

**TAIWAN STYRENE MONOMER CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
for the Three Months Ended March 31, 2022 and 2021**

Address: 8F.-1, No.6, Sec.1, Roosevelt Rd., Taipei City
Telephone: (02)2396-6007

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8
(4) Summary of significant accounting policies	9~10
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	10
(6) Explanation of significant accounts	11~35
(7) Related-party transactions	35
(8) Pledged assets	36
(9) Commitments and contingencies	36
(10) Losses due to major disasters	36
(11) Subsequent events	36
(12) Other	36
(13) Other disclosures	
(a) Information on significant transactions	37~39
(b) Information on investees	40
(c) Information on investment in mainland China	40
(d) Major shareholders	40
(14) Segment information	41



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web home.kpmg/tw

Independent Auditors' Review Report

To the Board of Directors of
Taiwan Styrene Monomer Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Styrene Monomer Corporation and its subsidiaries as of March 31, 2022 and 2021, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$308,597 thousand and \$663,381 thousand, constituting 3.35% and 7.26% of consolidated total assets as of March 31, 2022 and 2021, respectively, total liabilities amounting to \$4,638 thousand and \$31,251 thousand, constituting 0.27% and 2.35% of consolidated total liabilities as of March 31, 2022 and 2021, respectively, and total comprehensive income amounting to \$2,031 thousand and \$16,254 thousand, constituting 1.71% and 4.82% of consolidated total comprehensive income respectively.

Furthermore, as stated in note 6(i), the equity accounted investments of Taiwan Styrene Monomer Corporation and its subsidiaries in its investee companies of \$1,364,550 thousand and \$1,351,848 thousand as of March 31, 2022 and 2021, respectively, and the related share of profit (loss) of associates and joint ventures accounted for using equity method on these investee companies of \$(9,569) thousand and \$37,660 thousand respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Taiwan Styrene Monomer Corporation and its subsidiaries as of March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Lin Wu and Yuan-Sheng Yin.

KPMG

Taipei, Taiwan (Republic of China)
May 11, 2022

Notes to Readers

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2022 and 2021

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2022, December 31 and March 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2022		December 31, 2021		March 31, 2021		Liabilities and Equity		March 31, 2022		December 31, 2021		March 31, 2021	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 309,853	4	253,124	3	678,162	8	2100	Short-term borrowings (notes 6(p) and 8)	\$ 317,500	3	353,259	4	97,500	1
1110	Current financial assets at fair value through profit or loss (note 6(b))	314,095	3	317,929	3	177,319	2	2130	Current contract liabilities (note 6(y))	36,292	-	51,023	-	37,262	-
1170	Accounts receivable, net (note 6(c))	1,319,489	14	917,966	10	675,980	7	2150	Notes payable	-	-	2	-	-	-
1200	Other receivables	13,286	-	5,850	-	3,855	-	2170	Accounts payable	888,574	10	977,716	10	589,428	6
1220	Current tax assets	5,783	-	1,749	-	1,470	-	2200	Other payables (note 6(q))	105,170	1	178,497	2	179,175	2
130X	Inventories (note 6(d))	377,204	4	826,641	9	642,393	7	2230	Current tax liabilities	33,267	-	31	-	78,440	1
1410	Prepayments (note 6(e))	161,997	2	149,645	2	177,750	2	2250	Current provisions	349	-	349	-	349	-
1460	Non-current assets (or disposal groups) held for sale (note 6(f))	-	-	64,744	1	64,673	1	2280	Current lease liabilities (note 6(s))	3,067	-	4,069	-	5,696	-
1470	Other current assets	-	-	8	-	-	-	2320	Long-term liabilities, current portion (notes 6(r) and 8)	8,301	-	8,349	-	8,255	-
1476	Other current financial assets (notes 6(g) and 8)	240,820	3	159,466	2	43,443	-	2399	Other current liabilities	7,040	-	40,879	-	22,210	-
	Total current assets	2,742,527	30	2,697,122	30	2,465,045	27		Total current liabilities	1,399,560	14	1,614,174	16	1,018,315	10
Non-current assets:								Non-Current liabilities:							
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	9,740	-	5,756	-	7,001	-	2540	Long-term borrowings (notes 6(r) and 8)	66,660	1	68,686	1	74,960	1
1517	Non-current financial assets at fair value through other comprehensive income (note 6(h))	1,010,544	11	1,016,623	11	1,152,782	13	2570	Deferred tax liabilities	174,983	2	174,659	2	174,881	2
1550	Investments accounted for using equity method (note 6(i))	1,364,550	15	1,395,848	15	1,351,848	15	2581	Non-current lease liabilities (note 6(s))	5,415	-	5,729	-	3,959	-
1600	Property, plant and equipment (notes 6(j) and 8)	3,785,980	41	3,853,008	41	3,918,149	43	2640	Net defined benefit liability, non-current (note 6(o))	64,294	1	64,100	1	59,436	1
1755	Right-of-use assets (note 6(k))	8,591	-	9,965	-	9,588	-	2600	Other non-current liabilities	692	-	716	-	971	-
1760	Investment property, net (note 6(l))	56,929	1	57,015	1	57,275	1		Total non-current liabilities	312,044	4	313,890	4	314,207	4
1780	Intangible assets (note 6(m))	7,224	-	7,932	-	8,939	-		Total liabilities	1,711,604	18	1,928,064	20	1,332,522	14
1840	Deferred tax assets	123,028	1	130,868	1	18,263	-	Equity attributable to owners of parent: (note 6(v))							
1970	Other long-term investments, net (note 6(n))	31,715	-	30,576	-	32,793	-	3100	Capital stock	5,278,698	57	5,278,698	57	5,278,698	58
1920	Refundable deposits	3,513	-	3,587	-	3,556	-	3200	Capital surplus	64,674	1	46,300	-	52,696	1
1990	Other non-current assets (note 6(o))	75,440	1	90,890	1	112,914	1		Retained earnings:						
	Total non-current assets	6,477,254	70	6,602,068	70	6,673,108	73	3310	Legal reserve	612,264	7	612,264	7	610,435	7
								3320	Special reserve	-	-	-	-	581,249	6
								3350	Unappropriated retained earnings	1,268,820	14	1,167,693	13	848,789	9
										1,881,084	21	1,779,957	20	2,040,473	22
								3400	Other equity	28,883	-	56,031	1	237,488	3
								3500	Treasury shares	(13)	-	(13)	-	(15,178)	-
									Total equity attributable to owners of parent	7,253,326	79	7,160,973	78	7,594,177	84
								36XX	Non-controlling interests	254,851	3	210,153	2	211,454	2
									Total equity	7,508,177	82	7,371,126	80	7,805,631	86
									Total liabilities and equity	\$ 9,219,781	100	\$ 9,299,190	100	\$ 9,138,153	100
	Total assets	\$ 9,219,781	100	\$ 9,299,190	100	\$ 9,138,153	100								

