

Stock Code: 2104

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INTERNATIONAL CSRC INVESTMENT HOLDINGS CO.,
LTD.
Website: <http://www.csrcgroup.com>



INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

Year 2022 Annual General Meeting of Shareholders

Meeting Handbook

Meeting type : physical shareholders meeting

Time: 9 a.m., Friday, May 27, 2022

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

Amended by regular shareholders meeting on July 7, 2021

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, 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. 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 resubmit 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, it shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced onsite immediately, including the names of those elected 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. 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.

Agenda of Year 2022 Annual General Meeting of Shareholders

Meeting type : physical shareholders meeting

Time & Date: 9 a.m., Friday, May 27, 2022

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 from 2021 profits.
 - (2) Business Report of 2021.
 - (3) The Audit Committee's Review Report.
3. Matters for Approval
 - (1) Business Report and Financial Statements of 2021.
 - (2) Proposal for Distribution of Profits of 2021.
4. Matters for Discussion
 - (1) To approve the amendments of certain provisions of the Company's Articles of Incorporation.
 - (2) To approve the amendments of certain provisions of the Company's Procedures for the Acquisition and Disposal of Assets.
5. Extemporaneous Motions
6. Meeting Adjourned

Matters to Report

1. Employees' and directors' compensation from 2021 profits.

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 7th meeting of the 18th term Board of Directors. For 2021, the Company distributed NT\$3,012,540 in cash as employees' compensation and NT\$10,000,000 in cash as directors' compensation.

2. Business Report of 2021.

Business Report

In 2021, with the slowdown of COVID-19 epidemic, the increasing popularity of vaccination, and the support of large-scale fiscal and monetary policies in major economies such as the United States, the global economic growth rate this year reached 5.6% according to the report released by the OECD. The operation of the carbon black business group gradually recovered in the first half of the year, but since the late third quarter, the world has faced an energy crisis. Factors such as coal shortages in China and India, and dual control of energy consumption and intensity in China have resulted in the increased market instability. The rise in coal tar prices caused by global oil prices and power cuts in China has directly caused pressure on the cost of carbon black, and the global auto market is suffering from chip shortages, resulting in a decline in production and sales. Various factors have brought many challenges to the carbon black industry. With the stable recovery of the global economy and the settlement of royalty disputes of the biotechnology business, the operating results and profits in 2021 increased compared to 2020. Operational performance in 2021 were as follows:

1. Production: 500 thousand metric tons for the core business of carbon black.
2. Sales:
Individual: revenue NT\$ 4,234.93 million.
Consolidated: revenue NT\$ 24.617 billion.
3. Operational performance:
Individual: net income NT\$ 3,395.44 million, increased 367% from last year.
Consolidated: net income NT\$ 3,431.84 million, increased 408% from last year.

Looking forward to 2022, new variants of the virus bring uncertainty, and high inflation has become a major risk to the global economic outlook. However, it is estimated that with the easing of bottlenecks in the global supply chain and the gradual reaching the balance between supply and demand, inflationary pressure will gradually dissipate. It is anticipated that the global economy continued recovery but weakened momentum, but there are still many uncertainties in the face of the continued rise in international oil prices and geopolitical tensions and conflicts. The Company adheres to the essence of circular economy, carbon black business continuously promotes product innovation, commits to the research and development of green innovation and energy-saving applications, and focuses on and develops high-quality special carbon black (specialty) products that can solve environmental problems to enhance overall competitiveness. In addition, the Company also diversifies and reduces various risks and uncertainties and increases long-term sustainable value through high-value products, better global customer distribution, and development of new products, new applications and new markets.

Chairman: Koo, Kung-Yi
President: Huang, Po-Sung
Accounting Supervisor: Lee, Chia-Wen

3. 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 2021 Business Report, Consolidated and Parent Company Only 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.
2022 Annual General Shareholders' Meeting

INTERNATIONAL CSRC INVESTMENT
HOLDINGS CO., LTD.

Audit Committee Convener: Joseph Chia



April 12, 2022

Matters for Approval

1. Business Report and Financial Statements of 2021. (Proposed by the Board of Directors)

Descriptions:

- (1) It was conducted according to Article 228 of the Company Act.
- (2) The 2021 Annual Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements have been approved by the 6th meeting of the 18th term Board of Directors. The Individual Financial Statements and Consolidated Financial Statements were audited by independent auditors, Dien-Sheng Chang and Tza-Li Gung of Deloitte & Touche.
- (3) The above Annual Business Report and Financial Statements were audited by the Auditor Committee. Please refer to Page 6 & 9~28.
- (4) Please review and ratify.

Resolution:

Financial statement

Deloitte.

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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, 2021 and 2020, 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, 2021 and 2020, 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, 2021. 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, 2021 are stated as follows:

Significant Transaction of Biotechnology Segment Accounted for Using the Equity Method

On November 11, 2021, the Corporation and its subsidiaries reached a settlement agreement with Genzyme Corporation ("Genzyme") regarding the royalty obligations dispute with Genzyme in Europe and U.S.. Genzyme which agreed to pay the Corporation and its subsidiaries USD 180 million ("Settlement Amount") as a compromise of the amount in dispute. Since the Settlement Amount is material to the Corporation's financial statements, we considered the significant transaction as a key audit matter in 2021.

Please refer to Notes 4, and the Corporation's consolidated financial statements Notes 23 and 34 for the accounting policies and relevant disclosure information related to the significant transaction.

