

**International CSRC Investment Holdings
Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2022 and 2021 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of International CSRC Investment Holdings Co., Ltd. and its subsidiaries (collectively, the "Group") as of June 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the six months then ended, the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2022 and 2021, combined total assets of these non-significant subsidiaries were NT\$12,534,910 thousand and NT\$8,911,759 thousand, respectively, representing 21% and 16%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$2,932,143 thousand and NT\$1,777,311 thousand, respectively, representing 12% and 10%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2022 and 2021 and six months ended June 30, 2022 and 2021, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$(97,598) thousand, NT\$(9,673) thousand, NT\$(172,710) thousand and NT\$4,502 thousand, respectively, representing 11%, 2%, 51% and 0%, respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews and the report of other auditors (please refer to the Other Matter paragraph), except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2022 and 2021, its consolidated financial performance for the three months ended June 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

The financial statements of CCC USA Corp. and its subsidiaries included in the consolidated financial statements referred to above were not reviewed by us, but were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts included for these subsidiaries, is based solely on the report of the other auditors. As of June 30, 2022 and 2021, the combined total assets of these subsidiaries were NT\$13,873,668 thousand and NT\$12,056,856 thousand, respectively, representing 23% and 22%, respectively, of the consolidated total assets; for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, the combined total revenue of these subsidiaries were NT\$2,709,038 thousand, NT\$1,896,659 thousand, NT\$4,997,293 thousand and NT\$3,470,757 thousand, respectively, representing 46%, 32%, 45% and 31%, respectively, of the consolidated total revenue, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are Tza-Li Gung and Hsiu-Chun Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 9, 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 13,990,451	23	\$ 10,761,870	19	\$ 7,086,981	13
Financial assets at fair value through profit or loss - current (Note 7)	613,958	1	613,072	1	612,544	1
Financial assets at fair value through other comprehensive income - current (Notes 8 and 35)	2,633,136	4	2,933,293	5	2,955,557	6
Notes receivable, net (Notes 9 and 35)	1,351,281	2	1,042,900	2	763,743	1
Accounts receivable, net (Notes 9 and 35)	4,427,568	7	3,599,672	7	4,020,322	7
Current tax assets (Notes 4 and 27)	92,156	-	186,467	-	43,933	-
Inventories (Notes 10 and 35)	3,357,568	6	2,779,836	5	2,070,557	4
Disposal groups held for sale (Notes 4, 11 and 32)	-	-	-	-	7,063,008	13
Other financial assets - current (Notes 12, 34 and 35)	2,077,076	4	5,520,182	9	4,375,813	8
Other current assets (Note 20)	<u>1,109,038</u>	<u>2</u>	<u>904,909</u>	<u>1</u>	<u>857,896</u>	<u>2</u>
Total current assets	<u>29,652,232</u>	<u>49</u>	<u>28,342,201</u>	<u>49</u>	<u>29,850,354</u>	<u>55</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	5,345,519	9	6,285,404	11	6,629,586	12
Investment accounted for using the equity method (Note 14)	4,458,713	7	4,443,604	8	512,224	1
Property, plant and equipment (Note 15)	18,924,038	32	16,733,941	29	15,416,176	29
Right-of-use assets (Note 16)	637,990	1	649,451	1	650,153	1
Investment properties (Note 17)	330,103	1	338,869	1	347,636	1
Goodwill (Note 18)	231,837	-	206,597	-	208,824	1
Other intangible assets (Note 19)	42,866	-	75,016	-	107,166	-
Deferred tax assets (Notes 4 and 27)	310,239	1	329,515	1	177,614	-
Prepayments for equipment (Note 15)	8,780	-	4,062	-	36,810	-
Net defined benefit assets (Notes 4 and 23)	4,608	-	4,608	-	4,330	-
Other financial assets - non-current (Note 35)	87,557	-	72,033	-	50,657	-
Other non-current assets (Note 20)	<u>48,119</u>	<u>-</u>	<u>28,020</u>	<u>-</u>	<u>25,619</u>	<u>-</u>
Total non-current assets	<u>30,430,369</u>	<u>51</u>	<u>29,171,120</u>	<u>51</u>	<u>24,166,795</u>	<u>45</u>
TOTAL	<u>\$ 60,082,601</u>	<u>100</u>	<u>\$ 57,513,321</u>	<u>100</u>	<u>\$ 54,017,149</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 21 and 35)	\$ 12,012,025	20	\$ 9,567,451	17	\$ 7,796,496	15
Short-term bills payable (Note 21)	-	-	349,605	1	49,890	-
Contract liabilities - current (Note 25)	887,649	2	1,271,390	2	-	-
Notes payable	-	-	3,319	-	9,402	-
Trade payables	995,772	2	832,702	2	1,111,979	2
Trade payables to related parties (Note 34)	149,524	-	128,925	-	108,531	-
Other payables (Notes 22 and 34)	2,571,060	4	2,098,608	3	1,992,071	4
Current tax liabilities (Notes 4 and 27)	225,363	-	253,381	1	74,060	-
Liabilities directly associated with disposal groups held for sale (Notes 4, 11 and 32)	-	-	-	-	1,291,005	2
Lease liabilities - current (Note 16)	47,326	-	46,936	-	44,006	-
Current portion of long-term borrowings (Notes 21 and 35)	500,000	1	-	-	2,476,754	5
Other current liabilities	<u>104,458</u>	<u>-</u>	<u>114,488</u>	<u>-</u>	<u>86,853</u>	<u>-</u>
Total current liabilities	<u>17,493,177</u>	<u>29</u>	<u>14,666,805</u>	<u>26</u>	<u>15,041,047</u>	<u>28</u>
NON-CURRENT LIABILITIES						
Contract liabilities - non-current (Note 25)	-	-	202,086	-	-	-
Long-term borrowings (Notes 21 and 35)	3,177,600	6	3,585,464	7	555,720	1
Provisions - non-current (Notes 4 and 23)	16,561	-	16,561	-	17,726	-
Deferred tax liabilities (Notes 4 and 27)	3,736,163	6	3,512,955	6	2,784,704	5
Lease liabilities - non-current (Note 16)	75,633	-	91,572	-	91,838	-
Net defined benefit liabilities (Notes 4 and 23)	63,036	-	59,444	-	82,055	-
Other non-current liabilities	<u>155,879</u>	<u>-</u>	<u>157,616</u>	<u>-</u>	<u>116,322</u>	<u>1</u>
Total non-current liabilities	<u>7,224,872</u>	<u>12</u>	<u>7,625,698</u>	<u>13</u>	<u>3,648,365</u>	<u>7</u>
Total liabilities	<u>24,718,049</u>	<u>41</u>	<u>22,292,503</u>	<u>39</u>	<u>18,689,412</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 24)						
Ordinary shares	<u>9,847,336</u>	<u>16</u>	<u>9,847,336</u>	<u>17</u>	<u>9,847,336</u>	<u>18</u>
Capital surplus	<u>8,907,908</u>	<u>15</u>	<u>8,904,961</u>	<u>16</u>	<u>8,903,273</u>	<u>17</u>
Retained earnings						
Legal reserve	3,120,433	5	2,780,184	5	2,707,231	5
Special reserve	645,316	1	645,316	1	645,316	1
Unappropriated earnings	<u>7,015,223</u>	<u>12</u>	<u>7,344,238</u>	<u>13</u>	<u>4,836,443</u>	<u>9</u>
Total retained earnings	<u>10,780,972</u>	<u>18</u>	<u>10,769,738</u>	<u>19</u>	<u>8,188,990</u>	<u>15</u>
Other equity	<u>4,147,364</u>	<u>7</u>	<u>4,232,945</u>	<u>7</u>	<u>4,742,882</u>	<u>9</u>
Treasury shares	<u>(290,088)</u>	<u>-</u>	<u>(290,088)</u>	<u>(1)</u>	<u>(290,088)</u>	<u>(1)</u>
Total equity attributable to owners of the Corporation	33,393,492	56	33,464,892	58	31,392,393	58
NON-CONTROLLING INTERESTS	<u>1,971,060</u>	<u>3</u>	<u>1,755,926</u>	<u>3</u>	<u>3,935,344</u>	<u>7</u>
Total equity	<u>35,364,552</u>	<u>59</u>	<u>35,220,818</u>	<u>61</u>	<u>35,327,737</u>	<u>65</u>
TOTAL	<u>\$ 60,082,601</u>	<u>100</u>	<u>\$ 57,513,321</u>	<u>100</u>	<u>\$ 54,017,149</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 9, 2022)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 25 and 34)	\$ 5,845,135	100	\$ 5,882,664	100	\$ 11,056,602	100	\$ 11,246,183	100
OPERATING COSTS (Notes 10, 26 and 34)	5,191,350	89	4,817,064	82	9,654,199	87	9,031,960	80
GROSS PROFIT	653,785	11	1,065,600	18	1,402,403	13	2,214,223	20
OPERATING EXPENSES (Notes 9, 23, 26 and 34)								
Selling and marketing expenses	116,789	2	121,481	2	235,034	2	257,171	3
General and administrative expenses	215,847	3	406,946	7	416,140	4	683,758	6
Research and development expenses	44,343	1	120,239	2	83,815	1	238,693	2
Expected credit loss	65	-	4,722	-	35,997	-	8,299	-
Total operating expenses	377,044	6	653,388	11	770,986	7	1,187,921	11
INCOME FROM OPERATIONS	276,741	5	412,212	7	631,417	6	1,026,302	9
NON-OPERATING INCOME AND EXPENSES (Notes 14, 26 and 30)								
Interest income	11,321	-	9,121	-	18,777	-	20,973	-
Other income	114,425	2	209,868	4	219,728	2	241,565	2
Other gains and losses	41,925	1	(49,156)	(1)	102,454	1	(81,390)	-
Finance costs	(104,745)	(2)	(43,624)	(1)	(192,121)	(2)	(82,771)	(1)
Share of profit or loss of associates and joint ventures	19,953	-	(11,198)	-	15,855	-	(2,261)	-
Total non-operating income and expenses	82,879	1	115,011	2	164,693	1	96,116	1
INCOME BEFORE INCOME TAX	359,620	6	527,223	9	796,110	7	1,122,418	10
INCOME TAX EXPENSE (Notes 4 and 27)	(324,674)	(5)	(188,192)	(3)	(506,736)	(4)	(383,735)	(4)
NET INCOME	34,946	1	339,031	6	289,374	3	738,683	6
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(1,496,068)	(26)	776,913	13	(1,240,042)	(11)	1,253,861	11

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INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	\$ 590,251	10	\$ (513,563)	(9)	\$ 1,289,148	11	\$ (484,114)	(4)
Share of the other comprehensive loss of associates and joint ventures accounted for using equity method	(4,891)	-	(429)	-	(746)	-	(255)	-
Other comprehensive income (loss)	(910,708)	(16)	262,921	4	48,360	-	769,492	7
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ (875,762)</u>	<u>(15)</u>	<u>\$ 601,952</u>	<u>10</u>	<u>\$ 337,734</u>	<u>3</u>	<u>\$ 1,508,175</u>	<u>13</u>
NET (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Corporation	\$ (4,533)	-	\$ 294,692	5	\$ 208,181	2	\$ 723,274	6
Non-controlling interests	39,479	1	44,339	1	81,193	1	15,409	-
	<u>\$ 34,946</u>	<u>1</u>	<u>\$ 339,031</u>	<u>6</u>	<u>\$ 289,374</u>	<u>3</u>	<u>\$ 738,683</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	\$ (987,276)	(17)	\$ 600,233	10	\$ 122,600	1	\$ 1,529,975	13
Non-controlling interests	111,514	2	1,719	-	215,134	2	(21,800)	-
	<u>\$ (875,762)</u>	<u>(15)</u>	<u>\$ 601,952</u>	<u>10</u>	<u>\$ 337,734</u>	<u>3</u>	<u>\$ 1,508,175</u>	<u>13</u>
(LOSS) EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 28)								
Basic	<u>\$ (0.01)</u>		<u>\$ 0.30</u>		<u>\$ 0.21</u>		<u>\$ 0.75</u>	
Diluted	<u>\$ (0.01)</u>		<u>\$ 0.30</u>		<u>\$ 0.21</u>		<u>\$ 0.75</u>	

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

(With Deloitte & Touche review report dated August 9, 2022)

(Concluded)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation (Note 24)											
	Share Capital Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity			Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Equity Directly Associated with Disposal Groups Held for Sale	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2021	\$ 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
Net income for the six months ended June 30, 2021	-	-	-	-	723,274	-	-	-	-	723,274	15,409	738,683
Other comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	-	(446,657)	1,253,358	-	806,701	(37,209)	769,492
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	723,274	-	(446,657)	1,253,358	-	1,529,975	(21,800)	1,508,175
Equity directly associated with disposal groups classified as held for sale	-	-	-	-	-	(10,968)	10,968	-	-	-	-	-
BALANCE AT JUNE 30, 2021	<u>\$ 9,847,336</u>	<u>\$ 8,903,273</u>	<u>\$ 2,707,231</u>	<u>\$ 645,316</u>	<u>\$ 4,836,443</u>	<u>\$ (10,968)</u>	<u>\$ (1,853,992)</u>	<u>\$ 6,607,842</u>	<u>\$ (290,088)</u>	<u>\$ 31,392,393</u>	<u>\$ 3,935,344</u>	<u>\$ 35,327,737</u>
BALANCE AT JANUARY 1, 2022	\$ 9,847,336	\$ 8,904,961	\$ 2,780,184	\$ 645,316	\$ 7,344,238	\$ -	\$ (1,999,612)	\$ 6,232,557	\$ (290,088)	\$ 33,464,892	\$ 1,755,926	\$ 35,220,818
Appropriation of the 2021 earnings												
Legal reserve	-	-	340,249	-	(340,249)	-	-	-	-	-	-	-
Cash dividends distributed - NT\$0.2 per share	-	-	-	-	(196,947)	-	-	-	-	(196,947)	-	(196,947)
Balance after appropriation	9,847,336	8,904,961	3,120,433	645,316	6,807,042	-	(1,999,612)	6,232,557	(290,088)	33,267,945	1,755,926	35,023,871
Parent's appropriation of cash dividends to subsidiaries	-	2,947	-	-	-	-	-	-	-	2,947	-	2,947
Net income for the six months ended June 30, 2022	-	-	-	-	208,181	-	-	-	-	208,181	81,193	289,374
Other comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	-	1,153,433	(1,239,014)	-	(85,581)	133,941	48,360
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	208,181	-	1,153,433	(1,239,014)	-	122,600	215,134	337,734
BALANCE AT JUNE 30, 2022	<u>\$ 9,847,336</u>	<u>\$ 8,907,908</u>	<u>\$ 3,120,433</u>	<u>\$ 645,316</u>	<u>\$ 7,015,223</u>	<u>\$ -</u>	<u>\$ (846,179)</u>	<u>\$ 4,993,543</u>	<u>\$ (290,088)</u>	<u>\$ 33,393,492</u>	<u>\$ 1,971,060</u>	<u>\$ 35,364,552</u>

