

(Stock Code: 1310)



Taiwan Styrene Monomer Corporation

2025 Annual Shareholders' Meeting

Meeting Handbook

(Translation)

May 28, 2025

Meeting Type: Physical Meeting

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

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Meeting Procedure

- I. Call Meeting to Order**
- II. Chairman's Remarks**
- III. Report Items**
- IV. Adoption Items**
- V. Discussion Items**
- VI. Extemporaneous Motions**
- VII. Meeting Adjourned**

Meeting Agenda

Time: 9:30 a.m., May 28, 2025

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

I. Call Meeting to Order

II. Chairman's Remarks

III. Report Items

1. 2024 Business Report
2. 2024 Audit Committee's Review Report
3. Report on the handling of the Company's proposal for cash capital increase by private placement of common stock

IV. Adoption Items

1. To adopt 2024 Business Report and Financial Statements
2. To approve the appropriation of profit or loss of 2024

V. Discussion Items

To amend the Article of Incorporation

VI. Extemporaneous Motions

VII. Meeting Adjourned

Report Items

1. 2024 Business Report.

Explanatory Notes :

- (1) For the 2024 business report, please refer to page 8~10 (Attachment 1).
- (2) Hereby submits this report.

2. 2024 Audit Committee's Review Report.

Explanatory Notes :

- (1) For the 2024 Audit Committees' Review Report is as follows:
- (2) Hereby submits this report.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, including Consolidated and Individual Financial Statement, and Proposal for Profits Distribution. The CPA firm of KPMG was retained to audit Taiwan Styrene Monomer Corporation's Financial Statements and has issued an audit report relating to Financial Statements. The Business Report, Financial Statements, and Proposal for Profits Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Taiwan Styrene Monomer Corporation. According to the Securities and Exchange Act and the Company Act, we hereby submit this report. Please be advised accordingly.

To:

Taiwan Styrene Monomer Corporation

Convener of the Audit Committee: Chin-Chen Chien

March 12, 2025

3. Report on the handling of the Company's proposal for cash capital increase by private placement of common stock.

Explanatory Notes :

- (1) The Company's 1st Special Shareholders' Meeting on March 15, 2024 authorized the Board of Directors to issue ordinary shares through a cash capital increase in the form of private placement, subject to market conditions and the Company's operational needs, within a limit of no more than 50,000 thousand common shares. According to the provisions of Article 43-6 of the Securities and Exchange Act, it will be handled once (or no more than three times) within one year from the date of resolution of the Special Shareholders' Meeting.
- (2) As of the processing deadline, the Company has not submitted any application to the competent authority. Due to the expiration of the processing period stipulated in the law, the Company's Board of Directors passed a resolution on March 12, 2025 that it will not be processed within the expiration date.

Resolution :

Adoption Items

1. To adopt 2024 Business Report and Financial Statements. (Proposed by the Board of Directors)

Explanatory Notes :

- (1) The 2024 Business Report and Financial Statements have been examined by the Audit Committee and approved by the Board of Directors. The 2024 Financial Statements were audited by independent auditors Lin Wu and Yung-Sheng Wang of KPMG Taiwan.
- (2) The 2024 Business report, CPA's Audit Report and Financial Statements, please refer to page 8~10 (Attachment 1) and page 11~27 (Attachment 2).

Resolution :

2. To approve the appropriation of profit or loss of 2024. (Proposed by the Board of Directors)

Explanatory Notes :

- (1) The Company's profit or loss appropriation of 2024 will be handled in accordance with the Company's articles of association, the net loss after tax of the period is NT\$380,846,000. The profit or loss appropriation table of 2024 is prepared, and no dividends will be distributed this year.
- (2) The Profit or Loss Appropriation Table of 2024, please refer to page 28 (Attachment 3).

Resolution :

Discussion Items

To Amend the Articles of Incorporation.

(Proposed by the board of directors)

Explanatory Notes :

- (1) To expand the energy trading business, it is planned to add a new business item "F401190 Natural Gas Import Enterprise".
- (2) In accordance with the amendment of Article 14, Paragraph 6 of the Securities and Exchange Act, the Company referred to in the preceding paragraph shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees.
- (3) The comparison table of the amended provisions, please refer to page 29~30 (Attachment 4).

Resolution :

Extemporaneous Motions

Meeting Adjourned

Attachments

1. 2024 Business Report.
2. 2024 Financial Statements.
3. 2024 Profit or Loss Appropriation Table.
4. Comparison Table of Article of Incorporation

Taiwan Styrene Monomer Corporation

2024 Business Report



1. Results of operations based on the business plan

During the fiscal year, the Company produced 292,539 tons and sold 296,840 tons of styrene monomer, with sales revenue NT\$10,697,946 thousand. The total sales revenue reaches NT\$11,243,294 thousand after including the sales revenue of by-product. For fiscal year of 2024, net loss after tax is NT\$380,846 thousand.

2. Budget Execution

Unit: NT\$ Thousand

Item	Actual amount of 2024	Budget amount of 2024
Net sales	11,243,294	12,799,981
Gross profit	(409,952)	361,789
Operating profit	(564,869)	154,769
Income before tax	(480,749)	174,957
Net loss	(380,846)	147,435

3. Profitability Analysis

Analyzed items	Year ended December 31, 2024
Earnings (Loss) per share after tax (in NT\$)	(0.72)
Net profit margin (%)	(3.39%)
Return on assets (ROA) (%)	(3.87%)
Return on equity (ROE) (%)	(5.32%)
Ratio of income before tax to paid-in capital (%)	(9.11%)

4. Research and Development

The Company's core business is styrene monomer. We continue not only de-bottlenecking of the production lines and increase the production efficiency, but process carbon reduction, the new product application and value-added improvement.

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 already received positive responses.
2. The Company aims to vertically integrate specialized chemical arterial which has obtained patents from numerous countries.
3. The Company also cooperate with other companies in the development of commercialized professional coated machines of special chemical materials to commercialize and popularize by improving coating efficiency and quality.
4. Establish Plant Information Management System (PIMS) to integrate production data and combine it with AI technology to improve overall factory efficiency.
5. Cooperate with the Linyuan Industrial Park's AI smart technology improvement plan promoted by the Industrial Development Agency of the Ministry of Economic Affairs to improve factory safety, production efficiency and competitiveness.

5. Management Principles and Prospects

Looking back at the global economy over the past year (2024), the key factors include slowing inflation, easing labor market pressure and strong demand for AI related goods. The trade recovery in developed economies has been particularly significant. These economies have benefited from improvements in supply chains and increased demand for services. However, geopolitical risks, such as the continuation of the Russia-Ukraine war, rising tensions in the Middle East and the escalation of the US-China trade conflict, continue to undermine economic optimism.

