Stock Code:1310

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
for the Years Ended December 31, 2022 and 2021

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Table of contents

Representation Letter

The entities that are required to be included in the combined financial statements of Taiwan Styrene Monomer Corporation as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Taiwan Styrene Monomer Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Taiwan Styrene Monomer Corporation
Chairman: Lin, Wen-Yuan
Date: March 8, 2023

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Independent Auditors' Report

To the Board of Directors of Taiwan Styrene Monomer Corporation:

Opinion

We have audited the consolidated financial statements of Taiwan Styrene Monomer Corporation (" the Company"), and its subsidiaries (together referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (" IFRSs"), International Accounting Standards (" IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

   Regarding accounting policies on revenue recognition, please refer to note 4(p) "Revenue recognition" to the consolidated financial statements.

   Description of key audit matter:

   The Group's sales revenue is easily affected by the external economic environment and changes in market demand; besides, sales revenue in 2022 increased significantly compared to 2021. Therefore, the occurrence of revenue recognition is considered to be one of most significance in the audit.

How the matter was addressed in our audit

Our principal audit procedures included assessing whether the accounting policies regarding to revenue recognition were inconformity with relevant accounting standards; obtaining understanding and testing the design and implement effectiveness of internal controls over occurrence of revenue recognition; selecting samples and examining the transaction terms and vouchers; in addition, we also performed analytical procedures on primary customers and products to evaluate if there is any material abnormality.

Other Matter

We did not audit the financial statements of some equity-accounted investees of the Group (including those statements which were prepared using a different financial reporting framework). Those statements were audited by other auditors, whose reports have been furnished to us. We have performed audit procedures on the conversion adjustments to the financial statements of those investees, which conform to those financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our opinion, insofar as it relates to the amounts included for those investees and the amounts prior to the conversion adjustments, is based solely on the reports of other auditors. Investments accounted for using equity method on those investees constituting 13.22% and 14.83% of the consolidated total assets at December 31, 2022 and 2021, respectively, and the related share of profit of associates and joint ventures accounted for using the equity method constituted 1.21% and (586.97)% of the consolidated total income before tax for the years ended December 31, 2022 and 2021, respectively.

Taiwan Styrene Monomer Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unqualified opinion with other matters paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.4

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

KPMG

Taipei, Taiwan (Republic of China)
March 8, 2023

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

The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 765,147	9	253,124	3
1110	Current financial assets at fair value through profit or loss (note 6(b))	223,712	4	317,929	3
1170	Accounts receivable, net (note 6(c))	975,107	11	917,966	10
1200	Other receivables	2,323	-	5,850	-
1220	Current tax assets	12	-	1,749	-
130X	Inventories (note 6(d))	568,790	6	826,641	9
1410	Prepayments (note 6(e))	215,534	2	149,645	2
1460	Non-current assets (or disposal groups) held for sale (note 6(f))	5,474	-	64,744	1
1470	Other current assets	267	-	8	-
1476	Other current financial assets (notes 6(g) and 8)	36,415	-	159,466	2
	Total current assets	2,792,781	32	2,697,122	30
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	7,576	-	5,756	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(h))	888,543	10	1,016,623	11
1550	Investments accounted for using equity method (note 6(i))	1,195,812	13	1,395,848	15
1600	Property, plant and equipment (notes 6(j) and 8)	3,650,870	41	3,853,008	41
1755	Right-of-use assets (note 6(k))	20,833	-	9,965	-
1760	Investment property, net (note 6(l))	56,669	1	57,015	1
1780	Intangible assets (note 6(m))	6,125	-	7,932	-
1840	Deferred tax assets (note 6(u))	230,610	3	130,868	1
1970	Other long-term investments, net (note 6(n))	28,728	-	30,576	-
1920	Refundable deposits	3,818	-	3,587	-
1990	Other non-current assets (note 6(o))	30,283	-	90,890	1
	Total non-current assets	6,119,867	68	6,602,068	70
	Total assets	$ 8,912,648	100	9,299,190	100

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes 6(p) and 8)	$ 807,500	9	353,259	4
2130	Current contract liabilities (note 6(y))	48,542	-	51,023	-
2150	Notes payable	-	-	2	-
2170	Accounts payable	895,858	10	977,716	10
2200	Other payables (note 6(q))	113,638	1	178,497	2
2230	Current tax liabilities	7,669	-	31	-
2250	Current provisions	-	-	349	-
2280	Current lease liabilities (note 6(s))	6,393	-	4,069	-
2320	Long-term liabilities, current portion (notes 6(r) and 8)	8,307	-	8,349	-
2399	Other current liabilities	2,718	-	40,879	-
	Total current liabilities	1,890,625	20	1,614,174	16
	Non-Current liabilities:				
2540	Long-term borrowings (notes 6(r) and 8)	60,476	1	68,686	1
2570	Deferred tax liabilities (note 6(u))	175,293	2	174,659	2
2581	Non-current lease liabilities (note 6(s))	13,242	-	5,729	-
2640	Net defined benefit liability, non-current (note 6(t))	50,106	1	64,100	1
2600	Other non-current liabilities	660	-	716	-
	Total non-current liabilities	299,777	4	313,890	4
	Total liabilities	2,190,402	24	1,928,064	20
	Equity attributable to owners of parent (note 6(v)):				
3100	Capital stock	5,278,698	59	5,278,698	57
3200	Capital surplus	70,947	1	46,300	-
	Retained earnings:				
3310	Legal reserve	639,287	7	612,264	7
3320	Special reserve	8,811	-	-	-
3350	Unappropriated retained earnings	688,983	8	1,167,693	13
		1,337,081	15	1,779,957	20
3400	Other equity	(214,852)	(2)	56,031	1
3500	Treasury shares	-	-	(13)	-
	Total equity attributable to owners of parent	6,471,874	73	7,160,973	78
36XX	**Non-controlling interests**	250,372	3	210,153	2
	Total equity	6,722,246	76	7,371,126	80
	Total liabilities and equity	$ 8,912,648	100	9,299,190	100

