

**TAIWAN STYRENE MONOMER CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
for the Six Months Ended June 30, 2023 and 2022**

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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.

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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 June 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022, as well as the changes in equity and cash flows for the six months ended June 30, 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 \$298,884 thousand and \$300,948 thousand, constituting 3.45% and 3.09% of consolidated total assets as of June 30, 2023 and 2022, respectively, total liabilities amounting to \$3,961 thousand and \$5,488 thousand, constituting 0.18% and 0.21% of consolidated total liabilities as of June 30, 2023 and 2022, respectively, and total comprehensive loss amounting to \$(9,766) thousand, \$(16,637) thousand, \$(6,328) thousand and \$(14,606) thousand, constituting 4.18%, 6.74%, 4.36% and 11.41% of consolidated total comprehensive loss for the three months and six months ended June 30, 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 \$1,234,933 thousand and \$1,274,352 thousand as of June 30, 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 \$(3,539) thousand, \$(9,082) thousand, \$11,187 thousand and \$(18,651) thousand for the three months and six months ended June 30, 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 June 30, 2023 and 2022, and of its consolidated financial performance for the three months and six months ended June 30, 2023 and 2022, as well as its consolidated cash flows for the six months ended June 30, 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)
August 9, 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)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
June 30, 2023, December 31 and June 30, 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2023		December 31, 2022		June 30, 2022		Liabilities and Equity		June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 507,125	6	765,147	9	587,164	6	2100	Short-term borrowings (notes 6(p) and 8)	\$ 1,082,500	12	807,500	9	267,500	3
1110	Current financial assets at fair value through profit or loss (note 6(b))	270,682	3	223,712	4	251,820	3	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	1,812	-	-	-	-	-
1170	Accounts receivable, net (note 6(c))	627,048	7	975,107	11	1,146,300	12	2130	Contract liabilities (note 6(x))	40,898	-	48,542	-	49,556	-
1200	Other receivables	10,196	-	2,323	-	14,127	-	2170	Accounts payable	566,545	7	895,858	10	1,754,467	18
1220	Current tax assets	653	-	12	-	276	-	2200	Other payables (note 6(q))	179,016	2	113,638	1	164,984	1
130X	Inventories (note 6(d))	606,611	7	568,790	6	1,075,762	11	2230	Current tax liabilities	1,843	-	7,669	-	16	-
1410	Prepayments (note 6(e))	274,176	3	215,534	2	169,318	2	2250	Current provisions	-	-	-	-	1,176	-
1460	Non-current assets (or disposal groups) held for sale (note 6(f))	-	-	5,474	-	-	-	2280	Current lease liabilities (note 6(s))	7,468	-	6,393	-	3,810	-
1470	Other current assets	-	-	267	-	350	-	2320	Long-term liabilities, current portion (notes 6(r) and 8)	8,364	-	8,307	-	8,299	-
1476	Other current financial assets (notes 6(g) and 8)	44,767	1	36,415	-	223,816	2	2399	Other current liabilities	8,857	-	2,718	-	2,499	-
	Total current assets	2,341,258	27	2,792,781	32	3,468,933	36		Total current liabilities	1,897,303	21	1,890,625	20	2,252,307	22
Non-current assets:								Non-Current liabilities:							
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	12,548	-	7,576	-	7,982	-	2540	Long-term borrowings (notes 6(r) and 8)	56,299	1	60,476	1	64,601	1
1517	Non-current financial assets at fair value through other comprehensive income (note 6(h))	993,104	12	888,543	10	951,167	10	2570	Deferred tax liabilities	174,839	2	175,293	2	174,607	2
1550	Investments accounted for using equity method (note 6(i))	1,234,933	14	1,195,812	13	1,274,352	13	2581	Non-current lease liabilities (note 6(s))	14,637	-	13,242	-	6,663	-
1600	Property, plant and equipment (notes 6(j) and 8)	3,568,549	41	3,650,870	41	3,731,200	38	2640	Net defined benefit liability, non-current	50,576	1	50,106	1	64,487	1
1755	Right-of-use assets (note 6(k))	22,890	-	20,833	-	11,423	-	2600	Other non-current liabilities	660	-	660	-	660	-
1760	Investment property, net (note 6(l))	56,497	1	56,669	1	56,843	1		Total non-current liabilities	297,011	4	299,777	4	311,018	4
1780	Intangible assets (note 6(m))	5,388	-	6,125	-	6,857	-		Total liabilities	2,194,314	25	2,190,402	24	2,563,325	26
1840	Deferred tax assets	319,382	4	230,610	3	142,399	1	Equity attributable to owners of parent (note 6(v)):							
1915	Prepayments for equipment	12,994	-	-	-	-	-	3100	Capital stock	5,278,698	61	5,278,698	59	5,278,698	54
1970	Other long-term investments, net (note 6(n))	26,961	-	28,728	-	29,999	-	3200	Capital surplus	70,947	1	70,947	1	64,671	1
1920	Refundable deposits	3,841	-	3,818	-	3,512	-		Retained earnings:						
1990	Other non-current assets (note 6(o))	67,557	1	30,283	-	60,938	1	3310	Legal reserve	639,287	7	639,287	7	639,287	7
	Total non-current assets	6,324,644	73	6,119,867	68	6,276,672	64	3320	Special reserve	223,663	3	8,811	-	8,811	-
								3350	Unappropriated retained earnings	40,691	-	688,983	8	1,003,093	10
										903,641	10	1,337,081	15	1,651,191	17
								3400	Other equity	(30,116)	-	(214,852)	(2)	(63,060)	(1)
									Total equity attributable to owners of parent	6,223,170	72	6,471,874	73	6,931,500	71
								36XX	Non-controlling interests	248,418	3	250,372	3	250,780	3
									Total equity	6,471,588	75	6,722,246	76	7,182,280	74
Total assets		\$ 8,665,902	100	8,912,648	100	9,745,605	100		Total liabilities and equity	\$ 8,665,902	100	8,912,648	100	9,745,605	100

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months and six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Loss Per Share)