Looking forward to this year (2025), the IMF estimates that the global economic growth will be 3.3% this year, which is equivalent to the 3.2% in last year (2024). The global economic outlook is still subject to the policy implementation of the new U.S. government. Although the recent U.S. economic performance has continued to exceed expectations, the possible major changes in U.S. fiscal, trade and immigration policies in the future are still unknown.

The new production capacity of SM was still 950,000 tons in China last year, and its new production capacity of SM will reach approximately 4 million tons in the next three years. The oversupply in the global market of SM has shown no signs of improvement in the near future. Therefore, the Company's operation strategy of SM will no longer pursue "full production and full sales", but will adopt short-chain supply, differentiated response, and expand recycling business of SM this year.

The Company's operating policy is to reduce expenses, CAPEX and control the volume of production, sales condition and inventory in time, and strengthens the operating performance of subsidiaries to reduce losses this year.

Chairman: 

General Manager: 

Accounting Manager: 

Independent Auditors' Report

To the Board of Directors of Taiwan Styrene Monomer Corporation:

Opinion

We have audited the financial statements of Taiwan Styrene Monomer Corporation(“the Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material 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, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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(n) “Revenue recognition” to the parent company only financial statements. For explanations on revenue recognition, please refer to note 6(s) "Revenue from contracts with customers" to the parent company only financial statements.

Description of the key audit matter:

The Company'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 effectiveness of design and implementation of internal controls over revenue recognition; selecting samples and examining vouchers; selecting samples for a period of time before and after the balance sheet date and examining the transaction terms and relevant vouchers to assess whether sales revenue was recognized in an appropriate period; in addition, we also performed analytical procedures on primary customers and products to evaluate if there is any material abnormality.

2. Impairment of non-financial assets (Property, plant and equipment, Intangible assets, and Right-of-use assets)

Regarding accounting policies on impairment of non-financial assets, please refer to note 4(n) “Impairment of non-financial assets” to the parent company only financial statements. For explanations on property, plant and equipment, intangible assets, and right-of-use assets, please refer to notes 6(h), 6(j), and 6(i) to the parent company only financial statements, respectively.

Description of the key audit matter:

The prosperity of the industry where the Company is located is affected by market environment factors and the economy, resulting in unfavorable changes to the Company. Therefore, the assessment of non-financial asset impairment is important. Since the evaluation process of impairment depends on the subjective judgment and estimates of the management, it is with a high degree of uncertainty. Therefore, the impairment assessment of non-financial assets is one of the key matters in the audit.

How the matter was addressed in our audit:

Our principal audit procedures for the aforementioned key audit matters included understanding the processes of management's assessment of impairment; evaluating the professional competence, suitability, and objectivity of management's experts; for the recoverable amount determined by management based on the evaluation report issued by a third party, we assessed the impairment model, verified the company's budget and financial forecasts, evaluated the appropriateness of key assumptions used in estimating future cash flows, verified the sources of parameters used in calculating the discount rate, and performed retrospective testing to assess whether there were significant differences between the company's past estimates of future cash flows and actual results. Additionally, we also reviewed whether the book value of the company's non-financial assets was consistent with the results of the evaluation report.

Other Matter

We did not audit the financial statements of some equity-accounted investees of the Company (including those statements which were prepared using a difference financial reporting framework). Those statements 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 and the amounts prior to the conversion adjustments, is based solely on the reports of other auditors. Investments accounted for using equity method on those investees constituting 22.46% and 19.39% of total assets at December 31, 2024 and 2023, and the related share of profit of subsidiaries, associates and joint ventures accounted for using equity method constituting 9.84% and 2.44% of total loss 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 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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Wu, Lin and Wang, Yung-Sheng.

KPMG

Taipei, Taiwan (Republic of China)

March 12, 2025

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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 91,828	1	165,508	2	2100	Short-term borrowings (notes 6(l) and 8)	\$ 1,185,000	12	1,000,000	11
1110	Current financial assets at fair value through profit or loss (note 6(b))	95,388	1	138,940	2	2130	Contract liabilities (note 6(s))	-	-	1,957	-
1170	Accounts receivable, net (note 6(c))	977,485	10	796,319	9	2170	Accounts payable	764,460	8	999,944	11
1200	Other receivables (note 7)	1,556	-	2,430	-	2200	Other payables (note 6(m))	96,000	1	91,121	1
1220	Current tax assets	1,148	-	6,333	-	2280	Current lease liabilities (note 6(n))	3,818	-	5,083	-
130X	Inventories (note 6(d))	455,229	5	730,526	8	2399	Other current liabilities	2,156	-	2,240	-
1410	Prepayments (note 6(e))	187,700	2	183,490	2	Total current liabilities					
1476	Other current financial assets	20,000	-	-	-	2,051,434 21 2,100,345 23					
Total current assets						2,051,434 21 2,100,345 23					
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (note 6(f))	1,234,431	13	960,051	10	2570	Deferred tax liabilities (note 6(p))	173,548	2	173,509	2
1550	Investments accounted for using equity method (note 6(g))	3,984,926	41	3,503,366	38	2580	Non-current lease liabilities (note 6(n))	6,919	-	10,647	-
1600	Property, plant and equipment (note 6(h))	2,099,364	22	2,342,152	25	2640	Net defined benefit liabilities, non-current (note 6(o))	37,657	-	44,686	-
1755	Right-of-use assets (note 6(i))	11,102	-	16,352	-	Total non-current liabilities					
1780	Intangible assets (note 6(j))	3,731	-	5,396	-	218,124 2 228,842 2					
1840	Deferred tax assets (note 6(p))	448,317	5	348,573	4	Total liabilities					
1920	Refundable deposits	3,729	-	3,729	-	2,269,558 23 2,329,187 25					
1915	Prepayments for equipment	25,690	-	13,944	-	Equity (note 6(q)):					
1995	Other non-current assets, others (note 6(k))	19,735	-	39,563	-	3100	Capital stock	5,278,698	55	5,278,698	57
Total non-current assets						3200	Capital surplus	129,663	1	75,728	1
7,831,025 81 7,233,126 77						Retained earnings:					
						3310	Legal reserve	639,287	7	639,287	7
						3320	Special reserve	8,811	-	223,663	2
						3350	Unappropriated retained earnings	44,872	-	(45,013)	-
						692,970 7 817,937 9					
						3400	Other equity	1,290,470	14	755,122	8
						Total equity					
						7,391,801 77 6,927,485 75					
Total assets						Total liabilities and equity					
\$ 9,661,359 100 9,256,672 100						\$ 9,661,359 100 9,256,672 100					

