

**TAIWAN STYRENE MONOMER CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
for the Three Months Ended March 31, 2023 and 2022**

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

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8
(4) Summary of significant accounting policies	9~10
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	10
(6) Explanation of significant accounts	11~36
(7) Related-party transactions	36
(8) Pledged assets	37
(9) Commitments and contingencies	37
(10) Losses due to major disasters	37
(11) Subsequent events	37
(12) Other	37
(13) Other disclosures	
(a) Information on significant transactions	38~40
(b) Information on investees	40
(c) Information on investment in mainland China	41
(d) Major shareholders	41
(14) Segment information	42



安侯建業聯合會計師事務所
KPMG

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

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

Independent Auditors' Review Report

To the Board of Directors of
Taiwan Styrene Monomer Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Styrene Monomer Corporation and its subsidiaries as of March 31, 2023 and 2022, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$303,438 thousand and \$308,597 thousand, constituting 3.38% and 3.35% of consolidated total assets as of March 31, 2023 and 2022, respectively, total liabilities amounting to \$3,682 thousand and \$4,638 thousand, constituting 0.17% and 0.27% of consolidated total liabilities as of March 31, 2023 and 2022, respectively, and total comprehensive income amounting to \$3,438 thousand and \$2,031 thousand, constituting 3.89% and 1.71% of consolidated total comprehensive income for the three months ended March 31, 2023 and 2022, respectively.

Furthermore, as stated in note 6(i), the equity accounted investments of Taiwan Styrene Monomer Corporation and its subsidiaries in its investee companies of \$1,243,452 thousand and \$1,364,550 thousand as of March 31, 2023 and 2022, respectively, and the related share of profit (loss) of associates and joint ventures accounted for using equity method on these investee companies of \$14,726 thousand and \$(9,569) thousand for the three months ended March 31, 2023 and 2022, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Taiwan Styrene Monomer Corporation and its subsidiaries as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
May 10, 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2023, December 31 and March 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2023		December 31, 2022		March 31, 2022		Liabilities and Equity		March 31, 2023		December 31, 2022		March 31, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 428,844	5	765,147	9	309,853	4	2100	Short-term borrowings (notes 6(p) and 8)	\$ 698,500	8	807,500	9	317,500	3
1110	Current financial assets at fair value through profit or loss (note 6(b))	277,038	3	223,712	4	314,095	3	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	70	-	-	-	-	-
1170	Accounts receivable, net (note 6(c))	1,179,199	13	975,107	11	1,319,489	14	2130	Contract liabilities (note 6(x))	47,130	-	48,542	-	36,292	-
1200	Other receivables	7,165	-	2,323	-	13,286	-	2170	Accounts payable	1,008,655	11	895,858	10	888,574	10
1220	Current tax assets	166	-	12	-	5,783	-	2200	Other payables (note 6(q))	81,142	1	113,638	1	105,170	1
130X	Inventories (note 6(d))	468,473	5	568,790	6	377,204	4	2230	Current tax liabilities	6,362	-	7,669	-	33,267	-
1410	Prepayments (note 6(e))	295,339	3	215,534	2	161,997	2	2250	Current provisions	-	-	-	-	349	-
1460	Non-current assets (or disposal groups) held for sale (note 6(f))	-	-	5,474	-	-	-	2280	Current lease liabilities (note 6(s))	6,524	-	6,393	-	3,067	-
1470	Other current assets	12	-	267	-	-	-	2320	Long-term liabilities, current portion (notes 6(r) and 8)	8,273	-	8,307	-	8,301	-
1476	Other current financial assets (notes 6(g) and 8)	67,706	1	36,415	-	240,820	3	2399	Other current liabilities	9,349	-	2,718	-	7,040	-
	Total current assets	<u>2,723,942</u>	<u>30</u>	<u>2,792,781</u>	<u>32</u>	<u>2,742,527</u>	<u>30</u>		Total current liabilities	<u>1,866,005</u>	<u>20</u>	<u>1,890,625</u>	<u>20</u>	<u>1,399,560</u>	<u>14</u>
Non-current assets:								Non-Current liabilities:							
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	8,658	-	7,576	-	9,740	-	2540	Long-term borrowings (notes 6(r) and 8)	58,449	1	60,476	1	66,660	1
1517	Non-current financial assets at fair value through other comprehensive income (note 6(h))	944,873	11	888,543	10	1,010,544	11	2570	Deferred tax liabilities	174,991	2	175,293	2	174,983	2
1550	Investments accounted for using equity method (note 6(i))	1,243,452	14	1,195,812	13	1,364,550	15	2581	Non-current lease liabilities (note 6(s))	12,950	-	13,242	-	5,415	-
1600	Property, plant and equipment (notes 6(j) and 8)	3,616,295	40	3,650,870	41	3,785,980	41	2640	Net defined benefit liability, non-current	50,341	1	50,106	1	64,294	1
1755	Right-of-use assets (note 6(k))	20,433	-	20,833	-	8,591	-	2600	Other non-current liabilities	660	-	660	-	692	-
1760	Investment property, net (note 6(l))	56,583	1	56,669	1	56,929	1		Total non-current liabilities	<u>297,391</u>	<u>4</u>	<u>299,777</u>	<u>4</u>	<u>312,044</u>	<u>4</u>
1780	Intangible assets (note 6(m))	5,756	-	6,125	-	7,224	-		Total liabilities	<u>2,163,396</u>	<u>24</u>	<u>2,190,402</u>	<u>24</u>	<u>1,711,604</u>	<u>18</u>
1840	Deferred tax assets	242,148	3	230,610	3	123,028	1	Equity attributable to owners of parent (note 6(v)):							
1970	Other long-term investments, net (note 6(n))	28,870	-	28,728	-	31,715	-	3100	Capital stock	5,278,698	59	5,278,698	59	5,278,698	57
1920	Refundable deposits	3,848	-	3,818	-	3,513	-	3200	Capital surplus	70,947	1	70,947	1	64,674	1
1990	Other non-current assets (note 6(o))	79,164	1	30,283	-	75,440	1		Retained earnings:						
	Total non-current assets	<u>6,250,080</u>	<u>70</u>	<u>6,119,867</u>	<u>68</u>	<u>6,477,254</u>	<u>70</u>	3310	Legal reserve	639,287	7	639,287	7	612,264	7
								3320	Special reserve	8,811	-	8,811	-	-	-
								3350	Unappropriated retained earnings	675,952	7	688,983	8	1,268,820	14
										<u>1,324,050</u>	<u>14</u>	<u>1,337,081</u>	<u>15</u>	<u>1,881,084</u>	<u>21</u>
								3400	Other equity	(114,463)	(1)	(214,852)	(2)	28,883	-
								3500	Treasury shares	-	-	-	-	(13)	-
									Total equity attributable to owners of parent	<u>6,559,232</u>	<u>73</u>	<u>6,471,874</u>	<u>73</u>	<u>7,253,326</u>	<u>79</u>
								36XX	Non-controlling interests	<u>251,394</u>	<u>3</u>	<u>250,372</u>	<u>3</u>	<u>254,851</u>	<u>3</u>
									Total equity	<u>6,810,626</u>	<u>76</u>	<u>6,722,246</u>	<u>76</u>	<u>7,508,177</u>	<u>82</u>
Total assets		<u>\$ 8,974,022</u>	<u>100</u>	<u>8,912,648</u>	<u>100</u>	<u>9,219,781</u>	<u>100</u>	Total liabilities and equity		<u>\$ 8,974,022</u>	<u>100</u>	<u>8,912,648</u>	<u>100</u>	<u>9,219,781</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the three months ended March 31			
		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(i) and (x))	\$ 2,318,484	100	3,535,614	100
5000	Operating costs (notes 6(d), (j), (k), (l), (m), (s), (t) and (z))	<u>2,310,793</u>	<u>100</u>	<u>3,435,816</u>	<u>97</u>
	Gross profit from operations	<u>7,691</u>	<u>-</u>	<u>99,798</u>	<u>3</u>
	Operating expenses (notes 6(c), (j), (k), (l), (m), (s), (t) and (z)):				
6100	Selling expenses	11,385	-	19,205	1
6200	Administrative expenses	31,184	2	39,942	1
6300	Research and development expenses	77	-	497	-
6450	Expected credit impairment loss (gain)	<u>14</u>	<u>-</u>	<u>(52)</u>	<u>-</u>
		<u>42,660</u>	<u>2</u>	<u>59,592</u>	<u>2</u>
	Operating income (loss)	<u>(34,969)</u>	<u>(2)</u>	<u>40,206</u>	<u>1</u>
	Non-operating income and expenses (notes 6(f), (i), (s) and (y)):				
7100	Interest income	1,984	-	935	-
7010	Other income	2,497	-	5,576	-
7020	Other gains and losses	12,801	1	142,006	4
7050	Finance costs	(3,289)	-	(1,169)	-
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method	<u>16,525</u>	<u>1</u>	<u>(8,378)</u>	<u>-</u>
		<u>30,518</u>	<u>2</u>	<u>138,970</u>	<u>4</u>
9900	Profit (loss) before tax	(4,451)	-	179,176	5
7950	Income tax benefits (expense) (note 6(u))	<u>3,863</u>	<u>-</u>	<u>(43,456)</u>	<u>(1)</u>
	Net income (loss)	<u>(588)</u>	<u>-</u>	<u>135,720</u>	<u>4</u>
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	58,656	3	(13,853)	-
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	<u>33,089</u>	<u>1</u>	<u>(22,500)</u>	<u>(1)</u>
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>91,745</u>	<u>4</u>	<u>(36,353)</u>	<u>(1)</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation	(2,715)	-	18,956	1
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	<u>(62)</u>	<u>-</u>	<u>354</u>	<u>-</u>
	Components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>(2,777)</u>	<u>-</u>	<u>19,310</u>	<u>1</u>
8300	Other comprehensive income, net	<u>88,968</u>	<u>4</u>	<u>(17,043)</u>	<u>-</u>
8500	Comprehensive income	<u>\$ 88,380</u>	<u>4</u>	<u>118,677</u>	<u>4</u>
	Profit attributable to:				
8610	Owners of parent	\$ (1,818)	-	95,086	3
8620	Non-controlling interests	<u>1,230</u>	<u>-</u>	<u>40,634</u>	<u>1</u>
		<u>\$ (588)</u>	<u>-</u>	<u>135,720</u>	<u>4</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 87,358	4	73,979	2
8720	Non-controlling interests	<u>1,022</u>	<u>-</u>	<u>44,698</u>	<u>2</u>
		<u>\$ 88,380</u>	<u>4</u>	<u>118,677</u>	<u>4</u>
	Earnings per share (note 6(w))				
	Basic earnings per share	<u>\$ (0.003)</u>		<u>0.180</u>	
	Diluted earnings per share	<u>\$ (0.003)</u>		<u>0.180</u>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the three months ended March 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity interest			Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total					
				Special reserve	Unappropriated retained earnings				Total				
Balance at January 1, 2022	\$ 5,278,698	46,300	612,264	-	1,167,693	1,779,957	(34,634)	90,665	56,031	(13)	7,160,973	210,153	7,371,126
Net income	-	-	-	-	95,086	95,086	-	-	-	-	95,086	40,634	135,720
Other comprehensive income	-	-	-	-	-	-	15,246	(36,353)	(21,107)	-	(21,107)	4,064	(17,043)
Total comprehensive income	-	-	-	-	95,086	95,086	15,246	(36,353)	(21,107)	-	73,979	44,698	118,677
Overdue dividends not received by shareholders	-	18,374	-	-	-	-	-	-	-	-	18,374	-	18,374
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	6,041	6,041	-	(6,041)	(6,041)	-	-	-	-
Balance at March 31, 2022	\$ 5,278,698	64,674	612,264	-	1,268,820	1,881,084	(19,388)	48,271	28,883	(13)	7,253,326	254,851	7,508,177
Balance at January 1, 2023	\$ 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
Net loss	-	-	-	-	(1,818)	(1,818)	-	-	-	-	(1,818)	1,230	(588)
Other comprehensive income	-	-	-	-	-	-	(2,569)	91,745	89,176	-	89,176	(208)	88,968
Total comprehensive income	-	-	-	-	(1,818)	(1,818)	(2,569)	91,745	89,176	-	87,358	1,022	88,380
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,771)	(1,771)	-	1,771	1,771	-	-	-	-
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(9,442)	(9,442)	-	9,442	9,442	-	-	-	-
Balance at March 31, 2023	\$ 5,278,698	70,947	639,287	8,811	675,952	1,324,050	(9,961)	(104,502)	(114,463)	-	6,559,232	251,394	6,810,626

