

(Stock Code: 1310)



Taiwan Styrene Monomer Corporation

2021 Annual Shareholders' Meeting

Meeting Handbook (Translation)

June 25, 2021

Venue: No. 7, Industrial 1st Road, Linyuan Dist., Kaohsiung City 832, Taiwan,
R.O.C. (Kaohsiung Plant of the Company)

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Taiwan Styrene Monomer Corporation
2021 Annual Shareholders' Meeting
Meeting Agenda

Time: 9:30 a.m., June 25, 2021

Venue: No. 7, Industrial 1st Road, Linyuan Dist., Kaohsiung City 832, Taiwan,
R.O.C. (Kaohsiung Plant of the Company)

Meeting Agenda:

- I. Call Meeting to Order
- II. Chairman's Remarks
- III. Report Items
 1. 2020 Business Report
Audit Committee's Review Report
 2. To report 2020 Employees' Profit Sharing Bonus and Directors' Compensation
 3. To report 2020 Share Buyback Execution
- IV. Adoption Items
 1. To Adopt 2020 Business Report and Financial Statements
 2. To Adopt 2020 Earnings Distribution Proposal
- V. Discussion Items
 1. To Amend the Articles of Incorporation
 2. To approve the Release of non-competition restrictions for Directors
- VI. Extemporaneous Motions
- VII. Meeting Adjourned

4. To report 2020 Share Repurchase Execution

Explanatory Notes :

- (1) Executed pursuant to the Company's Regulations Governing Share Repurchase
- (2) In order to transfer shares to employees, it is proposed to repurchase the issued shares of the Company in accordance with the provisions of Subparagraph 1 of Paragraph 1 of Article 28-2 of the Securities and Exchange Act.
- (3) Execution status

Term of repurchase	4th term
Date of the board of directors resolution	March 23, 2020
Purpose of the repurchase	Share transfer to employees
Scheduled period for the repurchase	March 25, 2020 - May 22, 2020
Ceiling on the total amount of the repurchase	NT\$1,305,034,402
Scheduled quantity and types of stocks of the repurchase	7,000,000 common shares
Repurchase Price range	NT\$8.61 - NT\$25.77

- i. The total amount for this purchase of treasury shares shall not exceed NT\$180,390 thousand.
 - ii. If the share price of the Company is below the prescribed minimum range price, the repurchase of the Company's shares will continue.
 - iii. The transfer of the Company's repurchased shares will be completed within three years from the date of repurchase in accordance with the Company's Regulations Governing Stock Transfer.
- (4) Description of transfer of treasury stock to employees of 2021

Date of resolution of the board of directors	March 24, 2021
Number of shares transferred to employees	1,040,000 shares
Price of share transfer to employees	NT\$14.60

Adopting Items

1. To adopt 2020 Business Report and Financial Statements (Proposed by the board of directors)

Explanatory Notes :

- ☐ The Company's 2020 Business Report and Financial Statements have been audited and certified by certified public accountants of KPMG Taiwan, and have been audited and approved by the Audit Committee.
- ☐ For the business report, please refer to Attachment 1 on page 9
For the financial statements, please refer to Attachment 3 on page 12
- ☐ Please ratify this matter.

Resolution :

2. Appropriation of 2020 retained earnings (Proposed by the board of directors)

Explanatory Notes :

- (1) The Company's net income for the fiscal year of 2020 amounted to NT\$287,515,847 and the earnings available for distribution amounted to NT\$1,161,381,127.
- (2) The following is the Company's plan to distribute the aforementioned earnings available for distribution:
 - i. The legal reserve of NT\$1,828,979 and special reserve of NT\$581,248,805 are allocated pursuant to the Company Act.
 - ii. A cash dividend of NT\$0.5 per share, amounting to NT\$263,934,882, is proposed to be distributed to the shareholders based on their shareholding ratio as recorded in the shareholders' roster on the ex-dividend date.
- (3) The remaining balance after distribution amounting to NT\$897,446,245 is retained as undistributed earnings.
- (4) share capital has changed and caused an impact on outstanding shares, and thus impacted the dividend yield after the dividend payout, resulting in the need of revision of payout ratio due to changes in yield and the setting of record date of cash dividend distribution, it is proposed that the annual shareholders' meeting should fully authorize the Chairman of the board to comply with the Company Act or the related laws and regulations.
- (5) Cash dividends distributed are rounded up to NT\$1. The total amount of fractional cash dividends less than NT\$1 shall be reversed to undistributed earnings.
- (6) For the Company's Earnings Distribution Table of 2020, please refer to Attachment 4 on page 29.

Resolution :

Discussion Items

1. Amend the Articles of Incorporation. (Proposed by the board of directors)

Explanatory Notes :

- (1) Certain provisions of the Articles of Association of the Company need to be amended with reference to the Company Act of the country, Regulations Governing the Administration of Shareholder Services of Public Companies, as well as the operational needs of the Company.
- (2) Please refer to Attachment 5, Comparison Table of Amendments to the Articles of Incorporation, on page 31.
- (3) Please decide on this matter.

Resolution :

- 1.
2. Release the directors from compete agreements. Please resolve.
(Proposed by the board of directors)

Explanatory Notes :

- (1) According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
- (2) In the course of investing in or operating other business activities which are the same or similar to the business scope of the Company and do not affect the business of the Company or cause any damage to the interests of the Company, the directors have proposed to be released from their non-compete agreements in accordance with Article 209 of the Company Act so as to facilitate the progress of business operation.
- (3) For the List of Directors Concurrently Holding Positions in Other Companies, please refer to Attachment 6 on page 41.

Resolution :

Extemporary Motions

Meeting Adjourned

Attachments

1. 2020 Business Report
2. Audit Committee's Review Report
3. 2020 Financial Statements
4. 2020 Earnings Distribution Table
5. Comparison Table of Amendments to the Articles of Incorporation
6. List of Directors Concurrently Holding Positions in Other Companies

Taiwan Styrene Monomer Corporation

2020 Business Report

(I) Results of operations based on the business plan

During the fiscal year, the Company produced 341,550 tonnes of styrene and sold 345,911 tonnes of styrene with a sales value of over NT\$7,453,180,000. The total sales value reaches NT\$7,899,890,000 after adding that of by-products, with a net income of over NT\$287,520,000 for the fiscal year of 2020.

(II) Budget Execution

Unit : Ten thousand NT\$

Item	Actual amount of 2020	Budget amount of 2020
Net sales	789,989	1,197,805
Gross profit	32,322	89,425
Operating profit	17,417	70,233
Income before tax	36,711	62,943
Net income	28,752	48,897

(III) Profitability Analysis

Analyzed items	Year ended December 31, 2020
Earnings (Loss) per share after tax (in NT\$)	0.55
Net profit margin (%)	3.64%
Return on assets (ROA) (%)	3.36%
Return on equity (ROE) (%)	4.03%
Ratio of income before tax to paid-in capital (%)	6.95%

(IV) Research and Development

Styrene is the Company's core business. In addition to the continuous elimination of bottleneck in the production lines and improvement on production efficiency, the Company actively engages in the application of new products and value-added enhancement.

1. The Company continues to develop materials applicable to electronic products and medical devices, extended the development of their applicable commercial fields, and has provided well-known domestic and international enterprises to conduct tests; the Company has since received positive responses.
2. The Company aims to vertically integrate specialized chemical materials which has obtained patents from numerous countries.
3. The Company also cooperate with other companies in the development of commercialized professional coated machines to expand the commercialized application market.

(V) Management Principles and Prospects

Looking forward to this year (2021), although the new SM production capacity in mainland China will reach 6.21 million tonnes this year, it will exert pressure on the North-East Asia SM market due to oversupply. The signing and coming into force of the Regional Comprehensive Economic Partnership (RCEP) has brought even greater competition pressure to traditional industries, such as the plastic industry.

In addition, the COVID-19 vaccines have been widely deployed globally and the world will gradually regain its economic vitality. Demand for crude oil has also rebounded rapidly and the economic outlook is optimistic. Therefore, the IMF predicts that the global GDP growth rate will reach 5.5% this year, with mainland China at 8.1%. As SM demand in mainland China is expected to reach 8%, the Company's revenue and profit for this year are expected to be better than those for the previous year (2020).

Chairman: Wen-Yuan Lin

General Manager: Po-Yuan Chen

Accounting Manager: Tzu-Sheng Chou

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements (including Consolidated and Parent Company Only Financial Statements), and Proposal for Earnings Distribution, among which the Financial Statements have been audited by KPMG Taiwan, by whom an audit report has been issued accordingly. The aforementioned business report, financial statements, and proposal for earnings distribution have been audited and reviewed by the Audit Committee, and no irregularities were found. According to the Securities and Exchange Act and the Company Act, we hereby submit this report for your approval.

Taiwan Styrene Monomer Corporation

Convener of the Audit Committee: Chin-Chen Chien

March 24, 2021



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

To the Board of Directors of Taiwan Styrene Monomer Corporation:

Opinion

We have audited the parent company only financial statements of Taiwan Styrene Monomer Corporation (“the Company”), which comprise the statements of financial position as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors(please refer to Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

Regarding accounting policies on revenue recognition, please refer to note 4(o) “Revenue recognition” to the parent company only financial statements.

Description of key audit matter:

The Company’s sales revenue is recognized when the performance obligations is satisfied, which depends on the various trade terms agreed with customers. Therefore, the accuracy of revenue recognition is considered to be one of most significance in the audit.



How the matter was addressed in our audit:

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

2. Impairment assessment of investments accounted for using equity method

Refer to note 4(n) "Impairment of non-financial assets" and note 6 (h) "Investments accounted for using equity method" to the parent company only financial statements for details of accounting policies and relevant information about impairment assessment of investments accounted for using equity method".

Description of key audit matter:

The Company assesses impairment of investments accounted for using equity method in accordance with relevant accounting standards. Such assessment of impairment requires management to make judgments and assumptions, therefore, the assessment of impairment loss on investments accounted for using equity method is considered to be one of most significance in the audit.

How the matter was addressed in our audit:

Our principal audit procedures included obtaining understanding of the Company' s internal controls over impairment loss assessment; evaluating the appropriateness of assumptions adopted by management when determining the recoverable amount based on an appraisal report issued by a third party; and assessing the qualification and independence of the Certified Business Valuator.