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

(With Deloitte & Touche review report dated August 9, 2022)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 796,110	\$ 1,122,418
Adjustments for:		
Depreciation	566,418	491,107
Amortization	40,011	78,661
Expected credit loss	35,997	8,299
Net gain on financial assets at fair value through profit or loss	(886)	(550)
Interest expense	191,291	81,832
Interest income	(18,777)	(20,973)
Compensation costs of share-based payments	35,794	20,668
Share of profit or loss of associates and joint ventures	(15,855)	2,261
Loss on disposal and retirement of property, plant and equipment	3,433	1,830
Impairment loss recognized (reversed) on non-financial assets	34,443	(31,795)
Unrealized gain on foreign exchange	(2,803)	(15,153)
Others	-	2,812
Changes in operating assets and liabilities		
Notes receivable	(308,381)	(458,930)
Accounts receivable	(859,465)	(963,339)
Accounts receivable from related parties	-	(68,090)
Inventories	(612,175)	(1,009,318)
Other current assets	(204,129)	(469,153)
Other financial assets	(32,894)	(47,142)
Contract liabilities	(585,827)	-
Notes payable	(3,319)	-
Trade payables	163,119	557,551
Trade payables to related parties	20,599	23,951
Other payables	234,877	153,244
Other current liabilities	(10,030)	90,781
Net defined benefit assets and liabilities	3,592	(1,270)
Cash used in operations	(528,857)	(450,298)
Interest received	18,777	64,944
Income tax paid	(197,959)	(313,600)
Net cash used in operating activities	(708,039)	(698,954)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(5,242)
Acquisition of joint venture	-	(470,400)
Acquisition of property, plant and equipment	(1,981,035)	(1,407,806)
Proceeds from disposal of property, plant and equipment	129	647

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INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	2021
Acquisition of right-of-use assets	\$ (238)	\$ -
Decrease in other financial assets	3,448,040	2,308,735
(Increase) decrease in other non-current assets	(15,524)	2,684
Increase in prepayments for equipment	<u>(9,996)</u>	<u>(111,235)</u>
Net cash generated from investing activities	<u>1,441,376</u>	<u>317,383</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	2,444,574	1,458,641
Decrease in short-term bills payable	(349,605)	(99,975)
Proceeds from long-term borrowings	1,723,500	287,306
Repayments of long-term borrowings	(1,797,247)	-
Repayments of the principal portion of lease liabilities	(26,744)	(27,425)
(Decrease) increase in other non-current liabilities	(1,737)	16,208
Interest paid	<u>(191,332)</u>	<u>(145,965)</u>
Net cash generated from financing activities	<u>1,801,409</u>	<u>1,488,790</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>693,835</u>	<u>(97,416)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,228,581	1,009,803
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>10,761,870</u>	<u>7,603,479</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 13,990,451</u>	<u>\$ 8,613,282</u>

The reconciliation of cash and cash equivalents, end of the period:

	June 30	
	2022	2021
Cash and cash equivalents in consolidated balance sheets	\$ 13,990,451	\$ 7,086,981
Cash and cash equivalents included in disposal groups held for sale	<u>-</u>	<u>1,526,301</u>
Cash and cash equivalents, end of the period	<u>\$ 13,990,451</u>	<u>\$ 8,613,282</u>

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

(With Deloitte & Touche review report dated August 9, 2022)

(Concluded)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

International CSRC Investment Holdings Co., Ltd. (formerly China Synthetic Rubber Corporation) (the “Corporation”) was incorporated on June 15, 1973 with a factory located inside the Linyuan Petrochemical Industrial Zone in Kaohsiung City, which produces carbon black, a material for tire and other rubber products. The power and steam co-generation system started operations in December 1993. The Corporation also engages in biotechnology research and development. The Corporation’s shares are listed on the Taiwan Stock Exchange.

The Corporation spun off and assigned the business related to the domestic Carbon Black Business (including assets, liabilities and business) to the Corporation’s wholly-owned subsidiary, Linyuan Advanced Materials Technology Co., Ltd., the business related to the Biotechnology Business (including assets, liabilities and business) to the Corporation’s wholly-owned subsidiary to be newly established, Circular Commitment Company. After the spin-off, the Corporation transformed into an investment holding Corporation. The spin-off was approved in the shareholders’ meeting on June 26, 2018. The Corporation applied for continuing its listing on the Taiwan Stock Exchange. The application was approved by the Taiwan Stock Exchange on July 17, 2018 with Official Letter No. 1070012290. The spin-off record date was scheduled on October 1, 2018.

Approved by the Ministry of Economic Affairs on October 15, 2018, China Synthetic Rubber Corporation is renamed as “International CSRC Investment Holdings Co., Ltd.” The Corporation continues its listing with same stock code: 2104. The Chinese stock short name will be “International CSRC.”

The consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s Board of Directors on August 9, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair values.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the fair value of any investment retained in the former subsidiary at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on the cost on initial recognition of an investment in an associate.

See Note 13, Table 8 and 9 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2021.

1) Disposal groups held for sale

Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the groups is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the group will retain a non-controlling interest in that subsidiary after the sale. However, such investment is still accounted for using the equity method.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that rereasurement is recognized in profit or loss.

4) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	June 30, 2022	December 31, 2021	June 30, 2021
Bank deposits	\$ 7,067,655	\$ 6,741,971	\$ 6,149,495
Cash equivalent (investments with original maturities less than 3 months)			
Repurchase agreements collateralized by commercial papers	1,928,499	2,125,271	519,758
Time deposits	4,993,449	1,893,755	416,855
Cash on hand	<u>848</u>	<u>873</u>	<u>873</u>
	<u>\$ 13,990,451</u>	<u>\$ 10,761,870</u>	<u>\$ 7,086,981</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	<u>\$ 613,958</u>	<u>\$ 613,072</u>	<u>\$ 612,544</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Current</u>			
Domestic investments			
Listed shares and emerging market shares	<u>\$ 2,633,136</u>	<u>\$ 2,933,293</u>	<u>\$ 2,955,557</u>
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 4,441,201	\$ 5,322,378	\$ 5,591,203
Unlisted shares	<u>904,318</u>	<u>963,026</u>	<u>1,038,383</u>
	<u>\$ 5,345,519</u>	<u>\$ 6,285,404</u>	<u>\$ 6,629,586</u>

These investments in equity instruments are held for medium to long-term purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

The financial asset at FVTOCI pledged as collateral for bank borrowings were set out in Note 35.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Notes receivable</u>			
Notes receivable	\$ 1,351,281	\$ 1,042,900	\$ 763,743
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,351,281</u>	<u>\$ 1,042,900</u>	<u>\$ 763,743</u>
<u>Accounts receivable</u>			
Accounts receivable	\$ 4,636,950	\$ 3,770,246	\$ 4,171,133
Less: Allowance for impairment loss	<u>(209,382)</u>	<u>(170,574)</u>	<u>(150,811)</u>
	<u>\$ 4,427,568</u>	<u>\$ 3,599,672</u>	<u>\$ 4,020,322</u>

The average credit period of sales of goods was 30-60 days. In order to minimize credit risk, the management of the Group has delegated proper personnel in accordance with the division of duties responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated using a provision matrix by reference to past collecting experience of the debtor, an analysis of the debtor's current financial position and adjusted for general economic conditions of the industry in which the debtors operate. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer of carbon black segments, the allowance for impairment loss based on past due status is not further distinguished according to the Group's different customer base.

The Group recognizes a full allowance for impairment loss of each individual accounts receivable or writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivables. For accounts receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the allowance for impairment loss of notes receivable and accounts receivable based on the Group's provision matrix.

June 30, 2022

	Not Past Due	Past Due					Total
		Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	
Expected credit loss rate	0%-1%	0%-6%	0%-31%	57%-100%	100%	100%	
Gross carrying amount	\$ 4,243,871	\$ 1,422,311	\$ 174,418	\$ 12,255	\$ 2,728	\$ 132,648	\$ 5,988,231
Allowance for impairment loss (Lifetime ECL)	<u>(4,717)</u>	<u>(12,674)</u>	<u>(49,147)</u>	<u>(7,468)</u>	<u>(2,728)</u>	<u>(132,648)</u>	<u>(209,382)</u>
Amortized cost	<u>\$ 4,239,154</u>	<u>\$ 1,409,637</u>	<u>\$ 125,271</u>	<u>\$ 4,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,778,849</u>

December 31, 2021

	Not Past Due	Past Due					Total
		Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	
Expected credit loss rate	0%-1%	0%-10%	47%-100%	100%	100%	100%	
Gross carrying amount	\$ 4,176,296	\$ 488,531	\$ 14,337	\$ 1,682	\$ 2,457	\$ 129,843	\$ 4,813,146
Allowance for impairment loss (Lifetime ECL)	<u>(3,450)</u>	<u>(22,825)</u>	<u>(10,317)</u>	<u>(1,682)</u>	<u>(2,457)</u>	<u>(129,843)</u>	<u>(170,574)</u>
Amortized cost	<u>\$ 4,172,846</u>	<u>\$ 465,706</u>	<u>\$ 4,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,642,572</u>

June 30, 2021

	Not Past Due	Past Due					Total
		Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	
Expected credit loss rate	0%-1%	0%-10%	0%-100%	100%	100%	100%	
Gross carrying amount	\$ 4,212,973	\$ 576,094	\$ 19,825	\$ 6,456	\$ 392	\$ 119,136	\$ 4,934,876
Allowance for impairment loss (Lifetime ECL)	<u>(9,382)</u>	<u>(7,549)</u>	<u>(7,896)</u>	<u>(6,456)</u>	<u>(392)</u>	<u>(119,136)</u>	<u>(150,811)</u>
Amortized cost	<u>\$ 4,203,591</u>	<u>\$ 568,545</u>	<u>\$ 11,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,784,065</u>

The movements of the allowance for impairment loss of notes receivable and accounts receivable were as follows:

	For the Six Months Ended June 30					
	2022			2021		
	Notes Receivable	Accounts Receivable	Total	Notes Receivable	Accounts Receivable	Total
Balance at January 1	\$ -	\$ 170,574	\$ 170,574	\$ -	\$ 152,303	\$ 152,303
Add: Impairment loss recognized	-	35,997	35,997	-	8,299	8,299
Less: Amount written off	-	-	-	-	(33)	(33)
Effect of exchange rate differences	-	2,811	2,811	-	(5,205)	(5,205)
Reclassified as held for sale	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,553)</u>	<u>(4,553)</u>
Balance at June 30	<u>\$ -</u>	<u>\$ 209,382</u>	<u>\$ 209,382</u>	<u>\$ -</u>	<u>\$ 150,811</u>	<u>\$ 150,811</u>

The notes receivable and accounts receivable pledged as collateral for bank borrowings were set out in Note 35.

10. INVENTORIES

	June 30, 2022	December 31, 2021	June 30, 2021
Finished goods	\$ 1,344,851	\$ 1,354,038	\$ 774,896
Semi-finished goods	61,113	60,419	50,535
Work in progress	-	70	-
Raw materials	1,508,438	1,077,758	953,606
Supplies	280,015	222,014	248,938
Inventory in transit	<u>163,151</u>	<u>65,537</u>	<u>42,582</u>
	<u>\$ 3,357,568</u>	<u>\$ 2,779,836</u>	<u>\$ 2,070,557</u>

The nature of the cost of goods sold were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Cost of inventories sold	\$ 4,831,819	\$ 4,591,125	\$ 9,049,558	\$ 8,634,787
Provision (reversal) of inventory	23,644	(26,198)	34,443	(31,795)
Unallocated fixed overhead	<u>335,887</u>	<u>252,137</u>	<u>570,198</u>	<u>428,968</u>
	<u>\$ 5,191,350</u>	<u>\$ 4,817,064</u>	<u>\$ 9,654,199</u>	<u>\$ 9,031,960</u>

Previous reversal were as a result of deduction of inventories for the six months ended June 30, 2021.

Unallocated fixed overhead includes related expenditures resulting from factories shutdown due to COVID-19.

The inventories pledged as collateral for bank borrowings were set out in Note 35.

11. DISPOSAL GROUPS HELD FOR SALE

In order to cope with globalization strategy, expand overseas carbon black markets actively, and consider the uncertainty in cash inflow of biotechnology business and future working capital requirements of carbon black plant construction, the Board of Directors of the Corporation has approved to waive the subscription right of share issuance for cash capital increase of TCC Recycle Energy Technology Company on August 12, 2021. The Corporation's shareholding ratio in TCC Recycle Energy Technology Company will be reduced from 60.30% to 23.64%, and the shareholding ratio of the subsidiary together with the Corporation will be reduced from 61.97% to 24.30%.

In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, assets and liabilities of TCC Recycle Energy Technology Company are classified as disposal groups held for sale.

The assets, liabilities and equity directly associated with disposal groups held for sale were as follows:

	June 30, 2021
Cash and cash equivalents	\$ 1,526,301
Accounts receivable, net	458,628
Accounts receivable from related parties	68,250
Current tax assets	44
Inventories	1,159,285
Other financial assets - current	21,987
Other current assets	233,136
Property, plant and equipment	2,907,279
Right-of-use assets	81,837
Prepayments for equipment	514,493
Other financial assets - non-current	11,289
Other non-current assets	<u>80,479</u>

Disposal groups classified as held for sale	<u>\$ 7,063,008</u>
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(Continued)

	June 30, 2021
Short-term borrowings	\$ 60,255
Trade payables	417,312
Trade payables to related parties	18,262
Other payables	247,253
Lease liabilities - current	8,154
Current portion of long-term borrowings	300,000
Other current liabilities	124,466
Deferred tax liabilities	371
Lease liabilities - non-current	75,877
Net defined benefit liabilities	23,761
Other non-current liabilities	<u>15,294</u>
Liabilities directly associated with disposal groups held for sale	<u>\$ 1,291,005</u>
Equity directly associated with disposal groups classified as held for sale	<u>\$ (10,968)</u>
	(Concluded)

The disposal groups classified as held for sale pledged as collateral were set out in Note 35.

