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INTERNATIONAL CSRC INVESTMENT HOLDINGS
CO., LTD.

Website: <http://www.csrcgroup.com>



INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.
(Original Name of the Company: CHINA SYNTHETIC RUBBER CORPORATION)

Year 2021 Annual General Meeting of Shareholders

Meeting Handbook

Time: 9 a.m., Friday, June 18, 2021

Location: 3F, No. 113, Sec. 2., Chung-Shan North Road, Taipei,
Taiwan (TCC Building, Cement Hall)

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Rules of Procedure for INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. Shareholders Meeting

(Original Name of the Company: CHINA SYNTHETIC RUBBER CORPORATION)

Amended by regular shareholders meeting on June 12, 2020

1. The shareholders meeting of the company shall, except those stipulated in the ordinance otherwise, follow these rules.
2. The shareholders meeting should provide an attendee register for the shareholders to sign in or the attending shareholders shall hand in the sign-in cards in place of sign-in. The number of shares in attendance is calculated based on the attendee register or sign-in cards handed in and the number of shares in the voting rights submitted in writing or electronically.
3. The attendance and vote of the shareholders meeting shall be calculated on the basis of shares.
4. The place of the shareholders meeting shall be the place where the company is located or where is convenient for the shareholders to be present and suitable for the meeting of the shareholders. The meeting shall start no earlier than 9 am or later than 3 pm.
5. The shareholders meeting convened by the board of directors shall be chaired by the chairman. When the chairman is absent, the chairman designates one director as agent. If the chairman does not appoint an agent, an agent will be chosen by the directors. If the shareholders meeting is convened by a convener with calling rights other than the board of directors, the chairman is assumed by the convener of calling right. If there are two or more conveners of calling right, one person should be elected to assume the post.
6. The lawyers, accountants or related personnel appointed by the company may attend the shareholders meeting.
The meeting affair personnel handling the shareholders meeting should wear identification cards or armbands.
7. The process of the shareholders meeting should be recorded or videotaped throughout the process and kept for at least one year.
8. When the time of the meeting arrives, the chairman announces to start the meeting. However, when no shareholders representing more than half of the total number of issued shares are present, the chairman may announce a delay in the meeting. The number of delays shall be limited to twice, and the total delay time shall not exceed one hour. If the second time is still insufficient and the shareholders representing more than one-third of the total number of issued shares are not present, it may be deemed to be false resolution in accordance with the subparagraph 1 of Article 175 of the Company Act.
Before the end of the current meeting, if the number of shares represented by the shareholders attending the meeting exceeds half of the total number of issued shares, the chairman may re-submit the created false resolution to the meeting to be voted on according to Article 174 of the Company Act.
9. The agenda of shareholders meeting convened by the board of directors is set by the board of directors. Motions (including amendment to the original matters and extraordinary motions) shall be voted separately on a motion-by-motion basis. The meeting shall be conducted in accordance with the scheduled agenda and may not be changed without resolution.

The shareholders meeting convened by other conveners with calling rights may use the above provisions.

Before the agenda of the first two sub-paragraphs are finalized (including the provisional motion), the chairman would not be allowed to announce the adjournment without a resolution.

10. After the meeting is adjourned, the shareholders must not elect another chairman to continue the meeting at the original site or another site. Before an attending shareholder speaks, the speech notes should be filled out with the speech gist, the shareholder number (or attendance card number) and the account name, and the chairman should set the order of his speech. Attending shareholders who present the speech notes alone but do not speak are considered as not speaking.
If the content of the speech is inconsistent with the record of the speech notes, the content of the speech shall prevail.
When the attending shareholders speak, other shareholders may not interfere with the speech except with the consent of the chairman and the speaking shareholders, and the chairman shall stop the violators.
11. In the same motion, each shareholder's speech may not exceed two times without the consent of the chairman and shall not exceed five minutes at a time.
If the shareholder makes a speech that violates the provisions of the preceding sub-paragraph or exceeds the scope of the topic, the chairman may stop his speech.
12. When a legal person is entrusted to attend a shareholders meeting, the legal person may only appoint one person to attend as agent.
When a legal person shareholder appoints more than two representatives to attend the shareholders meeting, only one person may speak for the same motion.
13. After the attending shareholder's speech, the chairman may reply in person or by designating the relevant person.
14. In the discussion of the motion, when the chairman thinks that the degree of voting has been reached, he may announce that he will stop the discussion and put it to the vote while arranging enough time for voting.
15. The scrutineer and the vote counting personnel for the vote on the motion shall be designated by the chairman. The scrutineers should have the status of shareholders.
The results of the vote shall be reported on site and recorded.
16. In the course of the meeting, the chairman may declare a rest at a time of his discretion.
17. When the company convenes a shareholders meeting, it shall exercise the voting rights in electricity and is allowed to exercise in writing at the same time. The relevant exercise methods are governed by the Company Act and the regulations of the competent authority. The voting of the motion shall be passed with the consent of more than half of the voting rights of the shareholders present unless otherwise provided in the Company Act and the Articles of Association of the Company.
18. In case of a vote, if no objection is raised via the chairman's query, it is deemed as passing. The effect is the same as that of a vote. When there are amendments or alternatives to the same motion, the chairman sets the voting order in conjunction with the original case. If one of the cases has been passed, other motions will be considered vetoed and no further voting will be required.
19. 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 chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close

of the meeting. The recording and distribution of the minutes thereof can be done in electricity.

The Company is allowed to insert the aforementioned minutes to the Market Observation System for publication as a substitution for distribution under the preceding paragraph

The date, place of the meeting, name of Chairman, ways of resolution, discussion, and the abstract of motions and resolution (including the numbers of votes) shall be recorded properly in the minutes. When the motions involve the election of a director, the Company shall disclose the votes of each candidate. As the Company exist, the minutes shall be kept eternally.

20. The chairman may command pickets (or security personnel) to help maintain order at the venue. When pickets (or security personnel) are present to help maintain order at the scene, they should wear the “picket” armbands.
21. These rules will be implemented after approval by the shareholders meeting, which applies to any amendments thereto.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.
(Original Name of the Company: CHINA SYNTHETIC RUBBER CORPORATION)
Agenda of Year 2021 Annual General Meeting of Shareholders

Time & Date: 9 a.m., Friday, June 18, 2021

Venue: 3F, No. 113, Sec. 2., Chung-Shan North Road, Taipei, Taiwan (TCC Building, Cement Hall)

1. Chairman's Statement

2. Matters to Report

- (1) Employees' and directors' compensation of 2020.
- (2) Business Report and financial statements of 2020.
- (3) The Audit Committee's Review Report.
- (4) Amendments to Ethical Corporate Management Best Practice Principles.

3. Matters for Approval

- (1) To approve 2020 Annual Business Report and Financial Statements.
- (2) The proposal for distribution of 2020 profits.

4. Matters for Election

To elect seven Directors (including three Independent Directors) of the 18th term Board of Directors.

5. Matters for Discussion

To approve the amendments on part of Rules of Procedure for Annual Shareholders' Meeting

6. Extemporaneous Motions

7. Meeting Adjourned

Matters to Report

I. Employees' and directors' compensation of 2020.

Descriptions:

1. According to Article 28 of the Company's Article of Incorporation, if the Company has surplus, it shall (i) set aside 0.01-3% for employees' compensation; and (ii) set aside no more than 1% as directors' compensation.
2. The proposal was approved by the 19th meeting of the 17th term Board of Directors. For 2020, the Company distributed NT\$823,764 in cash as employees' compensation and NT\$8,000,000 in cash as directors' compensation.

II. Business Report and financial statements of 2020.

Business Report

In 2020, the outbreak COVID-19 epidemic has had severely impact on global economic. According to the report released by the OECD, the global GDP fell by 4.2%, which seriously affected all industrial chains. International financial market shocks was caused by the influence of multiple factors such as the intensified international political struggle. Due to the effect of COVID-19 pandemic, Carbon Black Business was suffering from the closure of production lines from European and American automobile factories, China's delays on the resumption of work, and India's national lockdown. The market predicts that the demand for tires and carbon black industries will not recover to 2018 levels until 2022. The estimated outcome of royalty dispute arbitration from Biotech Business may be postponed until the middle of 2021. Product technology of Battery Business has encountered bottlenecks. Global economy has experienced the most sharply decline since the Great Depression under such turbulent environment, which led to the drop in operational performance and net income in 2020 compared to 2019. Operational performance in 2020 were as follows:

1. Production: 390 thousand metric tons for the core business of carbon black.
2. Sales:
Individual: revenue NT\$1,219.81 million.
Consolidated: revenue NT\$17.155 billion.
3. Operational performance:
Individual: net income NT\$726.56 million, decreased 38% from last year.
Consolidated: net income NT\$676.01 million, decreased 42% from last year.

