

**TAIWAN STYRENE MONOMER CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
for the Nine Months Ended September 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 September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022, as well as the changes in equity and cash flows for the nine months ended September 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 \$327,392 thousand and \$287,522 thousand, constituting 3.61% and 3.37% of consolidated total assets as of September 30, 2023 and 2022, respectively, total liabilities amounting to \$3,909 thousand and \$4,199 thousand, constituting 0.16% and 0.27% of consolidated total liabilities as of September 30, 2023 and 2022, respectively, and total comprehensive income amounting to \$10,862 thousand, \$(20,223) thousand, \$4,534 thousand and \$(34,829) thousand, constituting 8.03%, 9.33%, (45.91)% and 10.10% of consolidated total comprehensive income for the three months and nine months ended September 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 \$1,240,909 thousand and \$1,259,768 thousand as of September 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 \$(12,822) thousand, \$5,952 thousand, \$(1,635) thousand and \$(12,699) thousand for the three months and nine months ended September 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 September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022, as well as its consolidated cash flows for the nine months ended September 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)

November 8, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to 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
September 30, 2023, December 31 and September 30, 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2023		December 31, 2022		September 30, 2022		Liabilities and Equity		September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 698,959	8	765,147	9	571,344	7	2100	Short-term borrowings (notes 6(p) and 8)	\$ 1,107,500	12	807,500	9	515,000	6
1110	Current financial assets at fair value through profit or loss (note 6(b))	296,350	3	223,712	4	233,923	3	2130	Contract liabilities (note 6(x))	36,394	-	48,542	-	35,268	-
1170	Accounts receivable, net (note 6(c))	800,968	9	975,107	11	880,483	10	2170	Accounts payable	798,363	9	895,858	10	602,521	7
1200	Other receivables	5,154	-	2,323	-	5,776	-	2200	Other payables (note 6(q))	185,605	2	113,638	1	76,471	1
1220	Current tax assets	694	-	12	-	4,876	-	2230	Current tax liabilities	1,982	-	7,669	-	907	-
130X	Inventories (note 6(d))	620,201	7	568,790	6	385,505	5	2250	Current provisions	-	-	-	-	18	-
1410	Prepayments (note 6(e))	239,345	3	215,534	2	207,109	2	2280	Current lease liabilities (note 6(s))	7,348	-	6,393	-	5,691	-
1460	Non-current assets (or disposal groups) held for sale (note 6(f))	-	-	5,474	-	-	-	2320	Long-term liabilities, current portion (notes 6(r) and 8)	8,383	-	8,307	-	8,264	-
1470	Other current assets	1,240	-	267	-	39	-	2399	Other current liabilities	2,497	-	2,718	-	2,594	-
1476	Other current financial assets (notes 6(g) and 8)	45,106	-	36,415	-	30,844	-		Total current liabilities	<u>2,148,072</u>	<u>23</u>	<u>1,890,625</u>	<u>20</u>	<u>1,246,734</u>	<u>14</u>
	Total current assets	<u>2,708,017</u>	<u>30</u>	<u>2,792,781</u>	<u>32</u>	<u>2,319,899</u>	<u>27</u>	2540	Long-term borrowings (notes 6(r) and 8)	54,207	1	60,476	1	62,575	1
	Non-current assets:							2570	Deferred tax liabilities	174,795	2	175,293	2	175,541	2
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	8,726	-	7,576	-	6,372	-	2581	Non-current lease liabilities (note 6(s))	13,651	-	13,242	-	11,303	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(h))	1,092,711	12	888,543	10	924,523	11	2640	Net defined benefit liability, non-current	50,817	1	50,106	1	64,681	1
1550	Investments accounted for using equity method (note 6(i))	1,240,909	14	1,195,812	13	1,259,768	15	2600	Other non-current liabilities	660	-	660	-	660	-
1600	Property, plant and equipment (notes 6(j) and 8)	3,518,210	39	3,650,870	41	3,674,350	43		Total non-current liabilities	<u>294,130</u>	<u>4</u>	<u>299,777</u>	<u>4</u>	<u>314,760</u>	<u>4</u>
1755	Right-of-use assets (note 6(k))	20,940	-	20,833	-	17,704	-		Total liabilities	<u>2,442,202</u>	<u>27</u>	<u>2,190,402</u>	<u>24</u>	<u>1,561,494</u>	<u>18</u>
1760	Investment property, net (note 6(l))	56,382	1	56,669	1	56,756	1		Equity attributable to owners of parent (note 6(v)):						
1780	Intangible assets (note 6(m))	5,020	-	6,125	-	6,491	-	3100	Capital stock	5,278,698	58	5,278,698	59	5,278,698	62
1840	Deferred tax assets	305,791	3	230,610	3	188,261	2	3200	Capital surplus	75,608	1	70,947	1	70,882	1
1915	Prepayments for equipment	13,944	-	-	-	-	-		Retained earnings:						
1970	Other long-term investments, net (note 6(n))	26,953	-	28,728	-	29,136	-	3310	Legal reserve	639,287	7	639,287	7	639,287	7
1920	Refundable deposits	3,902	-	3,818	-	3,818	-	3320	Special reserve	223,663	2	8,811	-	8,811	-
1990	Other non-current assets (note 6(o))	56,275	1	30,283	-	46,090	1	3350	Unappropriated retained earnings	67,382	1	688,983	8	831,371	10
	Total non-current assets	<u>6,349,763</u>	<u>70</u>	<u>6,119,867</u>	<u>68</u>	<u>6,213,269</u>	<u>73</u>			<u>930,332</u>	<u>10</u>	<u>1,337,081</u>	<u>15</u>	<u>1,479,469</u>	<u>17</u>
	Total assets	<u>\$ 9,057,780</u>	<u>100</u>	<u>8,912,648</u>	<u>100</u>	<u>8,533,168</u>	<u>100</u>	3400	Other equity	72,464	1	(214,852)	(2)	(110,872)	(1)
									Total equity attributable to owners of parent	<u>6,357,102</u>	<u>70</u>	<u>6,471,874</u>	<u>73</u>	<u>6,718,177</u>	<u>79</u>
								36XX	Non-controlling interests	258,476	3	250,372	3	253,497	3
									Total equity	<u>6,615,578</u>	<u>73</u>	<u>6,722,246</u>	<u>76</u>	<u>6,971,674</u>	<u>82</u>
									Total liabilities and equity	<u>\$ 9,057,780</u>	<u>100</u>	<u>8,912,648</u>	<u>100</u>	<u>8,533,168</u>	<u>100</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 Comprehensive Income
For the three months and nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	For the three months ended September 30				For the nine months ended September 30					
	2023		2022		2023		2022			
	Amount	%	Amount	%	Amount	%	Amount	%		
4000	Operating revenue (notes 6(i) and (x))									
	\$	2,310,075	100	3,040,831	100	6,945,287	100	10,398,523	100	
5000	Operating costs (notes 6(d), (j), (k), (l), (m), (s), (t) and (z))									
		2,229,465	97	3,237,480	106	7,195,550	104	10,591,873	102	
	Gross profit (loss) from operations									
		80,610	3	(196,649)	(6)	(250,263)	(4)	(193,350)	(2)	
	Operating expenses (notes 6(c), (j), (k), (l), (m), (s), (t) and (z)):									
6100	Selling expenses	19,707	1	17,355	1	44,945	-	52,155	1	
6200	Administrative expenses	32,557	1	35,708	-	95,544	1	102,301	1	
6300	Research and development expenses	198	-	771	-	362	-	1,878	-	
6450	Expected credit impairment loss (gain)	21	-	(57)	-	44	-	(80)	-	
		52,483	2	53,777	1	140,895	1	156,254	2	
	Operating income (loss)									
		28,127	1	(250,426)	(7)	(391,158)	(5)	(349,604)	(4)	
	Non-operating income and expenses (notes 6(f), (i), (s) and (y)):									
7100	Interest income	1,566	-	1,503	-	4,897	-	3,919	-	
7010	Other income	6,012	-	27,982	1	16,612	-	51,234	-	
7020	Other gains and losses	188	-	(4,237)	-	8,117	-	104,257	1	
7050	Finance costs	(5,372)	-	(2,469)	-	(12,587)	-	(4,841)	-	
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method	(11,323)	-	8,329	-	3,282	-	(7,022)	-	
		(8,929)	-	31,108	1	20,321	-	147,547	1	
9900	Profit (loss) before tax									
		19,198	1	(219,318)	(6)	(370,837)	(5)	(202,057)	(3)	
7950	Income tax benefits (expense) (note 6(u))	(14,999)	(1)	43,884	(1)	71,489	(1)	12,832	-	
	Net income (loss)									
		4,199	-	(175,434)	(5)	(299,348)	(4)	(189,225)	(3)	
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	90,506	4	(41,056)	(1)	192,131	3	(120,955)	(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	18,041	1	(21,905)	(1)	70,549	1	(80,976)	(1)	
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
		108,547	5	(62,961)	(2)	262,680	4	(201,931)	(2)	
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361	Exchange differences on translation	22,192	1	21,070	1	26,422	-	45,163	-	
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	270	-	484	-	370	-	1,102	-	
	Components of other comprehensive income (loss) that will be reclassified to profit or loss									
		22,462	1	21,554	1	26,792	-	46,265	-	
8300	Other comprehensive income, net									
		131,009	6	(41,407)	(1)	289,472	4	(155,666)	(2)	
8500	Comprehensive income									
	\$	135,208	6	(216,841)	(6)	(9,876)	-	(344,891)	(5)	
	Profit (loss) attributable to:									
8610	Owners of parent	\$	3,026	-	(176,017)	(5)	(298,266)	(4)	(227,866)	(3)
8620	Non-controlling interests		1,173	-	583	-	(1,082)	-	38,641	-
		\$	4,199	-	(175,434)	(5)	(299,348)	(4)	(189,225)	(3)
	Comprehensive income attributable to:									
8710	Owners of parent	\$	129,271	6	(219,558)	(8)	(13,859)	-	(388,235)	(4)
8720	Non-controlling interests		5,937	-	2,717	-	3,983	-	43,344	-
		\$	135,208	6	(216,841)	(8)	(9,876)	-	(344,891)	(4)
	Earnings (loss) per share (note 6(w))									
	Basic loss per share	\$	0.01	(0.33)	(0.57)	(0.43)				
	Diluted loss per share	\$	0.01	(0.33)	(0.57)	(0.43)				