We performed the understanding of the design and implementation of the accounting policy and internal control of the revenue recognition of the significant transaction, and reviewed the contract terms relevant to the significant transaction to confirm whether the accounting treatment and the accounting policies of revenue recognition complied with IFRS 15.

Other Matter

Subsidiaries accounted for using the equity method included CCC USA Corp. and its subsidiaries, Continental Carbon India Pvt Ltd., and Continental Carbon Eco Tech Pvt Ltd.; 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 23% (NT\$9,238,438 thousand) and 18% (NT\$6,200,939 thousand) of the total assets as of December 31, 2021 and 2020, respectively, and total share of profit from the investment constituted 5% (profit NT\$202,488 thousand) and 13% (loss NT\$133,505 thousand) of income before income tax for the years ended December 31, 2021 and 2020, 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, 2021 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 Dien-Sheng Chang and Tza-Li Gung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2022

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, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,417,994	4	\$ 1,870,083	5
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	613,072	1	611,994	2
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	1,416,971	3	1,275,862	4
Current tax assets (Notes 4 and 18)	251,718	1	47,114	-
Other financial assets - current (Notes 9 and 23)	50,057	-	644,258	2
Other current assets	947	-	1,073	-
Total current assets	<u>3,750,759</u>	<u>9</u>	<u>4,450,384</u>	<u>13</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	6,116,320	15	5,523,499	16
Investments accounted for using the equity method (Notes 4 and 10)	30,228,764	76	24,705,611	71
Property, plant and equipment (Notes 4 and 11)	20,268	-	21,154	-
Right-of-use assets (Notes 4 and 12)	2,123	-	1,085	-
Net defined benefit assets (Notes 4 and 15)	4,608	-	4,330	-
Other non-current assets	4,183	-	9,625	-
Total non-current assets	<u>36,376,266</u>	<u>91</u>	<u>30,265,304</u>	<u>87</u>
TOTAL	<u>\$ 40,127,025</u>	<u>100</u>	<u>\$ 34,715,688</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 13)	\$ 1,800,000	4	\$ 2,300,000	7
Short-term bill payable (Note 13)	299,696	1	99,976	-
Note payable	3,319	-	3,319	-
Other payables (Notes 14 and 23)	241,954	1	201,498	1
Current tax liabilities (Notes 4 and 18)	249,958	1	71,316	-
Lease liability - current (Notes 4 and 12)	1,054	-	1,091	-
Other current liabilities	268	-	298	-
Total current liabilities	<u>2,596,249</u>	<u>7</u>	<u>2,677,498</u>	<u>8</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 13)	1,300,000	3	-	-
Provisions - non-current (Notes 4 and 15)	809	-	886	-
Deferred tax liabilities (Notes 4 and 18)	2,697,945	7	2,108,825	6
Lease liability - non-current (Notes 4 and 12)	1,069	-	-	-
Other non-current liabilities	66,061	-	66,061	-
Total non-current liabilities	<u>4,065,884</u>	<u>10</u>	<u>2,175,772</u>	<u>6</u>
Total liabilities	<u>6,662,133</u>	<u>17</u>	<u>4,853,270</u>	<u>14</u>
EQUITY (Note 16)				
Ordinary shares	9,847,336	24	9,847,336	28
Capital surplus	8,904,961	22	8,903,273	26
Retained earnings				
Legal reserve	2,780,184	7	2,707,231	8
Special reserve	645,316	2	645,316	2
Unappropriated earnings	7,344,238	18	4,113,169	12
Total retained earnings	<u>10,769,738</u>	<u>27</u>	<u>7,465,716</u>	<u>22</u>
Other equity	4,232,945	11	3,936,181	11
Treasury shares	(290,088)	(1)	(290,088)	(1)
Total equity	<u>33,464,892</u>	<u>83</u>	<u>29,862,418</u>	<u>86</u>
TOTAL	<u>\$ 40,127,025</u>	<u>100</u>	<u>\$ 34,715,688</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 25, 2022)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4 and 23)	\$ 4,234,930	100	\$ 1,219,809	100
GROSS PROFIT	4,234,930	100	1,219,809	100
OPERATING EXPENSES (Notes 15, 17 and 23)				
General and administrative	152,946	4	148,252	12
INCOME FROM OPERATIONS	4,081,984	96	1,071,557	88
NON-OPERATING INCOME AND EXPENSES (Notes 4, 17 and 23)				
Interest income	3,329	-	17,758	1
Other income	21,907	1	20,187	2
Other gains and losses	(78,953)	(2)	(21,140)	(2)
Finance costs	(24,593)	(1)	(24,066)	(2)
Total non-operating income and expenses	(78,310)	(2)	(7,261)	(1)
INCOME BEFORE INCOME TAX	4,003,674	94	1,064,296	87
INCOME TAX EXPENSE (Notes 4 and 18)	(608,233)	(14)	(337,741)	(27)
NET INCOME	3,395,441	80	726,555	60
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 15)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	79	-	414	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	733,930	17	(80,093)	(6)
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	151,118	4	53,717	4
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(581,309)	(14)	(835,039)	(69)
Other comprehensive income (loss)	303,818	7	(861,001)	(71)
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ 3,699,259	87	\$ (134,446)	(11)

(Continued)

EARNINGS PER SHARE (NEW TAIWAN
DOLLARS; Note 19)

Basic	<u>\$ 3.50</u>	<u>\$ 0.75</u>
Diluted	<u>\$ 3.50</u>	<u>\$ 0.75</u>

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

(With Deloitte & Touche auditors' report dated February 25, 2022)