As we move into 2021, it is expected global demand will rebound gradually and future economy will recover steadily in the post-epidemic era with the

progress of vaccine research and development and the global central bank's massive quantitative easing. However, the epidemic has not been effectively under control, and there are still many uncertain factors such as geopolitical risks. The Company adheres to the harmonious symbiosis with the environment, continues to implement and optimize the practice of environmental management and circular economy. Carbon Black Business sustains to improve manufacturing process, reduces fuel consumption, increases fuel usage efficiency, actively develops green products to effectively reduce tire fuel consumption to extend products life and reduce waste. In addition, Carbon Black Business will also persist on the development and deployment of high-quality special carbon black products to enhance product value. To enhance the overall competitiveness and achieve the long-term goal of sustainable operation, Battery Business will sustainably develop next-generation high-value new products, focus on rechargeable batteries used for energy storage systems and electronic vehicles.

Chairman: Koo, Kung-Yi

President: Huang, Po-Sung

Accounting Supervisor: Lee, Chia-Wen

Financial statement

Deloitte.

勤業眾信

財團法人聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel: +886 (2) 2715-9999
Fax: +886 (2) 4051-6999
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
International CSRC Investment Holdings Co., Ltd.

Opinion

We have audited the accompanying financial statements of International CSRC Investment Holdings Co., Ltd. (the "Corporation"), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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 Corporation 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Corporation's financial statements for the year ended December 31, 2020 are stated as follows:

**Occurrence and Validity of Operating Revenue from Part of customers of Carbon Black Segment
Accounted for Using the Equity Method**

Among the subsidiaries accounted for using the equity method on December 31, 2020, the investment amount of the subsidiaries engaged in carbon black business was NT\$10,377,578 thousand. Carbon black is the main operating business of the subsidiaries and accounted for 42% of the equity method investment. The operating revenue of carbon black business subsidiaries was NT\$11,024,509 thousand, which accounted for 64% of the Group's operating revenue in 2020. We considered it was an important matter. Operating revenue of carbon black business was less affected by market supply and economic prosperity than last year. Among the customers of carbon black segment, there were still some customers with growth amount. Therefore, we considered the validity and occurrence of the transactions of the growth amount in the top-ranked customers, which were sorted by their individual variance of revenue between two years as a key audit matter in 2020.

For the accounting policies, accounting estimates, estimation uncertainty and disclosure related to the validity of recognition of operating revenue, refer to Notes 4, 9 and the Corporation's consolidated financial statements Note 37.

We understood and conducted control tests on the design and implementation effectiveness of internal controls related to the validity of recognition of operating revenue of the carbon black segment; sampled and inspected whether an original purchase order existed for each sale in carbon black business and was approved appropriately; inspected whether there is signature on delivery notes, and it is consistent with product names and quantities on invoices and inspected the amounts to ensure they were consistent; inspected the reasonableness of collection of accounts receivable and whether the collection amounts and counterparties were consistent with the revenue recognized; and we also analyzed the existence and rationality of main customers of front-end growth in carbon black business.

Other Matter

Subsidiaries accounted for using the equity method included CCC USA Corp. and its subsidiaries, Continental Carbon India Ltd, and Continental Carbon Eco Tech Pvt Ltd. in 2020 and CCC USA Corp. and its subsidiaries in 2019; the financial statements of such subsidiaries were not audited by us, but were audited by other auditors. Our opinion, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of other auditors. The total amounts of the investments in these subsidiaries accounted for using the equity method constituted 18% (NT\$6,200,939 thousand) and 9% (NT\$3,355,353 thousand) of the total assets as of December 31, 2020 and 2019, respectively, and total share of profit from the investment constituted 13% (loss NT\$133,505 thousand) and 20% (profit NT\$291,339 thousand) of income before income tax for the years ended December 31, 2020 and 2019, respectively.

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

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

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, where applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation 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 Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the 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 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Corporation'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 Corporation'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 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 Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the 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 financial statements for the year ended December 31, 2020 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 audits resulting in this independent auditors' report are Mei-Hui Wu and Yi-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 19, 2021

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,870,083	5	\$ 4,175,589	12
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	611,994	2	609,782	2
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	1,275,862	4	1,440,489	4
Current tax assets (Notes 4 and 17)	47,114	-	60,279	-
Other financial assets - current (Notes 6 and 21)	644,258	2	32,868	-
Other current assets	1,073	-	1,432	-
Total current assets	<u>4,450,384</u>	<u>13</u>	<u>6,320,439</u>	<u>18</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	5,523,499	16	5,427,310	15
Investments accounted for using the equity method (Notes 4 and 9)	24,705,611	71	23,720,423	67
Property, plant and equipment (Notes 4 and 10)	21,154	-	25,802	-
Right-of-use assets (Notes 4 and 11)	1,085	-	-	-
Deferred tax assets (Notes 4 and 17)	-	-	137	-
Net defined benefit assets (Notes 4 and 14)	4,330	-	3,704	-
Other non-current assets	9,625	-	5,945	-
Total non-current assets	<u>30,265,304</u>	<u>87</u>	<u>29,183,321</u>	<u>82</u>
TOTAL	<u>\$ 34,715,688</u>	<u>100</u>	<u>\$ 35,503,760</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 12)	\$ 2,300,000	7	\$ 3,200,000	9
Short-term bill payable (Note 12)	99,976	-	-	-
Note payable	3,319	-	3,319	-
Other payables (Notes 13 and 21)	201,498	1	188,403	1
Current tax liabilities (Notes 4 and 17)	71,316	-	59,537	-
Lease liability - current (Notes 4 and 11)	1,091	-	-	-
Other current liabilities	298	-	285	-
Total current liabilities	<u>2,677,498</u>	<u>8</u>	<u>3,451,544</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Provisions - non-current (Notes 4 and 14)	886	-	604	-
Deferred tax liabilities (Notes 4 and 17)	2,108,825	6	1,794,687	5
Other non-current liabilities	66,061	-	66,061	-
Total non-current liabilities	<u>2,175,772</u>	<u>6</u>	<u>1,861,352</u>	<u>5</u>
Total liabilities	<u>4,853,270</u>	<u>14</u>	<u>5,312,896</u>	<u>15</u>
EQUITY (Note 15)				
Ordinary shares	9,847,336	28	9,847,336	28
Capital surplus	8,903,273	26	8,900,326	25
Retained earnings				
Legal reserve	2,707,231	8	2,591,160	7
Special reserve	645,316	2	645,316	2
Unappropriated earnings	4,113,169	12	3,696,659	11
Total retained earnings	<u>7,465,716</u>	<u>22</u>	<u>6,933,135</u>	<u>20</u>
Other equity	3,936,181	11	4,800,155	13
Treasury shares	(290,088)	(1)	(290,088)	(1)
Total equity	<u>29,862,418</u>	<u>86</u>	<u>30,190,864</u>	<u>85</u>
TOTAL	<u>\$ 34,715,688</u>	<u>100</u>	<u>\$ 35,503,760</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 19, 2021)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2020		2019	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4 and 21)	<u>\$ 1,219,809</u>	<u>100</u>	<u>\$ 1,608,427</u>	<u>100</u>
GROSS PROFIT	<u>1,219,809</u>	<u>100</u>	<u>1,608,427</u>	<u>100</u>
OPERATING EXPENSES (Notes 14, 16 and 21)				
General and administrative	<u>148,252</u>	<u>12</u>	<u>168,379</u>	<u>10</u>
Total operating expenses	<u>148,252</u>	<u>12</u>	<u>168,379</u>	<u>10</u>
INCOME FROM OPERATIONS	<u>1,071,557</u>	<u>88</u>	<u>1,440,048</u>	<u>90</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 16 and 21)				
Interest income	17,758	1	51,913	3
Other income	20,187	2	25,157	2
Other gains and losses	(21,140)	(2)	(24,242)	(2)
Finance costs	<u>(24,066)</u>	<u>(2)</u>	<u>(19,037)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(7,261)</u>	<u>(1)</u>	<u>33,791</u>	<u>2</u>
INCOME BEFORE INCOME TAX	1,064,296	87	1,473,839	92
INCOME TAX EXPENSE (Notes 4 and 17)	<u>(337,741)</u>	<u>(27)</u>	<u>(306,000)</u>	<u>(19)</u>
NET INCOME	<u>726,555</u>	<u>60</u>	<u>1,167,839</u>	<u>73</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 14)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	414	-	3,571	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(80,093)	(6)	883,143	55
Share of the other comprehensive income of subsidiaries accounted for using the equity method	53,717	4	306,744	19
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(835,039)	(69)	(460,148)	(29)

(Continued)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2020		2019	
	Amount	%	Amount	%
Share of the other comprehensive income of subsidiaries accounted for using the equity method	\$ -	-	\$ 76	-
Other comprehensive income (loss)	<u>(861,001)</u>	<u>(71)</u>	<u>733,386</u>	<u>45</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ (134,446)</u>	<u>(11)</u>	<u>\$ 1,901,225</u>	<u>118</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 18)				
Basic	<u>\$ 0.75</u>		<u>\$ 1.20</u>	
Diluted	<u>\$ 0.75</u>		<u>\$ 1.20</u>	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 19, 2021)