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the three months ended March 31			
		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(i) and (y))	\$ 3,535,614	100	2,137,879	100
5000	Operating costs (notes 6(d), (j), (k), (l), (m), (s), (t), (w) and (aa))	<u>3,435,816</u>	<u>97</u>	<u>1,850,450</u>	<u>87</u>
	Gross profit from operations	<u>99,798</u>	<u>3</u>	<u>287,429</u>	<u>13</u>
	Operating expenses (notes 6(c), (j), (k), (l), (m), (s), (t), (w) and (aa)):				
6100	Selling expenses	19,205	1	11,094	1
6200	Administrative expenses	39,942	1	56,494	3
6300	Research and development expenses	497	-	636	-
6450	Expected credit impairment gain	<u>(52)</u>	<u>-</u>	<u>(69)</u>	<u>-</u>
		<u>59,592</u>	<u>2</u>	<u>68,155</u>	<u>4</u>
	Operating income	<u>40,206</u>	<u>1</u>	<u>219,274</u>	<u>9</u>
	Non-operating income and expenses (notes 6(f), (i), (s) and (z)):				
7100	Interest income	935	-	896	-
7010	Other income	5,576	-	14,966	1
7020	Other gains and losses	142,006	4	9,803	-
7050	Finance costs	(1,169)	-	(652)	-
7060	Shares of profit of associates and joint ventures accounted for using equity method	<u>(8,378)</u>	<u>-</u>	<u>39,394</u>	<u>2</u>
		<u>138,970</u>	<u>4</u>	<u>64,407</u>	<u>3</u>
9900	Profit before tax	179,176	5	283,681	12
7950	Less: Income tax expenses (note 6(u))	<u>43,456</u>	<u>1</u>	<u>42,257</u>	<u>2</u>
	Net income	<u>135,720</u>	<u>4</u>	<u>241,424</u>	<u>10</u>
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(13,853)	-	42,144	2
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	<u>(22,500)</u>	<u>(1)</u>	<u>53,968</u>	<u>3</u>
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>(36,353)</u>	<u>(1)</u>	<u>96,112</u>	<u>5</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation	18,956	1	(470)	-
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	<u>354</u>	<u>-</u>	<u>367</u>	<u>-</u>
	Components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>19,310</u>	<u>1</u>	<u>(103)</u>	<u>-</u>
8300	Other comprehensive income, net	<u>(17,043)</u>	<u>-</u>	<u>96,009</u>	<u>5</u>
8500	Comprehensive income	<u>\$ 118,677</u>	<u>4</u>	<u>337,433</u>	<u>15</u>
	Profit attributable to:				
8610	Owners of parent	\$ 95,086	3	239,414	10
8620	Non-controlling interests	<u>40,634</u>	<u>1</u>	<u>2,010</u>	<u>-</u>
		<u>\$ 135,720</u>	<u>4</u>	<u>241,424</u>	<u>10</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 73,979	2	335,853	15
8720	Non-controlling interests	<u>44,698</u>	<u>-</u>	<u>1,580</u>	<u>-</u>
		<u>\$ 118,677</u>	<u>2</u>	<u>337,433</u>	<u>15</u>
	Earnings per share (note 6(x))				
	Basic earnings per share	<u>\$ 0.18</u>		<u>0.45</u>	
	Diluted earnings per share	<u>\$ 0.18</u>		<u>0.45</u>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity interest			Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total							
Balance at January 1, 2021	\$ 5,278,698	48,224	610,435	581,249	581,961	1,773,645	(26,745)	195,208	168,463	(15,178)	7,253,852	209,874	7,463,726
Net Income	-	-	-	-	239,414	239,414	-	-	-	-	239,414	2,010	241,424
Other comprehensive income	-	-	-	-	-	-	327	96,112	96,439	-	96,439	(430)	96,009
Total comprehensive income	-	-	-	-	239,414	239,414	327	96,112	96,439	-	335,853	1,580	337,433
Share-based payments transactions	-	4,472	-	-	-	-	-	-	-	-	4,472	-	4,472
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	27,414	27,414	-	(27,414)	(27,414)	-	-	-	-
Balance at March 31, 2021	\$ 5,278,698	52,696	610,435	581,249	848,789	2,040,473	(26,418)	263,906	237,488	(15,178)	7,594,177	211,454	7,805,631
Balance at January 1, 2021	\$ 5,278,698	46,300	612,264	-	1,167,693	1,779,957	(34,634)	90,665	56,031	(13)	7,160,973	210,153	7,371,126
Net income	-	-	-	-	95,086	95,086	-	-	-	-	95,086	40,634	135,720
Other comprehensive income	-	-	-	-	-	-	15,246	(36,353)	(21,107)	-	(21,107)	4,064	(17,043)
Total comprehensive income	-	-	-	-	95,086	95,086	15,246	(36,353)	(21,107)	-	73,979	44,698	118,677
Overdue dividends not received by shareholders	-	18,374	-	-	-	-	-	-	-	-	18,374	-	18,374
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	6,041	6,041	-	(6,041)	(6,041)	-	-	-	-
Balance at March 31, 2022	\$ 5,278,698	64,674	612,264	-	1,268,820	1,881,084	(19,388)	48,271	28,883	(13)	7,253,326	254,851	7,508,177

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2022	2021
Cash flows from operating activities:		
Profit before tax	\$ 179,176	283,681
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	68,766	61,515
Amortization expense	708	631
Expected credit impairment gain	(52)	(69)
Interest expense	1,169	652
Interest income	(935)	(896)
Dividend income	(546)	-
Share-based payments	-	4,472
Share of loss (profit) of associates and joint ventures accounted for using equity method	9,569	(37,660)
Gain on disposal of property, plant and equipment	-	(190)
Gain on disposal of non-current assets held for sale	(132,748)	-
Gain on bargain purchase transaction	-	(403)
Gain on lease modification	(6)	-
Loss from decline (gain from recovery) in value of inventories	(120,669)	65
Total adjustments to reconcile profit (loss)	<u>(174,744)</u>	<u>28,117</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets mandatorily measured at fair value through profit or loss	(150)	(28,360)
Accounts receivable	(401,471)	201,885
Other receivables	(7,589)	1,456
Inventories	570,106	(211,168)
Prepayments	16,978	(85,651)
Other current assets	8	123
Other financial assets	(81,354)	-
Total changes in operating assets	<u>96,528</u>	<u>(121,715)</u>
Changes in operating liabilities:		
Current contract liabilities	(14,731)	(7,755)
Notes payable	(2)	-
Accounts payable	(89,142)	(208,877)
Other payables	(31,349)	(33,528)
Other current liabilities	(33,839)	19,422
Net defined benefit liabilities	194	228
Total changes in operating liabilities	<u>(168,869)</u>	<u>(230,510)</u>
Total changes in operating assets and liabilities	<u>(72,341)</u>	<u>(352,225)</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the three months ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2022	2021
Cash outflow generated from operations	\$ (67,909)	(40,427)
Interest received	1,088	860
Dividends received	546	-
Interest paid	(1,176)	(651)
Dividends paid	(14)	(6)
Income taxes paid	(6,090)	(255)
Net cash flows used in operating activities	(73,555)	(40,479)
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(17,273)
Proceeds from disposal of non-current assets classified as held for sale	202,912	-
Acquisition of property, plant and equipment	(37,653)	(49,874)
Proceeds from disposal of property, plant and equipment	-	190
Increase in refundable deposits	74	-
Decrease in refundable deposits	-	9
Net cash flows from (used in) investing activities	165,333	(66,948)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	307,500	87,500
Decrease in short-term borrowings	(343,259)	(87,500)
Repayments of long-term borrowings	(2,074)	(5,563)
Payment of lease liabilities	(1,394)	(1,266)
Increase in other non-current liabilities	-	21
Decrease in other non-current liabilities	(24)	-
Net cash used in financing activities	(39,251)	(6,808)
Effect of exchange rate changes on cash and cash equivalents	4,202	(625)
Net increase (decrease) in cash and cash equivalents	56,729	(114,860)
Cash and cash equivalents at beginning of period	253,124	793,022
Cash and cash equivalents at end of period	\$ 309,853	678,162

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Taiwan Styrene Monomer Corp. (the “Company”) was incorporated on November 16, 1979, under the approval of Ministry of Economic Affairs, Republic of China (ROC). Registered address is 8F.-1, No.6, Sec.1, Roosevelt Rd., Taipei City. Please refer to note 4(b) for the major business activities of the Company and its subsidiaries (together referred to as the "Group").

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were reported to the Board of Directors, then were issued on May 11, 2022.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers (the “Regulation”) and IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding (%)			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company	YSIC Ltd.	Residential building and industrial plant development rental business	99.99	99.99	99.99	-
The Company	Yuan-Shin Materials Technology Co., Ltd.	Basic chemical materials and plastic raw material manufacturing	100.00	100.00	100.00	Note 1
The Company	Yangmingshan Tien Lai Resort & SPA	Hotel	65.07	65.07	65.07	Note 2
The Company	Asia Carbons & Technology Inc.	Electronic component manufacturing	98.58	98.58	98.58	Note 1
YSIC Ltd.	Grand Capital Co., Ltd.	Investment	100.00	100.00	100.00	Note 1
YSIC Ltd.	Tien Lai Co., Ltd.	Piping engineering	50.00	50.00	50.00	Notes 1 and 3
YSIC Ltd.	Kun Shan International Ltd.	Investment	62.03	62.03	62.03	-
Kun Shan International Ltd.	Kun Shan Yu-Fu Technology Education Consulting Co., Ltd.	Educational consulting, information consulting, software and data storage consultation	100.00	100.00	100.00	-
Kun Shan International Ltd.	Kun Shan Jia-an Technology Education Consulting Co., Ltd.	Educational consulting, information consulting, software and data storage consultation	100.00	100.00	100.00	-

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 1: Non-significant subsidiaries for which the financial statements have not been reviewed by independent auditors.

Note 2: The Company and YSIC Ltd. (holding 12.10% of common shares) totally hold 77.17% of common shares of Yangmingshan Tien Lai Resort & SPA.

Note 3: The Group does not directly or indirectly hold more than half of the total shares of Tien Lai Co., Ltd., but because the chairman of the company is designated by the Group and the Group has control over the company, it is incorporated into consolidation.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Accounting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2021. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2021.