(Concluded)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Number of Shares (In Thousands of Shares)	Amount	Capital Surplus (Notes 4 and 16)	Retained Earnings (Note 16)			Exchange Differences on Translating Foreign Operations	Other Equity (Note 4)	Treasury Shares (Notes 4 and 16)	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, 2020	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	8,903,273	2,707,231	645,316	4,113,169	(1,418,303)	5,354,484	(290,088)	29,862,418
Appropriation of the 2020 earnings										
Legal reserve	-	-	-	72,953	-	(72,953)	-	-	-	-
Cash dividends distributed - NT\$0.1 per share	-	-	-	-	-	(98,473)	-	-	-	(98,473)
Balance after appropriation	984,734	9,847,336	8,903,273	2,780,184	645,316	3,941,743	(1,418,303)	5,354,484	(290,088)	29,763,945
Adjustments to capital surplus due to distribution of cash dividends to subsidiaries	-	-	1,473	-	-	-	-	-	-	1,473
Changes in percentage of ownership interests in subsidiaries	-	-	215	-	-	-	-	-	-	215
Net income for the year ended December 31, 2021	-	-	-	-	-	3,395,441	-	-	-	3,395,441
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	7,054	(581,309)	878,073	-	303,818
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	3,402,495	(581,309)	878,073	-	3,699,259
BALANCE AT DECEMBER 31, 2021	<u>984,734</u>	<u>\$ 9,847,336</u>	<u>\$ 8,904,961</u>	<u>\$ 2,780,184</u>	<u>\$ 645,316</u>	<u>\$ 7,344,238</u>	<u>\$ (1,999,612)</u>	<u>\$ 6,232,557</u>	<u>\$ (290,088)</u>	<u>\$ 33,464,892</u>

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

(With Deloitte & Touche auditors' report dated February 25, 2022)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,003,674	\$ 1,064,296
Adjustments for:		
Depreciation	2,011	2,008
Amortization	5,442	4,248
Net gain on financial assets at fair value through profit or loss	(1,078)	(2,212)
Interest expense	24,593	24,066
Interest income	(3,329)	(17,758)
Share of profit or loss of subsidiaries and associates	(3,344,424)	(831,589)
Net gain on disposal of subsidiary	(403,036)	-
Unrealized gain on foreign exchange	(431)	(1,678)
Changes in operating assets and liabilities		
Other current assets	126	359
Other financial assets - current	(1,634)	23,040
Other payables	40,280	(13,952)
Provisions	(77)	282
Other current liabilities	(30)	13
Net defined benefit assets	(199)	(212)
Cash generated from operations	321,888	250,911
Interest received	6,400	16,932
Income tax paid	(52,227)	(1,680)
Net cash generated from operating activities	<u>276,061</u>	<u>266,163</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(11,655)
Net cash outflow on acquisition of subsidiaries	(2,972,070)	(1,625,502)
Acquisition of property, plant and equipment	-	(4,256)
Decrease (increase) in other financial assets -current	600,000	(600,000)
Dividends received	767,875	693,528
Net cash used in investing activities	<u>(1,604,195)</u>	<u>(1,547,885)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(500,000)	(900,000)
Increase in short-term bills payable	199,720	99,976
Proceeds from long-term borrowings	1,300,000	-
Repayment of the principal portion of lease liabilities	(1,131)	(1,026)
Cash dividends paid	(98,473)	(196,947)
Interest paid	(24,071)	(25,787)
Net cash generated from (used in) financing activities	<u>876,045</u>	<u>(1,023,784)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(452,089)	(2,305,506)

(Continued)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	2021	2020
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>1,870,083</u>	<u>4,175,589</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 1,417,994</u>	<u>\$ 1,870,083</u>

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

(With Deloitte & Touche auditors' report dated February 25, 2022)

(Concluded)



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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. (the Company), Ltd. and its subsidiaries (collectively referred to as the Group), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021. 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, 2021 are stated as follows:

Significant Transaction

On November 11, 2021, the Company and its Subsidiaries reached a settlement agreement with Genzyme Corporation ("Genzyme") regarding the royalty obligations dispute with Genzyme in Europe and U.S.. Genzyme which agreed to pay the Company and its subsidiaries USD 180 million ("Settlement Amount") as a compromise of the amount in dispute. Since the Settlement Amount is material to the Group's consolidated financial statements, we considered the significant transaction as a key audit matter in 2021.

Please refer to Notes 4, 23 and 34 for the accounting policies and relevant disclosure information related to the significant transaction.

We performed the understanding of the design and implementation of the accounting policy and internal control of the revenue recognition of the significant transaction, and reviewed the contract terms relevant to the significant transaction to confirm whether the accounting treatment and the accounting policies of revenue recognition complied with IFRS 15.

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 Pvt Ltd. and Continental Carbon Eco Tech Pvt Ltd. 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 32% (NT\$18,422,691 thousand) and 28% (NT\$14,278,320 thousand) of the consolidated total assets as of December 31, 2021 and 2020, respectively, and operating revenue constituted 38% (NT\$9,281,428 thousand) and 34% (NT\$5,774,664 thousand) of consolidated operating revenue for the years ended December 31, 2021 and 2020, 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, 2021 and 2020 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, 2021 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 Dien-Sheng Chang and Tza-Li Gung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2022