(Concluded)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Number of Shares (In Thousands of Shares)	Amount	Capital Surplus (Notes 4 and 15)	Retained Earnings (Note 15)			Exchange Differences on Translating Foreign Operations	Other Equity (Note 4)	Treasury Shares (Notes 4 and 15)	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2019	871,446	\$ 8,714,457	\$ 8,894,609	\$ 2,291,740	\$ 645,316	\$ 5,275,420	\$ (123,192)	\$ 4,182,829	\$ (290,088)	\$ 29,591,091
Appropriation of the 2018 earnings										
Legal reserve	-	-	-	299,420	-	(299,420)	-	-	-	-
Cash dividends distributed - NT\$1.5 per share	-	-	-	-	-	(1,307,169)	-	-	-	(1,307,169)
Share dividends distributed - NT\$1.3 per share	113,288	1,132,879	-	-	-	(1,132,879)	-	-	-	-
Balance after appropriation	984,734	9,847,336	8,894,609	2,591,160	645,316	2,535,952	(123,192)	4,182,829	(290,088)	28,283,922
Adjustments to capital surplus due to distribution of cash dividends to subsidiaries	-	-	19,559	-	-	-	-	-	-	19,559
Difference between disposal price and carrying amount on disposal of subsidiaries	-	-	(19,237)	-	-	-	-	-	-	(19,237)
Changes in percentage of ownership interests in subsidiaries	-	-	5,395	-	-	-	-	-	-	5,395
Net income for the year ended December 31, 2019	-	-	-	-	-	1,167,839	-	-	-	1,167,839
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	(7,132)	(460,072)	1,200,590	-	733,386
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	1,160,707	(460,072)	1,200,590	-	1,901,225
BALANCE AT DECEMBER 31, 2019	984,734	9,847,336	8,900,326	2,591,160	645,316	3,696,659	(583,264)	5,383,419	(290,088)	30,190,864
Appropriation of the 2019 earnings										
Legal reserve	-	-	-	116,071	-	(116,071)	-	-	-	-
Cash dividends distributed - NT\$0.2 per share	-	-	-	-	-	(196,947)	-	-	-	(196,947)
Balance after appropriation	984,734	9,847,336	8,900,326	2,707,231	645,316	3,383,641	(583,264)	5,383,419	(290,088)	29,993,917
Adjustments to capital surplus due to distribution of cash dividends to subsidiaries	-	-	2,947	-	-	-	-	-	-	2,947
Net income for the year ended December 31, 2020	-	-	-	-	-	726,555	-	-	-	726,555
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	2,973	(835,039)	(28,935)	-	(861,001)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	729,528	(835,039)	(28,935)	-	(134,446)
BALANCE AT DECEMBER 31, 2020	984,734	\$ 9,847,336	\$ 8,903,323	\$ 2,707,231	\$ 645,316	\$ 4,113,169	\$ (1,418,303)	\$ 5,354,484	\$ (290,088)	\$ 29,862,418

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 19, 2021)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,064,296	\$ 1,473,839
Adjustments for:		
Depreciation	2,008	692
Amortization	4,248	1,823
Net gain on financial assets at fair value through profit or loss	(2,212)	(3,684)
Interest expense	24,066	18,753
Interest income	(17,758)	(51,913)
Share of profit of subsidiaries	(831,589)	(1,158,295)
Unrealized loss (gain) on foreign exchange	(1,678)	1,263
Changes in operating assets and liabilities		
Financial assets held for trading	-	304,055
Notes receivable	-	5,189
Other current assets	359	(166)
Other financial assets - current	23,040	61,843
Notes payable	-	3,319
Other payables	(13,952)	(23,028)
Provisions	282	336
Other current liabilities	13	(9,640)
Net defined benefit assets	(212)	(218)
Cash generated from operations	250,911	624,168
Interest received	16,932	55,869
Income tax refund (paid)	(1,680)	4,775
	<u>266,163</u>	<u>684,812</u>
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(11,655)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	637
Net cash outflow on acquisition of subsidiaries	(1,625,502)	(5,511,250)
Acquisition of property, plant and equipment	(4,256)	(7,358)
Increase in other financial assets -current	(600,000)	-
Increase in other non-current assets	-	(3,768)
Dividends received	693,528	387,182
	<u>(1,547,885)</u>	<u>(5,134,557)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(900,000)	3,200,000
Increase in short-term bills payable	99,976	-
Repayment of the principal portion of lease liabilities	(1,026)	-
Cash dividends paid	(196,947)	(1,307,169)
Interest paid	(25,787)	(16,213)
	<u>(1,022,784)</u>	<u>(1,424,482)</u>
		(Continued)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	2020	2019
Net cash generated from (used in) financing activities	<u>\$ (1,023,784)</u>	<u>\$ 1,876,618</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,305,506)	(2,573,127)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>4,175,589</u>	<u>6,748,716</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 1,870,083</u>	<u>\$ 4,175,589</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 19, 2021)

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
International CSRC Investment Holdings Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of International CSRC Investment Holdings Co., Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. 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.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

Occurrence and Validity of Operating Revenue from Part of Customers of Carbon Black Segment

The carbon black segment is the main operating segment in the Group and its operating revenue was NT\$11,024,509 thousand, which accounted for 64% of total operating revenue in 2020. Operating revenue of carbon black business was less affected by market supply and economic prosperity than last year. Among the customers of carbon black segment, there were still some customers with growth amount. Therefore, we considered the validity and occurrence of the transactions of the growth amount in the top-ranked customers, which were sorted by their individual variance of revenue between two years as a key audit matter in 2020.

For the accounting policies, accounting estimates, estimation uncertainty and disclosure related to the validity of recognition of operating revenue, refer to Notes 4 and 37.

We understood and conducted control tests on the design and implementation effectiveness of internal controls related to the validity of recognition of operating revenue of the carbon black segment; sampled and inspected whether an original purchase order existed for each sale in carbon black business and was approved appropriately; inspected whether there is signature on delivery notes, and it is consistent with product names and quantities on invoices and inspected the amounts to ensure they were consistent; inspected the reasonableness of collection of accounts receivable and whether the collection amounts and counterparties were consistent with the revenue recognized; and we also analyzed the existence and rationality of main customers of front-end growth in carbon black business.

Other Matter

Among the subsidiaries included in the consolidated financial statements, the consolidated financial statements of CCC USA Corp. and its subsidiaries, and financial statements of Continental Carbon India Ltd. and Continental Carbon Eco Tech Pvt Ltd. in 2020; and the consolidated financial statements of CCC USA Corp. and its subsidiaries in 2019 were not audited by us, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of other auditors. The total assets of these subsidiaries constituted 28% (NT\$14,278,320 thousand) and 22% (NT\$11,555,993 thousand) of the consolidated total assets as of December 31, 2020 and 2019, respectively, and operating revenue constituted 34% (NT\$5,774,664 thousand) and 34% (NT\$7,660,441 thousand) of consolidated operating revenue for the years ended December 31, 2020 and 2019, respectively.

