and Products | Paid-in Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 | Remittance of Funds | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Income (Loss) (Note 4) | Carrying Amount as of December 31, 2024 | Accumulated Repatriation of Investment Income as of December 31, 2024 | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Outward | Inward | | | | | | | |
| Shen Hua Chemical Industries Co., Ltd. | Production and sale of synthetic rubber products | $ 2,732,296<br>(US$ 83,350) | b. 1) | $ - | $ - | $ - | $ - | $ 469,018 | 88.00 | $ 403,774<br>b | $ 4,110,981 | $ 4,786,340 | - |
| Changzhou Asia Pacific Co-generation Co., Ltd. | Power generation and sale of electricity and steam | 757,241<br>(US$ 23,100) | b. 3) | 125,617<br>(US$ 3,832) | - | - | 125,617<br>(US$ 3,832) | - | - | -<br>b | - | 358,308 | Note 6 |
| TSRC (Shanghai) Industries Ltd. | Production and sale of compounding materials | 180,296<br>(US$ 5,500) | b. 2) | 128,502<br>(US$ 3,920) | - | - | 128,502<br>(US$ 3,920) | 43,629 | 100.00 | 43,629<br>b | 330,543 | - | - |
| Nantong Qix Storage Co., Ltd. | Storehouse for chemicals | 98,343<br>(US$ 3,000) | b. 4) | 49,172<br>(US$ 1,500) | - | - | 49,172<br>(US$ 1,500) | (38,489) | 50.00 | (19,244)<br>b | 40,331 | 74,060 | - |
| TSRC-UBE (Nantong) Chemical Industrial Co., Ltd. | Production and sale of synthetic rubber products | 1,311,240<br>(US$ 40,000) | b. 1) | 32,781<br>(US$ 1,000) | - | - | 32,781<br>(US$ 1,000) | 269,208 | 55.00 | 148,064<br>b | 1,059,991 | 208,813 | - |
| TSRC (Nantong) Industries Ltd. | Production and sale of TPE | 3,446,103<br>(US$ 105,125) | b, 1) | 217,928<br>(US$ 6,648) | - | - | 217,928<br>(US$ 6,648) | 188,507 | 100.00 | 188,507<br>b | 4,049,432 | 440,864 | - |
| ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd. | Production and sale of NBR | 1,468,589<br>(US$ 44,800) | b. 1) | - | - | - | - | 137 | 50.00 | 69<br>a | 744,672 | - | - |

| Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|---|---|---|
| $554,000 (US$16,900) | $8,035,344(US$245,122) (Note 5) | No upper limit on the amount of investment (Note 5) |

Note 1: The methods of making investments include the following:

a. Direct investment in mainland China.

b. Through the establishment of third-region companies, then investing in China.

1) Through the establishment of Polybus Corporation Pte Ltd, then investing in China.
2) Through the establishment of TSRC (Hong Kong) Limited, then investing in China.
3) Through the establishment of Asia Pacific Energy Development Co., Ltd., then investing in China.
4) Through the establishment of Triton International Holdings Corporation, then investing in China.

c. Other methods.

Note 2: Amounts in foreign currencies were translated based on the exchange rate at the reporting date (US$1 to NT$32.7810)

(Continued)

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

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

Note 4: In accordance with the "Regulations on Permission for Investment or Technical Cooperation in Mainland China" and the "Principles for Examination of Applications for Investment or Technical Cooperation in Mainland China" amended and ratified by the Executive Yuan on August 22, 2008, the Company met the criteria for operational headquarters under the Statute for Industrial Innovation and obtained approval from the Industrial Development Bureau, Ministry of Economic Affairs, on August 6, 2024. As it has an operational headquarters status, the Company is not subject to the limitation as to the amount of investment in China during the period from July 18, 2024 to July 17, 2027.

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

Note 6: The company invested in Changzhou Asia Pacific Co-generation Co., Ltd., with 100% equity held through Asia Pacific Energy Development Co., Ltd., in November 2023, and it has been approved by the Investment Commission, MOEA in April 2024, and await to remit the remittances back to Taiwan.