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, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 10,761,870	19	\$ 7,603,479	15
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	613,072	1	611,994	1
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 33)	2,933,293	5	2,652,870	5
Notes receivable, net (Notes 4, 9 and 33)	1,042,900	2	313,335	1
Accounts receivable, net (Notes 4, 9 and 33)	3,599,672	7	3,579,932	7
Accounts receivable from related parties (Notes 4 and 32)	-	-	160	-
Current tax assets (Notes 4 and 25)	186,467	-	40,379	-
Inventories (Notes 4, 10 and 33)	2,779,836	5	2,219,455	5
Other financial assets - current (Notes 11, 32 and 33)	5,520,182	9	6,792,236	14
Other current assets (Note 18)	904,909	1	642,448	1
Total current assets	<u>28,342,201</u>	<u>49</u>	<u>24,456,288</u>	<u>49</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	6,285,404	11	5,673,170	11
Investments accounted for using the equity method (Notes 4 and 12)	4,443,604	8	58,631	-
Property, plant and equipment (Notes 4 and 13)	16,733,941	29	17,541,705	35
Right-of-use assets (Notes 4 and 14)	649,451	1	782,061	2
Investment properties (Notes 4 and 15)	338,869	1	356,402	1
Goodwill (Notes 4 and 16)	206,597	-	216,495	1
Other intangible assets (Notes 4 and 17)	75,016	-	139,316	-
Deferred tax assets (Notes 4 and 25)	329,515	1	188,124	-
Prepayments for equipment (Notes 4 and 13)	4,062	-	562,946	1
Net defined benefit assets (Notes 4 and 21)	4,608	-	4,330	-
Other financial assets - non-current (Note 33)	72,033	-	75,034	-
Other non-current assets (Notes 4 and 18)	28,020	-	132,725	-
Total non-current assets	<u>29,171,120</u>	<u>51</u>	<u>25,730,939</u>	<u>51</u>
TOTAL	<u>\$ 57,513,321</u>	<u>100</u>	<u>\$ 50,187,227</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 19 and 33)	\$ 9,567,451	17	\$ 6,484,100	13
Short-term bills payable (Note 19)	349,605	1	149,865	1
Contract liabilities - current (Note 23)	1,271,390	2	-	-
Notes payable	3,319	-	9,402	-
Trade payables	832,702	2	1,009,795	2
Trade payables to related parties (Note 32)	128,925	-	102,842	-
Other payables (Notes 20 and 32)	2,098,608	3	2,096,465	4
Current tax liabilities (Notes 4 and 25)	253,381	1	146,506	1
Lease liabilities - current (Notes 4 and 14)	46,936	-	52,592	-
Current portion of long-term borrowings (Notes 19 and 33)	-	-	3,066,475	6
Other current liabilities	114,488	-	124,752	-
Total current liabilities	<u>14,666,805</u>	<u>26</u>	<u>13,242,794</u>	<u>27</u>
NON-CURRENT LIABILITIES				
Contract liabilities - non-current (Note 23)	202,086	-	-	-
Long-term borrowings (Notes 19 and 33)	3,585,464	7	37,376	-
Provisions - non-current (Notes 4 and 21)	16,561	-	17,726	-
Deferred tax liabilities (Notes 4 and 25)	3,512,955	6	2,649,561	5
Lease liabilities - non-current (Notes 4 and 14)	91,572	-	197,953	1
Net defined benefit liabilities (Notes 4 and 21)	59,444	-	108,821	-
Other non-current liabilities	157,616	-	113,434	-
Total non-current liabilities	<u>7,625,698</u>	<u>13</u>	<u>3,124,871</u>	<u>6</u>
Total liabilities	<u>22,292,503</u>	<u>39</u>	<u>16,367,665</u>	<u>33</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)				
Ordinary shares	9,847,336	17	9,847,336	19
Capital surplus	8,904,961	16	8,903,273	18
Retained earnings				
Legal reserve	2,780,184	5	2,707,231	6
Special reserve	645,316	1	645,316	1
Unappropriated earnings	7,344,238	13	4,113,169	8
Total retained earnings	10,769,738	19	7,465,716	15
Other equity	4,232,945	7	3,936,181	8
Treasury shares	(290,088)	(1)	(290,088)	(1)
Total equity attributable to owners of the Corporation	33,464,892	58	29,862,418	59
NON-CONTROLLING INTERESTS	<u>1,755,926</u>	<u>3</u>	<u>3,957,144</u>	<u>8</u>
Total equity	<u>35,220,818</u>	<u>61</u>	<u>33,819,562</u>	<u>67</u>
TOTAL	<u>\$ 57,513,321</u>	<u>100</u>	<u>\$ 50,187,227</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 25, 2022)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 23 and 32)	\$ 24,616,736	100	\$ 17,105,502	100
OPERATING COSTS (Notes 10, 24 and 32)	<u>17,672,290</u>	<u>72</u>	<u>13,565,328</u>	<u>79</u>
GROSS PROFIT	<u>6,944,446</u>	<u>28</u>	<u>3,540,174</u>	<u>21</u>
OPERATING EXPENSES (Notes 9, 21, 24 and 32)				
Selling and marketing expenses	474,429	2	406,627	3
General and administrative expenses	911,699	4	1,065,428	6
Research and development expenses	352,165	1	612,924	4
Expected credit loss	<u>29,316</u>	<u>-</u>	<u>50,735</u>	<u>-</u>
Total operating expenses	<u>1,767,609</u>	<u>7</u>	<u>2,135,714</u>	<u>13</u>
INCOME FROM OPERATIONS	<u>5,176,837</u>	<u>21</u>	<u>1,404,460</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 12, 24, 28, 30 and 32)				
Interest income	36,176	-	121,388	1
Other income	378,709	2	292,442	1
Other gains and losses	(3,924)	-	(217,839)	(1)
Finance costs	(197,403)	(1)	(160,229)	(1)
Share of profit or loss of associates and joint ventures	<u>(35,107)</u>	<u>-</u>	<u>(16,027)</u>	<u>-</u>
Total non-operating income and expenses	<u>178,451</u>	<u>1</u>	<u>19,735</u>	<u>-</u>
INCOME BEFORE INCOME TAX	5,355,288	22	1,424,195	8
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(1,923,448)</u>	<u>(8)</u>	<u>(748,185)</u>	<u>(4)</u>
NET INCOME	<u>3,431,840</u>	<u>14</u>	<u>676,010</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	15,230	-	2,109	-