We have also audited the parent company only financial statements of International CSRC Investment Holdings Co., Ltd. as of and for the years ended December 31, 2020 and 2019 on which we have both issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (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, where 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2020 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 audits resulting in this independent auditors' report are Mei-Hui Wu and Yi-Jun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 19, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020		2019	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,603,479	15	\$ 12,138,485	24
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	611,994	1	617,911	1
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 31)	2,652,870	5	2,770,635	5
Notes receivable, net (Notes 4, 9 and 31)	313,335	1	345,153	1
Accounts receivable, net (Notes 4, 9 and 31)	3,579,932	7	3,608,850	7
Accounts receivable from related parties (Notes 4 and 30)	160	-	7,425	-
Current tax assets (Notes 4 and 25)	40,379	-	129,770	-
Inventories (Notes 4, 10 and 31)	2,219,455	5	2,976,252	6
Other financial assets - current (Notes 6 and 31)	6,792,236	14	4,294,545	8
Other current assets (Note 18)	642,448	1	517,912	1
Total current assets	<u>24,456,288</u>	<u>49</u>	<u>27,406,938</u>	<u>53</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	5,673,170	11	5,573,619	11
Investments accounted for using the equity method (Notes 4 and 11)	58,631	-	-	-
Property, plant and equipment (Notes 4 and 12)	17,541,705	35	15,619,453	30
Right-of-use assets (Notes 4 and 13)	782,061	2	621,320	1
Investment properties (Notes 4 and 14)	356,402	1	373,934	1
Goodwill (Notes 4 and 15)	216,495	1	235,054	1
Other intangible assets (Notes 4 and 16)	139,316	-	203,616	-
Deferred tax assets (Notes 4 and 25)	188,124	-	220,239	-
Prepayments for equipment (Notes 4 and 12)	562,946	1	803,216	2
Net defined benefit assets (Notes 4 and 22)	4,330	-	3,704	-
Other financial assets - non-current	75,034	-	96,979	-
Long-term prepayments for lease (Note 17)	-	-	212,358	-
Other non-current assets (Notes 4 and 18)	132,725	-	241,334	1
Total non-current assets	<u>25,730,939</u>	<u>51</u>	<u>24,204,826</u>	<u>47</u>
TOTAL	<u>\$ 50,187,227</u>	<u>100</u>	<u>\$ 51,611,764</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 19)	\$ 6,484,100	13	\$ 7,965,051	16
Short-term bills payable (Note 19)	149,865	1	-	-
Notes payable	9,402	-	9,402	-
Trade payables (Note 20)	1,009,795	2	947,866	2
Trade payables to related parties (Note 30)	102,842	-	90,050	-
Other payables (Notes 21 and 30)	2,096,465	4	1,920,314	4
Current tax liabilities (Notes 4 and 25)	146,506	1	161,001	-
Lease liabilities - current (Notes 4 and 13)	52,592	-	57,632	-
Current portion of long-term borrowings (Notes 19 and 31)	3,066,475	6	581,612	1
Other current liabilities	124,752	-	179,492	-
Total current liabilities	<u>13,242,794</u>	<u>27</u>	<u>11,912,420</u>	<u>23</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 19 and 31)	37,376	-	2,626,448	5
Provisions - non-current (Notes 4 and 22)	17,726	-	14,728	-
Deferred tax liabilities (Notes 4 and 25)	2,649,561	5	2,323,387	5
Lease liabilities - non-current (Notes 4 and 13)	197,953	1	241,051	1
Net defined benefit liabilities (Notes 4 and 22)	108,821	-	122,854	-
Other non-current liabilities	113,434	-	77,394	-
Total non-current liabilities	<u>3,124,871</u>	<u>6</u>	<u>5,405,862</u>	<u>11</u>
Total liabilities	<u>16,367,665</u>	<u>33</u>	<u>17,318,282</u>	<u>34</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)				
Ordinary shares	9,847,336	19	9,847,336	19
Capital surplus	8,903,273	18	8,900,326	17
Retained earnings				
Legal reserve	2,707,231	6	2,591,160	5
Special reserve	645,316	1	645,316	1
Unappropriated earnings	4,113,169	8	3,696,659	7
Total retained earnings	7,465,716	15	6,933,135	13
Other equity	3,936,181	8	4,800,155	9
Treasury shares	(290,088)	(1)	(290,088)	-
Total equity attributable to owners of the Corporation	29,862,418	59	30,190,864	58
NON-CONTROLLING INTERESTS	3,957,144	8	4,102,618	8
Total equity	<u>33,819,562</u>	<u>67</u>	<u>34,293,482</u>	<u>66</u>
TOTAL	<u>\$ 50,187,227</u>	<u>100</u>	<u>\$ 51,611,764</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 19, 2021)

**INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2020		2019	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4 and 30)	\$ 17,105,502	100	\$ 22,270,936	100
OPERATING COSTS (Notes 10, 22, 24 and 30)	<u>13,565,328</u>	<u>79</u>	<u>17,942,747</u>	<u>81</u>
GROSS PROFIT	<u>3,540,174</u>	<u>21</u>	<u>4,328,189</u>	<u>19</u>
OPERATING EXPENSES (Notes 9, 22, 24 and 30)				
Selling and marketing expenses	406,627	3	441,915	2
General and administrative expenses	1,065,428	6	1,116,341	5
Research and development expenses	612,924	4	590,492	3
Expected credit loss	<u>50,735</u>	<u>-</u>	<u>28,947</u>	<u>-</u>
Total operating expenses	<u>2,135,714</u>	<u>13</u>	<u>2,177,695</u>	<u>10</u>
INCOME FROM OPERATIONS	<u>1,404,460</u>	<u>8</u>	<u>2,150,494</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 11 and 24)				
Interest income	121,388	1	141,429	1
Other income	292,442	1	226,185	1
Other gains and losses	(217,839)	(1)	(126,486)	(1)
Finance costs	(160,229)	(1)	(301,174)	(1)
Share of profit or loss of joint ventures	<u>(16,027)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>19,735</u>	<u>-</u>	<u>(60,046)</u>	<u>-</u>
INCOME BEFORE INCOME TAX	1,424,195	8	2,090,448	9
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(748,185)</u>	<u>(4)</u>	<u>(924,920)</u>	<u>(4)</u>
NET INCOME	<u>676,010</u>	<u>4</u>	<u>1,165,528</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	2,109	-	(10,822)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	<u>(28,788)</u>	<u>-</u>	<u>1,201,394</u>	<u>5</u>

(Continued)

**INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2020		2019	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	\$ (928,081)	(6)	\$ (510,933)	(2)
Share of the other comprehensive loss of joint ventures accounted for using the equity method	(422)	-	-	-
Other comprehensive income (loss)	(955,182)	(6)	679,639	3
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ (279,172)	(2)	\$ 1,845,167	8
NET INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 726,555	4	\$ 1,167,839	5
Non-controlling interests	(50,545)	-	(2,311)	-
	<u>\$ 676,010</u>	<u>4</u>	<u>\$ 1,165,528</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (134,446)	(1)	\$ 1,901,225	8
Non-controlling interests	(144,726)	(1)	(56,058)	-
	<u>\$ (279,172)</u>	<u>(2)</u>	<u>\$ 1,845,167</u>	<u>8</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 26)				
Basic	<u>\$ 0.75</u>		<u>\$ 1.20</u>	
Diluted	<u>\$ 0.75</u>		<u>\$ 1.20</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 19, 2021)

(Concluded)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Equity attributable to Owners of the Corporation (Note 23)											
	Ordinary Shares	Capital Surplus	Retained Earnings			Exchange Differences on Translation of Foreign Operations	Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2019	\$ 8,714,457	\$ 8,894,609	\$ 2,291,740	\$ 645,316	\$ 5,275,420	\$ (123,192)	\$ 4,182,829	\$ (290,088)	\$ 29,591,091	\$ 2,664,235	\$ 32,255,326	
Appropriation of the 2018 earnings												
Legal reserve	-	-	299,420	-	(299,420)	-	-	-	-	-	-	
Cash dividends distributed - NT\$1.5 per share	-	-	-	-	(1,307,169)	-	-	-	(1,307,169)	-	(1,307,169)	
Share dividends distributed - NT\$1.3 per share	1,132,879	-	-	-	(1,132,879)	-	-	-	-	-	-	
Balance after appropriation	9,847,336	8,894,609	2,591,160	645,316	2,535,952	(123,192)	4,182,829	(290,088)	28,283,922	2,664,235	30,948,157	
Adjustments to capital surplus due to distribution of cash dividends to subsidiaries	-	19,559	-	-	-	-	-	-	19,559	-	19,559	
Actual acquisition of interest in subsidiaries	-	(19,237)	-	-	-	-	-	-	(19,237)	1,495,371	1,476,134	
Changes in percentage of ownership interests in subsidiaries	-	5,395	-	-	-	-	-	-	5,395	3,804	9,199	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(4,734)	(4,734)	
Net income for the year ended December 31, 2019	-	-	-	-	1,167,839	-	-	-	1,167,839	(2,311)	1,165,528	
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	(7,132)	(460,072)	1,200,590	-	733,386	(53,747)	679,639	
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,160,707	(460,072)	1,200,590	-	1,901,225	(56,058)	1,845,167	
BALANCE AT DECEMBER 31, 2019	9,847,336	8,900,326	2,591,160	645,316	3,696,659	(583,264)	5,383,419	(290,088)	30,190,864	4,102,618	34,293,482	
Appropriation of the 2019 earnings												
Legal reserve	-	-	116,071	-	(116,071)	-	-	-	-	-	-	
Cash dividends distributed - NT\$0.2 per share	-	-	-	-	(196,947)	-	-	-	(196,947)	-	(196,947)	
Balance after appropriation	9,847,336	8,900,326	2,707,231	645,316	3,383,641	(583,264)	5,383,419	(290,088)	29,993,917	4,102,618	34,096,535	
Adjustments to capital surplus due to distribution of cash dividends to subsidiaries	-	2,947	-	-	-	-	-	-	2,947	-	2,947	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(748)	(748)	
Net income for the year ended December 31, 2020	-	-	-	-	726,555	-	-	-	726,555	(50,545)	676,010	
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	2,973	(835,039)	(28,935)	-	(861,001)	(94,181)	(955,182)	
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	729,528	(835,039)	(28,935)	-	(134,446)	(144,726)	(279,172)	
BALANCE AT DECEMBER 31, 2020	\$ 9,847,336	\$ 8,903,273	\$ 2,707,231	\$ 645,316	\$ 4,113,169	\$ (1,418,303)	\$ 5,354,484	\$ (290,088)	\$ 29,862,418	\$ 3,957,144	\$ 33,819,562	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 19, 2021)

**INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,424,195	\$ 2,090,448
Adjustments for:		
Depreciation	975,882	989,604
Amortization	141,475	74,213
Expected credit loss	50,735	28,947
Net gain on financial assets at fair value through profit or loss	(2,237)	(3,726)
Interest expense	158,564	299,096
Interest income	(121,388)	(141,429)
Dividend income	(5,640)	(5,033)
Compensation costs of share-based payments	20,030	52,688
Share of loss of joint venture	16,027	-
Loss on disposal and scrapping of property, plant and equipment	14,543	9,503
Impairment loss recognized (reversed) on non-financial assets	(203,244)	97,765
Unrealized loss (gain) on foreign exchange	(12,475)	6,200
Others	2,316	(709)
Changes in operating assets and liabilities		
Financial assets held for trading	8,154	304,055
Notes receivable	33,512	371,946
Accounts receivable	(120,859)	1,399,433
Accounts receivable from related parties	7,265	7,180
Inventories	914,461	268,866
Other current assets	(29,483)	22,440
Other financial assets	(65,936)	110,856
Notes payable	-	8,053
Trade payables	92,621	(263,248)
Trade payables to related parties	12,792	(50,107)
Other payables	165,933	251,816
Provisions	2,998	2,510
Other current liabilities	(43,091)	65,226
Net defined benefit assets and liabilities	(8,258)	(967)
Cash generated from operations	3,428,892	5,995,626
Interest received	154,893	150,607
Income tax paid	(319,760)	(610,481)
Net cash generated from operating activities	<u>3,264,025</u>	<u>5,535,752</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(11,655)	-
Disposal of financial assets at fair value through other comprehensive income	1,081	637
Acquisition of joint venture	(72,042)	-

(Continued)

**INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	2020	2019
Acquisition of property, plant and equipment	\$ (2,758,576)	\$ (2,273,647)
Proceeds from disposal of property, plant and equipment	11,027	-
Payments for right-of-use assets	(12,596)	(66,905)
Increase in other financial assets	(2,635,784)	(4,177,084)
Decrease (increase) in other non-current assets	956	(117,726)
Increase in prepayments for equipment	(288,572)	(389,422)
Increase in prepayments for leases	-	(64,408)
Dividends received	<u>5,640</u>	<u>5,033</u>
Net cash used in investing activities	<u>(5,760,521)</u>	<u>(7,083,522)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(1,432,399)	1,346,852
Increase (decrease) in short-term bills payable	149,865	(619,307)
Proceeds from long-term borrowings	616,092	-
Repayments of long-term borrowings	(573,251)	(1,368,984)
Repayment of the principal portion of lease liabilities	(54,661)	(51,084)
Increase in other non-current liabilities	18,377	25,801
Cash dividends paid	(194,748)	(1,292,344)
Interest paid	(349,243)	(526,383)
Change in non-controlling interests	<u>-</u>	<u>1,495,371</u>
Net cash used in financing activities	<u>(1,819,968)</u>	<u>(990,078)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(218,542)</u>	<u>(164,216)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(4,535,006)</u>	<u>(2,702,064)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>12,138,485</u>	<u>14,840,549</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 7,603,479</u>	<u>\$ 12,138,485</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 19, 2021)

(Concluded)

III. Audit Committee's Review Report

Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors of INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. has prepared the Company's 2020 Business Report, Consolidated and Individual Financial Statements, and the proposal for the allocation of earnings. The CPA firm Deloitte & Touche was retained to audit the Company's Financial Statements and it has issued an audit report on the Financial Statements. The Business Report, Financial Statements, and the earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.. According to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

2021 Annual General Shareholders' Meeting

INTERNATIONAL CSRC INVESTMENT
HOLDINGS CO., LTD.

Audit Committee convener: Ding, Yen Wei

March 19, 2021

IV. Amendments to Ethical Corporate Management Best Practice Principles.

Descriptions:

1. For the Company's operation and development needs, amendments need to be made on part of Ethical Corporate Management Best Practice Principles.
2. The proposal has been approved by the 18th meeting of the 17th term of Board of Directors. Amendments are attached hereto as in Annex 1 (page 35~36).

Matters for Approval

1. To approve 2020 Annual Business Report and Financial Statements. (Proposed by the Board of Directors)

Descriptions:

1. It was conducted according to Article 228 of the Company Act.
2. The 2020 Annual Business Report, Individual Financial Statements and Consolidated Financial Statements have been approved by the 19th meeting of the 17th term Board of Directors. The Individual Financial Statements and Consolidated Financial Statements were audited by independent auditors, Wu, Mei-Hui and Wu, Yi-Chun, of Deloitte & Touche.
3. The above Annual Business Report and Financial Statements were audited by the Auditor Committee. Please refer to Page 6~28.
4. Please review and ratify.

Resolution:

2. The proposal for distribution of 2020 profits. (Proposed by the Board of Directors)

Descriptions:

1. The proposal of distribution of 2020 profits is conducted in accordance with Article 228 of the Company Act and Article 29 of the amended Articles of Incorporation.
2. The 2020 beginning unappropriated retained earnings were NT\$3,383,641,696, adding the remeasurement of defined benefit obligation of NT\$2,972,587, the adjusted beginning unappropriated retained earnings of 2020 were NT\$3,386,614,283. By adding 2020 net profit of NT\$726,555,161 and setting aside legal reserve of NT\$72,952,775, the total earnings available for distribution amounts to NT\$ 4,040,216,669. It is proposed to distribute cash dividends at NT\$0.1 per share which amounts to NT\$98,473,363. After distribution of the dividends, the 2020 unappropriated retained earnings are NT\$3,941,743,306. The distribution of cash dividends shall be accounted by dollars and rounded off to the integer. Fractional dividend amounts that are less than NT\$1 are aggregated and recorded as other income of the Company.
3. Upon the approval of the Annual Shareholders' Meeting, the power with respect to setting the ex-dividend date, distribution date and other relevant matters is reserved for the chairman.
4. Please see the Annex 2 for 2020 Earnings Distribution Proposal (page37).
5. The proposal has been approved by the 19th meeting of the 17th term Board of Directors and sent to the Audit Committee for approval.
6. Please review and ratify.

Resolution:

Matters for Election

To elect seven Directors (including three of Independent Directors) of the 18th term Board of Directors election. (Proposed by the Board of Directors)

Descriptions:

1. The term of all Directors of the 17th Board of Directors will be expired on June 25, 2021. All Directors' term of the 17th Board of Directors will be dismissed on June 25, 2021 upon the new Directors being elected at this Annual Shareholders' Meeting dated June 18, 2021.
2. According to Article 17 of the Company's Articles of Incorporation, the Company shall have seven Directors, including three Independent Directors. The term of the Directors shall be three years. Directors shall be elected by adopting candidates nomination system, elected from the list of Director candidates, and eligible for re-election upon the expiry of the term.
3. Seven Directors elected at this Annual Shareholders' Meeting on June 18, 2021 will have assumed office for a term commencing on June 18, 2021 and expiring on June 17, 2024.
4. Please refer to the Annex 3 for the list of Director candidates of 18th term of Board of Directors. (Page 38~42)
5. The proposal has been approved by the 18th meeting of the 17th term Board of Directors.
6. Please vote.

Voting Result:

Matters for Discussion.

1. To approve the amendments on part of Rules of Procedure for Annual Shareholders' Meeting. (Proposed by the Board of Directors)

Descriptions:

1. To enhance the corporate governance and safeguard shareholder rights, it is proposed to make amendments of Rules of Procedure for Annual Shareholders' Meeting to comply with regulatory requirements of Taiwan Stock Exchange Tai-Zheng-Shang-Li No. 1100001446 dated 28th January, 2021.
2. The proposal has been approved in the 19th meeting of the 17th term of Board of Directors. Amendments are attached hereto as Annex 4 (page43~44).
3. Please discuss and resolve.

