



3Q 2019

International CSRC Investment Holdings Co.
INVESTOR'S CONFERENCE



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CSRC Group Business Overview

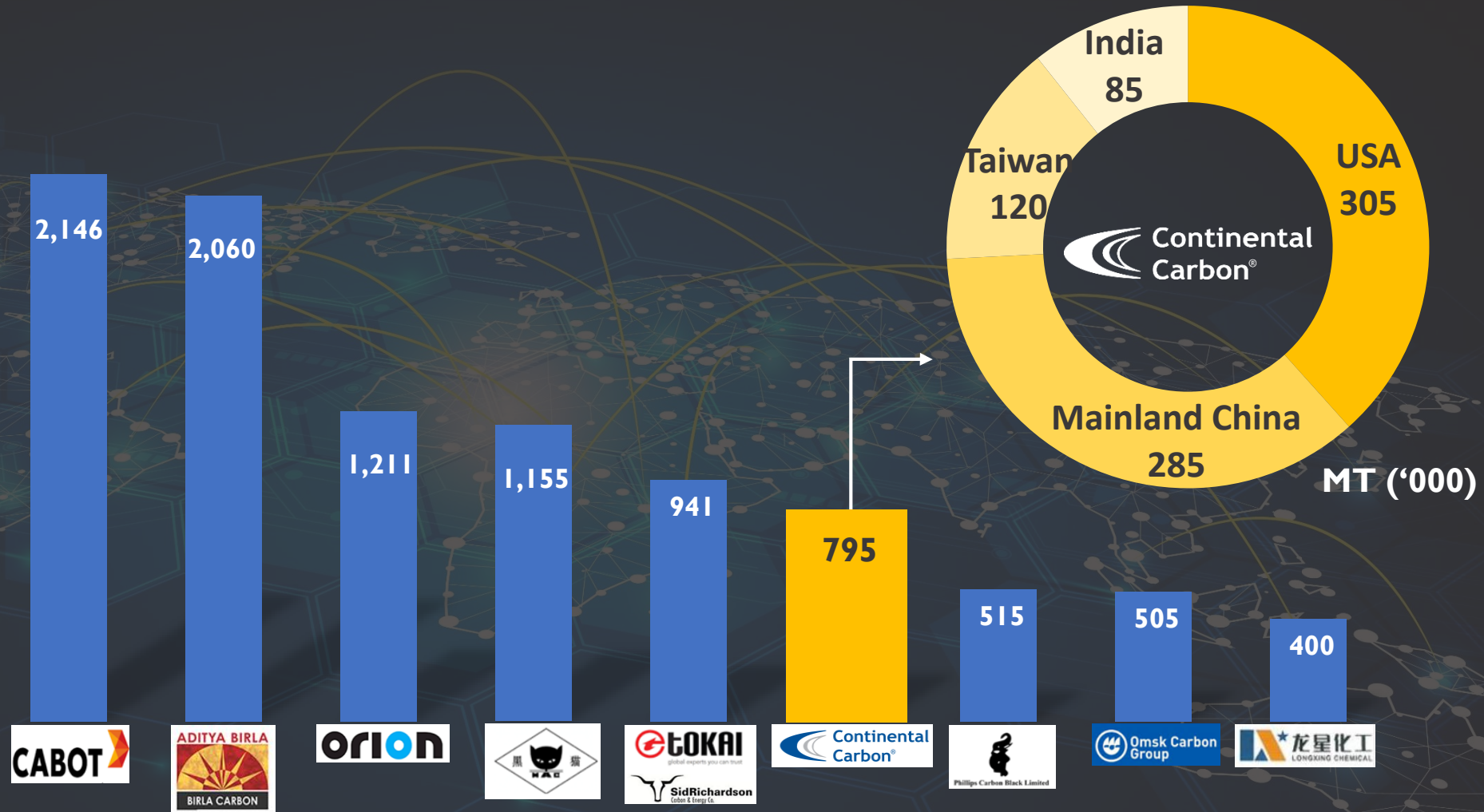


01

Carbon Black Segment



Capacity of Major Carbon Black Makers



Tokai completed acquisition of Sid Richardson in Sept. 2018

Overview and Outlook



Mainland China

- 2019 auto sales has been plunging; Jan-Sept PV sales dropped significantly by 12% YoY.
- Supply & demand imbalance will be deteriorating (oversupply widened out to 1,100k tons by 2023).
- Negative GM% for CB makers.

Taiwan

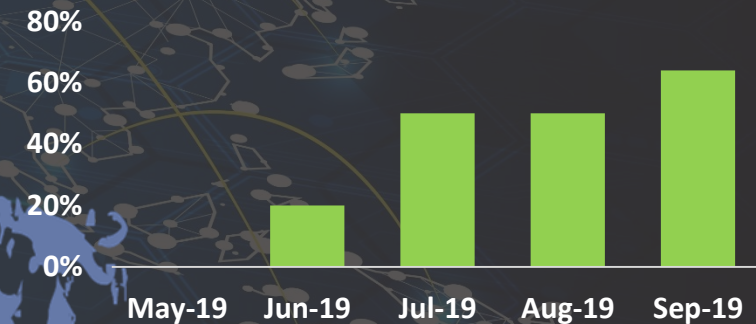
- Co-generation of power from tail gas results in no waste heat.
- Self reliance for power consumption.

USA

- Demand growth is expected to continue into 2020.
- Peers continue to announce price increase.
- Risk from IMO2020.

India

- Economy is facing a slowdown. Sharp decline of PV sales by 24% YoY in Sept 2019.
- New fuel emission standards for automobiles effective from Apr 1st, 2020 result in subdued car demand.
- Cut in corporate tax rates (30% to 22%) effective from Apr 1st, 2019.