	For the three months ended June 30				For the six months ended June 30				
	2023		2022		2023		2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (notes 6(i) and (x))								
	\$	2,316,728	100	3,822,078	100	4,635,212	100	7,357,692	100
5000	Operating costs (notes 6(d), (j), (k), (l), (m), (s), (t) and (z))								
		2,655,292	115	3,918,577	103	4,966,085	107	7,354,393	100
	Gross profit (loss) from operations								
		(338,564)	(15)	(96,499)	(3)	(330,873)	(7)	3,299	-
	Operating expenses (notes 6(c), (j), (k), (l), (m), (s), (t) and (z)):								
6100	Selling expenses	13,853	1	15,595	-	25,238	-	34,800	-
6200	Administrative expenses	31,803	1	26,651	-	62,987	1	66,593	1
6300	Research and development expenses	87	-	610	-	164	-	1,107	-
6450	Expected credit impairment loss (gain)	9	-	29	-	23	-	(23)	-
		45,752	2	42,885	-	88,412	1	102,477	1
	Operating loss								
		(384,316)	(17)	(139,384)	(3)	(419,285)	(8)	(99,178)	(1)
	Non-operating income and expenses (notes 6(f), (i), (s) and (y)):								
7100	Interest income	1,347	-	1,481	-	3,331	-	2,416	-
7010	Other income	8,103	-	17,676	-	10,600	-	23,252	-
7020	Other gains and losses	(4,872)	-	(33,512)	(1)	7,929	-	108,494	1
7050	Finance costs	(3,926)	-	(1,203)	-	(7,215)	-	(2,372)	-
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method	(1,920)	-	(6,973)	-	14,605	-	(15,351)	-
		(1,268)	-	(22,531)	(1)	29,250	-	116,439	1
9900	Profit (loss) before tax								
		(385,584)	(17)	(161,915)	(4)	(390,035)	(8)	17,261	-
7950	Income tax benefits (expense) (note 6(u))	82,625	4	12,404	-	86,488	(2)	(31,052)	-
	Net loss								
		(302,959)	(13)	(149,511)	(4)	(303,547)	(6)	(13,791)	-
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	42,969	2	(66,046)	(2)	101,625	2	(79,899)	(1)
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	19,419	1	(36,571)	(1)	52,508	1	(59,071)	(1)
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss								
		62,388	3	(102,617)	(3)	154,133	3	(138,970)	(2)
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation	6,945	-	5,137	-	4,230	-	24,093	-
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	162	-	264	-	100	-	618	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
		7,107	-	5,401	-	4,330	-	24,711	-
8300	Other comprehensive income (loss), net								
		69,495	3	(97,216)	(3)	158,463	3	(114,259)	(2)
8500	Comprehensive loss								
	\$	(233,464)	(10)	(246,727)	(7)	(145,084)	(3)	(128,050)	(2)
	Profit attributable to:								
8610	Owners of parent	(299,474)	(13)	(146,935)	(4)	(301,292)	(6)	(51,849)	(1)
8620	Non-controlling interests	(3,485)	-	(2,576)	-	(2,255)	-	38,058	1
	\$	(302,959)	(13)	(149,511)	(4)	(303,547)	(6)	(13,791)	-
	Comprehensive income attributable to:								
8710	Owners of parent	(230,488)	(10)	(242,656)	(7)	(143,130)	(3)	(168,677)	(2)
8720	Non-controlling interests	(2,976)	-	(4,071)	-	(1,954)	-	40,627	-
	\$	(233,464)	(10)	(246,727)	(7)	(145,084)	(3)	(128,050)	(2)
	Loss per share (note 6(w))								
	Basic loss per share	(0.57)		(0.28)		(0.57)		(0.10)	
	Diluted loss per share	(0.57)		(0.28)		(0.57)		(0.10)	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity interest			Total equity attributable to owners of parent	Non-controlling interests	Total equity	
	Ordinary shares	Capital surplus	Retained earnings			Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total				Treasury shares
			Legal reserve	Special reserve	Unappropriated retained earnings								
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
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	27,023	-	(27,023)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	8,811	(8,811)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(79,180)	(79,180)	-	-	-	-	(79,180)	-	(79,180)
Overdue dividends not received by shareholders	-	18,374	-	-	-	-	-	-	-	-	18,374	-	18,374
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	481	481	-	(481)	(481)	-	-	-	-
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,782	1,782	-	(1,782)	(1,782)	-	-	-	-
Treasury shares transactions	-	(3)	-	-	-	-	-	-	-	13	10	-	10
Net loss	-	-	-	-	(51,849)	(51,849)	-	-	-	-	(51,849)	38,058	(13,791)
Other comprehensive income (loss)	-	-	-	-	-	-	22,140	(138,968)	(116,828)	-	(116,828)	2,569	(114,259)
Total comprehensive income (loss)	-	-	-	-	(51,849)	(51,849)	22,140	(138,968)	(116,828)	-	(168,677)	40,627	(128,050)
Balance at June 30, 2022	\$ 5,278,698	64,671	639,287	8,811	1,003,093	1,651,191	(12,494)	(50,566)	(63,060)	-	6,931,500	250,780	7,182,280
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
Appropriation and distribution of retained earnings:													
Special reserve appropriated	-	-	-	214,852	(214,852)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(105,574)	(105,574)	-	-	-	-	(105,574)	-	(105,574)
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	-	-	-	-	(24,803)	(24,803)	-	24,803	24,803	-	-	-	-
Net loss	-	-	-	-	(301,292)	(301,292)	-	-	-	-	(301,292)	(2,255)	(303,547)
Other comprehensive income (loss)	-	-	-	-	-	-	4,028	154,134	158,162	-	158,162	301	158,463
Total comprehensive income (loss)	-	-	-	-	(301,292)	(301,292)	4,028	154,134	158,162	-	(143,130)	(1,954)	(145,084)
Balance at June 30, 2023	\$ 5,278,698	70,947	639,287	223,663	40,691	903,641	(3,364)	(26,752)	(30,116)	-	6,223,170	248,418	6,471,588

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2023	2022
Cash flows used in operating activities:		
Profit (loss) before tax	\$ (390,035)	17,261
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	138,346	137,737
Amortization expense	737	1,075
Expected credit impairment loss (gain)	23	(23)
Interest expense	7,215	2,372
Interest income	(3,331)	(2,416)
Dividend income	(7,755)	(16,282)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(11,187)	18,651
Gain on disposal of non-current assets held for sale	-	(133,145)
Impairment loss on non-financial assets	603	84
Gain on lease modification	(28)	(6)
Loss from decline (gain from recovery) in value of inventories	74,709	(102,539)
Total adjustments to reconcile profit (loss)	<u>199,332</u>	<u>(94,492)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets mandatorily measured at fair value through profit or loss	(51,942)	63,883
Accounts receivable	348,036	(228,188)
Other receivables	(1,352)	(1,921)
Inventories	(112,530)	(146,582)
Prepayments	(109,513)	24,075
Other current assets	267	(342)
Other financial assets	(8,352)	(64,350)
Total changes in operating assets	<u>64,614</u>	<u>(353,425)</u>
Changes in operating liabilities:		
Financial liabilities mandatorily measured at fair value through profit or loss	1,812	-
Current contract liabilities	(7,644)	(1,467)
Notes payable	-	(2)
Accounts payable	(329,313)	776,751
Other payables	(29,808)	(52,064)
Provisions	-	827
Other current liabilities	(110)	(38,380)
Net defined benefit liabilities	470	387
Total changes in operating liabilities	<u>(364,593)</u>	<u>686,052</u>
Total changes in operating assets and liabilities	<u>(299,979)</u>	<u>332,627</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
For the six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2023	2022
Cash inflow (outflow) generated from operations	\$ (490,682)	255,396
Interest received	3,148	2,597
Dividends received	1,417	10,002
Interest paid	(6,961)	(2,370)
Dividends paid	-	(14)
Income taxes paid	(2,775)	(41,177)
Net cash flows from (used in) operating activities	(495,853)	224,434
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	288	1,471
Proceeds from disposal of non-current assets classified as held for sale	5,474	202,912
Acquisition of property, plant and equipment	(61,900)	(48,978)
Increase in refundable deposits	(30)	-
Decrease in refundable deposits	7	75
Decrease in other long-term investment	1,767	577
Dividends received	24,860	45,291
Net cash flows from (used in) investing activities	(29,534)	201,348
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	2,209,500	1,217,500
Decrease in short-term borrowings	(1,934,500)	(1,303,259)
Repayments of long-term borrowings	(4,120)	(4,135)
Payment of lease liabilities	(4,157)	(3,677)
Decrease in other non-current liabilities	-	(56)
Proceeds from disposal of treasury shares	-	10
Net cash from (used in) financing activities	266,723	(93,617)
Effect of exchange rate changes on cash and cash equivalents	642	1,875
Net increase (decrease) in cash and cash equivalents	(258,022)	334,040
Cash and cash equivalents at beginning of period	765,147	253,124
Cash and cash equivalents at end of period	\$ 507,125	587,164