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2021. Please refer to notes 6 (a) to (ag) of the 2021 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Cash on hand	\$ 1,484	724	588
Petty cash	962	1,014	998
Deposits in bank	307,407	251,386	311,994
Cash equivalents			
Bonds under resell agreements	-	-	110,826
Time deposits due within one year	-	-	253,756
	<u>\$ 309,853</u>	<u>253,124</u>	<u>678,162</u>

(b) Financial assets at fair value through profit or loss

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Mandatorily measured at fair value through profit or loss:			
Current:			
Listed stocks	\$ 275,759	266,352	146,986
Funds	38,336	51,577	30,333
Non-current:			
Listed stocks	9,740	5,756	7,001
Total	<u>\$ 323,835</u>	<u>323,685</u>	<u>184,320</u>

(c) Accounts receivable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accounts receivable	\$ 1,321,921	920,432	678,474
Less: Loss allowance	(2,432)	(2,466)	(2,494)
	<u>\$ 1,319,489</u>	<u>917,966</u>	<u>675,980</u>

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected 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 loss allowance provision was determined as follows:

	March 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,319,142	0.005%	66
1 to 90 days past due	150	1%	2
91 to 180 days past due	120	2%	2
181 to 365 days past due	96	2%	2
More than 1 year past due	2,413	50%~100%	2,360
	\$ 1,321,921		2,432
	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 917,335	0.005%	46
1 to 90 days past due	394	1%	4
91 to 180 days past due	112	2%	2
181 to 365 days past due	101	2%	2
More than 1 year past due	2,490	50%~100%	2,412
	\$ 920,432		2,466
	March 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 675,405	0.005%	34
1 to 90 days past due	167	1%	2
91 to 180 days past due	149	2%	3
181 to 365 days past due	111	2%	2
More than 1 year past due	2,642	50%~100%	2,453
	\$ 678,474		2,494

The movement in the allowance for accounts receivable was as follows:

	For the three months ended	
	March 31	
	2022	2021
Beginning balance	\$ 2,466	2,565
Reversal of impairment loss	(52)	(69)
Effect of exchange rate changes	18	(2)
Ending balance	\$ 2,432	2,494

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Inventories

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Merchandise inventory	\$ 1,568	1,665	1,223
Finished goods	55,791	241,732	50,491
By-product	11,784	7,160	6,654
Semi-finished products	64,401	79,182	209,740
Work in progress	73,354	46,133	78,065
Raw materials	153,109	422,913	274,768
Supplies	17,197	27,856	21,452
	<u>\$ 377,204</u>	<u>826,641</u>	<u>642,393</u>

Except for the transfer of inventory to operating costs from sales, other losses (gains) directly included in operating costs are as follows:

	<u>For the three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Loss from decline (gain from recovery) in value of inventories	<u>\$ (120,669)</u>	<u>65</u>

None of the inventories of the Group was pledged as collateral on March 31, 2022, December 31 and March 31, 2021.

(e) Prepayments

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Prepayment for purchases	\$ 4,740	719	23
Supplies	101,379	87,837	96,712
Overpaid sales tax	42,601	55,529	32,164
Others	13,277	5,560	48,851
	<u>\$ 161,997</u>	<u>149,645</u>	<u>177,750</u>

(f) Non-current assets (or disposal groups) held for sale

On January 22, 2021, the Group obtained an approval from the Board of Directors to dispose the partial property, plant and equipment, right-of-use assets and investment property held by Kun Shan Yu-Fu Technology Education Consulting Co., Ltd. and Kun Shan Jia-an Technology Education Consulting Co., Ltd. Therefore, the Group reclassified them as non-current assets (or disposal groups) held for sale, which amounting to \$65,008 thousand. The Group completed the disposal in February 2022 and recognized the gain on disposal amounting to \$132,748 thousand.

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Other current financial assets

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Time deposits maturing over three months	\$ 236,421	155,067	35,000
Restricted deposits in bank	4,399	4,399	8,443
	<u>\$ 240,820</u>	<u>159,466</u>	<u>43,443</u>

The above assets of the Group had been pledged as collateral for long-term and short-term bank loans; please refer to note 8.

(h) Non-current financial assets at fair value through other comprehensive income

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Equity investments:			
Domestic non-listed stocks	\$ 684,874	696,898	712,636
Foreign non-listed equity investments	325,670	319,725	440,146
	<u>\$ 1,010,544</u>	<u>1,016,623</u>	<u>1,152,782</u>

(i) The Group designated the investments shown above at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes not for trading purposes.

(ii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity related to these investments for the three months ended March 31, 2022 and 2021.

(iii) For market risk; please refer to note 6(ab).

(iv) None of the above-mentioned financial assets had been pledged as collateral as of March 31, 2022, December 31 and March 31, 2021.

(i) Investments accounted for using equity method

(i) Associates

Associates of the Group consisted of the following:

	<u>March 31, 2022</u>		<u>December 31, 2021</u>		<u>March 31, 2021</u>	
	<u>Amount</u>	<u>Share- holding (%)</u>	<u>Amount</u>	<u>Share- holding (%)</u>	<u>Amount</u>	<u>Share- holding (%)</u>
Grand Cathay Venture Capital Co., Ltd.	\$ 454,057	25.00	467,450	25.00	451,855	25.00
Wonderland Enterprise Co., Ltd.	818,010	37.04	835,959	37.04	769,095	37.04
Globaltop Technology Inc.	48,390	23.89	49,332	23.89	52,797	31.85
Gvision-USA, Inc.	-	-	-	-	34,353	44.44
Functional Coating System Technologies Co., Ltd.	26,790	34.88	26,069	34.88	25,886	34.88
Universal Investments Limited	17,303	40.00	17,038	40.00	17,862	40.00
	<u>\$ 1,364,550</u>		<u>1,395,848</u>		<u>1,351,848</u>	

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group acquired 40% of the shares of Universal Investments Limited with \$17,273 thousand, getting the significant influence in February 2021. The identifiable net equity on the purchase date was greater than the purchase price, the Group has therefore recognized gain on bargain purchase of \$403 thousand as other income in the consolidated statement of comprehensive income.

Gvision-USA, Inc. conducted a capital increase by cash of USD2,000 thousand on October 25, 2021. The Group did not participate in the capital increase proportionally, and its shares of the company dropped to 19.61%. The Group lost the significant influence on the company and reclassified the investment to financial assets at fair value through other comprehensive income.

The Group's financial information for investments accounted for using equity method that are individually insignificant was as follows:

	For the three months ended	
	March 31	
	2022	2021
Attributable to the Group:		
Net income (loss)	\$ (9,569)	37,660
Other comprehensive income	(22,146)	54,335
Total comprehensive income	\$ (31,715)	91,995

(ii) Pledge to secure

None of the investments using equity method of the Group was pledged as collateral.

(iii) The unreviewed financial statements of investments accounted for using equity method

The investments accounted for using equity method and the share of the profit or loss and other comprehensive income were calculated based on the financial statements that had not been reviewed.

(j) Property, plant and equipment

The movements of the property, plant and equipment of the Group were as follows:

Cost:	Land	Land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Leased assets	Other equipment	Construction in progress	Total
Balance as of January 1, 2022	\$ 1,576,740	8,462	621,630	7,307,108	4,276	-	844,220	298,058	10,660,494
Additions	-	-	-	-	-	-	242	13,828	14,070
Disposals	-	-	-	(68,266)	-	-	-	-	(68,266)
Reclassification	-	-	-	269,068	-	-	1,200	(284,148)	(13,880)
Effect of exchange rate changes	-	-	-	-	42	-	-	-	42
Balance as of March 31, 2022	\$ 1,576,740	8,462	621,630	7,507,910	4,318	-	845,662	27,738	10,592,460
Balance as of January 1, 2021	\$ 1,577,303	8,462	621,630	7,280,629	10,887	-	946,252	232,174	10,677,337
Additions	-	-	-	-	-	-	2,072	26,831	28,903
Disposals	-	-	-	-	-	-	(1,729)	-	(1,729)
Reclassification	-	-	-	399	-	-	14,999	(15,398)	-
Effect of exchange rate changes	-	-	-	-	(7)	-	-	-	(7)
Balance as of March 31, 2021	\$ 1,577,303	8,462	621,630	7,281,028	10,880	-	961,594	243,607	10,704,504

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Land improvements</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Leased assets</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Accumulated depreciation and impairment losses:									
Balance as of January 1, 2022	\$ -	8,404	244,208	6,008,783	4,004	-	542,087	-	6,807,486
Depreciation	-	5	3,612	51,701	30	-	11,874	-	67,222
Disposals	-	-	-	(68,266)	-	-	-	-	(68,266)
Effect of exchange rate changes	-	-	-	-	38	-	-	-	38
Balance as of March 31, 2022	\$ -	8,409	247,820	5,992,218	4,072	-	553,961	-	6,806,480
Balance as of January 1, 2021	\$ -	8,383	229,758	5,830,382	10,474	-	649,155	-	6,728,152
Depreciation	-	5	3,612	44,547	36	-	11,739	-	59,939
Disposals	-	-	-	-	-	-	(1,729)	-	(1,729)
Effect of exchange rate changes	-	-	-	-	(7)	-	-	-	(7)
Balance as of March 31, 2021	\$ -	8,388	233,370	5,874,929	10,503	-	659,165	-	6,786,355
Carrying value:									
Balance as of January 1, 2022	\$ 1,576,740	58	377,422	1,298,325	272	-	302,133	298,058	3,853,008
Balance as of March 31, 2022	\$ 1,576,740	53	373,810	1,515,692	246	-	291,701	27,738	3,785,980
Balance as of January 1, 2021	\$ 1,577,303	79	391,872	1,450,247	413	-	297,097	232,174	3,949,185
Balance as of March 31, 2021	\$ 1,577,303	74	388,260	1,406,099	377	-	302,429	243,607	3,918,149

As of March 31, 2022, December 31 and March 31, 2021, there was no recognized accumulated impairment losses of property, plant and equipment.