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 nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity interest			Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Retained earnings				Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total				
			Legal reserve	Special reserve	Unappropriated retained earnings	Total							
Balance at January 1, 2022	\$ 5,278,698	46,300	612,264	-	1,167,693	1,779,957	(34,634)	90,665	56,031	(13)	7,160,973	210,153	7,371,126
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	27,023	-	(27,023)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	8,811	(8,811)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(79,156)	(79,156)	-	-	-	-	(79,156)	-	(79,156)
Overdue dividends not received by shareholders	-	24,585	-	-	-	-	-	-	-	-	24,585	-	24,585
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	504	504	-	(504)	(504)	-	-	-	-
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	6,030	6,030	-	(6,030)	(6,030)	-	-	-	-
Treasury shares transactions	-	(3)	-	-	-	-	-	-	-	13	10	-	10
Net loss	-	-	-	-	(227,866)	(227,866)	-	-	-	-	(227,866)	38,641	(189,225)
Other comprehensive income	-	-	-	-	-	-	41,558	(201,927)	(160,369)	-	(160,369)	4,703	(155,666)
Total comprehensive income	-	-	-	-	(227,866)	(227,866)	41,558	(201,927)	(160,369)	-	(388,235)	43,344	(344,891)
Balance at September 30, 2022	\$ 5,278,698	70,882	639,287	8,811	831,371	1,479,469	6,924	(117,796)	(110,872)	-	6,718,177	253,497	6,971,674
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)
Overdue dividends not received by shareholders	-	4,702	-	-	-	-	-	-	-	-	4,702	-	4,702
Changes in ownership interests in subsidiaries	-	(41)	-	-	-	-	-	-	-	-	(41)	4,121	4,080
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	-	-	-	-	(1,138)	(1,138)	-	1,138	1,138	-	-	-	-
Net loss	-	-	-	-	(298,266)	(298,266)	-	-	-	-	(298,266)	(1,082)	(299,348)
Other comprehensive income	-	-	-	-	-	-	21,727	262,680	284,407	-	284,407	5,065	289,472
Total comprehensive income	-	-	-	-	(298,266)	(298,266)	21,727	262,680	284,407	-	(13,859)	3,983	(9,876)
Balance at September 30, 2023	\$ 5,278,698	75,608	639,287	223,663	67,382	930,332	14,335	58,129	72,464	-	6,357,102	258,476	6,615,578

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 nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2023	2022
Cash flows used in operating activities:		
Loss before tax	\$ (370,837)	(202,057)
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	208,002	206,857
Amortization expense	1,105	1,441
Expected credit impairment loss (gain)	44	(80)
Interest expense	12,587	4,841
Interest income	(4,897)	(3,919)
Dividend income	(14,179)	(21,967)
Share of loss of associates and joint ventures accounted for using equity method	1,635	12,699
Gain on disposal of property, plant and equipment	-	(172)
Gain on disposal of non-current assets held for sale	-	(133,363)
Impairment loss on non-financial assets	603	84
Gain on lease modification	(28)	(6)
Gain from recovery in value of inventories	(13,119)	(125,320)
Total adjustments to reconcile profit (loss)	<u>191,753</u>	<u>(58,905)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets mandatorily measured at fair value through profit or loss	(73,788)	83,390
Accounts receivable	174,345	37,363
Other receivables	(2,050)	685
Inventories	(38,292)	566,456
Prepayments	(63,400)	3,517
Other current assets	(973)	(31)
Other financial assets	(8,691)	128,622
Total changes in operating assets	<u>(12,849)</u>	<u>820,002</u>
Changes in operating liabilities:		
Current contract liabilities	(12,148)	(15,755)
Notes payable	-	(2)
Accounts payable	(97,495)	(375,195)
Other payables	(23,373)	(55,378)
Provisions	-	(331)
Other current liabilities	(221)	(38,285)
Net defined benefit liabilities	711	581
Total changes in operating liabilities	<u>(132,526)</u>	<u>(484,365)</u>
Total changes in operating assets and liabilities	<u>(145,375)</u>	<u>335,637</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 nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2023	2022
Cash inflow (outflow) generated from operations	\$ (324,459)	74,675
Interest received	4,214	5,052
Dividends received	13,831	20,534
Interest paid	(12,096)	(4,614)
Dividends paid	-	(38)
Income taxes paid	(10,559)	(45,930)
Net cash flows from (used in) operating activities	(329,069)	49,679
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	288	1,873
Proceeds from disposal of non-current assets classified as held for sale	5,474	202,912
Acquisition of property, plant and equipment	(74,528)	(62,191)
Proceeds from disposal of property, plant and equipment	-	233
Increase in refundable deposits	(121)	(231)
Decrease in refundable deposits	37	-
Increase in prepayments for equipment	(950)	-
Decrease in other long-term investment	2,285	1,440
Dividends received	24,860	45,291
Net cash flows from (used in) investing activities	(42,655)	189,327
Cash flows from financing activities:		
Increase in short-term borrowings	3,617,000	1,965,000
Decrease in short-term borrowings	(3,317,000)	(1,803,259)
Repayments of long-term borrowings	(6,193)	(6,196)
Payment of lease liabilities	(5,263)	(4,861)
Decrease in other non-current liabilities	-	(56)
Cash dividends paid	-	(79,156)
Proceeds from disposal of treasury shares	-	10
Change in non-controlling interests	4,080	-
Net cash from financing activities	292,624	71,482
Effect of exchange rate changes on cash and cash equivalents	12,912	7,732
Net increase (decrease) in cash and cash equivalents	(66,188)	318,220
Cash and cash equivalents at beginning of period	765,147	253,124
Cash and cash equivalents at end of period	\$ 698,959	571,344