12. OTHER FINANCIAL ASSETS - CURRENT

	June 30, 2022	December 31, 2021	June 30, 2021
Time deposits (original maturities more than 3 months)	\$ 1,783,200	\$ 5,259,200	\$ 4,179,000
Pledged bank deposits	278,683	211,638	177,663
Pledged time deposits	9,827	9,153	9,194
Others	<u>5,366</u>	<u>40,191</u>	<u>9,956</u>
	<u>\$ 2,077,076</u>	<u>\$ 5,520,182</u>	<u>\$ 4,375,813</u>

The market rate intervals of time deposits with original maturities more than 3 months at the end of reporting period were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Time deposits with original maturities more than 3 months	0.20%	0.15%-0.20%	0.20%-0.45%

The other financial assets - current pledged as collateral were set out in Note 35.

13. SUBSIDIARIES

Subsidiaries included in consolidated financial statements.

The consolidated financial statements include subsidiaries as follows:

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			June 30, 2022	December 31, 2021	June 30, 2021	
International CSRC Investment Holdings Co., Ltd.	CSRC (BVI) Ltd.	Investment	100.00	100.00	100.00	-
	CS Development & Investment Co.	Investment	100.00	100.00	100.00	a.
	Consolidated Resource Co.	Carbon masterbatch and carbon black processing and sale	100.00	100.00	100.00	a.
	Linyuan Advanced Materials Technology Co., Ltd.	Carbon black production and sale	100.00	100.00	100.00	-
	Circular Commitment Company	Biotechnology services and investment	100.00	100.00	100.00	-
	CCC Dutch B.V.	Investment	100.00	100.00	100.00	a.
	Yun Cheng Investment Corporation	Investment	94.69	94.69	94.69	a.
	Synpac (North Carolina) Inc.	Investment	88.46	88.46	88.46	-
	Synpac Ltd.	Investment	75.00	75.00	75.00	a.
	CCC USA Corp.	Investment	66.67	66.67	66.67	-
CSRC (BVI) Ltd.	TCC Recycle Energy Technology Company	Battery, electric generator and electronic components production and sale	-	-	60.30	b.
	CSRC (Singapore) Pte. Ltd.	Investment	100.00	100.00	100.00	-
	Continental Carbon Eco Tech Pvt Ltd.	Carbon black production and sale	0.01	0.01	0.01	a.
	CSRC China Corporation	Carbon black production and sale	100.00	100.00	100.00	-
	CSRC China (Anshan) Corporation	Carbon black production and sale	100.00	100.00	100.00	-
	CSRC China (Chongqing) Corporation	Carbon black production and sale	100.00	100.00	100.00	a.
	Continental Carbon India Pvt Ltd.	Carbon black production and sale	100.00	100.00	100.00	a.
	Continental Carbon Eco Tech Pvt Ltd.	Carbon black production and sale	99.99	99.99	99.99	a.
	SVC Services, LLC	Investment service	99.90	99.90	99.90	-
	SVC Management, LLC	Investment consultation	99.90	99.90	99.90	-
CS Development & Investment Co.	TCC Recycle Energy Technology Company	Battery, electric generator and electronic components production and sale	-	-	1.64	b.
	Yun Cheng Investment Corporation	Investment	0.33	0.33	0.33	a.
	TCC Recycle Energy Technology Company	Battery, electric generator and electronic components production and sale	-	-	0.03	b.
	Synpac GP Corporation	Investment	100.00	100.00	100.00	a.
	SVC Services, LLC	Investment service	0.10	0.10	0.10	-
	SVC Management, LLC	Investment consultation	0.10	0.10	0.10	-
	Synpac (North Carolina), Inc.	Investment	11.54	11.54	11.54	-
	Synpac Venture Capital, L.P.	Investment	99.90	99.90	99.90	-
	Synpac Venture Capital, L.P.	Investment	0.10	0.10	0.10	-
	Continental Carbon Company	Carbon black production and sale	100.00	100.00	100.00	-
Consolidated Resource Co.	CCC Transport Company	Carbon black transport	100.00	100.00	100.00	-
	Continental Carbon Nanotechnologies, Inc.	Carbon nanotubes production and sale	100.00	100.00	100.00	-
	Continental Carbon Company Europe SPRL	Carbon black sales	100.00	100.00	100.00	-
	E-One Moli Energy Corp.	Lithium battery production and sale	-	-	100.00	b.
	E-One Holdings Ltd.	Investment	-	-	100.00	b.
	Molie Quantum Energy Corporation	Battery, electric generator and electronic components production and sale	-	-	100.00	b.
	E-One Moli Holdings (Canada) Ltd.	Investment	-	-	100.00	b.
	E-One Moli Holdings (Canada) Ltd.	Battery research and development and sale	-	-	100.00	b.

Remark:

a. Company is not a major subsidiary. Its financial statements have not been reviewed.

- b. The Board of Directors approved on August 12, 2021 to waive the subscription right of share issuance for cash capital increase of TCC Recycle Energy Technology Company. The shareholding ratio of the Group was reduced from 61.97% to 24.30%. After evaluation, the Group has lost control of TCC Recycle Energy Technology Company. Therefore, the financial report of TCC Recycle Energy Technology Company and its subsidiaries should not be included in the consolidated financial report starting from the date of losing control. In addition, the residual investment was evaluated using the fair value on the date of losing control and it was accounted for using the equity method (associate). Please refer to Notes 14 and 32 for additional information.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2022	December 31, 2021	June 30, 2021
Investment in associate	\$ 4,055,265	\$ 3,974,104	\$ -
Investment in joint venture	<u>403,448</u>	<u>469,500</u>	<u>512,224</u>
	<u>\$ 4,458,713</u>	<u>\$ 4,443,604</u>	<u>\$ 512,224</u>

a. Investment in associate

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Associate that is not individually material</u>			
TCC Recycle Energy Technology Company	<u>\$ 4,055,265</u>	<u>\$ 3,974,104</u>	<u>\$ -</u>

Aggregate information of associate that is not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
The Group's share of:				
Net gain from continuing operations	\$ 36,869	\$ -	\$ 73,988	\$ -
Other comprehensive income	<u>804</u>	<u>-</u>	<u>7,173</u>	<u>-</u>
Total comprehensive income	<u>\$ 37,673</u>	<u>\$ -</u>	<u>\$ 81,161</u>	<u>\$ -</u>

The Board of Directors of the former subsidiary, TCC Recycle Energy Technology Company, approved a cash capital increase of NT\$10 billion on May 14, 2021. The Board of Directors of the Group approved on August 12, 2021 to waive the subscription right of share issuance for cash capital increase of TCC Recycle Energy Technology Company. The shareholding ratio of the Group was reduced from 61.97% to 24.30%. The Group has lost control of TCC Recycle Energy Technology Company after evaluation. Therefore, TCC Recycle Energy Technology Company and its subsidiaries should not be included in the consolidated financial report starting from the date of losing control. In addition, the residual investment was evaluated using the fair value on the date of losing control and it was accounted for using the equity method (associate). Please refer to Note 32 for additional information. Additionally, The Board of Directors of TCC Recycle Energy Technology Company approved a cash capital increase of NT\$12 billion on June 21, 2022. The Board of Directors of the Group approved on June 23, 2022 to waive the subscription right of share issuance for cash capital increase of TCC Recycle Energy Technology Company. The shareholding ratio of the Group will be reduced from 24.30% to 14.05% in the third quarter of 2022. Although the shareholding ratio of the Group will be less than 20%, the Group still has significant influence on TCC Recycle Energy Technology Company. Therefore, the investment in TCC Recycle Energy Technology Company will be accounted for using the equity method.

b. Investment in joint venture

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Joint venture that is not individually material</u>			
CCC Dutch B.V.	\$ 403,448	\$ 469,500	\$ 512,224

Aggregate information of joint venture that is not individually material

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2022	2021	2022	2021
The Group's share of:				
Net loss from continuing operations	\$ (16,916)	\$ (11,198)	\$ (58,133)	\$ (2,261)
Other comprehensive loss	<u>(5,695)</u>	<u>(429)</u>	<u>(7,919)</u>	<u>(255)</u>
Total comprehensive loss	<u>\$ (22,611)</u>	<u>\$ (11,627)</u>	<u>\$ (66,052)</u>	<u>\$ (2,516)</u>

The Corporation through CCC Dutch B.V. with Ordu Yardimlasma Kurumu mutually established a joint venture, Continental Carbon OYAK (Netherlands) B.V. (original name OYAK Carbon Black Investments B.V.) in 2020, and owned 50% ownership of the joint venture to indirectly invest the carbon black business in Turkey.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Other Equipment	Property under Construction	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 685,736	\$ 5,309,236	\$ 18,400,710	\$ 1,262,466	\$ 8,291,293	\$ 33,949,441
Additions	-	-	7,575	2,593	1,448,573	1,458,741
Disposals and retirements	-	-	(68,443)	(8,863)	-	(77,306)
Reclassification	-	6,988	249,152	48,648	(202,035)	102,753
Reclassified as disposal groups held for sale	(84,428)	(2,376,363)	(3,966,225)	(376,168)	(224,550)	(7,027,734)
Effect of exchange rate differences	<u>(1,284)</u>	<u>(41,177)</u>	<u>(236,198)</u>	<u>(11,956)</u>	<u>(229,289)</u>	<u>(519,904)</u>
Balance at June 30, 2021	<u>\$ 600,024</u>	<u>\$ 2,898,684</u>	<u>\$ 14,386,571</u>	<u>\$ 916,720</u>	<u>\$ 9,083,992</u>	<u>\$ 27,885,991</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ -	\$ 2,131,908	\$ 13,285,654	\$ 990,174	\$ -	\$ 16,407,736
Depreciation expense	-	74,296	346,071	31,289	-	451,656
Disposals and retirements	-	-	(66,136)	(8,693)	-	(74,829)
Reclassified as disposal groups held for sale	-	(964,864)	(2,859,582)	(296,009)	-	(4,120,455)
Effect of exchange rate differences	<u>-</u>	<u>(15,867)</u>	<u>(168,983)</u>	<u>(9,443)</u>	<u>-</u>	<u>(194,293)</u>
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 1,225,473</u>	<u>\$ 10,537,024</u>	<u>\$ 707,318</u>	<u>\$ -</u>	<u>\$ 12,469,815</u>
Carrying amounts at January 1, 2021	<u>\$ 685,736</u>	<u>\$ 3,177,328</u>	<u>\$ 5,115,056</u>	<u>\$ 272,292</u>	<u>\$ 8,291,293</u>	<u>\$ 17,541,705</u>
Carrying amounts at June 30, 2021	<u>\$ 600,024</u>	<u>\$ 1,673,211</u>	<u>\$ 3,849,547</u>	<u>\$ 209,402</u>	<u>\$ 9,083,992</u>	<u>\$ 15,416,176</u>

(Continued)

	Land	Buildings	Equipment	Other Equipment	Property under Construction	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 599,575	\$ 2,921,076	\$ 17,385,873	\$ 938,458	\$ 7,715,350	\$ 29,560,332
Additions	-	241	78	98	1,983,819	1,984,236
Disposals and retirements	-	(5,315)	(15,131)	(18,461)	-	(38,907)
Reclassification	-	12,462	3,399,202	14,687	(3,421,073)	5,278
Effect of exchange rate differences	5,096	109,030	931,431	33,916	198,975	1,278,448
Balance at June 30, 2022	<u>\$ 604,671</u>	<u>\$ 3,037,494</u>	<u>\$ 21,701,453</u>	<u>\$ 968,698</u>	<u>\$ 6,477,071</u>	<u>\$ 32,789,387</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ -	\$ 1,273,319	\$ 10,723,153	\$ 725,005	\$ 104,914	\$ 12,826,391
Depreciation expense	-	47,042	456,152	26,290	-	529,484
Disposals and retirements	-	(4,783)	(12,143)	(18,419)	-	(35,345)
Effect of exchange rate differences	-	44,574	470,869	27,278	2,098	544,819
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 1,360,152</u>	<u>\$ 11,638,031</u>	<u>\$ 760,154</u>	<u>\$ 107,012</u>	<u>\$ 13,865,349</u>
Carrying amounts at January 1, 2022	<u>\$ 599,575</u>	<u>\$ 1,647,757</u>	<u>\$ 6,662,720</u>	<u>\$ 213,453</u>	<u>\$ 7,610,436</u>	<u>\$ 16,733,941</u>
Carrying amounts at June 30, 2022	<u>\$ 604,671</u>	<u>\$ 1,677,342</u>	<u>\$ 10,063,422</u>	<u>\$ 208,544</u>	<u>\$ 6,370,059</u>	<u>\$ 18,924,038</u>
(Concluded)						

The above items of property, plant and equipment are depreciated on straight-line basis and declining balance basis over the estimated useful lives of the assets as follows:

a. Straight-line basis

Buildings

Main buildings and improvements	3 to 61 years
Electro - mechanical equipment	10 years
Engineering system	10 years
Network equipment	10 years
Equipment	3 to 22 years
Other equipment	2 to 13 years

b. Declining balance basis

Equipment	10%-20%
Other equipment	30%

Prepayments for equipment are the fixed assets that the Group have received but not yet accepted.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Carrying amounts</u>			
Land	\$ 518,160	\$ 514,655	\$ 515,711
Buildings	42,849	45,071	50,677
Machinery	20,284	21,056	-
Transportation equipment	<u>56,697</u>	<u>68,669</u>	<u>83,765</u>
	<u>\$ 637,990</u>	<u>\$ 649,451</u>	<u>\$ 650,153</u>
	For the Three Months Ended June 30	For the Six Months Ended June 30	
	2022	2021	2022
			2021
Additions to right-of-use assets			\$ 238
Depreciation charge for right-of-use assets			\$ -
Land	\$ 2,089	\$ 4,547	\$ 4,130
Buildings	2,428	2,252	5,566
Machinery	600	-	1,194
Transportation equipment	<u>8,837</u>	<u>8,448</u>	<u>17,278</u>
	<u>\$ 13,954</u>	<u>\$ 15,247</u>	<u>\$ 28,168</u>
			<u>\$ 30,685</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2022 and 2021.

b. Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Carrying amounts</u>			
Current	<u>\$ 47,326</u>	<u>\$ 46,936</u>	<u>\$ 44,006</u>
Non-current	<u>\$ 75,633</u>	<u>\$ 91,572</u>	<u>\$ 91,838</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Land	8.00%	8.00%	12.00%
Buildings	4.00%-7.82%	4.00%-7.82%	4.00%-12.00%
Machinery	3.80%	3.80%	-
Transportation equipment	4.00%-5.75%	2.30%-5.25%	1.30%-4.00%

c. Material lease-in activities and terms

Prior to the commencement of the lease, the subsidiaries in China and India leased land use rights from the People's Republic of China and Republic of India by prepaid lease payments. It was recognized under the right-of-use assets upon obtaining the land certificate, and depreciated on a straight-line basis during the lease period.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 17.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	<u>\$ 9,066</u>	<u>\$ 9,366</u>	<u>\$ 17,753</u>	<u>\$ 19,627</u>
Expenses relating to low-value asset leases	<u>\$ 151</u>	<u>\$ 601</u>	<u>\$ 2,061</u>	<u>\$ 1,215</u>
Total cash outflow for leases			<u>\$ 48,981</u>	<u>\$ 51,759</u>

The Group leases certain buildings, office equipment and transportation equipment which qualify as short-term leases and certain office equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES

	For the Six Months Ended June 30	
	2022	2021
<u>Cost</u>		
Balance at January 1	<u>\$ 487,430</u>	<u>\$ 487,430</u>
Balance at June 30	<u>\$ 487,430</u>	<u>\$ 487,430</u>
<u>Accumulated depreciation</u>		
Balance at January 1	<u>\$ (148,561)</u>	<u>\$ (131,028)</u>
Depreciation expense	<u>(8,766)</u>	<u>(8,766)</u>
Balance at June 30	<u>\$ (157,327)</u>	<u>\$ (139,794)</u>
Carrying amounts at January 1	<u>\$ 338,869</u>	<u>\$ 356,042</u>
Carrying amounts at June 30	<u>\$ 330,103</u>	<u>\$ 347,636</u>

The investment properties held by the Group are depreciated by the straight-line basis over the estimated useful lives of 9-51 years.

