

**Taiwan Styrene Monomer Corporation**  
**1<sup>st</sup> Special Shareholders Meeting for 2024**  
**Meeting Agenda**

Time: 9:30 a.m., March 15, 2024

Venue: 8F., No.11, Zhongshan S. Rd., Zhongzheng Dist., Taipei City, Taiwan  
(CHANG YUNG-FA FOUNDATION International Convention Center)

## **Matters of Discussion**

### **1. The Company's proposal for cash capital increase by private placement of common stock.**

**(Proposed by the Board of Directors)**

#### **Explanatory Notes :**

In order to supplement working capital and repay bank borrowings for ensuring long-term operation and business development, the company proposes to increase cash capital by private placement of common stock in accordance with Article 43-6 of the Securities and Exchange Act.

Based on the market conditions and the Company's operational needs, this case is proposed to be submitted to the Special Shareholders Meeting to authorize the Board of Directors to handle once (or no more than three times) within one year from the date of resolution of the Special Shareholders Meeting.

#### 1. Conditions of issuance

I. Number of shares privately placed: No more than 50,000 thousand shares.

II. Par value per share: NTD\$10 per share.

III. Total private placement amount: The Board of Directors is authorized for determination based on the actual private placement situation.

#### 2. Pricing basis of private placement and its reasonableness

I. The price per share for Company's private placement shall not be lower than 80% of the reference price. The reference price is determined based on the higher of the following two calculations:

- i. The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
- ii. The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

II. Pricing date, actual reference price and actual issuance price:

It is proposed to be submitted to the Special Shareholders Meeting to authorize the Board of Directors to determine in accordance with the above provisions that is subject to market conditions, objective conditions and the circumstances of specific persons to be negotiated in the future. The private placement price is determined in compliance with legal requirements and with reference to the company's current situation and future prospects, as well as the three-year transfer restriction on private placement under the Securities and Exchange Act, which should be reasonable.

However, if the private placement price is lower than the face value of the stock due to the aforementioned pricing method and cause the Company to incur accumulated losses, the company will do capital reduction, surplus or capital reserve to make up for the losses depending on the Company's operation status and market condition in the future.

3. Approach to choose the specific person:

The counterparties for this private placement shall meet the qualifications for specific persons listed in Article 43-6 of the Securities and Exchange Act, and approved document number 1120383220 of Financial Supervisory Commission, dated on Sep. 12, 2023. The primary consideration will be those that will directly or indirectly benefit the company's future operations.

Matters related to the negotiation of specific persons are proposed to be submitted to the Special Shareholders Meeting for authorization to the chairperson.

I. Approach to choose and the purpose of subscribers:

In order to ensure long-term operation and business development, legal person with a considerable understanding of the company's operations will be selected as subscribers. Their long-term support

will help the company generate direct or indirect benefits, strengthen the company's business development, technology improvement, cost reduction or product integrated development benefits to enhance sustainable operating capabilities.

II. The list of potential subscribers of the private placement of common stock, please refer to page 9~11 of this manual (Attachment 1).

III. Among the list of potential subscribers, if they are legal persons, their top 10 shareholders and the relationship with the Company, please refer to page 12~33 of this manual (Attachment 2).

4. Necessary reasons for handling private placement:

I. Reason for conducting non-public offering:

Considering the timeliness, feasibility of fundraising, issuance cost, the previous year (2022) operating status and the three-year transfer restriction on private placement, it can ensure the long-term cooperation between the Company and investors, and strengthen the company's long-term operating condition which has positive benefits for shareholders' rights and interests.

II. Amount of private placement:

Within the quota of 50,000 thousand shares of common stock, it is proposed to be handled once (or no more than three times) within one year from the date of resolution of the Special Shareholders Meeting.

III. Use of the funds raised in this private placement and expected benefit:

Depends on the market and the situation of the specific persons, the private placement funds will be used for supplementing working capital or repaying bank borrowings, in order to strengthen the financial structure and debt solvency to ensure the Company's long-term operational development, and improve operational efficiency.

5. Rights and obligations of these new shares privately placed:

The rights and obligations of the new private placement shares are the same as the ordinary shares that Company has already issued. However, in accordance with the provisions of the Securities and Exchange Act, the new shares in this private placement may not be freely transferred within three years from the date of delivery, except for the transfer objects specified in Article 43-8 of the Securities and Exchange Act. Those may be transferred within three years from the date of delivery by applying to the competent authority for supplementary public offering in accordance with relevant laws and regulations.

6. Any other matters that need to be specified:
  - I. In addition to the pricing of this private placement, the issuance conditions, issuance price, amount of shares to be issued, planned projects, fund utilization progress and other related matters will be finalized by the resolution of the Special Shareholders Meeting. If there are changes in laws or any amendments are needed due to modification in objective factors, it is planned to submit to the Special Shareholders Meeting to authorize the Board of Directors to handle.
  - II. It is proposed to be submitted to the Special Shareholders Meeting for approval and authorize the chairperson or designated person to sign all contracts or documents related to the issuance of this private placement on behalf of the Company.
  - III. In accordance with the provisions of Article 43-6 of the Securities and Exchange Act regarding the Company's private placement, please refer to MOPS and the Company's website for details of matters that should be declared.

**Resolution :**

**Extemporaneous Motions**

**Meeting Adjourned**