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
September 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 November 8, 2023.

(3) New standards, amendments and interpretations adopted

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

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(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
			September 30, 2023	December 31, 2022	September 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

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
YSIC Ltd.	Grand Capital Co., Ltd.	Investment	100.00	100.00	100.00	Note 1
YSIC Ltd.	Tien Lai Co., Ltd.	Piping engineering	19.78	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	
Yangmingshan Tien Lai Resort & SPA	Tien Lai Co., Ltd.	Piping engineering	30.22	-	-	Notes 1 and 4

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: Tien Lai Co., Ltd. completed the cash capital increase on August 30, 2023. After the capital increase, YSIC Ltd. and Yangmingshan Tien Lai Resort & SPA collectively held 50% shares of Tien Lai Co., Ltd. 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.

(Continued)

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

(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.

(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>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Cash on hand	\$ 925	969	722
Petty cash	1,180	892	964
Deposits in bank	435,778	719,192	368,636
Cash equivalents			
Time deposits due within one year	<u>261,076</u>	<u>44,094</u>	<u>201,022</u>
	<u>\$ 698,959</u>	<u>765,147</u>	<u>571,344</u>

(Continued)

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

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Mandatorily measured at fair value through profit or loss:			
Current:			
Listed stocks	\$ 263,702	193,917	197,107
Funds	32,648	29,327	29,221
Derivative instruments not used for hedging-foreign exchange swap contracts	-	468	7,595
Non-current:			
Listed stocks	<u>8,726</u>	<u>7,576</u>	<u>6,372</u>
Total	<u>\$ 305,076</u>	<u>231,288</u>	<u>240,295</u>

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:

	<u>December 31, 2022</u>		
	<u>Contract amount</u>		<u>Maturity dates</u>
	<u>(in thousand)</u>		
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
	<u>September 30, 2022</u>		
	<u>Contract amount</u>		<u>Maturity dates</u>
	<u>(in thousand)</u>		
Buy USD / Sell TWD	USD	8,000	2022.10

(c) Accounts receivable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts receivable	\$ 802,905	977,474	882,882
Less: Loss allowance	<u>(1,937)</u>	<u>(2,367)</u>	<u>(2,399)</u>
	<u>\$ 800,968</u>	<u>975,107</u>	<u>880,483</u>

(Continued)

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

The loss allowance provision was determined as follows:

	September 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 800,398	0.005%	40
1 to 90 days past due	250	1%	2
91 to 180 days past due	171	2%	3
181 to 365 days past due	143	2%	3
More than 1 year past due	1,943	50%~100%	1,889
	\$ 802,905		1,937
	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 974,638	0.005%	48
1 to 90 days past due	322	1%	3
91 to 180 days past due	52	2%	1
181 to 365 days past due	100	2%	2
More than 1 year past due	2,362	50%~100%	2,313
	\$ 977,474		2,367
	September 30, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 880,182	0.005%	43
1 to 90 days past due	103	1%	1
91 to 180 days past due	123	2%	2
181 to 365 days past due	75	2%	1
More than 1 year past due	2,399	50%~100%	2,352
	\$ 882,882		2,399

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

	For the nine months ended	
	September 30	
	2023	2022
Beginning balance	\$ 2,367	2,466
Recognize impairment loss (Reversal of impairment loss)	44	(80)
Amounts written off	(474)	-
Effect of exchange rate changes	-	13
Ending balance	\$ 1,937	2,399

(Continued)

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

(d) Inventories

	September 30, 2023	December 31, 2022	September 30, 2022
Merchandise inventory	\$ 1,285	1,587	1,338
Finished goods	90,659	190,868	129,989
By-product	8,565	9,363	7,192
Semi-finished products	223,830	62,616	62,317
Work in progress	41,740	46,865	37,424
Raw materials	233,220	178,560	127,017
Supplies	<u>20,902</u>	<u>78,931</u>	<u>20,228</u>
	<u>\$ 620,201</u>	<u>568,790</u>	<u>385,505</u>

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

	For the three months ended September 30		For the nine months ended September 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Gain from recovery in value of inventories	<u>\$ (87,828)</u>	<u>(22,781)</u>	<u>(13,119)</u>	<u>(125,320)</u>

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

(e) Prepayments

	September 30, 2023	December 31, 2022	September 30, 2022
Prepayment for purchases	\$ 8,588	68	-
Supplies	108,898	109,032	109,493
Overpaid sales tax	83,150	79,225	68,051
Others	<u>38,709</u>	<u>27,209</u>	<u>29,565</u>
	<u>\$ 239,345</u>	<u>215,534</u>	<u>207,109</u>

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

On January 22, 2021, the Group obtained an approval from the Board of Directors to dispose the partial property, plant and equipment, right-of-use assets and investment property held by Kun Shan Yu-Fu Technology Education Consulting Co., Ltd. and Kun Shan Jia-an Technology Education Consulting Co., Ltd. Therefore, the Group reclassified them as non-current assets (or disposal groups) held for sale, which amounting to \$65,008 thousand. The Group completed the disposal in February 2022 and recognized the gain on disposal amounting to \$133,363 thousand.

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Time deposits maturing over three months	\$ 38,681	29,000	29,000
Restricted deposits in bank	6,425	7,415	1,844
	<u>\$ 45,106</u>	<u>36,415</u>	<u>30,844</u>

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Equity investments:			
Domestic non-listed stocks	\$ 738,485	558,717	608,325
Foreign non-listed equity investments	354,226	329,826	316,198
	<u>\$ 1,092,711</u>	<u>888,543</u>	<u>924,523</u>

- (i) The Group designated the investments shown above at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes not for trading purposes. During the three months ended September 30, 2023, no dividend income was recognized. During the three months ended September 30, 2022 and nine months ended September 30, 2023 and 2022, the dividends of \$18 thousand, \$5,202 thousand, and \$13,132 thousand were recognized.
- (ii) In May, 2022, the Group disposed its shares held in Yujie Co., Ltd. as a result 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 September 30, 2023, December 31 and September 30, 2022.