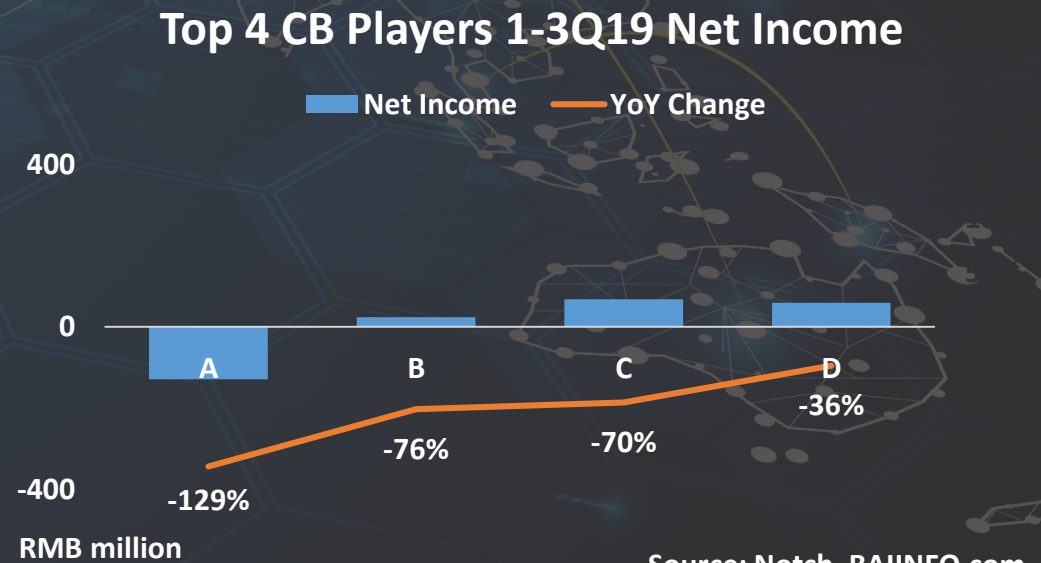
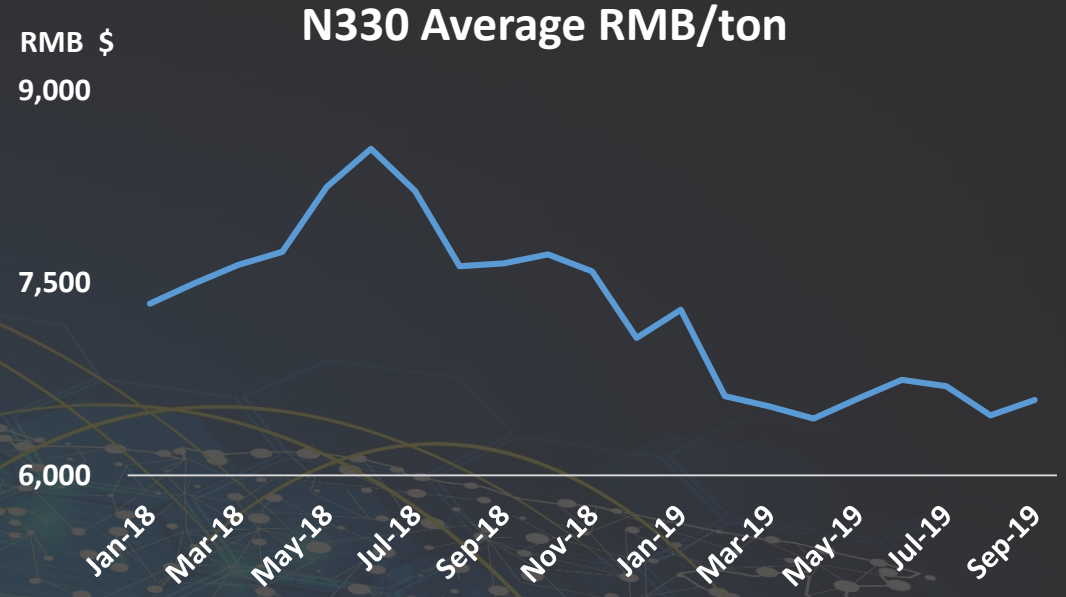
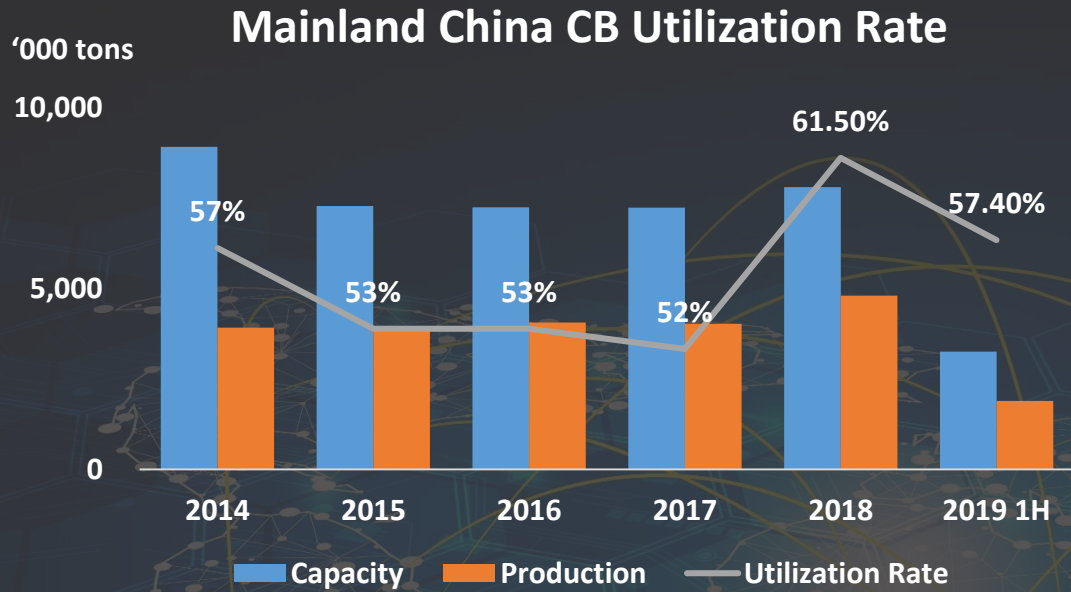
■ Linyuan Power Generated %

Note: power generated % = $a/(a+b)$

a = the amount of power generated (kwh)

b = the amount of power purchased (kwh)