(English Translation of Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (note 6(s))	\$ 11,243,294	100	9,319,242	100
5000	Operating costs (notes 6(d), (h), (i), (j), (n), (o), (u) and 7)	<u>11,653,246</u>	<u>104</u>	<u>9,823,925</u>	<u>105</u>
	Gross loss from operations	<u>(409,952)</u>	<u>(4)</u>	<u>(504,683)</u>	<u>(5)</u>
	Operating expenses (notes 6(c), (h), (i), (j), (n), (o), (u) and 7):				
6100	Selling expenses	66,229	1	57,429	1
6200	Administrative expenses	88,679	1	86,017	1
6450	Expected credit impairment loss (gain)	<u>9</u>	<u>-</u>	<u>(8)</u>	<u>-</u>
		<u>154,917</u>	<u>2</u>	<u>143,438</u>	<u>2</u>
	Operating losses	<u>(564,869)</u>	<u>(6)</u>	<u>(648,121)</u>	<u>(7)</u>
	Non-operating income and expenses (notes 6 (f), (g), (n), (t) and 7):				
7100	Interest income	6,939	-	5,099	-
7010	Other income	17,962	-	17,471	-
7020	Other gains and losses	111,101	1	31,454	1
7050	Finance costs	(19,061)	-	(14,486)	-
7070	Share of (loss) profit of subsidiaries, associates and joint ventures accounted for using equity method	<u>(32,821)</u>	<u>-</u>	<u>12,680</u>	<u>-</u>
		<u>84,120</u>	<u>1</u>	<u>52,218</u>	<u>1</u>
9900	Loss before tax	(480,749)	(5)	(595,903)	(6)
7950	Income tax benefits (note 6(p))	<u>99,903</u>	<u>1</u>	<u>133,719</u>	<u>1</u>
	Net loss	<u>(380,846)</u>	<u>(4)</u>	<u>(462,184)</u>	<u>(5)</u>
8300	Other comprehensive income (loss) :				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	958	-	6,370	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	277,855	2	316,768	3
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	472,937	4	697,527	7
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>192</u>	<u>-</u>	<u>1,274</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>751,558</u>	<u>6</u>	<u>1,019,391</u>	<u>10</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation	876	-	-	-
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	38,848	-	(824)	-
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>39,724</u>	<u>-</u>	<u>(824)</u>	<u>-</u>
8300	Other comprehensive income	<u>791,282</u>	<u>6</u>	<u>1,018,567</u>	<u>10</u>
8500	Comprehensive income	<u>\$ 410,436</u>	<u>2</u>	<u>556,383</u>	<u>5</u>
	Loss per share (note 6(r))				
	Basic loss per share	<u>\$ (0.72)</u>		<u>(0.88)</u>	
	Diluted loss per share	<u>\$ (0.72)</u>		<u>(0.88)</u>	

See accompanying notes to financial statements.

(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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity interest			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance at January 1, 2023	\$ 5,278,698	70,947	639,287	8,811	688,983	1,337,081	(7,392)	(207,460)	(214,852)	6,471,874
Appropriation and distribution of retained earnings:										
Special reserve appropriated	-	-	-	214,852	(214,852)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(105,553)	(105,553)	-	-	-	(105,553)
Overdue dividends not received by shareholders	-	4,702	-	-	-	-	-	-	-	4,702
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,771)	(1,771)	-	1,771	1,771	-
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	45,216	45,216	-	(45,216)	(45,216)	-
Changes in ownership interests for using equity method	-	86	-	-	-	-	-	-	-	86
Changes in ownership interests in subsidiaries	-	(7)	-	-	-	-	-	-	-	(7)
Net loss	-	-	-	-	(462,184)	(462,184)	-	-	-	(462,184)
Other comprehensive income	-	-	-	-	5,148	5,148	(824)	1,014,243	1,013,419	1,018,567
Total comprehensive income	-	-	-	-	(457,036)	(457,036)	(824)	1,014,243	1,013,419	556,383
Balance at December 31, 2023	5,278,698	75,728	639,287	223,663	(45,013)	817,937	(8,216)	763,338	755,122	6,927,485
Appropriation and distribution of retained earnings:										
Reversal of special reserve	-	-	-	(214,852)	214,852	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	1,070	-	-	(55)	(55)	-	-	-	1,015
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	254,447	254,447	-	(254,447)	(254,447)	-
Changes in ownership interests in subsidiaries	-	52,865	-	-	-	-	-	-	-	52,865
Net loss	-	-	-	-	(380,846)	(380,846)	-	-	-	(380,846)
Other comprehensive income	-	-	-	-	1,487	1,487	39,724	750,071	789,795	791,282
Total comprehensive income	-	-	-	-	(379,359)	(379,359)	39,724	750,071	789,795	410,436
Balance at December 31, 2024	\$ 5,278,698	129,663	639,287	8,811	44,872	692,970	31,508	1,258,962	1,290,470	7,391,801

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Loss before tax	\$ (480,749)	(595,903)
Adjustments:		
Adjustments to reconcile profit loss		
Depreciation expense	248,566	252,446
Amortization expense	1,665	1,519
Expected credit impairment loss (gain)	9	(8)
Interest expense	19,061	14,486
Interest income	(6,939)	(5,099)
Dividend income	(15,140)	(11,514)
Share of loss (gain) of subsidiaries, associates and joint ventures accounted for using equity method	32,821	(12,680)
Reversal of impairment loss on financial assets	-	(14,856)
(Reversal of) impairment loss on non-financial assets	(650)	248
Gain on lease modification	(27)	(28)
Loss from decline (gain from recovery) in value of inventories	(45,456)	48,051
Total adjustments to reconcile loss	233,910	272,565
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets mandatorily measured at fair value through profit or loss	43,552	(18,402)
Accounts receivable	(181,175)	167,334
Other receivables	747	33
Inventories	320,753	(211,374)
Prepayments	(2,610)	3,432
Total changes in operating assets	181,267	(58,977)
Changes in operating liabilities:		
Contract liabilities	(1,957)	(5,872)
Accounts payable	(235,484)	110,902
Other payables	10,175	7,266
Other current liabilities	(84)	62
Net defined benefit liabilities	(6,071)	950
Total changes in operating liabilities	(233,421)	113,308
Total changes in operating assets and liabilities	(52,154)	54,331
Cash outflow generated from operations	(298,993)	(269,007)
Interest received	7,066	4,946
Dividends received	15,140	11,435
Interest paid	(19,331)	(14,203)
Income taxes refunded (paid)	5,191	(461)
Net cash flows used in operating activities	(290,927)	(267,290)
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	288
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,475	-
Proceeds from disposal of non-current assets classified as held for sale	-	1,288
Acquisition of property, plant and equipment	(21,128)	(82,739)
Increase in refundable deposits	(15)	(91)
Decrease in refundable deposits	15	7
Acquisition of intangible assets	-	(790)
Increase in other financial assets	(20,000)	-
Decrease (increase) in other non-current assets	22,828	(15,604)
Increase in prepayments for equipment	-	(950)
Dividends received	52,160	24,860
Net cash flows from (used in) investing activities	37,335	(73,731)
Cash flows from financing activities:		
Increase in short-term borrowings	7,065,000	4,802,000
Decrease in short-term borrowings	(6,880,000)	(4,502,000)
Payment of lease liabilities	(5,088)	(5,496)
Cash dividends paid	-	(105,553)
Net cash flows from financing activities	179,912	188,951
Net decrease in cash and cash equivalents	(73,680)	(152,070)
Cash and cash equivalents at beginning of period	165,508	317,578
Cash and cash equivalents at end of period	\$ 91,828	165,508