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

(i) Investments accounted for using equity method

(i) Associates

Associates of the Group consisted of the following:

	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>September 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. \$	475,572	25.00	478,292	25.00	405,726	25.00
Wonderland Enterprise Co., Ltd.	681,085	37.04	630,762	37.04	765,072	37.04
Globaltop Technology Inc.	40,030	23.89	43,363	23.89	44,653	23.89
Functional Coating System Technologies Co., Ltd.	25,950	34.88	25,575	34.88	25,921	34.88
Universal Investments Limited	18,272	40.00	17,820	40.00	18,396	40.00
	<u>\$ 1,240,909</u>		<u>1,195,812</u>		<u>1,259,768</u>	

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

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Attributable to the Group:			
Net income (loss)	\$ (12,822)	5,952	(1,635)	(12,699)
Other comprehensive income	18,311	(21,421)	70,919	(79,874)
Total comprehensive income	<u>\$ 5,489</u>	<u>(15,469)</u>	<u>69,284</u>	<u>(92,573)</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:

Cost:	<u>Land</u>	<u>Land improvements</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportatio n equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
	Balance as of January 1, 2023	\$ 1,576,740	8,462	621,630	7,532,609	2,959	859,400	53,965
Additions	-	-	-	2,483	-	22,033	43,989	68,505
Disposals	-	-	-	(9,839)	-	(1,272)	-	(11,111)
Reclassification	-	-	-	-	1,171	7,122	(7,122)	1,171
Effect of exchange rate changes	-	-	-	-	22	-	-	22
Balance as of September 30, 2023	<u>\$ 1,576,740</u>	<u>8,462</u>	<u>621,630</u>	<u>7,525,253</u>	<u>4,152</u>	<u>887,283</u>	<u>90,832</u>	<u>10,714,352</u>

(Continued)

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

	<u>Land</u>	<u>Land improvements</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportatio n equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</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	-	2,708	33,551	39,939
Disposals	-	-	-	(68,936)	(1,333)	(920)	-	(71,189)
Reclassification	-	-	-	291,152	-	5,763	(313,180)	(16,265)
Effect of exchange rate changes	-	-	-	-	32	-	-	32
Balance as of September 30, 2022	<u>\$ 1,576,740</u>	<u>8,462</u>	<u>621,630</u>	<u>7,533,004</u>	<u>2,975</u>	<u>851,771</u>	<u>18,429</u>	<u>10,613,011</u>
Accumulated depreciation:								
Balance as of January 1, 2023	\$ -	8,425	258,649	6,148,037	2,805	586,979	-	7,004,895
Depreciation	-	16	10,881	155,942	98	35,167	-	202,104
Disposals	-	-	-	(9,839)	-	(1,272)	-	(11,111)
Reclassification	-	-	-	-	234	-	-	234
Effect of exchange rate changes	-	-	-	-	20	-	-	20
Balance as of September 30, 2023	<u>\$ -</u>	<u>8,441</u>	<u>269,530</u>	<u>6,294,140</u>	<u>3,157</u>	<u>620,874</u>	<u>-</u>	<u>7,196,142</u>
Balance as of January 1, 2022	\$ -	8,404	244,208	6,008,783	4,004	542,087	-	6,807,486
Depreciation	-	16	10,831	156,134	90	35,203	-	202,274
Disposals	-	-	-	(68,936)	(1,333)	(859)	-	(71,128)
Effect of exchange rate changes	-	-	-	-	29	-	-	29
Balance as of September 30, 2022	<u>\$ -</u>	<u>8,420</u>	<u>255,039</u>	<u>6,095,981</u>	<u>2,790</u>	<u>576,431</u>	<u>-</u>	<u>6,938,661</u>
Carrying value:								
Balance as of January 1, 2023	<u>\$ 1,576,740</u>	<u>37</u>	<u>362,981</u>	<u>1,384,572</u>	<u>154</u>	<u>272,421</u>	<u>53,965</u>	<u>3,650,870</u>
Balance as of September 30, 2023	<u>\$ 1,576,740</u>	<u>21</u>	<u>352,100</u>	<u>1,231,113</u>	<u>995</u>	<u>266,409</u>	<u>90,832</u>	<u>3,518,210</u>
Balance as of January 1, 2022	<u>\$ 1,576,740</u>	<u>58</u>	<u>377,422</u>	<u>1,298,325</u>	<u>272</u>	<u>302,133</u>	<u>298,058</u>	<u>3,853,008</u>
Balance as of September 30, 2022	<u>\$ 1,576,740</u>	<u>42</u>	<u>366,591</u>	<u>1,437,023</u>	<u>185</u>	<u>275,340</u>	<u>18,429</u>	<u>3,674,350</u>

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

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

	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Total</u>
Cost:					
Balance as of January 1, 2023	\$ 4,148	1,252	12,555	9,614	27,569
Additions	-	-	2,019	4,541	6,560
Lease modification	142	-	(47)	-	95
Disposals	-	-	(1,000)	-	(1,000)
Reclassification	-	-	(1,171)	-	(1,171)
Balance as of September 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	11,555	-	11,979
Lease modification	84	-	-	-	84
Disposals	-	(426)	(11,769)	-	(12,195)
Balance as of September 30, 2022	<u>\$ 4,148</u>	<u>1,252</u>	<u>12,555</u>	<u>4,814</u>	<u>22,769</u>

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

	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Total</u>
Accumulated depreciation:					
Balance as of January 1, 2023	\$ 301	554	2,511	3,370	6,736
Depreciation	167	470	3,154	1,820	5,611
Disposals	-	-	(1,000)	-	(1,000)
Reclassification	-	-	(234)	-	(234)
Balance as of September 30, 2023	<u>\$ 468</u>	<u>1,024</u>	<u>4,431</u>	<u>5,190</u>	<u>11,113</u>
Balance as of January 1, 2022	\$ 87	354	10,328	2,167	12,936
Depreciation	161	470	2,972	721	4,324
Disposals	-	(426)	(11,769)	-	(12,195)
Balance as of September 30, 2022	<u>\$ 248</u>	<u>398</u>	<u>1,531</u>	<u>2,888</u>	<u>5,065</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 September 30, 2023	<u>\$ 3,822</u>	<u>228</u>	<u>7,925</u>	<u>8,965</u>	<u>20,940</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 September 30, 2022	<u>\$ 3,900</u>	<u>854</u>	<u>11,024</u>	<u>1,926</u>	<u>17,704</u>

(l) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
Cost:			
Balance as of September 30, 2023 (Balance as of January 1, 2023)	<u>\$ 46,101</u>	<u>17,625</u>	<u>63,726</u>
Balance as of September 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	-	287	287
Balance as of September 30, 2023	<u>\$ -</u>	<u>7,344</u>	<u>7,344</u>
Balance as of January 1, 2022	\$ -	6,711	6,711
Depreciation	-	259	259
Balance as of September 30, 2022	<u>\$ -</u>	<u>6,970</u>	<u>6,970</u>
Carrying value:			
Balance as of January 1, 2023	<u>\$ 46,101</u>	<u>10,568</u>	<u>56,669</u>
Balance as of September 30, 2023	<u>\$ 46,101</u>	<u>10,281</u>	<u>56,382</u>
Balance as of January 1, 2022	<u>\$ 46,101</u>	<u>10,914</u>	<u>57,015</u>
Balance as of September 30, 2022	<u>\$ 46,101</u>	<u>10,655</u>	<u>56,756</u>

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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 September 30, 2023, December 31 and September 30, 2022.