As of March 31, 2022, December 31 and March 31, 2021, the property, plant and equipment of the Group had been pledged as collateral for loans; please refer to note 8.

(k) Right-of-use assets

The cost and accumulated depreciation of leased land, buildings and structures, and transportation equipment of the Group were as follows:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Total</u>
Cost:					
Balance as of January 1, 2022	\$ 4,064	1,254	12,769	4,814	22,901
Lease modification	84	-	-	-	84
Disposals	-	-	(1,288)	-	(1,288)
Balance as of March 31, 2022	\$ 4,148	1,254	11,481	4,814	21,697
Balance as of March 31, 2021	\$ 387	1,429	12,769	4,814	19,399
Accumulated depreciation:					
Balance as of January 1, 2022	\$ 87	354	10,328	2,167	12,936
Depreciation	54	157	1,007	240	1,458
Disposals	-	-	(1,288)	-	(1,288)
Balance as of March 31, 2022	\$ 141	511	10,047	2,407	13,106
Balance as of January 1, 2021	\$ 353	635	6,130	1,203	8,321
Depreciation	21	179	1,049	241	1,490
Balance as of March 31, 2021	\$ 374	814	7,179	1,444	9,811
Carrying amount:					
Balance as of January 1, 2022	\$ 3,977	900	2,441	2,647	9,965
Balance as of March 31, 2022	\$ 4,007	743	1,434	2,407	8,591
Balance as of January 1, 2021	\$ 34	794	6,639	3,611	11,078
Balance as of March 31, 2021	\$ 13	615	5,590	3,370	9,588

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
Cost:			
Balance as of March 31, 2022 (Balance as of January 1, 2022)	\$ <u>46,101</u>	<u>17,625</u>	<u>63,726</u>
Balance as of March 31, 2021 (Balance as of January 1, 2021)	\$ <u>46,101</u>	<u>17,625</u>	<u>63,726</u>
Accumulated depreciation and impairment losses:			
Balance as of January 1, 2022	\$ -	6,711	6,711
Depreciation	-	86	86
Balance as of March 31, 2022	\$ -	<u>6,797</u>	<u>6,797</u>
Balance as of January 1, 2021	\$ -	6,365	6,365
Depreciation	-	86	86
Balance as of March 31, 2021	\$ -	<u>6,451</u>	<u>6,451</u>
Carrying value:			
Balance as of January 1, 2022	\$ <u>46,101</u>	<u>10,914</u>	<u>57,015</u>
Balance as of March 31, 2022	\$ <u>46,101</u>	<u>10,828</u>	<u>56,929</u>
Balance as of January 1, 2021	\$ <u>46,101</u>	<u>11,260</u>	<u>57,361</u>
Balance as of March 31, 2021	\$ <u>46,101</u>	<u>11,174</u>	<u>57,275</u>

The fair value of the investment property was not significantly different from those disclosed in note 6(n) of the annual consolidated financial statements for the year ended December 31, 2021. For other relevant information, please refer to note 6(n) of the consolidated financial statements of 2021.

None of the investment property was pledged as collateral as of March 31, 2022, December 31 and March 31, 2021.

(m) Intangible assets

The movements of intangible assets of the Group were as follows:

	<u>Technical royalty</u>	<u>Computer software</u>	<u>Total</u>
Cost:			
Balance as of March 31, 2022 (Balance as of January 1, 2022)	\$ <u>22,242</u>	<u>6,061</u>	<u>28,303</u>
Balance as of March 31, 2021 (Balance as of January 1, 2021)	\$ <u>22,242</u>	<u>5,146</u>	<u>27,388</u>

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Technical royalty</u>	<u>Computer software</u>	<u>Total</u>
Accumulated amortization:			
Balance as of January 1, 2022	\$ 16,068	4,303	20,371
Amortization	<u>244</u>	<u>464</u>	<u>708</u>
Balance as of March 31, 2022	<u>\$ 16,312</u>	<u>4,767</u>	<u>21,079</u>
Balance as of January 1, 2021	\$ 15,093	2,725	17,818
Amortization	<u>243</u>	<u>388</u>	<u>631</u>
Balance as of March 31, 2021	<u>\$ 15,336</u>	<u>3,113</u>	<u>18,449</u>
Carrying value:			
Balance as of January 1, 2022	<u>\$ 6,174</u>	<u>1,758</u>	<u>7,932</u>
Balance as of March 31, 2022	<u>\$ 5,930</u>	<u>1,294</u>	<u>7,224</u>
Balance as of January 1, 2021	<u>\$ 7,149</u>	<u>2,421</u>	<u>9,570</u>
Balance as of March 31, 2021	<u>\$ 6,906</u>	<u>2,033</u>	<u>8,939</u>
(n) Other long-term investment, net			
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Construction and operation of student dormitory	<u>\$ 31,715</u>	<u>30,576</u>	<u>32,793</u>
<p>The period of rights of investment in construction and operation of student dormitory is 30 years. The subsidy and management income will be recovered annually according to the agreement to July 31, 2035.</p>			
(o) Other non-current assets			
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Long-term prepaid expenses	\$ 69,951	85,401	107,636
Net defined benefit assets	<u>5,489</u>	<u>5,489</u>	<u>5,278</u>
	<u>\$ 75,440</u>	<u>90,890</u>	<u>112,914</u>

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Short-term borrowings

Short-term borrowings of the Group were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Unsecured bank loans	\$ 200,000	235,759	-
Secured bank loans	117,500	117,500	97,500
Total	<u>\$ 317,500</u>	<u>353,259</u>	<u>97,500</u>
Unused short-term credit lines	<u>\$ 787,166</u>	<u>559,617</u>	<u>925,078</u>
Range of interest rate	<u>1.00%~1.45%</u>	<u>0.75~1.20%</u>	<u>0.90~1.20%</u>

For the collateral for short-term borrowings, please refer to note 8.

(q) Other payables

Other payables of the Group were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accrued payroll	\$ 9,417	19,192	42,409
Employee bonus payable	3,334	441	16,170
Compensation payable to directors	3,029	128	16,089
Compensated absences	29,924	28,602	1,902
Other accrued expenses payable	41,413	73,081	33,407
Payables on equipment	664	24,247	46,348
Dividends payable	452	9,730	9,781
Other payables-other	16,937	23,076	13,069
Total	<u>\$ 105,170</u>	<u>178,497</u>	<u>179,175</u>

(r) Long-term borrowings

Long-term borrowings of the Group were as follows:

	<u>March 31, 2022</u>			
	<u>Currency</u>	<u>Range of interest rate</u>	<u>Due year</u>	<u>Amount</u>
Secured bank loans	NTD	1.76%	2030	\$ 74,961
Less: current portion				8,301
Total				<u>\$ 66,660</u>
Unused long-term credit lines				<u>\$ 12,739</u>

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021			
	Currency	Range of interest rate	Due year	Amount
Secured bank loans	NTD	1.51%	2030	\$ 77,035
Less: current portion				8,349
Total				\$ 68,686
Unused long-term credit lines				\$ 10,664
	March 31, 2021			
	Currency	Range of interest rate	Due year	Amount
Secured bank loans	NTD	1.51%	2030	\$ 83,215
Less: current portion				8,255
Total				\$ 74,960
Unused long-term credit lines				\$ 5,167

For the collateral for long-term borrowings, please refer to note 8.

(s) Lease liabilities

Lease liabilities of the Group were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Current	\$ 3,067	4,069	5,696
Non-current	\$ 5,415	5,729	3,959

For the maturity analysis, please refer to 6(ab).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2022	2021
Interest on lease liabilities	\$ 34	40
Expenses relating to short-term leases	\$ 75	210
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 187	161

The amounts recognized in the statements of cash flows were as follows:

	For the three months ended March 31	
	2022	2021
Total cash outflow for leases	\$ 1,690	1,677

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2021 and 2020.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended March 31	
	2022	2021
Operating cost	\$ 260	297
Operating expenses	99	100
Total	\$ 359	397

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to Bureau of Labor Insurance were as follows:

	For the three months ended March 31	
	2022	2021
Operating cost	\$ 2,074	2,106
Operating expenses	746	721
Total	\$ 2,820	2,827

(u) Income tax

The components of income tax expense (benefit) of the Group were as follows:

	For the three months ended March 31	
	2022	2021
Current income tax expense		
Current period	\$ 35,292	42,674
Deferred income tax benefit		
Origination and reversal of temporary difference	8,164	(417)
Income tax expense	\$ 43,456	42,257

The Company's income tax return for the year 2019 had been examined by the tax authorities.