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the three months ended March 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2023	2022
Cash flows used in operating activities:		
Profit (loss) before tax	\$ (4,451)	179,176
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	69,273	68,766
Amortization expense	369	708
Expected credit impairment loss (gain)	14	(52)
Interest expense	3,289	1,169
Interest income	(1,984)	(935)
Dividend income	(1,382)	(546)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(14,726)	9,569
Gain on disposal of non-current assets held for sale	-	(132,748)
Gain on lease modification	(28)	(6)
Loss from decline (gain from recovery) in value of inventories	4,157	(120,669)
Total adjustments to reconcile profit (loss)	<u>58,982</u>	<u>(174,744)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets mandatorily measured at fair value through profit or loss	(54,408)	(150)
Accounts receivable	(204,016)	(401,471)
Other receivables	(3,474)	(7,589)
Inventories	96,160	570,106
Prepayments	(128,686)	16,978
Other current assets	255	8
Other financial assets	(31,291)	(81,354)
Total changes in operating assets	<u>(325,460)</u>	<u>96,528</u>
Changes in operating liabilities:		
Financial liabilities mandatorily measured at fair value through profit or loss	70	-
Current contract liabilities	(1,412)	(14,731)
Notes payable	-	(2)
Accounts payable	112,797	(89,142)
Other payables	(23,414)	(31,349)
Other current liabilities	206	(33,839)
Net defined benefit liabilities	235	194
Total changes in operating liabilities	<u>88,482</u>	<u>(168,869)</u>
Total changes in operating assets and liabilities	<u>(236,978)</u>	<u>(72,341)</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
For the three months ended March 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2023	2022
Cash outflow generated from operations	\$ (182,447)	(67,909)
Interest received	1,892	1,088
Dividends received	16	546
Interest paid	(3,451)	(1,176)
Dividends paid	-	(14)
Income taxes paid	(3,052)	(6,090)
Net cash flows used in operating activities	<u>(187,042)</u>	<u>(73,555)</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	288	-
Proceeds from disposal of non-current assets classified as held for sale	5,474	202,912
Acquisition of property, plant and equipment	(41,756)	(37,653)
Increase in refundable deposits	(30)	-
Decrease in refundable deposits	-	74
Net cash flows from (used in) investing activities	<u>(36,024)</u>	<u>165,333</u>
Cash flows used in financing activities:		
Increase in short-term borrowings	694,500	307,500
Decrease in short-term borrowings	(803,500)	(343,259)
Repayments of long-term borrowings	(2,061)	(2,074)
Payment of lease liabilities	(1,509)	(1,394)
Decrease in other non-current liabilities	-	(24)
Net cash used in financing activities	<u>(112,570)</u>	<u>(39,251)</u>
Effect of exchange rate changes on cash and cash equivalents	(667)	4,202
Net increase (decrease) in cash and cash equivalents	(336,303)	56,729
Cash and cash equivalents at beginning of period	765,147	253,124
Cash and cash equivalents at end of period	<u>\$ 428,844</u>	<u>309,853</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2023 and 2022