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(i) and (y))**	$ 12,853,960	100	11,714,016	100
5000	**Operating costs** (notes 6(d), (j), (k), (l), (m), (s), (t) and (aa))	13,180,825	103	11,581,104	99
	Gross profit (loss) from operations	(326,865)	(3)	132,912	1
	Operating expenses (notes 6(c), (j), (k), (l), (m), (s), (t) and (aa)):				
6100	Selling expenses	70,935	-	64,989	1
6200	Administrative expenses	137,151	1	151,387	1
6300	Research and development expenses	2,327	-	2,311	-
6450	Expected credit impairment loss (gain)	(91)	-	(97)	-
		210,322	1	218,590	2
	Operating loss	(537,187)	(4)	(85,678)	(1)
	Non-operating income and expenses (notes 6(f), (i), (s) and (z)):				
7100	Interest income	6,847	-	3,869	-
7010	Other income	53,383	-	29,874	-
7020	Other gains and losses	104,438	1	8,140	-
7050	Finance costs	(7,538)	-	(2,933)	-
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method	1,508	-	40,481	1
		158,638	1	79,431	1
9900	**Loss before tax**	(378,549)	(3)	(6,247)	-
7950	Income tax benefits (note 6(u))	46,421	-	111,486	1
	Net income (loss)	(332,128)	(3)	105,239	1
8300	**Other comprehensive income (loss):**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	15,517	-	(3,889)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(145,295)	(1)	(93,480)	(1)
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	(142,934)	(1)	63,558	1
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(u))	3,103	-	(778)	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	(275,815)	(2)	(33,033)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation	21,632	-	(10,369)	-
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	3,916	-	(273)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss	25,548	-	(10,642)	-
8300	**Other comprehensive income**	(250,267)	(2)	(43,675)	-
8500	**Comprehensive income**	**$ (582,395)**	**(5)**	**61,564**	**1**
	Profit attributable to:				
8610	Owners of parent	$ (373,905)	(3)	104,604	1
8620	Non-controlling interests	41,777	-	635	-
		$ (332,128)	**(3)**	**105,239**	**1**
	Comprehensive income attributable to:				
8710	Owners of parent	$ (622,614)	(5)	61,285	1
8720	Non-controlling interests	40,219	-	279	-
		$ (582,395)	**(5)**	**61,564**	**1**
	Earnings per share (note 6(x))				
	Basic earnings per share	**$**	**(0.71)**		**0.20**
	Diluted earnings per share	**$**	**(0.71)**		**0.20**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
			Retained earnings				Other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
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	-	-	-	-	104,604	104,604	-	-	-	-	104,604	635	105,239
Other comprehensive income	-	-	-	-	(3,120)	(3,120)	(10,293)	(29,906)	(40,199)	-	(43,319)	(356)	(43,675)
Total comprehensive income	-	-	-	-	101,484	101,484	(10,293)	(29,906)	(40,199)	-	61,285	279	61,564
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,829	-	(1,829)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(263,917)	(263,917)	-	-	-	-	(263,917)	-	(263,917)
Reversal of special reserve	-	-	-	(581,249)	581,249	-	-	-	-	-	-	-	-
Endowment received from shareholders	-	13	-	-	-	-	-	-	-	(13)	-	-	-
Share-based payments transactions	-	4,433	-	-	-	-	-	-	-	15,178	19,611	-	19,611
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	74,637	74,637	-	(74,637)	(74,637)	-	-	-	-
Changes in ownership interests in subsidiaries	-	997	-	-	-	-	546	-	546	-	1,543	-	1,543
Changes in ownership interests in associates	-	(7,367)	-	-	94,108	94,108	1,858	-	1,858	-	88,599	-	88,599
Balance at December 31, 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 loss	-	-	-	-	(373,905)	(373,905)	-	-	-	-	(373,905)	41,777	(332,128)
Other comprehensive income	-	-	-	-	12,277	12,277	27,242	(288,228)	(260,986)	-	(248,709)	(1,558)	(250,267)
Total comprehensive income	-	-	-	-	(361,628)	(361,628)	27,242	(288,228)	(260,986)	-	(622,614)	40,219	(582,395)
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	27,023	-	(27,023)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	8,811	(8,811)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(79,156)	(79,156)	-	-	-	-	(79,156)	-	(79,156)
Overdue dividends not received by shareholders	-	24,585	-	-	-	-	-	-	-	-	24,585	-	24,585
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	504	504	-	(504)	(504)	-	-	-	-
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	9,393	9,393	-	(9,393)	(9,393)	-	-	-	-
Changes in ownership interests in associates	-	65	-	-	(11,989)	(11,989)	-	-	-	-	(11,924)	-	(11,924)
Treasury shares transactions	-	(3)	-	-	-	-	-	-	-	13	10	-	10
Balance at December 31, 2022	**$ 5,278,698**	**70,947**	**639,287**	**8,811**	**688,983**	**1,337,081**	**(7,392)**	**(207,460)**	**(214,852)**	**-**	**6,471,874**	**250,372**	**6,722,246**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		2022	2021
Cash flows from operating activities:			
Loss before tax	$	(378,549)	(6,247)
Adjustments:			
Adjustments to reconcile profit			
Depreciation expense		276,441	248,077
Amortization expense		1,807	2,553
Expected credit impairment gain		(91)	(97)
Interest expense		7,538	2,933
Interest income		(6,847)	(3,869)
Dividend income		(22,034)	(9,706)
Share-based payments		-	4,472
Share of loss (profit) of associates and joint ventures accounted for using equity method		5,137	(34,521)
Gain on disposal of property, plant and equipment		(233)	(1,335)
Gain on disposal of non-current assets held for sale		(133,202)	-
Loss on disposal of investments		-	2,404
Impairment loss on non-financial assets		873	139
Gain on bargain purchase transaction		-	(403)
Gain on lease modification		(6)	-
Loss from decline (gain from recovery) in value of inventories		(114,209)	130,000
Total adjustments to reconcile profit		15,174	340,647
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets mandatorily measured at fair value through profit or loss		92,397	(167,725)
Accounts receivable		(57,057)	(40,071)
Other receivables		2,327	(541)
Inventories		372,060	(525,351)
Prepayments		(5,409)	(35,450)
Other current assets		(259)	115
Other financial assets		123,051	(116,023)
Total changes in operating assets		527,110	(885,046)
Changes in operating liabilities:			
Current contract liabilities		(2,481)	6,006
Notes payable		(2)	2
Accounts payable		(81,858)	179,411
Other payables		(27,049)	(12,165)
Provisions		(349)	-
Other current liabilities		(38,161)	38,091
Net defined benefit liabilities		777	1,570
Total changes in operating liabilities		(149,123)	212,915
Total changes in operating assets and liabilities		377,987	(672,131)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		2022	2021
Cash inflow generated from operations	$	14,612	(337,731)
Interest received		8,047	3,835
Dividends received		22,034	9,706
Interest paid		(7,120)	(2,821)
Dividends paid		(38)	(57)
Income taxes paid		(46,415)	(38,027)
Net cash flows from operating activities		(8,880)	(365,095)
Cash flows from (used in) investing activities:			
Proceeds from disposal of financial assets at fair value through other comprehensive income		1,873	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		-	15,718
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		(81,626)	(189,199)
Proceeds from disposal of property, plant and equipment		293	1,898
Increase in refundable deposits		(231)	(22)
Acquisition of intangible assets		-	(915)
Decrease in other long-term investment		1,848	-
Dividends received		45,291	24,312
Net cash flows from (used in) investing activities		170,360	(165,481)
Cash flows from (used in) financing activities:			
Increase in short-term borrowings		2,805,000	640,759
Decrease in short-term borrowings		(2,350,759)	(385,000)
Repayments of long-term borrowings		(8,252)	(11,743)
Payment of lease liabilities		(7,020)	(6,000)
Decrease in other non-current liabilities		(56)	(234)
Cash dividends paid		(79,156)	(263,917)
Proceeds from disposal of treasury shares		10	-
Proceeds from transfer of treasury shares to employees		-	15,139
Net cash (used in) from financing activities		359,767	(10,996)
Effect of exchange rate changes on cash and cash equivalents		(9,224)	1,674
Net increase (decrease) in cash and cash equivalents		512,023	(539,898)
Cash and cash equivalents at beginning of period		253,124	793,022
Cash and cash equivalents at end of period	**$**	**765,147**	**253,124**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 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(c) 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 authorized for issue by the Board of Directors on March 8, 2023.

(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 the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- 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"

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

(c) 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 "Non-current Liabilities with Covenants"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information "
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized as follows. Except for those specifically indicated, the following accounting policies were applied consistently throughout the presented periods in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of Preparation

(i) Basis of Measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities are measured at the present value of the defined benefit obligation less fair value of the plan assets.

(ii) Functional and presentation currency

The functional currency of the Group is determined based on the primary economic environment in which its entities operate. The consolidated financial statements are presented in New Taiwan Dollar, which is the Group's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(Continued)

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprised of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘ controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost ;and (ii) the assets and liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

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

			Shareholding (%)		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2022**	**December 31, 2021**	**Note**
The Company	YSIC Ltd.	Residential building and industrial plant development rental business	99.99	99.99	
The Company	Yuan-Shin Materials Technology Co., Ltd.	Basic chemical materials and plastic raw material manufacturing	100.00	100.00	
The Company	Yangmingshan Tien Lai Resort & SPA	Hotel	65.07	65.07	Note 1
The Company	Asia Carbons & Technology Inc.	Electronic component manufacturing	-	98.58	Note 2

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding (%) December 31, 2022	Shareholding (%) December 31, 2021	Note
YSIC Ltd.	Grand Capital Co., Ltd.	Investment	100.00	100.00	
YSIC Ltd.	Tien Lai Co., Ltd.	Piping engineering	50.00	50.00	Note 3
YSIC Ltd.	Kun Shan International Ltd.	Investment	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	
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	

Note 1: 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 2: On August 28, 2019, the shareholders determined to dissolve Asia Carbons &Technology Inc. and the dissolution date was August 31, 2019. On December 30, 2022, Asia Carbons &Technology Inc. declared the completion of liquidation to the court.

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.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary item denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

(Continued)

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of investment in an associate of joint venture that includes a foreign operation, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent:

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) The asset is cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent.

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(Continued)

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group’s right to receive payment is established.

(Continued)

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables, other receivables, refundable deposits and other financial assets).

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(Continued)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity.

Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading or it is designated as such on initial recognition.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any noncash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The costs of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs incurred upon completion and selling expenses.

(i) Non current assets (or disposal groups) held for sale & discontinued operations

(i) Non-current assets held for sale

Noncurrent assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group’ s accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36Impairment of Assets. Such assets will continue to be measured in accordance with the Group’s accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

(ii) Discontinued operations

A discontinued operation is a component of the Group's business that either has been disposed of or is classified as held for sale, and

— represents a separate major line of business or geographic area of operations

(Continued)

— is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or

— is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

(j) Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (or retained earnings) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(k) Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(l) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

(Continued)

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings: 3~60 years

2) Machineries and equipment: 4~21 years

3) Transportation equipment: 3~10 years

4) Leased assets: 2~10 years

5) Other equipment: 3~20 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(m) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

(Continued)

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change of its assessment on whether it will exercise a purchase option; or

— there is a change of its assessment on whether it will exercise an extension or termination option; or

— there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of transportation and office equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

— the rent concessions occurring as a direct consequence of the COVID19 pandemic;

— the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

— any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and

— there is no substantive change in other terms and conditions of the lease.