See accompanying notes to financial statements.

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 and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, 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 material 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 at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the year 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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(o) “Revenue recognition” to the consolidated financial statements. For explanations on revenue recognition, please refer to note 6(x) “Revenue from contracts with customers” to the consolidated financial statements.

Description of the 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 effectiveness of design and implementation of internal controls over revenue recognition; selecting samples and examining vouchers; selecting samples for a period of time before and after the balance sheet date and examining the transactions terms and relevant vouchers to assess whether sales revenue was recognized in an appropriate period; in addition, we also performed analytical procedures on primary customers and products to evaluate if there is any material abnormality.

2. Impairment of non-financial assets (Property, plant and equipment, Intangible assets, and Right-of-use assets)

Regarding accounting policies on impairment of non-financial assets, please refer to note 4(n) “Impairment of non-financial assets” to the consolidated financial statements. For explanations on property, plant and equipment, intangible assets, and right-of-use assets, please refer to notes 6(j), 6(m), and 6(k) to the consolidated financial statements, respectively.

Description of the key audit matter:

The prosperity of the industry where the Group is located is affected by market environment factors and the economy, resulting in unfavorable changes to the Group. Therefore, the assessment of non-financial asset impairment is important. Since the evaluation process of impairment depends on the subjective judgment and estimates of the management, it is with a high degree of uncertainty. Therefore, the impairment assessment of non-financial assets is one of the key matters in the audit.

How the matter was addressed in our audit:

Our principal audit procedures for the aforementioned key audit matters included understanding the processes of management's assessment of impairment; evaluating the professional competence, suitability, and objectivity of management's experts; for the recoverable amount determined by management based on the evaluation report issued by a third party, we assessed the impairment model, verified the company's budget and financial forecasts, evaluated the appropriateness of key assumptions used in estimating future cash flows, verified the sources of parameters used in calculating the discount rate, and performed retrospective testing to assess whether there were significant differences between the company's past estimates of future cash flows and actual results. Additionally, we also reviewed whether the book value of the company's non-financial assets was consistent with the results of the evaluation report.

Other Matter

We did not audit the financial statements of some equity-accounted investees of the Group (including those statements which were prepared using a difference financial reporting framework). Those statements 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 IFRS, IAS, 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 and the amounts prior to the conversion adjustments, is based solely on the reports of other auditors. Investments accounted for using equity method on those investees constituting 21.66% and 18.78% of total assets at December 31, 2024 and 2023, and the related share of profit of subsidiaries, associates and joint ventures accounted for using equity method constituting 9.80% and 3.35% of total loss before tax for the years then ended.

Taiwan Styrene Monomer Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, 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.

Auditors' 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 auditors' 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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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 auditors' 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 auditors' 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 auditors' 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 Wu, Lin and Wang, Yung-Sheng.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2025

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, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 497,755	5	604,092	7	2100	Short-term borrowings (notes 6(p) and 8)	\$ 1,292,500	13	1,107,500	11
1110	Current financial assets at fair value through profit or loss (note 6(b))	263,756	3	274,305	3	2130	Contract liabilities (note 6(x))	42,641	1	40,880	1
1170	Accounts receivable, net (note 6(c))	1,015,919	11	821,164	8	2170	Accounts payable	770,470	8	1,011,679	10
1200	Other receivables (note 7)	3,875	-	2,451	-	2200	Other payables (notes 6(q) and 7)	116,283	1	115,710	1
1220	Current tax assets	2,307	-	6,453	-	2230	Current tax liabilities	21	-	1,873	-
130X	Inventories (note 6(d))	456,685	5	731,690	8	2280	Current lease liabilities (note 6(s))	5,221	-	7,066	-
1410	Prepayments (note 6(e))	202,733	2	198,347	2	2320	Long-term liabilities, current portion (notes 6(r) and 8)	8,631	-	8,460	-
1470	Other current assets	225	-	1,726	-	2399	Other current liabilities	2,577	-	2,716	-
1476	Other current financial assets (notes 6(f) and 8)	33,860	-	46,206	-		Total current liabilities	2,238,344	23	2,295,884	23
	Total current assets	2,477,115	26	2,686,434	28		Non-Current liabilities:				
Non-current assets:						2540	Long-term borrowings (notes 6(r) and 8)	43,439	1	52,045	1
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	6,967	-	7,136	-	2570	Deferred tax liabilities (note 6(u))	175,095	2	174,806	2
1517	Non-current financial assets at fair value through other comprehensive income (note 6(g))	1,526,257	15	1,217,382	12	2581	Non-current lease liabilities (note 6(s))	6,919	-	12,050	-
1550	Investments accounted for using equity method (note 6(h))	2,193,854	22	1,850,830	19	2640	Net defined benefit liability, non-current (note 6(t))	37,657	-	44,686	-
1600	Property, plant and equipment (notes 6(j) and 8)	3,212,795	32	3,480,076	36	2600	Other non-current liabilities	650	-	660	-
1755	Right-of-use assets (note 6(k))	12,483	-	19,713	-		Total non-current liabilities	263,760	3	284,247	3
1760	Investment property, net (note 6(l))	55,950	1	56,296	1		Total liabilities	2,502,104	26	2,580,131	26
1780	Intangible assets (note 6(m))	3,731	-	5,396	-		Equity attributable to owners of parent (note 6(v)):				
1840	Deferred tax assets (note 6(u))	448,967	4	350,095	4	3100	Capital stock	5,278,698	53	5,278,698	54
1915	Prepayments for equipment	25,690	-	13,944	-	3200	Capital surplus	129,663	1	75,728	1
1970	Other long-term investments, net (note 6(n))	24,986	-	25,998	-		Retained earnings:				
1920	Refundable deposits	3,839	-	3,853	-	3310	Legal reserve	639,287	6	639,287	6
1990	Other non-current assets (note 6(o))	27,472	-	46,051	-	3320	Special reserve	8,811	-	223,663	2
	Total non-current assets	7,542,991	74	7,076,770	72	3350	Unappropriated retained earnings (accumulated deficit)	44,872	-	(45,013)	-
								692,970	6	817,937	8
								1,290,470	13	755,122	8
						3400	Other equity				
							Total equity attributable to owners of parent	7,391,801	73	6,927,485	71
						36XX	Non-controlling interests	126,201	1	255,588	3
							Total equity	7,518,002	74	7,183,073	74
							Total liabilities and equity	\$ 10,020,106	100	9,763,204	100
	Total assets	\$ 10,020,106	100	9,763,204	100						