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the three months ended March 31, 2022 and 2021. Please refer to note 6(x) of the consolidated financial statements for the year ended December 31, 2021.

(i) Capital surplus

The balances of capital surplus of the Company were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Difference arising from subsidiary's share price and its carrying value	\$ 8,953	8,953	8,953
Changes in ownership interests in subsidiaries	26,307	26,307	25,310
Changes in equity of investments in associates using equity method	6,594	6,594	13,961
Treasury share transactions	4,433	4,433	-
Donation from shareholders	13	13	-
Overdue dividends not received by shareholders	18,374	-	-
Employee stock options	-	-	4,472
Total	<u>\$ 64,674</u>	<u>46,300</u>	<u>52,696</u>

(ii) Retained earnings

The Company's Article of Incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

In general, cash dividends shall not be less than 30% of total dividends. However, based on the need to respond to changes in the industry, major investment plans and improve the financial structure, or in the case of sudden major capital needs, the cash dividend payout rate could be adjusted to 10% to 30%. If the cash dividend is less than \$0.1 per share, it will not be issued, and the stock dividend will be paid instead.

On March 22, 2022, the Board of Directors planned to distribute the 2021 earnings. On July 7, 2021, the shareholders' meeting resolved to distribute the 2020 earnings. These earnings were appropriated as follows:

	<u>2021</u>	<u>2020</u>
Dividends distributed to ordinary shareholders		
Cash	<u>\$ 79,180</u>	<u>263,917</u>

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2022	\$ (34,634)	90,665	56,031
Exchange differences on foreign operations	14,892	-	14,892
Exchange differences on associates and joint ventures accounted for using equity method	354	-	354
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(13,853)	(13,853)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on associates and joint ventures accounted for using equity method	-	(22,500)	(22,500)
Cumulative losses (gains) reclassified to retained earnings on associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(6,041)	(6,041)
Balance as of March 31, 2022	<u>\$ (19,388)</u>	<u>48,271</u>	<u>28,883</u>

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2021	\$ (26,745)	195,208	168,463
Exchange differences on foreign operations	(40)	-	(40)
Exchange differences on associates and joint ventures accounted for using equity method	367	-	367
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	42,144	42,144
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on associates and joint ventures accounted for using equity method	-	53,968	53,968
Changes in ownership interests in associates	-	(27,414)	(27,414)
Balance as of March 31, 2021	<u>\$ (26,418)</u>	<u>263,906</u>	<u>237,488</u>

(iv) Treasury stock

In accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company repurchased treasury stocks in order to transfer shares to employees. As of March 31, 2021, a total of 1,040 thousand shares were not yet cancelled. As of December 31, 2021, a total of 1,040 thousand shares were all transferred to employees.

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(w) Share-based payment

A resolution was decided during the Board meeting held on March 24, 2021 to award 1,040 thousand shares of employee stock options to employees. These employees with the employee stock option are entitled to purchase shares at the price of \$14.6 per share, the Group therefore recognized related remuneration cost of \$4,472 thousand. As of March 31, 2021, the Group's share-based payment arrangements were as follows:

	<u>Equity-settled Treasury stock transferred to employees</u>
Fair value at grant date	March 24, 2021
Number of shares granted (in thousand)	1,040
Contract term	March 24 to May 6, 2021
Recipients	Employees
Vesting conditions	Immediately vested

The Group used Black-Scholes option pricing model in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	<u>For the three months ended March 31, 2021</u>
	<u>Treasury stock transferred to employees</u>
Fair value at grant date (NT dollars per share)	4.3
Share price at grant date	19.05
Exercise price	14.60
Expected volatility (%)	25.91 %
Expected life (years)	0.12
Expected dividend (%)	2.83 %
Risk-free interest rate (%)	0.76 %

(x) Earnings per share

The Group's basic earnings per share and diluted earnings per share were calculated as follows:

(i) Basic earnings per share

	<u>For the three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Profit attributable to the Company	<u>\$ 95,086</u>	<u>239,414</u>
Weighted-average number of ordinary shares outstanding	<u>527,869</u>	<u>526,830</u>
Earnings per share (NTD)	<u>\$ 0.18</u>	<u>0.45</u>

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

	For the three months ended March 31	
	2022	2021
Profit attributable to the Company (diluted)	\$ 95,086	239,414
Weighted-average number of ordinary shares outstanding	527,869	526,830
Effect of dilutive potential ordinary shares		
Employee remuneration in stock	172	902
Weighted-average number of ordinary shares outstanding (diluted)	528,041	527,732
Diluted earnings per share (NTD)	\$ 0.18	0.45

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31	
	2022	2021
Primary geographical markets:		
Asia	\$ 3,479,314	2,118,835
Europe	59,817	-
Total	\$ 3,539,131	2,118,835
Major products/services lines:		
Commodity sales revenue	\$ 3,490,758	2,071,394
Travel service revenue	44,387	43,382
Other operating revenue	3,986	4,059
	\$ 3,539,131	2,118,835

(ii) Contract balances

	December 31,		
	March 31, 2022	2021	March 31, 2021
Contract liabilities-travel service contract	\$ 28,424	38,155	29,394
Contract liabilities-unearned sales revenue	7,868	12,868	7,868
Total	\$ 36,292	51,023	37,262

For details on accounts receivable and allowance for impairment, please refer to note 6(c).

The amount of revenue recognized for the three months ended March 31, 2022 and 2021 that were included in the contract liability balance at the beginning of the period were \$10,978 thousand and \$2,486 thousand, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(z) Non-operating income and expenses

(i) Other income

Details of other income of the Group were as follows:

	For the three months ended March 31	
	2022	2021
Rent income	\$ 277	277
Gain from bargain purchase transactions	-	403
Dividend income	546	-
Others	4,753	14,286
Total	<u>\$ 5,576</u>	<u>14,966</u>

(ii) Other gains and losses

	For the three months ended March 31	
	2022	2021
Foreign exchange gains	\$ 2,845	9,108
Gains on financial assets at fair value through profit or loss	6,431	523
Gains on disposals of non-current assets (or disposal groups) held for sale	132,748	-
Gains on disposals of property, plant and equipment	-	190
Gains on lease modification	6	-
Others	(24)	(18)
Total	<u>\$ 142,006</u>	<u>9,803</u>

(iii) Finance costs

	For the three months ended March 31	
	2022	2021
Interest expense	\$ 1,169	652

(aa) Remunerations to employees and directors

According to the Article of Incorporation, once the Company has annual profit, it should appropriate 1%~5% of the profit to its employees and 2.5% or less to its directors as remuneration. However, if the Company still has accumulated deficit, the profit should be reserved to offset the deficit.

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021, the remunerations to employees amounted to \$2,884 thousand and \$6,597 thousand, respectively, and the remunerations to directors amounted to \$2,884 thousand and \$6,597 thousand, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employees' remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

For the years ended December 31, 2021 and 2020, the remunerations to employees amounted to \$49 thousand and \$5,583 thousand, respectively. The remunerations to directors amounted to \$49 thousand and \$6,979 thousand, respectively. The differences between the amount as stated before and the actual distribution to employees and directors in 2020 were \$3,909 thousand and \$2,513 thousand, respectively, which already recognized in loss in 2021.

(ab) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(ad) of the consolidated financial statements for the year ended December 31, 2021.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of March 31, 2022, December 31 and March 31, 2021, the Group reviewed the concentrations of credit risk arising from the major top ten customers, and it was 96%, 96% and 91%, respectively, of the total accounts receivable. The concentrations of credit risk of the remaining accounts receivable are relatively small.

3) Credit risk of receivables

For credit risk exposure of trade receivables, please refer to note 6(c). Other financial assets at amortized cost include time deposits and other receivables, etc. The allowance for receivables in the financial assets is measured by the amount of lifetime expected credit losses. The remaining financial assets are measured by the amount of 12-month expected credit losses.