Other Matter

We did not audit the financial statements of some equity-accounted investees of the Company. Those statements, which were prepared using a different financial reporting framework, were audited by other auditors, whose reports have been furnished to us. We have performed audit procedures on the conversion adjustments to the financial statements of those investees, which conform to those financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Our opinion, insofar as it relates to the amounts included for those investees prior to the conversion adjustments, is based solely on the reports of other auditors. Investments accounted for using equity method on those investees constituting 13.52% and 13.22% of total assets at December 31, 2020 and 2019, and the related share of profit of subsidiaries, associates and joint ventures accounted for using equity method constituting 32.61% and 10.87% of total profit before tax for the years then ended.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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



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

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

KPMG

Taipei, Taiwan (Republic of China)

March 24, 2021

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2020</u>		<u>December 31, 2019</u>				<u>December 31, 2020</u>		<u>December 31, 2019</u>	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 522,361	6	1,211,902	14	2130	Current contract liabilities (note 6(u))	7,829	-	7,829	-
1110	Current financial assets at fair value through profit or loss (note 6(b))	45,360	1	39,100	-	2170	Accounts payable	783,481	9	1,089,348	13
1170	Accounts receivable, net (note 6(c))	870,546	10	816,032	10	2200	Other payables (note 6(o))	207,982	2	173,161	2
1200	Other receivables (note 7)	4,716	-	964	-	2230	Current tax liabilities	35,781	-	66,621	1
130X	Inventories (note 6(d))	429,981	5	427,565	5	2280	Current lease liabilities (note 6(p))	4,301	-	4,851	-
1410	Prepayments (note 6(e))	123,013	1	120,334	1	2399	Other current liabilities	2,384	-	2,025	-
1460	Non-current assets(or disposal groups) held for sale, net (note 6(f))	-	-	41,119	-		Total current liabilities	<u>1,041,758</u>	<u>11</u>	<u>1,343,835</u>	<u>16</u>
	Total current assets	<u>1,995,977</u>	<u>23</u>	<u>2,657,016</u>	<u>30</u>		Non-Current liabilities:				
Non-current assets:						2570	Deferred tax liabilities (note 6(r))	174,071	2	174,654	2
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(g) and 7)	756,428	9	396,161	5	2580	Non-current lease liabilities (note 6(p))	4,542	-	8,173	-
1550	Investments accounted for using equity method (notes 6(h), (i), (j) and 7)	2,906,269	34	2,757,918	32	2640	Net defined benefit liabilities, non-current (note 6(q))	59,208	1	64,445	1
1600	Property, plant and equipment (notes 6(k) and 7)	2,775,535	33	2,693,666	32		Total non-current liabilities	<u>237,821</u>	<u>3</u>	<u>247,272</u>	<u>3</u>
1755	Right-of-use assets (note 6(l))	9,023	-	13,345	-		Total liabilities	<u>1,279,579</u>	<u>14</u>	<u>1,591,107</u>	<u>19</u>
1780	Intangible assets (note 6(m))	9,570	-	12,098	-		Equity: (note 6(s))				
1840	Deferred tax assets (note 6(r))	16,644	-	21,728	-	3100	Capital stock	5,278,698	62	5,278,698	61
1920	Refundable deposits	3,382	-	3,873	-	3200	Capital surplus	48,224	1	42,418	-
1990	Other non-current assets, others (note 6(n))	60,603	1	57,354	1		Retained earnings:				
	Total non-current assets	<u>6,537,454</u>	<u>77</u>	<u>5,956,143</u>	<u>70</u>	3310	Legal reserve	610,435	7	531,249	6
						3320	Special reserve	581,249	7	430,668	5
						3350	Unappropriated retained earnings	581,961	7	1,320,268	15
								<u>1,773,645</u>	<u>21</u>	<u>2,282,185</u>	<u>26</u>
						3400	Other equity	168,463	2	(581,249)	(6)
						3500	Treasury shares	(15,178)	-	-	-
							Total equity	<u>7,253,852</u>	<u>86</u>	<u>7,022,052</u>	<u>81</u>
Total assets		<u>\$ 8,533,431</u>	<u>100</u>	<u>8,613,159</u>	<u>100</u>		Total liabilities and equity	<u>\$ 8,533,431</u>	<u>100</u>	<u>8,613,159</u>	<u>100</u>

(English Translation of Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

	2020		2019	
	Amount	%	Amount	%
4000 Operating revenue (note 6(u))	\$ 7,899,885	100	11,717,894	100
5000 Operating costs (notes 6(d), (k), (l), (m), (p), (q), (w))	<u>7,576,668</u>	<u>96</u>	<u>10,368,845</u>	<u>88</u>
Gross profit from operations	<u>323,217</u>	<u>4</u>	<u>1,349,049</u>	<u>12</u>
Operating expenses (notes 6(c), (k), (l), (m), (p), (q), (w) and 7):				
6100 Selling expenses	56,946	1	50,514	-
6200 Administrative expenses	85,723	1	141,150	1
6300 Research and development expenses	6,371	-	19,700	-
6450 Expected credit impairment loss (profit)	<u>3</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
	<u>149,043</u>	<u>2</u>	<u>211,360</u>	<u>1</u>
Operating income	<u>174,174</u>	<u>2</u>	<u>1,137,689</u>	<u>11</u>
Non-operating income and expenses (notes 6(g), (h), (j), (v) and 7):				
7100 Interest income	2,120	-	7,076	-
7010 Other income	39,621	1	15,263	-
7020 Other gains and losses	94,618	1	856	-
7050 Finance costs	(168)	-	(977)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	<u>56,742</u>	<u>1</u>	<u>(130,851)</u>	<u>(1)</u>
	<u>192,933</u>	<u>3</u>	<u>(108,633)</u>	<u>(1)</u>
9900 Profit before tax	367,107	5	1,029,056	10
7950 Less: Income tax expenses (note 6(r))	<u>79,591</u>	<u>1</u>	<u>146,991</u>	<u>1</u>
Net income	<u>287,516</u>	<u>4</u>	<u>882,065</u>	<u>9</u>
8300 Other comprehensive income (loss) :				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains on remeasurements of defined benefit plans	6,420	-	11,167	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	68,671	1	(7,872)	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	426,307	5	(135,722)	(1)
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>1,284</u>	<u>-</u>	<u>2,233</u>	<u>-</u>
Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>500,114</u>	<u>6</u>	<u>(134,660)</u>	<u>(1)</u>
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation	(1,813)	-	(602)	-
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(12,930)	-	(7,071)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>(14,743)</u>	<u>-</u>	<u>(7,673)</u>	<u>-</u>
8300 Other comprehensive income	<u>485,371</u>	<u>6</u>	<u>(142,333)</u>	<u>(1)</u>
8500 Comprehensive income	<u>\$ 772,887</u>	<u>10</u>	<u>739,732</u>	<u>8</u>
Earnings per share (note 6(t))				
Basic earnings per share	\$ <u>0.55</u>		\$ <u>1.67</u>	
Diluted earnings per share	\$ <u>0.54</u>		\$ <u>1.67</u>	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity interest		Treasury shares	Total equity	
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated 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	Total					
Balance at January 1, 2019	\$ 5,278,698	60,415	409,609	8,811	2,127,643	2,546,063	(2,298)	(419,559)	(421,857)	-	7,463,319
Net income	-	-	-	-	882,065	882,065	-	-	-	-	882,065
Other comprehensive income	-	-	-	-	9,341	9,341	(7,673)	(144,001)	(151,674)	-	(142,333)
Total comprehensive income	-	-	-	-	891,406	891,406	(7,673)	(144,001)	(151,674)	-	739,732
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	121,640	-	(121,640)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	421,857	(421,857)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,055,740)	(1,055,740)	-	-	-	-	(1,055,740)
Changes in equity of associates and joint ventures accounted for using equity method	-	(1,566)	-	-	(28,295)	(28,295)	-	-	-	-	(29,861)
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	(27,278)	(27,278)	-	27,278	27,278	-	-
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	47,164	47,164	-	(47,164)	(47,164)	-	-
Changes in ownership interests in subsidiaries	-	(23,561)	-	-	-	-	(819)	-	(819)	-	(24,380)
Changes in ownership interests in associates	-	7,130	-	-	(91,135)	(91,135)	(123)	13,110	12,987	-	(71,018)
Balance at December 31, 2019	5,278,698	42,418	531,249	430,668	1,320,268	2,282,185	(10,913)	(570,336)	(581,249)	-	7,022,052
Net income	-	-	-	-	287,516	287,516	-	-	-	-	287,516
Other comprehensive income	-	-	-	-	5,261	5,261	(14,743)	494,853	480,110	-	485,371
Total comprehensive income	-	-	-	-	292,777	292,777	(14,743)	494,853	480,110	-	772,887
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	79,186	-	(79,186)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	150,581	(150,581)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(526,830)	(526,830)	-	-	-	-	(526,830)
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(15,178)	(15,178)
Changes in ownership interests in subsidiaries	-	3,192	-	-	(513)	(513)	356	513	869	-	3,548
Changes in ownership interests in associates	-	-	-	-	2,756	2,756	(1,260)	(2,756)	(4,016)	-	(1,260)
Other-disposal of subsidiaries	-	2,614	-	-	(276,730)	(276,730)	(185)	272,934	272,749	-	(1,367)
Balance at December 31, 2020	\$ 5,278,698	48,224	610,435	581,249	581,961	1,773,645	(26,745)	195,208	168,463	(15,178)	7,253,852

(English Translation of Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Profit before tax	\$ 367,107	1,029,056
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	216,347	210,539
Amortization expense	2,528	2,198
Expected credit impairment loss (gain)	3	(4)
Interest expense	168	977
Interest income	(2,120)	(7,076)
Dividend income	(4,441)	(2,791)
Share of loss (gain) of subsidiaries, associates and joint ventures accounted for using equity method	(56,742)	130,851
Loss on disposal of property, plant and equipment	-	26,999
Gain on disposal of non-current assets held for sale	(71,578)	(3,057)
Gain on disposal of investments	(1,445)	(3,624)
Impairment loss on non-financial assets	84	144
Gain on lease modification	(2)	(167)
Gain on reversal of impairment loss on investments accounted for using equity method	-	(8,766)
Total adjustments to reconcile profit (loss)	<u>82,802</u>	<u>346,223</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets mandatorily measured at fair value through profit or loss	(6,260)	64,720
Accounts receivable	(54,517)	84,233
Other receivables	(3,900)	46,901
Inventories	(2,416)	213,711
Prepayments	(2,763)	(34,296)
Total changes in operating assets	<u>(69,856)</u>	<u>375,269</u>
Changes in operating liabilities:		
Contract liabilities	-	(89,679)
Accounts payable	(305,867)	(115,142)
Other payables	(5,373)	(98,553)
Increase in other current liabilities	359	-
Other current liabilities	-	(1,484)
Net defined benefit liabilities	1,183	1,486
Total changes in operating liabilities	<u>(309,698)</u>	<u>(303,372)</u>
Total changes in operating assets and liabilities	<u>(379,554)</u>	<u>71,897</u>
Cash inflow generated from operations	70,355	1,447,176
Interest received	2,268	7,158
Dividends received	4,441	2,791
Interest paid	(168)	(1,093)
Dividends paid	(83)	(172)
Income taxes paid	(107,214)	(322,862)
Net cash flows (used in)from operating activities	<u>(30,401)</u>	<u>1,132,998</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(32,278)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	2,493
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	9,803	3,475
Acquisition of investments accounted for using equity method	(38,832)	(98,664)
Proceeds from disposal of investments accounted for using equity method	193,559	110,118
Acquisition of property, plant and equipment	(253,158)	(254,791)
Proceeds from disposal of property, plant and equipment	-	3,301
Decrease in refundable deposits	491	15
Acquisition of intangible assets	-	(5,030)
Increase in other non-current assets	(3,249)	(20,598)
Increase in prepayments for equipment	-	(158)
Dividends received	11,170	-
Net cash flows used in investing activities	<u>(112,494)</u>	<u>(259,839)</u>
Cash flows from financing activities:		
Repayments of long-term borrowings	-	(199,980)
Payment of lease liabilities	(4,638)	(11,083)
Cash dividends paid	(526,830)	(1,055,740)
Payments to acquire treasury shares	(15,178)	-
Net cash flows used in financing activities	<u>(546,646)</u>	<u>(1,266,803)</u>
Net decrease in cash and cash equivalents	<u>(689,541)</u>	<u>(393,644)</u>
Cash and cash equivalents at beginning of period	<u>1,211,902</u>	<u>1,605,546</u>
Cash and cash equivalents at end of period	<u>\$ 522,361</u>	<u>1,211,902</u>



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Taiwan Styrene Monomer Corporation:

Opinion

We have audited the consolidated financial statements of Taiwan Styrene Monomer Corporation (“the Company”), and its subsidiaries (together referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

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

Description of key audit matter:

The Group’s sales revenue is recognized when a performance obligation is satisfied, which depends on the various trade terms agreed with customers. Therefore, the accuracy of revenue recognition is considered to be one of most significance in the audit.