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for loss Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(h) and (x))	\$ 11,422,940	100	9,541,182	100
5000	Operating costs (notes 6(d), (j), (k), (l), (m), (s) and (t))	<u>11,771,760</u>	<u>103</u>	<u>9,952,545</u>	<u>104</u>
	Gross loss from operations	<u>(348,820)</u>	<u>(3)</u>	<u>(411,363)</u>	<u>(4)</u>
	Operating expenses (notes 6(c), (j), (k), (l), (m), (s) and (t)):				
6100	Selling expenses	71,085	1	62,325	1
6200	Administrative expenses	132,075	1	136,312	1
6300	Research and development expenses	322	-	431	-
6450	Expected credit impairment loss	<u>17</u>	<u>-</u>	<u>81</u>	<u>-</u>
		<u>203,499</u>	<u>2</u>	<u>199,149</u>	<u>2</u>
		<u>(552,319)</u>	<u>(5)</u>	<u>(610,512)</u>	<u>(6)</u>
	Operating loss				
	Non-operating income and expenses (notes 6(h), (s) and (y)):				
7100	Interest income	16,468	-	7,876	-
7010	Other income	23,350	-	22,383	-
7020	Other gains and losses	100,552	1	30,304	-
7050	Finance costs	(22,691)	-	(18,169)	-
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method	<u>(47,840)</u>	<u>-</u>	<u>(14,943)</u>	<u>-</u>
		<u>69,839</u>	<u>1</u>	<u>27,451</u>	<u>-</u>
9900	Loss before tax	(482,480)	(4)	(583,061)	(6)
7950	Income tax benefits (expenses) (note 6(u))	<u>98,873</u>	<u>(1)</u>	<u>122,402</u>	<u>1</u>
	Net loss	<u>(383,607)</u>	<u>(3)</u>	<u>(460,659)</u>	<u>(5)</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	2,126	-	6,455	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	295,479	3	329,321	3
8320	Shares of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	454,594	4	684,923	7
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>425</u>	<u>-</u>	<u>1,291</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>751,774</u>	<u>7</u>	<u>1,019,408</u>	<u>10</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation	42,452	-	(1,173)	-
8370	Shares of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	5,497	-	(98)	-
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>47,949</u>	<u>-</u>	<u>(1,271)</u>	<u>-</u>
8300	Other comprehensive income, net	<u>799,723</u>	<u>7</u>	<u>1,018,137</u>	<u>10</u>
8500	Comprehensive income	<u>\$ 416,116</u>	<u>4</u>	<u>557,478</u>	<u>5</u>
	Profit (loss) attributable to:				
8610	Owners of parent	\$ (380,846)	(3)	(462,184)	(5)
8620	Non-controlling interests	<u>(2,761)</u>	<u>-</u>	<u>1,525</u>	<u>-</u>
		<u>\$ (383,607)</u>	<u>(3)</u>	<u>(460,659)</u>	<u>(5)</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 410,436	4	556,383	5
8720	Non-controlling interests	<u>5,680</u>	<u>-</u>	<u>1,095</u>	<u>-</u>
		<u>\$ 416,116</u>	<u>4</u>	<u>557,478</u>	<u>5</u>
	Losses per share (note 6(w))				
	Basic loss per share	<u>\$ (0.72)</u>		<u>(0.88)</u>	
	Diluted loss per share	<u>\$ (0.72)</u>		<u>(0.88)</u>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Equity attributable to owners of parent						Other equity interest					
	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 equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total						
Balance at January 1, 2023	\$ 5,278,698	70,947	639,287	8,811	688,983	1,337,081	(7,392)	(207,460)	(214,852)	6,471,874	250,372	6,722,246
Appropriation and distribution of retained earnings:												
Special reserve appropriated	-	-	-	214,852	(214,852)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(105,553)	(105,553)	-	-	-	(105,553)	-	(105,553)
Overdue dividends not received by shareholders	-	4,702	-	-	-	-	-	-	-	4,702	-	4,702
Changes in ownership interests in subsidiaries	-	(7)	-	-	-	-	-	-	-	(7)	4,121	4,114
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,771)	(1,771)	-	1,771	1,771	-	-	-
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	45,216	45,216	-	(45,216)	(45,216)	-	-	-
Changes in ownership interests in associates	-	86	-	-	-	-	-	-	-	86	-	86
Net loss	-	-	-	-	(462,184)	(462,184)	-	-	-	(462,184)	1,525	(460,659)
Other comprehensive income	-	-	-	-	5,148	5,148	(824)	1,014,243	1,013,419	1,018,567	(430)	1,018,137
Total comprehensive income	-	-	-	-	(457,036)	(457,036)	(824)	1,014,243	1,013,419	556,383	1,095	557,478
Balance at December 31, 2023	5,278,698	75,728	639,287	223,663	(45,013)	817,937	(8,216)	763,338	755,122	6,927,485	255,588	7,183,073
Appropriation and distribution of retained earnings:												
Reversal of special reserve	-	-	-	(214,852)	214,852	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	1,070	-	-	(55)	(55)	-	-	-	1,015	-	1,015
Changes in ownership interests in subsidiaries	-	52,865	-	-	-	-	-	-	-	52,865	(95,822)	(42,957)
Associates disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	254,447	254,447	-	(254,447)	(254,447)	-	-	-
Net loss	-	-	-	-	(380,846)	(380,846)	-	-	-	(380,846)	(2,761)	(383,607)
Other comprehensive income	-	-	-	-	1,487	1,487	39,724	750,071	789,795	791,282	8,441	799,723
Total comprehensive income	-	-	-	-	(379,359)	(379,359)	39,724	750,071	789,795	410,436	5,680	416,116
Distribution cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(33,363)	(33,363)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(5,882)	(5,882)
Balance at December 31, 2024	\$ 5,278,698	129,663	639,287	8,811	44,872	692,970	31,508	1,258,962	1,290,470	7,391,801	126,201	7,518,002