(Concluded)

# TSRC CORPORATION AND SUBSIDIARIES

## INFORMATION OF MAJOR SHAREHOLDERS
## DECEMBER 31, 2024

| Name of Major Shareholder | Shares | |
|---|---|---|
| | Number of Shares | Percentage of Ownership (%) |
| Panama Banco Industrial Company | 69,524,417 | 8.41 |
| Han-De Construction Co., Ltd. | 63,093,108 | 7.64 |
| Wei Dah Development Co., Ltd. | 53,708,923 | 6.50 |

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

STATEMENT 1

# TSRC CORPORATION

**STATEMENT OF CASH AND CASH EQUIVALENTS**
**DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

| Item | Description | Amount |
|---|---|---|
| Cash in banks | | |
| Checking accounts and demand deposits | | $ 20,130 |
| Foreign currency deposits | Including US$735 thousand @32.7810, JPY1,192 thousand @0.2098, EUR117 thousand @34.1316, and RMB82 thousand @4.4778 | 28,678 |
| | | $ 48,808 |

# TSRC CORPORATION

**STATEMENT OF TRADE RECEIVABLES**
**DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

| Client Name | Amount |
|---|---|
| Non-related party | |
| Company A | $ 256,464 |
| Company B | 162,803 |
| Company C | 113,055 |
| Others (Note) | 1,003,297 |
| | 1,535,619 |
| Less: Allowance for impairment loss | (56) |
| | $ 1,535,563 |
| Related party | |
| TSRC Specialty Materials LLC | $ 103,560 |
| TSRC (Lux.) Corporation S.A R.L. | 33,343 |
| Polybus Corporation Pte. Ltd. | 14,900 |
| Others (Note) | 3,436 |
| | $ 155,239 |

Note: The amount of individual client included in others does not exceed 5% of the account balance.

# TSRC CORPORATION

**STATEMENT OF INVENTORY**
**DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Item | Amount: Cost | Amount: Net Realizable Value |
|---|---|---|
| Finished goods | $ 1,292,242 | $ 1,474,298 |
| Work in progress | 142,265 | 142,264 |
| Raw materials | 679,868 | 676,183 |
| Goods | 6,931 | 6,931 |
| | 2,121,306 | $ 2,299,676 |
| Allowance inventory write-downs | (25,508) | |
| | $ 2,095,798 | |

# TSRC CORPORATION

**STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT**
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| | Balance, January 1, 2024 | | Additions | | Decrease | | Unrealized Gain (Loss) on Fair Value Change of | Balance, December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Name | Shares/Units | Fair Value | Shares/Units | Amount | Shares/Units | Amount | FVTOCI | Shares/Units | Fair Value | Collateral | Note |
| Unlisted shares | | | | | | | | | | | |
| Thai Synthetic Rubbers Co., Ltd. | 599,999 | $ 284,189 | - | $ - | - | $ - | $ 76,800 | 599,999 | $ 360,989 | None | |
| Hsin-Yung Enterprise Corporation | 5,657,000 | 467,655 | - | - | 5,657,000 | 248,161 | (219,494) | - | - | None | |
| | | 751,844 | | - | | 248,161 | (142,694) | | 360,989 | | |
| Listed shares | | | | | | | | | | | |
| Evergreen Steel Corporation | 12,148,000 | 1,263,392 | - | - | - | - | (179,791) | 12,148,000 | 1,083,601 | None | |
| | | $ 2,015,236 | | $ - | | $ 248,161 | $ (322,485) | | $ 1,444,590 | | |

## TSRC CORPORATION

**STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

| Investees | Balance, January 1, 2024 | | Additions in Investment | | Decrease in Investment | | Balance, December 31, 2024 | | | Market Value or Net Assets Value | | Collateral | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Acquired Shares | Amount | Shares | Amount | Shares | Percentage of Ownership (%) | Amount | Unit Price | Total Amount | | |
| Unlisted shares | | | | | | | | | | | | | |
| Trimurti Holding Corporation | 86,920,000 | $ 16,953,644 | - | $ 1,997,949 | - | $ 176,035 | 86,920,000 | | $ 18,775,558 | 216.7 | $ 18,832,593 | None | Note 1 |
| Hardison International Corporation | 3,896,305 | 850,397 | - | 147,070 | - | 278,741 | 3,896,305 | | 718,726 | 184.5 | 718,726 | None | Note 2 |
| Dymas Corporation | 1,161,004 | 186,077 | - | 44,939 | - | 67,464 | 1,161,004 | | 163,552 | 140.9 | 163,552 | None | Note 3 |
| TSRC (Vietnam) Co., Ltd | - | 116,739 | - | 415 | - | 345,910 | - | | (228,756) | - | (228,756) | None | Note 4 |
| | | 18,106,857 | | 2,190,373 | | 868,150 | | | 19,429,080 | | 19,486,115 | | |
| Add: Reclassification to long-term equity investment - credit balance | | - | | - | | - | | | 228,756 | | | | |
| | | $ 18,106,857 | | $ 2,190,373 | | $ 868,150 | | | $ 19,657,836 | | | | |