(Continued)

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

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(n) Intangible assets

(i) Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Other intangible assets, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Technical royalty:	1~15 years
Computer software:	1~3 years

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(o) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. For non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(p) Revenue recognition

(i) Revenue from contract with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group manufactures and sells styrene monomer. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Hospitality service

The Group provides services such as hospitality. Revenue is recognized in the accounting period in which the goods are provided or services are rendered.

3) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(Continued)

(q) Government grants

The Group recognizes an unconditional government grant related to operation in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(r) Employee benefits

(i) Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plan

The Group's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Board of Directors authorized the price and the subscription date.

(t) Income taxes

Income tax expenses include both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future tax improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

(Continued)

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(u) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(v) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, management has made 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.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

The Group is likely to be facing economic uncertainty, such as inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts.

(Continued)

The accounting policies involved significant judgments and the information that have significant effect on the amounts recognized in the consolidated financial statements is judgment of whether the Group has substantive control over its investees. The Group holds 40.00% of the outstanding voting shares of Universal Investments Limited. Although the remaining 60.00% of Universal Investments Limited' s shares are not concentrated within specific shareholders, the Group still cannot obtain more than half of the total number of Universal Investments Limited's directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group has significant influence on Universal Investments Limited.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID19 pandemic:

(a) Fair value measurement in level 3 equity instruments

If the fair value of financial assets recognized in balance sheets cannot be reached from the active market, the Group will measure the fair value of financial assets based on valuation technique, including market approach and asset-based approach. The measurement of fair value involves in assumptions, estimations and judgements, such as the selection of comparable company, comparable transaction or price of equity transaction, liquidity discount and valuation multiplier. The fluctuation of assumption used in measurements of fair value may influence the fair value of financial instruments recognized. Please refer to note 6(h) and (ab) for relevant explanation.

The accounting policies and disclosure of the Group include the adoption of fair value measurement of its financial and non-finanical assets and liabilities. The Group has established internal control policies for fair value measurement, including obtaining valuation report issued by external experts for the fair value measurement of significant level 3 equity instruments. The Group will evaluate the supporting evidence for expert's work, and determine if the valuation and the classification of fair value level comply with the rule set by IFRS.

The Group uses the market observable inputs as much as possible when measuring its assets and liabilities. The levels of fair value are classified with the inputs used in valuation technique as below:

(a) Level 1: The quoted prices in active market of the same assets or liabilities (not adjusted)

(b) Level 2: Except for the quoted prices included in Level 1, the input parameter of assets or liabilities is directly (price) or indirectly (derive from price) observable.

(c) Level 3: The input parameter of assets or liabilities is not based on observable market information (unobservable parameter).

(6) Explanation of significant accounts

(a) Cash and cash equivalents

		December 31, 2022	December 31, 2021
Cash on hand	$	969	724
Petty cash		892	1,014
Deposits in bank		719,192	251,386
Cash equivalents			
Time deposits due within one year		44,094	-
	$	**765,147**	**253,124**

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

		December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:			
Current:			
Listed stocks	$	193,917	266,352
Funds		29,327	51,577
Derivative instruments not used for hedging-foreign exchange swap contracts		468	-
Non-current:			
Listed stocks		7,576	5,756
Total	$	**231,288**	**323,685**

The Group uses derivative financial instruments to hedge certain foreign exchange risk exposures arising from its operating activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss financial assets and liabilities:

	December 31, 2022		
	Contract amount (in thousand)		Maturity dates
Buy USD / Sell TWD	USD	8,000	2023.01
Buy USD / Sell TWD	USD	6,200	2023.01
Buy USD / Sell TWD	USD	1,000	2023.02

(c) Accounts receivable

		December 31, 2022	December 31, 2021
Accounts receivable	$	977,474	920,432
Less: Loss allowance		(2,367)	(2,466)
	$	**975,107**	**917,966**

(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:

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 974,638	0.005%	48
1 to 90 days past due	322	1%	3
91 to 180 days past due	52	2%	1
181 to 365 days past due	100	2%	2
More than 1 year past due	2,362	50%~100%	2,313
	$ 977,474		**2,367**

	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**

The movements in the allowance for accounts receivable were as follows:

	2022	**2021**
Beginning balance	$ 2,466	2,565
Reversal of impairment loss	(91)	(97)
Effect of consolidation changes	(15)	-
Effect of exchange rate changes	7	(2)
Ending balance	**$ 2,367**	**2,466**

(Continued)

(d) Inventories

	December 31, 2022	December 31, 2021
Merchandise inventory	$ 1,587	1,665
Finished goods	190,868	241,732
By-product	9,363	7,160
Semi-finished products	62,616	79,182
Work in progress	46,865	46,133
Raw materials	178,560	422,913
Supplies	78,931	27,856
	$ 568,790	**826,641**

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

	2022	2021
Loss from decline (gain from recovery) in value of inventories	**$ (114,209)**	**130,000**

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

(e) Prepayments

	December 31, 2022	December 31, 2021
Prepayment for purchases	$ 68	719
Supplies	109,032	87,837
Overpaid sales tax	79,225	55,529
Others	27,209	5,560
	$ 215,534	**149,645**

(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 $133,202 thousand.

In December, 2022, the Group determined to dispose its shares of Infmedia- Inc., therefore, the book value of the investment which amounting to $5,474 thousand was reclassified from non-current investment in equity instrument at FVOCI to noncurrent assets (or disposal groups) held for sale.

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

(g) Other current financial assets

	December 31, 2022	December 31, 2021
Time deposits maturing over three months	$ 29,000	155,067
Restricted deposits in bank	7,415	4,399
	$ 36,415	**159,466**

The above assets of the Group had been pledged as collateral; please refer to note 8.

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

	December 31, 2022	December 31, 2021
Equity investments:		
Domestic non-listed stocks	$ 558,717	696,898
Foreign non-listed equity investments	329,826	319,725
	$ 888,543	**1,016,623**

(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. During the years ended December 31, 2022 and 2021, the dividends of $13,184 thousand and $4,853 thousand, respectively, were recognized.

(ii) In May, 2022, the Group disposed its shares held in Yu-Chie Inc., as a result of the completion of the liquidation. The shares disposed had a fair value of $1,873 thousand and the Group realized a gain of $504 thousand, which was recognized as other comprehensive income, and thereafter, was reclassified to retained earnings. There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the year ended December 31, 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 December 31, 2022 and 2021.

(i) Investments accounted for using equity method

(i) Associates

Associates of the Group consisted of the following:

	December 31, 2022		December 31, 2021	
	Amount	Share-holding (%)	Amount	Share-holding (%)
Grand Cathay Venture Capital Co., Ltd.	$ 478,292	25.00	467,450	25.00
Wonderland Enterprise Co., Ltd.	630,762	37.04	835,959	37.04
Globaltop Technology Inc.	43,363	23.89	49,332	23.89
Functional Coating System Technologies Co., Ltd.	25,575	34.88	26,069	34.88
Universal Investments Limited	17,820	40.00	17,038	40.00
	$ 1,195,812		**1,395,848**	

(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:

		2022	2021
Attributable to the Group:			
Net income (loss)	$	(5,137)	34,521
Other comprehensive income		(139,018)	63,285
Total comprehensive income	$	**(144,155)**	**97,806**

To assess the impairment of Grand Cathay Venture Capital Co., Ltd. an appraisal report issued by an expect had been prepared based on asset-based approach.

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

(j) Property, plant and equipment

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

		Land	Land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Leased assets	Other equipment	Construction in progress	Total
Cost:										
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		-	-	-	12,570	-	-	8,992	46,459	68,021
Disposals		-	-	-	(69,331)	(1,333)	-	(2,102)	-	(72,766)
Reclassification		-	-	-	282,262	-	-	8,290	(290,552)	-
Effect of exchange rate changes		-	-	-	-	16	-	-	-	16
Balance as of December 31, 2022	$	**1,576,740**	**8,462**	**621,630**	**7,532,609**	**2,959**	**-**	**859,400**	**53,965**	**10,655,765**
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		-	-	-	-	-	-	7,943	138,184	146,127
Disposals		(563)	-	-	(356)	(6,606)	-	(155,440)	-	(162,965)
Reclassification		-	-	-	26,835	-	-	45,465	(72,300)	-
Effect of exchange rate changes		-	-	-	-	(5)	-	-	-	(5)
Balance as of December 31, 2021	$	**1,576,740**	**8,462**	**621,630**	**7,307,108**	**4,276**	**-**	**844,220**	**298,058**	**10,660,494**
Accumulated depreciation:										
Balance as of January 1, 2022	$	-	8,404	244,208	6,008,783	4,004	-	542,087	-	6,807,486
Depreciation		-	21	14,441	208,585	119	-	46,934	-	270,100
Disposals		-	-	-	(69,331)	(1,333)	-	(2,042)	-	(72,706)
Effect of exchange rate changes		-	-	-	-	15	-	-	-	15
Balance as of December 31, 2022	$	**-**	**8,425**	**258,649**	**6,148,037**	**2,805**	**-**	**586,979**	**-**	**7,004,895**
Balance as of January 1, 2021	$	-	8,383	229,758	5,830,382	10,474	-	649,155	-	6,728,152
Depreciation		-	21	14,450	178,757	141	-	48,372	-	241,741
Disposals		-	-	-	(356)	(6,606)	-	(155,440)	-	(162,402)
Effect of exchange rate changes		-	-	-	-	(5)	-	-	-	(5)
Balance as of December 31, 2021	$	**-**	**8,404**	**244,208**	**6,008,783**	**4,004**	**-**	**542,087**	**-**	**6,807,486**