(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 September 30, 2023 (Balance as of January 1, 2023)	\$ <u>22,242</u>	<u>1,961</u>	<u>24,203</u>
Balance as of January 1, 2022	\$ 22,242	6,061	28,303
Disposals	-	(4,100)	(4,100)
Balance as of September 30, 2022	\$ <u>22,242</u>	<u>1,961</u>	<u>24,203</u>
Accumulated amortization:			
Balance as of January 1, 2023	\$ 17,043	1,035	18,078
Amortization	731	374	1,105
Balance as of September 30, 2023	\$ <u>17,774</u>	<u>1,409</u>	<u>19,183</u>
Balance as of January 1, 2022	\$ 16,068	4,303	20,371
Amortization	731	710	1,441
Disposals	-	(4,100)	(4,100)
Balance as of September 30, 2022	\$ <u>16,799</u>	<u>913</u>	<u>17,712</u>
Carrying value:			
Balance as of January 1, 2023	\$ <u>5,199</u>	<u>926</u>	<u>6,125</u>
Balance as of September 30, 2023	\$ <u>4,468</u>	<u>552</u>	<u>5,020</u>
Balance as of January 1, 2022	\$ <u>6,174</u>	<u>1,758</u>	<u>7,932</u>
Balance as of September 30, 2022	\$ <u>5,443</u>	<u>1,048</u>	<u>6,491</u>

(n) Other long-term investment, net

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Construction and operation of student dormitory	\$ <u>26,953</u>	<u>28,728</u>	<u>29,136</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.

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

(o) Other non-current assets

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Long-term prepaid rents	\$ 49,951	23,959	40,601
Net defined benefit assets	<u>6,324</u>	<u>6,324</u>	<u>5,489</u>
	<u>\$ 56,275</u>	<u>30,283</u>	<u>46,090</u>

(p) Short-term borrowings

Short-term borrowings of the Group were as follows:

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Unsecured bank loans	\$ 1,000,000	700,000	400,000
Secured bank loans	<u>107,500</u>	<u>107,500</u>	<u>115,000</u>
Total	<u>\$ 1,107,500</u>	<u>807,500</u>	<u>515,000</u>
Unused short-term credit lines	<u>\$ 576,500</u>	<u>692,500</u>	<u>732,000</u>
Range of interest rate	<u>1.925~2.115%</u>	<u>1.70~2.060%</u>	<u>1.475~1.749%</u>

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

(q) Other payables

Other payables of the Group were as follows:

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Accrued payroll	\$ 7,878	27,027	8,761
Employee bonus payable	392	441	392
Compensation payable to directors	78	78	78
Compensated absences	16,545	16,404	17,015
Other accrued expenses payable	39,014	47,456	36,379
Payables on equipment	4,619	10,642	1,995
Dividends payable	106,026	452	452
Other payables-other	<u>11,053</u>	<u>11,138</u>	<u>11,399</u>
Total	<u>\$ 185,605</u>	<u>113,638</u>	<u>76,471</u>

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

(r) Long-term borrowings

Long-term borrowings of the Group were as follows:

September 30, 2023				
	Currency	Range of interest rate	Due year	Amount
Secured bank loans	NTD	2.26%	2030	\$ 62,590
Less: current portion				8,383
Total				\$ 54,207
Unused long-term credit lines				\$ 25,110
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
September 30, 2022				
	Currency	Range of interest rate	Due year	Amount
Secured bank loans	NTD	1.885~ 2.010%	2030	\$ 70,839
Less: current portion				8,264
Total				\$ 62,575
Unused long-term credit lines				\$ 16,861

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

(s) Lease liabilities

Lease liabilities of the Group were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Current	\$ 7,348	6,393	5,691
Non-current	\$ 13,651	13,242	11,303

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

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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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The amounts recognized in profit or loss were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Interest on lease liabilities	\$ <u>115</u>	<u>49</u>	<u>331</u>	<u>123</u>
Expenses relating to short-term leases	\$ <u>39</u>	<u>94</u>	<u>171</u>	<u>262</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>146</u>	<u>151</u>	<u>422</u>	<u>494</u>

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

	For the nine months ended	
	September 30	
	2023	2022
Total cash outflow for leases	\$ <u>6,187</u>	<u>5,740</u>

(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 nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Operating cost	\$ 282	245	847	777
Operating expenses	97	84	292	283
Total	\$ <u>379</u>	<u>329</u>	<u>1,139</u>	<u>1,060</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 nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Operating cost	\$ 2,107	2,151	6,428	6,368
Operating expenses	716	739	2,144	2,243
Total	\$ <u>2,823</u>	<u>2,890</u>	<u>8,572</u>	<u>8,611</u>

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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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(u) Income tax

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

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Current income tax expense				
Current period	\$ 1,452	1,044	9,385	34,789
Adjustment for prior periods	-	-	(5,195)	8,890
Deferred income tax benefit				
Origination and reversal of temporary difference	13,547	(44,928)	(75,679)	(56,511)
Income tax expense (benefit)	\$ 14,999	(43,884)	(71,489)	(12,832)

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

(v) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the nine months ended September 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:

	September 30, 2023	December 31, 2022	September 30, 2022
Difference arising from subsidiary's share price and its carrying value	\$ 8,953	8,953	8,953
Changes in ownership interests in subsidiaries	26,266	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	29,287	24,585	24,585
Total	\$ 75,608	70,947	70,882

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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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(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:

	2022	2021
Dividends distributed to ordinary shareholders		
Cash	\$ <u>105,574</u>	<u>79,156</u>

(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	21,357	-	21,357
Exchange differences on associates and joint ventures accounted for using equity method	370	-	370
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	192,131	192,131
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on associates and joint ventures accounted for using equity method	-	70,549	70,549
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	-	1,138	1,138
Balance as of September 30, 2023	\$ <u>14,335</u>	<u>58,129</u>	<u>72,464</u>

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

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2022	\$ (34,634)	90,665	56,031
Exchange differences on foreign operations	40,456	-	40,456
Exchange differences on associates and joint ventures accounted for using equity method	1,102	-	1,102
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(120,951)	(120,951)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income on associates and joint ventures accounted for using equity method	-	(80,976)	(80,976)
Cumulative losses (gains) reclassified to retained earnings on associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(504)	(504)
Cumulative losses (gains) reclassified to retained earnings on associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(6,030)	(6,030)
Balance as of September 30, 2022	<u>\$ 6,924</u>	<u>(117,796)</u>	<u>(110,872)</u>

(w) Earnings (loss) per share

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

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Profit (loss) attributable to the Company	\$ <u>3,026</u>	<u>(176,017)</u>	<u>(298,266)</u>	<u>(227,866)</u>
Weighted-average number of ordinary shares outstanding	<u>527,870</u>	<u>527,870</u>	<u>527,870</u>	<u>527,870</u>
Basic and diluted earnings (loss) per share (NTD)	\$ <u>0.01</u>	<u>(0.33)</u>	<u>(0.57)</u>	<u>(0.43)</u>

There was no dilutive potential ordinary shares of the Group.