Mainland China Carbon Black Market

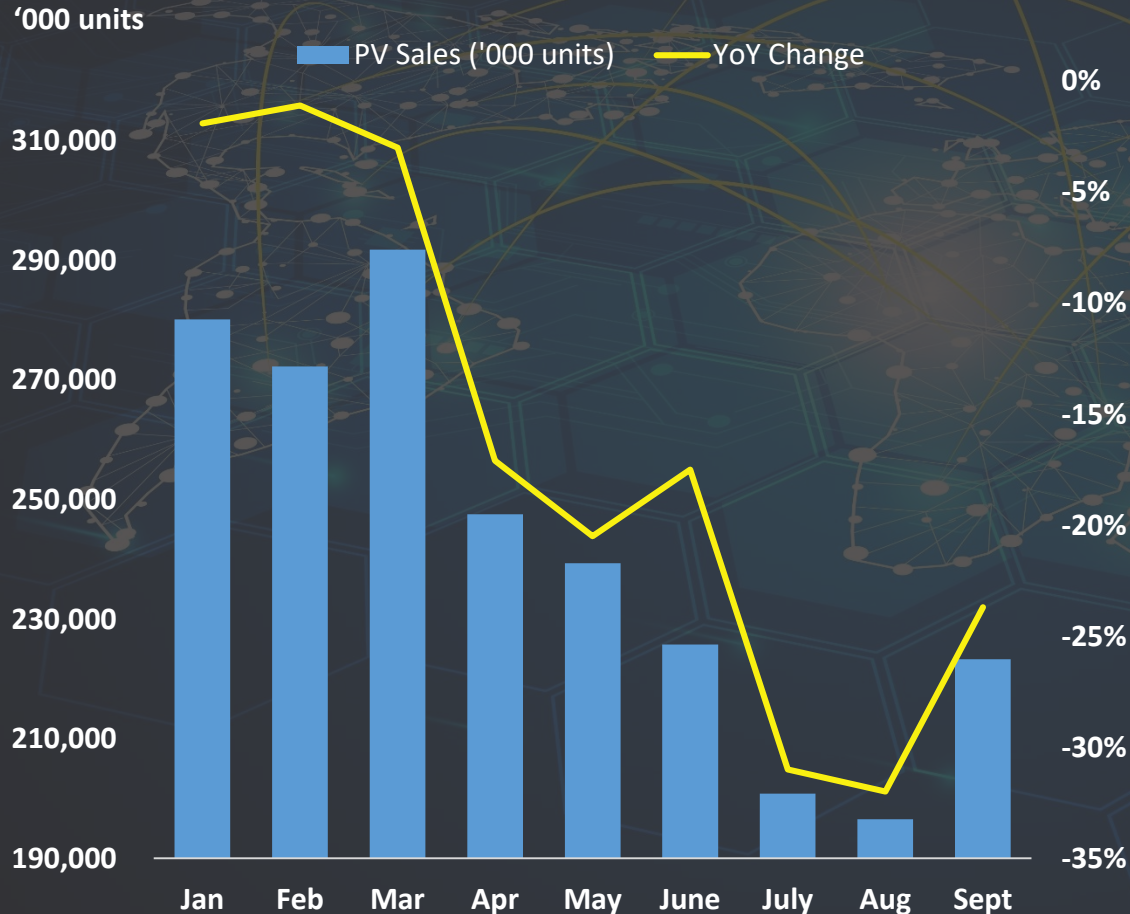


India Carbon Black Market (1/2)



**Weak Auto Sales Led Car Makers Cut Production
16% YoY in Q2-Q3**

2019 India PV Sales



Source: Marklines, Drivespark.com, ECOVBLUE

What is BS-VI Norms?

The most advanced emission standard for autos = **Euro-VI norms**

Bharat-Stage VI (BS-VI) norms will take effect in India from **Apr. 2020**

The new norms make on-board diagnostics (**OBD**) mandatory for all vehicles

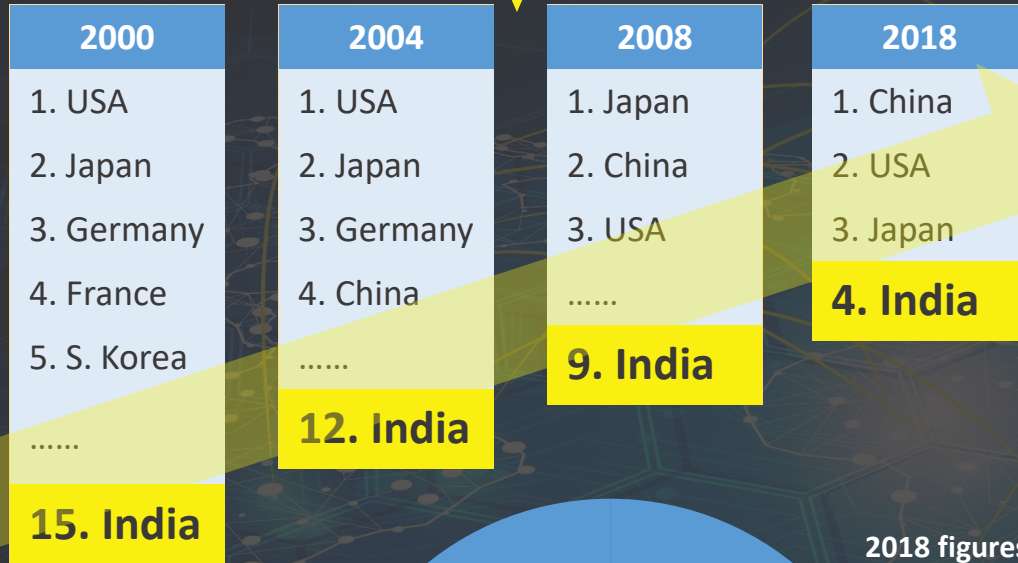
Fuel injection system will be introduced for 2 wheelers. A first in India

Only 13 BS-VI Compliant Models on the Market

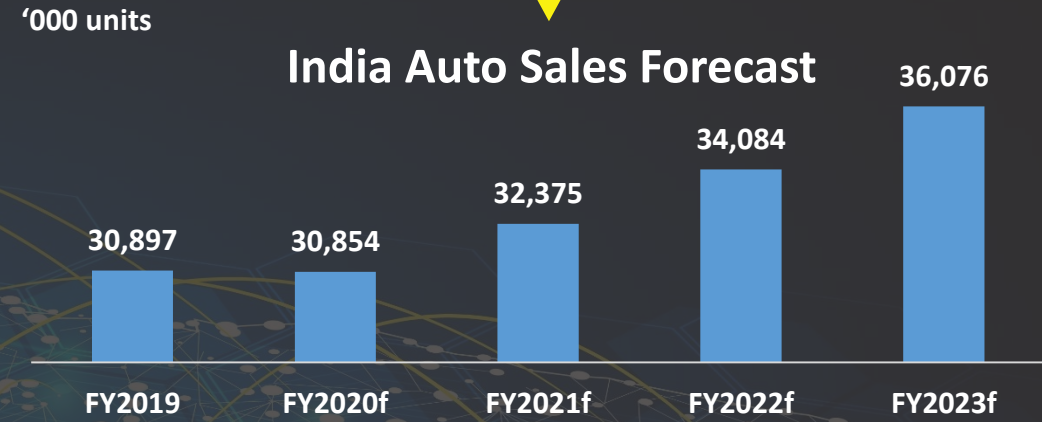
- Maruti Suzuki: 8
- Hyundai: 1
- Toyota: 1
- KIA: 1
- Jeep: 1
- Mercedes: 1

India Carbon Black Market (2/2)