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

(1) Company history

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

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

The consolidated financial statements were reported to the Board of Directors, then were issued on May 10, 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. (“FSC”) 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, 2023:

- 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”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “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”

(Continued)

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

(4) Summary of significant accounting policies

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(b) Basis of consolidation

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

Name of investor	Name of subsidiary	Principal activity	Shareholding (%)			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	YSIC Ltd.	General investment, residential building and industrial plant development rental business	99.99	99.99	99.99	
The Company	Yuan-Shin Materials Technology Co., Ltd.	Basic chemical materials and plastic raw material manufacturing	100.00	100.00	100.00	Note 1
The Company	Yangmingshan Tien Lai Resort & SPA	Hotel	65.07	65.07	65.07	Note 2
The Company	Asia Carbons & Technology Inc.	Electronic component manufacturing	-	-	98.58	Note 3
YSIC Ltd.	Grand Capital Co., Ltd.	Investment	100.00	100.00	100.00	Note 1
YSIC Ltd.	Tien Lai Co., Ltd.	Piping engineering	50.00	50.00	50.00	Note 1 and 4
YSIC Ltd.	Kun Shan International Ltd.	Investment	62.03	62.03	62.03	
Kun Shan International Ltd.	Kun Shan Yu-Fu Technology Education Consulting Co., Ltd.	Educational consulting, information consulting, software and data storage consultation	100.00	100.00	100.00	
Kun Shan International Ltd.	Kun Shan Jia-an Technology Education Consulting Co., Ltd.	Educational consulting, information consulting, software and data storage consultation	100.00	100.00	100.00	

(Continued)

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

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

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

Note 3: 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 4: The Group does not directly or indirectly hold more than half of the total shares of Tien Lai Co., Ltd., but because the chairman of the company is designated by the Group and the Group has control over the company, it is incorporated into consolidation.

(c) Employee benefits

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

(d) Income taxes

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

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

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

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

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2022. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2022.

(Continued)

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

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2022. Please refer to notes 6 (a) to (ae) of the 2022 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cash on hand	\$ 1,081	969	1,484
Petty cash	890	892	962
Deposits in bank	382,561	719,192	307,407
Cash equivalents			
Time deposits due within one year	44,312	44,094	-
	<u>\$ 428,844</u>	<u>765,147</u>	<u>309,853</u>

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Mandatorily measured at fair value through profit or loss:			
Current:			
Listed stocks	\$ 247,503	193,917	275,759
Funds	29,535	29,327	38,336
Derivative instruments not used for hedging-foreign exchange swap contracts	-	468	-
Non-current:			
Listed stocks	8,658	7,576	9,740
Total	<u>\$ 285,696</u>	<u>231,288</u>	<u>323,835</u>
		December 31,	
	<u>March 31, 2023</u>	<u>2022</u>	<u>March 31, 2022</u>
Held-for-trading financial liabilities:			
Derivative instruments not used for hedging-foreign exchange swap contracts	<u>\$ 70</u>	<u>-</u>	<u>-</u>

(Continued)

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

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:

	March 31, 2023		
	Contract amount		Maturity dates
	(in thousand)		
Buy USD / Sell TWD	USD	8,000	2023.05
	December 31, 2022		
	Contract amount		Maturity dates
	(in thousand)		
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

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable	\$ 1,181,106	977,474	1,321,921
Less: Loss allowance	(1,907)	(2,367)	(2,432)
	\$ 1,179,199	975,107	1,319,489

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

	March 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,178,744	0.005%	59
1 to 90 days past due	227	1%	2
91 to 180 days past due	157	2%	3
181 to 365 days past due	94	2%	2
More than 1 year past due	1,884	50%~100%	1,841
	\$ 1,181,106		1,907

(Continued)

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

	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	<u>2,362</u>	50%~100%	<u>2,313</u>
	<u>\$ 977,474</u>		<u>2,367</u>
	March 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,319,142	0.005%	66
1 to 90 days past due	150	1%	2
91 to 180 days past due	120	2%	2
181 to 365 days past due	96	2%	2
More than 1 year past due	<u>2,413</u>	50%~100%	<u>2,360</u>
	<u>\$ 1,321,921</u>		<u>2,432</u>

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

	For the three months ended March 31	
	2023	2022
Beginning balance	\$ 2,367	2,466
Recognize impairment loss (reversal of impairment loss)	14	(52)
Amounts written off	(474)	-
Effect of exchange rate changes	-	18
Ending balance	<u>\$ 1,907</u>	<u>2,432</u>

(d) Inventories

	December 31,		
	March 31, 2023	2022	March 31, 2022
Merchandise inventory	\$ 1,495	1,587	1,568
Finished goods	72,746	190,868	55,791
By-product	10,890	9,363	11,784
Semi-finished products	133,194	62,616	64,401
Work in progress	79,150	46,865	73,354
Raw materials	148,041	178,560	153,109
Supplies	<u>22,957</u>	<u>78,931</u>	<u>17,197</u>
	<u>\$ 468,473</u>	<u>568,790</u>	<u>377,204</u>

(Continued)

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

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

	For the three months ended March 31	
	2023	2022
Loss from decline (gain from recovery) in value of inventories	\$ 4,157	(120,669)

None of the inventories of the Group was pledged as collateral on March 31, 2023, December 31 and March 31, 2022.

(e) Prepayments

	March 31, 2023	December 31, 2022	March 31, 2022
	Prepayment for purchases	\$ 12,934	68
Supplies	120,686	109,032	101,379
Overpaid sales tax	68,596	79,225	42,601
Others	93,123	27,209	13,277
	\$ 295,339	215,534	161,997

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

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

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 non-current assets (or disposal groups) held for sale. In January, 2023, the Group realized a loss of \$5,626 thousand, which was reclassified from other comprehensive income to retained earnings.

(g) Other current financial assets

	March 31, 2023	December 31, 2022	March 31, 2022
	Time deposits maturing over three months	\$ 60,291	29,000
Restricted deposits in bank	7,415	7,415	4,399
	\$ 67,706	36,415	240,820

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

(Continued)

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

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Equity investments:			
Domestic non-listed stocks	\$ 616,572	558,717	684,874
Foreign non-listed equity investments	<u>328,301</u>	<u>329,826</u>	<u>325,670</u>
	<u>\$ 944,873</u>	<u>888,543</u>	<u>1,010,544</u>

(i) The Group designated the investments shown above at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes not for trading purposes. During the three months ended March 31, 2023, the dividends of \$1,276 thousand were recognized. There were no dividends recognized during the three months ended March 31, 2022.

(ii) In March, 2023, the Group disposed its shares held in Euroc Venture Capital Corp. and Euroc III Venture Capital Corp. as a result of the completion of the liquidation. The shares disposed had a fair value of \$288 thousand and the Group realized a loss of \$2,359 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 three months ended December 31, 2022.

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

(iv) None of the above-mentioned financial assets had been pledged as collateral as of March 31, 2023, December 31 and March 31, 2022.