The lease periods of the abovementioned investment properties were from November 20, 2017 to November 19, 2027 and with an option to extend for an additional 5 years. Starting from December 1, 2022, the rent will be adjusted in accordance with the price index adjustment between 2017 to 2022 according to the lease agreement. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Year 1	\$ 25,200	\$ 25,200	\$ 25,200
Year 2	25,200	25,200	25,200
Year 3	25,200	25,200	25,200
Year 4	25,200	25,200	25,200
Year 5	25,200	25,200	25,200
Year 6 onwards	<u>9,723</u>	<u>22,407</u>	<u>34,982</u>
	<u>\$ 135,723</u>	<u>\$ 148,407</u>	<u>\$ 160,982</u>

The determination of fair value was not performed by independent qualified professional valuers. The management of the Group used the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at with reference to the cost approach in the Regulations on Real Estate Appraisal. Cost approach refers to an approach used in estimating the value of the subject property by deducting the accrued depreciation or other items due to be subtracted from the reproduction cost. The fair value of investment properties was \$345,653 thousand and \$363,419 thousand on December 31, 2021 and 2020, respectively. Management of the Group had assessed and determined that there was no significant changes in the fair value as of June 30, 2022 and 2021, as compared to that as of December 31, 2021 and 2020.

18. GOODWILL

	For the Six Months Ended June 30	
	2022	2021
<u>Cost</u>		
Balance at January 1	\$ 563,458	\$ 576,573
Effect of exchange rate differences	<u>33,444</u>	<u>(10,165)</u>
Balance at June 30	<u>\$ 596,902</u>	<u>\$ 566,408</u>
<u>Accumulated impairment</u>		
Balance at January 1	\$ (356,861)	\$ (360,078)
Effect of exchange rate differences	<u>(8,204)</u>	<u>2,494</u>
Balance at June 30	<u>\$ (365,065)</u>	<u>\$ (357,584)</u>
Carrying amounts at January 1	<u>\$ 206,597</u>	<u>\$ 216,495</u>
Carrying amounts at June 30	<u>\$ 231,837</u>	<u>\$ 208,824</u>

19. OTHER INTANGIBLE ASSETS

	Patents	Technology License Agreements	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 704,824	\$ 6,000	\$ 710,824
Reclassified as held for sale	<u>-</u>	<u>(6,000)</u>	<u>(6,000)</u>
Balance at June 30, 2021	<u>\$ 704,824</u>	<u>\$ -</u>	<u>\$ 704,824</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2021	\$ (565,508)	\$ (6,000)	\$ (571,508)
Amortization expense	(32,150)	-	(32,150)
Reclassified as held for sale	<u>-</u>	<u>6,000</u>	<u>6,000</u>
Balance at June 30, 2021	<u>\$ (597,658)</u>	<u>\$ -</u>	<u>\$ (597,658)</u>
Carrying amounts at January 1, 2021	<u>\$ 139,316</u>	<u>\$ -</u>	<u>\$ 139,316</u>
Carrying amounts at June 30, 2021	<u>\$ 107,166</u>	<u>\$ -</u>	<u>\$ 107,166</u>
<u>Cost</u>			
Balance at January 1, 2022	<u>\$ 704,824</u>	<u>\$ -</u>	<u>\$ 704,824</u>
Balance at June 30, 2022	<u>\$ 704,824</u>	<u>\$ -</u>	<u>\$ 704,824</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2022	\$ (629,808)	\$ -	\$ (629,808)
Amortization expense	<u>(32,150)</u>	<u>-</u>	<u>(32,150)</u>
Balance at June 30, 2022	<u>\$ (661,958)</u>	<u>\$ -</u>	<u>\$ (661,958)</u>
Carrying amounts at January 1, 2022	<u>\$ 75,016</u>	<u>\$ -</u>	<u>\$ 75,016</u>
Carrying amounts at June 30, 2022	<u>\$ 42,866</u>	<u>\$ -</u>	<u>\$ 42,866</u>

The above items of other intangible assets were amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Patents	14 to 15 years
Technology license agreements	4 to 15 years

20. OTHER ASSETS

	June 30, 2022	December 31, 2021	June 30, 2021
Excess VAT paid	\$ 687,130	\$ 547,276	\$ 382,104
Prepayments for purchases	335,849	253,791	353,530
Other prepayments	77,730	99,432	90,948
Deferred expenses	50,841	28,034	30,346
Others	<u>5,607</u>	<u>4,396</u>	<u>26,587</u>
	<u>\$ 1,157,157</u>	<u>\$ 932,929</u>	<u>\$ 883,515</u>
Current	\$ 1,109,038	\$ 904,909	\$ 857,896
Non-current	<u>48,119</u>	<u>28,020</u>	<u>25,619</u>
	<u>\$ 1,157,157</u>	<u>\$ 932,929</u>	<u>\$ 883,515</u>

21. BORROWINGS

a. Short-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Credit borrowings	\$ 10,912,385	\$ 8,903,131	\$ 7,796,496
Secured borrowings (Note 35)	<u>1,099,640</u>	<u>664,320</u>	<u>-</u>
	<u>\$ 12,012,025</u>	<u>\$ 9,567,451</u>	<u>\$ 7,796,496</u>
Interest rates	0.75%-6.50%	0.75%-4.90%	0.76%-5.30%

b. Short-term bills payable

	June 30, 2022	December 31, 2021	June 30, 2021
Commercial paper	\$ -	\$ 350,000	\$ 50,000
Less: Unamortized discount on bills payable	<u>-</u>	<u>(395)</u>	<u>(110)</u>
	<u>\$ -</u>	<u>\$ 349,605</u>	<u>\$ 49,890</u>
Interest rate	-	0.93%-0.95%	0.96%
Due date	-	2022.3.25	2021.9.23

c. Long-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Credit borrowings	\$ 3,677,600	\$ 3,585,464	\$ 2,447,414
Secured borrowings (Note 35)	<u>-</u>	<u>-</u>	<u>585,060</u>
	3,677,600	3,585,464	3,032,474
Less: Current portions	<u>(500,000)</u>	<u>-</u>	<u>(2,476,754)</u>
Long-term borrowings	<u>\$ 3,177,600</u>	<u>\$ 3,585,464</u>	<u>\$ 555,720</u>
Interest rate	1.13%-3.64%	1.00%-2.11%	1.00%-2.11%
Due date	2028.10.13	2028.10.13	2023.4.2

On November 23, 2016, Continental Carbon Company (“CCC”) entered into a five-year syndicated loan agreement with ChinaTrust Commercial Bank and other eight banks.

According to the loan agreement, after 2.5 years from the first use of the loan facility to nine months before the expiration, a written application for extension of the credit period for two years can be made to the management bank if there is no breach of contract. CCC has filed an application to the management bank, ChinaTrust Commercial Bank, on February 1, 2021 and has been granted an extension in November 2021 for long-term borrowings to be repaid by installments before November 23, 2023. The agreement required the association guarantor (the Corporation) to meet specific financial ratios of current ratio, the ratio of total liabilities to net tangible assets, the interest coverage ratio and net tangible assets based on the semi-annual and annual consolidated financial statements during the loan period. CCC has settled the non-revolving loan amounts in May 2022, but there are still the revolving loan facilities of US\$23,000 thousand available for use.

On December 7, 2021, CCC entered into a new three-year syndicated loan agreement with ChinaTrust Commercial Bank and other seven banks. According to the loan agreement, after 2 years from the first use of the loan facility to six months before the expiration, a written application for extension of the credit period for two years can be made to the management bank if there is no breach of contract. The agreement required the association guarantor (the Corporation) to meet specific financial ratios of current ratio, the ratio of total liabilities to net tangible assets, the interest coverage ratio and net tangible assets based on the semi-annual and annual consolidated financial statements during the loan period.

The Corporation did not violate the above financial ratio requirements base on the annual consolidated financial statements for the years ended December 31, 2021 and for the six months ended June 30, 2022 and 2021.

22. OTHER PAYABLES

	June 30, 2022	December 31, 2021	June 30, 2021
Payable for purchase of equipment, construction and repairing construction	\$ 824,414	\$ 576,953	\$ 518,035
Payable for research fee	363,681	366,175	407,505
Payable for professional fee	251,006	264,834	262,906
Payable for salaries and bonuses	234,467	287,022	229,296

(Continued)

	June 30, 2022	December 31, 2021	June 30, 2021
Payable for dividends	\$ 194,000	\$ -	\$ -
Payable for cash-settled share-based payment transactions	169,790	139,989	121,829
Payable for transportation and selling expenses	102,563	68,404	85,220
Payable for tax	59,258	100,541	71,907
Payable for water and electricity	24,787	18,349	27,489
Compensation payable to directors	4,050	10,000	16,200
Others	<u>343,044</u>	<u>266,341</u>	<u>251,684</u>
	<u>\$ 2,571,060</u>	<u>\$ 2,098,608</u>	<u>\$ 1,992,071</u> (Concluded)

23. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans for the three months ended June 30, 2022 and 2021 was \$5,002 thousand and \$5,271 thousand, respectively; and for the six months ended June 30, 2022 and 2021 was \$9,786 thousand and \$10,954 thousand by the actuarially determined pension cost discount rate as of December 31, 2021 and 2020, respectively.

The Group's long-term employee benefits on June 30, 2022, December 31, 2021 and June 30, 2021 was \$8,191 thousand, \$8,191 thousand and \$9,356 thousand, respectively (presented in provisions - non-current).

24. EQUITY

a. Ordinary shares

	June 30, 2022	December 31, 2021	June 30, 2021
Number of shares authorized (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Shares authorized	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>984,734</u>	<u>984,734</u>	<u>984,734</u>
Shares issued	\$ 9,847,336	\$ 9,847,336	\$ 9,847,336
Surplus	<u>8,529,343</u>	<u>8,529,343</u>	<u>8,529,343</u>
	<u>\$ 18,376,679</u>	<u>\$ 18,376,679</u>	<u>\$ 18,376,679</u>

The issued ordinary shares, with a par value of NT\$10, carry one voting right per share and carry a right to dividends.

b. Capital surplus

	June 30, 2022	December 31, 2021	June 30, 2021
Issuance of ordinary shares	\$ 8,529,343	\$ 8,529,343	\$ 8,529,343
Treasury shares transactions	249,189	246,242	244,769
Employee share options	22,141	22,141	22,141
Long-term investments	<u>107,235</u>	<u>107,235</u>	<u>107,020</u>
	<u>\$ 8,907,908</u>	<u>\$ 8,904,961</u>	<u>\$ 8,903,273</u>

The capital surplus arising from shares issued in excess of par value (including recognition from issuance of ordinary shares and treasury share transactions) may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

The capital surplus from long-term investments and employee share options may not be used for any purpose.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit unless the legal reserve has reached the Corporation's paid-in capital, and then any remaining profit together with any undistributed retained earnings, setting aside or reversing a special reserve in accordance with the laws and regulations if necessary, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

The Corporation may also opt to transfer retained earnings to capital and distribute share dividends to finance its working capital requirements and major investment plans, but the cash dividend payout ratio should be up to 20% of the total dividends to be distributed to ordinary shareholders. For the policies on distribution of compensation of employees and remuneration of directors, please refer to Note 26(g).

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2021 and 2020 were approved in the shareholders' meetings on May 27, 2022 and July 7, 2021, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2021	2020	2021	2020
Legal reserve	\$ 340,249	\$ 72,953	\$ -	\$ -
Cash dividends	196,947	98,473	0.20	0.10

d. Non-controlling interests

	For the Six Months Ended June 30	
	2022	2021
Balance at January 1	\$ 1,755,926	\$ 3,957,144
Attributable to non-controlling interests		
Share of profit for the period	81,193	15,409
Exchange difference on translating foreign operations	134,969	(37,712)
Unrealized (loss) gain on financial assets at FVTOCI	<u>(1,028)</u>	<u>503</u>
Balance at June 30	<u>\$ 1,971,060</u>	<u>\$ 3,935,344</u>

e. Treasury shares

	(Shares in Thousands)			
Purpose	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at June 30
<u>2022</u>				
Shares held by its subsidiaries	<u>14,735</u>	<u>-</u>	<u>-</u>	<u>14,735</u>
<u>2021</u>				
Shares held by its subsidiaries	<u>14,735</u>	<u>-</u>	<u>-</u>	<u>14,735</u>

The subsidiary, CS Development & Investment Co., acquired the Corporation's shares with book value of \$290,088 thousand. As of June 30, 2022, December 31, 2021 and June 30, 2021, the market value of treasury shares was \$285,116 thousand, \$415,517 thousand and \$395,626 thousand, respectively. A subsidiary holding treasury shares, shall have shareholders' rights, except the subsidiary holding over 50% of the shares has no rights to participate in any share issuance for cash and to vote.

25. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 5,509,107	\$ 5,252,391	\$ 10,398,510	\$ 10,004,865
Revenue from royalties	-	623,972	-	1,228,686
Revenue from settlement royalties	329,728	-	645,461	-
Other operating revenue	<u>6,300</u>	<u>6,301</u>	<u>12,631</u>	<u>12,632</u>
	<u>\$ 5,845,135</u>	<u>\$ 5,882,664</u>	<u>\$ 11,056,602</u>	<u>\$ 11,246,183</u>

a. Contract information

1) Revenue from the sale of goods

Revenue from the sale of goods comes from the sales of carbon black goods and battery products. Goods are sold at their respective fixed amounts as agreed in the contracts.