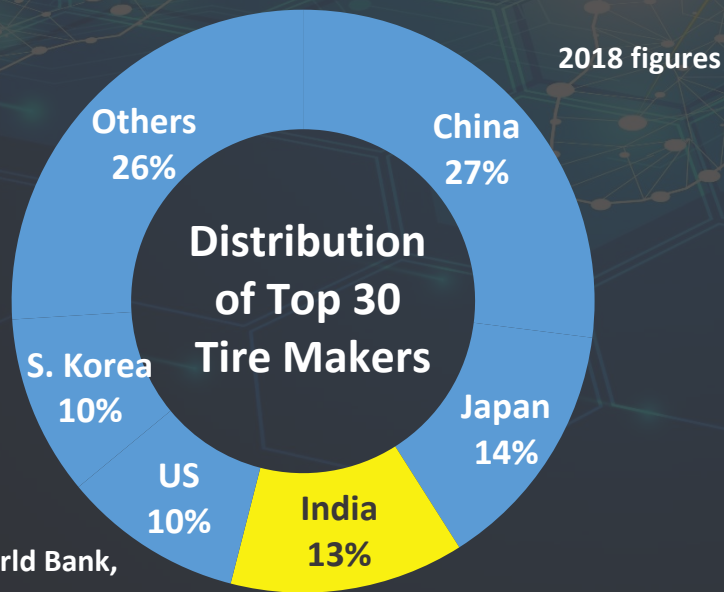
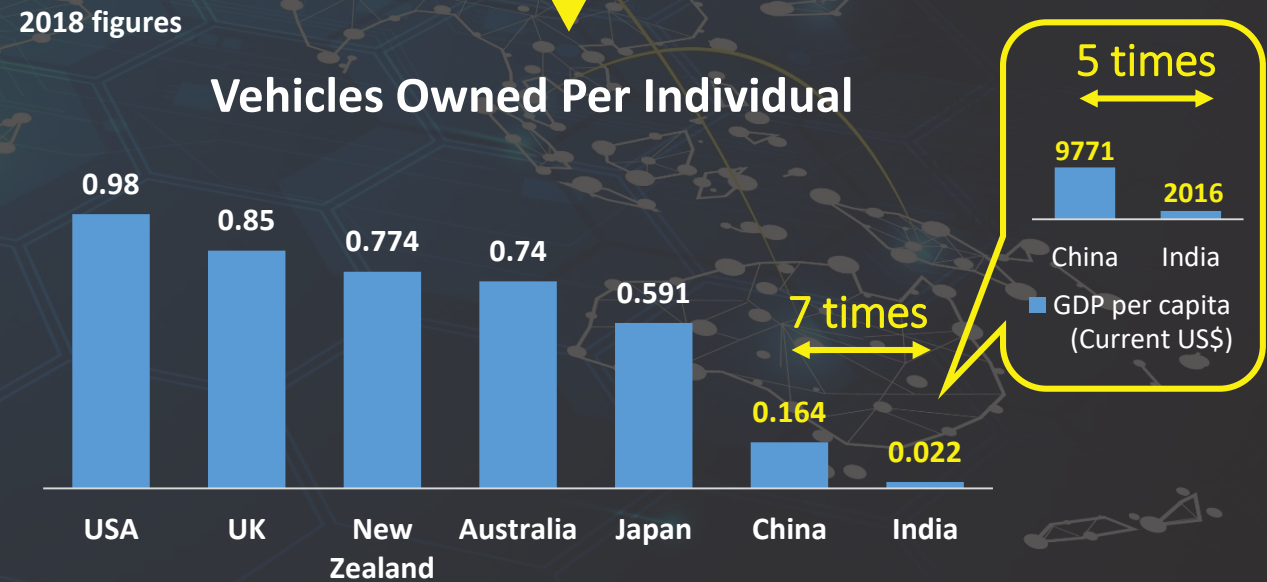
India's Ranked 4th in Worldwide Auto Production in 2018



Auto Sales will Rebound in 2021

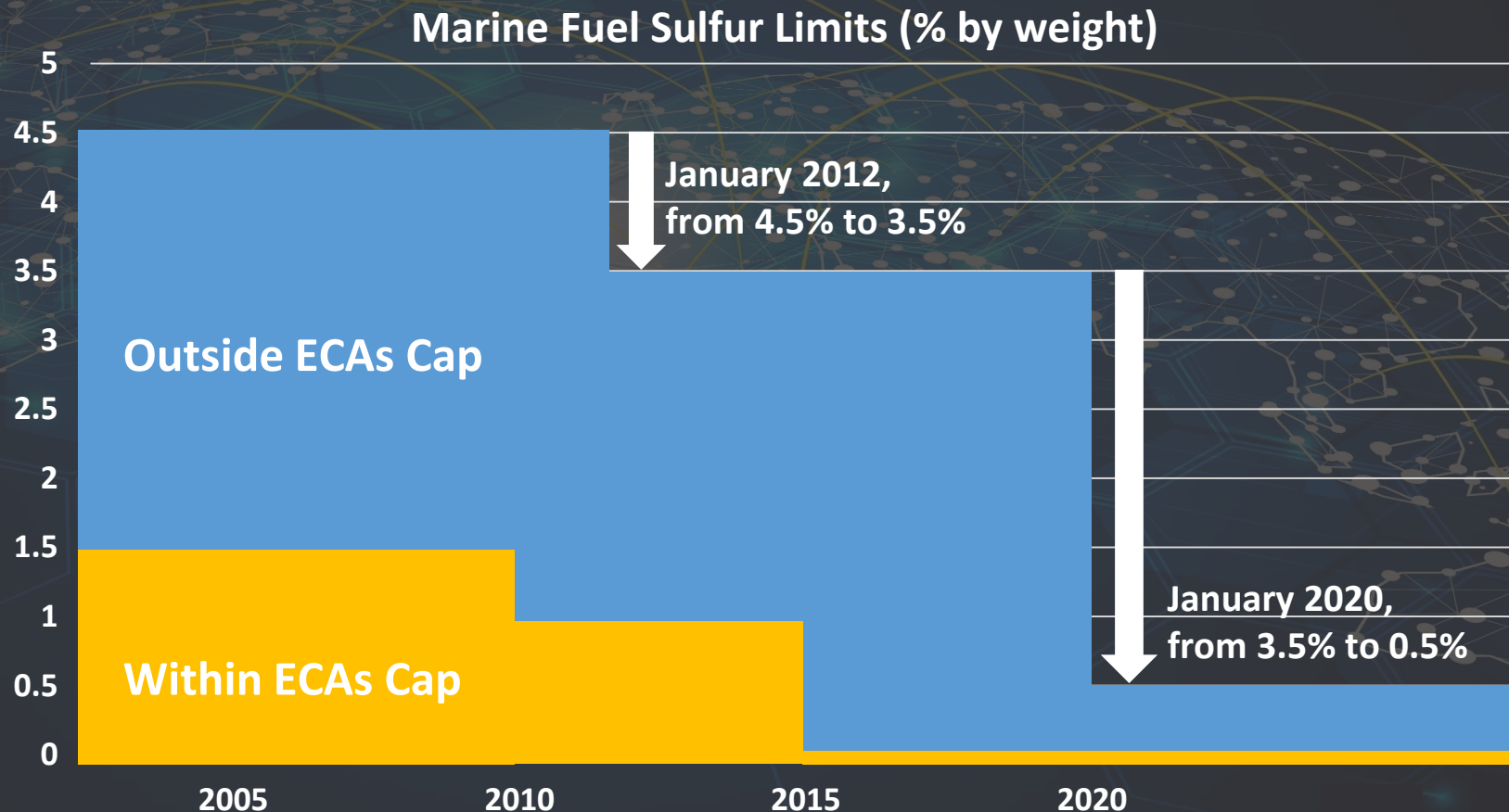


Great Potential in India's Car Ownership



What is MARPOL 2020?

From January 2020, the marine sector will have to reduce sulfur emissions by over 80% by switching to lower sulfur fuels. The maximum sulfur content of fuel oil will fall to 0.5%.