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
March 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	\$ 317,500	318,149	318,149	-	-	-
Payables	990,665	990,665	990,665	-	-	-
Long-term borrowings	74,961	80,668	9,553	9,553	28,600	32,962
Deposit received	692	692	-	350	342	-
Lease liabilities	8,482	9,226	3,294	1,532	1,231	3,169
	<u>\$ 1,392,300</u>	<u>1,399,400</u>	<u>1,321,661</u>	<u>11,435</u>	<u>30,173</u>	<u>36,131</u>
December 31, 2021						
Non-derivative financial liabilities						
Short-term borrowings	\$ 353,259	353,746	353,746	-	-	-
Payables	1,149,068	1,149,068	1,149,068	-	-	-
Long-term borrowings	77,035	82,255	9,454	9,454	28,363	34,984
Deposit received	716	716	-	350	366	-
Lease liabilities	9,798	10,438	4,181	1,692	1,217	3,348
	<u>\$ 1,589,876</u>	<u>1,596,223</u>	<u>1,516,449</u>	<u>11,496</u>	<u>29,946</u>	<u>38,332</u>
March 31, 2021						
Non-derivative financial liabilities						
Short-term borrowings	\$ 97,500	97,923	97,923	-	-	-
Payables	768,082	768,082	768,082	-	-	-
Long-term borrowings	83,215	91,344	8,379	8,633	27,871	46,461
Deposit received	971	971	-	-	971	-
Lease liabilities	9,655	9,810	5,800	2,502	1,508	-
	<u>\$ 959,423</u>	<u>968,130</u>	<u>880,184</u>	<u>11,135</u>	<u>30,350</u>	<u>46,461</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>March 31, 2022</u>			<u>December 31, 2021</u>			<u>March 31, 2021</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 13,613	28.625	389,672	10,593	27.680	293,214	8,309	28.535	237,097
CNY	76,291	4.509	343,996	40,119	4.294	172,281	34,724	4.342	150,785
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	4,192	28.625	119,996	16,189	27.680	448,112	5,769	28.535	164,618
CNY	1,003	4.509	4,523	1,502	4.294	6,450	1,445	4.342	6,275

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, other financial assets, accounts payable and other payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the NTD against the USD and CNY as of March 31, 2022 and 2021, would have increased (decreased) net profit before tax by \$6,090 thousand and \$2,170 thousand for the three months ended March 31, 2022 and 2021, respectively. The analysis is performed on the same basis.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2022 and 2021, foreign exchange gain (loss) (including realized and unrealized portions) amounted to gain of \$2,845 thousand and \$9,108 thousand, respectively.

2) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding through the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 1%, the Group's profit (loss) before tax would have decreased/increase by \$981 thousand and \$452 thousand for the three months ended March 31, 2022 and 2021, respectively, with all other variable factors remaining constant. This is mainly due to the Group's loan at variable rates.

3) Other market price risk

If the securities price at the reporting date changes (the analysis is performed on the same basis and all other variable factors remaining constant), the effect for the profit and loss is illustrated below:

Prices of securities at the reporting date	For the three months ended March 31			
	2022		2021	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	\$ 10,105	3,238	11,528	1,843
Decreasing 1%	\$ (10,105)	(3,238)	(11,528)	(1,843)

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Fair value information

1) Types and fair value of financial instruments

Financial assets measured at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on the basis of repeatability. The carrying amount and fair value of the financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	March 31, 2022				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss:					
Financial assets mandatorily at fair value through profit or loss:					
Listed stocks	\$ 285,499	285,499	-	-	285,499
Funds	38,336	38,336	-	-	38,336
Financial assets at fair value through other comprehensive income:					
Domestic and foreign non-listed stocks	1,010,544	-	-	1,010,544	1,010,544
Financial assets measured at amortized cost:					
Cash and cash equivalents	309,853	-	-	-	-
Accounts receivable	1,319,489	-	-	-	-
Other receivables	13,286	-	-	-	-
Other financial assets-current	240,820	-	-	-	-
Refundable deposits	3,513	-	-	-	-
Subtotal	<u>1,886,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,221,340</u>	<u>323,835</u>	<u>-</u>	<u>1,010,544</u>	<u>1,334,379</u>
Financial liabilities measured at amortized cost:					
Short-term borrowings	\$ 317,500	-	-	-	-
Accounts payable	888,574	-	-	-	-
Other payables	102,091	-	-	-	-
Long-term borrowings	74,961	-	-	-	-
Other non-current liabilities	692	-	-	-	-
Lease liabilities	8,482	-	-	-	-
Total	<u>\$ 1,392,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:					
Financial assets mandatorily at fair value through profit or loss:					
Listed stocks	\$ 272,108	272,108	-	-	272,108
Funds	51,577	51,577	-	-	51,577
Financial assets at fair value through other comprehensive income:					
Domestic and foreign non-listed stocks	1,016,623	-	-	1,016,623	1,016,623
Financial assets measured at amortized cost:					
Cash and cash equivalents	253,124	-	-	-	-
Accounts receivable	917,966	-	-	-	-
Other receivables	5,850	-	-	-	-
Other financial assets-current	159,466	-	-	-	-
Refundable deposits	3,587	-	-	-	-
Subtotal	<u>1,339,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,680,301</u>	<u>323,685</u>	<u>-</u>	<u>1,016,623</u>	<u>1,340,308</u>
Financial liabilities measured at amortized cost:					
Short-term borrowings	\$ 353,259	-	-	-	-
Notes payable	2	-	-	-	-
Accounts payable	977,716	-	-	-	-
Other payables	171,350	-	-	-	-
Long-term borrowings	77,035	-	-	-	-
Other non-current liabilities	716	-	-	-	-
Lease liabilities	9,798	-	-	-	-
Total	<u>\$ 1,589,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:					
Financial assets mandatorily at fair value through profit or loss:					
Listed stocks	\$ 153,987	153,987	-	-	153,987
Funds	30,333	30,333	-	-	30,333
Financial assets at fair value through other comprehensive income:					
Domestic and foreign non-listed stocks	1,152,782	-	-	1,152,782	1,152,782
Financial assets measured at amortized cost:					
Cash and cash equivalents	678,162	-	-	-	-
Accounts receivable	675,980	-	-	-	-
Other receivables	3,855	-	-	-	-
Other financial assets-current	43,443	-	-	-	-
Refundable deposits	3,556	-	-	-	-
Subtotal	<u>1,404,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,742,098</u>	<u>184,320</u>	<u>-</u>	<u>1,152,782</u>	<u>1,337,102</u>
Financial liabilities measured at amortized cost:					
Short-term borrowings	\$ 97,500	-	-	-	-
Accounts payable	589,428	-	-	-	-
Other payables	178,654	-	-	-	-
Long-term borrowings	83,215	-	-	-	-
Other non-current liabilities	971	-	-	-	-
Lease liabilities	9,655	-	-	-	-
Total	<u>\$ 959,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date. For example, yield curve of Taipei Exchange and average interest rate of commercial paper quoted by Reuters.

3) Transfers between Level 1 and Level 2

There is no transfer for the three months ended March 31, 2022 and 2021.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2022	\$ 1,016,623
Total gains and losses recognized	
Other comprehensive income	(13,853)
Effect of exchange rate changes	7,774
Ending Balance, March 31, 2022	\$ 1,010,544
Opening balance, January 1, 2021	\$ 1,109,979
Total gains and losses recognized	
Other comprehensive income	42,144
Effect of exchange rate changes	659
Ending Balance, March 31, 2021	\$ 1,152,782

Above-mentioned total gains and losses were included in unrealized gains and losses from financial assets at fair value through other comprehensive income. Among those related to the assets still held on March 31, 2022 and 2021 were as follows:

	For the three months ended March 31	
	2022	2021
Total gains and losses recognized:		
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	\$ (13,853)	42,144

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through profit or loss-equity investments.

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's equity investments without an active market which are classified as Level 3 have numerous unobservable inputs. The significant unobservable inputs of equity instrument investments are not correlated to each other.

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income - equity investments without an active market	Market method (Comparable listed company method and comparable transaction method)	<ul style="list-style-type: none"> · Price to book ratio (1.08~2.18, 0.96~2.01 and 0.97~1.96 as of March 31, 2022, December 31 and March 31, 2021) · Lack of market liquidity discount (10%~43%, 3%~43% and 10%~30% as of March 31, 2022, December 31 and March 31, 2021) 	<ul style="list-style-type: none"> · The fair value would increase if price to book ratio increase · The fair value would decrease if lack of market liquidity discount increase

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The fair value measurement of financial instruments by the Group is reasonable, but the use of different evaluation models or evaluation parameters may result in different evaluation results. For financial instruments classified as Level 3, changing the price to book ratio or liquidity discount would have the following effects on other comprehensive income:

	<u>Inputs</u>	<u>Increase/Decrease</u>	<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
March 31, 2022				
Financial assets at fair value through other comprehensive income	Price to book ratio	10%	\$ 939	(939)
	Liquidity discount	10%	21,345	(21,345)
December 31, 2021				
Financial assets at fair value through other comprehensive income	Price to book ratio	10%	898	(898)
	Liquidity discount	10%	21,553	(21,553)
March 31, 2021				
Financial assets at fair value through other comprehensive income	Price to book ratio	10%	115,278	(115,278)
	Liquidity discount	10%	23,464	(23,464)

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The favorable and unfavorable changes of the Group refer to the fluctuation of fair value, and the fair value is calculated by valuation techniques based on the unobservable input parameters of different degrees.