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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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(x) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Primary geographical markets:				
Asia	\$ 2,287,662	3,007,444	6,890,331	10,234,789
Europe	7,878	39,632	7,878	46,899
America	20,606	-	31,348	145,148
Total	<u>\$ 2,316,146</u>	<u>3,047,076</u>	<u>6,929,557</u>	<u>10,426,836</u>
Major products/services lines:				
Commodity sales revenue	\$ 2,269,095	2,997,713	6,788,845	10,305,345
Travel service revenue	43,076	45,554	130,982	112,022
Other operating revenue	3,975	3,809	9,730	9,469
Total	<u>\$ 2,316,146</u>	<u>3,047,076</u>	<u>6,929,557</u>	<u>10,426,836</u>

(ii) Contract balances

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Contract liabilities-travel service contract	\$ 31,501	40,713	27,401
Contract liabilities-unearned sales revenue	4,893	7,829	7,867
Total	<u>\$ 36,394</u>	<u>48,542</u>	<u>35,268</u>

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

The amount of revenue recognized for the three months and nine months ended September 30, 2023 and 2022 that were included in the contract liability balance at the beginning of the period were \$1,628 thousand, \$1,217 thousand, \$5,630 thousand and \$12,922 thousand, respectively.

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

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(y) Non-operating income and expenses

(i) Other income

Details of other income of the Group were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Rent income	\$ 317	281	906	835
Dividend income	4,546	4,974	12,169	20,878
Others	1,149	22,727	3,537	29,521
Total	\$ 6,012	27,982	16,612	51,234

(ii) Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Foreign exchange gains (loss)	\$ 7,424	17,186	(1,043)	23,693
Gains (losses) on financial assets at fair value through profit or loss	(7,226)	(21,804)	9,845	(52,149)
Gains on disposals of non-current assets (or disposal groups) held for sale	-	218	-	133,363
Impairment losses	-	-	(603)	(84)
Gains on lease modification	-	-	28	6
Gains on disposals of property, plant and equipment	-	172	-	172
Others	(10)	(9)	(110)	(744)
Total	\$ 188	(4,237)	8,117	104,257

(iii) Finance costs

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Interest expense	\$ 5,372	2,469	12,587	4,841

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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 nine months ended September 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 September 30, 2023, December 31 and September 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.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
September 30, 2023						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,107,500	1,110,597	1,110,597	-	-	-
Payables	983,176	983,176	983,176	-	-	-
Long-term borrowings	62,590	67,694	9,740	9,740	29,219	18,995
Deposit received	660	660	350	310	-	-
Lease liabilities	20,999	22,070	7,710	5,910	5,440	3,010
	<u>\$ 2,174,925</u>	<u>2,184,197</u>	<u>2,111,573</u>	<u>15,960</u>	<u>34,659</u>	<u>22,005</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>
September 30, 2022						
Non-derivative financial liabilities						
Short-term borrowings	\$ 515,000	516,488	516,488	-	-	-
Payables	678,290	678,290	678,290	-	-	-
Long-term borrowings	70,839	76,510	9,615	9,615	28,865	28,415
Deposit received	660	660	-	350	310	-
Lease liabilities	16,994	17,865	5,953	5,028	3,715	3,169
	<u>\$ 1,281,783</u>	<u>1,289,813</u>	<u>1,210,346</u>	<u>14,993</u>	<u>32,890</u>	<u>31,584</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:

	September 30, 2023			December 31, 2022			September 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	\$ 16,539	32.270	533,714	8,424	30.710	258,701	11,911	31.750	378,174
CNY	69,433	4.495	312,101	69,447	4.409	306,192	60,862	4.472	272,175
EUR	-	-	-	-	-	-	39	31.260	1,219
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	8,358	32.270	269,713	7,898	30.710	242,548	219	31.750	6,953
CNY	579	4.495	2,603	759	4.409	3,346	742	4.472	3,318
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 September 30, 2023 and 2022, would have increased (decreased) net profit before tax by \$5,735 thousand and \$6,413 thousand for the nine months ended September 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 nine months ended September 30, 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to gain of \$1,043 thousand and \$23,693 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 \$8,776 thousand and \$4,394 thousand for the nine months ended September 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 nine months ended September 30			
	2023		2022	
	Prices of securities at the reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax
Increasing 1%	\$ 10,927	3,051	9,245	2,327
Decreasing 1%	\$ (10,927)	(3,051)	(9,245)	(2,327)

(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 receivable and lease liabilities, disclosure of fair value information is not required:

	September 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	\$ 272,428	272,428	-	-	272,428
Funds	32,648	32,648	-	-	32,648
Financial assets at fair value through other comprehensive income:					
Domestic and foreign non-listed stocks	1,092,711	-	-	1,092,711	1,092,711
Total	\$ 1,397,787	305,076	-	1,092,711	1,397,787

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		December 31, 2022				
		Book value	Fair value			Total
			Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:						
Financial assets mandatorily at fair value through profit or loss:						
Listed stocks	\$	201,493	201,493	-	-	201,493
Funds		29,327	29,327	-	-	29,327
Derivative instruments not used for hedging-foreign exchange swap contracts		468	-	468	-	468
Financial assets at fair value through other comprehensive income:						
Domestic and foreign non-listed stocks (included non-current assets (or disposal groups) held for sale)		894,017	-	-	894,017	894,017
Total	\$	<u>1,125,305</u>	<u>230,820</u>	<u>468</u>	<u>894,017</u>	<u>1,125,305</u>
		September 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:						
Listed stocks	\$	203,479	203,479	-	-	203,479
Funds		29,221	29,221	-	-	29,221
Derivative instruments not used for hedging-foreign exchange swap contracts		7,595	-	7,595	-	7,595
Financial assets at fair value through other comprehensive income:						
Domestic and foreign non-listed stocks		924,523	-	-	924,523	924,523
Total	\$	<u>1,164,818</u>	<u>232,700</u>	<u>7,595</u>	<u>924,523</u>	<u>1,164,818</u>

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.

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TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
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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 nine months ended September 30, 2023 and 2022.

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	192,131
Disposals	(288)
Effect of exchange rate changes	12,325
Ending Balance, September 30, 2023	\$ 1,092,711

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	Fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2022	\$ 1,016,623
Total gains and losses recognized	
Other comprehensive income	(120,955)
Disposals	(1,873)
Effect of exchange rate changes	30,728
Ending Balance, September 30, 2022	\$ 924,523

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 September 30, 2023 and 2022 were as follows:

	For the three months ended September 30		For the nine months ended September 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”	\$ 90,506	(41,056)	192,131	(120,955)

- 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.

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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 (1.07~1.82, 0.96~1.75 and 0.93~1.90 as of September 30, 2023, December 31, and September 30, 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 September 30, 2023, December 31 and September 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>
September 30, 2023				
Financial assets at fair value through other comprehensive income	Price to book ratio	10%	\$ 4,495	(4,495)
	Liquidity discount	10%	28,814	(28,814)
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)

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	<u>Inputs</u>	<u>Increase/ Decrease</u>	<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
September 30, 2022				
Financial assets at fair value through other comprehensive income	Price to book ratio	10%	887	(887)
	Liquidity discount	10%	19,000	(19,000)

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

	<u>January 1, 2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u>			<u>September 30, 2023</u>
			<u>Lease modification</u>	<u>Effect of consolidation changes</u>	<u>Additions</u>	
Lease liabilities	\$ <u>19,635</u>	<u>(5,263)</u>	<u>67</u>	<u>-</u>	<u>6,560</u>	<u>20,999</u>
	<u>January 1, 2022</u>	<u>Cash flows</u>	<u>Non-cash changes</u>			<u>September 30, 2022</u>
			<u>Lease modification</u>	<u>Effect of consolidation changes</u>	<u>Additions</u>	
Lease liabilities	\$ <u>9,798</u>	<u>(4,861)</u>	<u>78</u>	<u>-</u>	<u>11,979</u>	<u>16,994</u>