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
June 30, 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 authorized for issue by the Board of Directors on August 9, 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”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IAS12 “International Tax Reform – Pillar Two Model Rules”

(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
			June 30, 2023	December 31, 2022	June 30, 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	Notes 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.

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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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Cash on hand	\$ 834	969	705
Petty cash	1,110	892	994
Deposits in bank	440,538	719,192	386,341
Cash equivalents			
Time deposits due within one year	<u>64,643</u>	<u>44,094</u>	<u>199,124</u>
	<u>\$ 507,125</u>	<u>765,147</u>	<u>587,164</u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Mandatorily measured at fair value through profit or loss:			
Current:			
Listed stocks	\$ 241,012	193,917	213,737
Funds	29,670	29,327	38,083
Derivative instruments not used for hedging-foreign exchange swap contracts	-	468	-
Non-current:			
Listed stocks	<u>12,548</u>	<u>7,576</u>	<u>7,982</u>
Total	<u>\$ 283,230</u>	<u>231,288</u>	<u>259,802</u>
		December 31,	
	<u>June 30, 2023</u>	<u>2022</u>	<u>June 30, 2022</u>
Held-for-trading financial liabilities:			
Derivative instruments not used for hedging-foreign exchange swap contracts	<u>\$ 1,812</u>	<u>-</u>	<u>-</u>

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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:

	June 30, 2023		
	Contract amount (in thousand)	Maturity dates	
Buy TWD / Sell USD	USD 2,500	2023.07	
Buy TWD / Sell USD	USD 2,760	2023.07	
	December 31, 2022		
	Contract amount (in thousand)	Maturity dates	
Buy USD / Sell TWD	USD 8,000	2023.01	
Buy USD / Sell TWD	USD 6,200	2023.01	
Buy USD / Sell TWD	USD 1,000	2023.02	

(c) Accounts receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts receivable	\$ 628,964	977,474	1,148,751
Less: Loss allowance	(1,916)	(2,367)	(2,451)
	\$ 627,048	975,107	1,146,300

The loss allowance provision was determined as follows:

	June 30, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 626,389	0.005%	31
1 to 90 days past due	425	1%	4
91 to 180 days past due	96	2%	2
181 to 365 days past due	127	2%	3
More than 1 year past due	1,927	50%~100%	1,876
	\$ 628,964		1,916

(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>
	June 30, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,144,988	0.005%	57
1 to 90 days past due	1,132	1%	11
91 to 180 days past due	62	2%	1
181 to 365 days past due	136	2%	3
More than 1 year past due	<u>2,433</u>	50%~100%	<u>2,379</u>
	<u>\$ 1,148,751</u>		<u>2,451</u>

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

	For the six months ended June 30	
	2023	2022
Beginning balance	\$ 2,367	2,466
Recognize impairment loss (reversal of impairment loss)	23	(23)
Amounts written off	(474)	-
Effect of exchange rate changes	-	8
Ending balance	<u>\$ 1,916</u>	<u>2,451</u>

(d) Inventories

	December 31,		
	June 30, 2023	2022	June 30, 2022
Merchandise inventory	\$ 1,177	1,587	1,230
Finished goods	172,814	190,868	267,803
By-product	9,081	9,363	9,245
Semi-finished products	113,667	62,616	75,546
Work in progress	50,632	46,865	64,536
Raw materials	238,611	178,560	638,230
Supplies	<u>20,629</u>	<u>78,931</u>	<u>19,172</u>
	<u>\$ 606,611</u>	<u>568,790</u>	<u>1,075,762</u>

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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 June 30		For the six months ended June 30	
	2023	2022	2023	2022
Loss from decline (gain from recovery) in value of inventories	\$ 70,552	18,130	74,709	(102,539)

None of the inventories of the Group was pledged as collateral on June 30, 2023, December 31 and June 30, 2022.

(e) Prepayments

	June 30, 2023	December 31, 2022	June 30, 2022
	Prepayment for purchases	\$ 4,085	68
Supplies	109,226	109,032	103,719
Overpaid sales tax	102,543	79,225	50,798
Others	58,322	27,209	8,698
	\$ 274,176	215,534	169,318

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

On January 22, 2021, the Group obtained an approval from the Board of Directors to dispose the partial property, plant and equipment, right-of-use assets and investment property held by Kun Shan Yu-Fu Technology Education Consulting Co., Ltd. and Kun Shan Jia-an Technology Education Consulting Co., Ltd. Therefore, the Group reclassified them as non-current assets (or disposal groups) held for sale, which amounting to \$65,008 thousand. The Group completed the disposal in February 2022 and recognized the gain on disposal amounting to \$133,145 thousand.

In December, 2022, the Group determined to dispose its shares of Infomedia 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

	June 30, 2023	December 31, 2022	June 30, 2022
	Time deposits maturing over three months	\$ 38,342	29,000
Restricted deposits in bank	6,425	7,415	4,400
	\$ 44,767	36,415	223,816

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

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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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Equity investments:			
Domestic non-listed stocks	\$ 662,686	558,717	630,255
Foreign non-listed equity investments	330,418	329,826	320,912
	<u>\$ 993,104</u>	<u>888,543</u>	<u>951,167</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 and six months ended June 30, 2023 and 2022, the dividends of \$1,472 thousand, \$13,114 thousand, \$5,202 thousand and \$13,114 thousand were recognized.
- (ii) In May, 2022, the Group disposed its shares held in Yujie Co., Ltd. as a results of the completion of the liquidation. The shares disposed had a fair value of \$1,851 thousand and the Group realized a profit of \$481 thousand, which was recognized as other comprehensive income, and thereafter, was reclassified to retained earnings.
- (iii) 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.
- (iv) For market risk; please refer to note 6(aa).
- (v) None of the above-mentioned financial assets had been pledged as collateral as of June 30, 2023, December 31 and June 30, 2022.
- (i) Investments accounted for using equity method
- (i) Associates

Associates of the Group consisted of the following:

	<u>June 30, 2023</u>		<u>December 31, 2022</u>		<u>June 30, 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. \$	484,018	25.00	478,292	25.00	401,021	25.00
Wonderland Enterprise Co., Ltd.	667,220	37.04	630,762	37.04	782,781	37.04
Globaltop Technology Inc.	40,046	23.89	43,363	23.89	46,545	2.89
Functional Coating System Technologies Co., Ltd.	25,799	34.88	25,575	34.88	26,377	34.88
Universal Investments Limited	17,850	40.00	17,820	40.00	17,628	40.00
	<u>\$ 1,234,933</u>		<u>1,195,812</u>		<u>1,274,352</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		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Attributable to the Group:				
Net income (loss)	\$ (3,539)	(9,082)	11,187	(18,651)
Other comprehensive income	19,581	(36,307)	52,608	(58,453)
Total comprehensive income	<u>\$ 16,042</u>	<u>(45,389)</u>	<u>63,795</u>	<u>(77,104)</u>

(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	Transportation 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	-	-	-	2,483	-	8,497	40,278	51,258
Disposals	-	-	-	(9,839)	-	(1,053)	-	(10,892)
Reclassification	-	-	-	-	1,171	7,121	(7,121)	1,171
Effect of exchange rate changes	-	-	-	-	(27)	-	-	(27)
Balance as of June 30, 2023	<u>\$ 1,576,740</u>	<u>8,462</u>	<u>621,630</u>	<u>7,525,253</u>	<u>4,103</u>	<u>873,965</u>	<u>87,122</u>	<u>10,697,275</u>
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	-	-	-	3,680	-	2,126	20,929	26,735
Disposals	-	-	-	(68,936)	-	(16)	-	(68,952)
Reclassification	-	-	-	281,250	-	1,200	(296,330)	(13,880)
Effect of exchange rate changes	-	-	-	-	21	-	-	21
Balance as of June 30, 2022	<u>\$ 1,576,740</u>	<u>8,462</u>	<u>621,630</u>	<u>7,523,102</u>	<u>4,297</u>	<u>847,530</u>	<u>22,657</u>	<u>10,604,418</u>
Accumulated depreciation:								
Balance as of January 1, 2023	\$ -	8,425	258,649	6,148,037	2,805	586,979	-	7,004,895
Depreciation	-	11	7,220	104,188	69	23,025	-	134,513
Disposals	-	-	-	(9,839)	-	(1,053)	-	(10,892)
Reclassification	-	-	-	-	234	-	-	234
Effect of exchange rate changes	-	-	-	-	(24)	-	-	(24)
Balance as of June 30, 2023	<u>\$ -</u>	<u>8,436</u>	<u>265,869</u>	<u>6,242,386</u>	<u>3,084</u>	<u>608,951</u>	<u>-</u>	<u>7,128,726</u>
Balance as of January 1, 2022	\$ -	8,404	244,208	6,008,783	4,004	542,087	-	6,807,486
Depreciation	-	11	7,222	103,799	59	23,574	-	134,665
Disposals	-	-	-	(68,936)	-	(16)	-	(68,952)
Effect of exchange rate changes	-	-	-	-	19	-	-	19
Balance as of June 30, 2022	<u>\$ -</u>	<u>8,415</u>	<u>251,430</u>	<u>6,043,646</u>	<u>4,082</u>	<u>565,645</u>	<u>-</u>	<u>6,873,218</u>

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

Carrying value:	Land	Land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress	Total
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 June 30, 2023	\$ 1,576,740	26	355,761	1,282,867	1,019	265,014	87,122	3,568,549
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 June 30, 2022	\$ 1,576,740	47	370,200	1,479,456	215	281,885	22,657	3,731,200

As of June 30, 2023, December 31 and June 30, 2022, there was no recognized accumulated impairment losses of property, plant and equipment.

As of June 30, 2023, December 31 and June 30, 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:

Cost:	Land	Buildings and structures	Transportation equipment	Office equipment	Total
Balance as of January 1, 2023	\$ 4,148	1,252	12,555	9,614	27,569
Additions	-	-	2,019	4,541	6,560
Lease modification	142	-	(47)	-	95
Disposals	-	-	(1,000)	-	(1,000)
Reclassification	-	-	(1,171)	-	(1,171)
Balance as of June 30, 2023	<u>\$ 4,290</u>	<u>1,252</u>	<u>12,356</u>	<u>14,155</u>	<u>32,053</u>
Balance as of January 1, 2022	\$ 4,064	1,254	12,769	4,814	22,901
Additions	-	424	3,850	-	4,274
Lease modification	84	-	-	-	84
Disposals	-	(426)	(5,160)	-	(5,586)
Balance as of June 30, 2022	<u>\$ 4,148</u>	<u>1,252</u>	<u>11,459</u>	<u>4,814</u>	<u>21,673</u>
Accumulated depreciation:					
Balance as of January 1, 2023	\$ 301	554	2,511	3,370	6,736
Depreciation	111	313	2,125	1,112	3,661
Disposals	-	-	(1,000)	-	(1,000)
Reclassification	-	-	(234)	-	(234)
Balance as of June 30, 2023	<u>\$ 412</u>	<u>867</u>	<u>3,402</u>	<u>4,482</u>	<u>9,163</u>
Balance as of January 1, 2022	\$ 87	354	10,328	2,167	12,936
Depreciation	107	313	1,999	481	2,900
Disposals	-	(426)	(5,160)	-	(5,586)
Balance as of June 30, 2022	<u>\$ 194</u>	<u>241</u>	<u>7,167</u>	<u>2,648</u>	<u>10,250</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 June 30, 2023	<u>\$ 3,878</u>	<u>385</u>	<u>8,954</u>	<u>9,673</u>	<u>22,890</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 June 30, 2022	<u>\$ 3,954</u>	<u>1,011</u>	<u>4,292</u>	<u>2,166</u>	<u>11,423</u>

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

(l) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
Cost:			
Balance as of June 30, 2023 (Balance as of January 1, 2023)	\$ <u>46,101</u>	<u>17,625</u>	<u>63,726</u>
Balance as of June 30, 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>172</u>	<u>172</u>
Balance as of June 30, 2023	\$ <u>-</u>	<u>7,229</u>	<u>7,229</u>
Balance as of January 1, 2022	\$ -	6,711	6,711
Depreciation	<u>-</u>	<u>172</u>	<u>172</u>
Balance as of June 30, 2022	\$ <u>-</u>	<u>6,883</u>	<u>6,883</u>
Carrying value:			
Balance as of January 1, 2023	\$ <u>46,101</u>	<u>10,568</u>	<u>56,669</u>
Balance as of June 30, 2023	\$ <u>46,101</u>	<u>10,396</u>	<u>56,497</u>
Balance as of January 1, 2022	\$ <u>46,101</u>	<u>10,914</u>	<u>57,015</u>
Balance as of June 30, 2022	\$ <u>46,101</u>	<u>10,742</u>	<u>56,843</u>

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

None of the investment property was pledged as collateral as of June 30, 2023, December 31 and June 30, 2022.