(ac) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(ae) of the consolidated financial statements for the year ended December 31, 2021.

(ad) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2021. Please refer to note 6(af) of the consolidated financial statements for the year ended December 31, 2021 for further details.

(ae) Investing and financing activities not affecting current cash flows

There is no non-cash investing activities for three months ended March 31, 2022 and 2021. Reconciliation of liabilities arising from non-cash financing activities for the three months ended March 31, 2022 and 2021 was as follows:

	January 1, 2022	Cash flows	Non-cash changes			March 31, 2022
			Lease modification	Effect of consolidation changes	Additions	
Lease liabilities	\$ 9,798	(1,394)	78	-	-	8,482

	January 1, 2021	Cash flows	Non-cash changes			March 31, 2021
			Lease modification	Effect of consolidation changes	Additions	
Lease liabilities	\$ 10,921	(1,266)	-	-	-	9,655

(7) Related-party transactions

(a) Key management personnel compensation

	For the three months ended March 31	
	2022	2021
Short-term employee benefits	\$ 7,827	8,235
Post-employment benefits	514	271
	<u>\$ 8,341</u>	<u>8,506</u>

Short-term employee benefits include the estimated employee compensation. Please refer to note 6(aa) for the estimated method.

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>March 31, 2022</u>	<u>December 31,</u>	
			<u>2021</u>	<u>March 31, 2021</u>
Cash in banks (other financial assets)	Performance guarantee	\$ 1,843	1,843	5,887
Land, buildings and structures	Borrowings	586,628	587,889	592,233
		<u>\$ 588,471</u>	<u>589,732</u>	<u>598,120</u>

(9) Commitments and contingencies:

(a) Letter of credit issued but not expired

	<u>March 31, 2022</u>	<u>December 31,</u>	<u>March 31, 2021</u>
Letter of credit outstanding for the import of raw materials	\$ 1,122,225	1,168,086	898,355
	(including USD217 thousand)	(including USD256 thousand)	(including EUR548 thousand)

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other:

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

<u>By Function</u>	<u>For the three months ended March 31</u>					
	<u>2022</u>			<u>2021</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
<u>By item</u>						
Employee benefits						
Salary	\$ 46,844	20,807	67,651	53,781	24,974	78,755
Labor and health insurance	4,261	1,227	5,488	4,940	1,273	6,213
Pension	2,334	845	3,179	2,403	821	3,224
Remuneration of directors	-	2,902	2,902	-	6,927	6,927
Others	2,621	4,141	6,762	2,265	2,679	4,944
Depreciation	66,185	2,581	68,766	59,183	2,332	61,515
Amortization	662	46	708	631	-	631

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2022:

- (i) Lending to other parties: None.
- (ii) Guarantees and endorsements for other parties: None.
- (iii) Information regarding securities held at the reporting day (excluding investment in subsidiaries, associates and joint ventures):

(in Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the security issuer	Account	Ending balance				Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Test Research, Inc.	-	Current financial assets at fair value through profit or loss	500,000	33,950	0.21 %	33,950	
The Company	Gloria Material Technology Corp.	-	Current financial assets at fair value through profit or loss	390,000	9,867	0.09 %	9,867	
The Company	Solar Applied Materials Technology Corp.	-	Current financial assets at fair value through profit or loss	2,842,000	145,226	0.48 %	145,226	
The Company	Universal Venture Capital Investment Corporation	-	Non-current investment in equity instrument at FVOCI	8,400,000	58,787	6.98 %	58,787	
The Company	Euroc Venture Capital Corp.	-	Non-current investment in equity instrument at FVOCI	19,000	185	2.38 %	185	
The Company	Euroc III Venture Capital Corp.	-	Non-current investment in equity instrument at FVOCI	15,000	1,007	5.00 %	1,007	
The Company	Global Investment Holding Co., Ltd	-	Non-current investment in equity instrument at FVOCI	10,233,608	94,427	5.82 %	94,427	
The Company	Faith Alliance Corporation	-	Non-current investment in equity instrument at FVOCI	25,720	75	0.06 %	75	
The Company	Multilayer P. C. B.& Assembly Manufacturer	-	Non-current investment in equity instrument at FVOCI	912	9	0.01 %	9	
The Company	Leadwell Cnc Machines Mfg., Corp.	-	Non-current investment in equity instrument at FVOCI	37,352	901	0.06 %	901	
The Company	Crownpo Technology Inc.	-	Non-current investment in equity instrument at FVOCI	709	14	0.01 %	14	
The Company	Infomedia Inc.	-	Non-current investment in equity instrument at FVOCI	200,000	1,285	0.11 %	1,285	
The Company	Vxis Technology Corp.	-	Non-current investment in equity instrument at FVOCI	72,480	1,241	0.61 %	1,241	
The Company	Asia Global Venture Capital II CO., Ltd.	-	Non-current investment in equity instrument at FVOCI	531,300	19,241	10.00 %	19,241	
The Company	Shieh Tai Biochemical Technology Co., Ltd	-	Non-current investment in equity instrument at FVOCI	120,339	-	0.32 %	-	
The Company	Lof Solar Corp.	-	Non-current investment in equity instrument at FVOCI	600,000	-	3.64 %	-	
The Company	Yuan-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	21,000,000	229,688	19.09 %	229,688	
The Company	Yu-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	21,320,000	272,616	19.38 %	272,616	
The Company	Deng Yun Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	591,945	45,266	3.09 %	45,266	
The Company	Lidien Inc.	-	Non-current investment in equity instrument at FVOCI	760,000	14,515	19.00 %	14,515	
The Company	Yu-Chie Inc.	-	Non-current investment in equity instrument at FVOCI	38,000	1,851	19.00 %	1,851	
The Company	GVISION-USA, INC.	-	Non-current investment in equity instrument at FVOCI	666,667	25,447	19.05 %	25,447	
YSIC Ltd.	M31 Technology Corporation	-	Current financial assets at fair value through profit or loss	10,000	3,400	0.03 %	3,400	
YSIC Ltd.	Actron Technology Corp.	-	Current financial assets at fair value through profit or loss	10,000	2,365	0.01 %	2,365	

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with the security issuer	Account	Ending balance				Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value	
YSIC Ltd.	Micro-Star International Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	2,600	- %	2,600	
YSIC Ltd.	Phison Electronics Corp.	-	Current financial assets at fair value through profit or loss	20,000	9,510	0.01 %	9,510	
YSIC Ltd.	Oneness Biotech Co., Ltd.	-	Current financial assets at fair value through profit or loss	50,000	10,725	0.01 %	10,725	
YSIC Ltd.	OBI Pharma, Inc.	-	Current financial assets at fair value through profit or loss	90,032	9,994	0.05 %	9,994	
YSIC Ltd.	Brilliant Network & Automation Integrated Syst	-	Current financial assets at fair value through profit or loss	15,000	2,355	0.04 %	2,355	
YSIC Ltd.	uPI Semiconductor Co., Ltd.	-	Current financial assets at fair value through profit or loss	2,000	1,270	- %	1,270	
YSIC Ltd.	Wt Microelectronics Co., Ltd.	-	Current financial assets at fair value through profit or loss	24,000	1,903	- %	1,903	
YSIC Ltd.	Raydium Semiconductor Co., Ltd.	-	Current financial assets at fair value through profit or loss	1,000	510	- %	510	
YSIC Ltd.	AlgoTek, Inc.	-	Current financial assets at fair value through profit or loss	16,000	2,320	0.07 %	2,320	
YSIC Ltd.	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	11,940	- %	11,940	
YSIC Ltd.	WinWay Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	1,000	445	- %	445	
YSIC Ltd.	Chailase Holding Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	5,070	- %	5,070	
YSIC Ltd.	Avertronics Inc.	-	Current financial assets at fair value through profit or loss	100,000	2,850	0.26 %	2,850	
YSIC Ltd.	Asustek Computer Inc.	-	Current financial assets at fair value through profit or loss	6,000	2,241	- %	2,241	
YSIC Ltd.	Polaris Group Co., Ltd.	-	Current financial assets at fair value through profit or loss	5,000	595	- %	595	
YSIC Ltd.	Shin Kong Environmental Sustainability Bond Fund	-	Non-current financial assets at fair value through profit or loss	2,355,588	36,851	- %	36,851	
YSIC Ltd.	Fubon Asset Management Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	100,000	1,485	- %	1,485	
YSIC Ltd.	Cjw International Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	676,413	9,740	0.65 %	9,740	
YSIC Ltd.	Cyca International Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	101,677	-	- %	-	
YSIC Ltd.	Mcm Stamping Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	200,000	448	0.63 %	448	
YSIC Ltd.	Vxis Technology Corp.	-	Non-current investment in equity instrument at FVOCI	72,480	1,241	0.61 %	1,241	
YSIC Ltd.	Infomedia Inc.	-	Non-current investment in equity instrument at FVOCI	650,000	4,174	0.35 %	4,174	
YSIC Ltd.	Yuan-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	100,000	1,094	0.09 %	1,094	
YSIC Ltd.	Yu-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	103,000	1,317	0.09 %	1,317	
Grand Capital Co., Ltd.	Deng Yun Co., Ltd	-	Non-current investment in equity instrument at FVOCI	3,082,453	235,715	16.10 %	235,715	
Yuan-Shin Materials Technology Co., Ltd.	Wah Lee Industrial Co., Ltd.	-	Current financial assets at fair value through profit or loss	300,000	7,920	- %	7,920	
Yuan-Shin Materials Technology Co., Ltd.	China General Plastics Co., Ltd.	-	Current financial assets at fair value through profit or loss	30,000	970	0.01 %	970	
Yuan Shin Materials Technology Co., Ltd.	Mcm Stamping Co., Ltd.	-	Current financial assets at fair value through profit or loss	16,000	1,752	0.01 %	1,752	
Yuan Shin Materials Technology Co., Ltd.	Vxis Technology Corp.	-	Current financial assets at fair value through profit or loss	50,000	1,750	0.01 %	1,750	