How the matter was addressed in our audit:

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

2. Impairment assessment of investments accounted for using equity method

Refer to note 4(o) "Impairment of non-financial assets" and note 6 (i) " Investments accounted for using equity method" to the consolidated financial statements for details of accounting policies and relevant information about impairment assessment of investments accounted for using equity method.

Description of key audit matter:

The Group assesses impairment of investments accounted for using equity method in accordance with relevant accounting standards. Such assessment of impairment requires management to make judgments and assumptions, therefore, the assessment of impairment loss on investments accounted for using equity method is considered to be one of most significance in the audit.

How the matter was addressed in our audit:

Our principal audit procedures included obtaining understanding of the Group's internal controls over impairment loss assessment; evaluating the appropriateness of assumptions adopted by management when determining the recoverable amount based on an appraisal report issued by a third party; and assessing the qualification and independence of the Certified Business Valuator.

Other Matter

We did not audit the financial statements of some equity-accounted investees of the Group. Those statements, which were prepared using a different financial reporting framework, were audited by other auditors, whose reports have been furnished to us. We have performed audit procedures on the conversion adjustments to the financial statements of those investees, which conform to those financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our opinion, insofar as it relates to the amounts included for those investees prior to the conversion adjustments, is based solely on the reports of other auditors. Investments accounted for using equity method on those investees constituting 13.40% and 12.95% of the consolidated total assets at December 31, 2020 and 2019, respectively, and the related share of profit of associates and joint ventures accounted for using equity method constituting 32.23% and 9.62% of the consolidated total profit before tax for the years ended December 31, 2020 and 2019, respectively.

Taiwan Styrene Monomer Corporation has prepared its parent-company-only financial statements as of and for the year ended December 31, 2020 and 2019, on which we have issued an unqualified opinion with other matters paragraph.

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

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



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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2021

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 793,022	9	1,477,082	16	2100	Short-term borrowings (notes 6(r) and 8)	\$ 97,500	1	317,500	3
1110	Current financial assets at fair value through profit or loss (note 6(b))	149,027	2	203,070	3	2130	Current contract liabilities (note 6(z))	45,017	-	40,531	-
1150	Notes receivable, net (note 6(c))	-	-	33	-	2150	Notes payable	-	-	11,381	-
1170	Accounts receivable, net (notes 6(c) and 7)	877,796	10	854,834	10	2170	Accounts payable	798,305	9	1,097,577	13
1200	Other receivables	5,275	-	3,290	-	2200	Other payables (note 6(s))	233,679	3	227,973	2
1220	Current tax assets	1,470	-	73	-	2230	Current tax liabilities	36,022	-	69,184	1
130X	Inventories (note 6(d))	431,290	5	433,637	5	2250	Current provisions	349	-	-	-
1410	Prepayments (note 6(e))	139,133	2	162,264	3	2260	Liabilities related to non-current assets (or disposal groups) held for sale (note 6(f))	-	-	6,248	-
1460	Non-current assets (or disposal groups) held for sale (note 6(f))	65,008	1	39,777	-	2280	Current lease liabilities (note 6(u))	5,893	-	7,903	-
1470	Other current assets	123	-	524	-	2320	Long-term liabilities, current portion (notes 6(t) and 8)	11,742	-	26,284	-
1476	Other current financial assets (notes 6(g) and 8)	43,443	(1)	45,958	-	2399	Other current liabilities	2,788	-	4,473	-
	Total current assets	<u>2,505,587</u>	<u>28</u>	<u>3,220,542</u>	<u>37</u>		Total current liabilities	<u>1,231,295</u>	<u>13</u>	<u>1,809,054</u>	<u>19</u>
Non-current assets:						Non-Current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	6,933	-	13,650	-	2540	Long-term borrowings (notes 6(t) and 8)	77,036	1	3,519	-
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(h) and 7)	1,109,979	12	504,147	5	2570	Deferred tax liabilities (note 6(w))	175,127	2	175,634	2
1550	Investments accounted for using equity method (notes 6(i) and 7)	1,242,177	14	1,242,335	13	2581	Non-current lease liabilities (note 6(u))	5,028	-	11,110	-
1600	Property, plant and equipment (notes 6(l), 7 and 8)	3,949,185	44	3,982,140	43	2640	Net defined benefit liability, non-current (note 6(v))	59,208	1	64,445	1
1755	Right-of-use assets (note 6(m))	11,078	-	22,630	-	2600	Other non-current liabilities	950	-	11,320	-
1760	Investment property, net (note 6(n))	57,361	1	139,091	1		Total non-current liabilities	<u>317,349</u>	<u>4</u>	<u>266,028</u>	<u>3</u>
1780	Intangible assets (note 6(o))	9,570	-	12,098	-		Total liabilities	<u>1,548,644</u>	<u>17</u>	<u>2,075,082</u>	<u>22</u>
1840	Deferred tax assets	18,093	-	37,068	-	Equity attributable to owners of parent: (note 6(x))					
1970	Other long-term investments, net (note 6(p))	32,962	-	34,681	-	3100	Capital stock	5,278,698	59	5,278,698	57
1920	Refundable deposits	3,565	-	5,032	-	3200	Capital surplus	48,224	1	42,418	-
1990	Other non-current assets (note 6(q))	65,880	1	90,928	1		Retained earnings:				
	Total non-current assets	<u>6,506,783</u>	<u>72</u>	<u>6,083,800</u>	<u>63</u>	3310	Legal reserve	610,435	7	531,249	6
						3320	Special reserve	581,249	6	430,668	5
						3350	Unappropriated retained earnings	581,961	6	1,320,268	14
								<u>1,773,645</u>	<u>19</u>	<u>2,282,185</u>	<u>25</u>
						3400	Other equity	168,463	2	(581,249)	(6)
						3500	Treasury shares	(15,178)	-	-	-
							Total equity attributable to owners of parent	<u>7,253,852</u>	<u>81</u>	<u>7,022,052</u>	<u>76</u>
						36XX	Non-controlling interests	<u>209,874</u>	<u>2</u>	<u>207,208</u>	<u>2</u>
							Total equity	<u>7,463,726</u>	<u>83</u>	<u>7,229,260</u>	<u>78</u>
							Total liabilities and equity	<u>\$ 9,012,370</u>	<u>100</u>	<u>\$ 9,304,342</u>	<u>100</u>
	Total assets	<u>\$ 9,012,370</u>	<u>100</u>	<u>9,304,342</u>	<u>100</u>						

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

	2020		2019	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(i), (z) and 7)	\$ 8,113,225	100	12,219,389	100
5000 Operating costs (notes 6(d), (l), (m), (n), (o), (u), (v), and (ab))	<u>7,808,122</u>	<u>96</u>	<u>10,827,452</u>	<u>89</u>
Gross profit from operations	<u>305,103</u>	<u>4</u>	<u>1,391,937</u>	<u>11</u>
Operating expenses (notes 6(c), (l), (m), (n), (o), (u), (v) and (ab)):				
6100 Selling expenses	63,676	1	58,522	-
6200 Administrative expenses	144,520	2	241,201	2
6300 Research and development expenses	6,415	-	20,820	-
6450 Expected credit impairment loss	<u>164</u>	<u>-</u>	<u>714</u>	<u>-</u>
	<u>214,775</u>	<u>3</u>	<u>321,257</u>	<u>2</u>
Operating income	<u>90,328</u>	<u>1</u>	<u>1,070,680</u>	<u>9</u>
Non-operating income and expenses (notes 6(i), (k), (u), (aa) and 7):				
7100 Interest income	4,788	-	9,873	-
7010 Other income	48,090	1	29,883	-
7020 Other gains and losses	98,939	1	(175,649)	(1)
7050 Finance costs	(4,621)	-	(8,338)	-
7060 Share of profit of associates and joint ventures accounted for using equity method	<u>131,733</u>	<u>2</u>	<u>108,311</u>	<u>1</u>
	<u>278,929</u>	<u>4</u>	<u>(35,920)</u>	<u>-</u>
9900 Profit before tax	369,257	5	1,034,760	9
7950 Less: Income tax expenses (benefits) (note 6(v))	<u>79,534</u>	<u>1</u>	<u>153,004</u>	<u>1</u>
Net income (loss)	<u>289,723</u>	<u>4</u>	<u>881,756</u>	<u>8</u>
8300 Other comprehensive income (loss) :				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains on remeasurements of defined benefit plans	6,622	-	11,644	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	359,680	4	(22,594)	-
8320 Share 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	135,215	2	(121,432)	(1)
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>1,324</u>	<u>-</u>	<u>2,268</u>	<u>-</u>
Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>500,193</u>	<u>6</u>	<u>(134,650)</u>	<u>(1)</u>
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation	(11,303)	-	(9,699)	-
8370 Share 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	(2,205)	-	207	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>(13,508)</u>	<u>-</u>	<u>(9,492)</u>	<u>-</u>
8300 Other comprehensive income	<u>486,685</u>	<u>6</u>	<u>(144,142)</u>	<u>(1)</u>
8500 Comprehensive income	<u>\$ 776,408</u>	<u>10</u>	<u>737,614</u>	<u>7</u>
Profit attributable to:				
8610 Owners of parent	\$ 287,516	4	882,065	8
8620 Non-controlling interests	<u>2,207</u>	<u>-</u>	<u>(309)</u>	<u>-</u>
	<u>\$ 289,723</u>	<u>4</u>	<u>881,756</u>	<u>8</u>
Comprehensive income attributable to:				
8710 Owners of parent	\$ 772,887	10	739,732	7
8720 Non-controlling interests	<u>3,521</u>	<u>-</u>	<u>(2,118)</u>	<u>-</u>
	<u>\$ 776,408</u>	<u>10</u>	<u>737,614</u>	<u>7</u>
Earnings per share (note 6(y))				
Basic earnings per share	<u>\$ 0.55</u>		<u>1.67</u>	
Diluted earnings per share	<u>\$ 0.54</u>		<u>1.67</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity interest			Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings		Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income					
				Special reserve	Unappropriated retained earnings			Total	Total				
Balance at January 1, 2019	\$ 5,278,698	60,415	409,609	8,811	2,127,643	2,546,063	(2,298)	(419,559)	(421,857)	-	7,463,319	254,095	7,717,414
Net income	-	-	-	-	882,065	882,065	-	-	-	-	882,065	(309)	881,756
Other comprehensive income	-	-	-	-	9,341	9,341	(7,673)	(144,001)	(151,674)	-	(142,333)	(1,809)	(144,142)
Total comprehensive income	-	-	-	-	891,406	891,406	(7,673)	(144,001)	(151,674)	-	739,732	(2,118)	737,614
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	121,640	-	(121,640)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	421,857	(421,857)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,055,740)	(1,055,740)	-	-	-	-	(1,055,740)	-	(1,055,740)
Changes in equity of associates and joint ventures accounted for using equity method	-	(1,566)	-	-	(28,295)	(28,295)	-	-	-	-	(29,861)	-	(29,861)
Disposal of investments accounted for using equity method	-	-	-	-	(27,278)	(27,278)	-	27,278	27,278	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	47,164	47,164	-	(47,164)	(47,164)	-	-	-	-
Changes in ownership interests in subsidiaries	-	(23,561)	-	-	-	-	(819)	-	(819)	-	(24,380)	40,442	16,062
Changes in ownership interests in associates	-	7,130	-	-	(91,135)	(91,135)	(123)	13,110	12,987	-	(71,018)	-	(71,018)
Other-effect of consolidation changes	-	-	-	-	-	-	-	-	-	-	-	(85,211)	(85,211)
Balance at December 31, 2019	5,278,698	42,418	531,249	430,668	1,320,268	2,282,185	(10,913)	(570,336)	(581,249)	-	7,022,052	207,208	7,229,260
Net loss	-	-	-	-	287,516	287,516	-	-	-	-	287,516	2,207	289,723
Other comprehensive income	-	-	-	-	5,261	5,261	(14,743)	494,853	480,110	-	485,371	1,314	486,685
Total comprehensive income	-	-	-	-	292,777	292,777	(14,743)	494,853	480,110	-	772,887	3,521	776,408
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	79,186	-	(79,186)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	150,581	(150,581)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(526,830)	(526,830)	-	-	-	-	(526,830)	-	(526,830)
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(15,178)	(15,178)	-	(15,178)
Changes in ownership interests in subsidiaries	-	3,192	-	-	(513)	(513)	356	513	869	-	3,548	67	3,615
Changes in ownership interests in associates	-	2,614	-	-	(276,730)	(276,730)	(185)	272,934	272,749	-	(1,367)	(2,097)	(3,464)
Other-effect of consolidation changes	-	-	-	-	2,756	2,756	(1,260)	(2,756)	(4,016)	-	(1,260)	1,175	(85)
Balance at December 31, 2020	\$ 5,278,698	48,224	610,435	581,249	581,961	1,773,645	(26,745)	195,208	168,463	(15,178)	7,253,852	209,874	7,463,726