Note 1: The increase in the amount resulted from the share of profit accounted for using the equity method of $1,172,144 thousand, the exchange difference on translating the financial statements of foreign entities of $778,126 thousand, adjustment for deferred credits of $37,280 thousand, unrealized intercompany profit elimination of $6,322 thousand, and gains of $4,077 thousand from cash flow hedges deemed effective hedging instruments. The decrease in the amount resulted from the repatriation of earnings from subsidiaries in the amount of $(176,035) thousand.

Note 2: The increase in the amount resulted from the share of profit accounted for using the equity method of $32,788 thousand, the exchange difference on translating the financial statements of foreign entities of $31,104 thousand, and unrealized gains on financial assets measured at fair value through other comprehensive income of $83,178 thousand. The decrease in the amount resulted from the repatriation of earnings from subsidiaries in the amount of $(278,741) thousand.

Note 3: The increase in the amount resulted from the share of profit accounted for using the equity method of $12,619 thousand, the exchange difference on translating the financial statements of foreign entities of $7,041 thousand, adjustment for deferred credits of $5,156 thousand, and unrealized gains on financial assets measured at fair value through other comprehensive income of $20,123 thousand. The decrease in the amount resulted from the repatriation of earnings from subsidiaries in the amount of $(67,464) thousand.

Note 4: The increase in the amount resulted from the exchange difference on translating the financial statements of foreign entities of $415 thousand. The decrease in the amount resulted from the share of loss accounted for using the equity method of $(345,910) thousand.

# TSRC CORPORATION

**STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS**
**DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| | Land | Buildings | Transportation Equipment | Machinery | Total |
|---|---|---|---|---|---|
| Cost | | | | | |
| Balance at January 1, 2024 | $ 1,898 | $ 72,568 | $ 133,927 | $ 3,367 | $ 211,760 |
| Additions | 1,384 | 16,067 | - | 1,089 | 18,540 |
| Disposals | (1,170) | (4,725) | - | (1,029) | (6,924) |
| Lease modification | 60 | - | - | (58) | 2 |
| Transfer to operating costs and inventories | - | (3,798) | (26,785) | - | (30,583) |
| Balance at December 31, 2024 | $ 2,172 | $ 80,112 | $ 107,142 | $ 3,369 | $ 192,795 |
| Accumulated depreciation and impairment | | | | | |
| Balance at January 1, 2024 | $ 1,388 | $ 18,573 | $ - | $ 1,526 | $ 21,487 |
| Additions | 358 | 15,641 | - | 1,122 | 17,121 |
| Disposals | (1,170) | (4,725) | - | (1,029) | (6,924) |
| Balance at December 31, 2024 | $ 576 | $ 29,489 | $ - | $ 1,619 | $ 31,684 |
| Carrying amounts at December 31, 2024 | $ 1,596 | $ 50,623 | $ 107,142 | $ 1,750 | $ 161,111 |

# TSRC CORPORATION

**STATEMENT OF SHORT-TERM BORROWING**
**DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Type | Balance, End of Year | Contract Period | Range of Interest Rates (%) | Loan Commitments | Collateral | Note |
|---|---|---|---|---|---|---|
| Unsecured borrowings | | | | | | |
| Mega International Commercial Bank | $ 524,246 | Within one year | 1.90-5.87 | $ 2,130,765 | None | |
| Bank SinoPac | 372,000 | Within one year | 1.98 | 372,000 | None | |
| Bank of China | 358,000 | Within one year | 1.94-1.95 | 600,000 | None | |
| Taishin International Bank | 348,472 | Within one year | 5.29-5.69 | 500,000 | None | |
| DBS Bank | 135,562 | Within one year | 2.25-5.57 | 983,430 | None | |
| CTBC Bank | 114,734 | Within one year | 5.60 | 450,000 | None | |
| Mizuho Bank, Ltd. | 80,000 | Within one year | 1.97 | 491,715 | None | |
| HSBC Bank (Taiwan) Limited | 19,669 | Within one year | 5.32 | 983,430 | None | |
| | $ 1,952,683 | | | $ 6,511,340 | | |