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows used in operating activities:		
Loss before tax	\$ (482,480)	(583,061)
Adjustments:		
Adjustments to reconcile loss		
Depreciation expense	274,235	277,635
Amortization expense	1,665	1,519
Expected credit impairment loss	17	81
Interest expense	22,691	18,169
Interest income	(16,468)	(7,876)
Dividend income	(19,003)	(14,239)
Share of loss of associates and joint ventures accounted for using equity method	45,988	19,923
Loss on disposal of property, plant and equipment	70	97
Loss on disposal of investments	2,984	198
Impairment loss on financial assets	-	(14,856)
(Reversal of) impairment loss on non-financial assets	(650)	248
Gain on lease modification	(27)	(29)
(Gain from recovery) loss from decline in value of inventories	(45,456)	48,051
Total adjustments to reconcile loss	<u>266,046</u>	<u>328,921</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets mandatorily measured at fair value through profit or loss	10,718	(50,153)
Accounts receivable	(196,074)	153,862
Other receivables	744	36
Inventories	320,461	(210,951)
Prepayments	18,784	(11,739)
Other current assets	1,501	(1,459)
Other current financial assets	12,346	(9,791)
Total changes in operating assets	<u>168,480</u>	<u>(130,195)</u>
Changes in operating liabilities:		
Current contract liabilities	1,761	(7,662)
Accounts payable	(241,183)	115,821
Other payables	5,555	8,115
Other current liabilities	112	(2)
Net defined benefit liabilities	(4,904)	950
Total changes in operating liabilities	<u>(238,659)</u>	<u>117,222</u>
Total changes in operating assets and liabilities	<u>(70,179)</u>	<u>(12,973)</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN STYRENE MONOMER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash outflow from operations	\$ (286,613)	(267,113)
Interest received	14,300	7,791
Dividends received	18,912	14,160
Interest paid	(22,953)	(17,874)
Income taxes refunded (paid)	1,035	(11,098)
Net cash flows used in operating activities	<u>(275,319)</u>	<u>(274,134)</u>
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	288
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	4,080	-
Proceeds from disposal of investments accounted for using equity method	37,355	-
Proceeds from disposal of non-current assets classified as held for sale	-	5,474
Acquisition of property, plant and equipment	(23,834)	(99,724)
Proceeds from disposal of property, plant and equipment	-	20
Increase in refundable deposits	(25)	(121)
Decrease in refundable deposits	39	86
Acquisition of intangible assets	-	(790)
Increase in prepayments for equipment	-	(950)
Decrease in other long-term investment	2,340	2,291
Dividends received	37,960	24,860
Loss of control over subsidiaries	(5,434)	-
Net cash flows from (used in) investing activities	<u>52,481</u>	<u>(68,566)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	7,280,000	5,017,000
Decrease in short-term borrowings	(7,095,000)	(4,717,000)
Repayments of long-term borrowings	(8,435)	(8,278)
Payment of lease liabilities	(7,071)	(7,867)
Cash dividends paid	(33,363)	(105,553)
Change in non-controlling interests	(42,957)	4,080
Net cash flows from financing activities	<u>93,174</u>	<u>182,382</u>
Effect of exchange rate changes on cash and cash equivalents	23,327	(737)
Net decrease in cash and cash equivalents	(106,337)	(161,055)
Cash and cash equivalents at beginning of period	<u>604,092</u>	<u>765,147</u>
Cash and cash equivalents at end of period	<u><u>\$ 497,755</u></u>	<u><u>604,092</u></u>

See accompanying notes to financial statements.

Taiwan Styrene Monomer Corporation
2024 Profit or Loss Appropriation Table



	Unit: NT\$
Undistributed earnings at the beginning of period	169,839,030
Add : Net loss of the period	(380,846,000)
Other comprehensive income (actuarial gains and losses of defined benefit plans)	1,487,401
The amount of items other than net income that is included in this year's undistributed earnings	254,391,806
Total of earnings available for distribution	44,872,237
Undistributed earnings at the end of period	44,872,237

Chairman:



General Manager:



Accounting Manager:



Taiwan Styrene Monomer Corporation

Comparison Table of Article of Incorporation

Amended Provisions	Provisions before Amendment	Remarks
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. (XIV) <u>F401190 Natural Gas Import Enterprise</u>	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.	Added a new business item to expand the energy trading business

Amended Provisions	Provisions before Amendment	Remarks
Article 29 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. <u>The total amount of employees' remuneration appropriated in accordance with the provisions of preceding paragraph shall be remuneration distributed to non-executive employees no less than 20%.</u>	Article 29 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.	Added this article to accordance with the regulations
Article 32 The Article of Incorporation was established on September 21, 1979. The 1st amendment was made on May 26, 1980. (The 2nd to the 30th amendment are omitted) The 31th amendment was made on June 22, 2022. <u>The 32th amendment was made on May 28, 2025.</u>	Article 32 The Article of Incorporation was established on September 21, 1979. The 1st amendment was made on May 26, 1980. (The 2nd to the 30th amendment are omitted) The 31th amendment was made on June 22, 2022.	Added times of amendment and dates.

Appendix

1. Article of Incorporation (Before Amendment)
2. Rules of Procedure for Shareholders' Meetings
3. Shareholding Condition of the Directors

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 3

The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of paid-in capital set out in Article 13 of the Company Act.

Article 4

The Company may offer endorsement and guarantee depending on the need of operation and investment business.

Article 5

The Company shall have its head office in Taipei City, Taiwan. The Company can establish branches, offices, or manufacturing facilities depending on the need of business operating.

Article 6

Public announcements of the Company shall be made in accordance with the Company Act and relevant rules and regulations.

Chapter 2 Capital Stock**Article 7**

The total capital stock of the Company is NT\$9 billion dollars consisting 900 million, shares, all of common stock, with a par value of NT\$10 dollars per share. The Board of Directors is authorized to issue the shares in separate installments as required.

Article 8

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 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 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.

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.

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.