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Profit before tax	\$ 369,257	1,034,760
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	250,205	274,461
Amortization expense	2,528	2,927
Expected credit impairment loss	164	714
Interest expense	4,621	8,338
Interest income	(4,788)	(9,873)
Dividend income	(6,526)	(5,626)
Share of profit of associates and joint ventures accounted for using equity method	(117,836)	(97,350)
Loss (gain) on disposal of property, plant and equipment	(4,202)	23,142
Gain on disposal of non-current assets held for sale	(76,197)	(3,057)
Gain on disposal of investments	(1,089)	(3,624)
Impairment loss on assets	101	166,163
Gain on lease modification	(2)	(168)
Total adjustments to reconcile profit (loss)	46,979	356,047
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets mandatorily measured at fair value through profit or loss	60,760	(57,746)
Notes receivable	33	(12)
Accounts receivable	(67,339)	63,934
Other receivables	(2,262)	32,762
Inventories	2,347	252,238
Prepayments	4,556	(47,880)
Other current assets	370	(3,597)
Other financial assets	1,722	(31,039)
Total changes in operating assets	187	208,660
Changes in operating liabilities:		
Current contract liabilities	4,486	(88,320)
Notes payable	18,472	1,720
Accounts payable	(296,681)	(128,440)
Other payables	(16,976)	(113,606)
Increase in provisions	349	-
Other current liabilities	(1,104)	(85)
Net defined benefit liabilities	60	1,963
Total changes in operating liabilities	(291,394)	(326,768)
Total changes in operating assets and liabilities	(291,207)	(118,108)
Cash inflow generated from operations	125,029	1,272,699
Interest received	4,651	9,468
Dividends received	6,526	5,626
Interest paid	(4,641)	(8,933)
Dividends paid	(83)	(172)
Income taxes paid	(111,097)	(330,888)
Net cash flows from operating activities	20,385	947,800

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 years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ (32,278)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	2,493
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	9,803	3,475
Acquisition of investments accounted for using equity method	(35,695)	-
Proceeds from disposal of investments accounted for using equity method	-	41,568
Proceeds from disposal of subsidiaries	197,647	-
Acquisition of property, plant and equipment	(284,869)	(288,685)
Proceeds from disposal of property, plant and equipment	4,236	11,865
Decrease in refundable deposits	1,325	174
Acquisition of intangible assets	-	(5,030)
Proceeds from disposal of intangible assets	-	3
Increase in prepayments for equipment	-	(956)
Dividends received	11,169	-
Loss control of subsidiaries	(97,328)	(54,636)
Net cash flows used in investing activities	(225,990)	(289,729)
Cash flows from financing activities:		
Increase in short-term borrowings	80,000	620,000
Decrease in short-term borrowings	(100,000)	(615,385)
Proceeds from long-term borrowings	87,700	-
Repayments of long-term borrowings	(28,725)	(226,263)
Payment of lease liabilities	(7,158)	(14,366)
Increase in other non-current liabilities	202	588
Cash dividends paid	(526,830)	(1,055,740)
Acquisition of treasury shares	(15,178)	-
Acquisition of ownership interests in subsidiaries	(2,097)	-
Change in non-controlling interests	-	16,881
Net cash flows used in financing activities	(512,086)	(1,274,285)
Effect of exchange rate changes on cash and cash equivalents	3,886	81
Net decrease in cash and cash equivalents	(713,805)	(616,133)
Cash and cash equivalents at beginning of period	1,506,827	2,122,960
Cash and cash equivalents at end of period	\$ 793,022	1,506,827
Components of cash and cash equivalents:		
Cash and cash equivalents reported in the statement of financial position	\$ 793,022	1,477,082
Reclassification to non-current assets (or disposal groups) held for sale	-	29,745
Cash and cash equivalents at end of period	\$ 793,022	1,506,827

See accompanying notes to financial statements.

**Taiwan Styrene Monomer Corporation
2020 Earnings Distribution Table**

	Unit: NT\$
Undistributed earnings at the beginning of period	562,631,507
Add : Net income of the period	287,515,847
Other comprehensive income (actuarial gains and losses of defined benefit plans)	5,260,742
Reversal of cash dividend of treasury stock	1,040,000
The amount of items other than net income that is included in this year's undistributed earnings	(274,486,795)
Total of earnings available for distribution	581,961,301
Legal reserve allocated	(1,828,979)
Reversal allocated as special reserve pursuant to law	581,248,805
Subtotal	1,161,381,127
Less: Distributed item	
Dividend to shareholders (cash dividend per share of NT\$0.5)	(263,934,882)
Undistributed earnings at the end of period	<u>897,446,245</u>

Note 1. Cash dividends distributed are rounded up to NT\$1. The total amount of fractional cash dividends less than NT\$1 shall be reversed to undistributed earnings.

2. According to the requirements stated in the Official Letter Jin-Guan-Cheng-Fa-Zi No. 1010012865 issued by the Financial Supervisory Commission, upon the adoption of IFRSs for the preparation of financial reports, at the time of paying earnings available for distribution, a special reserve shall be appropriated from the current profit or loss and the undistributed earnings from the previous period in the amount equivalent to the stated net deduction of other shareholders' equity (such as accumulated balances of difference of foreign exchange in translating financial statements of foreign operating units, unrealized gain or loss on financial assets available-for-sale, as well as gain and loss on effective portion of cash flow hedges). A special reserve shall be appropriated from the previous period in the amount equivalent to the stated net deduction of other shareholders' equity accumulated in the previous period, and shall not be distributed. However, the Company had appropriated the special reserve according to the previous paragraph, and it shall provide a supplemented special reserve based on the differences between the

provided amount and the net deduction of other equity. If other stockholders' equity deductions are reversed afterward, the reversal may be applicable for the appropriation of earnings.

Chairman: Wen-Yuan Lin

General Manager: Po-Yuan Chen

Accounting Manager: Tzu-Sheng Chou

Taiwan Styrene Monomer Corporation
Comparison Table between before and after Amendments Made to the
Articles of Incorporation

Provisions before Amendment	Amended Provisions	Reason(s) for Amendment
<p>Article 2: The Company's industry classifications are as below:</p> <ol style="list-style-type: none"> 1. C801020 Petrochemical Materials Manufacturing 2. C801030 Precision Chemical Material Manufacturing 3. C801990 Other Chemical Materials Manufacturing 4. C802990 Other Chemical Products Manufacturing 5. D101050 Combined Heat and Power 6. D401010 Thermal Energy Supply 7. F401010 International Trade 8. G801010 Warehousing 9. H701010 Housing and Building Development and Rental 10. H701020 Industrial Factory Development and Rental 11. H703090 Real Estate Business 12. H703100 Real Estate Leasing 13. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. 	<p>Article 2: The Company's industry classifications are as follows:</p> <ol style="list-style-type: none"> 1. C801020 Petrochemical Materials Manufacturing 2. C801030 Precision Chemical Material Manufacturing 3. C801990 Other Chemical Materials Manufacturing 4. C802990 Other Chemical Products Manufacturing 5. D101050 Combined Heat and Power 6. D401010 Thermal Energy Supply 7. F401010 International Trade 8. G801010 Warehousing 9. H701010 Housing and Building Development and Rental 10. H701020 Industrial Factory Development and Rental 11. H703090 Real Estate Business 12. H703100 Real Estate Leasing 13. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. 	<p>Minor revision on wordings.</p>
<p>Article 2-1: The total amount of the re-investment made by the Company may not be restricted by Article 13 of the Company Act as 40% of the capital.</p>	<p>Article 3: The total amount of the re-investment made by the Company may not be restricted by Article 13 of the Company Act as 40% of the capital.</p>	<p>Adjustment of the article number.</p>
<p>Article 2-2: The Company may offer endorsement and guarantee depending on the need of operation and investment business.</p>	<p>Article 4: The Company may offer endorsement and guarantee depending on the need of operation and investment business.</p>	<p>Adjustment of the article number.</p>
<p>Article 3: The headquarter of the Company is located at Taipei City. The Company can establish branches, offices, or manufacturing facilities depending on the need of business operating.</p>	<p>Article 5: The headquarter of the Company is located at Taipei City. The Company can establish branches, offices, or manufacturing facilities depending on the need of business operating.</p>	<p>Adjustment of the article number.</p>
<p>Article 4: The method of news publishing of the Company shall be conducted according to the Company Act and relevant regulations.</p>	<p>Article 6: The method of news publishing of the Company shall be conducted according to the Company Act and relevant regulations.</p>	<p>Adjustment of the article number.</p>
<p>Article 5: The total capital of the Company is NT\$9 billion dollars, which is divided into 900 million common shares, that is, NT\$10 dollars per share. The total authorized number of shares are to be issued in installments by the approval of the board of directors.</p>	<p>Article 7: The total capital of the Company is NT\$9 billion dollars, which is divided into 900 million common shares, that is, NT\$10 dollars per share. The total authorized number of shares are to be issued in installments by the approval of the board of directors.</p>	<p>Adjustment of the article number.</p>