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(7) Related-party transactions

(a) Key management personnel compensation

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 10,206	7,693	27,173	23,193
Post-employment benefits	354	327	1,152	1,164
	<u>\$ 10,560</u>	<u>8,020</u>	<u>28,325</u>	<u>24,357</u>

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

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	September 30, 2023	December 31, 2022	September 30, 2022
Cash in banks (other financial assets)	Performance guarantee	\$ 6,425	7,415	1,844
Land, buildings and structures	Borrowings	579,064	582,846	584,107
		<u>\$ 585,489</u>	<u>590,261</u>	<u>585,951</u>

(9) Commitments and contingencies

(a) Letter of credit issued but not expired

	September 30, 2023	December 31, 2022	September 30, 2022
Letter of credit outstanding for the import of raw materials	\$ 1,116,000	936,318 (including USD303 thousand)	966,412 (including USD285 thousand and EUR140 thousand)

(10) Losses due to major disasters: None.

(11) Subsequent events:

For the purpose of strengthening financial structure, the Board of Directors resolved to issue the first domestic secured convertible corporate bonds within the limit amount of \$500,000 thousand on November 8, 2023. The chairman of the Board was authorized to be in charge of all subsequent issuance and other related matters.

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(12) Other

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

By Function	For the three months ended September 30					
	2023			2022		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	\$ 37,751	17,261	55,012	33,545	18,035	51,580
Labor and health insurance	4,512	1,254	5,766	4,635	1,923	6,558
Pension	2,389	813	3,202	2,396	823	3,219
Others	2,608	2,899	5,507	2,395	3,309	5,704
Depreciation	66,714	2,942	69,656	66,421	2,699	69,120
Amortization	321	47	368	319	47	366

By Function	For the nine months ended September 30					
	2023			2022		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	\$ 123,024	50,990	174,014	117,795	54,247	172,042
Labor and health insurance	14,022	3,802	17,824	13,308	4,395	17,703
Pension	7,275	2,436	9,711	7,145	2,526	9,671
Others	7,870	8,636	16,506	7,225	12,152	19,377
Depreciation	199,201	8,801	208,002	198,981	7,876	206,857
Amortization	965	140	1,105	1,301	140	1,441

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(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 nine months ended September 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	27,664	0.19 %	27,664	
The Company	Solar Applied Materials Technology Corp.	-	Current financial assets at fair value through profit or loss	2,842,000	103,591	0.48 %	103,591	
The Company	Universal Venture Capital Investment Corporation	-	Non-current investment in equity instrument at FVOCI	8,400,000	60,989	6.98 %	60,989	
The Company	Global Investment Holding Co., Ltd	-	Non-current investment in equity instrument at FVOCI	10,233,608	86,538	5.82 %	86,538	
The Company	Faith Alliance Corporation	-	Non-current investment in equity instrument at FVOCI	25,720	74	0.06 %	74	
The Company	Excellence Electronic Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	912	6	0.01 %	6	
The Company	Leadwell Cnc Machines Mfg., Corp.	-	Non-current investment in equity instrument at FVOCI	37,352	1,315	0.06 %	1,315	
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	765	0.61 %	765	
The Company	Asia Global Venture Capital II Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	531,300	23,798	10.00 %	23,798	
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	259,350	19.09 %	259,350	
The Company	Yu-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	21,320,000	310,288	19.38 %	310,288	
The Company	Deng Yun Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	591,945	48,984	3.09 %	48,984	
The Company	Lidien Inc.	-	Non-current investment in equity instrument at FVOCI	760,000	15,397	19.00 %	15,397	
The Company	GVISION-USA, INC.	-	Non-current investment in equity instrument at FVOCI	666,667	26,368	19.05 %	26,368	
YSIC Ltd.	Chip Hope Co. Ltd.	-	Current financial assets at fair value through profit or loss	40,000	2,880	0.06 %	2,880	
YSIC Ltd.	Wiwynn Corporation	-	Current financial assets at fair value through profit or loss	6,000	8,970	- %	8,970	
YSIC Ltd.	uPI Semiconductor Corp.	-	Current financial assets at fair value through profit or loss	42,000	10,332	0.05 %	10,332	
YSIC Ltd.	Winway Technology Co. Ltd.	-	Current financial assets at fair value through profit or loss	3,000	2,034	0.01 %	2,034	
YSIC Ltd.	Universal Microwave Technology Inc.	-	Current financial assets at fair value through profit or loss	15,000	2,318	0.02 %	2,318	
YSIC Ltd.	Yuanta US Treasury 20T Year Bond ETF	-	Current financial assets at fair value through profit or loss	100,000	2,852	- %	2,852	

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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.	Waffer Technology Corp.	-	Current financial assets at fair value through profit or loss	50,000	7,350	0.03 %	7,350	
YSIC Ltd.	Arizon RFID Technology	-	Current financial assets at fair value through profit or loss	20,000	2,810	0.03 %	2,810	
YSIC Ltd.	Tung Thih Electronics Co. Ltd.	-	Current financial assets at fair value through profit or loss	20,000	2,620	0.02 %	2,620	
YSIC Ltd.	AES Holding Co. Ltd.	-	Current financial assets at fair value through profit or loss	10,000	6,390	0.01 %	6,390	
YSIC Ltd.	Wistron Corporation	-	Current financial assets at fair value through profit or loss	50,000	5,075	- %	5,075	
YSIC Ltd.	M31 Technology Corporation	-	Current financial assets at fair value through profit or loss	1,500	1,202	- %	1,202	
YSIC Ltd.	Ibase Technology Inc.	-	Current financial assets at fair value through profit or loss	100,000	9,500	0.05 %	9,500	
YSIC Ltd.	Global PMX Co. Ltd.	-	Current financial assets at fair value through profit or loss	50,000	6,800	0.04 %	6,800	
YSIC Ltd.	Tong Hsing Electronic Industries, Ltd.	-	Current financial assets at fair value through profit or loss	70,000	10,430	0.03 %	10,430	
YSIC Ltd.	Senao Networks Inc.	-	Current financial assets at fair value through profit or loss	50,000	13,075	0.10 %	13,075	
YSIC Ltd.	Novatek Microelectronics Corp.	-	Current financial assets at fair value through profit or loss	20,000	8,460	- %	8,460	
YSIC Ltd.	Simplo Technology Co. Ltd.	-	Current financial assets at fair value through profit or loss	35,000	11,725	0.02 %	11,725	
YSIC Ltd.	Bafang Yunji International Co. Ltd.	-	Current financial assets at fair value through profit or loss	35,000	6,282	0.05 %	6,282	
YSIC Ltd.	Shin Kong Chi-Shin Money-Market Fund	-	Current financial assets at fair value through profit or loss	1,800,000	28,534	- %	28,534	
YSIC Ltd.	Fubon Taiwan High Dividend 30 ETF	-	Current financial assets at fair value through profit or loss	100,000	1,262	- %	1,262	
YSIC Ltd.	Cjw International Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	676,413	8,726	0.50 %	8,726	
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	254	0.63 %	254	
YSIC Ltd.	Vxis Technology Corp.	-	Non-current investment in equity instrument at FVOCI	72,480	765	0.61 %	765	
YSIC Ltd.	Yuan-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	100,000	1,235	0.09 %	1,235	
YSIC Ltd.	Yu-Jie Investment Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	103,000	1,499	0.09 %	1,499	
Grand Capital Co., Ltd.	Deng Yun Co., Ltd.	-	Non-current investment in equity instrument at FVOCI	3,082,453	255,076	16.10 %	255,076	
Yuan Shin Materials Technology Co., Ltd.	Yuanta Financial Holding Co., Ltd.	-	Current financial assets at fair value through profit or loss	313,635	7,857	- %	7,857	
Yuan Shin Materials Technology Co., Ltd.	Weikeng Industrial Co., Ltd.	-	Current financial assets at fair value through profit or loss	40,000	1,098	0.01 %	1,098	
Yuan Shin Materials Technology Co., Ltd.	Wah Lee Industrial Co., Ltd.	-	Current financial assets at fair value through profit or loss	20,000	1,862	0.01 %	1,862	
Yuan Shin Materials Technology Co., Ltd.	China General Plastics Corp.	-	Current financial assets at fair value through profit or loss	50,000	1,245	0.01 %	1,245	
Yuan Shin Materials Technology Co., Ltd.	Supreme Electronics Co., Ltd.	-	Current financial assets at fair value through profit or loss	33,687	1,856	0.01 %	1,856	
Yuan Shin Materials Technology Co., Ltd.	Chang Wah Electromaterials Inc.	-	Current financial assets at fair value through profit or loss	5,000	155	- %	155	