(Continued)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	878,238	4	(28,788)	-
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	(634)	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(625,702)	(3)	\$ (928,081)	(6)
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	<u>(4,698)</u>	<u>-</u>	<u>(422)</u>	<u>-</u>
Other comprehensive income (loss)	<u>262,434</u>	<u>1</u>	<u>(955,182)</u>	<u>(6)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 3,694,274</u>	<u>15</u>	<u>\$ (279,172)</u>	<u>(2)</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 3,395,441	14	\$ 726,555	4
Non-controlling interests	<u>36,399</u>	<u>-</u>	<u>(50,545)</u>	<u>-</u>
	<u>\$ 3,431,840</u>	<u>14</u>	<u>\$ 676,010</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 3,699,259	15	\$ (134,446)	(1)
Non-controlling interests	<u>(4,985)</u>	<u>-</u>	<u>(144,726)</u>	<u>(1)</u>
	<u>\$ 3,694,274</u>	<u>15</u>	<u>\$ (279,172)</u>	<u>(2)</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 26)				
Basic	<u>\$ 3.50</u>		<u>\$ 0.75</u>	
Diluted	<u>\$ 3.50</u>		<u>\$ 0.75</u>	

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

(With Deloitte & Touche auditors' report dated February 25, 2022)

(Concluded)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Equity attributable to Owners of the Corporation (Note 22)										
	Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2020	\$ 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 (loss) for the year ended December 31, 2020	-	-	-	-	2,973	(835,039)	(28,935)	-	(861,001)	(94,181)	(955,182)
Total comprehensive income (loss) 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
Appropriation of the 2020 earnings											
Legal reserve	-	-	72,953	-	(72,953)	-	-	-	-	-	-
Cash dividends distributed - NT\$0.1 per share	-	-	-	-	(98,473)	-	-	-	(98,473)	-	(98,473)
Balance after appropriation	9,847,336	8,903,273	2,780,184	645,316	3,941,743	(1,418,303)	5,354,484	(290,088)	29,763,945	3,957,144	33,721,089
Adjustments to capital surplus due to distribution of cash dividends to subsidiaries	-	1,473	-	-	-	-	-	-	1,473	-	1,473
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	(2,191,701)	(2,191,701)
Changes in percentage of ownership interests in subsidiaries	-	215	-	-	-	-	-	-	215	-	215
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(4,532)	(4,532)
Net income for the year ended December 31, 2021	-	-	-	-	3,395,441	-	-	-	3,395,441	36,399	3,431,840
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	7,054	(581,309)	878,073	-	303,818	(41,384)	262,434
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	3,402,495	(581,309)	878,073	-	3,699,259	(4,985)	3,694,274
BALANCE AT DECEMBER 31, 2021	<u>\$ 9,847,336</u>	<u>\$ 8,904,961</u>	<u>\$ 2,780,184</u>	<u>\$ 645,316</u>	<u>\$ 7,344,238</u>	<u>\$ (1,999,612)</u>	<u>\$ 6,232,557</u>	<u>\$ (290,088)</u>	<u>\$ 33,464,892</u>	<u>\$ 1,755,926</u>	<u>\$ 35,220,818</u>

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

(With Deloitte & Touche auditors' report dated February 25, 2022)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 5,355,288	\$ 1,424,195
Adjustments for:		
Depreciation	944,891	975,882
Amortization	104,901	141,475
Expected credit loss	29,316	50,735
Net gain on financial assets at fair value through profit or loss	(1,078)	(2,237)
Interest expense	194,460	158,564
Interest income	(36,176)	(121,388)
Dividend income	(7,299)	(5,640)
Compensation costs of share-based payments	39,720	20,030
Share of profit or loss of associates and joint ventures	35,107	16,027
Loss on disposal and retirement of property, plant and equipment	5,965	14,543
Net gain on disposal of subsidiary	(414,053)	-
Impairment loss reversed on non-financial assets	(27,651)	(203,244)
Unrealized gain on foreign exchange	(11,130)	(12,475)
Others	2,812	2,316
Changes in operating assets and liabilities		
Financial assets held for trading	-	8,154
Notes receivable	(732,503)	33,512
Accounts receivable	(549,629)	(120,859)
Accounts receivable from related parties	160	7,265
Inventories	(1,728,013)	914,461
Other current assets	(535,245)	(29,483)
Other financial assets	(60,940)	(65,936)
Contract liabilities	1,485,395	-
Notes payable	(6,083)	-
Trade payables	235,535	92,621
Trade payables to related parties	26,083	12,792
Other payables	289,552	165,933
Provisions	(1,165)	2,998
Other current liabilities	388,786	(43,091)
Net defined benefit assets and liabilities	(8,619)	(8,258)
Cash generated from operations	5,018,387	3,428,892
Interest received	82,010	154,893
Income tax paid	(1,248,975)	(319,760)
Net cash generated from operating activities	<u>3,851,422</u>	<u>3,264,025</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(14,418)	(11,655)