<p>Article <u>6</u>: Share certificates of the Company shall be name-bearing certificates, duly signed by or affixed with seals by a minimum of three directors, and duly authenticated by the competent authority or the issuance registry institution accredited by the competent authority before issuance. The Company may issue shares or corporate bonds without printing physical certificates in accordance with the Company Act or other related laws and regulations. When issuing new shares or bonds or cancelling outstanding ones, the Company shall register or put under custody the shares or bonds with a centralized securities depository enterprise by way of book-entry transfer, and shall follow the regulations of governing centralized securities depository enterprises.</p>	<p>Article <u>8</u>: Share certificates of the Company shall be name-bearing certificates, duly signed by or affixed with seals by the director representing the Company, and duly authenticated by the bank which is competent to certify shares in accordance with the law before issuance. The Company may issue shares or corporate bonds without printing physical certificates in accordance with the Company Act or other related laws and regulations. When issuing new shares or bonds or cancelling outstanding ones, the Company shall register or put under custody the shares or bonds with a centralized securities depository enterprise by way of book-entry transfer, and shall follow the regulations of governing centralized securities depository enterprises.</p>	<p>The article number is adjusted, and the wordings are revised In accordance with the Company Act.</p>
<p>Article 7: Shareholders shall submit their specimen chops to the Company for retention, and the same applies to any subsequent changes. Shareholders shall receive dividends or exercise other rights based on the chops retained by the Company.</p>	<p>(This article is deleted)</p>	<p>Pursuant to Article 9.</p>
<p>Article 8: Where a specimen chop is lost, destroyed or stolen, the lost specimen chop notification, together with identification copies thereof and a new specimen chop card, shall be sent to the Company. Upon verification, the specimen chop may be replaced with a new one. Where the procedures for sending the notice of lost specimen chop and a new specimen chop card are consigned to a third party, the chop certificate issued by a household registration office shall be submitted.</p>	<p>(This article is deleted)</p>	<p>Pursuant to Article 9.</p>
<p>Article 9: To transfer shares via assignment, inheritance, gift, or otherwise, shareholders shall submit the transfer application, along with identification papers to which their original chops are affixed, to the Company for transfer. For those not applying for transfer, the assignment of shares shall not be set up as a defense against the Company.</p>	<p>(This article is deleted)</p>	<p>Pursuant to Article 9.</p>
<p>Article 10: Where a pledge is made on a share, the pledger and the pledgee shall submit the pledge application signed or affixed with the chops to the Company for pledge.</p>	<p>(This article is deleted)</p>	<p>Pursuant to Article 9.</p>

<p>Article 11: <u>Where a stock certificate is lost or stolen, the shareholder shall immediately notify the Company in writing and apply for replacement in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p>	<p>(This article is deleted)</p>	<p>Pursuant to Article 9.</p>
<p><u>Article 12: For renewal of spoiled or worn out stock certificates, the original copies of the said stock certificates and an application form shall be submitted to the Company. However, when the authenticity of the stock certificates is in doubt due to their severity of being spoiled or worn out, to the point of beyond recognition, the preceding article concerning lost or stolen stock certificates applies mutatis mutandis.</u></p>	<p>(This article is deleted)</p>	<p>Pursuant to Article 9.</p>
<p>(This article is newly added)</p>	<p><u>Article 9: The Company's shares shall, unless otherwise specified by laws and regulations concerning securities, be handled according to the "Regulations Governing the Administration of Shareholder Service of Public Companies" promulgated by the competent authority.</u></p>	<p>The original provisions were deleted and the principle of handling administration of shareholder service was added.</p>
<p>(This article is newly added)</p>	<p><u>Article 10: The Company's treasury shares purchased in accordance with the Company Act shall be transferred to recipients which include employees of controlling or subordinate companies that meet certain criteria.</u></p>	<p>Added in accordance with the Company's operational needs.</p>
<p>(This article is newly added)</p>	<p><u>Article 11: If the Company plans to buy back shares and transfer them to the employees at a price lower than the average price paid for the shares, it may only be implemented by adopting a resolution at the most recent shareholders' meeting prior to the fact. The resolution for such transfer shall be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders' meeting who represent a majority of the issued shares of the Company.</u></p>	<p>Added in accordance with the Company's operational needs.</p>

<p>Article <u>13</u>: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of annual shareholders' meeting, and thirty (30) days immediately before the date of any extraordinary shareholders' meeting, or within five (5) days before the record day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.</p>	<p>Article <u>12</u>: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of annual shareholders' meeting, and thirty (30) days immediately before the date of any extraordinary shareholders' meeting, or within five (5) days before the record day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.</p>	<p>Adjustment of the article number.</p>
<p>Article <u>14</u>: Shareholders' meeting of the Company shall be of the following two kinds; the board of directors shall convene the meeting unless otherwise specified in the Company Act: (1) Annual shareholders' meeting: to be held at least once every year; it must be convened within six months after the end of the financial year. (2) Extraordinary shareholders' meeting: to be held when necessary.</p>	<p>Article <u>13</u>: Shareholders' meeting of the Company shall be of the following two kinds; the board of directors shall convene the meeting unless otherwise specified in the Company Act: (1) Annual shareholders' meeting: to be held at least once every year; it must be convened within six months after the end of the financial year. (2) Extraordinary shareholders' meeting: to be held when necessary.</p>	<p>Adjustment of the article number.</p>
<p>Article <u>15</u>: A notice to convene an annual shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. For an extraordinary shareholders' meeting, a meeting notice shall be given to each shareholders no later than 15 days prior to the scheduled meeting date.</p>	<p>Article <u>14</u>: A notice to convene an annual shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. For an extraordinary shareholders' meeting, a meeting notice shall be given to each shareholders no later than 15 days prior to the scheduled meeting date.</p>	<p>Adjustment of the article number.</p>
<p>Article 16: Deleted.</p>	<p>(This article is deleted)</p>	<p>Adjustment of the article number.</p>
<p>Article <u>17</u>: Each shareholder of the Company has one voting right per share, except as otherwise regulated by other laws.</p>	<p>Article <u>15</u>: Each shareholder of the Company has one voting right per share, except as otherwise regulated by other laws.</p>	<p>Adjustment of the article number.</p>

<p>Article 18: If a shareholder cannot attend the shareholders' meeting due to any reason, he or she may appoint one person to attend each shareholders' meeting on his/her behalf by providing the authorization letter issued by the Company which states the scope of authorization. Additionally, the rules for a shareholder to appoint one person to attend the meeting on his/her behalf are implemented in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" in addition to Article 177 of the Company Act. Shareholders of the Company may exercise voting rights by electronic means. Shareholders exercising voting rights by electronic means shall be deemed to have attended in person, and relevant matters shall be handled in accordance with relevant laws and regulations.</p>	<p>Article 16: If a shareholder cannot attend the shareholders' meeting due to any reason, he or she may appoint a person to attend each shareholders' meeting on his/her behalf by providing the authorization letter issued by the Company which states the scope of authorization. Additionally, the rules for a shareholder to appoint a person to attend the meeting on his/her behalf are implemented in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" in addition to Article 177 of the Company Act. Shareholders of the Company may exercise voting rights by electronic means. Shareholders exercising voting rights by electronic means shall be deemed to have attended in person, and relevant matters shall be handled in accordance with relevant laws and regulations.</p>	<p>Adjustment of the article number.</p>
<p>Article 19: Unless the Company Act regulates otherwise, the Chairman of the Board shall be the chairperson of the shareholders' meeting. If the Chairman is absent, he or she shall designate one of the directors to be the acting chairperson of the meeting. If the Chairman fails to designate anyone, the chairperson of the meeting shall be elected from among the attending directors.</p>	<p>Article 17: Unless the Company Act regulates otherwise, the Chairman of the Board shall be the chairperson of the shareholders' meeting. If the Chairman is absent, he or she shall designate one of the directors to be the acting chairperson of the meeting. If the Chairman fails to designate anyone, the chairperson of the meeting shall be elected from among the attending directors.</p>	<p>Adjustment of the article number.</p>
<p>Article 20: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be distributed to all shareholders within twenty (20) days after the close of the meeting. The distribution of the meeting minutes may be done by public announcement or electronic means, and the meeting minutes shall be kept permanently. The attendance register and authorization letters shall be kept for at least one year; provided, however, if a legal action is initiated by a shareholder for the court to revoke any resolution or to claim that a resolution is null and void, the aforementioned register and forms shall be kept until the conclusion of the lawsuit.</p>	<p>Article 18: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be distributed to all shareholders within twenty (20) days after the close of the meeting. The distribution of the meeting minutes may be done by public announcement or electronic means, and the meeting minutes shall be kept permanently. The attendance register and authorization letters shall be kept for at least one year; provided, however, if a legal action is initiated by a shareholder for the court to revoke any resolution or to claim that a resolution is null and void, the aforementioned register and forms shall be kept until the conclusion of the lawsuit.</p>	<p>Adjustment of the article number.</p>
<p>Chapter 4 Directors and Supervisors</p>	<p>Chapter 4 Directors</p>	<p>Revision of the name of the chapter.</p>

<p>Article 21: The board of directors of the Company has 11 to 13 directors, and the board of directors is authorized to decide the number of directors. Directors are elected from capable persons among the shareholders. Each director will serve a term of three years and may be re-elected. Directors shall be elected based on the candidate nomination system specified in Article 192-1 of the Company Act.</p> <p><u>The number of directors</u> referred to in the preceding paragraph <u>shall include 3 independent directors.</u> The nomination of candidates and related announcements shall comply with the Company Act, the Securities and Exchange Act, and relevant regulations. The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected are calculated separately.</p>	<p>Article <u>19</u>: The board of directors of the Company has seven7 to 11 directors, and the board of directors is authorized to decide the number of directors. Directors are elected from capable persons among the shareholders. Each director will serve a term of three years and may be re-elected. Directors shall be elected based on the candidate nomination system specified in Article 192-1 of the Company Act.</p> <p><u>There shall be at least three independent directors among the number of directors to be elected and the independent directors shall represent at least one-fifth of the board of directors.</u> The nomination of candidates and related announcements shall comply with the Company Act, the Securities and Exchange Act, and relevant regulations. The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected are calculated separately.</p>	<p>The article number is adjusted, and the provisions are added in response to business operation demands of the Company.</p>
<p>Article 21-1: Deleted.</p>	<p>(This article is deleted)</p>	<p>The article number is adjusted; therefore, this article is deleted.</p>
<p>Article 21-2: The Company sets up an Audit Committee according to Article 14-4 of the Securities and Exchange Act. The Audit Committee comprises of all independent directors. Upon establishment of the Audit Committee, if applicable, the provisions in this Article of Incorporation concerning supervisors shall cease to apply, and the Audit Committee shall take over the powers of supervisors specified in related laws and regulations.</p>	<p>Article <u>20</u>: The Company sets up an Audit Committee according to Article 14-4 of the Securities and Exchange Act. The Audit Committee comprises of all independent directors. <u>The number of the Audit Committee members shall be at least three persons; among the committee members, one should be the convener, and there should be at least one person with accounting or financial expertise.</u> The Audit Committee shall take over the powers of supervisors specified in related laws and regulations.</p>	<p>The article number is adjusted, and the provisions are added in response to business operation demands of the Company.</p>