Resolution:

Extemporaneous Motions

Meeting Adjourned

Annex 1: The Comparison Table of Amended Provisions of Ethical Corporate Management Best Practice Principles

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD
 (Original Name of the Company: CHINA SYNTHETIC RUBBER CORPORATION)
The Comparison Table of Amended Provisions of Ethical Corporate Management Best Practice Principles

Article after Amendment	Article before Amendment	Reason for Amendment
<p><u>Article 15</u> (Organization and Responsibility) The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management of the Company, the <u>corporate governance function</u> is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and reports to the board of directors on a regular basis (at least once a year).</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Regularly analyze and evaluate the unethical behavior within the business activities, adopt programs to prevent unethical conduct, and set standard operating procedures and behavior guidelines relevant to the Company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check- 	<p><u>Article 15</u> (Organization and Responsibility) The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management of the Company, <u>the auditing office</u> is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and reports to the board of directors on a regular basis (at least once a year).</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Regularly analyze and evaluate the unethical behavior within the business activities, adopt programs to prevent unethical conduct, and set standard operating procedures and behavior guidelines relevant to the Company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check- 	<p>Revise the company's Ethical Corporate Management team.</p>

<p>and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operation effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating and preparing reports on the regular assessment of compliance with ethical management in operation procedures.</p>	<p>and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operation effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating and preparing reports on the regular assessment of compliance with ethical management in operation procedures.</p>	
<p>Article 19 — (Prohibition of Engaging in Unfair Competition) The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not make concerted price increase, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</p>	<p>Article 19 (Prohibition of Engaging in Unfair Competition) The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not make concerted price increase, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</p>	<p>Duplicate the content of Article 13 (Prohibition of Engaging in Unfair Competition)</p>
<p>Article 19 (Prohibition of Insider Trading)~ Article 27 (Implementation)</p>	<p>Article 20 (Prohibition of Insider Trading)~ Article 28 (Implementation)</p>	<p>Article 19 is deleted, so the article numbers are changed</p>

Annex 2: Earnings Distribution Proposal

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD
(Original Name of the Company: CHINA SYNTHETIC RUBBER CORPORATION)

Earnings Distribution Proposal

2020

Unit: NTD

Item	Amount
Unappropriated retained earnings as of December 31,2019	3,383,641,696
Add: Remeasurement of defined benefit obligation	2,972,587
Unappropriated retained earnings- adjusted	3,386,614,283
Add: Net income of 2020	726,555,161
Less: Legal reserve appropriation (10%)	(72,952,775)
Retained earnings available for distribution	4,040,216,669
Less: distribution items	
Cash dividend (NT\$0.1/share)	(98,473,363)
Balance of unappropriated retained earnings	3,941,743,306

- Note: 1. Cash dividend shall be allocated to each shareholder up to the dollar (fractional amount shall be rounded down to the dollar). The fractional amount is aggregated and recorded as other income of the Company.
2. According to the Ministry of Finance's Letter No. 871941343 dated April 30, 1998, when distributing profit, an individual recognition method shall be utilized. The distribution of current profit shall give priority to that of the most current year.

Annex 3 : List of candidates and the related information

List of director candidates

Company Name	Representative	Education	Past Positions	Current Positions	Number of shares held
Taiwan Cement Corporation	Koo, Kung-Yi	Master Degree in Business Administration, Wharton School of the University of Pennsylvania	Vice President, Morgan Stanley Investment Banking Chairman, Taiwan Prosperity Chemical Corporation Vice Chairman, Taiwan Cement Corporation	Chairman, International CSRC Investment Holdings Co., Ltd. Chairman, Linyuan Advanced Materials Technology Co., Ltd. Chairman, Circular Commitment Company Chairman, Yun Cheng Investment Corporation Chairman, CS Development & Investment Co. Chairman, Consolidated Resource Company Chairman, Taiwan Transport & Storage Corp. Chairman, TJ Transport Corporation Director, E-one Moli Energy Corp. Director, TCC Recycle Energy Technology Company Director, TCC Chemical Corporation	Shares of Company : 153,476,855 shares Shares of Representative : 0 shares

Company Name	Representative	Education	Past Positions	Current Positions	Number of shares held
				Director, Ho-Ping Power Company Chairman, Ho-Ping Renewable Energy Company Director, CSRC (BVI) LTD. Director, CSRC (SINGAPORE) PTE LTD. Director, SYPAC LTD. Director, China Steel Chemical Corporation Director and AVP, Taiwan Cement Corp.	
Taiwan Cement Corporation	Yeh, Kuo-Hong	Master in Accounting, National Taipei University	Senior Manager, Taiwan Cement Corporation	Director, TCC Green Energy Corporation Director, TCC (Hangzhou) Resource Recycling Technology Co., Ltd. Supervisor, E-One Moli Energy Corporation Supervisor, Molie Quantum Energy Corp. Supervisor, TCC Recycle Energy Technology Company Supervisor, TCC Investment Co., Ltd. Supervisor, TCEC Corporation Supervisor, TCC Internation Systems Corp.	Shares of Company : 153,476,855 shares Shares of Representative : 0 shares

Company Name	Representative	Education	Past Positions	Current Positions	Number of shares held
				Supervisor, TCC Energy Storage Technology Corporation Supervisor, TCC Sustainable Energy Investment Corporation Supervisor, Kuan-Ho Refractory Industry Co., Ltd. Supervisor, Beijing TCC Environmental Technology Co., Ltd. Supervisor, Onyx Ta-Ho Environmental Services Co., Ltd. AVP and CFO, Taiwan Cement Corporation	
–	Chang, Chi-Wen	Master's Degree in Accountancy and Master's Degree of Administration in California State University, Fresno	Lecturer/Adjunct Faculty San Jose State University, University of San Francisco, Golden Gate University	Director & President, Hsin He Investment Co., Ltd.	Shares of Representative : 0 shares
Pei Yang Co., Ltd.	Lin, Nan-Chou	MBA, La Trobe University, Melbourne, Australia.	–	Chairman, Pei Yang Co., Ltd. Chairman, Sishan Investment Co., Ltd.	Shares of Company : 500,000 shares Shares of Representative : 108,065 shares

List of Independent Director Candidates

Name	Education	Past Positions	Current Positions	Number of shares held
Ding, Yen-Wei ,David	College Lasalle Hotel&Restaurant Management	President,Regent Hotel Group Director and President, Silks Palace	President, FDC International Hotels Corp.	0 shares
Chang, Liang	PhD in Economics, University at Albany-SUNY	Country Chairman of Jardine Matheson Group of Companies in Taiwan Executive Director, Lehman Brothers Inc. President, Bankers Trust Company, Taiwan Director, TSRC Corporation Director, Asia Pacific Energy Development Company Limited Director, Kian Shen Corporation Director, Cathay Financial Holding Co., Ltd. Independent Director, HSBC Bank (Taiwan) Limited Independent Director, Cathay Real Estate Development Co.,Ltd. Director, Maxigen Biotech Inc.	Director, Global Finance Service Co., Ltd Director, Yulon Motor Co., Ltd. Director, Yulon Finance Corporation Independent Director, Ho- Ping Power Company Independent Director, My Humble House Hospitality Management Consulting Co., Ltd. Supervisor, Yulon Management Co., Ltd	0 shares

Name	Education	Past Positions	Current Positions	Number of shares held
Chia,Tzu-Nan	Master of Business Administration, University of Southern California Department of Accounting, Soochow University	Independent Director, Taiwan Prosperity Chemical Corporation	Director & President, Chia Hsin R.M.C Corp.	0 shares

**Annex 4: The Comparison Table of the Rules of Procedure for
INTERNATIONAL CSRC INVESTMENT HOLDINGS CO.,
LTD Shareholders Meeting**

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD
(Original Name of the Company: CHINA SYNTHETIC RUBBER
CORPORATION)

The Comparison Table of the Rules of Procedure for INTERNATIONAL CSRC
INVESTMENT HOLDINGS CO., LTD. Shareholders Meeting

Article after Amendment	Article before Amendment	Reason for Amendment
<p>8. When the time of the meeting arrives, the chairman announces to start the meeting, and disclose the information about the number of the shareholders with no voting rights and the number of shares in attendance. However, when no shareholders representing more than half of the total number of issued shares are present, the chairman may announce a delay in the meeting. The number of delays shall be limited to twice, and the total delay time shall not exceed one hour. If the second time is still insufficient and the shareholders representing more than one-third of the total number of issued shares are not present, it may be deemed to be false resolution in accordance with the subparagraph 1 of Article 175 of the Company Act.</p> <p>Before the end of the current meeting, if the number of shares represented by the shareholders attending the meeting exceeds half of the total number of issued shares, the chairman may re-submit the created false resolution to the meeting to be voted on according to Article 174 of the Company Act.</p>	<p>8. When the time of the meeting arrives, the chairman announces to start the meeting. However, when no shareholders representing more than half of the total number of issued shares are present, the chairman may announce a delay in the meeting. The number of delays shall be limited to twice, and the total delay time shall not exceed one hour. If the second time is still insufficient and the shareholders representing more than one-third of the total number of issued shares are not present, it may be deemed to be false resolution in accordance with the subparagraph 1 of Article 175 of the Company Act.</p> <p>Before the end of the current meeting, if the number of shares represented by the shareholders attending the meeting exceeds half of the total number of issued shares, the chairman may re-submit the created false resolution to the meeting to be voted on according to Article 174 of the Company Act.</p>	<p>To improve the governance and the rights and interests of shareholders, revise the content.</p>
<p>19. 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</p>	<p>19. 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</p>	<p>To improve the governance and the rights and interests of shareholders, revise the content.</p>