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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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(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 June 30, 2023 (Balance as of January 1, 2023)	\$ <u>22,242</u>	<u>1,961</u>	<u>24,203</u>
Balance as of June 30, 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>488</u>	<u>249</u>	<u>737</u>
Balance as of June 30, 2023	\$ <u>17,531</u>	<u>1,284</u>	<u>18,815</u>
Balance as of January 1, 2022	\$ 16,068	4,303	20,371
Amortization	<u>488</u>	<u>587</u>	<u>1,075</u>
Balance as of June 30, 2022	\$ <u>16,556</u>	<u>4,890</u>	<u>21,446</u>
Carrying value:			
Balance as of January 1, 2023	\$ <u>5,199</u>	<u>926</u>	<u>6,125</u>
Balance as of June 30, 2023	\$ <u>4,711</u>	<u>677</u>	<u>5,388</u>
Balance as of January 1, 2022	\$ <u>6,174</u>	<u>1,758</u>	<u>7,932</u>
Balance as of June 30, 2022	\$ <u>5,686</u>	<u>1,171</u>	<u>6,857</u>

(n) Other long-term investment, net

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Construction and operation of student dormitory	\$ <u>26,961</u>	<u>28,728</u>	<u>29,999</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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Long-term prepaid rents	\$ 61,233	23,959	55,449
Net defined benefit assets	<u>6,324</u>	<u>6,324</u>	<u>5,489</u>
	\$ <u>67,557</u>	<u>30,283</u>	<u>60,938</u>

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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:

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured bank loans	\$ 975,000	700,000	150,000
Secured bank loans	107,500	107,500	117,500
Total	<u>\$ 1,082,500</u>	<u>807,500</u>	<u>267,500</u>
Unused short-term credit lines	<u>\$ 563,500</u>	<u>692,500</u>	<u>562,913</u>
Range of interest rate	<u>1.925~2.10%</u>	<u>1.70~2.060%</u>	<u>1.25%~1.58%</u>

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

(q) Other payables

Other payables of the Group were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Accrued payroll	\$ 7,070	27,027	6,477
Employee bonus payable	441	441	392
Compensation payable to directors	78	78	79
Compensated absences	16,321	16,404	24,358
Other accrued expenses payable	37,847	47,456	36,357
Payables on equipment	-	10,642	2,004
Dividends payable	106,026	452	79,632
Other payables-other	11,233	11,138	15,685
Total	<u>\$ 179,016</u>	<u>113,638</u>	<u>164,984</u>

(r) Long-term borrowings

Long-term borrowings of the Group were as follows:

	June 30, 2023			
	Currency	Range of interest rate	Due year	Amount
Secured bank loans	NTD	2.26%	2030	\$ 64,663
Less: current portion				8,364
Total				<u>\$ 56,299</u>
Unused long-term credit lines				<u>\$ 23,037</u>

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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	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

	June 30, 2022			
	Currency	Range of interest rate	Due year	Amount
Secured bank loans	NTD	1.89%	2030	\$ 72,900
Less: current portion				8,299
Total				\$ 64,601
Unused long-term credit lines				\$ 14,800

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

(s) Lease liabilities

Lease liabilities of the Group were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Current	\$ 7,468	6,393	3,810
Non-current	\$ 14,637	13,242	6,663

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2023	2022	2023	2022
Interest on lease liabilities	\$ 114	40	216	74
Expenses relating to short-term leases	\$ 78	93	218	168
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 124	156	276	343

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

	For the six months ended June 30	
	2023	2022
Total cash outflow for leases	\$ 4,867	4,262

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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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(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		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Operating cost	\$ 283	272	565	532
Operating expenses	98	100	195	199
Total	<u>\$ 381</u>	<u>372</u>	<u>760</u>	<u>731</u>

(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		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Operating cost	\$ 2,171	2,143	4,321	4,217
Operating expenses	723	758	1,428	1,504
Total	<u>\$ 2,894</u>	<u>2,901</u>	<u>5,749</u>	<u>5,721</u>

(u) Income tax

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

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Current income tax expense				
Current period	\$ (43)	(1,547)	7,933	33,745
Adjustment for prior periods	(5,195)	8,890	(5,195)	8,890
Deferred income tax benefit				
Origination and reversal of temporary difference	(77,387)	(19,747)	(89,226)	(11,583)
Income tax expense (benefit)	<u>\$ (82,625)</u>	<u>(12,404)</u>	<u>(86,488)</u>	<u>31,052</u>

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

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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 six months ended June 30, 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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 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	4,430
Donation from shareholders	13	13	13
Overdue dividends not received by shareholders	24,585	24,585	18,374
Total	<u>\$ 70,947</u>	<u>70,947</u>	<u>64,671</u>

(ii) Retained earnings

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

On May 30, 2023 and June 22, 2022, the shareholders' meeting resolved to distribute the 2022 and 2021 earnings. These earnings were appropriated as follows:

	<u>2022</u>	<u>2021</u>
Dividends distributed to ordinary shareholders		
Cash	<u>\$ 105,574</u>	<u>79,180</u>

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

(iii) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2023	\$ (7,392)	(207,460)	(214,852)
Exchange differences on foreign operations	3,928	-	3,928
Exchange differences on associates and joint ventures accounted for using equity method	100	-	100
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	101,626	101,626
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on associates and joint ventures accounted for using equity method	-	52,508	52,508
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	-	24,803	24,803
Balance as of June 30, 2023	<u>\$ (3,364)</u>	<u>(26,752)</u>	<u>(30,116)</u>
Balance as of January 1, 2022	\$ (34,634)	90,665	56,031
Exchange differences on foreign operations	21,522	-	21,522
Exchange differences on associates and joint ventures accounted for using equity method	618	-	618
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(79,897)	(79,897)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on associates and joint ventures accounted for using equity method	-	(59,071)	(59,071)
Cumulative losses (gains) reclassified to retained earnings on associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(481)	(481)
Cumulative losses (gains) reclassified to retained earnings on associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(1,782)	(1,782)
Balance as of June 30, 2022	<u>\$ (12,494)</u>	<u>(50,566)</u>	<u>(63,060)</u>

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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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(w) Loss per share

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

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Profit (loss) attributable to the Company	\$ (299,474)	(146,935)	(301,292)	(51,849)
Weighted-average number of ordinary shares outstanding	527,870	527,870	527,870	527,869
Basic and diluted loss per share (NTD)	\$ (0.57)	(0.28)	(0.57)	(0.10)

There was no dilutive potential ordinary shares of the Group.

(x) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Primary geographical markets:				
Asia	\$ 2,298,155	3,840,629	4,602,669	7,227,345
Europe	-	-	-	7,267
America	10,742	-	10,742	145,148
Total	\$ 2,308,897	3,840,629	4,613,411	7,379,760
Major products/services lines:				
Commodity sales revenue	\$ 2,268,780	3,816,874	4,519,750	7,307,632
Travel service revenue	38,288	22,081	87,906	66,468
Other operating revenue	1,829	1,674	5,755	5,660
Total	\$ 2,308,897	3,840,629	4,613,411	7,379,760

(ii) Contract balances

	December 31,		
	June 30, 2023	2022	June 30, 2022
Contract liabilities-travel service contract	\$ 33,069	40,713	20,992
Contract liabilities-unearned sales revenue	7,829	7,829	28,564
Total	\$ 40,898	48,542	49,556

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

The amount of revenue recognized for the three months and six months ended June 30, 2023 and 2022 that were included in the contract liability balance at the beginning of the period were \$1,472 thousand, \$727 thousand, \$4,002 thousand and \$11,705 thousand, respectively.