(Continued)

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

	Land	Land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Leased assets	Other equipment	Construction in progress	Total
Carrying value:									
Balance as of December 31, 2022	$ 1,576,740	37	362,981	1,384,572	154	-	272,421	53,965	3,650,870
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 December 31, 2021	$ 1,576,740	58	377,422	1,298,325	272	-	302,133	298,058	3,853,008

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

As of December 31, 2022 and 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, transportation equipment, and office equipment of the Group were as follows:

	Land	Buildings and structures	Transportation equipment	Office equipment	Total
Cost:					
Balance as of January 1, 2022	$ 4,064	1,254	12,769	4,814	22,901
Additions	-	424	11,555	4,800	16,779
Lease modification	84	-	-	-	84
Disposals	-	(929)	(11,769)	-	(12,698)
Balance as of December 31, 2022	**$ 4,148**	**749**	**12,555**	**9,614**	**27,066**
Balance as of January 1, 2022	$ 387	1,429	12,769	4,814	19,399
Additions	4,064	828	-	-	4,892
Lease modification	-	(177)	-	-	(177)
Disposals	(387)	(826)	-	-	(1,213)
Balance as of December 31, 2021	**$ 4,064**	**1,254**	**12,769**	**4,814**	**22,901**
Accumulated depreciation:					
Balance as of January 1, 2022	$ 87	354	10,328	2,167	12,936
Depreciation	214	626	3,952	1,203	5,995
Disposals	-	(929)	(11,769)	-	(12,698)
Balance as of December 31, 2022	**$ 301**	**51**	**2,511**	**3,370**	**6,233**
Balance as of January 1, 2021	$ 353	635	6,130	1,203	8,321
Depreciation	121	707	4,198	964	5,990
Lease modification	-	(162)	-	-	(162)
Disposals	(387)	(826)	-	-	(1,213)
Balance as of December 31, 2021	**$ 87**	**354**	**10,328**	**2,167**	**12,936**
Carrying amount:					
Balance as of December 31, 2022	**$ 3,847**	**698**	**10,044**	**6,244**	**20,833**
Balance as of January 1, 2021	**$ 34**	**794**	**6,639**	**3,611**	**11,078**
Balance as of December 31, 2021	**$ 3,977**	**900**	**2,441**	**2,647**	**9,965**

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

(l) Investment property

		Land	Buildings and structures	Total
Cost:				
Balance as of December 31, 2022 (Balance as of January 1, 2022)	$	**46,101**	**17,625**	**63,726**
Balance as of December 31, 2021 (Balance as of January 1, 2021)	$	**46,101**	**17,625**	**63,726**
Accumulated depreciation:				
Balance as of January 1, 2022	$	-	6,711	6,711
Depreciation		-	346	346
Balance as of December 31, 2022	$	**-**	**7,057**	**7,057**
Balance as of January 1, 2021	$	-	6,365	6,365
Depreciation		-	346	346
Balance as of December 31, 2021	$	**-**	**6,711**	**6,711**
Carrying value:				
Balance as of January 1, 2021	$	**46,101**	**10,568**	**56,669**
Balance as of December 31, 2021	$	**46,101**	**11,260**	**57,361**
Balance as of January 1, 2021	$	**46,101**	**10,914**	**57,015**
Fair value:				
Balance as of December 31, 2022				$ **76,491**
Balance as of January 1, 2021				$ **101,435**
Balance as of December 31, 2021				$ **79,431**

The fair value of the investment properties is based on an independent professional who has professional qualifications and has relevant experience. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3. Fair value was measured using the market approach.

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

(m) Intangible assets

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

		Technical royalty	Computer software	Total
Cost:				
Balance as of January 1, 2022	$	22,242	6,061	28,303
Disposals		-	(4,100)	(4,100)
Balance as of December 31, 2022	$	**22,242**	**1,961**	**24,203**
Balance as of January 1, 2021	$	22,242	5,146	27,388
Additions		-	915	915
Balance as of December 31, 2021	$	**22,242**	**6,061**	**28,303**

(Continued)

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

		Technical royalty	Computer software	Total
Accumulated amortization:				
Balance as of January 1, 2022	$	16,068	4,303	20,371
Amortization		975	832	1,807
Disposals		-	(4,100)	(4,100)
Balance as of December 31, 2022	$	**17,043**	**1,035**	**18,078**
Balance as of January 1, 2021	$	15,093	2,725	17,818
Amortization		975	1,578	2,553
Balance as of December 31, 2021	$	**16,068**	**4,303**	**20,371**
Carrying value:				
Balance as of December 31, 2022	$	**5,199**	**926**	**6,125**
Balance as of January 1, 2021	$	**7,149**	**2,421**	**9,570**
Balance as of December 31, 2021	$	**6,174**	**1,758**	**7,932**

(n) Other long-term investment, net

		December 31, 2022	December 31, 2021
Construction and operation of student dormitory	$	**28,728**	**30,576**

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.

(o) Other non-current assets

		December 31, 2022	December 31, 2021
Long-term prepaid expenses	$	23,959	85,401
Net defined benefit assets		6,324	5,489
	$	**30,283**	**90,890**

(p) Short-term borrowings

Short-term borrowings of the Group were as follows:

		December 31, 2022	December 31, 2021
Unsecured bank loans	$	107,500	235,759
Secured bank loans		700,000	117,500
Total	$	**807,500**	**353,259**
Unused short-term credit lines	$	**1,330,329**	**559,617**
Range of interest rate		**1.70~2.060%**	**0.75~1.20%**

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

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

(q) Other payables

Other payables of the Group were as follows:

	December 31, 2022	December 31, 2021
Accrued payroll	$ 27,027	19,192
Employee bonus payable	441	441
Compensation payable to directors	78	128
Compensated absences	16,404	28,602
Other accrued expenses payable	47,456	73,081
Payables on equipment	10,642	24,247
Dividends payable	452	9,730
Other payables-other	11,138	23,076
Total	**$ 113,638**	**178,497**

(r) Long-term borrowings

Long-term borrowings of the Group were as follows:

	December 31, 2022			
	Currency	Range of interest rate	Due year	Amount
Secured bank loans	NTD	2.135%	2030	$ 68,783
Less: current portion				8,307
Total				**$ 60,476**
Unused long-term credit lines				**$ 18,917**

	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				**$ 10,665**

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

(s) Lease liabilities

Lease liabilities of the Group were as follows:

	December 31, 2022	December 31, 2021
Current	**$ 6,393**	**4,069**
Non-current	**$ 13,242**	**5,729**

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

(Continued)

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

The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	$ **228**	**152**
Expenses relating to short-term leases	$ **398**	**564**
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ **574**	**703**

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

	2022	2021
Total cash outflow for leases	$ **8,220**	**7,419**

(t) Employee benefits

(i) Defined benefit plans

The reconciliations of defined benefit obligations and plan assets as of December 31, 2022 and 2021 were as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 220,628	235,348
Fair value of plan assets	(176,846)	(176,737)
Net position	$ **43,782**	**58,611**
Net defined benefit assets (non-current assets)	$ **6,324**	**5,489**
Net defined benefit liabilities	$ **50,106**	**64,100**

The Group makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group’ s Bank of Taiwan labor pension reserve account balance amounted to $176,846 as of December 31, 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(Continued)

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

2) Movements in the present value of defined benefit obligation

The movements in the present value of defined benefit obligation of the Group were as follows:

	2022	2021
Defined benefit obligation at January 1	$ 235,348	258,253
Current service cost and interest cost	2,215	3,056
Net remeasurements of defined benefit liabilities		
—Actuarial gains and losses arising from financial assumptions	(3,399)	2,422
—Actuarial gains and losses arising from experience adjustments	2,907	3,468
Benefits paid	(16,443)	(31,851)
Defined benefit obligation at December 31	**$ 220,628**	**235,348**

3) Movements in fair value of plan assets

The movements in the fair value of the plan assets of the Group were as follows:

	2022	2021
Fair value of plan assets, January 1	$ 176,737	204,323
Interests income	896	1,637
Remeasurements of defined benefit assets		
—Return on plan assets (excluding interest income)	15,025	2,001
Contributions	631	627
Benefits paid	(16,443)	(31,851)
Fair value of plan assets at December 31	**$ 176,846**	**176,737**

4) Expenses recognized in profit or loss

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

	2022	2021
Current service costs	$ 1,033	991
Net interest on defined benefit liabilities (assets)	286	428
	$ 1,319	**1,419**

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

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

		2022	2021
Operating cost	$	979	1,078
Operating expenses		340	341
Total	$	**1,319**	**1,419**

5) Remeasurement values of the defined benefit liabilities (assets) recognized in other comprehensive income

The remeasurement values of the defined benefit liabilities (assets) recognized in other comprehensive income of the Group were as follows:

		2022	2021
Recognized during the period	$	**(15,517)**	**3,889**

6) Actuarial assumptions

Principal actuarial assumptions at the reporting date were as follows:

	2022.12.31	2021.12.31
Discount rate	1.00%~1.25%	0.50%~0.60%
Expected rate of increase in future salaries	1.50%~2.00%	1.50%~2.00%

The expected allocation payment to be made by the Group to the defined benefit plans, for the one-year period after the reporting date is $633 thousand.