(Continued)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Proceeds from sale of financial assets at fair value through other comprehensive income	-	1,081
Acquisition of joint venture	(459,318)	(72,042)
Net cash flow on disposal of subsidiary	(1,624,517)	-
Acquisition of property, plant and equipment	(3,275,615)	(2,758,576)
Proceeds from disposal of property, plant and equipment	1,870	11,027
Payments for right-of-use assets	(1,127)	(12,596)
Decrease (increase) in other financial assets	1,185,726	(2,635,784)
(Increase) decrease in other non-current assets	(10,528)	956
Increase in prepayments for equipment	(90,668)	(288,572)
Dividends received	<u>7,299</u>	<u>5,640</u>
Net cash used in investing activities	<u>(4,281,296)</u>	<u>(5,760,521)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	3,174,342	(1,432,399)
Increase in short-term bills payable	199,740	149,865
Proceeds from long-term borrowings	1,356,018	616,092
Repayments of long-term borrowings	(500,871)	(573,251)
Repayment of the principal portion of lease liabilities	(50,155)	(54,661)
Increase in other non-current liabilities	61,186	18,377
Cash dividends paid	(97,000)	(194,748)
Interest paid	<u>(282,117)</u>	<u>(349,243)</u>
Net cash generated from (used in) financing activities	<u>3,861,143</u>	<u>(1,819,968)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>(272,878)</u>	<u>(218,542)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	3,158,391	(4,535,006)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR		
	<u>7,603,479</u>	<u>12,138,485</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR		
	<u><u>\$ 10,761,870</u></u>	<u><u>\$ 7,603,479</u></u>

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

(With Deloitte & Touche auditors' report dated February 25, 2022)

(Concluded)

2. Proposal for Distribution of Profits of 2021. (Proposed by the Board of Directors)

Descriptions:

- (1) The proposal of distribution of 2021 profits is conducted in accordance with Article 228 of the Company Act and Article 29 of the amended Articles of Incorporation.
- (2) The 2021 beginning unappropriated retained earnings were NT\$3,941,743,306, adding the remeasurement of defined benefit obligation of NT\$7,053,647, the adjusted beginning unappropriated retained earnings of 2021 were NT\$3,948,796,953. By adding 2021 net profit of NT\$3,395,441,268 and setting aside legal reserve of NT\$340,249,492, the total earnings available for distribution amounts to NT\$ 7,003,988,729. It is proposed to distribute cash dividends amounting to NT\$196,946,725. After distribution of the dividends, the 2021 unappropriated retained earnings are NT\$6,807,042,004. 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 Chairman of the Company is authorized to determine the ex-dividend date and distribute the dividend to each share based on the number of actual outstanding on the record date for distribution.
- (4) Please refer to Annex 1 for 2021 Earnings Distribution Proposal (page32).
- (5) The proposal has been approved by the 7th meeting of the 18th term Board of Directors and submitted to the Audit Committee for approval.
- (6) Please review and ratify.

Resolution:

Matters for Discussion

1. To approve the amendments of certain provisions of the Company's Articles of Incorporation. (Proposed by the Board of Directors)

Descriptions:

- (1) In accordance with amendments of The Company Act and enhancement of corporate governance, amendments need to be made on part of Article of Incorporation.
- (2) The proposal has been approved in the 6th meeting of the 18th term of Board of Directors. Amendments can be viewed on Annex 2 (page 33).
- (3) Please discuss and resolve.

Resolution:

2. To approve the amendments of certain provisions of the Company's Procedures for the Acquisition and Disposal of Assets. (Proposed by the Board of Directors)

Descriptions:

- (1) In order to meet the amendments of regulations by competent authorities, it is proposed to amend the Company's Procedures for the Acquisition and Disposal of Assets.
- (2) The proposal has been approved in the 6th meeting of the 18th term of Board of Directors. Amendments are attached hereto as Annex 3 (page34~40).
- (3) Please discuss and resolve.

Resolution:

Extemporary Matters

Meeting Adjourned

Annex 1: 2021 Earnings Distribution Proposal

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD

Earnings Distribution Proposal

2021

Unit: NTD

Item	Amount
Unappropriated retained earnings as of December 31,2020	3,941,743,306
Add: Remeasurement of defined benefit obligation	7,053,647
Unappropriated retained earnings- adjusted	3,948,796,953
Add: Net income of 2021	3,395,441,268
Less: Legal reserve appropriation (10%)	(340,249,492)
Retained earnings available for distribution	7,003,988,729
Less: distribution items	
Cash dividend (NT\$0.2/share)	(196,946,725)
Balance of unappropriated retained earnings	6,807,042,004

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 2: The Comparison Table of the Amended Articles of the Articles of Incorporation

Proposed Amendments	Existing Provisions	Remarks
<p>Article 10 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. <u>The Corporation's Shareholders' meeting may be held by video conference or other methods announced by central competent authorities.</u></p>	<p>Article 10 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.</p>	<p>Amended in compliance with the amendment of the Company Act and to enhance corporate governance.</p>
<p>Article 34 The Articles of Incorporation were established on May 16, 1973 and The 1st amendment on December 5, 1973, (omitted), and the <u>32th amendment was made on May 27 2022.</u></p>	<p>Article 34 The Articles of Incorporation were established on May 16, 1973 and The 1st amendment on December 5, 1973, (omitted), and the 31h amendment on June 12 2020</p>	<p>Added the date when the 32 amendment was made.</p>