2) Revenue from royalties

Revenue from royalties is the royalties received on sales basis in exchange for the patent licensing.

3) Revenue from settlement royalties

Revenue from settlement royalties is the settlement royalties received from a settlement agreement regarding the royalty obligation disputes. Please refer to Note 36(c).

b. Contract balances

	June 30, 2022	December 31, 2021	June 30, 2021	January 1, 2021
Trade receivables (Note 9)	<u>\$ 4,636,950</u>	<u>\$ 3,770,246</u>	<u>\$ 4,171,133</u>	<u>\$ 3,732,235</u>
Contract liabilities - current				
Settlement royalties	\$ 887,649	\$ 1,271,390	\$ -	\$ -
Contract liabilities - non-current	<u>-</u>	<u>202,086</u>	<u>-</u>	<u>-</u>
	<u>\$ 887,649</u>	<u>\$ 1,473,476</u>	<u>\$ -</u>	<u>\$ -</u>

26. INCOME BEFORE INCOME TAX

Net income from continuing operations included the following:

a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Claim income	\$ 49,872	\$ 25,471	\$ 73,107	\$ 35,921
Government grants income (Note 30)	2,004	165,338	64,695	165,388
Technical licensing income	20,263	15,122	36,426	29,224
Rental income	183	2,415	338	5,481
Others	<u>42,103</u>	<u>1,522</u>	<u>45,162</u>	<u>5,551</u>
	<u>\$ 114,425</u>	<u>\$ 209,868</u>	<u>\$ 219,728</u>	<u>\$ 241,565</u>

b. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Bank deposits	<u>\$ 11,321</u>	<u>\$ 9,121</u>	<u>\$ 18,777</u>	<u>\$ 20,973</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Net gain on fair value change of financial assets held for trading	\$ 540	\$ 259	\$ 886	\$ 550
Net foreign exchange gain (loss)	46,442	(35,631)	112,991	(51,919)
Loss on disposal and retirement of property, plant and equipment	(3,431)	(138)	(3,433)	(1,830)
Others	<u>(1,626)</u>	<u>(13,646)</u>	<u>(7,990)</u>	<u>(28,191)</u>
	<u>\$ 41,925</u>	<u>\$ (49,156)</u>	<u>\$ 102,454</u>	<u>\$ (81,390)</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Interest expense (excluded in capitalized interest)	\$ 103,050	\$ 41,031	\$ 188,667	\$ 77,886
Interest on lease liabilities	1,275	2,045	2,624	3,946
Other finance costs	<u>420</u>	<u>548</u>	<u>830</u>	<u>939</u>
	<u>\$ 104,745</u>	<u>\$ 43,624</u>	<u>\$ 192,121</u>	<u>\$ 82,771</u>

Information about capitalized interest was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Capitalized interest	\$ 81	\$ 27,680	\$ 3,201	\$ 50,935
Capitalization rate	1.89%	1.89%	1.28%	1.91%

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Property, plant and equipment	\$ 279,161	\$ 226,526	\$ 529,484	\$ 451,656
Investment properties	4,383	4,383	8,766	8,766
Other intangible assets	16,075	16,075	32,150	32,150
Right-of-use assets	13,954	15,247	28,168	30,685
Deferred expenses	<u>4,675</u>	<u>23,545</u>	<u>7,861</u>	<u>46,511</u>
	<u>\$ 318,248</u>	<u>\$ 285,776</u>	<u>\$ 606,429</u>	<u>\$ 569,768</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
An analysis of depreciation by function				
Operating costs	\$ 275,653	\$ 215,799	\$ 522,895	\$ 431,086
Operating expenses	<u>21,845</u>	<u>30,357</u>	<u>43,523</u>	<u>60,021</u>
	<u>\$ 297,498</u>	<u>\$ 246,156</u>	<u>\$ 566,418</u>	<u>\$ 491,107</u>
An analysis of amortization by function				
Operating costs	\$ 1,405	\$ 17,572	\$ 3,163	\$ 35,442
Operating expenses	<u>19,345</u>	<u>22,048</u>	<u>36,848</u>	<u>43,219</u>
	<u>\$ 20,750</u>	<u>\$ 39,620</u>	<u>\$ 40,011</u>	<u>\$ 78,661</u>

(Concluded)

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Post-employment benefits				
Defined contribution plans	\$ 13,157	\$ 32,149	\$ 28,631	\$ 54,861
Defined benefit plans (Note 23)	<u>5,002</u>	<u>5,271</u>	<u>9,786</u>	<u>10,954</u>
	<u>18,159</u>	<u>37,420</u>	<u>38,417</u>	<u>65,815</u>
Cash-settled share-based payments	<u>18,416</u>	<u>17,867</u>	<u>35,794</u>	<u>20,668</u>
Other employee benefits	<u>361,466</u>	<u>567,642</u>	<u>710,174</u>	<u>1,104,964</u>
Total employee benefit expense	<u>\$ 398,041</u>	<u>\$ 622,929</u>	<u>\$ 784,385</u>	<u>\$ 1,191,447</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 256,521	\$ 378,013	\$ 505,694	\$ 750,517
Operating expenses	<u>141,520</u>	<u>244,916</u>	<u>278,691</u>	<u>440,930</u>
	<u>\$ 398,041</u>	<u>\$ 622,929</u>	<u>\$ 784,385</u>	<u>\$ 1,191,447</u>

g. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees and remuneration of directors at the rates 0.01%-3% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

For the three months ended June 30, 2022 and 2021 and six months ended June 30, 2022 and 2021, the compensation of employees and the remuneration of directors were as follows:

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Compensation of employees	\$ 309	\$ 429	\$ 678	\$ 751
Remuneration of directors	\$ 1,602	\$ 3,340	\$ 4,050	\$ 8,200

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of compensation of employees and remuneration of directors for 2021 and 2020 resolved by the Board of Directors on April 12, 2022 and March 19, 2021, respectively, were as below:

Amount

	For the Year Ended December 31	
	2021	2020
Compensation of employees	\$ 3,013	\$ 824
Remuneration of directors	\$ 10,000	\$ 8,000

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Current tax				
In respect of the current year	\$ 64,211	\$ 111,675	\$ 126,406	\$ 236,272
Income tax on unappropriated earnings	151,799	-	151,799	-
Adjustments for prior years	(13,953)	1,760	(13,953)	1,438
	<u>202,057</u>	<u>113,435</u>	<u>264,252</u>	<u>237,710</u>
Deferred tax				
In respect of the current year	127,069	73,533	252,300	144,947
Others	(4,452)	1,224	(9,816)	1,078
	<u>122,617</u>	<u>74,757</u>	<u>242,484</u>	<u>146,025</u>
Income tax expense recognized in profit or loss	<u>\$ 324,674</u>	<u>\$ 188,192</u>	<u>\$ 506,736</u>	<u>\$ 383,735</u>

b. Income tax assessments

Income tax returns of the following companies had been assessed by tax authorities:

- 1) CS Development & Investment Co. - through 2020
- 2) Yun Cheng Investment Corporation - through 2020
- 3) Consolidated Resource Co. - through 2020
- 4) Circular Commitment Company - through 2019
- 5) Linyuan Advanced Materials Technology Co., Ltd. - through 2019
- 6) The Corporation - through 2019

28. (LOSS) EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Basic (loss) earnings per share				
Total basic (loss) earnings per share	<u>\$ (0.01)</u>	<u>\$ 0.30</u>	<u>\$ 0.21</u>	<u>\$ 0.75</u>
Diluted (loss) earnings per share				
Total diluted (loss) earnings per share	<u>\$ (0.01)</u>	<u>\$ 0.30</u>	<u>\$ 0.21</u>	<u>\$ 0.75</u>

The (loss) earnings and weighted average number of ordinary shares used in the computation of (loss) earnings per share were as follows:

Net (Loss) Income for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
(Loss) income attributable to owners of the Corporation	\$ (4,533)	\$ 294,692	\$ 208,181	\$ 723,274
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Loss) earnings used in the computation of diluted (loss) earnings per share from continuing operations	<u>\$ (4,533)</u>	<u>\$ 294,692</u>	<u>\$ 208,181</u>	<u>\$ 723,274</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Weighted average number of ordinary shares used in computation of basic (loss) earnings per share	969,999	969,999	969,999	969,999
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>-</u>	<u>28</u>	<u>100</u>	<u>42</u>
Weighted average number of ordinary shares used in the computation of diluted (loss) earnings per share	<u>969,999</u>	<u>970,027</u>	<u>970,099</u>	<u>970,041</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

For the three months ended June 30, 2021, the earnings of dilutive ordinary shares used in the computation of diluted earnings per share are net loss. Therefore, effect of potentially dilutive ordinary shares are anti-dilutive and excluded from the computation of diluted earnings per share.

29. CASH-SETTLED SHARE-BASED PAYMENTS ARRANGEMENTS

Information on employee share appreciation rights issued by CCC, the Corporation's subsidiary, for the six months ended June 30, 2022 and 2021, were as follows:

	For the Six Months Ended June 30			
	2022		2021	
	Number of Rights (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Rights (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance at January 1	152	\$ 2,753	125	\$ 2,536
Rights waived	(2)	3,422	-	-
Rights exercised	<u>(14)</u>	<u>2,631</u>	<u>(1)</u>	<u>2,432</u>
Balance at June 30	<u>136</u>		<u>124</u>	
Rights exercisable, end of period	<u>111</u>		<u>107</u>	
Weighted-average fair value of rights granted (\$)	<u>\$ 1,450</u>		<u>\$ 1,156</u>	

30. GOVERNMENT GRANTS

In addition to those disclosed in other notes, the government grants obtained by the Group are as follows:

Due to the implication of the COVID-19, the subsidiary, CCC, had applied to U.S. Government for “Paycheck Protection Program” loan (“PPP Loan”) amounting to \$57,450 thousand and 164,801 thousand, which were received in April 2021 and May 2020, respectively, and were accounted for long-term borrowings in the accompanying financial statements. The applications for loan forgiveness of PPP Loan were approved in January 2022 and June 2021, and were accounted for non-operating income and expenses-other income in the accompanying financial statements.

31. CAPITAL MANAGEMENT

The Group manages and maintains sufficient capital to expand operations and meet related capital expenditure. The Group manages its capital to maintain the profitability and financial structure, and ensure that it has sufficient financial resources to fund its working capital, capital expenditures, debt repayments and the payment of dividends to shareholders.

32. DISPOSAL OF SUBSIDIARY

The Board of Directors of the former subsidiary, TCC Recycle Energy Technology Company, approved a cash capital increase of NT\$10 billion on May 14, 2021. The Board of Directors of the Group approved on August 12, 2021 to waive the subscription right of share issuance for cash capital increase of TCC Recycle Energy Technology Company. The shareholding ratio of the Group was reduced from 61.97% to 24.30%. The Group has lost control of TCC Recycle Energy Technology Company after evaluation.

a. Analysis of assets and liabilities on the date control was lost

	TCC Recycle Energy Technology
Current assets	
Cash and cash equivalents	\$ 1,624,517
Accounts receivables	450,314
Accounts receivables from related parties	68,291
Other financial assets - current	27,001
Inventories	1,289,974
Current tax assets	47
Other current assets	252,430
Non-current assets	
Property, plant and equipment	2,888,527
Right-of-use assets	81,113
Prepayments for equipment	526,675
Other financial assets - non-current	7,407
Other non-current assets	74,249
Current liabilities	
Short-term borrowings	(11,129)
Trade payables	(409,988)
Current portion of long-term borrowings	(300,000)
Other payables	(284,605)
Other current liabilities	(398,270)
	(Continued)

	TCC Recycle Energy Technology
Non-current liabilities	
Deferred tax liabilities	\$ (371)
Lease liabilities - non-current	(83,358)
Net defined benefit liabilities	(23,774)
Other non-current liabilities	<u>(15,966)</u>
Disposal of net assets	<u>\$ 5,763,084</u> (Concluded)

b. Net gain on disposal of subsidiary

	TCC Recycle Energy Technology
The fair value of interests held by the Group	\$ 3,996,575
Disposal of net assets	(5,763,084)
Non-controlling interests	2,191,701
Reclassification of other comprehensive income in respect of subsidiary	<u>(11,139)</u>
Net gain on disposal of subsidiary	<u>\$ 414,053</u>

The Group's net disposal gains of TCC Recycle Energy Technology Company was accounted for other Gains and losses in second half of 2021.

33. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The disclosures of fair value are not required for financial instruments that are not measured at fair value with carrying value approximating fair value.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets				
Mutual funds	<u>\$ 613,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 613,958</u> (Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 7,048,054	\$ -	\$ 26,283	\$ 7,074,337
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>904,318</u>	<u>904,318</u>
	<u>\$ 7,048,054</u>	<u>\$ -</u>	<u>\$ 930,601</u>	<u>\$ 7,978,655</u> (Concluded)

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets				
Mutual funds	<u>\$ 613,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 613,072</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 8,222,679	\$ -	\$ 32,992	\$ 8,255,671
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>963,026</u>	<u>963,026</u>
	<u>\$ 8,222,679</u>	<u>\$ -</u>	<u>\$ 996,018</u>	<u>\$ 9,218,697</u>

June 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets				
Mutual funds	<u>\$ 612,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 612,544</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 8,543,289	\$ -	\$ 3,471	\$ 8,546,760
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>1,038,383</u>	<u>1,038,383</u>
	<u>\$ 8,543,289</u>	<u>\$ -</u>	<u>\$ 1,041,854</u>	<u>\$ 9,585,143</u>

No transfers between Level 1 and 2 for the six months ended June 30, 2022 and 2021.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2022

Financial Assets	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income	Total
Balance at January 1, 2022	\$ -	\$ 996,018	\$ 996,018
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	(65,417)	(65,417)
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 930,601</u>	<u>\$ 930,601</u>

For the six months ended June 30, 2021

Financial Assets	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income	Total
Balance at January 1, 2021	\$ -	\$ 900,629	\$ 900,629
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	141,225	141,225
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 1,041,854</u>	<u>\$ 1,041,854</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

	Fair Value at June 30, 2022	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Financial assets at FVTOCI Equity Instruments	\$930,601	Market approach	P/B Lack of liquidity discount	0.8-2.81 20%-40%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value.
		Balance sheet method	Lack of liquidity discount	10%	When the higher lack of liquidity discount, the lower of fair value.