The weighted-average lifetime of the defined benefit plan is 3.5 and 9.1 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligations shall be as follows:

		Influence of defined benefit obligations	
		Increase	Decrease
December 31, 2022			
Discount rate (changed by 0.25%)	$	(1,606)	1,646
Future salary increase rate (changed by 1%)		6,691	(6,207)
December 31, 2021			
Discount rate (changed by 0.25%)		(1,866)	1,914
Future salary increase rate (changed by 1%)		7,846	(7,245)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensivity analysis for 2022 and 2021.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $11,484 thousand and $11,174 thousand for the years ended December 31, 2022 and 2021, respectively.

(u) Income tax

(i) Income tax expense (benefits)

The components of income tax in the years 2022 and 2021 were as follows:

	2022	2021
Current tax expense		
Current period	$ 46,916	851
Adjustment for prior periods	8,874	128
	55,790	979
Deferred tax expense		
Origination and reversal of temporary differences	(102,386)	(112,465)
Change in unrecognized deductible temporary differences	175	-
Income tax benefits	**$ (46,421)**	**(111,486)**

The amount of income tax recognized in other comprehensive income for 2022 and 2021 was as follows:

	2022	2021
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	**$ (3,103)**	**778**

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

Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

		2022	2021
Loss before income tax	$	**(378,549)**	**(6,247)**
Income tax using the Group's domestic tax rate	$	(43,495)	1,951
Loss (gain) on investments for using equity method		(12,008)	729
Non-deductible expenses		16,501	2,679
Tax-exempt income		(9,774)	(7,274)
Recognition of previously unrecognized tax losses		(85)	(2,871)
Current-year losses for which no deferred tax asset was recognized		14,557	17,449
Change in unrecognized temporary differences		-	17
Adjustment for prior periods		9,049	128
Undistributed earnings additional tax		5,195	31
Investment loss		(26,361)	(124,337)
Land Value Increment Tax		-	12
Total	$	**(46,421)**	**(111,486)**

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets

The Group's unrecognized deferred tax assets were composed of the following items:

		December 31, 2022	December 31, 2021
Realized valuation losses on long-term investment	$	91,709	102,460
Other		-	70
	$	**91,709**	**102,530**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

(Continued)

As of December 31, 2022 the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

a) Unused tax loss information

Year of loss	Year of expiry	Unused amount
2013	2023	$ 27,056
2014	2024	5,860
2015	2025	9,336
2016	2026	27,550
2017	2027	12,346
2018	2028	4,600
2019	2029	177,445
2020	2030	137,389
2021	2031	55,000
2022	2032	1,962
		$ 458,544

2) Recognized deferred income tax assets and liabilities

Movements of recognized deferred income tax assets and liabilities for the years ended December 31, 2022 and 2021 were as follows:

Deferred tax liabilities:

	Land Value Increment Tax	Other	Total
Balance at January 1, 2022	$ 173,509	1,150	176,681
Recognized in profit or loss	-	485	485
Recognized in other comprehensive income	-	149	149
Balance at December 31, 2022	**$ 173,509**	**1,784**	**175,293**
Balance at January 1, 2021	$ 173,509	1,618	177,148
Recognized in profit or loss	-	(478)	(478)
Recognized in other comprehensive income	-	10	10
Balance at December 31, 2021	**$ 173,509**	**1,150**	**174,659**

(Continued)

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

Deferred tax assets:

	Allowance for inventory write-down	Defined benefit pension plans	Accumulating compensated absences	Tax loss carryforward	Total
Balance at January 1, 2022	$ 26,149	12,820	5,711	86,188	130,868
Recognized in profit or loss	(22,842)	155	(2,441)	127,824	102,696
Recognized in other comprehensive income	-	(2,954)	-	-	(2,954)
Balance at December 31, 2022	**$ 3,307**	**10,021**	**3,270**	**214,012**	**230,610**
Balance at January 1, 2021	$ 149	11,842	5,004	1,098	18,093
Recognized in profit or loss	26,000	190	707	85,090	111,987
Recognized in other comprehensive income	-	788	-	-	788
Balance at December 31, 2021	**$ 26,149**	**12,820**	**5,711**	**86,188**	**130,868**

The Company's income tax return for the year 2020 had been examined by the tax authorities.

(v) Capital and other equity

(i) Ordinary shares

As of December 31, 2022 and 2021, the number of authorized ordinary shares were 6,750,000 thousand shares with par value of $10 per share. As of December 31, 2022 and 2021, of $527,870 thousand shares were issued. All issued shares were paid up upon issuance.

(ii) Capital surplus

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

	December 31, 2022	December 31, 2021
Difference arising from subsidiary's share price and its carrying value	$ 8,953	8,953
Changes in ownership interests in subsidiaries	26,307	26,307
Changes in equity of investments in associates using equity method	6,759	6,594
Treasury share transactions	4,430	4,433
Donation from shareholders	13	13
Overdue dividends not received by shareholders	24,585	-
Total	**$ 71,047**	**46,300**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) 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.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders’ meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with ruling issued by the FSC, the Company is required to appropriate a special reserve in the amount equal to the sum of debit elements under other equity arising in current period. Special reserve shall be appropriated from current period net income plus items other than net income adjusted to the current year’ s undistributed earnings and undistributed prior period earnings; for debit elements under other equity arising in prior periods, special reserve is appropriated from undistributed prior period earnings and is prohibited from distribution. If any of the debit elements are reversed, then the special reserve in the amount equal to the reversal may be released for earnings distribution.

3) Earnings distribution

On June 22, 2022 and July 7, 2021, the shareholders’ meeting resolved to distribute the 2021 and 2020 earnings. These earnings were appropriated as follows:

	2021	2020
Dividends distributed to ordinary shareholders		
Cash	$ 79,156	263,917

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

On March 8, 2023, the Board of Directors planned to distribute the 2022 earnings. The earning was appropriated as follows:

	2022	
	Ratio of allotment of shares (NTD)	**Amount**
Dividends distributed to ordinary shareholders		
Cash	$ 0.20	$ 105,574

(iv) 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	23,326	-	23,326
Exchange differences on associates and joint ventures accounted for using equity method	3,916	-	3,916
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(145,294)	(145,294)
Unrealized losses from financial assets measured at fair value through other comprehensive income on associates and joint ventures accounted for using equity method	-	(142,934)	(142,934)
Cumulative gains reclassified to retained earnings on disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(504)	(504)
Cumulative gains reclassified to retained earnings on associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(9,393)	(9,393)
Balance as of December 31, 2022	**$ (7,392)**	**(207,460)**	**(214,852)**
Balance as of January 1, 2021	$ (26,745)	195,208	168,463
Exchange differences on foreign operations	(10,020)	-	(10,020)
Exchange differences on associates and joint ventures accounted for using equity method	(273)	-	(273)
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(93,464)	(93,464)
Unrealized gains from financial assets measured at fair value through other comprehensive income on associates and joint ventures accounted for using equity method	-	63,558	63,558
Cumulative gains reclassified to retained earnings on associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(74,637)	(74,637)
Changes in ownership interests in subsidiaries	546	-	546
Changes in ownership interests in associates	1,858	-	1,858
Balance as of December 31, 2021	**$ (34,634)**	**90,665**	**56,031**

(Continued)

(v) Treasury stock

In accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company repurchased 1,040 thousand shares of treasury stock in order to transfer shares to employees. In 2021, a total of 1,040 thousand shares were all transferred to employees.

(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.