Annex 3 : The Comparison Table of the Amended Provisions of the Procedures for the Acquisition and Disposal of Assets

Proposed Amendment	Existing Provisions	Remarks
<p>Article 4 Assessment and Operation Procedures for the Acquisition and Disposal of Assets</p> <p>1. Investment and Disposal of Securities: A (Omitted) B In acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain the latest financial statements of the issuing company, certified or reviewed by a certified public accountant (CPA), for reference in appraising the transaction price, and if the amount of the transaction reaches 20 percent (or more) of the Company's paid-in capital or NT\$300 million (or more), the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply if such securities have a publicly quoted prices of securities from an active market, or if otherwise provided by the regulations of the Financial Supervisory Commission (FSC).</p> <p>2. Acquisition or disposal of real estate, equipment or right-of-use assets: A (Omitted) B (Omitted) a. and b. (Omitted) c. Where any one of the following circumstances applies with</p>	<p>Article 4 Assessment and Operation Procedures for the Acquisition and Disposal of Assets</p> <p>1. Investment and Disposal of Securities: A (Omitted) B In acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain the latest financial statements of the issuing company, certified or reviewed by a certified public accountant (CPA), for reference in appraising the transaction price, and if the amount of the transaction reaches 20 percent (or more) of the Company's paid-in capital or NT\$300 million (or more), the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to adopt a report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF).</u> This requirement does not apply if such securities have a publicly quoted prices of securities from an active market, or if otherwise provided by the regulations of the FSC.</p> <p>2. Acquisition or disposal of real estate, equipment or right-of-use assets: A (Omitted) B (Omitted) a. and b. (Omitted) c. Where any one of the following circumstances applies with</p>	<p>Amended in compliance with FSC Letter No. Jing-Guan-Cheng-Fa-1110380465.</p>

Proposed Amendment	Existing Provisions	Remarks
<p>respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the Company shall engage a CPA to issue a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:</p> <p>c. i. and ii (Omitted) d. (Omitted)</p> <p>3. Acquisition and Disposal of intangible assets or the right-of-use thereof or membership and other material assets: The general manager is authorized to approve any acquisition or disposal of intangible assets or the right-of-use thereof or membership and other material assets with a value of NT\$50 million or less; the chairperson of the board of directors is authorized to approve such acquisition or disposal with a value of NT\$100 million or less; any acquisition or disposal exceeding the above-stated thresholds shall be submitted to the board of directors for approval. Except for transactions with domestic government agencies, if the transaction amount of the acquisition or disposal reaches 20 percent (or more) of paid-in capital or NT\$300 million (or more), the Company shall engage a CPA prior to the date of occurrence of the event to issue an opinion on the reasonableness of the transaction</p>	<p>respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the Company shall engage a CPA to <u>perform the appraisal in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF</u> and issue a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:</p> <p>c. i. and ii (Omitted) d. (Omitted)</p> <p>3. Acquisition and Disposal of intangible assets or the right-of-use thereof or membership and other material assets: The general manager is authorized to approve any acquisition or disposal of intangible assets or the right-of-use thereof or membership and other material assets with a value of NT\$50 million or less; the chairperson of the board of directors is authorized to approve such acquisition or disposal with a value of NT\$100 million or less; any acquisition or disposal exceeding the above-stated thresholds shall be submitted to the board of directors for approval. Except for transactions with domestic government agencies, if the transaction amount of the acquisition or disposal reaches 20 percent (or more) of paid-in capital or NT\$300 million (or more), the Company shall engage a CPA prior to the date of occurrence of the event to issue an opinion on the reasonableness of the transaction</p>	

Proposed Amendment	Existing Provisions	Remarks
<p>price.</p> <p>4, and 5. (omitted)</p> <p>6. Related Party Transactions</p> <p>A When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with Paragraphs 1 to 3 and this Paragraph, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with Article 4. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 4 herein.</p> <p>a. (Omitted)</p> <p>b. (Omitted)</p> <p>c. <u>If the Company or any of its subsidiaries that is not a domestic public company engages in the transaction prescribed in Item 2, Subparagraph A, Paragraph 6 of Article 4, and the amount of such transaction exceeds 10 percent or above of the Company's total assets, the Company shall submit the documents which are listed in Item 2, Subparagraph A, Paragraph 6 of Article 4 to the shareholders' meeting and be approved thereby before entering into the transaction agreements and making the payment. However, the</u></p>	<p>price; <u>the CPA shall comply with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>4. and 5. (Omitted)</p> <p>6. Related Party Transactions</p> <p>A When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with Paragraphs 1 to 3 and this Paragraph, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with Article 4. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 4 herein.</p> <p>a. (Omitted)</p> <p>b. (Omitted)</p>	