	Fair Value at December 31, 2021	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Financial assets at FVTOCI Equity Instruments	\$996,018	Market approach	P/B Lack of liquidity discount	0.85-2.93 20%-40%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value.
		Balance sheet method	Lack of liquidity discount	10%	When the higher lack of liquidity discount, the lower of fair value.

	Fair Value at June 30, 2022	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Financial assets at FVTOCI Equity Instruments	\$1,041,854	Market approach	P/B Lack of liquidity discount	0.97-3.01 20%-40%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value.
		Balance sheet method	Lack of liquidity discount	10%	When the higher lack of liquidity discount, the lower of fair value.

c. Categories of financial instruments

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets</u>			
Mandatorily classified as at FVTPL (1)	\$ 613,958	\$ 613,072	\$ 612,544
Financial assets at amortized cost (2)	21,933,933	20,996,657	18,383,971
Financial assets at FVTOCI (3)	7,978,655	9,218,697	9,585,143
<u>Financial liabilities</u>			
Amortized cost (4)	19,405,981	16,566,074	15,143,925

- 1) The balances included financial assets at fair value through profit or loss - current.
- 2) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, accounts receivable from related parties, other financial assets - current, and other financial assets - non-current. Those reclassified to disposal groups held for sale are also included.
- 3) The balances included financial assets at fair value through other comprehensive income - current and financial assets at fair value through other comprehensive income - non-current.
- 4) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payables, trade payables, trade payables to related parties, other payables, and long-term borrowings (included current portion). Those liabilities directly associated with reclassified to disposal groups held for sale are also included.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, beneficiary certificates, accounts receivable, trade payables, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 39.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollars and Canadian dollars.

The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts the translation at the end of the reporting period for a 1% change in foreign currency rates. When New Taiwan dollars strengthen/weaken 1% against U.S. dollars and Canadian dollars, the Group's pre-tax profit for the six months ended June 30, 2022 and 2021 would decrease/increase of \$13,020 thousand and \$9,737 thousand, respectively.

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk. The exposure at the end of the reporting period did not reflect the exposure during the period because sales is seasonal.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021 (Including Disposal Groups Held for Sale)
Fair value interest rate risk			
Financial assets	\$ 8,736,920	\$ 9,308,493	\$ 5,955,268
Financial liabilities	7,890,264	6,204,919	4,643,290
Cash flow interest rate risk			
Financial assets	7,346,338	6,953,609	7,028,100
Financial liabilities	7,922,320	7,436,109	6,815,700

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2022 and 2021 would decrease/increase by \$1,440 thousand and increase/decrease by \$531 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments. The Group adopted sensitivity analysis to measure the equity price risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the pre-tax other comprehensive income for the six months ended June 30, 2022 and 2021 would increase/decrease by \$398,933 thousand and \$479,257 thousand, respectively, as a result of the changes in financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The accounts receivable of the Group covers a large number of customers and spreads across different industries and geographical regions. The Group continuously evaluates the business and financial status of the customers and monitors the collection of accounts receivable.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's concentration of credit risk of 40%, 44% and 39% in total accounts receivable as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively, was related to the Group's five largest customers.

3) Liquidity risk

The Group manages liquidity risk by maintaining a level of cash and cash equivalents, high liquidity in securities, and adequate reserves for bank loan facilities, deemed adequate to ensure the Group maintain enough financial flexibility. As of June 30, 2022, December 31, 2021 and June 30, 2021, the amounts of unused financing facilities were \$14,617,344 thousand, \$15,024,167 thousand and \$19,684,882 thousand (including the amount of disposal groups held for sale of \$3,984,165 thousand as of June 30, 2022), respectively.

Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables excluded interest cash flows.

June 30, 2022

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,037,173	\$ -	\$ -	\$ -	\$ 1,037,173
Lease liabilities	51,218	25,835	31,386	33,971	142,410
Variable interest rate borrowings	4,744,720	2,377,600	-	800,000	7,922,320
Fixed interest rate borrowings	<u>7,767,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,767,305</u>
	<u>\$ 13,600,416</u>	<u>\$ 2,403,435</u>	<u>\$ 31,386</u>	<u>\$ 833,971</u>	<u>\$ 16,869,208</u>

Additional information about the maturity analysis for total financial liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15+ Years	Total
Lease liabilities	\$ 51,218	\$ 57,221	\$ 25,966	\$ 471	\$ 7,534	\$ 142,410
Variable interest rate borrowings	4,744,720	2,377,600	800,000	-	-	7,922,320
Fixed interest rate borrowings	<u>7,767,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,767,305</u>
	<u>\$ 12,563,243</u>	<u>\$ 2,434,821</u>	<u>\$ 825,966</u>	<u>\$ 471</u>	<u>\$ 7,534</u>	<u>\$ 15,832,035</u>

December 31, 2021

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 3,063,554	\$ -	\$ -	\$ -	\$ 3,063,554
Lease liabilities	51,491	41,583	31,133	35,549	159,756
Variable interest rate borrowings	3,906,005	2,730,104	-	800,000	7,436,109
Fixed interest rate borrowings	<u>6,011,051</u>	<u>55,360</u>	<u>-</u>	<u>-</u>	<u>6,066,411</u>
	<u>\$ 13,032,101</u>	<u>\$ 2,827,047</u>	<u>\$ 31,133</u>	<u>\$ 835,549</u>	<u>\$ 16,725,830</u>

Additional information about the maturity analysis for total financial liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15+ Years	Total
Lease liabilities	\$ 51,491	\$ 72,716	\$ 27,641	\$ 465	\$ 7,443	\$ 159,756
Variable interest rate borrowings	3,906,005	2,730,104	800,000	-	-	7,436,109
Fixed interest rate borrowings	<u>6,011,051</u>	<u>55,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,066,411</u>
	<u>\$ 9,968,547</u>	<u>\$ 2,858,180</u>	<u>\$ 827,641</u>	<u>\$ 465</u>	<u>\$ 7,443</u>	<u>\$ 13,662,276</u>

June 30, 2021 (including disposal groups held for sale)

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 3,904,810	\$ -	\$ -	\$ -	\$ 3,904,810
Lease liabilities	58,229	57,556	65,137	75,821	256,743
Variable interest rate borrowings	6,315,700	500,000	-	-	6,815,700
Fixed interest rate borrowings	<u>4,367,695</u>	<u>55,720</u>	<u>-</u>	<u>-</u>	<u>4,423,415</u>
	<u>\$ 14,646,434</u>	<u>\$ 613,276</u>	<u>\$ 65,137</u>	<u>\$ 75,821</u>	<u>\$ 15,400,668</u>

Additional information about the maturity analysis for total financial liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15+ Years	Total
Lease liabilities	\$ 58,229	\$ 122,693	\$ 46,131	\$ 13,549	\$ 16,141	\$ 256,743
Variable interest rate borrowings	6,315,700	500,000	-	-	-	6,815,700
Fixed interest rate borrowings	<u>4,367,695</u>	<u>55,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,423,415</u>
	<u>\$ 10,741,624</u>	<u>\$ 678,413</u>	<u>\$ 46,131</u>	<u>\$ 13,549</u>	<u>\$ 16,141</u>	<u>\$ 11,495,858</u>

d. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of June 30, 2022, December 31, 2021 and June 30, 2021, the face amounts of these unsettled bills receivable were \$193,596 thousand, \$315,863 thousand and \$466,865 thousand, respectively. The unsettled bills receivable will be due in 5 months, 5 months and 8 months, respectively after June 30, 2022, December 31, 2021 and June 30, 2021. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the six months ended June 30, 2022 and 2021, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its related parties have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. The Group's related parties and their relationship

Related Party Name	Relationship with the Group
China Steel Chemical Corporation	The Group acts as key management personnel of the entity
Taiwan Cement Corporation	Same key management personnel
Taiwan Transport & Storage Corporation	Same key management personnel
TCC Information Systems Corporation	Same key management personnel
Taiwan Prosperity Chemical Corporation	Same key management personnel (Note 1)
Ta-Ho Maritime Corporation	Same key management personnel
Fuzhou TCC Information Technology Corporation	Same key management personnel
TCC South Green Energy Corporation	Same key management personnel
Kuan-Ho Refractories Industry Corporation	Same key management personnel
Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation	Related party in substance
FDC International Hotels Corporation	Related party in substance
L'Hotel De Chine Corporation	Related party in substance
OYAK Synthetic Carbon Products Industry and Trade Corporation (OYAK Synthetic Carbon)	Joint venture (Note 2)

Note 1: Taiwan Prosperity Chemical Corporation was not the Group's related party starting from August 17, 2021.

Note 2: Continental Carbon OYAK (Netherlands) B.V. owned 100% of OYAK Synthetic Carbon, and was classified as a joint venture after evaluation.

b. Operating transactions

The prices and payment terms were comparable with those for third parties. Rental of lease agreements with related parties was based on market price and payment terms were determined at general condition.

	Sale of Goods			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2022	2021	2022	2021
Same key management personnel	\$ -	\$ 65,000	\$ -	\$ 66,635

	Purchase of Goods			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2022	2021	2022	2021
The Group acts as key management personnel of the entity	\$ 373,266	\$ 269,088	\$ 727,965	\$ 560,132
Same key management personnel	<u>3,250</u>	<u>3,178</u>	<u>6,334</u>	<u>6,289</u>
	<u>\$ 376,516</u>	<u>\$ 272,266</u>	<u>\$ 734,299</u>	<u>\$ 566,421</u>

	Overhead and Operating Expenses			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2022	2021	2022	2021
Same key management personnel	\$ 57,200	\$ 44,875	\$ 131,552	\$ 100,777
Related party in substance	<u>584</u>	<u>39</u>	<u>674</u>	<u>1,000</u>
	<u>\$ 57,784</u>	<u>\$ 44,914</u>	<u>\$ 132,226</u>	<u>\$ 101,777</u>

	Accounts Receivable from Related Parties		
	December 31,		
	June 30, 2022	2021	June 30, 2021
Same key management personnel	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,250</u>

	Trade Payables to Related Parties		
	December 31,		
	June 30, 2022	2021	June 30, 2021
China Steel Chemical Corporation	\$ 147,652	\$ 127,344	\$ 125,577
Same key management personnel	<u>1,872</u>	<u>1,581</u>	<u>1,216</u>
	<u>\$ 149,524</u>	<u>\$ 128,925</u>	<u>\$ 126,793</u>

The outstanding trade payables to related parties are unsecured. The outstanding accounts receivable from related parties are unsecured. For the six months ended June 30, 2022 and 2021, no impairment losses were recognized for accounts receivable from related parties.

	Other Receivables (Included in Other Financial Assets - Current)		
	December 31,		
	June 30, 2022	2021	June 30, 2021
OYAK Synthetic Carbon	<u>\$ -</u>	<u>\$ 27,680</u>	<u>\$ -</u>

	Other Payables		
	June 30, 2022	December 31, 2021	June 30, 2021
Same key management personnel	\$ 22,150	\$ 20,842	\$ 37,961
Related party in substance	<u>28,053</u>	<u>28,005</u>	<u>28,000</u>
	<u>\$ 50,203</u>	<u>\$ 48,847</u>	<u>\$ 65,961</u>

Accounts receivable from related parties, trade payables to related parties and other payables above included amounts of related assets and liabilities reclassified to disposal groups held for sale.

c. Compensation of key management personnel

The compensation of directors and other key management personnel were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 15,140	\$ 40,636	\$ 30,148	\$ 77,045
Post-employment benefits	105	97	202	187
Share-based payments	<u>(850)</u>	<u>17,867</u>	<u>16,528</u>	<u>20,668</u>
	<u>\$ 14,395</u>	<u>\$ 58,600</u>	<u>\$ 46,878</u>	<u>\$ 97,900</u>

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for certain short-term borrowings, long-term borrowings, performance guarantees, and other credit accommodations:

	June 30, 2022		December 31, 2021		June 30, 2021	
	Shares (Thousands)	Amount	Shares (Thousands)	Amount	Shares (Thousands)	Amount
Notes and accounts receivable	-	\$ 2,636,373	-	\$ 1,866,276	-	\$ 1,830,374
Inventories	-	1,103,260	-	759,130	-	729,390
Bank deposits (included in other financial assets - current)	-	278,683	-	211,638	-	177,663
Pledged time deposits (included in other financial assets - current and non-current)	-	31,772	-	30,267	-	9,194
Pledged time deposits (included in disposal groups classified as held for sale)	-	-	-	-	-	5,489
Financial assets at fair value through other comprehensive income - current						
Taiwan Cement Corporation	4,100	<u>161,950</u>	4,100	<u>196,800</u>	4,100	<u>209,100</u>
		<u>\$ 4,212,038</u>		<u>\$ 3,064,111</u>		<u>\$ 2,961,210</u>

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of June 30, 2022, December 31, 2021 and June 30, 2021 were as follows:

- a. Under a contract effective January 1 to December 31, 2022, Linyuan Advanced Materials Technology Co., Ltd. (“Linyuan Advanced”) should buy approximately 9,000 tons of oil per month from China Petroleum Corporation. The guarantees provided by banks for the aforementioned contracts amounted to \$180,000 thousand during February 1, 2022 to January 31, 2023. In addition, the guarantees provided by banks will increase by \$100,000 thousand during July 1, 2022 to January 31, 2023.
- b. Linyuan Advanced entered into agreements with China Steel Chemical Corporation (“China Steel”) as follows: (1) under a contract effective January 1 to December 31, 2022, Linyuan Advanced should buy approximately 5,000 tons of carbolic oil 15 per month from China Steel. (2) under a contract effective January 1 to December 31, 2022, Linyuan Advanced should buy 1,700 tons of carbolic oil 12 per month from China Steel. The guarantees provided by banks for the aforementioned contracts amounted to \$140,000 thousand.
- c. In November 1998, Synpac (North Carolina), Inc. (“Synpac NC”) entered into a right of first refusal agreement with Genzyme Corporation (“Genzyme”) in which Synpac NC granted Genzyme, in exchange for US\$1,000 thousand, a right to enter into a development and commercialization agreement. In March 2000, Genzyme exercised its right and entered into an agreement with Synpac NC for Genzyme to have the sub-license to use the technology and intellectual property rights on the prevention and therapy of Pompe Disease. For this license, Genzyme paid Synpac NC an upfront payment in amount of US\$19,500 thousand. Under the license agreement, Genzyme will continue developing the technology and will be responsible for obtaining regulatory approval of New Drug as well as the manufacture, commercialization and distribution of any licensed product. After the licensed product launching, Synpac NC is entitled to receive royalties on net sales, and upon each achievement of milestone from Genzyme. Synpac NC transferred its rights of licensed patents on Pompe Disease to Synpac Venture Capital, L.P. in 2006. Synpac Venture Capital, L.P. started to recognize license revenue in the fourth quarter of 2006.