(i) Investments accounted for using equity method

(i) Associates

Associates of the Group consisted of the following:

	<u>March 31, 2023</u>		<u>December 31, 2022</u>		<u>March 31, 2022</u>	
	<u>Amount</u>	<u>Share- holding (%)</u>	<u>Amount</u>	<u>Share- holding (%)</u>	<u>Amount</u>	<u>Share- holding (%)</u>
Grand Cathay Venture Capital Co., Ltd.	\$ 504,022	25.00	478,292	25.00	454,057	25.00
Wonderland Enterprise Co., Ltd.	654,969	37.04	630,762	37.04	818,010	37.04
Globaltop Technology Inc.	41,502	23.89	43,363	23.89	48,390	23.89
Functional Coating System Technologies Co., Ltd.	25,349	34.88	25,575	34.88	26,790	34.88
Universal Investments Limited	<u>17,610</u>	40.00	<u>17,820</u>	40.00	<u>17,303</u>	40.00
	<u>\$ 1,243,452</u>		<u>1,195,812</u>		<u>1,364,550</u>	

(Continued)

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

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

	For the three months ended	
	March 31	
	2023	2022
Attributable to the Group:		
Net income (loss)	\$ 14,726	(9,569)
Other comprehensive income	33,027	(22,146)
Total comprehensive income	\$ 47,753	(31,715)

(ii) Pledge to secure

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

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

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

(j) Property, plant and equipment

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

	Land	Land improvements	Buildings and structures	Machinery and equipment	Transportatio n equipment	Other equipment	Construction in progress	Total
Cost:								
Balance as of January 1, 2023	\$ 1,576,740	8,462	621,630	7,532,609	2,959	859,400	53,965	10,655,765
Additions	-	-	-	-	-	195	32,641	32,836
Disposals	-	-	-	(9,839)	-	(1,020)	-	(10,859)
Reclassification	-	-	-	2,483	-	-	(2,483)	-
Effect of exchange rate changes	-	-	-	-	5	-	-	5
Balance as of March 31, 2023	\$ 1,576,740	8,462	621,630	7,525,253	2,964	858,575	84,123	10,677,747
Balance as of January 1, 2022	\$ 1,576,740	8,462	621,630	7,307,108	4,276	844,220	298,058	10,660,494
Additions	-	-	-	-	-	242	13,828	14,070
Disposals	-	-	-	(68,266)	-	-	-	(68,266)
Reclassification	-	-	-	269,068	-	1,200	(284,148)	(13,880)
Effect of exchange rate changes	-	-	-	-	42	-	-	42
Balance as of March 31, 2022	\$ 1,576,740	8,462	621,630	7,507,910	4,318	845,662	27,738	10,592,460
Accumulated depreciation:								
Balance as of January 1, 2023	\$ -	8,425	258,649	6,148,037	2,805	586,979	-	7,004,895
Depreciation	-	5	3,610	52,327	29	11,440	-	67,411
Disposals	-	-	-	(9,839)	-	(1,020)	-	(10,859)
Effect of exchange rate changes	-	-	-	-	5	-	-	5
Balance as of March 31, 2023	\$ -	8,430	262,259	6,190,525	2,839	597,399	-	7,061,452
Balance as of January 1, 2022	\$ -	8,404	244,208	6,008,783	4,004	542,087	-	6,807,486
Depreciation	-	5	3,612	51,701	30	11,874	-	67,222
Disposals	-	-	-	(68,266)	-	-	-	(68,266)
Effect of exchange rate changes	-	-	-	-	38	-	-	38
Balance as of March 31, 2022	\$ -	8,409	247,820	5,992,218	4,072	553,961	-	6,806,480
Carrying value:								
Balance as of January 1, 2023	\$ 1,576,740	37	362,981	1,384,572	154	272,421	53,965	3,650,870
Balance as of March 31, 2023	\$ 1,576,740	32	359,371	1,334,728	125	261,176	84,123	3,616,295
Balance as of January 1, 2022	\$ 1,576,740	58	377,422	1,298,325	272	302,133	298,058	3,853,008
Balance as of March 31, 2022	\$ 1,576,740	53	373,810	1,515,692	246	291,701	27,738	3,785,980

(Continued)

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

As of March 31, 2023, December 31 and March 31, 2022, there was no recognized accumulated impairment losses of property, plant and equipment.

As of March 31, 2023, December 31 and March 31, 2022, 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:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Total</u>
Cost:					
Balance as of January 1, 2023	\$ 4,148	1,252	12,555	9,614	27,569
Additions	-	-	1,234	-	1,234
Lease modification	142	-	-	-	142
Disposals	-	-	(586)	-	(586)
Balance as of March 31, 2023	<u>\$ 4,290</u>	<u>1,252</u>	<u>13,203</u>	<u>9,614</u>	<u>28,359</u>
Balance as of January 1, 2022	\$ 4,064	1,254	12,769	4,814	22,901
Lease modification	84	-	-	-	84
Disposals	-	-	(1,288)	-	(1,288)
Balance as of March 31, 2022	<u>\$ 4,148</u>	<u>1,254</u>	<u>11,481</u>	<u>4,814</u>	<u>21,697</u>
Accumulated depreciation:					
Balance as of January 1, 2023	\$ 301	554	2,511	3,370	6,736
Depreciation	55	157	1,084	480	1,776
Disposals	-	-	(586)	-	(586)
Balance as of March 31, 2023	<u>\$ 356</u>	<u>711</u>	<u>3,009</u>	<u>3,850</u>	<u>7,926</u>
Balance as of January 1, 2022	\$ 87	354	10,328	2,167	12,936
Depreciation	54	157	1,007	240	1,458
Disposals	-	-	(1,288)	-	(1,288)
Balance as of March 31, 2022	<u>\$ 141</u>	<u>511</u>	<u>10,047</u>	<u>2,407</u>	<u>13,106</u>
Carrying amount:					
Balance as of January 1, 2023	<u>\$ 3,847</u>	<u>698</u>	<u>10,044</u>	<u>6,244</u>	<u>20,833</u>
Balance as of March 31, 2023	<u>\$ 3,934</u>	<u>541</u>	<u>10,194</u>	<u>5,764</u>	<u>20,433</u>
Balance as of January 1, 2022	<u>\$ 3,977</u>	<u>900</u>	<u>2,441</u>	<u>2,647</u>	<u>9,965</u>
Balance as of March 31, 2022	<u>\$ 4,007</u>	<u>743</u>	<u>1,434</u>	<u>2,407</u>	<u>8,591</u>

(Continued)

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

(1) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
Cost:			
Balance as of March 31, 2023 (Balance as of January 1, 2023)	\$ <u>46,101</u>	<u>17,625</u>	<u>63,726</u>
Balance as of December 31, 2022 (Balance as of January 1, 2022)	\$ <u>46,101</u>	<u>17,625</u>	<u>63,726</u>
Accumulated depreciation:			
Balance as of January 1, 2023	\$ -	7,057	7,057
Depreciation	<u>-</u>	<u>86</u>	<u>86</u>
Balance as of March 31, 2023	\$ <u>-</u>	<u>7,143</u>	<u>7,143</u>
Balance as of January 1, 2022	\$ -	6,711	6,711
Depreciation	<u>-</u>	<u>86</u>	<u>86</u>
Balance as of March 31, 2022	\$ <u>-</u>	<u>6,797</u>	<u>6,797</u>
Carrying value:			
Balance as of January 1, 2023	\$ <u>46,101</u>	<u>10,568</u>	<u>56,669</u>
Balance as of March 31, 2023	\$ <u>46,101</u>	<u>10,482</u>	<u>56,583</u>
Balance as of January 1, 2022	\$ <u>46,101</u>	<u>10,914</u>	<u>57,015</u>
Balance as of March 31, 2022	\$ <u>46,101</u>	<u>10,828</u>	<u>56,929</u>

The fair value of the investment property was not significantly different from those disclosed in note 6(1) of the annual consolidated financial statements for the year ended December 31, 2022. For other relevant information, please refer to note 6(1) of the consolidated financial statements of 2022.

None of the investment property was pledged as collateral as of March 31, 2023, December 31 and March 31, 2022.