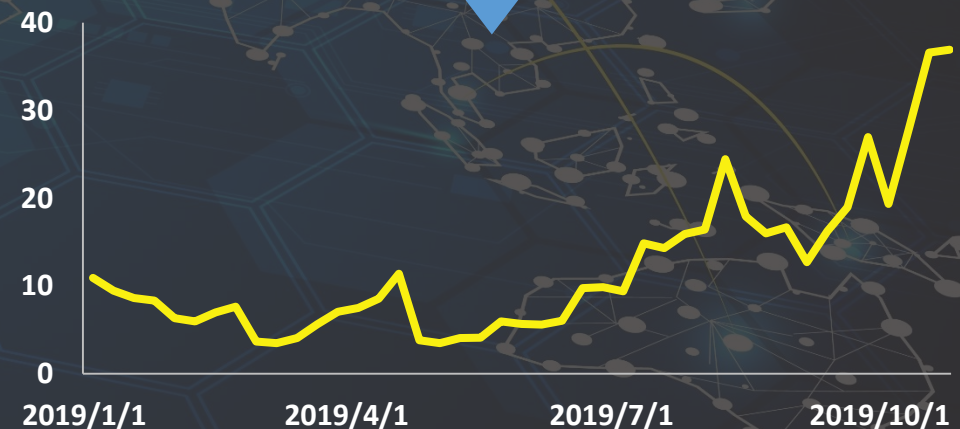


MARPOL 2020's Impact to Carbon Black Manufacturers

- Nearly 50% of residual fuel oils in the US goes to marine sector, carbon black feedstock is a small subset. Bunker fuels dominate the pool.
- Biggest impact to CB makers is the transition of current oil suppliers' & CB customers' pricing index.
- Uncertainty of CBO and CB price index, USGC HSFO or VLSFO.

North America		Asia
FCC Bottoms	Feedstock	Coal Tar/ Ethylene Tar
USGC HSFO	Carbon Black Contract Driver	Negotiated Quarterly Prices
Bunker Fuel	Feedstock Market Driver	Industrial Use
Massive Impact	IMO 2020 Regional Impact	Moderate Impact

Price difference between HSFO and VLSFO is widening



— Price difference (USGC 0.5% sulfur to 3.5% sulfur, FOB, US\$/barrel)

Data as of Oct 25, 2019

Strong Focus on Research and Development



Growth Strategies

- R&D Centers built in Taiwan & India to strengthen capabilities.
- Moving up the value chain in rubber and non-rubber grades to develop a stronger product portfolio.
- Continue to grow market share and expand operations to new geographies.



Innovation towards Tire Black

CONTINEX LH SERIES




Made for Green Tire, Enhancing Fuel Economy

- Greater Dispersibility & Processability
- Reducing Rolling Resistance of Tires
- Increasing Wear Resistance of Tires
- Improving Heat Build-Up of Tires



Environmental Friendly
Carbon Black for
Truck & Passenger Car Tires



金鉅獎
年度創新獎

Innovation towards Non-Tire Black

SATIN BLACK SERIES

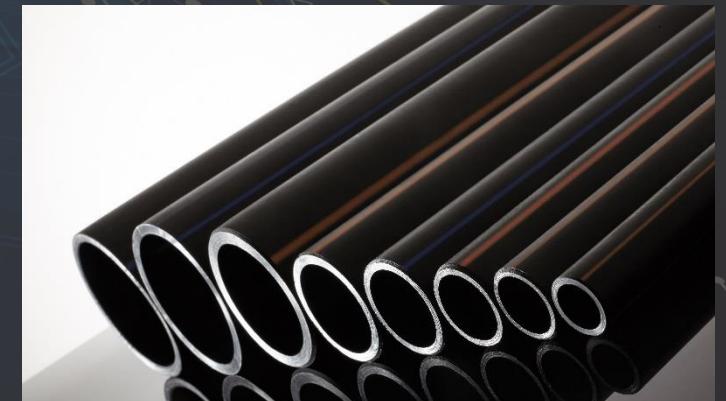
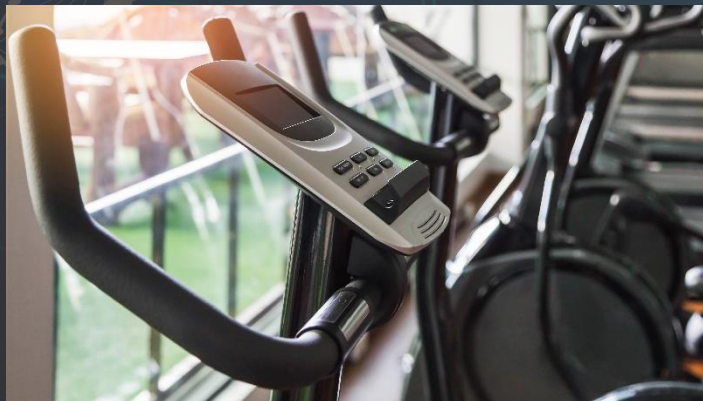
Providing better appearance,
higher reinforcement,
and greater pigmentation

Rubber

- Handle Grips
- Rubber Tubes
- Shoe Soles
- Car Door Seals
- Conveyor Belts

Plastics

- Color Masterbatch
- Cables and Wires
- Automotive Interiors
- PE & PVC Pipes
- Plastic Moulded Goods



Commitment to Sustainability (1/2)