Article 12

Registration for transfer of shares shall be suspended 60 days immediately before the date of annual shareholders' meeting, and 30 days immediately before the date of any extraordinary shareholders' meeting, or within 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 13

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 14

A shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

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 15

Each shareholder of the Company has one voting right per share, except as otherwise regulated by other laws.

Article 16

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 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.

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 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 19

The board of directors of the Company has 7 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.

There shall be at least three independent directors among the number of directors to be elected referred to in the preceding paragraph, and the independent directors shall represent at least one-fifth of the board of 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 20

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. 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. The Audit Committee shall take over the powers of supervisors specified in related laws and regulations.

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.

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 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;
- (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

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 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.

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.

Chapter 6 Accounting

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.

Article 29

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. 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.

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 30

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

Article 31

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

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. The 30th amendment was made on July 7, 2021. The 31st amendment was made on June 22, 2022.

Taiwan Styrene Monomer Corporation
Rules of Procedure for Shareholders' Meetings

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.

Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.

Any change to the convening method of a shareholders' meeting shall be resolved by the board of directors, and may not be later than sending the meeting notice of the shareholders' meeting.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, 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) 30 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15

days before the date of the special shareholders' meeting, provided, where the Company's paid-in capital reached NT\$10 billion at the end of the latest fiscal year, or the shareholdings of foreign and Chinese shareholders in the shareholder registry of the shareholders' meeting in the latest fiscal year exceed 30%, the electronic versions shall be uploaded 30 days before the date of the regular shareholders' meeting. In addition, 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 for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The agenda handbook and meeting supplemental information in the preceding paragraph, shall be provided to the shareholders for reference on the date of the shareholders' meeting in the following manners:

- (I) For the physical shareholders' meeting, such information shall be distributed at the site of the meeting.
- (II) For the video-assisted shareholders' meeting, such information shall be distributed at the site of the meeting, and transmitted to the video conference platform as the electronic files.
- (III) Where a shareholders' meeting is convened in the manner of video conference, such information shall be transmitted to the video conference platform as the electronic files.

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 may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail

unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting via video conference, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy 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.

When the Company convenes the video shareholders' meetings, the restrictions of convention location in the preceding paragraph does not apply.

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

The Company shall specify the shareholders, proxy solicitors, proxy agents ("shareholders" hereafter), time and location for shareholder registration in the meeting notice as well as other matters requiring attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. The time during which shareholder attendance registrations will be accepted at the video conference platform shall be at least 30 minutes prior to the time the meeting commences. The shareholders accepted are deemed attend the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those

showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall 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 attending shareholders with the meeting handbook, annual report, attendance card, speaker's slip, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be provided.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Where the Company convenes the video shareholders' meetings, and shareholders intend to attend in the manner of video conference, shall register with the Company 2 days prior to the meeting date.

Where the Company convenes the video shareholders' meetings, the Company shall upload the agenda handbook, annual reports and other related information to the video conference platform for the shareholders' meeting the video conference platform for the shareholders' meeting, at least 30 minutes prior to the meeting, and retain the disclosure of such until the meeting ends.

Article 6-1 (Where the video shareholders' meetings are convened, matters to be specified on the meeting notice)

Where the Company convenes the video shareholders' meetings, the meeting notice shall specify the following matters:

- (I) The method for shareholders to attend the video conference and exercise of their rights.
- (II) The handling method when the video conference platform or participation in the manner of video conference fails due to force majeure, such as natural disasters or incidents, and the follows shall be at least included:
 - i. Time and date for the postponement or re-convention when the aforesaid continual failure that cannot be eliminated and thus a postponement or re-convention is required.
 - ii. The shareholders who have not registered to attend the first shareholders' meeting must not attend the postponed or re-convened meeting.
 - iii. Where the Company convenes the video-assisted shareholders' meetings, and when the video meeting is discontinued, if the total attending shares still meet the statutory quorum for shareholders' meeting commencement

after deducting these shares held by the shares attending the meeting via video conference, the meeting shall continue; the shares held by the shares attending the meeting via video conference shall be included in the total shares of the attending shareholders, but deemed abstaining for all proposals in the concerned shareholders' meeting.

iv. The handling method where the results of all proposal are announced but the extempore motions are not proceeded.

(III) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

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 Chairperson of the board. When the Chairperson of the board is on leave or for any reason unable to exercise the powers of the Chairperson, the Vice Chairperson shall act in place of the Chairperson; if there is no Vice Chairperson or the Vice Chairperson is also on leave or for any reason unable to exercise the powers of the vice chairperson, the Chairperson shall appoint one of the directors to act as the chair of the meeting. Where the Chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson 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.

This Corporation 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 recorded materials of the preceding paragraph shall be retained for at least 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.

Where the Company convenes the video shareholders' meetings, the Company shall record and retain the records of the registration, enrollment, acceptance, inquiries, voting, and the results of vote calculation, and continuously record the video conference thoroughly, both audio and video.

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 and shares registered at the video conference platform, 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 and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. 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. Where the Company convenes the video shareholders' meetings, the Company shall announce the meeting adjournment at the video conference platform.

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 Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. Where the Company convenes the video shareholders' meetings, and shareholders intend to attend in the manner of video conference shall register again with the Company per Article 6.

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 proceed in the order set by the agenda, 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 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.

Where the Company convenes the video shareholders' meetings, the shareholders attending in the manner of video conference may inquire with text at the video conference platform of the meeting since the chair announced the meeting commencement till the adjournment. No more than two inquiries shall be raised for each proposal, and the maximum length is 200 words. Paragraphs 1 to 5 are not applicable.

Where the inquiries in the preceding paragraph not violating the requirements, or within the scope of agenda, it is advisable to disclose the inquiries at the video conference platform of the meeting for the public knowledge.

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 as proxy by 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 calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' 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 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder exercises voting rights by correspondence or electronically, if the shareholder intends to attend the meeting via video conference in person, a written notice of proxy cancellation in the same manner of

exercising the voting right shall be submitted to the Company 2 days prior to the meeting date. If the cancellation notice is submitted after that time, the voting rights exercised by correspondence or electronically prevail. Where a shareholder exercises voting rights by correspondence or electronic means, and appoints a proxy to attend the meeting by providing the proxy, votes cast at the meeting by the proxy 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.

Where the Company convenes the video shareholders' meetings, the shareholders attending in the manner of video conference shall vote via the video conference platform to each proposal and election after the Chairman declares the meeting commencement. Such voting shall be completed before the Chairman declares the end of voting; anyone misses the deadline is deemed abstention.

Where the Company convenes the video shareholders' meetings, the votes shall be calculated at once upon the end of voting declared by the chair, and announce the results of voting or elections.