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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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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		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Rent income	\$ 331	277	589	554
Dividend income	6,343	15,358	7,623	15,904
Others	1,429	2,041	2,388	6,794
Total	\$ 8,103	17,676	10,600	23,252

(ii) Other gains and losses

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Foreign exchange gains (loss)	\$ (10,011)	3,662	(8,467)	6,507
Gains (losses) on financial assets at fair value through profit or loss	5,842	(36,776)	17,071	(30,345)
Gains on disposals of non-current assets (or disposal groups) held for sale	-	397	-	133,145
Impairment losses	(603)	(84)	(603)	(84)
Gains on lease modification	-	-	28	6
Others	(100)	(711)	(100)	(735)
Total	\$ (4,872)	(33,512)	7,929	108,494

(iii) Finance costs

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Interest expense	\$ 3,926	1,203	7,215	2,372

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(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 six months ended June 30, 2023 and 2022, there was no appropriation of remunerations to employees and directors because of net loss before tax.

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

For the year 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.

2) Concentration of credit risk

As of June 30, 2023, December 31 and June 30, 2022, the Group reviewed the concentrations of credit risk arising from the major top ten customers, and it was 93%, 94% and 94%, respectively, of the total accounts receivable. The concentrations of credit risk of the remaining accounts receivable are relatively small.

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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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
June 30, 2023						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,082,500	1,086,046	1,086,046	-	-	-
Payables	744,551	744,551	744,551	-	-	-
Long-term borrowings	64,663	70,039	9,740	9,740	29,219	21,340
Deposit received	660	660	350	310	-	-
Lease liabilities	22,105	23,293	7,869	6,330	6,083	3,011
Derivative financial liabilities						
Foreign exchange swap contracts not used for hedging:						
Outflow	1,812	161,730	161,730	-	-	-
Inflow	-	(159,918)	(159,918)	-	-	-
	<u>\$ 1,916,291</u>	<u>1,926,401</u>	<u>1,850,368</u>	<u>16,380</u>	<u>35,302</u>	<u>24,351</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>
June 30, 2022						
Non-derivative financial liabilities						
Short-term borrowings	\$ 267,500	268,089	268,089	-	-	-
Payables	1,913,680	1,913,680	1,913,680	-	-	-
Long-term borrowings	72,900	78,737	9,602	9,602	28,805	30,728
Deposit received	660	660	-	350	310	-
Lease liabilities	10,473	11,136	3,946	2,537	1,484	3,169
	<u>\$ 2,265,213</u>	<u>2,272,302</u>	<u>2,195,317</u>	<u>12,489</u>	<u>30,599</u>	<u>33,897</u>

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

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(iii) Market risk

1) Currency risk

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

	June 30, 2023			December 31, 2022			June 30, 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	\$ 5,186	31.140	161,492	8,424	30.710	258,701	18,883	29.720	561,203
CNY	69,934	4.310	301,416	69,447	4.409	306,192	69,336	4.428	307,020
EUR	-	-	-	-	-	-	40	31.050	1,242
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	2,770	31.140	86,258	7,898	30.710	242,548	23,255	29.720	691,139
CNY	678	4.310	2,922	759	4.409	3,346	705	4.428	3,122
EUR	-	-	-	19	32.720	622	-	-	-

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, other financial assets, accounts payable and other payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the NTD against the USD, CNY and EUR as of June 30, 2023 and 2022, would have increased (decreased) net profit before tax by \$3,737 thousand and \$1,752 thousand for the six months ended June 30, 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 six months ended June 30, 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to gain of \$8,467 thousand and \$6,507 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.

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If the interest rate had increased/decreased by 1%, the Group's profit (loss) before tax would have decreased/increase by \$5,736 thousand and \$1,702 thousand for the six months ended June 30, 2023 and 2022, respectively, with all other variable factors remaining constant. This is mainly due to the Group's loan at variable rates.

3) Other market price risk

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

	For the six months ended June 30			
	2023		2022	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Prices of securities at the reporting date				
Increasing 1%	\$ 9,931	2,832	9,512	2,598
Decreasing 1%	\$ (9,931)	(2,832)	(9,512)	(2,598)

(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, for example, financial assets and liabilities measured at amortized cost such as cash and cash equivalents, accounts receivables, other receivables, other financial assets, refundable deposits, short-term borrowings, accounts payable, other payables, long-term borrowings, deposits received and lease liabilities, disclosure of the fair value information is not required:

	June 30, 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	\$ 253,560	253,560	-	-	253,560
Funds	29,670	29,670	-	-	29,670
Financial assets at fair value through other comprehensive income:					
Domestic and foreign non-listed stocks	993,104	-	-	993,104	993,104
Total	\$ 1,276,334	283,230	-	993,104	1,276,334

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		June 30, 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						
	\$	1,812	-	1,812	-	1,812
Total	\$	<u>1,812</u>	<u>-</u>	<u>1,812</u>	<u>-</u>	<u>1,812</u>
		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:						
	\$	201,493	201,493	-	-	201,493
		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
Total	\$	<u>1,125,305</u>	<u>230,820</u>	<u>468</u>	<u>894,017</u>	<u>1,125,305</u>
		June 30, 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:						
	\$	221,719	221,719	-	-	221,719
		38,083	38,083	-	-	38,083
Financial assets at fair value through other comprehensive income:						
Domestic and foreign non-listed stocks						
		951,167	-	-	951,167	951,167
Total	\$	<u>1,210,969</u>	<u>259,802</u>	<u>-</u>	<u>951,167</u>	<u>1,210,969</u>

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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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 six months ended June 30, 2023 and 2022.

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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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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	101,625
Disposals	(288)
Effect of exchange rate changes	3,224
Ending Balance, June 30, 2023	\$ 993,104
Opening balance, January 1, 2022	\$ 1,016,623
Total gains and losses recognized	
Other comprehensive income	(79,899)
Disposals	(1,851)
Effect of exchange rate changes	16,294
Ending Balance, June 30, 2022	\$ 951,167

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 June 30, 2023 and 2022 were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	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”	42,969	(66,046)	101,625	(79,899)

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
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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 (0.94~1.89, 0.96~1.75 and 0.96~1.97 as of June 30, 2023, December 31, and June 31, 2022)	· The fair value would increase if price to book ratio increase
		· Lack of market liquidity discount (10%~30%, 3%~30% and 10%~30% as of June 30, 2023, December 31 and June 30, 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>
June 30, 2023				
Financial assets at fair value through other comprehensive income	Price to book ratio	10%	\$ 4,606	(4,606)
	Liquidity discount	10%	25,988	(25,988)
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)
June 30, 2022				
Financial assets at fair value through other comprehensive income	Price to book ratio	10%	885	(885)
	Liquidity discount	10%	19,642	(19,642)