(Continued)

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

(m) Intangible assets

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

	<u>Technical royalty</u>	<u>Computer software</u>	<u>Total</u>
Cost:			
Balance as of March 31, 2023 (Balance as of January 1, 2023)	\$ <u>22,242</u>	<u>1,961</u>	<u>24,203</u>
Balance as of March 31, 2022 (Balance as of January 1, 2022)	\$ <u>22,242</u>	<u>6,061</u>	<u>28,303</u>
Accumulated amortization:			
Balance as of January 1, 2023	\$ 17,043	1,035	18,078
Amortization	<u>244</u>	<u>125</u>	<u>369</u>
Balance as of March 31, 2023	\$ <u>17,287</u>	<u>1,160</u>	<u>18,447</u>
Balance as of January 1, 2022	\$ 16,068	4,303	20,371
Amortization	<u>244</u>	<u>464</u>	<u>708</u>
Balance as of March 31, 2022	\$ <u>16,312</u>	<u>4,767</u>	<u>21,079</u>
Carrying value:			
Balance as of January 1, 2023	\$ <u>5,199</u>	<u>926</u>	<u>6,125</u>
Balance as of March 31, 2023	\$ <u>4,955</u>	<u>801</u>	<u>5,756</u>
Balance as of January 1, 2022	\$ <u>6,174</u>	<u>1,758</u>	<u>7,932</u>
Balance as of March 31, 2022	\$ <u>5,930</u>	<u>1,294</u>	<u>7,224</u>

(n) Other long-term investment, net

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Construction and operation of student dormitory	\$ <u>28,870</u>	<u>28,728</u>	<u>31,715</u>

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Long-term prepaid expenses	\$ 72,840	23,959	69,951
Net defined benefit assets	<u>6,324</u>	<u>6,324</u>	<u>5,489</u>
	\$ <u>79,164</u>	<u>30,283</u>	<u>75,440</u>

(Continued)

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

(p) Short-term borrowings

Short-term borrowings of the Group were as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Unsecured bank loans	\$ 591,000	700,000	200,000
Secured bank loans	107,500	107,500	117,500
Total	<u>\$ 698,500</u>	<u>807,500</u>	<u>317,500</u>
Unused short-term credit lines	<u>\$ 1,107,500</u>	<u>1,330,329</u>	<u>787,166</u>
Range of interest rate	<u>1.80~2.10%</u>	<u>1.70~2.060%</u>	<u>1.00%~1.45%</u>

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

(q) Other payables

Other payables of the Group were as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Accrued payroll	\$ 2,356	27,027	9,417
Employee bonus payable	441	441	3,334
Compensation payable to directors	78	78	3,029
Compensated absences	16,621	16,404	29,924
Other accrued expenses payable	38,263	47,456	41,413
Payables on equipment	1,722	10,642	664
Dividends payable	452	452	452
Other payables-other	21,209	11,138	16,937
Total	<u>\$ 81,142</u>	<u>113,638</u>	<u>105,170</u>

(r) Long-term borrowings

Long-term borrowings of the Group were as follows:

	<u>March 31, 2023</u>			
	<u>Currency</u>	<u>Range of interest rate</u>	<u>Due year</u>	<u>Amount</u>
Secured bank loans	NTD	2.26%	2030	\$ 66,722
Less: current portion				8,273
Total				<u>\$ 58,449</u>
Unused long-term credit lines				<u>\$ 20,978</u>

(Continued)

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

	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

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

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

(s) Lease liabilities

Lease liabilities of the Group were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Current	\$ 6,524	6,393	3,067
Non-current	\$ 12,950	13,242	5,415

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2023	2022
Interest on lease liabilities	\$ 102	34
Expenses relating to short-term leases	\$ 140	75
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 152	187

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

	For the three months ended March 31	
	2023	2022
Total cash outflow for leases	\$ 1,903	1,690

(Continued)

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

(t) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2022 and 2021.

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

	For the three months ended	
	March 31	
	2023	2022
Operating cost	\$ 282	260
Operating expenses	97	99
Total	\$ 379	359

(ii) Defined contribution plans

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

	For the three months ended	
	March 31	
	2023	2022
Operating cost	\$ 2,150	2,074
Operating expenses	705	746
Total	\$ 2,855	2,820

(u) Income tax

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

	For the three months ended	
	March 31	
	2023	2022
Current income tax expense		
Current period	\$ 7,976	35,292
Deferred income tax benefit		
Origination and reversal of temporary difference	(11,839)	8,164
Income tax expense (benefit)	\$ (3,863)	43,456

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

(Continued)

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

(v) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the three months ended March 31, 2023 and 2022. Please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2022.

(i) Capital surplus

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Difference arising from subsidiary's share price and its carrying value	\$ 8,953	8,953	8,953
Changes in ownership interests in subsidiaries	26,307	26,307	26,307
Changes in equity of investments in associates using equity method	6,659	6,659	6,594
Treasury share transactions	4,430	4,430	4,433
Donation from shareholders	13	13	13
Overdue dividends not received by shareholders	<u>24,585</u>	<u>24,585</u>	<u>18,374</u>
Total	<u>\$ 70,947</u>	<u>70,947</u>	<u>64,674</u>

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.

(ii) Retained earnings

The Company's Article of Incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. In general, cash dividends shall not be less than 30% of total dividends. However, based on the need to respond to changes in the industry, major investment plans and improve the financial structure, or in the case of sudden major capital needs, the cash dividend payout rate could be adjusted to 10% to 30%. If the cash dividend is less than \$0.1 per share, it will not be issued, and the stock dividend will be paid instead.

(Continued)

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

On March 8, 2023, the Board of Directors resolved to distribute the 2022 earnings. On June 22, 2022, the shareholders' meeting resolved to distribute the 2021 earnings. These earnings were appropriated as follows:

	2022	2021	
Dividends distributed to ordinary shareholders			
Cash	\$ 105,574	79,156	
(iii) Other equity			
	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2023	\$ (7,392)	(207,460)	(214,852)
Exchange differences on foreign operations	(2,507)	-	(2,507)
Exchange differences on associates and joint ventures accounted for using equity method	(62)	-	(62)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	58,656	58,656
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on associates and joint ventures accounted for using equity method	-	33,089	33,089
Cumulative losses (gains) reclassified to retained earnings on disposal of investments in equity instruments designated at fair value through other comprehensive income	-	1,771	1,771
Cumulative losses (gains) reclassified to retained earnings on associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	9,442	9,442
Balance as of March 31, 2023	\$ (9,961)	(104,502)	(114,463)
Balance as of January 1, 2022	\$ (34,634)	90,665	56,031
Exchange differences on foreign operations	14,892	-	14,892
Exchange differences on associates and joint ventures accounted for using equity method	354	-	354
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(13,853)	(13,853)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on associates and joint ventures accounted for using equity method	-	(22,500)	(22,500)
Cumulative losses (gains) reclassified to retained earnings on associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(6,041)	(6,041)
Balance as of March 31, 2022	\$ (19,388)	48,271	28,883

(Continued)

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

(w) Earnings per share

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

(i) Basic earnings per share

	For the three months ended March 31	
	2023	2022
Profit (loss) attributable to the Company	\$ <u>(1,818)</u>	<u>95,086</u>
Weighted-average number of ordinary shares outstanding	<u>527,870</u>	<u>527,870</u>
Earnings per share (NTD)	\$ <u>(0.003)</u>	<u>0.180</u>

(ii) Diluted earnings per share

	For the three months ended March 31	
	2023	2022
Profit (loss) attributable to the Company (diluted)	\$ <u>(1,818)</u>	<u>95,086</u>
Weighted-average number of ordinary shares outstanding	527,870	527,869
Effect of dilutive potential ordinary shares		
Employee remuneration in stock	-	172
Weighted-average number of ordinary shares outstanding (diluted)	<u>527,870</u>	<u>528,041</u>
Diluted earnings per share (NTD)	\$ <u>(0.003)</u>	<u>0.180</u>