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:

	2021
	Treasury stock transferred to employees
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 %

Details of the employee stock options and the transfer of treasury stock were as follows:

(in thousand)

	2021	
	Weighted average exercise price (dollars)	**Number of options**
Granted during the year (number)	14.6	1,040
Exercised during the year (number)	14.6	(1,040)
Outstanding at end of period	-	-

(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

	2022	2021
Profit (loss) attributable to the Company	$ (373,905)	104,604
Weighted-average number of ordinary shares outstanding	527,870	527,513
Earnings per share (NTD)	$ (0.71)	0.20

(Continued)

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

(ii) Diluted earnings per share

	2022	2021
Profit (loss) attributable to the Company (diluted)	$ (373,905)	104,604
Weighted-average number of ordinary shares outstanding	527,870	527,513
Effect of dilutive potential ordinary shares		
Employee remuneration in stock	-	244
Weighted-average number of ordinary shares outstanding (diluted)	527,870	527,757
Diluted earnings per share (NTD)	$ (0.71)	0.20

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	2022	2021
Primary geographical markets:		
Asia	$ 12,686,823	11,663,481
America	145,148	21,308
Europe	46,899	15,757
Total	$ 12,878,870	11,700,546
Major products/services lines:		
Commodity sales revenue	$ 12,711,672	11,579,268
Travel service revenue	155,902	109,853
Other operating revenue	11,296	11,425
	$ 12,878,870	11,700,546

(ii) Contract balances

	December 31, 2022	January 1, 2021	January 1, 2021
Contract liabilities-travel service contract	$ 40,713	38,155	37,149
Contract liabilities-unearned sales revenue	7,829	12,868	7,868
Total	$ 48,542	51,023	45,017

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

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.

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:

	2022	2021
Rent income	$ 1,118	1,109
Gain from bargain purchase transactions	-	403
Dividend income	20,930	6,843
Others	31,335	21,519
Total	**$ 53,383**	**29,874**

(ii) Other gains and losses

	2022	2021
Foreign exchange gains	$ 24,466	6,449
Gains (losses) on disposals of investments	-	(2,404)
Gains (losses) on financial assets at fair value through profit or loss	(51,791)	2,942
Gains on disposals of non-current assets (or disposal groups) held for sale	133,202	-
Gain on lease modification	6	-
Gains on disposals of property, plant and equipment	233	1,335
Impairment losses	(873)	(139)
Others	(805)	(43)
Total	**$ 104,438**	**8,140**

(iii) Finance costs

	2022	2021
Interest expense	**$ 7,538**	**2,933**

(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.

For the year ended December 31, 2022, there was no appropriation of remunerations to employees and directors because of net loss before tax.

(Continued)

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

For the years ended December 31, 2021, the remunerations to employees and directors were both amounted to $49 thousand. 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. The information is available on the Market Observation Post System Website. The differences between the amount as stated before and the actual distribution to employees and directors in 2021 were both $(49) thousand which already recognized in profit or loss in 2022.

(ab) Financial instruments

(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 December 31, 2022 and 2021, the Group reviewed the concentrations of credit risk arising from the major top ten customers, and it was 94% and 96%, 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.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 807,500	809,969	809,969	-	-	-
Payables	1,007,642	1,007,642	1,007,642	-	-	-
Long-term borrowings	68,783	74,653	9,695	9,695	29,084	26,179
Deposit received	660	660	350	310	-	-
Lease liabilities	19,635	20,696	6,730	5,423	5,375	3,168
	$ 1,904,220	**1,913,620**	**1,834,386**	**15,428**	**34,459**	**29,347**

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
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
	$ 1,589,876	**1,596,223**	**1,516,449**	**11,496**	**29,946**	**38,332**

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:

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 8,424	30.710	258,701	10,593	27.680	293,214
CNY	69,447	4.409	306,192	11,119	4.294	47,748
Financial liabilities						
Monetary items						
USD	7,898	30.710	242,548	16,189	27.680	448,112
CNY	759	4.409	3,346	1,502	4.294	6,450
EUR	19	32.720	622	-	-	-

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, CNY and EUR as of December 31, 2022 and 2021, would have increased (decreased) net profit before tax by $3,184 thousand and $1,136 thousand for the years ended December 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 years ended December 31, 2022 and 2021, foreign exchange gain (loss) (including realized and unrealized portions) amounted to gain of $24,466 thousand and $6,449 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 $8,763 thousand and $4,303 thousand for years ended December 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:

	2022		2021	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increasing 1%	$ 8,940	2,308	10,166	3,237
Decreasing 1%	$ (8,940)	(2,308)	(10,166)	(3,237)

(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:

(Continued)

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

	December 31, 2022				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
Financial assets mandatorily at fair value through profit or loss:					
Listed stocks	$ 201,493	201,493	-	-	201,493
Funds	29,327	29,327	-	-	29,327
Derivative instruments not used for hedging- foreign exchange swap contracts	468	-	468	-	468
Financial assets at fair value through other comprehensive income:					
Domestic and foreign non-listed stock (included non-current assets (or disposal groups) held for sale)	894,017	-	-	894,017	894,017
Financial assets measured at amortized cost:					
Cash and cash equivalents	765,147	-	-	-	-
Accounts receivable	975,107	-	-	-	-
Other receivables	2,323	-	-	-	-
Other financial assets-current	36,415	-	-	-	-
Refundable deposits	3,818	-	-	-	-
Subtotal	1,782,810	-	-	-	-
Total	**$ 2,908,115**	**230,820**	**468**	**894,017**	**1,125,305**
Financial liabilities measured at amortized cost:					
Short-term borrowings	$ 807,500	-	-	-	-
Accounts payable	895,858	-	-	-	-
Other payables	111,784	-	-	-	-
Long-term borrowings	68,783	-	-	-	-
Other non-current liabilities	660	-	-	-	-
Lease liabilities	19,635	-	-	-	-
Total	**$ 1,904,220**	**-**	**-**	**-**	**-**

(Continued)

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

	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
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	1,339,993	-	-	-	-
Total	**$ 2,680,301**	**323,685**	**-**	**1,016,623**	**1,340,308**
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	**$ 1,589,876**	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

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.

(Continued)

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.

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.

Measurements of fair value of equity investments without an active market nor quoted market price are based on comparable listed company method. This method is based on the estimated earnings before interest, taxes, depreciation and amortization and the multipliers that are extrapolated from comparable listed company quoted prices. The estimated fair values are adjusted to the discounting effect of lack of market liquidity.

B. Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of currency swap contract is usually determined by the forward currency exchange rate.

3) Transfers between Level 1 and Level 2

There were no transfers for the years ended December 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	(145,295)
Reclassification	(5,474)
Disposals	(1,873)
Effect of exchange rate changes	24,562
Ending Balance, December 31, 2022	**$ 888,543**

(Continued)

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

	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	(145,295)
Reclassification	(5,474)
Disposals	(1,873)
Effect of exchange rate changes	24,562
Ending Balance, December 31, 2022	**$ 888,543**
Opening balance, January 1, 2021	$ 1,109,979
Total gains and losses recognized	
Other comprehensive income	(93,480)
Reclassification	24,389
Capital reduction by cash	(15,718)
Effect of exchange rate changes	(8,547)
Ending Balance, December 31, 2021	**$ 1,016,623**

Opening balance, January 1, 2021	$ 1,109,979
Total gains and losses recognized	
Other comprehensive income	(93,480)
Reclassification	24,389
Capital reduction by cash	(15,718)
Effect of exchange rate changes	(8,547)
Ending Balance, December 31, 2021	**$ 1,016,623**

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 December 31, 2022 and 2021 were as follows:

	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"	**$ (145,295)**	**(93,480)**

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 other comprehensive income-equity investments.

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:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income - equity investments without an active market	Market method (Comparable listed company method and comparable transaction method)	· Price to book ratio (0.93~1.90, 0.96~2.01 and 0.95~2.05 as of September 30, 2022, December 31 and September 30, 2021)	· The fair value would increase if price to book ratio increase
		· Lack of market liquidity discount (10%~30%, 3%~43% and 10%~30% as of September 30, 2022, December 31 and September 30, 2021)	· The fair value would decrease if lack of market liquidity discount increase
	Net asset value method	·Net asset value	·The estimated fair value would increase if the net asset value were higher.

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:

	Inputs	Increase/ Decrease	Other comprehensive income: Favorable	Other comprehensive income: Unfavorable
December 31, 2022				
Financial assets at fair value through other comprehensive income	Price to book ratio	10%	$ 3,538	(3,538)
	Liquidity discount	10%	19,094	(19,094)
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

(Continued)

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

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The financial department of the Group provides services and coordinates the operation of the financial market. And the important activities are subject to the Board of Directors' approval. The Group must be abided by the financial risk management and operation. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Board of Directors regularly.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

1) Accounts receivable and other receivable

The financial department has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the financial department; these limits are reviewed regularly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The customers of the Group covered many types and regions. In order to reduce credit risk, the Group review financial status and recoverable of account receivable each customer regularly and accounted loss allowance.