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with the security issuer	Account	Ending balance				Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value	
Yuan Shin Materials Technology Co., Ltd.	Infomedia Inc.	-	Current financial assets at fair value through profit or loss	7,000	2,615	- %	2,615	
Yuan Shin Materials Technology Co., Ltd.	Yuan-Jie Investment Co., Ltd.	-	Current financial assets at fair value through profit or loss	3,000	390	- %	390	
Yuan Shin Materials Technology Co., Ltd.	Yu-Jie Investment Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	1,040	- %	1,040	
Yuan Shin Materials Technology Co., Ltd.	Chang Wah Electromaterials Inc.	-	Current financial assets at fair value through profit or loss	5,000	186	- %	186	

- (iv) Information regarding purchase or sale of securities for the period exceeding NTD300 million or 20% of the Company's paid-in capital: None
- (v) Information on acquisition of real estate with purchase amount exceeding NTD300 million or 20% of the Company's paid-in capital: None
- (vi) Information regarding receivables from disposal of real estate exceeding NTD300 million or 20% of the Company's paid-in capital: None
- (vii) Information regarding related-parties purchases and/or sales exceeding NTD100 million or 20% of the Company's paid-in capital: None
- (viii) Information regarding receivables from related-parties exceeding NTD100 million or 20% of the Company's paid-in capital: None
- (ix) Information regarding trading in derivative financial instruments: None
- (x) Significant transactions and business relationship between the parent company and its subsidiaries for the three months ended March 31, 2022: None

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying value			
The Company	Grand Cathay Venture Capital Co., Ltd.	Taiwan	investment business	400,000	400,000	40,000,000	25.00 %	454,057	(29,847)	(7,462)	
The Company	Wonderland Enterprise Co., Ltd.	Taiwan	General investment business	325,230	325,230	29,629,597	37.04 %	818,010	(4,011)	(1,485)	
The Company	Functional Coating System Technologies Co., Ltd.	Taiwan	OEM Of Semiconductor and components conformal coating	28,500	28,500	1,744,186	34.88 %	26,790	2,067	721	
The Company	Universal Investments Limited	British Cayman Islands	Real estate investment business	17,273	17,273	80	40.00 %	17,303	(240)	(152)	
The Company	YSIC Ltd.	Taiwan	Residential building and industrial plant development rental business	1,638,169	1,638,169	72,446,838	99.99 %	939,752	58,992	58,983	Subsidiary
The Company	Yuan Shin Materials Technology Co., Ltd.	Taiwan	Basic precision chemical materials and plastic raw material manufacturing	145,900	145,900	5,000,000	100.00 %	59,153	1,777	1,777	Subsidiary
The Company	Yangmingshan Tien Lai Resort & SPA	Taiwan	General hotel industry	630,555	630,555	25,865,618	65.07 %	694,686	6,686	3,772	Subsidiary
The Company	Asia Carbon & Technology Inc.	Taiwan	Electronic component manufacturing	291,064	291,064	9,866,389	98.58 %	398	(225)	(222)	Subsidiary
YSIC Ltd.	Kun Shan International Ltd.	Seychelles	General investment business	122,572	122,572	3,702,718	62.03 %	209,959	103,285	64,071	Subsidiary
YSIC Ltd.	Grand Capital Co., Ltd.	Seychelles	General investment business	90,182	90,182	2,698,002	100.00 %	237,703	7	7	Subsidiary
YSIC Ltd.	Yangmingshan Tien Lai Resort & SPA	Taiwan	General hotel industry	110,836	110,836	4,807,774	12.10 %	118,808	6,686	719	Subsidiary

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying value			
YSIC Ltd.	Globaltop Technology Inc.	Taiwan	Aluminum Nitride Powder	162,643	162,643	5,255,553	23.89 %	48,390	(4,983)	(1,191)	
YSIC Ltd.	Fien Lai Co., Ltd.	Taiwan	Pipe Lines Construction	5,000	5,000	500,000	50.00 %	1,329	(223)	(111) Subsidiary	

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(in Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2022	Net income (losses) of the investee (Note 2)	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Kun Shan Yu-Fu Technology Education Consulting Co., Ltd.	Educational consulting, information operation consulting, software and data storage consultation	99,284 (USD 3,468)	(2)	104,481 (USD 3,650)	-	-	104,481 (USD 3,650)	76,857 (USD 2,745)	62.03%	47,677	24,821	-
Kun Shan Jia-An Technology Education Consulting Co., Ltd.	Educational consulting, information operation consulting, software and data storage consultation	69,604 (USD 2,432)	(2)	(Note 3)	-	-	-	26,450 (USD 945)	62.03%	16,408	57,320	-

Note1: The investment methods are divided into the following three types: (1) Direct investment in Mainland China. (2) Indirect investment in Mainland China through a holding company established in other countries. (3) Others.

Note2: The foreign currency transactions have been translated into New Taiwan Dollar at the exchange rate at the end of the financial reporting date and the average exchange rate (USD1=NTD28.625, USD1=NTD27.9933).

Note3: Kun Shan Yu-Fu Technology Education Consulting Co., Ltd. had been spun-off as Kun Shan Yu-Fu Technology Education Consulting Co., Ltd. and Kun Shan Jia-An Technology Education Consulting Co., Ltd.

(ii) Upper limit on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
104,481 (USD 3,650)	104,481 (USD 3,650)	563,929

Note: The investment limit was calculated based on the official document 10804600980 announced by the MOEAIC on March 12, 2019.

(iii) Significant inter-company transactions with the subsidiary in Mainland China: None.

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Taiwan Steel Group United Co., Ltd.		41,794,000	7.91 %
Frank.C. Chen Foundation for Culture and Education		28,750,000	5.44 %

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

- (a) Plasticization segment: manufacturing and domestic/international sales of styrene monomer, manufacturing and sales of chemical materials and plastic materials.
- (b) Investment segment: investment business.
- (c) Other segment: the revenues of the segments that have not reached the quantitative threshold are hotel and general service business.

The Group's operating segment information and reconciliation are as follows:

	For the three months ended March 31, 2022				
	Plasticization segment	Investment segment	Other segments	Reconciliatio n and elimination	Total
Revenue					
Revenue from external customers	\$ 3,490,758	(106)	44,962	-	3,535,614
Inter-segment revenues	-	762	979	(1,741)	-
Total revenue	<u>\$ 3,490,758</u>	<u>656</u>	<u>45,941</u>	<u>(1,741)</u>	<u>3,535,614</u>
Reportable segment profit or loss	<u>\$ 105,027</u>	<u>131,948</u>	<u>7,898</u>	<u>(65,697)</u>	<u>179,176</u>
	For the three months ended March 31, 2021				
	Plasticization segment	Investment segment	Other segments	Reconciliatio n and elimination	Total
Revenue					
Revenue from external customers	\$ 2,071,394	23,022	43,463	-	2,137,879
Inter-segment revenues	-	43	1,169	(1,212)	-
Total revenue	<u>\$ 2,071,394</u>	<u>23,065</u>	<u>44,632</u>	<u>(1,212)</u>	<u>2,137,879</u>
Reportable segment profit or loss	<u>\$ 294,238</u>	<u>20,633</u>	<u>5,062</u>	<u>(36,252)</u>	<u>283,681</u>