(x) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended	
	March 31	
	2023	2022
Primary geographical markets:		
Asia	\$ 2,304,514	3,479,314
Europe	-	59,817
Total	\$ <u>2,304,514</u>	<u>3,539,131</u>
Major products/services lines:		
Commodity sales revenue	\$ 2,250,970	3,490,758
Travel service revenue	49,618	44,387
Other operating revenue	3,926	3,986
	\$ <u>2,304,514</u>	<u>3,539,131</u>

(Continued)

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

(ii) Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022
Contract liabilities-travel service contract	\$ 33,986	40,713	28,424
Contract liabilities-unearned sales revenue	13,144	7,829	7,868
Total	<u>\$ 47,130</u>	<u>48,542</u>	<u>36,292</u>

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

The amount of revenue recognized for the three months ended March 31, 2023 and 2022 that were included in the contract liability balance at the beginning of the period were \$2,530 thousand and \$10,978 thousand, respectively.

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

(y) Non-operating income and expenses

(i) Other income

Details of other income of the Group were as follows:

	For the three months ended March 31	
	2023	2022
Rent income	\$ 258	277
Dividend income	1,280	546
Others	959	4,753
Total	<u>\$ 2,497</u>	<u>5,576</u>

(ii) Other gains and losses

	For the three months ended March 31	
	2023	2022
Foreign exchange gains	\$ 1,544	2,845
Gains on financial assets at fair value through profit or loss	11,229	6,431
Gains on disposals of non-current assets (or disposal groups) held for sale	-	132,748
Gains on lease modification	28	6
Others	-	(24)
Total	<u>\$ 12,801</u>	<u>142,006</u>

(Continued)

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

(iii) Finance costs

	For the three months ended	
	March 31	
	2023	2022
Interest expense	\$ 3,289	1,169

(z) 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 three months ended March 31, 2023 there was no appropriation of remunerations to employees and directors because of net loss before tax.

For the three months ended March 31, 2022, the remunerations to employees and directors were both amounted to \$2,884 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. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employees' remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

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

For the years ended December 31, 2021, the remunerations to employees and directors were both amounted to \$49 thousand. 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. The information is available on the Market Observations Post System Website.

(aa) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(ab) of the consolidated financial statements for the year ended December 31, 2022.

(i) Credit risk

1) Credit risk exposure

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

(Continued)

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

2) Concentration of credit risk

As of March 31, 2023, December 31 and March 31, 2022, the Group reviewed the concentrations of credit risk arising from the major top ten customers, and it was 95%, 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
March 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	\$ 698,500	701,616	701,616	-	-	-
Payables	1,088,976	1,088,976	1,088,976	-	-	-
Long-term borrowings	66,722	72,560	9,739	9,739	29,218	23,864
Deposit received	660	660	350	310	-	-
Lease liabilities	19,474	20,486	6,849	5,800	4,827	3,010
	<u>\$ 1,874,332</u>	<u>1,884,298</u>	<u>1,807,530</u>	<u>15,849</u>	<u>34,045</u>	<u>26,874</u>
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
	<u>\$ 1,904,220</u>	<u>1,913,620</u>	<u>1,834,386</u>	<u>15,428</u>	<u>34,459</u>	<u>29,347</u>
March 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	\$ 317,500	318,149	318,149	-	-	-
Payables	990,665	990,665	990,665	-	-	-
Long-term borrowings	74,961	80,668	9,553	9,553	28,600	32,962
Deposit received	692	692	-	350	342	-
Lease liabilities	8,482	9,226	3,294	1,532	1,231	3,169
	<u>\$ 1,392,300</u>	<u>1,399,400</u>	<u>1,321,661</u>	<u>11,435</u>	<u>30,173</u>	<u>36,131</u>

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

(Continued)

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

(iii) Market risk

1) Currency risk

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

	March 31, 2023			December 31, 2022			March 31, 2022		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 9,224	30.450	280,871	8,424	30.710	258,701	13,613	28.625	389,672
CNY	69,527	4.431	308,074	69,447	4.409	306,192	76,291	4.509	343,996
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	8,351	30.450	254,288	7,898	30.710	242,548	4,192	28.625	119,996
CNY	758	4.431	3,359	759	4.409	3,346	1,003	4.509	4,523
EUR	30	33.150	995	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 March 31, 2023 and 2022, would have increased (decreased) net profit before tax by \$3,303 thousand and \$6,090 thousand for the three months ended March 31, 2023 and 2022, respectively. The analysis is performed on the same basis.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to gain of \$1,544 thousand and \$2,845 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 \$1,913 thousand and \$981 thousand for three months ended March 31, 2023 and 2022, respectively, with all other variable factors remaining constant. This is mainly due to the Group's loan at variable rates.

(Continued)

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

3) Other market price risk

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

Prices of securities at the reporting date	For the three months ended March 31			
	2023		2022	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	\$ 9,449	2,857	10,105	3,238
Decreasing 1%	\$ (9,449)	(2,857)	(10,105)	(3,238)

(iv) Fair value information

1) Types and fair value of financial instruments

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

	March 31, 2023				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss:					
Financial assets mandatorily at fair value through profit or loss:					
Listed stocks	\$ 256,161	256,161	-	-	256,161
Funds	29,535	29,535	-	-	29,535
Financial assets at fair value through other comprehensive income:					
Domestic and foreign non-listed stocks	944,873	-	-	944,873	944,873
Financial assets measured at amortized cost:					
Cash and cash equivalents	428,844	-	-	-	-
Accounts receivable	1,179,199	-	-	-	-
Other receivables	7,165	-	-	-	-
Other financial assets-current	67,706	-	-	-	-
Refundable deposits	3,848	-	-	-	-
Subtotal	1,686,762	-	-	-	-
Total	\$ 2,917,331	285,696	-	944,873	1,230,569

(Continued)

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

	March 31, 2023				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities designated at fair value through profit or loss:					
Derivative instruments not used for hedging-foreign exchange swap contracts	\$ 70	-	70	-	70
Financial liabilities measured at amortized cost:					
Short-term borrowings	698,500	-	-	-	-
Accounts payable	1,008,655	-	-	-	-
Other payables	80,321	-	-	-	-
Long-term borrowings	66,722	-	-	-	-
Other non-current liabilities	660	-	-	-	-
Lease liabilities	19,474	-	-	-	-
Total	\$ 1,874,402	-	70	-	70
	December 31, 2022				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:					
Financial assets mandatorily at fair value through profit or loss:					
Listed stocks	\$ 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 stocks (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

(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 liabilities measured at amortized cost:						
Short-term borrowings	\$ 807,500	-	-	-	-	
Notes 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	-	-	-	-	
		March 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	\$ 285,499	285,499	-	-	285,499	
Funds	38,336	38,336	-	-	38,336	
Financial assets at fair value through other comprehensive income:						
Domestic and foreign non-listed stocks	1,010,544	-	-	1,010,544	1,010,544	
Financial assets measured at amortized cost:						
Cash and cash equivalents	309,853	-	-	-	-	
Accounts receivable	1,319,489	-	-	-	-	
Other receivables	13,286	-	-	-	-	
Other financial assets-current	240,820	-	-	-	-	
Refundable deposits	3,513	-	-	-	-	
Subtotal	1,886,961	-	-	-	-	
Total	\$ 3,221,340	323,835	-	1,010,544	1,334,379	
Financial liabilities measured at amortized cost:						
Short-term borrowings	\$ 317,500	-	-	-	-	
Accounts payable	888,574	-	-	-	-	
Other payables	102,091	-	-	-	-	
Long-term borrowings	74,961	-	-	-	-	
Other non-current liabilities	692	-	-	-	-	
Lease liabilities	8,482	-	-	-	-	
Total	\$ 1,392,300	-	-	-	-	

(Continued)

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

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.