# TSRC CORPORATION

**STATEMENT OF NOTES PAYABLE**
**DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Guarantor or Acceptance Institution | Contract Period | Annual Discount Rate (%) | Balance, December 31, 2024 Face Value | Unamortized Premium | Carrying Amount |
|---|---|---|---|---|---|
| Short-term commercial paper payable | | | | | |
| International Bills Finance Corporation (IBFC) | Within one year | 2.02 | $ 100,000 | $50 | $ 99,950 |

# TSRC CORPORATION

**STATEMENT OF ACCOUNTS PAYABLE**
**DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Client Name | Amount |
|---|---|
| Non-related party | |
| Company D | $ 249,936 |
| Company E | 168,556 |
| Company F | 121,050 |
| Company G | 104,625 |
| Company H | 72,282 |
| Company I | 65,004 |
| Others (Note) | 361,310 |
| | $ 1,142,763 |
| Related party | |
| TSRC (Nantong) Industries Ltd. | $ 7,524 |
| Others (Note) | 266 |
| | $ 7,790 |

Note: The amount of individual client included in other does not exceed 5% of the account balance.

# TSRC CORPORATION

**STATEMENT OF LONG-TERM BORROWING**
**DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Creditor | Contract Period | Interest Rates (%) | Balance, December 31, 2024 Due Within One Year | Due After One Year | Total | Collateral | Note |
|---|---|---|---|---|---|---|---|
| Bank of Taiwan | Repayable at Maturity | 2.17 | $ 171,429 | $ 1,328,571 | $ 1,500,000 | None | |
| HSBC Bank (Taiwan) Limited | Repayable at Maturity | 2.05-2.16 | - | 562,370 | 562,370 | None | |
| CTBC Bank | Repayable at Maturity | 2.33 | 100,000 | 450,000 | 550,000 | None | |
| Mega International Commercial Bank | Repayable at Maturity | 2.40 | - | 500,000 | 500,000 | None | |
| Chang Hwa Bank | Repayable at Maturity | 2.35 | 166,667 | 250,000 | 416,667 | None | |
| E.SUN Commercial Bank | Repayable at Maturity | 1.33 | 71,116 | - | 71,116 | None | |
| | | | $ 509,212 | $ 3,090,941 | $ 3,600,153 | | |

# TSRC CORPORATION

**STATEMENT OF OPERATING REVENUE**
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Item | Quantities (In tons) | Amount |
|---|---|---|
| Synthetic rubber/elastomers | 179,627 | $ 11,507,067 |
| Applied materials | 3,013 | 221,388 |
| Others | | 955,600 |
| Total operating revenue | | $ 12,684,055 |

# TSRC CORPORATION

**STATEMENT OF OPERATING COSTS**
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Item | Amount |
|---|---|
| Cost of goods sold (in-house manufacturing): | |
| Raw material | |
| Raw materials, beginning of year | $ 613,539 |
| Purchases in the period | 9,165,622 |
| Raw materials, end of year | (678,120) |
| Raw materials sold | (915,263) |
| Transferred to expenses and others | (28,165) |
| Raw materials used | 8,157,613 |
| Direct labor | 231,809 |
| Manufacturing expenses | 1,450,420 |
| Manufacturing costs | 9,839,842 |
| Work in process, beginning of year | 135,666 |
| Work in process, end of year | (142,265) |
| Transferred to expenses and others | (12,015) |
| Cost of finished goods | 9,821,228 |
| Finished goods, beginning of year | 1,248,305 |
| Finished goods purchased | (2,639) |
| Finished goods, end of year | (1,292,242) |
| Transferred to expenses and others | (3,277) |
| Cost of goods sold (in-house manufacturing) | 9,771,375 |
| Cost of goods sold (purchase from suppliers) | |
| Merchandise, beginning of year | 9,661 |
| Merchandise purchased | 33,134 |
| Merchandise, end of year | (6,931) |
| Transferred to expenses and others | (47) |
| Cost of goods sold (purchase from supplier) | 35,817 |
| Total cost of goods sold | 9,807,192 |
| Decline in market value of inventory | 7,826 |
| Cost of raw material sold | 915,263 |
| Other costs | 450,823 |
| Sale of scrap | (26,046) |
| Operating costs | $ 11,155,058 |