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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 six months ended June 30, 2023 and 2022. Reconciliation of liabilities arising from non-cash financing activities for the six months ended June 30, 2023 and 2022 were as follows:

	January 1, 2023	Cash flows	Non-cash changes			June 30, 2023
			Lease modification	Effect of consolidation changes	Additions	
Lease liabilities	\$ 19,635	(4,157)	67	-	6,560	22,105

	January 1, 2022	Cash flows	Non-cash changes			June 30, 2022
			Lease modification	Effect of consolidation changes	Additions	
Lease liabilities	\$ 9,798	(3,677)	78	-	4,274	10,473

(7) Related-party transactions

(a) Key management personnel compensation

	For the three months ended June 30		For the six months ended June 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 8,574	7,673	16,967	15,500
Post-employment benefits	296	323	798	837
	<u>\$ 8,870</u>	<u>7,996</u>	<u>17,765</u>	<u>16,337</u>

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

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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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Cash in banks (other financial assets)	Performance guarantee	\$ 6,425	7,415	1,844
Land, buildings and structures	Borrowings	580,325	582,846	585,367
		<u>\$ 586,750</u>	<u>590,261</u>	<u>587,211</u>

(9) Commitments and contingencies

(a) Letter of credit issued but not expired

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Letter of credit outstanding for the import of raw materials	\$ 656,000	936,318 (including USD303 thousand)	1,756,341 (including EUR140 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 June 30					
	2023			2022		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	\$ 41,269	17,016	58,285	37,406	12,503	49,909
Labor and health insurance	4,573	1,285	5,858	4,412	1,245	5,657
Pension	2,454	821	3,275	2,415	858	3,273
Others	2,597	2,846	5,443	2,209	4,702	6,911
Depreciation	66,139	2,934	69,073	66,375	2,596	68,971
Amortization	322	46	368	320	47	367

(Continued)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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		For the six months ended June 30					
By Function		2023			2022		
By item	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total	
Employee benefits							
Salary	\$ 85,273	33,729	119,002	84,250	36,212	120,462	
Labor and health insurance	9,510	2,548	12,058	8,673	2,472	11,145	
Pension	4,886	1,623	6,509	4,749	1,703	6,452	
Others	5,262	5,737	10,999	4,830	8,843	13,673	
Depreciation	132,487	5,859	138,346	132,560	5,177	137,737	
Amortization	644	93	737	982	93	1,075	

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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 six months ended June 30, 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	27,482	0.19 %	27,482	
The Company	Solar Applied Materials Technology Corp.	-	Current financial assets at fair value through profit or loss	2,842,000	108,991	0.48 %	108,991	
The Company	Universal Venture Capital Investment Corporation	-	Non-current investment in equity instrument at FVOCI	8,400,000	58,451	6.98 %	58,451	
The Company	Global Investment Holding Co., Ltd	-	Non-current investment in equity instrument at FVOCI	10,233,608	85,426	5.82 %	85,426	
The Company	Faith Alliance Corporation	-	Non-current investment in equity instrument at FVOCI	25,720	65	0.06 %	65	
The Company	Excellence Electronic Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	912	5	0.01 %	5	
The Company	Leadwell Cnc Machines Mfg., Corp.	-	Non-current investment in equity instrument at FVOCI	37,352	1,384	0.06 %	1,384	
The Company	Crownpo Technology Inc.	-	Non-current investment in equity instrument at FVOCI	709	10	0.01 %	10	
The Company	Vxis Technology Corp.	-	Non-current investment in equity instrument at FVOCI	72,480	726	0.61 %	726	
The Company	Asia Global Venture Capital II CO., Ltd.	-	Non-current investment in equity instrument at FVOCI	531,300	20,603	10.00 %	20,603	
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	226,299	19.09 %	226,299	
The Company	Yu-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	21,320,000	272,101	19.38 %	272,101	
The Company	Deng Yun Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	591,945	45,393	3.09 %	45,393	
The Company	Lidien Inc.	-	Non-current investment in equity instrument at FVOCI	760,000	14,863	19.00 %	14,863	
The Company	GVISION-USA, INC.	-	Non-current investment in equity instrument at FVOCI	666,667	28,045	19.05 %	28,045	
YSIC Ltd.	OBI Pharma, Inc	-	Current financial assets at fair value through profit or loss	86,032	8,362	0.04 %	8,362	
YSIC Ltd.	Lin Bio Science Inc.	-	Current financial assets at fair value through profit or loss	45,000	5,715	0.06 %	5,715	
YSIC Ltd.	Chip Hope Co., Ltd.	-	Current financial assets at fair value through profit or loss	40,000	2,972	0.06 %	2,972	
YSIC Ltd.	Ememory Technology Inc.	-	Current financial assets at fair value through profit or loss	6,000	13,260	0.01 %	13,260	
YSIC Ltd.	Media Tek Inc.	-	Current financial assets at fair value through profit or loss	20,000	13,760	- %	13,760	
YSIC Ltd.	Wiwynn Corporation	-	Current financial assets at fair value through profit or loss	1,000	1,420	- %	1,420	
YSIC Ltd.	Winway Technology Co. Ltd.	-	Current financial assets at fair value through profit or loss	1,000	778	- %	778	