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Name of holder	Category and name of security	Relationship with the security issuer	Account	Ending balance				Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value	
Yuan Shin Materials Technology Co., Ltd.	Fubon Financial Holding Co., Ltd.	-	Current financial assets at fair value through profit or loss	2,000	121	- %	121	

- (iv) Information regarding purchase or sale of securities for the period exceeding NTD300 million or 20% of the Company's paid-in capital: None
- (v) Information on acquisition of real estate with purchase amount exceeding NTD300 million or 20% of the Company's paid-in capital: None
- (vi) Information regarding receivables from disposal of real estate exceeding NTD300 million or 20% of the Company's paid-in capital: None
- (vii) Information regarding related-parties purchases and/or sales exceeding NTD100 million or 20% of the Company's paid-in capital: None
- (viii) Information regarding receivables from related-parties exceeding NTD100 million or 20% of the Company's paid-in capital: None
- (ix) Information regarding trading in derivative financial instruments: None
- (x) Significant transactions and business relationship between the parent company and its subsidiaries for the nine months ended September 30, 2023: None
- (b) Information on investees:

The following is the information on investees for the nine months ended September 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 September 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 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 %	475,572	20,107	5,027	
The Company	Wonderland Enterprise Co., Ltd.	Taiwan	General investment business	325,230	325,230	29,629,597	37.04 %	681,085	(5,128)	(1,899)	
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 %	25,950	1,076	375	
The Company	Universal Investments Limited	British Cayman Islands	Real estate investment business	17,273	17,273	80	40.00 %	18,272	(133)	(221)	
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 %	939,834	5,429	5,429	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 %	53,030	3,749	3,749	Subsidiary
The Company	Yangmingshan Tien Lai Resort & SPA	Taiwan	General hotel industry	630,555	630,555	25,865,618	65.07 %	694,914	7,865	3,383	Subsidiary
YSIC Ltd.	Kun Shan International Ltd.	Seychelles	General investment business	122,572	122,572	3,702,718	62.03 %	206,900	(7,499)	(4,652)	Subsidiary
YSIC Ltd.	Grand Capital Co., Ltd.	Seychelles	General investment business	90,182	90,182	2,698,002	100.00 %	256,986	(48)	(48)	Subsidiary
YSIC Ltd.	Yangmingshan Tien Lai Resort & SPA	Taiwan	General hotel industry	110,836	110,836	4,807,774	12.10 %	118,956	7,865	682	Subsidiary
YSIC Ltd.	Globaltop Technology Inc.	Taiwan	Aluminum Nitride Powder	162,643	162,643	5,255,553	23.89 %	40,030	(20,583)	(4,917)	
YSIC Ltd.	Tien Lai Co., Ltd.	Taiwan	Pipe Lines Construction	5,000	5,000	267,000	19.78 %	1,378	(63)	72	Subsidiary
Yangmingshan Tien Lai Resort & SPA	Tien Lai Co., Ltd.	Taiwan	Pipe Lines Construction	4,080	-	408,000	30.22 %	4,156	(63)	(103)	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 September 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	3,227 (USD 100)	(2)	117,786 (USD 3,650)	-	-	117,786 (USD 3,650) (Note 4)	6,552 (USD 115)	62.03%	4,064	20,046	-
Kun Shan Jia-An Technology Education Consulting Co., Ltd.	Educational consulting, information operation consulting, software and data storage consultation	78,468 (USD 2,432)	(2)	(Note 3)	-	-	(Note 3)	614 (USD 20)	62.03%	381	56,290	-

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= NTD32.27, USD1=NTD30.9392).

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 September 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
117,786 (note 4) (USD 3,650)	117,786 (USD 3,650)	563,979

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 September 30, 2023				
	Plasticization segment	Investment segment	Other segments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	\$ 2,269,095	(2,822)	43,802	-	2,310,075
Intersegments revenues	-	13	946	(959)	-
Total revenue	<u>\$ 2,269,095</u>	<u>(2,809)</u>	<u>44,748</u>	<u>(959)</u>	<u>2,310,075</u>
Reportable segment profit or loss	<u>\$ 17,902</u>	<u>(3,648)</u>	<u>558</u>	<u>4,386</u>	<u>19,198</u>
	For the three months ended September 30, 2022				
	Plasticization segment	Investment segment	Other segments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	\$ 2,997,713	(3,005)	46,123	-	3,040,831
Intersegments revenues	-	126	1,387	(1,513)	-
Total revenue	<u>\$ 2,997,713</u>	<u>(2,879)</u>	<u>47,510</u>	<u>(1,513)</u>	<u>3,040,831</u>
Reportable segment profit or loss	<u>\$ (221,817)</u>	<u>(5,967)</u>	<u>1,046</u>	<u>7,420</u>	<u>(219,318)</u>
	For the nine months ended September 30, 2023				
	Plasticization segment	Investment segment	Other segments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	\$ 6,788,845	22,732	133,710	-	6,945,287
Inter-segment revenues	-	810	2,929	(3,739)	-
Total revenue	<u>\$ 6,788,845</u>	<u>23,542</u>	<u>136,639</u>	<u>(3,739)</u>	<u>6,945,287</u>
Reportable segment profit or loss	<u>\$ (375,391)</u>	<u>9,914</u>	<u>9,784</u>	<u>(15,144)</u>	<u>(370,837)</u>

(Continued)

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	For the nine months ended September 30, 2022				
	Plasticization segment	Investment segment	Other segments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	\$ 10,305,345	(21,128)	114,306	-	10,398,523
Inter-segment revenues	-	(258)	3,073	(2,815)	-
Total revenue	<u>\$ 10,305,345</u>	<u>(21,386)</u>	<u>117,379</u>	<u>(2,815)</u>	<u>10,398,523</u>
Reportable segment profit or loss	<u>\$ (277,803)</u>	<u>102,635</u>	<u>(2,728)</u>	<u>(24,161)</u>	<u>(202,057)</u>