Donation of Environmental Comic Books , Taiwan 2019



Cement Academy, Mainland China 2019



Summer Camp at Shanwei Elementary School, Taiwan 2019



International Day of Yoga, India 2019



CSR Awards

TCSA
企業永續報告
金獎

TCSA
台灣永續企業
績優獎

EcoVadis
企業社會責任
銀牌獎



TCIA Award

TCIA
循環經濟
成果獎

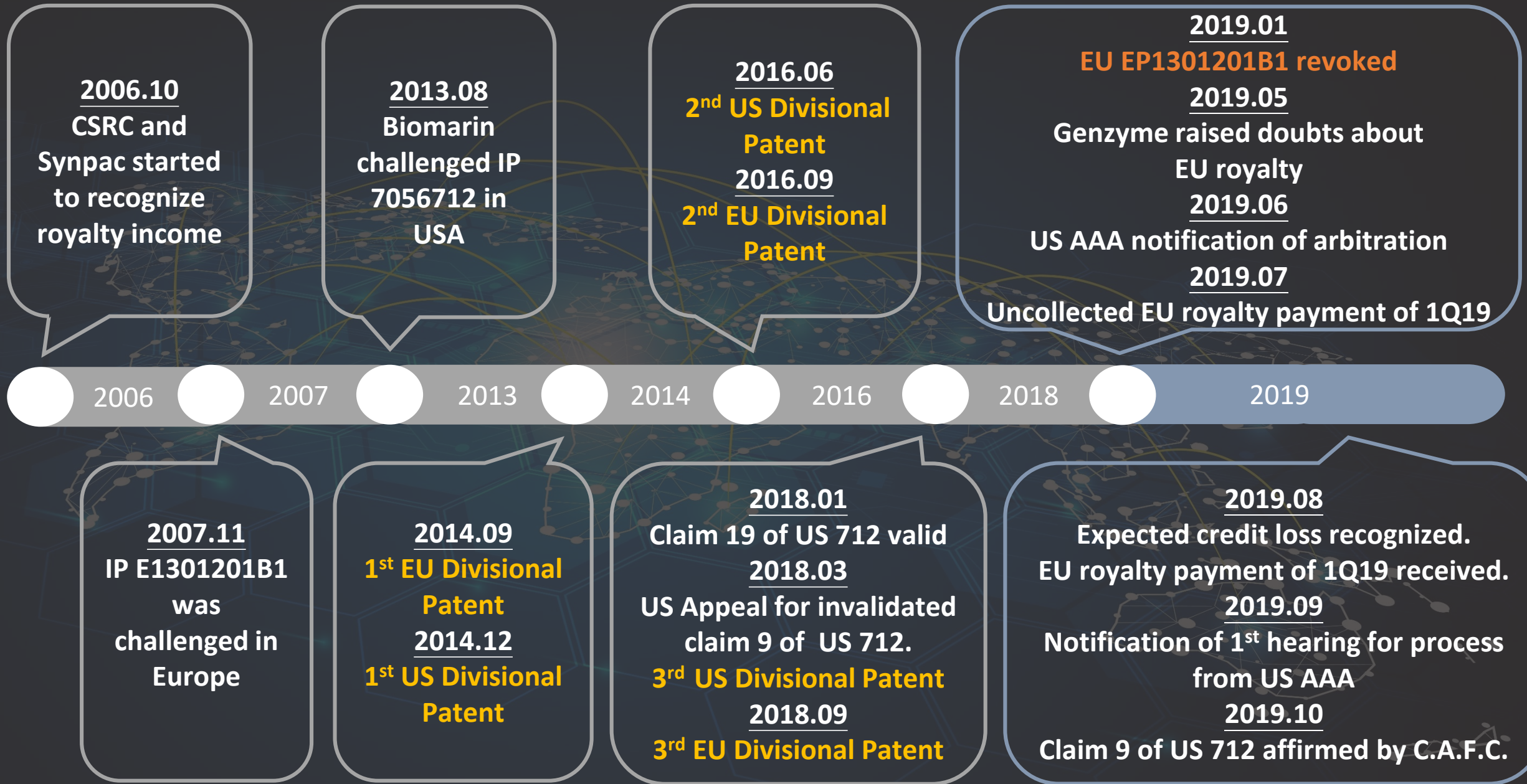


O2

Biotech Segment

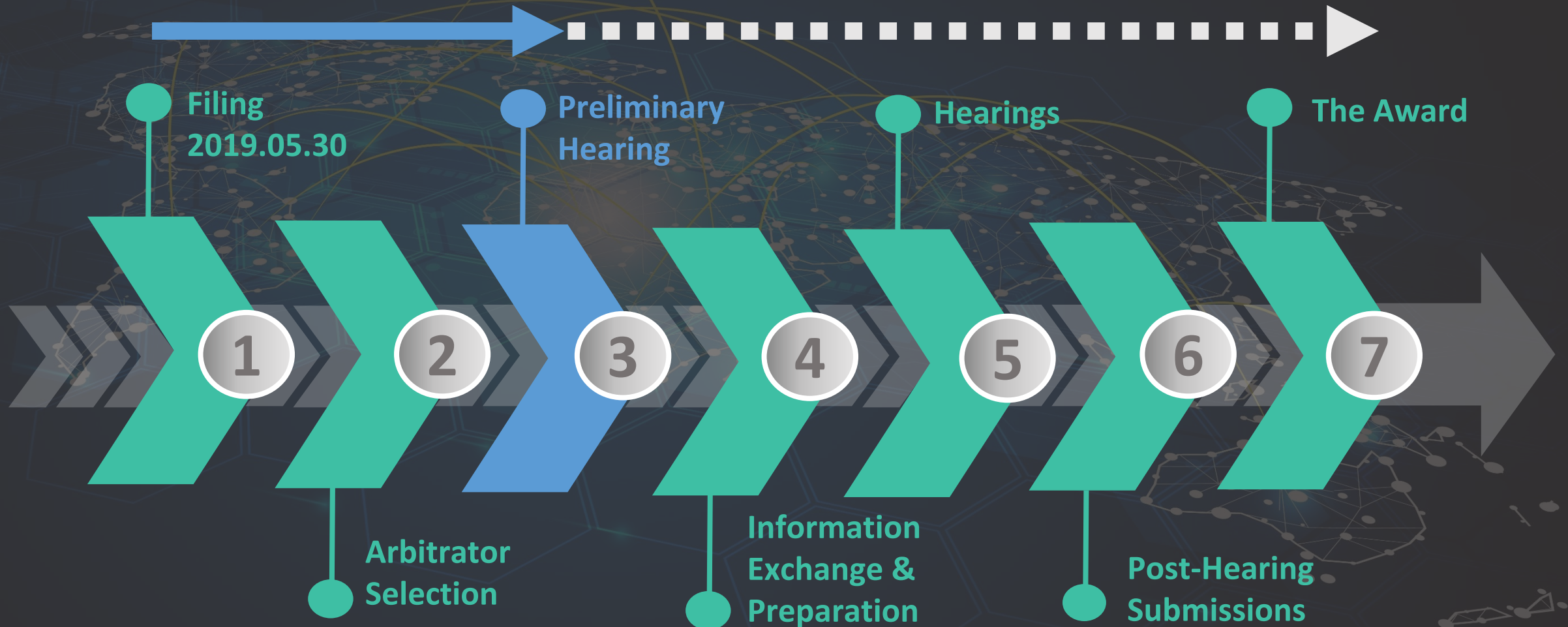


Myozyme Timeline



Arbitration May Take About 1 Year

Now



Q3

3Q 2019 Operating Results