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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.	Universal Microwave Technology Inc.	-	Current financial assets at fair value through profit or loss	15,000	2,467	0.02 %	2,467	
YSIC Ltd.	United Renewable Energy Co., Ltd.	-	Current financial assets at fair value through profit or loss	300,000	5,880	0.02 %	5,880	
YSIC Ltd.	Yuanta US Treasury 20T Year Bond ETF	-	Current financial assets at fair value through profit or loss	100,000	3,159	- %	3,159	
YSIC Ltd.	Genius Electronic Optical Co., Ltd.	-	Current financial assets at fair value through profit or loss	15,000	5,940	0.01 %	5,940	
YSIC Ltd.	Unimicron Technology Corp.	-	Current financial assets at fair value through profit or loss	20,000	3,520	- %	3,520	
YSIC Ltd.	Merry Electtronics Co., Ltd.	-	Current financial assets at fair value through profit or loss	39,000	3,709	0.02 %	3,709	
YSIC Ltd.	Arizon RFID Technology	-	Current financial assets at fair value through profit or loss	20,000	3,320	0.03 %	3,320	
YSIC Ltd.	Tung Thih Electronics Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	2,910	0.02 %	2,910	
YSIC Ltd.	EVA Airways Corporation	-	Current financial assets at fair value through profit or loss	50,000	1,990	- %	1,990	
YSIC Ltd.	AES Holding Co., Ltd.	-	Current financial assets at fair value through profit or loss	10,000	8,130	0.01 %	8,130	
YSIC Ltd.	Sercomm Corporation	-	Current financial assets at fair value through profit or loss	40,000	4,200	0.02 %	4,200	
YSIC Ltd.	Shin Kong Chi-Shin Money-Market Fund	-	Current financial assets at fair value through profit or loss	1,800,000	28,448	- %	28,448	
YSIC Ltd.	Fubon Taiwan High Dividend 30 ETF	-	Current financial assets at fair value through profit or loss	100,000	1,222	- %	1,222	
YSIC Ltd.	Cjw International Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	676,413	12,548	0.50 %	12,548	
YSIC Ltd.	Cyca International Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	101,677	-	- %	-	
YSIC Ltd.	Mem Stamping Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	54,430	237	0.63 %	237	
YSIC Ltd.	Vxis Technology Corp.	-	Non-current investment in equity instrument at FVOCI	72,480	726	0.61 %	726	
YSIC Ltd.	Yuan-Jie Investment Co., Ltd	-	Non-current investment in equity instrument at FVOCI	100,000	1,078	0.09 %	1,078	
YSIC Ltd.	Yu-Jie Investment Co., Ltd	-	Non-current investment in equity instrument at FVOCI	103,000	1,315	0.09 %	1,315	
Grand Capital Co., Ltd.	Deng Yun Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	3,082,453	236,377	16.10 %	236,377	
Yuan Shin Materials Technology Co., Ltd.	Yuanta Financial Holding Co., Ltd.	-	Current financial assets at fair value through profit or loss	309,000	7,138	- %	7,138	
Yuan Shin Materials Technology Co., Ltd.	Weikeng Industrial Co., Ltd.	-	Current financial assets at fair value through profit or loss	40,000	1,336	0.01 %	1,336	
Yuan Shin Materials Technology Co., Ltd.	Wah Lee Industrial Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	1,658	0.01 %	1,658	
Yuan Shin Materials Technology Co., Ltd.	China General Plastics Corp.	-	Current financial assets at fair value through profit or loss	50,000	1,170	0.01 %	1,170	
Yuan Shin Materials Technology Co., Ltd.	Supreme Electronics Co., Ltd.	-	Current financial assets at fair value through profit or loss	30,000	1,452	0.01 %	1,452	
Yuan Shin Materials Technology Co., Ltd.	Chang Wah Electromaterials Inc.	-	Current financial assets at fair value through profit or loss	5,000	171	- %	171	
Yuan Shin Materials Technology Co., Ltd.	Fubon Financial Holding Co., Ltd.	-	Current financial assets at fair value through profit or loss	2,000	122	- %	122	

(iv) Information regarding purchase or sale of securities for the period exceeding NTD300 million or 20% of the Company's
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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

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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 six months ended June 30, 2023: None
- (b) Information on investees:

The following is the information on investees for the six months ended June 30, 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 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 %	484,018	65,598	16,399	
The Company	Wonderland Enterprise Co., Ltd.	Taiwan	General investment business	325,230	325,230	29,629,597	37.04 %	667,220	(5,030)	(1,863)	
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 %	25,799	643	224	
The Company	Universal Investments Limited	British Cayman Islands	Real estate investment business	17,273	17,273	80	40.00 %	17,850	(109)	(155)	
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 %	917,565	11,424	11,422	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 %	51,702	2,420	2,420	Subsidiary
The Company	Yangmingshan Tien Lai Resort & SPA	Taiwan	General hotel industry	630,555	630,555	25,865,618	65.07 %	695,054	7,370	3,639	Subsidiary
YSIC Ltd.	Kun Shan International Ltd.	Seychelles	General investment business	122,572	122,572	3,702,718	62.03 %	197,327	(10,394)	(6,448)	Subsidiary
YSIC Ltd.	Grand Capital Co., Ltd.	Seychelles	General investment business	90,182	90,182	2,698,002	100.00 %	238,209	(58)	(58)	Subsidiary
YSIC Ltd.	Yangmingshan Tien Lai Resort & SPA	Taiwan	General hotel industry	110,836	110,836	4,807,774	12.10 %	118,965	7,370	712	Subsidiary
YSIC Ltd.	Globaltop Technology Inc.	Taiwan	Aluminum Nitride Powder	162,643	162,643	5,255,553	23.89 %	40,046	(14,307)	(3,418)	
YSIC Ltd.	Tien Lai Co., Ltd.	Taiwan	Pipe Lines Construction	5,000	5,000	500,000	50.00 %	1,492	13	7	Subsidiary

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(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 June 30, 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	3,114 (USD 100)	(2)	113,661 (USD 3,650)	-	-	113,661 (USD 3,650) (Note 4)	3,514 (USD 115)	62.03%	2,180	17,381	-
Kun Shan Jia-An Technology Education Consulting Co., Ltd.	Educational consulting, information operation consulting, software and data storage consultation	75,720 (USD 2,432)	(2)	(Note 3)	-	-	(Note 3)	599 (USD 20)	62.03%	372	53,965	-

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=NTD31.14, USD1=NTD30.5078).

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\$2,890 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 June 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
113,661 (note 4) (USD 3,650)	113,661 (USD 3,650)	550,616

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.		41,566,000	7.87 %
Frank.C. Chen Foundation for Culture and Education		28,750,000	5.44 %

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(14) Segment information:

(a) General information

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

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

	For the three months ended June 30, 2023				
	Plasticization segment	Investment segment	Other segments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	\$ 2,268,780	8,327	39,621	-	2,316,728
Intersegments revenues	-	(175)	863	(688)	-
Total revenue	<u>\$ 2,268,780</u>	<u>8,152</u>	<u>40,484</u>	<u>(688)</u>	<u>2,316,728</u>
Reportable segment profit or loss	<u>\$ (380,338)</u>	<u>(4,628)</u>	<u>(210)</u>	<u>(408)</u>	<u>(385,584)</u>
	For the three months ended June 30, 2022				
	Plasticization segment	Investment segment	Other segments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	\$ 3,816,874	(18,017)	23,221	-	3,822,078
Intersegments revenues	-	(1,146)	707	439	-
Total revenue	<u>\$ 3,816,874</u>	<u>(19,163)</u>	<u>23,928</u>	<u>439</u>	<u>3,822,078</u>
Reportable segment profit or loss	<u>\$ (161,013)</u>	<u>(23,346)</u>	<u>(11,671)</u>	<u>34,115</u>	<u>(161,915)</u>
	For the six months ended June 30, 2023				
	Plasticization segment	Investment segment	Other segments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	\$ 4,519,750	25,554	89,908	-	4,635,212
Inter-segment revenues	-	797	1,983	(2,780)	-
Total revenue	<u>\$ 4,519,750</u>	<u>26,351</u>	<u>91,891</u>	<u>(2,780)</u>	<u>4,635,212</u>
Reportable segment profit or loss	<u>\$ (393,293)</u>	<u>13,562</u>	<u>9,226</u>	<u>(19,530)</u>	<u>(390,035)</u>

(Continued)

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

	For the six months ended June 30, 2022				
	Plasticization segment	Investment segment	Other segments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	\$ 7,307,632	(18,123)	68,183	-	7,357,692
Inter-segment revenues	-	(384)	1,686	(1,302)	-
Total revenue	<u>\$ 7,307,632</u>	<u>(18,507)</u>	<u>69,869</u>	<u>(1,302)</u>	<u>7,357,692</u>
Reportable segment profit or loss	<u>\$ (55,986)</u>	<u>108,602</u>	<u>(3,774)</u>	<u>(31,581)</u>	<u>17,261</u>