# TSRC CORPORATION

## STATEMENT OF OPERATING EXPENSES
**FOR THE YEAR ENDED DECEMBER 31, 2024**
**(In Thousands of New Taiwan Dollars)**

| Item | Selling Expenses | General and Administrative Expenses | Research and Development Expenses | Total |
|---|---|---|---|---|
| Payroll expense | $ 86,063 | $ 308,967 | $ 155,841 | $ 550,871 |
| Freight expense | 321,981 | - | - | 321,981 |
| Commission | 42,028 | - | - | 42,028 |
| Service expense | 5,062 | 105,107 | 1,402 | 111,571 |
| Depreciation expense | 1,176 | 26,585 | 40,359 | 68,120 |
| Computer software | 65 | 38,852 | 680 | 39,597 |
| Research expense | - | - | 47,719 | 47,719 |
| Others (Note) | 27,786 | 144,386 | 34,112 | 206,284 |
| | $ 484,161 | $ 623,897 | $ 280,113 | 1,388,171 |
| Expected credit loss reversed on trade receivables | | | | (367) |
| | | | | $ 1,387,804 |

Note: Each remaining balance does not exceed 5% of the total balance of the account.

# TSRC CORPORATION

**STATEMENT OF EMPLOYEE BENEFITS AND DEPRECIATION**
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**
**(In Thousands of New Taiwan Dollars)**

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Classified as Operating Costs | Classified as Operating Expenses | Total | Classified as Operating Costs | Classified as Operating Expenses | Total |
| Employee benefits | | | | | | |
| Salaries | $ 373,799 | $ 440,681 | $ 814,480 | $ 358,186 | $ 422,180 | $ 780,366 |
| Labor and health insurance | 38,820 | 34,587 | 73,407 | 38,392 | 34,421 | 72,813 |
| Post-employment benefits | 17,193 | 15,672 | 32,865 | 16,917 | 15,300 | 32,217 |
| Remuneration of directors | - | 17,348 | 17,348 | - | 17,626 | 17,626 |
| Others | 61,654 | 59,931 | 121,585 | 57,786 | 67,866 | 125,652 |
| | $ 491,466 | $ 568,219 | $ 1,059,685 | $ 471,281 | $ 557,393 | $ 1,028,674 |
| Depreciation | $ 202,154 | $ 68,120 | $ 270,274 | $ 177,861 | $ 68,179 | $ 246,040 |
| Amortization | $ 7,143 | $ 20,112 | $ 27,255 | $ 8,576 | $ 12,883 | $ 21,459 |

Note 1: As of December 31, 2024 and 2023, the Corporation had 672 and 669 employees, respectively. Among them 6 directors did not serve concurrently as employees in 2024 and 2023, respectively.

Note 2: The average amount of employee benefits was $1,565 thousand and the prior year’s average amount of employee benefit was $1,525 thousand.

Note 3: The average amount of employee salaries was $1,223 thousand and the prior year’s average amount of employee salaries was $1,177 thousand. The average adjustment of employee salaries for 2024 and 2023 was 3.91% and 4.72%, respectively.

Note 4: Remuneration of Directors: The remuneration of the Company’s directors is determined in accordance with the Articles of Incorporation. Directors’ compensation is decided by the Board of Directors based on their level of participation in and contribution to the Company’s operations, and with reference to industry standards. Directors’ remuneration is allocated at up to 1% of the Company’s profit, subject to the resolution of the Board.

Note 5: The salaries of the Company’s managers and employees are determined based on a competitive compensation structure, taking into account industry practices, the overall operating performance of the Company, individual performance, and contribution. The compensation principles are established accordingly and approved in accordance with the Company’s internal authorization procedures.