Where the Company convenes the video-assisted shareholders' meetings,

the shareholders who already have registered to attend the meeting in the manner of video conference pursuant to Article 6, but then intend to attend the off-line shareholders' meeting in person, shall withdraw the registration in the same manner of registration two days prior to the shareholders' meeting date; these who miss the deadline may only attend the shareholders' meeting in the manner of a video conference.

These who exercise the vote in the manner of writing or electronic method, without withdrawing their expressions of intents, and attending the meeting in the manner of video conference, other than the extempore motions, must not exercise the votes to the original proposal, propose any amendment to the original proposal, or exercise the votes to the amendment to the original proposal.

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 on-site 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 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots 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 obtained by each elected in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Where the Company convenes the video shareholders' meetings, other than

the matters to be recorded as required in the preceding paragraph, the starting and ending time of the shareholders' meeting, convention method of the meeting, names of the chair and record-keeper, and the handling method when the video conference platform or participation in the manner of video conference fails due to disasters, incidents or other force majeure, and the handling status shall be specified.

Where the Company convenes the video shareholders' meetings, other than complying with the preceding paragraph, the minutes shall also specify the alternatives for the shareholders having difficulties attending in the manner of video conference.

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 shares attended by correspondence or electronic means, shall make an express disclosure of the same at the place of the shareholders' meeting. The Company shall upload the aforesaid information to the video conference platform for the shareholders' meeting, at least 30 minutes prior to the meeting, and retain the disclosure of such until the meeting ends.

Where the Company convenes the video shareholders' meetings, the total shares held by the shareholders attending the meeting shall be disclosed at the video conference platform. If the total shares and voting rights of the attending shareholders are counted during the meeting, the same applies.

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 5 days in accordance with Article 182 of the Company Act.

Article 19 (Information disclosure for video conference)

Where the shareholders' meetings are convened in the manner of video conference, the Company shall disclose the voting result of each proposal and election results at the video conference platform for the shareholders' meeting, and retain the disclosure at least 15 minutes after the chair declares adjournment.

Article 20 (Locations of the chair and record-keeper of video shareholders' meeting)

When the Company convenes the video shareholders' meetings, the chair and the record-keeper shall be at the same location within Taiwan. The chair shall announce the address of this location.

Article 21 (Handling communication barriers and shareholders with digital gaps)

Where the shareholders' meeting is convened in the manner of video conference, the Company may provide the shareholders with a simple connection test, and the related services before and during the meeting in real time, to help to handle technical problems of communications.

Where the shareholders' meeting is convened in the manner of video conference, the chair, when declaring the meeting commencement, shall also declare the events not requiring postponement or re-convention specified in Paragraph 4, Article 44-20 of the Regulations Governing the Administration

of Shareholder Services of Public Companies; before the chair declares the adjournment, in the event where the video conference platform or the participation in the video conference fails for 30 minutes or more due to nature disasters, incidents, or other force majeure, the date of the shareholders' meeting postponed to, or re-convened shall be within five days, and Article 182 of the Company Act shall not apply.

Where the meeting is to be postponed or re-convened as specified in the preceding paragraph, the shareholders have not registered to attend the first shareholders' meeting must not attend the postponed or re-convened meeting.

For the meeting is to be postponed or re-convened as specified in Paragraph 2, the shareholders who registered to attend the original meeting via the video conference, and have completed the acceptance, but do not attend the postponed or re-convened meeting, their attending shares at the original meeting, the exercised voting right and election right, shall be counted into the total shares, voting rights, and election rights of the attending shareholders in the postponed or re-convened meeting.

The postponement or re-convention of shareholders' meetings conducted per Paragraph 2 needs not again discuss and resolve the proposal that have completed voting and vote calculation, with the announcement of voting results, or the list of elected directors.

Where the Company convenes the video-assisted shareholders' meetings, and when the video meeting is discontinued as specified in Paragraph 2 and the total attending shares still meet the statutory quorum for shareholders' meeting commencement, the postponement or re-convention of the meeting per Paragraph 2 is not required.

Under the circumstances to continue the meeting as specified in the preceding paragraph, the shares held by the shares attending the meeting via video conference shall be included in the total shares of the attending shareholders, but deemed abstaining for all proposals in the concerned shareholders' meeting.

Where the Company postpones or re-convenes any shareholders' meeting as specified in Paragraph 2, the pre-requisite operations shall be conducted based on the original shareholders' meeting date, and pursuant to Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For the periods specified in the latter part of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at

Shareholder Meetings of Public Companies, Paragraph 2 of Article 44-5, Article 44-15, Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall proceed on the date of the postponed or re-convened shareholders' meeting per Paragraph.

Article 22 (Handling digital gaps)

When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

Article 23

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

The Rules were established on May 27, 2020.

The 1st amendment was made on June 22, 2022.

The 2nd amendment was made on May 31, 2024.

【Appendix 3】

Shareholding Condition of the Directors

- I. The Company's paid-in capital was NT\$5,278,697,640 with 527,869,764 shares issued.
- II. The minimum number of shares required to be held by all directors is 16,891,832 shares. (Note)
- III. As of the closing date of the shareholders' meeting (March 30, 2025), the number of shares held by the directors is as follows. It has met the criteria for the number of shares required by Article 26 of the Securities and Exchange Act:

Job title	Name	shares held	shareholding ratio
Chairman	Taiwan Styrene Monomer Investment Ltd. Representative: Wen-Yuan Lin	10,000,000	1.89%
Director	Taiwan Chemical Green Energy Co., Ltd. Representative: Joseph Wang	10,000	0.02%
Director	Taiwan Chemical Green Energy Co., Ltd. Representative: Tiffany Wang	10,000	0.02%
Director	Chun Yu Works & Co., Ltd. Representative: Chi-Tai Chen	11,678,000	2.21%
Director	Chuanpu Investment Holding Co., Ltd. Representative: Jeff Chen	2,871,000	0.54%
Director	An Chin Development Inc. Representative: Din-Rei Hsu	487,000	0.09%
Director	Kai Jiang Co., Ltd. Representative: Kuo-Ching Chang	800,000	0.15%
Independent Director	Chin-Chen Chien	0	0%
Independent Director	Jui-Mu Huang	0	0%
Independent Director	Tzu-Meng Liu	0	0%
Independent Director	Pei-Ju Chung	0	0%
Total shareholding of all directors		25,846,000	4.88%

Note: In accordance with Article 2 of the "Percentage of Share of Directors and Supervisors of Public Companies and the Implementation Rules for Audit", if two or more independent directors are elected, the percentage of shares held by all director all directors other than independent directors shall be reduced to 80% on a ratio basis.