<p>Article 22: The board is organized by the directors. The board of directors shall elect a chairman of the board directors, and may elect a vice chairman from among the directors. The chairman shall externally represent the Company. When the chairman is on leave or unable to exercise his/her powers for any reason, the vice chairman shall act on his/her behalf. If a vice chairman is not elected from among directors, or currently on leave, or unable to exercise his/her powers for any reason, the chairman shall designate one of the directors to act on his/her behalf. Where the chairman fails to make such a designation, the directors shall elect from among themselves one person to serve as the acting chairman.</p>	<p>Article 21: The board is organized by the directors. The board of directors shall elect a chairman of the board directors, and may elect a vice chairman from among the directors. The chairman shall externally represent the Company. When the chairman is on leave or unable to exercise his/her powers for any reason, the vice chairman shall act on his/her behalf. If a vice chairman is not elected from among directors, or currently on leave, or unable to exercise his/her powers for any reason, the chairman shall designate one of the directors to act on his/her behalf. Where the chairman fails to make such a designation, the directors shall elect from among themselves one person to serve as the acting chairman.</p>	<p>Adjustment of the article number.</p>
<p>Article 22-1: In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director no later than seven (7) days prior to the scheduled meeting date. In case of emergency, the meeting may be convened at any time with a notice sent to each director by e-mail or fax.</p>	<p>Article 22: In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director no later than seven (7) days prior to the scheduled meeting date. In case of emergency, the meeting may be convened at any time with a notice sent to each director by e-mail or fax.</p>	<p>Adjustment of the article number.</p>
<p>Article 25: Deleted.</p>	<p>(This article is deleted)</p>	<p>The article number is adjusted; therefore, this article is deleted.</p>
<p>Article 26: The Company may purchase liability insurance for directors with respect to liabilities resulting from the exercise of duties during their term of office, and shall authorize the board of directors to be in charge of such purchase of liability insurance. When the directors of the Company perform their duties, the Company may pay directors compensation regardless of its operating profit or loss. The board of directors shall be authorized to determine the compensation for the directors by taking into account the extent and value of their contribution to the Company's operation and the standards of the industry.</p>	<p>Article 25: The Company may purchase liability insurance for directors with respect to liabilities resulting from the exercise of duties during their term of office, and shall authorize the board of directors to be in charge of such purchase of liability insurance. When the directors of the Company perform their duties, the Company may pay directors compensation regardless of its operating profit or loss. The board of directors shall be authorized to determine the compensation for the directors by taking into account the extent and value of their contribution to the Company's operation and the standards of the industry.</p>	<p>Adjustment of the article number.</p>
<p>Article 27: The Company establishes the positions of managerial officers and the matters concerning their appointment, dismissal, or compensation should be conducted pursuant to Article 29 of the Company Act.</p>	<p>Article 26: The Company establishes the positions of managerial officers and the matters concerning their appointment, dismissal, or compensation should be conducted pursuant to Article 29 of the Company Act.</p>	<p>Adjustment of the article number.</p>

<p>Article 28: The general manager is responsible for the operation of the Company according to the instruction by Chairman. The responsibilities of the general manager are as follows: (I) Formulation and drafting the Company policies and regulations; (II) Mapping the operating direction and its enforcement; (III) Planning of the fundraising and expansion affairs; (IV) Preparation of operating budgets and compilation of final accounts; (V) Planning and drafting the company organization and HR-related matters concerning the personnel not covered by the provision of the preceding article; (VI) Other functions and powers granted by laws, regulations, and shareholders' meetings or the board of directors.</p>	<p>Article 27: The general manager is responsible for the operation of the Company according to the instruction by Chairman. The responsibilities of the general manager are as follows: (I) Formulation and drafting the Company policies and regulations; (II) Mapping the operating direction and its enforcement; (III) Planning of the fundraising and expansion affairs; (IV) Preparation of operating budgets and compilation of final accounts; (V) Planning and drafting the company organization and HR-related matters concerning the personnel not covered by the provision of the preceding article; (VI) Other functions and powers granted by laws, regulations, and shareholders' meetings or the board of directors.</p>	<p>Adjustment of the article number.</p>
<p>Article 29: After the end of every fiscal year and the final account is completed, the board of directors shall compile the following reports and submit them to the shareholders' meeting for ratification. (I) Business report; (II) Financial statements; (III) Proposals of earnings distribution or loss coverage.</p>	<p>Article 28: After the end of every fiscal year and the final account is completed, the board of directors shall compile the following reports and submit them to the shareholders' meeting for ratification. (I) Business report; (II) Financial statements; (III) Proposals of earnings distribution or loss coverage.</p>	<p>Adjustment of the article number.</p>
<p>Article 30: Deleted.</p>	<p>(This article is deleted)</p>	<p>Adjustment of the article number.</p>

<p>Article 34: If the Company makes a profit (i.e., net profit before tax before deducting the portion set aside for employees' and directors' remuneration) within a fiscal year, 1%-5% of the profit shall be reserved as the employees' remuneration and no more than 2.5% as the directors' remuneration; in case of accumulated loss, however, a portion of the profit shall first be reserved to cover the loss.</p> <p>Employees' remuneration shall be distributed in the form of shares or cash. The distribution of remuneration shall be approved by the majority of the directors present at the board of directors meeting attended by at least two-thirds of all directors, and shall be reported at the shareholders' meeting.</p> <p>The Company shall apply the current year's earnings, if any, to pay for the profit-seeking enterprise income tax first, offset accumulated losses, and then set aside 10% as legal capital reserve. The special capital reserve may be appropriated based on the Company's business needs. The board of directors shall propose the appropriation of the remaining earnings, if any, and unappropriated earnings in previous years <u>at the shareholders' meeting for resolution</u>. In principle, cash dividends to be appropriated shall not be less than 30% of the total dividends to be appropriated; however, the percentage of cash dividends to be appropriated may be adjusted to 10%-30% based on the change in the industry, major investment plans and improvement in the financial position of the Company. If the cash dividend per share is less than NT\$0.1, stock dividends may be distributed instead.</p>	<p>Article 29: If the Company makes a profit (i.e., net profit before tax after deduction of the portion set aside for employees' and directors' remuneration) within a fiscal year, 1%-5% of the profit shall be reserved as the employees' remuneration and no more than 2.5% as the directors' remuneration; in case of accumulated loss, however, a portion of the profit shall first be reserved to cover the loss. Employees' remuneration shall be distributed in the form of shares or cash. The distribution of remuneration shall be approved by the majority of the directors present at the board of directors meeting attended by at least two-thirds of all directors, and shall be reported at the shareholders' meeting.</p> <p>The Company shall apply the current year's earnings, if any, to pay for the profit-seeking enterprise income tax first, offset accumulated losses, and then set aside 10% as legal capital reserve. The special capital reserve may be appropriated based on the Company's business needs. The board of directors shall propose the appropriation of the remaining earnings, if any, and unappropriated earnings in previous years. <u>In the case of distribution in cash, Paragraph 5 of Article 240 of the Company Act stipulates that the board of directors is authorized, with the presence of more than two-thirds of the directors and the resolution of the majority of the directors present, to distribute all or part of the dividends and bonuses, legal reserve or capital reserve shall be distributed in cash and reported to the shareholders meeting; when new shares are issued, it shall be submitted to the shareholders meeting for distribution after a resolution.</u></p> <p>In principle, cash dividends to be appropriated shall not be less than 30% of the total dividends to be appropriated; however, the percentage of cash dividends to be appropriated may be adjusted to 10%-30% based on the change in the industry, major investment plans and improvement in the financial position of the Company. If the cash dividend per share is less than NT\$0.1, stock dividends may be distributed instead.</p>	<p>The article number is adjusted, and the provisions are added in response to business operation demands of the Company.</p>
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Article 3 2 : The Company's organization rules and detailed procedures shall be established individually.	Article 30: The Company's organization rules and detailed procedures shall be established individually.	Adjustment of the article number.
Article 3 3 : Any other matters not regulated in the Articles of Incorporation shall be conducted according to Company Act.	Article 31: Any other matters not regulated in the Articles of Incorporation shall be conducted according to Company Act.	Adjustment of the article number.
<p>Article 34: The Article of Incorporation was established on September 21, 1979. The 1st amendment was made on May 26, 1980. The 2nd amendment was made on Jan 26, 1981. The 3rd amendment was made on May 5, 1981. The 4th amendment was made on August 26, 1981. The 5th amendment was made on March 22, 1983. The 6th amendment was made on August 18, 1984. The 7th amendment was made on March 5, 1987. The 8th amendment was made on May 9, 1988. The 9th amendment was made on March 22, 1989. The 10th amendment was made on May 31, 1990. The 11th amendment was made on April 16, 1991. The 12th amendment was made on March 22, 1995. The 13th amendment was made on April 18, 1996. The 14th amendment was made on May 14, 1998. The 15th amendment was made on May 24, 2000. The 16th amendment was made on June 3, 2002. The 17th amendment was made on June 24, 2003. The 18th amendment was made on June 24, 2003. The 19th amendment was made on June 15, 2005. The 20th amendment was made on June 22, 2006. The 21st amendment was made on June 19, 2008. The 22nd amendment was made on June 23, 2010. The 23rd amendment was made on June 24, 2011. The 24th amendment was made on June 28, 2012. The 25th amendment was made on June 18, 2014. The 26th amendment was made on June 11, 2015. The 27th amendment was made on June 29, 2016. The 28th amendment was made on June 1, 2017. The 29th amendment was made on June 26, 2018.</p> <p><u>The relevant provisions concerning the abolition of supervisors and the establishment of an Audit Committee made in the 29th amendment will be applicable from the expiry of the term of office of supervisors elected by the extraordinary shareholders' meeting held on April 1, 2016.</u></p>	<p>Article 32: The Article of Incorporation was established on September 21, 1979. The 1st amendment was made on May 26, 1980. The 2nd amendment was made on Jan 26, 1981. The 3rd amendment was made on May 5, 1981. The 4th amendment was made on August 26, 1981. The 5th amendment was made on March 22, 1983. The 6th amendment was made on August 18, 1984. The 7th amendment was made on March 5, 1987. The 8th amendment was made on May 9, 1988. The 9th amendment was made on March 22, 1989. The 10th amendment was made on May 31, 1990. The 11th amendment was made on April 16, 1991. The 12th amendment was made on March 22, 1995. The 13th amendment was made on April 18, 1996. The 14th amendment was made on May 14, 1998. The 15th amendment was made on May 24, 2000. The 16th amendment was made on June 3, 2002. The 17th amendment was made on June 24, 2003. The 18th amendment was made on June 24, 2003. The 19th amendment was made on June 15, 2005. The 20th amendment was made on June 22, 2006. The 21st amendment was made on June 19, 2008. The 22nd amendment was made on June 23, 2010. The 23rd amendment was made on June 24, 2011. The 24th amendment was made on June 28, 2012. The 25th amendment was made on June 18, 2014. The 26th amendment was made on June 11, 2015. The 27th amendment was made on June 29, 2016. The 28th amendment was made on June 1, 2017. The 29th amendment was made on June 26, 2018. <u>The 30th amendment was made on June 25, 2021.</u></p>	<p>The article number is adjusted, and the provisions are added in response to business operation demands of the Company.</p>