In May 2019, the Sub-Licensee Genzyme’s notice of doubts about the calculation of royalty. At the beginning of June, Genzyme noticed its doubts about the calculation of royalty and filed a demand for arbitration to American Arbitration Association (“AAA”). The procedure of Arbitration began in October 2019 (“Europe Arbitration”). The aforementioned arbitration about royalty of patent licensed in Europe, the royalties have been paid by Genzyme from March to December in 2018 in accordance with the License Agreement. The payment of Europe royalties in 2019 Q1 was delayed for few months and Genzyme had filed a demand for arbitration. However, Genzyme still paid Europe royalties in 2019 Q1 on August 20, 2019. In November and December 2019, Genzyme actively expressed that they intent to discuss the proposal of settlement with Synpac regarding disputed Europe royalties of patents licensed and would provide proposals in few weeks after December 2, 2019. However, Genzyme breached its promise and did not provide any proposals before the end of December 2019. Afterwards, Genzyme provided a proposal showing no sincerity for settlement on February 2, 2020. Therefore, the Corporation has held the BOD meeting on February 12, 2020 and the BOD has resolved that the disputed Europe royalties after 2020 would not be recognized as revenue.

According to the letter issued by the Accounting Research and Development Foundation as response to the Group’s query, if there are signs of significant changes in facts and circumstances, the Group should reevaluate whether the revenue contributed by the contract still meets all requirements of paragraph 9 of IFRS 15. Despite the legal opinion that through arbitration the possibility of receiving past due unpaid royalties still exists, the Group considered Genzyme’s willingness to pay the whole royalty in accordance with the License Agreement has already changed significantly, and would not meet all the requirements of paragraph 9 of IFRS 15 through reassessment. Thus, it was decided not to recognize royalty revenue from 2019 Q2 to Q4 through 2020.

Genzyme raised a dispute about validity of period of one of the patents in the United States (this patent will expire on February 26, 2023) and its obligation to pay royalty in the U.S., and claimed that its obligation to pay royalty in the U.S. will expire on July 10, 2021. Genzyme filed a demand for arbitration to American Arbitration Association (“AAA”) about the aforementioned dispute (“US Arbitration”; both arbitrations collectively as “AAA Arbitrations”).

The Accounting Research and Development Foundation of Taiwan explained that if there are signs of significant changes in facts and circumstances, a company should reevaluate whether the revenue contributed by a contract still meets all requirements of paragraph 9 of IFRS 15 - Revenue from Contracts with Customers. Paragraph 9 includes a criteria that in making a collectability assessment, an entity should consider the customer's ability and intention to pay the contractual consideration. In the pending arbitration between the Group and Genzyme, the arbitration panel will decide whether Genzyme must pay the Group the U.S. royalty after July 10, 2021, as required by the parties' License Agreement. Although Genzyme's royalty obligations for the third quarter is not due for payment until November 30, 2021, given Genzyme's dispute of royalty obligations, the Group has decided, for the time being, not to recognize as revenue such royalty obligations of Genzyme after July 10, 2021. The decision is based on the reasons above and the financial and accounting principles of maintaining stability and remaining conservative.

The Corporation considered the significant time, cost and resources that have been spent and would be spent on the AAA Arbitrations, as well as the uncertainty of the arbitration result and the best interests of shareholders and the Corporation; therefore, the Corporation reached a settlement agreement with Genzyme regarding the disputes over the royalty obligation of Genzyme concerning patents licensed in Europe and the U.S. The settlement agreement was approved by the Board of Directors of the Corporation on November 11, 2021. Genzyme agreed to pay the Company and its subsidiaries US\$180 million as a compromise of the amount in dispute. The parties have requested dismissal of the AAA arbitrations.

- d. CCC received notification that require carbon black plants in the U.S. have to conform to the standard of desulfurization denigration and dislodging particulate matter from U.S. Environment Protection Agency. To comply with U.S. air pollution laws, CCC agreed with U.S. Environment Protection Agency after received notification from the agency on March 23, 2015. CCC promised that (1) construct related environmental protection equipment by installments to conform to the regulations of emission standards before December 31, 2022; (2) advance environmental protection plans.
- e. In January 2019, Continental Carbon Eco Tech Pvt Ltd. (“CCET”), the subsidiary of the Corporation, signed the contract for the construction of a turnkey project for the carbon black factory and the contract price was approximately US\$60,000 thousand, without tax. In December 2020, the Board of Directors of the Corporation approved the supplementary contract for the construction of a turnkey project for the carbon black factory of CCET and the contract was signed in December 2020. The amounts invested in this project would increase by US\$105,000 thousand, without tax. Total engineering contract price is US\$165,000 thousand, without tax. However, the actual total project cost is still subject to the final calculation according to the actual quantity and amount after the completion of the design, equipment procurement, and construction at various stages. As of June 30 2022, 96.89% of the construction has been completed. The accumulated construction cost paid is US\$161,053 thousand (INR11,675,612 thousand), without tax.

37. OTHER ITEMS

The Group has assessed the economic implication of COVID-19 and determined that there were no significant impacts on the Group's financial statements as of the date the consolidated financial statements were authorized for issue. The Group will continue to monitor developments of the pandemic and assess the related impacts.

38. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In order to meet the working capital requirements for the initial construction of the carbon black plant in Turkey, it was resolved by the Board of Directors on August 9, 2022, that CCC Dutch B.V., the Corporation's subsidiary, will invest in Continental Carbon OYAK (Netherlands) B.V. to indirectly invest in Turkey Corporation.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 50,686	29.720 (USD:NTD)	\$ 1,506,396
USD	11,574	6.7114 (USD:RMB)	343,973
USD	155	0.9572 (USD:EUR)	<u>4,597</u>
			<u>\$ 1,854,966</u>

Financial liabilities

Monetary items			
USD	823	29.720 (USD:NTD)	\$ 24,454
USD	1,256	6.7114 (USD:RMB)	37,340
USD	16,527	0.9572 (USD:EUR)	<u>491,177</u>
			<u>\$ 552,971</u>

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 78,229	27.680 (USD:NTD)	\$ 2,165,387
USD	4,135	6.3757 (USD:RMB)	114,455
USD	379	0.8838 (USD:EUR)	<u>10,499</u>
			<u>\$ 2,290,341</u>

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 958	27.680 (USD:NTD)	\$ 26,516
USD	616	6.3757 (USD:RMB)	17,058
USD	16,517	0.8838 (USD:EUR)	<u>457,200</u>
			<u>\$ 500,774</u> (Concluded)

June 30, 2021 (including disposal groups held for sale)

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 73,148	27.860 (USD:NTD)	\$ 2,037,890
USD	3,011	6.4601 (USD:RMB)	83,885
USD	26,184	1.2393 (USD:CAD)	729,475
USD	538	0.8404 (USD:EUR)	<u>14,986</u>
			<u>\$ 2,866,236</u>

Financial liabilities

Monetary items			
USD	13,532	27.860 (USD:NTD)	\$ 377,001
USD	734	6.4601 (USD:RMB)	20,452
USD	20,162	1.2393 (USD:CAD)	561,727
USD	16,518	0.8404 (USD:EUR)	460,190
CAD	21,050	22.4800 (CAD:NTD)	<u>473,201</u>
			<u>\$ 1,892,571</u>

For the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, net foreign exchange gains (losses) were \$46,442 thousand, \$(35,631) thousand, \$112,991 thousand and \$(51,919) thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

40. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held. (Table 3)

- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (Table 4)
 - 5) Acquisition of individual real estate at costs of at least NT \$300 million or 20% of the paid-in capital. (Table 5)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 7)
 - 9) Trading in derivative instruments. (None)
 - 10) Intercompany relationships and significant intercompany transactions. (Table 10)
 - 11) Information on investees. (Table 8)
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year. (None)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year. (None)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services. (None)
- c. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 11)

41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments are carbon black, biotechnology, battery product and others:

The Board of Directors of the Group approved on August 12, 2021 to waive the subscription right of share issuance for cash capital increase of TCC Recycle Energy Technology Company. The shareholding ratio of the Group was reduced from 61.97% to 24.30%. The Group has lost control of TCC Recycle Energy Technology Company after evaluation. Therefore, TCC Recycle Energy Technology Company and its subsidiaries should not be included in the consolidated financial report starting from the date of losing control. In addition, the residual investment was evaluated using the fair value on the date of losing control and it was accounted for using the equity method (associate).

a. Segment revenue and results

	For the Six Months Ended June 30, 2022				
	Carbon Black	Biotechnology	Battery Product	Others	Total
Segment revenues	\$ 10,398,510	\$ 645,461	\$ -	\$ 12,631	\$ 11,056,602
Segment income	\$ 95,611	\$ 605,295	\$ -	\$ (69,489)	\$ 631,417
Interest income					18,777
Other income					219,728
Other gains and losses					102,454
Finance costs					(192,121)
Share of profit or loss of associate and joint venture for using the equity method					15,855
Income before income tax					\$ 796,110
Depreciation and amortization expenses					\$ 606,429
	For the Six Months Ended June 30, 2021				
	Carbon Black	Biotechnology	Battery Product	Others	Total
Segment revenues	\$ 8,055,040	\$ 1,228,686	\$ 1,949,825	\$ 12,632	\$ 11,246,183
Segment income	\$ 244,575	\$ 997,395	\$ (140,306)	\$ (75,362)	\$ 1,026,302
Interest income					20,973
Other income					241,565
Other gains and losses					(81,390)
Finance costs					(82,771)
Share of profit or loss of associate and joint venture for using the equity method					(2,261)
Income before income tax					\$ 1,122,418
Depreciation and amortization expenses					\$ 569,768

The segment revenue reported was generated from external customers. There were no intersegment sales for the six months ended June 30, 2022 and 2021.

Segment profit represented the profit before income tax earned by each segment without the allocation of interest income, interest expense, other non-operating income and expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets and liabilities

	June 30, 2022				
	Carbon Black	Biotechnology	Battery Product	Others	Total
Total segment assets	<u>\$ 33,825,055</u>	<u>\$ 11,148,429</u>	<u>\$ -</u>	<u>\$ 15,109,117</u>	<u>\$ 60,082,601</u>
Total segment liabilities	<u>\$ 15,211,868</u>	<u>\$ 4,636,635</u>	<u>\$ -</u>	<u>\$ 4,869,546</u>	<u>\$ 24,718,049</u>
	December 31, 2021				
	Carbon Black	Biotechnology	Battery Product	Others	Total
Total segment assets	<u>\$ 29,041,284</u>	<u>\$ 12,880,204</u>	<u>\$ -</u>	<u>\$ 15,591,833</u>	<u>\$ 57,513,321</u>
Total segment liabilities	<u>\$ 12,920,424</u>	<u>\$ 5,145,981</u>	<u>\$ -</u>	<u>\$ 4,226,098</u>	<u>\$ 22,292,503</u>
	June 30, 2021				
	Carbon Black	Biotechnology	Battery Product	Others	Total
Total segment assets	<u>\$ 25,986,870</u>	<u>\$ 9,045,142</u>	<u>\$ 7,063,008</u>	<u>\$ 11,922,129</u>	<u>\$ 54,017,149</u>
Total segment liabilities	<u>\$ 11,564,175</u>	<u>\$ 3,174,794</u>	<u>\$ 1,291,005</u>	<u>\$ 2,659,438</u>	<u>\$ 18,689,412</u>

TABLE 1

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
1	CSRC China Corporation	CSRC China (Anshan) Corporation	Other receivables from related parties	Yes	\$ 901,200 (RMB 200,000)	\$ 887,800 (RMB 200,000)	\$ 538,548 (RMB 121,322)	3.70%	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,896,279 (Note 1)	\$ 3,792,557 (Note 1)	-
		CSRC China (Chongqing) Corporation	Other receivables from related parties	Yes	90,120 (RMB 20,000)	88,780 (RMB 20,000)	-	-	Short-term financing	-	Operating capital	-	-	-	1,896,279 (Note 1)	3,792,557 (Note 1)	-
2	Synpac (North Carolina), Inc.	Continental Carbon Company	Other receivables from related parties	Yes	1,188,800 (US\$ 40,000)	1,188,800 (US\$ 40,000)	653,840 (US\$ 22,000)	2.86%	Short-term financing	-	Operating capital	-	-	-	15,748,063 (Note 2)	31,496,127 (Note 2)	-
		CCC Transport Company	Other receivables from related parties	Yes	297,200 (US\$ 10,000)	297,200 (US\$ 10,000)	267,480 (US\$ 9,000)	3.53%	Short-term financing	-	Operating capital	-	-	-	15,748,063 (Note 2)	31,496,127 (Note 2)	-
		CCC Dutch B.V.	Other receivables from related parties	Yes	490,380 (US\$ 16,500)	490,380 (US\$ 16,500)	490,380 (US\$ 16,500)	3.08%	Short-term financing	-	Operating capital	-	-	-	15,748,063 (Note 2)	31,496,127 (Note 2)	-
		SVC Management, LLC	Other receivables from related parties	Yes	148,600 (US\$ 5,000)	148,600 (US\$ 5,000)	148,600 (US\$ 5,000)	2.23%	Short-term financing	-	Operating capital	-	-	-	15,748,063 (Note 2)	31,496,127 (Note 2)	-
		CSRC (BVI) Ltd.	Other receivables from related parties	Yes	1,783,200 (US\$ 60,000)	1,783,200 (US\$ 60,000)	891,600 (US\$ 30,000)	2.63%	Short-term financing	-	Operating capital	-	-	-	15,748,063 (Note 2)	31,496,127 (Note 2)	-

Note 1: The financing limit of financing provided by CSRC China (Chongqing), CSRC China and CSRC China (Anshan) to direct and indirect wholly owned subsidiaries of the Corporation for each borrower is 200% of the lender’s net equity on its latest financial statements. The aggregate financing limit is 400% of the lender’s net equity on its latest financial statements.

Note 2: The financing limit of financing provided by Synpac (North Carolina), Inc. to direct and indirect wholly owned subsidiaries of the Corporation for each borrower is 150% of the lender’s net equity on its latest financial statements. The aggregate financing limit is 300% of the lender’s net equity on its latest financial statements.

Note 3: The consolidated subsidiaries’ ending balances were excluded from the consolidation.