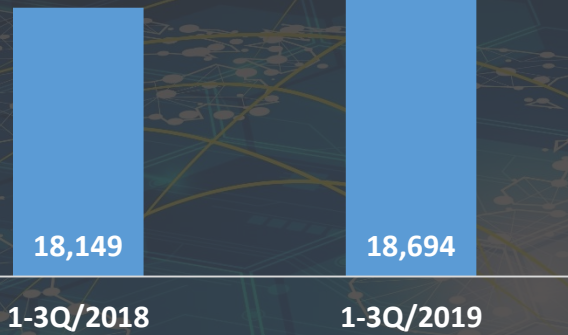


3Q 2019 Operating Results



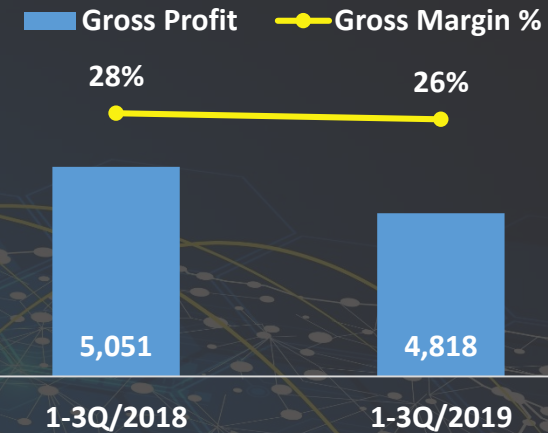
Revenue

NTD million



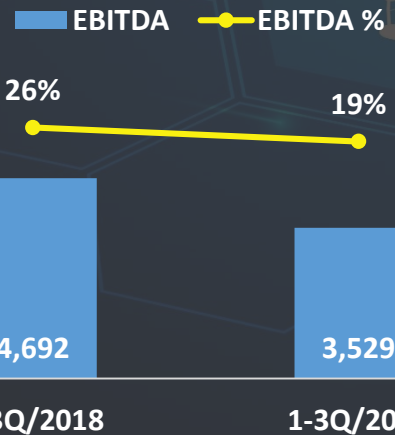
Gross Profit & %

NTD million



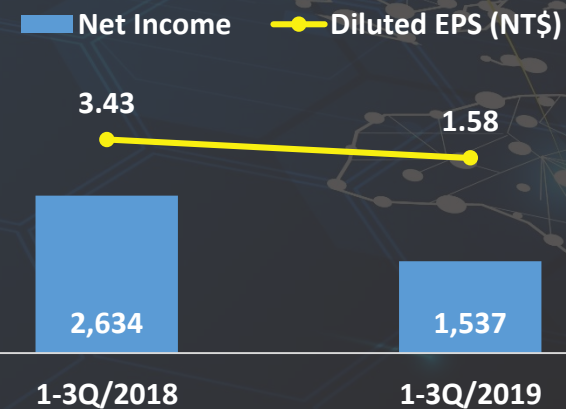
EBITDA & %

NTD million



Net Income & EPS

NTD million

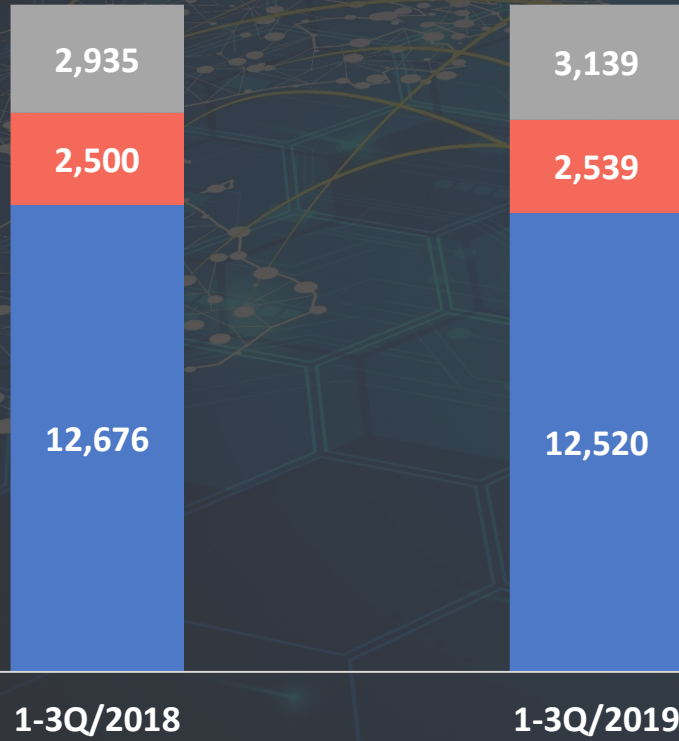


3Q 2019 Operating Results by Segments



Revenue

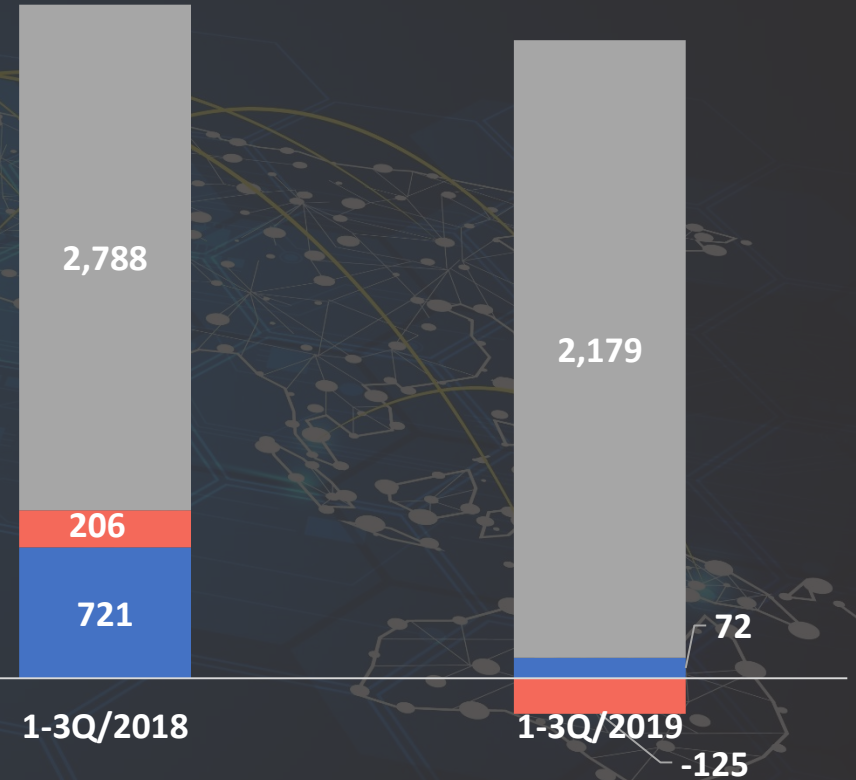
NTD Million



■ Carbon Black ■ Battery ■ Biotech