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 three months ended March 31, 2023 and 2022.

(Continued)

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

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2023	\$ 888,543
Total gains and losses recognized	
Other comprehensive income	58,656
Disposals	(288)
Effect of exchange rate changes	(2,038)
Ending Balance, March 31, 2023	\$ 944,873
Opening balance, January 1, 2022	\$ 1,016,623
Total gains and losses recognized	
Other comprehensive income	(13,853)
Effect of exchange rate changes	7,774
Ending Balance, March 31, 2022	\$ 1,010,544

Above-mentioned total gains and losses were included in unrealized gains and losses from financial assets at fair value through other comprehensive income. Among those related to the assets still held on March 31, 2023 and 2022 were as follows:

	For the three months ended March 31	
	2023	2022
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”	\$ 58,656	(13,853)

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.

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.

(Continued)

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

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income - equity investments without an active market	Market method (Comparable listed company method)	· Price to book ratio (0.98~1.82, 0.96~1.75 and 1.08~2.18 as of March 31, 2023, December 31 and March 31, 2022)	· The fair value would increase if price to book ratio increase
		· Lack of market liquidity discount (10%~30%, 3%~30% and 10%~43% as of March 31, 2023, December 31 and March 31, 2022)	· 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 increase

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

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

	<u>Inputs</u>	<u>Increase/Decrease</u>	<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
March 31, 2023				
Financial assets at fair value through other comprehensive income	Price to book ratio	10%	\$ 4,168	(4,168)
	Liquidity discount	10%	24,238	(24,238)
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)
March 31, 2022				
Financial assets at fair value through other comprehensive income	Price to book ratio	10%	939	(939)
	Liquidity discount	10%	21,345	(21,345)

(Continued)

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

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

(ab) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(ac) of the consolidated financial statements for the year ended December 31, 2022.

(ac) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2022. Please refer to note 6(ad) of the consolidated financial statements for the year ended December 31, 2022 for further details.

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

There were no non-cash investing activities for the three months ended March 31, 2023 and 2022. Reconciliation of liabilities arising from non-cash financing activities for the three months ended March 31, 2023 and 2022 were as follows:

	January 1, 2023	Cash flows	Non-cash changes			March 31, 2023
			Lease modification	Effect of consolidation changes	Additions	
Lease liabilities	\$ 19,635	(1,509)	114	-	1,234	19,474

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

(7) Related-party transactions

(a) Key management personnel compensation

	For the three months ended March 31	
	2023	2022
Short-term employee benefits	\$ 8,393	7,827
Post-employment benefits	502	514
	\$ 8,895	8,341

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

(Continued)

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

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cash in banks (other financial assets)	Performance guarantee	\$ 7,415	7,415	1,843
Land, buildings and structures	Borrowings	581,585	582,846	586,628
		<u>\$ 589,000</u>	<u>590,261</u>	<u>588,471</u>

(9) Commitments and contingencies

(a) Letter of credit issued but not expired

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Letter of credit outstanding for the import of raw materials	\$ 1,268,000	936,318	1,122,225
			(including USD217 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	For the three months ended March 31					
	2023			2022		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	\$ 44,004	16,713	60,717	46,844	23,709	70,553
Labor and health insurance	4,937	1,263	6,200	4,261	1,227	5,488
Pension	2,432	802	3,234	2,334	845	3,179
Others	2,665	2,891	5,556	2,621	4,141	6,762
Depreciation	66,348	2,925	69,273	66,185	2,581	68,766
Amortization	322	47	369	662	46	708

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2023:

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

(in Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the security issuer	Account	Ending balance				Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Test Research, Inc.	-	Current financial assets at fair value through profit or loss	455,000	28,893	0.19 %	28,893	
The Company	Solar Applied Materials Technology Corp.	-	Current financial assets at fair value through profit or loss	2,842,000	103,875	0.48 %	103,875	
The Company	Universal Venture Capital Investment Corporation	-	Non-current investment in equity instrument at FVOCI	8,400,000	56,074	6.98 %	56,074	
The Company	Global Investment Holding Co., Ltd	-	Non-current investment in equity instrument at FVOCI	10,233,608	88,126	5.82 %	88,126	
The Company	Faith Alliance Corporation	-	Non-current investment in equity instrument at FVOCI	25,720	46	0.06 %	46	
The Company	Excellence Electronic Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	912	7	0.01 %	7	
The Company	Leadwell Cnc Machines Mfg., Corp.	-	Non-current investment in equity instrument at FVOCI	37,352	1,189	0.06 %	1,189	
The Company	Crownpo Technology Inc.	-	Non-current investment in equity instrument at FVOCI	709	17	0.01 %	17	
The Company	Vxis Technology Corp.	-	Non-current investment in equity instrument at FVOCI	72,480	706	0.61 %	706	
The Company	Asia Global Venture Capital II CO., Ltd.	-	Non-current investment in equity instrument at FVOCI	531,300	18,236	10.00 %	18,236	
The Company	Shieh Tai Biochemical Technology Co., Ltd	-	Non-current investment in equity instrument at FVOCI	120,339	-	0.32 %	-	
The Company	Lof Solar Corp.	-	Non-current investment in equity instrument at FVOCI	600,000	-	3.64 %	-	
The Company	Yuan-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	21,000,000	202,906	19.09 %	202,906	
The Company	Yu-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	21,320,000	245,978	19.38 %	245,978	
The Company	Deng Yun Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	591,945	46,675	3.09 %	46,675	
The Company	Lidien Inc.	-	Non-current investment in equity instrument at FVOCI	760,000	18,323	19.00 %	18,323	
The Company	GVISION-USA, INC.	-	Non-current investment in equity instrument at FVOCI	666,667	20,340	19.05 %	20,340	
YSIC Ltd.	OBI Pharma, Inc	-	Current financial assets at fair value through profit or loss	170,032	13,840	0.07 %	13,840	
YSIC Ltd.	MPI Corporation	-	Current financial assets at fair value through profit or loss	30,000	4,050	0.03 %	4,050	
YSIC Ltd.	Turvo International Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	2,300	0.03 %	2,300	
YSIC Ltd.	BizLink Holding Inc.	-	Current financial assets at fair value through profit or loss	20,000	5,580	0.01 %	5,580	
YSIC Ltd.	Yulon Finance Corporation	-	Current financial assets at fair value through profit or loss	20,000	3,590	- %	3,590	
YSIC Ltd.	Lin BioScience, Inc	-	Current financial assets at fair value through profit or loss	60,000	11,010	0.08 %	11,010	
YSIC Ltd.	Ingentec Corporation	-	Current financial assets at fair value through profit or loss	20,000	3,580	0.05 %	3,580	