【Attachment 6】

List of Directors Concurrently Holding Positions in Other Companies

Title	Name	Concurrent posts in other companies
Chairman	Wen-Yuan Lin	Chairman of Yangmingshan Tien Lai Resort & Spa Co., Ltd. Chairman of Eastern Broadcasting Co., Ltd. Director of Gloria Material Technology Corp. Independent Director of Taroko Co., Ltd.
Director	Po-Yuan Chen	Chairman and G of Yuan-Shin Materials Technology Corp. Ltd. Director of YSIC Ltd. Director of Yangmingshan Tien Lai Resort & Spa Co., Ltd.
Director	Chiung-Fen Wang	Director of Chun Yu Works & Co., Ltd. Director of Soft-World International Corporation Director of D-Link Corporation Director of Cameo Communications, Inc. Director of Chun Bang Precision Co., Ltd. Director of Chun Yu Bio-Tech Corp. Director of Chun Yu Investment Co., Ltd. Director of Shanghai Chun Zu Machinery Industry Co., Ltd. Chairman of Kings Asset Management Co., Ltd. Chairman of Taiwan Steel Group United Co., Ltd. Chairman of Taiwan NetCom Co., Ltd. Chairman of Gloria Material Technology Corp. Chairman of S-Tech Corp. Chairman of Homkom Precision Industry Corp. Chairman of Guangzhou Goldway Special Metal Co., Ltd. Chairman of Tianjin Goldway Special Metal Co., Ltd. Chairman of Xian Goldway Special Metal Corp. Ltd. Chairman of Jiaxing Goldway Special Metal Co., Ltd. Chairman of Jiaxing Xiangyang Metal Materials Technology Co., Ltd. Chairman of Hoyang Investment Co., Ltd. Chairman of Alloy Tool Steel Inc. Chairman of G-Yao Enterprises Ltd. Chairman of All Win Enterprises Ltd. Chairman of Faith Enterprises Ltd. Vice Chairman of Chun Zu Machinery Industry Co., Ltd.
Director	Sheng-Chen Li	Independent Director of Taiwan Tea Corporation Independent Director of D-Link Corporation Independent Director of Tatung Company
Director	Cheng-Yuan Liu	Owner of Cheng-De Interior Design Co., Ltd.
Director	Po-Hao Huang	Chairman of Li-Hsing Development Corporation
Director	Ting-Jui Hsu	Director of Scene Enterprise Co., Ltd.
Independent Director	Kao-Wei Hsu,	Director of Hopewell Chemicals Trading Corporation General Manager of Handy Chemical Corporation Director of Harriton Specialty Chemicals Co., Ltd. Supervisor of Weihai Jinhong Polymer Co., Ltd.

Appendix

1. Rules and Procedures of the Shareholders' Meeting (Before Amendment)
2. Article of Incorporation
3. Shareholding Condition of the Directors

Taiwan Styrene Monomer Corporation Rules and Procedures of the Shareholders' Meeting

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."

Article 2

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3 (Convening shareholders' meetings and shareholders' meeting notices)

Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders' meeting notice and authorization letters, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual shareholders' meeting or at least 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS at least 21 days before the date of an annual shareholders' meeting or at least 15 days before the date of an extraordinary shareholders' meeting. In addition, at least 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available at the Company premises as well as at the premises of the Company's authorized stock agent for viewing by shareholders at any time. The aforesaid agenda and materials shall also be distributed at the venue of the shareholders' meeting.

The cause or subject of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders; the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient thereof.

The election, appointment or dismissal of directors, change of Articles of Incorporation, reduction of capital, application for suspension of public issuance, permit for directors' business competition, surplus to capital increase, public reserve to capital increase, dissolution, merger, split-up of the Company, or the matters referred to in Paragraph 1 of Article 185 of the Company Act shall be listed in the reasons for convening the meeting and the main contents shall be stated, which shall not be put forward by extempore motion; the main contents may be placed in the securities authority or the Company's designated website, and its website address shall be specified in the notice.

Where the reasons for convening the shareholders' meeting already specifies the election of all directors and the date elected directors take office, once the election is completed in the shareholders' meeting, the date the elected directors take office may not be changed by extempore motions or other methods in the same meeting.

A shareholder holding 1% or more of the total number of issued shares may submit a proposal to the Company for discussion at an annual shareholders' meeting. The limit of the number of proposals which a shareholder may put forward is one; none of the proposal will be included in the list of proposals if a shareholder proposes more than one. However, a shareholder proposal proposed for urging the company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at an annual meeting of shareholders by the board of directors. In addition, when the circumstances of any subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the board of directors shall explain the reasons for exclusion of any shareholder proposals from the meeting agenda.

Article 4

For each shareholders' meeting, a shareholder may appoint a person to attend the meeting on his/her behalf by providing the authorization letter issued by the Company and stating the scope of such person's authorization.

A shareholder shall issue one authorization letter and entrust one such person only, and shall deliver the letter to the Company at least five (5) days before the shareholders' meeting; if more than one letter of authorization is delivered, the earliest one received by the Company shall prevail. However, a statement to revoke an earlier authorization is not subject to the aforementioned rule.

Where a shareholder intends to personally attend the shareholders' meeting or exercised voting rights by correspondence or electronic means after delivering a authorization letter to the Company, the shareholder shall provide, at least two (2) days before the date of the shareholders' meeting, a written notification to the Company for rescinding the said authorization letter. Where the period for rescinding the authorization letter has expired, the voting right exercised by the such person attending the meeting shall prevail.

Article 5 (Principles determining the time and place of a shareholders' meeting)

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 (Preparation of documents such as the attendance book)

The Company shall, in the notice of the shareholders' meeting, specify the time and venue for shareholder registration, and other important matters.

Registration for shareholders referred to in the preceding paragraph shall begin at least thirty (30) minutes before the meeting. There shall be clear signs and sufficient and adequate staff at the registration desk.

Shareholders and those acting on their behalf (hereinafter referred to as the shareholder) shall attend the shareholders' meetings with attendance cards, sign-in cards, or other attendance certificates. The Company may not arbitrarily add other requirements to the supporting documents for attendance of a shareholders' meeting. The solicitor of the should also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall deliver the handbook, annual report, attendance card, speaker's slip, votes, and other meeting materials to each shareholder attending the shareholders' meeting; if there are directors to be elected, ballots shall also be provided.

When a government or a juridical person is a shareholder, it may have more than one representative to attend the shareholders' meeting. When a juristic person is appointed to attend on other's behalf, it may designate only one person to represent it in the meeting.

Article 7 (The chair and non-voting participants of a shareholders' meeting)

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the Chairman of the board. When the Chairman of the board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman is also on leave or for any reason unable to exercise the powers of the vice chairperson, the Chairman shall appoint one of the directors to act as the chair of the meeting. Where the Chairman does not make such a designation, one director shall be selected among themselves to act in his/her place.

When a director serves as the chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six (6) months or more and who understands the financial and business conditions of the company. The same requirements shall apply if the chair of the meeting is a representative of a juristic person director.

It is advisable that shareholders' meetings convened by the board of directors be chaired by the Chairman of the board in person and attended by a majority of the

directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders' meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The aforementioned audio and video recordings shall be kept for at least one (1) year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate

proposal in the agenda (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall address agenda items in the order they are set, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five (5) minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder who has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an item on the agenda, and there is the likelihood that such a relationship would prejudice the interests of the Company, such a shareholder shall not vote on that item, and shall not exercise voting rights on behalf of any other shareholder.

The number of shares with voting rights that cannot be exercised in the preceding paragraph shall not be counted as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed to act on behalf of two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the counting.

Article 13

A shareholder shall have one voting power in respect of each share, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the notice of the shareholders' meeting. A shareholder exercising voting rights by correspondence or electronic means is considered to have attended the meeting in person. However, the shareholder shall be regarded as having abstained for extempore motions or revising the original proposals. Thus, it is advised that the Company shall avoid proposing extempore motions or revising the original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two (2) days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, when a declaration is made to cancel an earlier declaration of intent is not subject to the limits.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, at least two (2) business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing one person to attend a shareholders' meeting on his/her behalf, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the venue of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced onsite at the meeting, and a record made of the vote.

Article 14 (Election matters)

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced onsite immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of

the existence of the Company.

Article 16 (Public disclosure)

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulation, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and resumption of a shareholders' meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five (5) days in accordance with Article 182 of the Company Act.

Article 19

These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall take effect in the same manner.

These Rules were established on May 27, 2020.

Taiwan Styrene Monomer Corporation
Article of Incorporation (Before Amendment)

Chapter 1 General Rules

- Article 1: The Company is organized pursuant to the provisions concerning limited companies of the Company Act. The Company is named "Taiwan Styrene Monomer Corporation."
- Article 2: The Company's industry classifications are as follows:
(I) C801020 Petrochemical Materials Manufacturing
(II) C801030 Precision Chemical Material Manufacturing
(III) C801990 Other Chemical Materials Manufacturing
(IV) C802990 Other Chemical Products Manufacturing
(V) D101050 Combined Heat and Power
(VI) D401010 Thermal Energy Supply
(VII) F401010 International Trade
(VIII) G801010 Warehousing
(IX) H701010 Housing and Building Development and Rental
(X) H701020 Industrial Factory Development and Rental
(XI) H703090 Real Estate Business
(XII) H703100 Real Estate Leasing
(XIII) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The total amount of the re-investment made by the Company may not be restricted by Article 13 of the Company Act as 40% of the capital.
- Article 2-2: The Company may offer endorsement and guarantee depending on the need of operation and investment business.
- Article 3: The headquarter of the Company is located at Taipei City. The Company can establish branches, offices, or manufacturing facilities depending on the need of business operating.
- Article 4: The method of news publishing of the Company shall be conducted according to the Company Act and relevant regulations.

Chapter 2 Capital Stock

- Article 5: The total capital of the Company is NT\$9 billion dollars, which is divided into 900 million common shares, that is, NT\$10 dollars per share. The total authorized number of shares are to be issued in installments by the approval of the board of directors.
- Article 6: Share certificates of the Company shall be name-bearing certificates, duly signed by or affixed with seals by a minimum of three directors, and duly authenticated by the competent authority or the issuance

registry institution accredited by the competent authority before issuance. The Company may issue shares or corporate bonds without printing physical certificates in accordance with the Company Act or other related laws and regulations. When issuing new shares or bonds or cancelling outstanding ones, the Company shall register or put under custody the shares or bonds with a centralized securities depository enterprise by way of book-entry transfer, and shall follow the regulations of governing centralized securities depository enterprises.