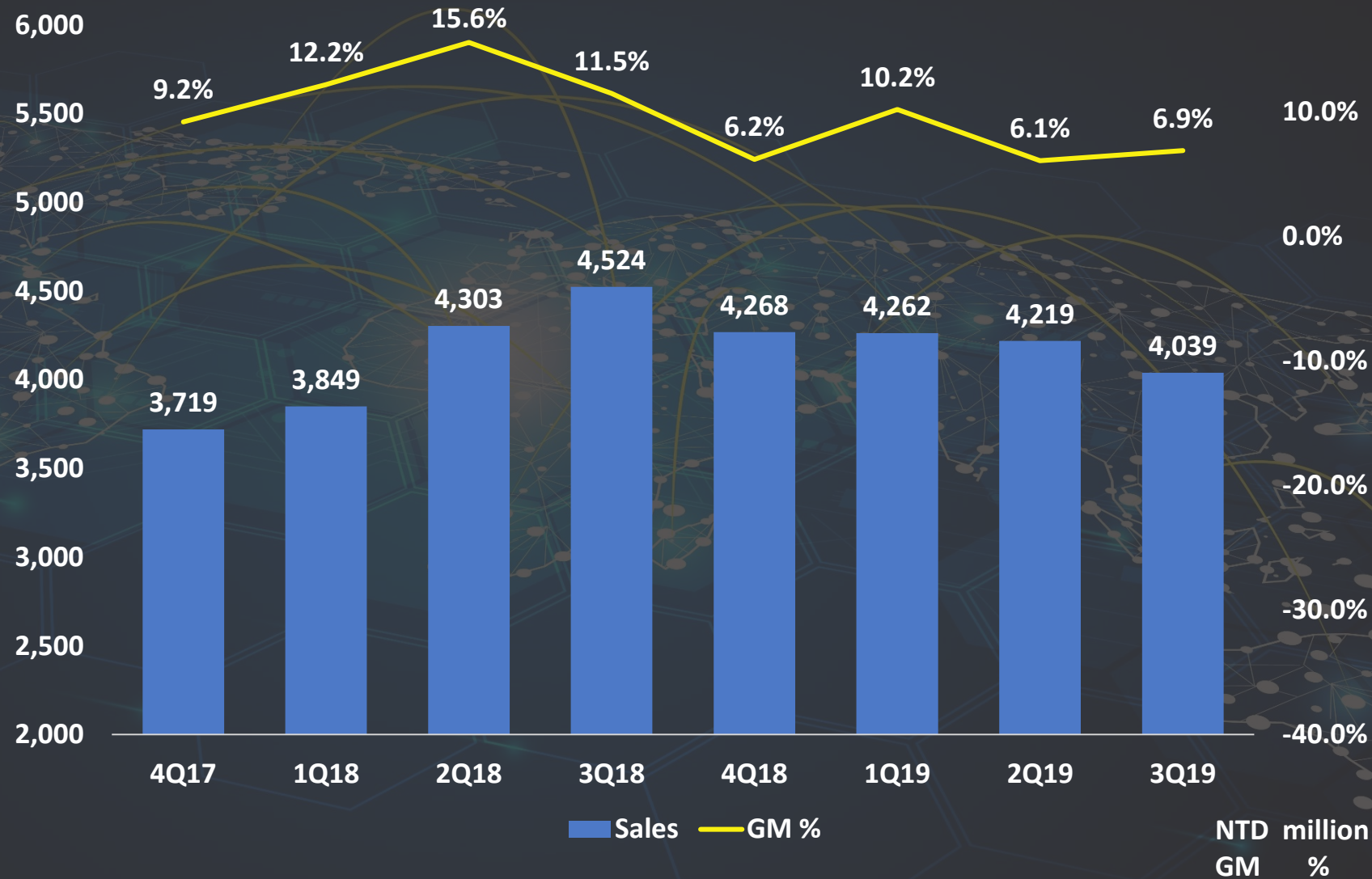
Operating Income

NTD Million



■ Carbon Black ■ Battery ■ Biotech

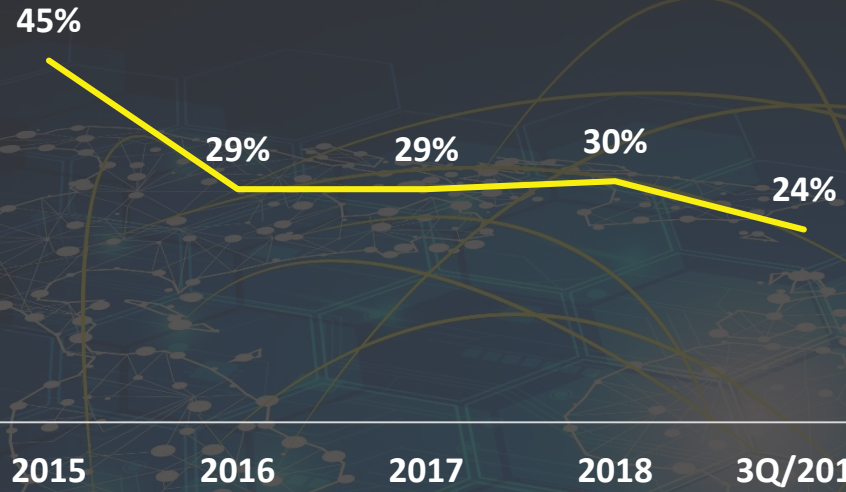
Carbon Black Sales & Gross Profit Margin



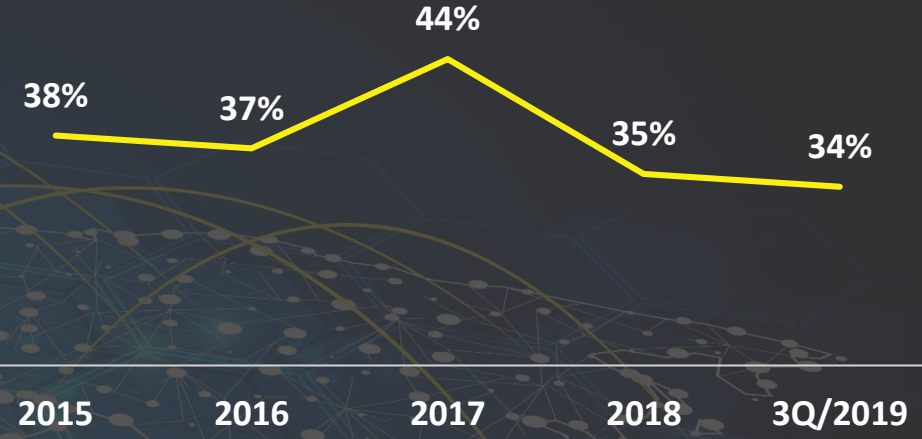
Financial Structure



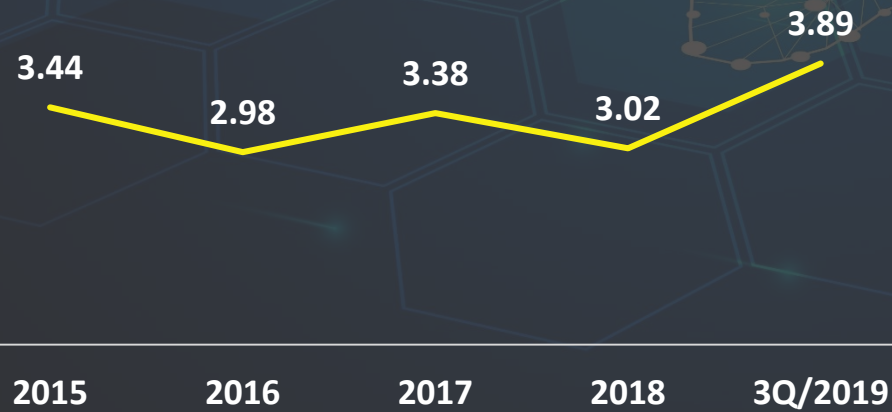
Operating Cash Flow/Current Debt



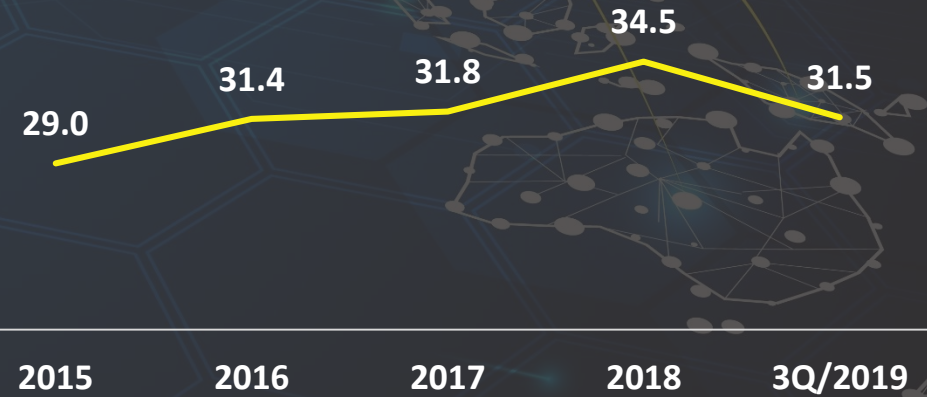
Debt Ratio (L/A)



Debt/EBITDA



Book Value/Share





We Appreciate Your Listening!

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