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with the security issuer	Account	Ending balance				Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value	
YSIC Ltd.	Chip Hope Co., Ltd.	-	Current financial assets at fair value through profit or loss	40,000	4,060	0.06 %	4,060	
YSIC Ltd.	China Steel Structure Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	1,176	0.01 %	1,176	
YSIC Ltd.	Handa Pharmaceuticals, Inc.	-	Current financial assets at fair value through profit or loss	10,000	1,900	0.01 %	1,900	
YSIC Ltd.	Advanced International Multitech Co., Ltd.	-	Current financial assets at fair value through profit or loss	10,000	994	0.01 %	994	
YSIC Ltd.	Launch Technologies Co., Ltd.	-	Current financial assets at fair value through profit or loss	5,000	443	0.01 %	443	
YSIC Ltd.	Ememory Technology Inc.	-	Current financial assets at fair value through profit or loss	7,000	13,020	0.01 %	13,020	
YSIC Ltd.	Mediatek Inc.	-	Current financial assets at fair value through profit or loss	10,000	7,870	- %	7,870	
YSIC Ltd.	Senao Networks, Inc.	-	Current financial assets at fair value through profit or loss	7,000	2,394	0.01 %	2,394	
YSIC Ltd.	Yen Sun Technology Corp.	-	Current financial assets at fair value through profit or loss	100,000	3,270	0.14 %	3,270	
YSIC Ltd.	Faraday Technology Corp.	-	Current financial assets at fair value through profit or loss	20,000	3,930	0.01 %	3,930	
YSIC Ltd.	Wiwynn Corp.	-	Current financial assets at fair value through profit or loss	6,000	6,750	- %	6,750	
YSIC Ltd.	UPI Semiconductor Corp.	-	Current financial assets at fair value through profit or loss	21,000	6,521	0.03 %	6,521	
YSIC Ltd.	Winway Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	5,000	3,595	0.01 %	3,595	
YSIC Ltd.	Shin Kong Chi-Shin Money-Market Fund	-	Current financial assets at fair value through profit or loss	1,800,000	28,364	- %	28,364	
YSIC Ltd.	Fubon Taiwan High Dividend 30 ETF	-	Current financial assets at fair value through profit or loss	100,000	1,171	- %	1,171	
YSIC Ltd.	Cjw International Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	676,413	8,658	0.50 %	8,658	
YSIC Ltd.	Cyca International Co., Ltd.	-	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	339	0.63 %	339	
YSIC Ltd.	Vxis Technology Corp.	-	Non-current investment in equity instrument at FVOCI	72,480	707	0.61 %	707	
YSIC Ltd.	Yuan-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	100,000	966	0.09 %	966	
YSIC Ltd.	Yu-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	103,000	1,188	0.09 %	1,188	
Grand Capital Co., Ltd.	Deng Yun Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	3,082,453	243,050	16.10 %	243,050	
Yuan Shin Materials Technology Co., Ltd.	Yuanta Financial Holding Co., Ltd.	-	Current financial assets at fair value through profit or loss	309,000	6,906	- %	6,906	
Yuan Shin Materials Technology Co., Ltd.	Weikeng Industrial Co., Ltd.	-	Current financial assets at fair value through profit or loss	40,000	1,198	0.01 %	1,198	
Yuan Shin Materials Technology Co., Ltd.	Wah Lee Industrial Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	1,752	0.01 %	1,752	
Yuan Shin Materials Technology Co., Ltd.	China General Plastics Corp.	-	Current financial assets at fair value through profit or loss	50,000	1,315	0.01 %	1,315	
Yuan Shin Materials Technology Co., Ltd.	Asustek Computer Inc.	-	Current financial assets at fair value through profit or loss	6,000	1,635	- %	1,635	

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with the security issuer	Account	Ending balance				Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value	
Yuan Shin Materials Technology Co., Ltd.	Giga-Byte Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	4,000	534	- %	534	
Yuan Shin Materials Technology Co., Ltd.	Supreme Electronics Co., Ltd.	-	Current financial assets at fair value through profit or loss	30,000	1,337	0.01 %	1,337	
Yuan Shin Materials Technology Co., Ltd.	Chang Wah Electromaterials Inc.	-	Current financial assets at fair value through profit or loss	5,000	185	- %	185	

- (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 three months ended March 31, 2023: None
- (b) Information on investees:

The following is the information on investees for the three months ended March 31, 2023 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying value			
The Company	Grand Cathay Venture Capital Co., Ltd.	Taiwan	Investment business	400,000	400,000	40,000,000	25.00 %	504,022	71,127	17,782	
The Company	Wonderland Enterprise Co., Ltd.	Taiwan	General investment business	325,230	325,230	29,629,597	37.04 %	654,969	(2,520)	(933)	
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 %	25,349	(648)	(226)	
The Company	Universal Investments Limited	British Cayman Islands	Real estate investment business	17,273	17,273	80	40.00 %	17,610	(105)	(98)	
The Company	YSIC Ltd.	Taiwan	General investment, residential building and industrial plant development rental business	1,638,169	1,638,169	72,446,838	99.99 %	923,544	11,922	11,921	Subsidiary
The Company	Yuan-Shin Materials Technology Co. Ltd	Taiwan	Basic precision chemical materials and plastic raw material manufacturing	145,900	145,900	5,000,000	100.00 %	49,984	703	703	Subsidiary
The Company	Yangmingshan Tien Lai Resort & SPA	Taiwan	General hotel industry	630,555	630,555	25,865,618	65.07 %	696,316	8,421	4,901	Subsidiary
YSIC Ltd.	Kun Shan International Ltd.	Seychelles	General investment business	122,572	122,572	3,702,718	62.03 %	202,276	(1,072)	(665)	Subsidiary
YSIC Ltd.	Grand Capital Co., Ltd.	Seychelles	General investment business	90,182	90,182	2,698,002	100.00 %	244,978	78	78	Subsidiary
YSIC Ltd.	Yangmingshan Tien Lai Resort & SPA	Taiwan	General hotel industry	110,836	110,836	4,807,774	12.10 %	119,182	8,421	929	Subsidiary
YSIC Ltd.	Globaltop Technology Inc.	Taiwan	Aluminum Nitride Powder	162,643	162,643	5,255,553	23.89 %	41,502	(7,530)	(1,799)	
YSIC Ltd.	Tien Lai Co., Ltd.	Taiwan	Pipe Lines Construction	5,000	5,000	500,000	50.00 %	1,198	(576)	(288)	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, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2023	Net income (losses) of the investee (Note 2)	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Kun Shan Yu-Fu Technology Education Consulting Co., Ltd.	Educational consulting, information operation consulting, software and data storage consultation	3,045 (USD 100)	(2)	111,143 (USD 3,650)	-	-	111,143 (USD 3,650) (Note 4)	3,196 (USD 105)	62.03%	1,983	17,664	-
Kun Shan Jia-An Technology Education Consulting Co., Ltd.	Educational consulting, information operation consulting, software and data storage consultation	74,042 (USD 2,432)	(2)	(Note 3)	-	-	(Note 3)	55 (USD 2)	62.03%	34	55,148	-

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=NTD30.45, USD1=NTD30.365).

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 US\$2,089 thousand 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 March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
111,143 (note 4) (USD 3,650)	111,143 (USD 3,650)	554,204

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

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

(d) Major shareholders:

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

(Continued)

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

(14) Segment information:

(a) 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.

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

	For the three months ended March 31, 2023				
	Plasticization segment	Investment segment	Other segments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	\$ 2,250,970	17,227	50,287	-	2,318,484
Inter-segment revenues	-	972	1,120	(2,092)	-
Total revenue	<u>\$ 2,250,970</u>	<u>18,199</u>	<u>51,407</u>	<u>(2,092)</u>	<u>2,318,484</u>
Reportable segment profit or loss	<u>\$ (12,955)</u>	<u>18,190</u>	<u>9,436</u>	<u>(19,122)</u>	<u>(4,451)</u>
	For the three months ended March 31, 2022				
	Plasticization segment	Investment segment	Other segments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	\$ 3,490,758	(106)	44,962	-	3,535,614
Inter-segment revenues	-	762	979	(1,741)	-
Total revenue	<u>\$ 3,490,758</u>	<u>656</u>	<u>45,941</u>	<u>(1,741)</u>	<u>3,535,614</u>
Reportable segment profit or loss	<u>\$ 105,027</u>	<u>131,948</u>	<u>7,898</u>	<u>(65,697)</u>	<u>179,176</u>