- Article 7: Shareholders shall submit their specimen chops to the Company for retention, and the same applies to any subsequent changes. Shareholders shall receive dividends or exercise other rights based on the chops retained by the Company.
- Article 8: Where a specimen chop is lost, destroyed or stolen, the lost specimen chop notification, together with identification copies thereof and a new specimen chop card, shall be sent to the Company. Upon verification, the specimen chop may be replaced with a new one. Where the procedures for sending the notice of lost specimen chop and a new specimen chop card are consigned to a third party, the chop certificate issued by a household registration office shall be submitted.
- Article 9: To transfer shares via assignment, inheritance, gift, or otherwise, shareholders shall submit the transfer application, along with identification papers to which their original chops are affixed, to the Company for transfer. For those not applying for transfer, the assignment of shares shall not be set up as a defense against the Company.
- Article 10: Where a pledge is made on a share, the pledger and the pledgee shall submit the pledge application signed or affixed with the chops to the Company for pledge.
- Article 11: Where a stock certificate is lost or stolen, the shareholder shall immediately notify the Company in writing and apply for replacement in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.
- Article 12: For renewal of spoiled or worn out stock certificates, the original copies of the said stock certificates and an application form shall be submitted to the Company. However, when the authenticity of the stock certificates is in doubt due to their severity of being spoiled or worn out, to the point of beyond recognition, the preceding article concerning lost or stolen stock certificates applies *mutatis mutandis*.
- Article 13: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of annual shareholders' meeting, and

thirty (30) days immediately before the date of any extraordinary shareholders' meeting, or within five (5) days before the record day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter 3 Shareholders' Meeting

- Article 14: Shareholders' meeting of the Company shall be of the following two kinds; the board of directors shall convene the meeting unless otherwise specified in the Company Act:
- (I) Annual shareholders' meeting: to be held at least once every year; it must be convened within six months after the end of the financial year.
 - (II) Extraordinary shareholders' meeting: to be held when necessary.
- Article 15: A notice to convene an annual shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. For an extraordinary shareholders' meeting, a meeting notice shall be given to each shareholders no later than 15 days prior to the scheduled meeting date.
- Article 16: Deleted.
- Article 17: Each shareholder of the Company has one voting right per share, except as otherwise regulated by other laws.
- Article 18: If a shareholder cannot attend the shareholders' meeting due to any reason, he or she may appoint one person to attend each shareholders' meeting on his/her behalf by providing the authorization letter issued by the Company which states the scope of authorization. Additionally, the rules for a shareholder to appoint one person to attend the meeting on his/her behalf are implemented in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" in addition to Article 177 of the Company Act. Shareholders of the Company may exercise voting rights by electronic means. Shareholders exercising voting rights by electronic means shall be deemed to have attended in person, and relevant matters shall be handled in accordance with relevant laws and regulations.
- Article 19: Unless the Company Act regulates otherwise, the Chairman of the Board shall be the chairperson of the shareholders' meeting. If the Chairman is absent, he or she shall designate one of the directors to be the acting chairperson of the meeting. If the Chairman fails to designate anyone, the chairperson of the meeting shall be elected from among the attending directors.
- Article 20: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature

or seal of the chairperson of the meeting and shall be distributed to all shareholders within twenty (20) days after the close of the meeting. The distribution of the meeting minutes may be done by public announcement or electronic means, and the meeting minutes shall be kept permanently. The attendance register and authorization letters shall be kept for at least one year; provided, however, if a legal action is initiated by a shareholder for the court to revoke any resolution or to claim that a resolution is null and void, the aforementioned register and forms shall be kept until the conclusion of the lawsuit.

Chapter 4 Directors

- Article 21: The board of directors of the Company has 11 to 13 directors, and the board of directors is authorized to decide the number of directors. Directors are elected from capable persons among the shareholders. Each director will serve a term of three years and may be re-elected. Directors shall be elected based on the candidate nomination system specified in Article 192-1 of the Company Act. The number of directors referred to in the preceding paragraph shall include three independent directors. The nomination of candidates and related announcements shall comply with the Company Act, the Securities and Exchange Act, and relevant regulations. The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected are calculated separately.
- Article 21-1: Deleted.
- Article 21-2: The Company sets up an Audit Committee according to Article 14-4 of the Securities and Exchange Act. The Audit Committee comprises of all independent directors. Upon establishment of the Audit Committee, if applicable, the provisions in this Article of Incorporation concerning supervisors shall cease to apply, and the Audit Committee shall take over the powers of supervisors specified in related laws and regulations.
- Article 22: The board is organized by the directors. The board of directors shall elect a chairman of the board directors, and may elect a vice chairman from among the directors. The chairman shall externally represent the Company. When the chairman is on leave or unable to exercise his/her powers for any reason, the vice chairman shall act on his/her behalf. If a vice chairman is not elected from among directors, or currently on leave, or unable to exercise his/her powers for any reason, the chairman shall designate one of the directors to act on his/her behalf. Where the chairman fails to make such a designation, the directors shall elect from among themselves one person to serve

as the acting chairman.

Article 22-1: In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director no later than seven (7) days prior to the scheduled meeting date. In case of emergency, the meeting may be convened at any time with a notice sent to each director by e-mail or fax.

Article 23: Unless the Company Act and the Articles of Incorporation regulate otherwise, the resolution of a board meeting shall be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of all directors. A director may appoint another director to attend the board of directors meetings on his/her/its behalf. A director may only be appointed to act on behalf of one other director.

If participation by means of video conferencing is made available at a meeting, directors who participate in the meeting by such means shall be deemed to have attended the said meeting in person. However, the sign-in card with the director's signature shall be faxed to the Company to complete the sign-in procedure.

Article 24: The responsibilities of the board of directors are as follows:

- (I) Election of Chairman;
- (II) Appointment of General Manager;
- (III) Contracting between the Company and shareholders;
- (IV) Determining the operating direction of the Company;
- (V) Determining the Company's capital increase and expansion plans;
- (VI) Review and approval of the Company's budgets and final accounts; and
- (VII) Other powers of the board of directors specified in the Company Act or related laws and regulations.

Except as otherwise provided in the Company Act or related laws and regulations, the board of directors may authorize the Chairman to execute the responsibilities of the board of directors as follows:

- (I) Matters which the Chairman may be authorized to exercise in accordance with the Company's policies, operating procedures, systems, and regulations.
- (II) Other matters authorized by the resolutions of the board of directors.

Article 25: Deleted.

Article 26: The Company may purchase liability insurance for directors with respect to liabilities resulting from the exercise of duties during their term of office, and shall authorize the board of directors to be in charge of such purchase of liability insurance. When the directors of

the Company perform their duties, the Company may pay directors compensation regardless of its operating profit or loss. The board of directors shall be authorized to determine the compensation for the directors by taking into account the extent and value of their contribution to the Company's operation and the standards of the industry.

Chapter 5 Managerial Officers

Article 27: The Company establishes the positions of managerial officers and the matters concerning their appointment, dismissal, or compensation should be conducted pursuant to Article 29 of the Company Act.

Article 28: The general manager is responsible for the operation of the Company according to the instruction by Chairman. The responsibilities of the general manager are as follows:

- (I) Formulation and drafting the Company policies and regulations;
- (II) Mapping the operating direction and its enforcement;
- (III) Planning of the fundraising and expansion affairs;
- (IV) Preparation of operating budgets and compilation of final accounts;
- (V) Planning and drafting the company organization and HR-related matters concerning the personnel not covered by the provision of the preceding article;
- (VI) Other functions and powers granted by laws, regulations, and shareholders' meetings or the board of directors.

Chapter 6 Accounting

Article 29: After the end of every fiscal year and the final account is completed, the board of directors shall compile the following reports and submit them to the shareholders' meeting for ratification.

- (I) Business report;
- (II) Financial statements;
- (III) Proposals of earnings distribution or loss coverage.

Article 30: Deleted.

Article 31: If the Company makes a profit (i.e., net profit before tax before deducting the portion set aside for employees' and directors' remuneration) within a fiscal year, 1%-5% of the profit shall be reserved as the employees' remuneration and no more than 2.5% as the directors' remuneration; in case of accumulated loss, however, a portion of the profit shall first be reserved to cover the loss. Employees' remuneration shall be distributed in the form of shares or cash. The distribution of remuneration shall be approved by the majority of the directors present at the board of directors meeting

attended by at least two-thirds of all directors, and shall be reported at the shareholders' meeting.

The Company shall apply the current year's earnings, if any, to pay for the profit-seeking enterprise income tax first, offset accumulated losses, and then set aside 10% as legal capital reserve. The special capital reserve may be appropriated based on the Company's business needs. The board of directors shall propose the appropriation of the remaining earnings, if any, and unappropriated earnings in previous years at the shareholders' meeting for resolution. In principle, cash dividends to be appropriated shall not be less than 30% of the total dividends to be appropriated; however, the percentage of cash dividends to be appropriated may be adjusted to 10%-30% based on the change in the industry, major investment plans and improvement in the financial position of the Company. If the cash dividend per share is less than NT\$0.1, stock dividends may be distributed instead.

Article 32: The Company's organization rules and detailed procedures shall be established individually.

Article 33: Any other matters not regulated in the Articles of Incorporation shall be conducted according to Company Act.

Article 34: The Article of Incorporation was established on September 21, 1979. The 1st amendment was made on May 26, 1980. The 2nd amendment was made on Jan 26, 1981. The 3rd amendment was made on May 5, 1981. The 4th amendment was made on August 26, 1981. The 5th amendment was made on March 22, 1983. The 6th amendment was made on August 18, 1984. The 7th amendment was made on March 5, 1987. The 8th amendment was made on May 9, 1988. The 9th amendment was made on March 22, 1989. The 10th amendment was made on May 31, 1990. The 11th amendment was made on April 16, 1991. The 12th amendment was made on March 22, 1995. The 13th amendment was made on April 18, 1996. The 14th amendment was made on May 14, 1998. The 15th amendment was made on May 24, 2000. The 16th amendment was made on June 3, 2002. The 17th amendment was made on June 24, 2003. The 18th amendment was made on June 24, 2003. The 19th amendment was made on June 15, 2005. The 20th amendment was made on June 22, 2006. The 21st amendment was made on June 19, 2008. The 22nd amendment was made on June 23, 2010. The 23rd amendment was made on June 24, 2011. The 24th amendment was made on June 28, 2012. The 25th amendment was made on June 18, 2014. The 26th amendment was made on June 11, 2015. The 27th amendment was made on June 29, 2016. The 28th amendment was made on June 1, 2017. The 29th

amendment was made on June 26, 2018. The relevant provisions concerning the abolition of supervisors and the establishment of an Audit Committee made in the 29th amendment will be applicable from the expiry of the term of office of supervisors elected by the extraordinary shareholders' meeting held on April 1, 2016.

Shareholding Condition of the Directors

1. The minimum number of shares which shall be held by all directors : 16,891,832 shares.
2. By the book closure date for stock transfer of this annual shareholders' meeting, the number of shares held by directors listed on the roster of shareholders:

Job title	Name	Shares held
Chairman	Wen-Yuan Lin, the representative of Taiwan Styrene Monomer Investment Corporation	10,000,000
Director	Chiung-Fen Wang, the representative of Taiwan Styrene Monomer Investment Corporation	10,000,000
Director	Jeff Chen, the representative of Taiwan Styrene Monomer Investment Corporation	10,000,000
Director	Sheng-Tsheng Lee, the representative of Chin-Chih-Hung Investment Corporation	1,000,000
Director	Po-Yuan Chen, the representative of Chun Yu Works & Co., Ltd.	11,678,000
Director	Cheng-Yuan Liu, the representative of Kai-Chiang Co., Ltd.	718,000
Director	Ting-Jui Hsu, the representative of An-Ching Development Corporation	487,000
Director	Po-Hao Huang, the representative of An-Ching Development Corporation	487,000
Independent Director	Chin-Chen Chien	0
Independent Director	Kao-Wei Hsu	0
Independent Director	Kuo-Ching Chang	0
Total shareholding of all directors	23,883,000	