<p>chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The recording and distribution of the minutes thereof can be done in electricity. The Company is allowed to insert the aforementioned minutes to the Market</p> <p>Observation System for publication as a substitution for distribution under the preceding paragraph.</p> <p>The date, place of the meeting, name of Chairman, ways of resolution, discussion, and the abstract of motions and resolution (including the numbers of votes) shall be recorded properly in the minutes. When the motions involve the election of a director, it 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 directors and the numbers of votes with which they were elected, and the names of those who were not elected as directors and the numbers of votes with which they were not elected.</p>	<p>chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The recording and distribution of the minutes thereof can be done in electricity. The Company is allowed to insert the aforementioned minutes to the Market</p> <p>Observation System for publication as a substitution for distribution under the preceding paragraph.</p> <p>The date, place of the meeting, name of Chairman, ways of resolution, discussion, and the abstract of motions and resolution (including the numbers of votes) shall be recorded properly in the minutes. When the motions involve the election of a director, the Company shall disclose the votes of each candidate.</p>	
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Appendices 1.: Articles of Incorporation for INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

Articles of Incorporation for INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

(Original Name of the Company: CHINA SYNTHETIC RUBBER CORPORATION)

Chapter 1. General

- Article 1 The Company shall be incorporated under the provisions for company limited by shares of the Company Act and the relevant regulations, and its names shall be International CSRC Investment Holdings Co., Ltd. and its English name shall be International CSRC Investment Holdings Co., Ltd.
- Article 2 The Company's business scope is as follows:
H201010 General Investment Industry.
- Article 3 The Company may provide endorsement and guarantee and act as a guarantor.
- Article 4 The Company's reinvestment is in accordance with the Board of Directors' resolution and the total investment amount may exceed forty (40) percent of the Company's paid-in capital.
- Article 5 The Company is headquartered in Taipei City. When necessary, the Board of Directors may agree to set up branches, subsidiaries and manufacturing facilities both domestically or abroad.

Chapter 2. Shares

- Article 6 The total capital of the Company is set at NT\$20 billion, divided into 2 billion shares and NT\$10 per share and may be paid-up in installments.
The Company may issue employee stock options to employees of the Company and domestic and overseas subsidiaries. Among the total shares aforementioned, 60 million shares are reserved as employee stock option shares, which may be issued in installments in accordance with resolutions of the Board of Directors. When the Company can legally repurchase company stocks, the Board of Directors will act in accordance to regulations.
- Article 6-1 When the Company issues employee stock options with a subscription price lower than the closing price of the Company's common shares on the day of issuance, it shall be approved by at least two-thirds of the voting rights represented at a shareholders' meeting attended by shareholders representing a majority of the total issued shares.
If the Company wishes to transfer an employee stock options to an employee at a price lower than the average price of the shares that were bought back, it shall be approved by at least two-thirds of the voting rights represented at the latest shareholders' meeting attended by shareholders representing a majority of the total issued shares.
- Article 6-2 Treasury stock purchased by the Company can be transferred to the employees of parents or subsidiaries of the Company or controlled by the Company.
- Article 6-3 Stock warrants of the Company can be issued to the employees of parents or subsidiaries of the Company or controlled by the Company.
- Article 6-4 Issuance of new shares by the Company can be subscribed by the employees of parents or subsidiaries of the Company or controlled by the Company.

- Article 6-5 Issuance of new restricted employee shares by the Company can be subscribed by the employees of parents or subsidiaries of the Company or controlled by the Company.
- Article 7 The share certificates of the Company shall be signed by or bear seals by the Directors representing the Company, and issued by the Competent Authority or the agency authorized to handle the registration of stock certificate issuance. The Company may issue shares without printing share certificates; but such shares shall be registered at a centralized securities depository agency.
- Article 8 Any matters regarding the Company's shares are in accordance with the relevant laws and the regulations of the Competent Authority.
- Article 9 Registration for transfer of shares shall be suspended for sixty (60) days immediately before the day of an Annual General Shareholders' Meeting, for thirty (30) days immediately before the day of any Extraordinary General Shareholders' Meeting, and for five (5) days before the day on which dividends or any other benefit is scheduled to be paid by the Company.

Chapter 3. Shareholders' meeting

- Article 10 There are two kinds of shareholders' meetings which are Annual General Meeting and Extraordinary General Meeting:
1. Annual General Meeting shall be convened by the Board of Directors within six months after the end of each fiscal year.
 2. Extraordinary General Meeting shall be convened when necessary and in accordance with regulations.
- Article 11 Unless otherwise stated in the Company Act, shareholders' meetings are convened by the Board of Directors, chaired by the Chairperson. When the Chairperson is absent, the Chairperson designates a Director as deputy. When not specified, a deputy is chosen by the Directors among the Directors.
- Article 12 The convening of the Annual General Meeting shall be notified to all shareholders thirty (30) days in advance. The convening of the Extraordinary General Meeting shall be notified to all shareholders fifteen (15) days in advance. The notice shall state the date, venue and reason for the convening of the meetings.
- Article 13 Unless otherwise stated in the Company Act, resolution from shareholders' meetings require the majority of the voting rights represented at the latest shareholders' meeting attended by shareholders representing a majority of the total issued shares.
- Article 14 Unless otherwise stated in the Company Act, each share of stock shall be entitled to one (1) vote.
- Article 15 If a shareholder is unable to attend the shareholders' meeting in person, such shareholder may appoint a proxy to attend the shareholders' meeting and exercise such shareholder's right in his/her/its behalf by executing a proxy issued by the Company and specifying therein the scope of power authorized to the proxy. With the exception of trust enterprises or shareholder service agencies approved by the Competent Authority, when a person who acts as the proxy of two (2) or more shareholders, the excessive voting power represented by such person exceeding three percent (3%) of the total outstanding voting shares of the Company shall not be counted.
A shareholder shall serve the foregoing proxy to the Company no later than five (5) days prior to the day of the shareholders' meeting. If two (2) or more written

proxies are received from one (1) shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous proxy. The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission in accordance with the Company Act and the relevant regulations of the Competent Authority.

Article 16 Resolutions of the shareholders' meeting shall be made into minutes, signed or sealed by the Chairperson, distributed to all shareholders within 20 days after the meeting, and shall be stored permanently within the Company for recordkeeping. The attendance registry of shareholders and the power of attorney for representing the attendance shall be retained for at least one (1) year. In the case of a lawsuit, the documents should be saved until the lawsuit ends. The distribution of the minutes of the preceding subparagraph shall be governed by the Company Act and related regulations.

Chapter 4. Directors, Audit Committees and Managers

Article 17 The Board of Directors of the company has seven (7) to eleven (11) Directors, and the term of office is three (3) years. The election of Directors adopts the system of nomination for shareholders to vote from a list of nominated candidates at the shareholders' meeting. Re-elected candidates are reappointed. Of the aforementioned Director quota, there must be no less than three (3) Independent Directors.

Independent Directors shall be elected from the list of candidates for Independent Directors by the shareholders at the shareholders' meeting. The Independent Directors' professional qualifications, shareholding, concurrent position restrictions, independence, the nomination and selection methods, and other compliance matters shall be handled in accordance with the relevant provisions of the Competent Authority. The election of Directors shall be held in accordance with the Company Act. Independent and non-Independent Directors shall be elected at the same time, provided that the number of Independent Directors and non-Independent Directors elected shall be calculated separately.

Article 18 The Board of Directors assembled by the Directors have the following authorities:

1. Draft business plan
2. Draft earnings distribution
3. Draft capital increase or decrease details
4. Ratify important articles and contracts
5. Appoint CEO and General Manager
6. Set up and dismantle of subsidiaries
7. Ratify budgets
8. Ratify purchase and sell of properties and investments in business units
9. Ratify any other major matters

Article 19 The Board of Directors meeting shall have the attendance of more than two-thirds of the Directors, and the consent of more than one-half of the Directors attending the meeting, and then elect one (1) of the Directors as the Chairperson, and one (1) as Vice Chairperson. The Chairperson shall represent the Company to preside over all business matters.

Article 20 The Board of Directors meeting shall be convened by the Chairperson. Unless otherwise stated in the Company Act and this Articles of Incorporation, the exercise of resolution shall need the attendance of more than half of the Directors and the consent by more than half of the attending Directors. Directors may entrust other Directors to attend if they cannot attend in person for any reason.

If the Director participates the Board of Directors meeting via video conferencing, it is deemed to be present in person.

The Board of Directors meeting notification need to be in written format, e-mail or fax.

Article 21 The Board of Directors shall be chaired by the Chairperson. When the Chairperson takes leave or is unable to exercise his power for any reason, the Vice Chairperson of the Board shall represent the Chairperson. If both the Chairperson and the Vice Chairperson are absent, the Chairperson shall appoint one (1) Director to act as the deputy. If the Chairperson did not designate a deputy, the Directors shall choose one (1) Director as deputy.

Article 22 The Company sets up an Audit Committee and may set up other functional committees.

The Audit Committee is composed of all Independent Directors, and there shall not be less than three (3) members. One (1) of them shall be the Chair and at least one (1) shall have accounting or financial expertise.

The resolution of the Audit Committee shall be approved by more than one-half of all members and the exercise of their authorities and matters shall be in accordance with the provisions of relevant laws and company regulations.