(Continued)

The Group has allowance for impairment losses account to reflect the estimated loss of account receivable and other receivables. The main components of the allowance account include specific loss components related to individual significant risks, and combined loss components established for similar asset groups that have occurred but have not yet been identified. Portfolio loss allowance accounts are determined based on historical payment statistics for similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group’ s finance department. The Group only deals with financial institutions with good credit rating. The Group does not concentrate on specific counterparty hence there is no significant credit risk arising therefrom.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’ s approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’ s management supervises the banking facilities and ensures compliance with the terms of loan agreements.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales and purchases are denominated in a currency other than the respective functional currencies of the Group’ s entities. The currency used in these transactions is USD. The Group adopts a natural hedging strategy. When the net assets and liabilities imbalances occur in the short term, the Group buys or sells foreign currencies to maintain exposures at an acceptable level.

2) Interest rate risk

Interest rate risk is the risk of changes in the fair value of financial instruments caused by changes in market interest rates or the risk of changes in cash flows of financial instruments caused by changes in market interest rates. The interest rate risk of the financial assets and liabilities is described in the note of liquidity risk management.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. The Group actively monitors the performance of this investment portfolios using fair value basis. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments.

(ad) Capital management

The Group plan the capital which need in the future (including research and development costs and repayment) based on the characteristics of operating and development, and considering factors such as changes in the external environment to protect sustainable development of the Group, give back to shareowners and maintain the best structure to enhance value. Overall, the Group adopts a prudent risk management strategy.

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

There were no non-cash investing activities for the years ended December 31, 2022 and 2021. Reconciliation of liabilities arising from non-cash financing activities for the years ended December 31, 2022 and 2021 were as follows:

			Non-cash changes			
	January 1, 2022	**Cash flows**	**Lease modification**	**Effect of consolidation changes**	**Additions**	**December 31, 2022**
Lease liabilities	$ 9,798	(7,020)	78	-	16,779	19,635

			Non-cash changes			
	January 1, 2021	**Cash flows**	**Lease modification**	**Effect of consolidation changes**	**Additions**	**December 31, 2021**
Lease liabilities	$ 10,921	(6,000)	(15)	-	4,892	9,798

(7) Related-party transactions

(a) Key management personnel compensation

	2022	2021
Short-term employee benefits	$ 31,101	31,902
Post-employment benefits	1,342	1,069
	$ 32,443	32,971

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

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

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	December 31, 2022	December 31, 2021
Cash in banks (other financial assets)	Performance guarantee	$ 7,415	1,843
Land, buildings and structures	Borrowings	582,846	587,889
		$ 590,261	589,732

(9) Commitments and contingencies

(a) Letter of credit issued but not expired

	December 31, 2022	December 31, 2021
Letter of credit outstanding for the import of raw materials	$ 936,318	1,168,086 (including USD256 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:

By Function / By item	2022			2021		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	$ 173,849	74,292	248,141	183,506	85,790	269,296
Labor and health insurance	17,783	5,647	23,430	17,724	6,211	23,935
Pension	9,502	3,301	12,803	9,195	3,398	12,593
Others	10,492	14,999	25,491	8,687	14,175	22,862
Depreciation	265,638	10,803	276,441	238,616	9,461	248,077
Amortization	1,621	186	1,807	2,553	-	2,553

(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 years ended December 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				Highest Percentage of ownership (%)	Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Test Research, Inc.	-	Current financial assets at fair value through profit or loss	455,000	28,984	0.19 %	28,984	0.21 %	
The Company	Solar Applied Materials Technology Corp.	-	Current financial assets at fair value through profit or loss	2,842,000	91,086	0.48 %	91,086	0.48 %	
The Company	Universal Venture Capital Investment Corporation	-	Non-current investment in equity instrument at FVOCI	8,400,000	55,173	6.98 %	55,173	6.98 %	
The Company	Euroc Venture Capital Corp.	-	Non-current investment in equity instrument at FVOCI	19,000	144	2.38 %	144	2.38 %	
The Company	Euroc III Venture Capital Corp.	-	Non-current investment in equity instrument at FVOCI	15,000	228	5.00 %	228	5.00 %	
The Company	Global Investment Holding Co., Ltd	-	Non-current investment in equity instrument at FVOCI	10,233,608	84,339	5.82 %	84,339	5.82 %	
The Company	Faith Alliance Corporation	-	Non-current investment in equity instrument at FVOCI	25,720	45	0.06 %	45	0.06 %	
The Company	Excellence Electronic Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	912	7	0.01 %	7	0.01 %	
The Company	Leadwell Cnc Machines Mfg., Corp.	-	Non-current investment in equity instrument at FVOCI	37,352	1,100	0.06 %	1,100	0.06 %	
The Company	Crownpo Technology Inc.	-	Non-current investment in equity instrument at FVOCI	709	16	0.01 %	16	0.01 %	
The Company	Infomedia Inc.	-	Non-current assets(or disposal groups) held for sale	200,000	1,288	0.13 %	1,288	0.13 %	
The Company	Vxis Technology Corp.	-	Non-current investment in equity instrument at FVOCI	72,480	865	0.61 %	865	0.61 %	
The Company	Asia Global Venture Capital II CO., Ltd.	-	Non-current investment in equity instrument at FVOCI	531,300	22,843	10.00 %	22,843	10.00 %	
The Company	Shieh Tai Biochemical Technology Co., Ltd	-	Non-current investment in equity instrument at FVOCI	120,339	-	0.32 %	-	0.32 %	

(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				Highest Percentage of ownership (%)	Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Lof Solar Corp.	-	Non-current investment in equity instrument at FVOCI	600,000	-	3.64 %	-	3.64 %	
The Company	Yuan-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	21,000,000	180,406	19.09 %	180,406	19.09 %	
The Company	Yu-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	21,320,000	219,806	19.38 %	219,806	19.38 %	
The Company	Deng Yun Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	591,945	46,445	3.09 %	46,445	3.09 %	
The Company	Lidien Inc.	-	Non-current investment in equity instrument at FVOCI	760,000	13,471	19.00 %	13,471	19.00 %	
The Company	GVISION-USA, INC.	-	Non-current investment in equity instrument at FVOCI	666,667	18,683	19.05 %	18,683	19.05 %	
YSIC Ltd.	OBI Pharma, Inc.	-	Current financial assets at fair value through profit or loss	170,032	11,749	0.07 %	11,749	0.07 %	
YSIC Ltd.	Senao Networks, Inc.	-	Current financial assets at fair value through profit or loss	30,000	5,970	0.06 %	5,970	0.12 %	
YSIC Ltd.	MPI Corporation	-	Current financial assets at fair value through profit or loss	10,000	1,125	0.01 %	1,125	0.01 %	
YSIC Ltd.	Eson Precision Ind Co., Ltd.	-	Current financial assets at fair value through profit or loss	30,000	1,725	0.02 %	1,725	0.02 %	
YSIC Ltd.	Turvo International Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	2,020	0.03 %	2,020	0.03 %	
YSIC Ltd.	BizLink Holding Inc.	-	Current financial assets at fair value through profit or loss	20,000	4,730	0.01 %	4,730	0.01 %	
YSIC Ltd.	Yulon Finance Corporation	-	Current financial assets at fair value through profit or loss	20,000	3,110	- %	3,110	- %	
YSIC Ltd.	Handa Pharmaceuticals, Inc.	-	Current financial assets at fair value through profit or loss	20,000	2,500	0.02 %	2,500	0.02 %	
YSIC Ltd.	Global Unichip Corp.	-	Current financial assets at fair value through profit or loss	2,000	1,282	- %	1,282	- %	
YSIC Ltd.	Parade Technologies, Ltd.	-	Current financial assets at fair value through profit or loss	6,000	4,638	0.01 %	4,638	0.01 %	
YSIC Ltd.	Lin BioScience, Inc.	-	Current financial assets at fair value through profit or loss	40,000	6,920	0.06 %	6,920	0.06 %	
YSIC Ltd.	Ingentec Corporation	-	Current financial assets at fair value through profit or loss	20,000	2,850	0.05 %	2,850	0.05 %	
YSIC Ltd.	Xintec Inc.	-	Current financial assets at fair value through profit or loss	40,000	3,852	0.01 %	3,852	0.01 %	