Proposed Amendment	Existing Provisions	Remarks
<p><u>transactions between the Company and its subsidiaries, or the transactions between the subsidiaries are exempted.</u></p> <p>B The calculation of the transaction amounts referred to in the preceding subparagraph shall be made in accordance with Paragraph 2 of Article 5 herein, and the term "within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee, the board of directors, <u>and shareholders' meeting</u> pursuant to this Procedures shall not count toward the transaction amount. Where the types of transactions listed below are conducted between the Company and its subsidiaries, or between subsidiaries whose issued shares or authorized capitals are 100 percent owned, directly or indirectly, by the Company, the Company's board of directors may, pursuant to Subparagraph A, Paragraph 1 of Article 4, authorize the chairperson of the board of directors to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to the board of directors for ratification in its next meeting:</p> <ul style="list-style-type: none"> a. Acquisition or disposal of equipment or right-of-use assets for business use. b. Acquisition or disposal of real property right-of-use assets for business use. <p>C-H (Omitted)</p> <p>7. and 8. (Omitted)</p> <p>9. Professional appraisers, CPAs, attorneys, and securities underwriters that provide the</p>	<p>B The calculation of the transaction amounts referred to in the preceding subparagraph shall be made in accordance with Paragraph 2 of Article 5 herein, and the term "within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee and the board of directors pursuant to this Procedures shall not count toward the transaction amount. Where the types of transactions listed below are conducted between the Company and its subsidiaries, or between subsidiaries whose issued shares or authorized capitals are 100 percent owned, directly or indirectly, by the Company, the Company's board of directors may, pursuant to Subparagraph A, Paragraph 1 of Article 4, authorize the chairperson of the board of directors to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to the board of directors for ratification in its next meeting:</p> <ul style="list-style-type: none"> a. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. b. Acquisition or disposal of real property right-of-use assets for business use. <p>C~H (Omitted)</p> <p>7. and 8. (Omitted)</p> <p>9. Professional appraisers, CPAs, attorneys, and securities underwriters</p>	

Proposed Amendment	Existing Provisions	Remarks
<p>Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>A-C(Omitted)</p> <p>D When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the <u>self-regulatory rules of the respective associations and the following provisions:</u></p> <p>a. (Omitted).</p> <p>b. When <u>executing</u> a case, the personnel shall appropriately plan and execute adequate working procedures in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>c. The personnel shall undertake an item-by-item evaluation of the <u>adequacy</u> and reasonableness of the sources of data, the parameters, and the information used as the basis for issuance of the appraisal report or the opinion.</p> <p>d. The personnel shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>adequate and reasonable</u>, and that they have complied with applicable laws and regulations.</p> <p>10. (Omitted)</p>	<p>that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>A-C(Omitted)</p> <p>D When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions:</p> <p>a. (Omitted).</p> <p>b. When <u>examining</u> a case, the personnel shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>c. The personnel shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and reasonableness</u> of the sources of data, the parameters, and the information used as the basis for issuance of the appraisal report or the opinion.</p> <p>d. The personnel shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations.</p> <p>10. (Omitted)</p>	
Article 5 Procedures for Public Announcement and Filing	Article 5 Procedures for Public Announcement and Filing	Amended in compliance with

Proposed Amendment	Existing Provisions	Remarks
<p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by the relevant regulations within 2 days, which shall commence immediately from the date of occurrence of the event:</p> <p>A – E (Omitted)</p> <p>F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs or an investment in the mainland China area reaches 20 percent (or more) of paid-in capital or NT\$300 million (or more); provided that the foregoing requirements shall not apply to the following circumstances:</p> <p>a. Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.</u></p> <p>b. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign corporate bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes (ETNs),</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the</p>	<p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by the relevant regulations within 2 days, which shall commence immediately from the date of occurrence of the event:</p> <p>A – E (Omitted)</p> <p>F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs or an investment in the mainland China area reaches 20 percent (or more) of paid-in capital or NT\$300 million (or more); provided that the foregoing requirements shall not apply to the following circumstances:</p> <p>a. Trading of domestic government bonds.</p> <p>b. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>c.-e. (Omitted)</p> <p>2-8 (Omitted)</p>	<p>FSC Letter No. Jing-Guan-Cheng-Fa-1110380465.</p>

Proposed Amendment	Existing Provisions	Remarks
Taipei Exchange. c.-e. (Omitted) 2-8 (Omitted)		

Appendix 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.
Stock warrants of the Company can be issued to the employees of parents or subsidiaries of the Company or controlled by the Company.
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.
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 certificate of the Company shall be affixed with the signatures or personal seals of the director representing the company and issued upon certification by the bank authorized by authority to handle the registration of issuance of stock certificates.
The Company may issue shares without printing share certificates; but such shares shall be registered at a Centralized Securities Depository Enterprise
- 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.

Chapter 5. Accounting

- Article 26 The Company's fiscal year shall be from January 1 of each year to December 31 of the same year.
- Article 27 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 28 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 29 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 30 The distribution of dividends to shareholders shall be based on the shareholders' roster on the record date.

Chapter 6. Annexes

Article 31 The Company's Articles of Organization and operation details are set separately.

Article 32 Any incomplete or matters that are not covered by this Article of Incorporation, please refer to the Company Act and related regulations.

Article 33 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

Appendix 2: Directors' Stockholding Status

Benchmark date: March 29, 2022

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	2021.07.07	153,476,855	15.59%	153,476,855	15.59%
Director	Taiwan Cement Corporation Representative: Yeh, Kuo-Hung	2021.07.07	153,476,855	15.59%	153,476,855	15.59%
Director	Chang, Chi-Wen	2021.07.07	0	0.00%	100,000	0.01%
Director	Pei Yang Co., Ltd. Representative: Lin, Nan-Chou	2021.07.07	500,000	0.05%	1,024,000	0.10%
Independent directors	Chia, Tzu-Nan	2021.07.07	0	0.00%	0	0.00%
Independent directors	Ding, Yen-We	2021.07.07	0	0.00%	0	0.00%
Independent directors	Chang, Liang	2021.07.07	0	0.00%	0	0.00%
Total			153,976,855		154,600,855	

Total shares issued on July 7, 2021: 984,733,625 Share

Total shares issued on March 29 2022: 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 March 29, 2022, the directors hold 154,600,855 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