When Independent Directors of the Audit Committee exercises authorities, signatures or seals are required on the books and statements the members checked or consulted and to report in the shareholders' meetings.

From the date of establishment of the Audit Committee in 2012, the Audit Committee or members of the Audit Committee shall be responsible for the enforcement of the supervisory authority provided in Company Act, Securities Exchange Act and other regulations.

Article 23 The Board of Directors are authorized to set Directors' remuneration based on the Directors' involvement in business operations and value contributed to the Company and shall be comparable to both domestic and overseas peers within the same industry.

Article 24 The Company may, within the term of office of the Directors, purchase liability insurance for their scope of business and the related compensation liability in accordance with the laws and regulations.

Article 25 The Company is in compliance with the resolution by the Board of Directors on the appointment of CEO, general manager, vice president or any other managers for the Company's operational needs and the aforementioned positions may be one or more persons.

Article 26

Chapter 5. Accounting

Article 27 The Company's fiscal year shall be from January 1 of each year to December 31 of the same year.

Article 28 At the end of each fiscal year, the Board of Directors shall prepare statements and records in accordance with Article 228 of the Company Act, and comply with legal procedures to submit the statements and records to the Annual General Shareholders' Meeting for ratification.

Article 29 If the Company is profitable for the year, it shall set aside:

1. As the Employees' remuneration: 0.01% to 3% of the profit;
2. As the Directors' remuneration: no more than 1% of the profit.

However, if the Company has accumulated losses, the Company shall first reserve an amount to make up the losses, and then set aside the Employees' and the Directors' remuneration as specified in items (1) & (2) above.

The Employees' remuneration may be distributed in shares or in cash. Employees of the Company's subsidiaries or subsidiaries controlled by the Company who meet certain requirements may also receive such remuneration.

The distribution of the Employees' and the Directors' remuneration shall be approved by a majority vote at a Board meeting attended by over two-thirds of the Directors. In addition, a report of such distribution shall be submitted to the shareholders' meeting.

Article 30 When the Company completes final accounting to obtain net income, after deduction of income tax and dues and have covered the losses, the Company shall first set aside 10% of net income as legal reserve; provided that no legal reserve may be set aside when such legal reserve has reached the Company's total paid-in capital. If necessary, it may set aside or reverse a special reserve or retain surplus earnings with discretion in accordance with the relevant laws from the balance plus undistributed earnings, the Company can then distribute earnings as stock dividends for common shareholders. The distribution is in accordance with Article 28 in the Articles, drafted by the Board of Directors and be ratified in the shareholders' meetings.

To improve financial structure, replenish capital or support important investments, the earnings can be transferred as capital for stock dividend issuance but cash dividends payout ratio must be 20% more than the payout ratio of common share stock dividends.

Article 31 The distribution of dividends to shareholders shall be based on the shareholders' roster on the record date.

Chapter 6. Annexes

Article 32 The Company's Articles of Organization and operation details are set separately.

Article 33 Any incomplete or matters that are not covered by this Article of Incorporation, please refer to the Company Act and related regulations.

Article 34 The Articles of Incorporation were established on May 16, 1973 and

The 1st amendment on December 5, 1973

The 2nd amendment on May 30, 1975

The 3rd amendment on April 26, 1977

The 4th amendment on September 29, 1981

The 5th amendment on June 28, 1983

The 6th amendment on March 19, 1985

The 7th amendment on March 7, 1986

The 8th amendment on May 5, 1987

The 9th amendment on April 14, 1989

The 10th amendment on April 27, 1990

The 11th amendment on April 23, 1991

The 12th amendment on May 5, 1992

The 13th amendment on May 14, 1993

The 14th amendment on April 19, 1994

The 15th amendment on May 21, 1998

The 16th amendment on June 30, 1999

The 17th amendment on June 15, 2000

The 18th amendment on October 17, 2000

The 19th amendment on June 26, 2002

The 20th amendment on June 10, 2003

The 21th amendment on June 15, 2004

The 22th amendment on June 24, 2005
The 23th amendment on June 19, 2008
The 24th amendment on June 25, 2010
The 25th amendment on June 10, 2011
The 26th amendment on June 27, 2012
The 27th amendment on June 24, 2014
The 28th amendment on June 24, 2016
The 29th amendment on June 26, 2018.
The 30th amendment on June 19, 2019
The 31th amendment on June 12, 2020.

**Appendices 2.:Rules for Election of Directors Regulations for
INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.
Director Elections**

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD
(Original Name of the Company: CHINA SYNTHETIC RUBBER
CORPORATION)

**Regulations for China Synthetic Rubber Corporation Director
Elections**

Amended and adopted by the shareholders meeting on June 27, 2012

- Article 1. In accordance with the provisions of the Company Act, the company's Articles of Association and related laws and regulations, these regulations are formulated. The election of the directors of the company shall be handled in accordance with these regulations.
- Article 2. In the election of the directors of the company, the single disclosed cumulative election method is adopted, and the names may be replaced by the share account number or attendance number.
If the election of the directors of the company adopts the nomination system for candidates as required by Articles of Association, it is in accordance with the procedures for the nomination system of the Company Act and the provisions of relevant laws and regulations.
- Article 3. In the election of directors of the company, each share shall have the same voting power as the number of directors to be elected in accordance with voting rights. The board of directors shall prepare the ballots with the same number as the directors for each shareholder and one person may be elected or several persons may be elected by allocation.
- Article 4. The directors of the company shall calculate the voting rights of independent directors and non-independent directors according to the quotas prescribed in the Articles of Association. The ballots representing the higher voting rights shall be elected respectively. If there are more than two persons who have the same rights and exceeded the prescribed quota, those who get the same rights shall draw lots to decide. The chairman draw lots on behalf of those who did not attend. The qualifications and selection of independent directors of the company shall be handled in accordance with the “Securities Exchange Act,” “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” and the relevant provisions of the concerned authority.
- Article 5. When preparing a ballot, the board of directors should complete the shareholder account number or the attendance number and voting right number.
- Article 6. At the beginning of the election, the chairman shall appoint the scrutineers and the tellers to open the ballot box.
- Article 7. The ballot box is prepared by the board of directors and is opened by the scrutineers in public before the vote.
- Article 8. The elector must specify the account name of the candidate and the account number of the shareholder in the “candidate column” of the ballot. If not a

shareholder, the elector must specify the name and ID card number of the candidate. When the government or legal person shareholder is the candidate, the name of their representatives may be filled in.

The representative of each ballot is limited to one person.

Article 9. Ballots that have one of those circumstances on the left are invalid:

1. Ballots as specified in this regulation are not used.
2. Blank ballots are cast in ballot box.
3. The writing is obscure and illegible or has been altered.
4. The candidate account names do not match the shareholder's name list. If the candidate filled in is not a shareholder's identity, the name and identification card number are not matched by verification.
5. The same ballot has listed two or more candidates.
6. In addition to the account names of the candidates (name) and the shareholder's account number (identification card number), the other characters are written.
7. Those who do not fill in the account name (name) of the candidate or shareholder account number (identification card number).

Article 10. In the election of the directors, a ballot box shall be set up. After the voting, the scrutineer and teller shall jointly open the ballot box on the spot.

Article 11. The counting of votes is supervised by the scrutineers and the results of the balloting are announced by the chairman on the spot.

Article 12. These regulations shall be implemented after adopted by the shareholders meeting, which apply to any amendments thereto.

Appendices 3: Directors' Shareholding Status

Base date: April 20, 2021

Title	Name	Appointment date	Number of shares held at the time of appointment		Shares currently held	
			Number of shares	Accounting for % of the stocks issued at the time	Number of shares	Accounting for % of the stocks issued at the time
Chairman	Taiwan Cement Corporation Representative: Koo, Kung-Yi	2018.06.26	55,180,171	8.78%	153,476,855	15.59%
Director	Taiwan Cement Corporation Representative: Yeh, Kuo-Hung	2018.06.26	55,180,171	8.78%	153,476,855	15.59%
Director	Fu Pin Investment Co., Ltd. Representative: Koo, Kung-Kai	2018.06.26	11,254,724	1.79%	16,903,090	1.72%
Director	CTBC Venture Capital Company Representative: Wen, Chien	2018.06.26	28,340,800	4.51%	77,946,748	7.92%
Independent directors	Chen, Yao-Sheng	2018.06.26	0	0.00%	0	0.00%
Independent directors	Ding, Yen Wei	2018.06.26	0	0.00%	0	0.00%
Total			94,775,695		248,326,693	

Total shares issued on June 26, 2018: 628,586,987 Share

Total shares issued on April 20, 2021: 984,733,625 Share

- Note: 1. The total number of shares that directors of the Company should legally own is 31,511,476 shares. As of April 20, 2021, the directors hold 248,326,693 shares.
2. The Company has established an Audit Committee; therefore, rules stipulating the number of shares legally owned by the supervisor do not apply.

MEMO