(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				Highest Percentage of ownership (%)	Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value		
YSIC Ltd.	Chip Hope Co., Ltd.	-	Current financial assets at fair value through profit or loss	40,000	4,080	0.06 %	4,080	0.06 %	
YSIC Ltd.	China Steel Structure Co.,Ltd.	-	Current financial assets at fair value through profit or loss	20,000	1,180	0.01 %	1,180	0.01 %	
YSIC Ltd.	Chunghwa Precision Test Tech Co., Ltd.	-	Current financial assets at fair value through profit or loss	1,000	465	- %	465	- %	
YSIC Ltd.	Actron Technology Corporation		Current financial assets at fair value through profit or loss	10,000	1,635	0.01 %	1,635	0.01 %	
YSIC Ltd.	Shin Kong Chi-Shin Money-Market Fund	-	Current financial assets at fair value through profit or loss	1,800,000	28,288	- %	28,288	- %	
YSIC Ltd.	Fubon Taiwan High Dividend 30 ETF	-	Current financial assets at fair value through profit or loss	100,000	1,039	- %	1,039	- %	
YSIC Ltd.	Cjw International Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	676,413	7,576	0.50 %	7,576	0.50 %	
YSIC Ltd.	Cyca International	-	Non-current financial assets at fair value through profit or loss	101,677	-	- %	-	- %	
YSIC Ltd.	Mcm Stamping Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	54,430	331	0.63 %	331	0.63 %	
YSIC Ltd.	Vxis Technology Corp.	-	Non-current investment in equity instrument at FVOCI	72,480	865	0.61 %	865	0.61 %	
YSIC Ltd.	Infomedia Inc.	-	Non-current assets(or disposal groups) held for sale	650,000	4,186	0.43 %	4,186	0.43 %	
YSIC Ltd.	Yuan-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	100,000	859	0.09 %	859	0.09 %	
YSIC Ltd.	Yu-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	103,000	1,062	0.09 %	1,062	0.09 %	
Grand Capital Co., Ltd.	Deng Yun Co., Ltd	-	Non-current investment in equity instrument at FVOCI	3,082,453	241,855	16.10 %	241,855	16.10 %	
Yuan-Shin Materials Technology Co.,Ltd.	Yuanta Financial Holding Co., Ltd.	-	Current financial assets at fair value through profit or loss	309,000	6,705	- %	6,705	- %	
Yuan Shin Materials Technology Co., Ltd.	Wei Kong Industrial Co., Ltd.	-	Current financial assets at fair value through profit or loss	40,000	1,052	0.01 %	1,052	0.01 %	
Yuan Shin Materials Technology Co., Ltd.	Wah Lee Industrial Corp.	-	Current financial assets at fair value through profit or loss	20,000	1,676	0.01 %	1,676	0.01 %	
Yuan Shin Materials Technology Co., Ltd.	China General Plastics Corp.	-	Current financial assets at fair value through profit or loss	50,000	1,320	0.01 %	1,320	0.01 %	
Yuan Shin Materials Technology Co., Ltd.	Asustek Computer Inc.	-	Current financial assets at fair value through profit or loss	6,000	1,611	- %	1,611	- %	

TAITAN 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: Shares	Ending balance: Carrying value	Ending balance: Percentage of ownership (%)	Ending balance: Fair value	Highest Percentage of ownership (%)	Note
Yuan Shin Materials Technology Co., Ltd.	Giga-Byte Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	4,000	426	- %	426	- %	
Yuan Shin Materials Technology Co., Ltd.	Supreme Electronics Co., Ltd.	-	Current financial assets at fair value through profit or loss	30,000	1,074	0.01 %	1,074	0.01 %	
Yuan Shin Materials Technology Co., Ltd.	Chang Wah Electromaterial Inc.	-	Current financial assets at fair value through profit or loss	5,000	152	- %	152	- %	

(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: Please refer to note 6(b).

(x) Significant transactions and business relationship between the parent company and its subsidiaries for the year ended December 31, 2022: None

(b) Information on investees:

The following is the information on investees for the years ended December 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: December 31, 2022	Original investment amount: December 31, 2021	Balance as of December 31, 2022: Shares	Balance as of December 31, 2022: Percentage of ownership	Balance as of December 31, 2022: Carrying value	Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losse of investee	Note
The Company	Grand Cathay Venture Capital Co., Ltd.	Taiwan	Investment business	400,000	400,000	40,000,000	25.00 %	478,292	25.00 %	67,489	16,872	
The Company	Wonderland Enterprise Co., Ltd.	Taiwan	General investment business	325,230	325,230	29,629,597	37.04 %	630,762	37.04 %	(38,655)	(14,318)	
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 %	25,575	34.88 %	(1,417)	(494)	
The Company	Universal Investments Limited	British Cayman Islands	Real estate investment business	17,273	17,273	80	40.00 %	17,820	40.00 %	(822)	(552)	
The Company	YSIC Ltd.	Taiwan	Residential building and industrial plant development rental business	1,638,169	1,638,169	72,446,838	99.99 %	901,762	99.99 %	33,604	33,597	Subsidiary
The Company	Yangmingshan Tien Lai Resort & SPA	Taiwan	General hotel industry	145,900	145,900	5,000,000	100.00 %	49,282	100.00 %	(1,456)	(1,456)	Subsidiary
The Company	Kun Shan International Ltd.	Seychelles	General investment business	630,555	630,555	25,865,618	65.07 %	691,415	65.07 %	3,728	112	Subsidiary
The Company	Asia Carbon & Technology Inc.	Taiwan	Electronic component manufacturing	-	291,064	-	- %	-	- %	(629)	(620)	Subsidiary
YSIC Ltd.	Kun Shan International Ltd.	Seychelles	General investment business	122,572	122,572	3,702,718	62.03 %	203,281	62.03 %	107,686	66,802	Subsidiary
YSIC Ltd.	Grand Capital Co., Ltd.	Seychelles	General investment business	90,182	90,182	2,698,002	100.00 %	243,721	100.00 %	(252)	(252)	Subsidiary
YSIC Ltd.	Yangmingshan Tien Lai Resort & SPA	Taiwan	General hotel industry	110,836	110,836	4,807,774	12.10 %	118,253	12.10 %	3,728	91	Subsidiary
YSIC Ltd.	Globaltop Technology Inc.	Taiwan	Aluminum Nitride Powder	162,643	162,643	5,255,553	23.89 %	43,363	23.89 %	(27,822)	(6,645)	
YSIC Ltd.	Tien Lai Co., Ltd.	Taiwan	Pipe Lines Construction	5,000	5,000	500,000	50.00 %	1,485	50.00 %	90	45	Subsidiary

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(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 December 31, 2022	Net income (losses) of the investee (Note 2)	Percentage of ownership	Highest 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	3,071 (USD 100)	(2)	112,092 (USD 3,650)	-	-	112,092 (USD 3,650) (Note4)	90,638 (USD 3,044)	62.03%	62	56,226	59,231	-
Kun Shan Jia-An Technology Education Consulting Co., Ltd.	Educational consulting, information operation consulting, software and data storage consultation	74,674 (USD 2,432)	(2)	(Note 3)	-	-	(Note 3)	24,584 (USD 846)	62.03%	62	15,250	54,843	-

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= NTD30.71, USD1=NTD29.7748).

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.

Note4:The amount of USD 2,089,543.71 were proceeds of KUN SHAN INTERNATIONAL LTD. due to capital reduction of Kun Shan Yu-Fu Technology Education Consulting Co., Ltd. in 2022 has yet to be remitted to Taiwan, therefore, the amount of accumulated investment in Mainland China still included the amount.

(ii) Upper limit on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
112,092 (Note 4) (USD 3,650)	112,092 (USD 3,650)	546,534

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:

Shareholding / Shareholder's Name	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) General information

(i) Plasticization segment: manufacturing and domestic/international sales of styrene monomer, manufacturing and sales of chemical materials and plastic materials.

(ii) Investment segment: investment business.

(iii) Other segment: the revenues of the segments that have not reached the quantitative threshold are hotel and general service business.

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

	For the year ended December 31, 2022				
	Plasticization segment	**Investment segment**	**Other segments**	**Reconciliation and elimination**	**Total**
Revenue					
Revenue from external customers	$ 12,711,672	(17,127)	159,415	-	12,853,960
Inter-segment revenues	-	172	4,144	(4,316)	-
Total revenue	**$ 12,711,672**	**(16,955)**	**163,559**	**(4,316)**	**12,853,960**
Reportable segment profit or loss	**$ (449,332)**	**116,165**	**4,272**	**(34,400)**	**(363,295)**
Reportable segment profit or loss	**$ -**	**-**	**-**	**-**	**-**

	For the year ended For the years ended December 31, 2021				
	Plasticization segment	**Investment segment**	**Other segments**	**Reconciliation and elimination**	**Total**
Revenue					
Revenue from external customers	$ 11,579,268	20,583	114,165	-	11,714,016
Inter-segment revenues	-	171	2,129	(2,300)	-
Total revenue	**$ 11,579,268**	**20,754**	**116,294**	**(2,300)**	**11,714,016**
Reportable segment profit or loss	**$ 10,260**	**8,557**	**(10,564)**	**(14,500)**	**(6,247)**

(i) Information about products and services

The Group operating business by production perspective and information about products and services revenue from external customers is the same as in note 14(b).

(ii) Information about major customers

	2022	**2021**
Customer A from Plasticization segment	$ 5,369,237	5,550,676
Customer B from Plasticization segment	2,412,170	2,302,837
	$ 7,781,407	**7,853,513**