TABLE 2

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
1	International CSRC Investment Holdings Co., Ltd.	Consolidated Resource Co.	Note 1	\$ 34,574,768	\$ 100,000	\$ 100,000	\$ -	\$ -	0.29%	\$ 51,862,152 (Note 3)	Yes	No	No	-
		CS Development & Investment Co.	Note 1		200,000	200,000	-	-	0.58%		Yes	No	No	-
		Continental Carbon India Pvt Ltd.	Note 1		2,759,273	2,051,668	482,913	-	5.93%		Yes	No	No	-
		Continental Carbon Eco Tech Pvt Ltd.	Note 1		966,888	966,888	-	-	2.80%		Yes	No	No	-
		Continental Carbon Company	Note 1		9,756,225	6,954,480	5,022,680	-	20.11%		Yes	No	No	-
		CSRC China Corporation	Note 1		3,826,470	3,826,470	2,808,498	-	11.07%		Yes	No	Yes	-
		CSRC China (Chongqing) Corporation	Note 1		1,756,635	1,756,635	980,052	-	5.08%		Yes	No	Yes	-
		CSRC China (Anshan) Corporation	Note 1		2,350,085	2,350,085	1,378,968	-	6.80%		Yes	No	Yes	-
		Yun Cheng Investment Corporation	Note 1		50,000	50,000	-	-	0.14%		Yes	No	No	-

Note 1: Subsidiary in which the Company directly or indirectly owns more than 50% of its voting shares.

Note 2: For guarantees provided to a counter-party which a business relationship exists with the Corporation, the endorsement guarantee amount is limited up to 50% of total transaction amounts in the recent year. In addition, the limit on endorsement guarantee is up to 100% of the Corporation’s net equity based on latest financial statements.

Note 3: The aggregate endorsement/guarantee amount of the Corporation is limited to 150% of its net equity based on its latest financial statements.

TABLE 3

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2022
(In Thousands of New Taiwan Dollars and U.S. Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 1)	
International CSRC Investment Holdings Co., Ltd.	<u>Ordinary share(s)</u>							
	China Steel Chemical Corporation	The Corporation is one of its directors	Financial assets at fair value through other comprehensive income - current	11,759,096	\$ 1,369,935	4.96	\$ 1,369,935	-
	Taiwan Cement Corporation	Same with key management personnel	Financial assets at fair value through other comprehensive income - non-current	103,548,831	4,090,179	1.69	4,090,179	-
	O-Bank	-	Financial assets at fair value through other comprehensive income - non-current	19,489,522	169,559	0.71	169,559	-
	China Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	14,152,796	521,106	4.48	521,106	-
	Videoland Television Network	-	Financial assets at fair value through other comprehensive income - non-current	6,437,457	296,059	5.64	296,059	-
	<u>Preferred share(s)</u>							
	Taiwan Cement Corporation - preferred share	Same with key management personnel	Financial assets at fair value through other comprehensive income - non-current	2,000,000	103,200	-	103,200	-
	O-Bank - preferred share	-	Financial assets at fair value through other comprehensive income - non-current	1,755,895	18,261	-	18,261	-
	<u>Mutual fund(s)</u>							
CS Development & Investment Co.	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	24,417,838	307,061	-	307,061	-
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	20,054,548	306,897	-	306,897	-
	<u>Ordinary share(s)</u>							
	Taiwan Cement Corporation	Same with key management personnel	Financial assets at fair value through other comprehensive income - current	28,056,499	1,108,232	0.46	1,108,232	(Note 2)
	International CSRC Investment Holdings Co., Ltd.	100.00% parent company	Financial assets at fair value through other comprehensive income - non-current	14,734,663	285,116	1.50	285,116	-
	Yieh United Steel Corporation	-	Financial assets at fair value through other comprehensive income - non-current	349,906	1,949	0.01	1,949	-
	<u>Preferred share(s)</u>							
	Taiwan Cement Corporation - preferred share	Same with key management personnel	Financial assets at fair value through other comprehensive income - current	782,130	40,358	-	40,358	-
	<u>Ordinary share(s)</u>							
	Taiwan Cement Corporation	Same with key management personnel	Financial assets at fair value through other comprehensive income - current	1,682,075	66,442	0.03	66,442	-
Consolidated Resource Co.	<u>Preferred share(s)</u>							
	Taiwan Cement Corporation - preferred share	Same with key management personnel	Financial assets at fair value through other comprehensive income - current	933,521	48,169	-	48,169	-
Yun Cheng Investment Corporation	<u>Ordinary share(s)</u>							
	China Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,367,000	87,153	0.75	87,153	-
	PhytoHealth Corporation	-	Financial assets at fair value through other comprehensive income - non-current	1,793,584	33,719	0.90	33,719	-
	MegaPro Biomedical Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,276,334	24,334	3.95	24,334	-
Synpac Ltd.	<u>Ordinary share(s)</u>							
	Glade Remedies Private Limited	23% investee	Financial assets at fair value through other comprehensive income - non-current	23	US\$ -	23.00	US\$ -	-

Note 1: The bases of the market value of listed shares were as follows: Listed shares and mutual fund - closing price of listed shares and funds, net asset value as of June 30, 2022. Unlisted shares, emerging market shares and funds were measured by valuation techniques and inputs applied for Level 3 fair value, refer to Note 33.

Note 2: Please refer to Note 35 for the detail of financial assets pledged as collateral.

TABLE 4

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars and U.S. Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments	Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal		Shares	Shares
International CSRC Investment Holdings Co., Ltd.	CSRC (BVI) Ltd.	Investments accounted for using equity method	Original subscription of a registered share	Directly 100%-owned subsidiary	501,090,790	\$ 7,519,928	40,000,000	\$ 1,140,751	-	\$ -	\$ -	\$ -	\$ (278,874) (Note)	541,090,790	\$ 8,381,805
CSRC (BVI) Ltd.	CSRC (Singapore) Pte Ltd.	Investments accounted for using equity method	Original subscription of a registered share	Directly 100%-owned subsidiary	686,898,447	US\$ 270,077	95,074,000	US\$ 70,000	-	-	-	-	\$ (29,547) (Note)	781,972,447	US\$ 310,530
CSRC (Singapore) Pte Ltd.	Continental Carbon Eco Tech Pvt Ltd.	Investments accounted for using equity method	Original subscription of a registered share	Directly 100%-owned subsidiary	1,371,928,092	US\$ 183,786	383,947,500	US\$ 50,000	-	-	-	-	\$ (12,055) (Note)	1,755,875,592	US\$ 221,731
CSRC (Singapore) Pte Ltd.	CSRC China (Anshan) Corporation	Investments accounted for using equity method	Original subscription of a registered share	Directly 100%-owned subsidiary	-	US\$ 6,069	-	US\$ 20,000	-	-	-	-	\$ (7,157) (Note)	-	US\$ 18,912

Note: The amount included share of profit (loss) of subsidiaries accounted for using the equity method, exchange differences on translation foreign operations, and so on.

TABLE 5

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars and INR Dollars)**

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Continental Carbon Eco Tech Pvt Ltd.	Carbon black factory construction project	2022.01.01-2022.06.30	INR 3,928,049 ≈ 1,480,981	Based on the contract terms and project status	CINDA Engineering & Construction Private Limited	-	-	-	-	\$ -	Bidding price, price comparison and price negotiation	India carbon black plant construction	None

Note: The average exchange rate for the six months ended June 30, 2022 was INR1=NT\$0.377027.

TABLE 6

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts/Trade Receivable (Payables)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Linyuan Advanced Materials Technology Co., Ltd.	China Steel Chemical Corporation	The Corporation is one of its directors	Purchase	\$ 727,965	42	Payable on the 15th of the next month	-	-	Trade payables \$ (147,652)	(35)	-
Continental Carbon Company	Continental Carbon Company Europe SPRL	Same ultimate parent company	Sale	405,637	8	Receivable on the 120th day	-	-	Accounts receivable 313,444	12	Note
Continental Carbon Company Europe SPRL	Continental Carbon Company	Same ultimate parent company	Purchase	405,637	74	Payable on the 120th day	-	-	Trade payables (313,444)	(53)	Note

Note: The consolidated subsidiaries’ ending balances were excluded from the consolidation.

TABLE 7

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2022
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
CSRC China Corporation	CSRC China (Anshan) Corporation	Same ultimate parent company	Other receivable \$ 608,326	Note 2	\$ -	-	\$ -	\$ -
Synpac (North Carolina), Inc.	Continental Carbon Company	Same ultimate parent company	Other receivable 656,804	Note 2	-	-	-	-
	CCC Transport Company	Same ultimate parent company	Other receivable 267,847	Note 2	-	-	-	-
	CCC Dutch B.V.	Same ultimate parent company	Other receivable 491,177	Note 2	-	-	-	-
	SVC Management, LLC	Same ultimate parent company	Other receivable 149,217	Note 2	-	-	838	-
	CSRC (BVI) Ltd.	Same ultimate parent company	Other receivable 894,596	Note 2	-	-	-	-
Continental Carbon Company	Continental Carbon Company Europe SPRL	Same ultimate parent company	Accounts receivable 313,444	-	-	-	41,626	-

Note 1: The consolidated subsidiaries’ ending balances were excluded from the consolidation.

Note 2: It was the transaction resulting from financing provided to others (including interest).

TABLE 8

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars, U.S. Dollars and Canadian Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2022			Net Income (Loss) of the Investee (Note 1)	Share of Profits (Loss) (Note 1)	Note
				June 30, 2022 (Note 1)	December 31, 2021 (Note 1)	Shares	%	Carrying Amount (Note 1)			
International CSRC Investment Holdings Co., Ltd.	CSRC (BVI) Ltd.	B.V.I.	Investment	\$ 16,354,420	\$ 15,213,669	541,090,790	100.00	\$ 8,381,805	\$ (396,066)	\$ (396,047)	Subsidiary
	CS Development & Investment Co.	Taipei, Taiwan	Investment	198,569	198,569	40,382,500	100.00	1,707,669	74,751	71,804	Subsidiary (Note 2)
	Consolidated Resource Co.	Taipei, Taiwan	Carbon masterbatch and carbon black processing and sale	195,878	195,878	164,440	100.00	238,295	4,827	4,828	Subsidiary (Note 2)
	Linyuan Advanced Materials Technology Co., Ltd.	Kaohsiung, Taiwan	Carbon black production and sale	1,600,100	1,600,100	87,930,990	100.00	1,976,505	151,048	151,089	Subsidiary
	Circular Commitment Company	Taipei, Taiwan	Biotechnology services and Investment	90,000	90,000	9,000,000	100.00	422,725	242,727	242,727	Subsidiary
	CCC Dutch B.V.	Dutch	Investment	90,861	90,861	50,000	100.00	(82,899)	(101,854)	(101,854)	Subsidiary (Note 2)
	Yun Cheng Investment Corporation	Taipei, Taiwan	Investment	991,041	991,041	52,173,842	94.69	1,304,526	15,746	14,910	Subsidiary (Note 2)
	Synpac (North Carolina), Inc.	U.S.A.	Investment	3,053,037	3,053,037	11,500,000	88.46	9,576,727	269,543	206,288	Subsidiary
	Synpac Ltd.	B.V.I.	Investment	211,425	211,425	8,100,000	75.00	20,338	(59)	(44)	Subsidiary (Note 2)
	CCC USA Corp.	U.S.A.	Investment	3,066,826	3,066,826	158,334	66.67	3,791,465	241,271	160,848	Subsidiary
	TCC Recycle Energy Technology Company	Taipei, Taiwan	Battery, electric generator and electronic components production and sale	3,963,684	3,963,684	388,962,582	23.65	3,946,722	304,252	72,008	Associate
CSRC (BVI) Ltd.	CSRC (Singapore) Pte. Ltd.	Singapore	Investment	US\$ 571,091 ≡ 16,972,825	US\$ 501,091 ≡ 14,892,425	781,972,447	100.00	US\$ 310,530 ≡ 9,228,952	US\$ (13,687) ≡ (393,159)	Note 4	Subsidiary
	Continental Carbon Eco Tech Pvt Ltd.	India	Carbon black production and sale	US\$ - ≡ 1	US\$ - ≡ 1	335	0.01	US\$ - ≡ -	US\$ (107) ≡ (3,074)	Note 4	Associate (Note 2)
CSRC (Singapore) Pte. Ltd.	Continental Carbon India Pvt Ltd.	India	Carbon black production and sale	US\$ 96,949 ≡ 2,881,324	US\$ 96,949 ≡ 2,881,324	408,390,634	100.00	US\$ 28,480 ≡ 846,426	US\$ 1,939 ≡ 55,698	Note 4	Subsidiary (Note 2)
	Continental Carbon Eco Tech Pvt Ltd.	India	Carbon black production and sale	US\$ 239,300 ≡ 7,111,996	US\$ 189,300 ≡ 5,625,996	1,755,875,592	99.99	US\$ 221,731 ≡ 6,589,845	US\$ (107) ≡ (3,074)	Note 4	Subsidiary (Note 2)
CS Development & Investment Co.	SVC Services, LLC	U.S.A.	Investment service	4	4	-	99.90	21,784	323	Note 4	Subsidiary
	SVC Management, LLC	U.S.A.	Investment consultation	8,885	8,885	-	99.90	665,633	82,579	Note 4	Subsidiary
	TCC Recycle Energy Technology Company	Taipei, Taiwan	Battery, electric generator and electronic components production and sale	105,046	105,046	10,583,923	0.64	106,873	304,252	Note 4	Associate
	Yun Cheng Investment Corporation	Taipei, Taiwan	Investment	10,775	10,775	183,066	0.33	4,546	15,746	Note 4	Associate
Consolidated Resource Co.	TCC Recycle Energy Technology Company	Taipei, Taiwan	Battery, electric generator and electronic components production and sale	1,685	1,685	166,631	0.01	1,670	304,252	Note 4	Associate
Circular Commitment Company	Synpac GP Corporation	U.S.A.	Investment	602	602	1,000	100.00	766	31	Note 4	Subsidiary (Note 2)
Synpac GP Corporation	SVC Services, LLC	U.S.A.	Investment service	US\$ 1 ≡ 30	US\$ 1 ≡ 30	-	0.10	US\$ 1 ≡ 30	US\$ 11 ≡ 323	Note 4	Associate
	SVC Management, LLC	U.S.A.	Investment consultation	US\$ 11 ≡ 327	US\$ 11 ≡ 327	-	0.10	US\$ 22 ≡ 654	US\$ 2,875 ≡ 82,579	Note 4	Associate
Yun Cheng Investment Corporation	Synpac (North Carolina), Inc.	U.S.A.	Investment	150,000	150,000	1,500,000	11.54	1,314,608	269,543	Note 4	Associate
Synpac (North Carolina), Inc.	Synpac Venture Capital, L.P.	U.S.A.	Investment	US\$ 2,250 ≡ 66,870	US\$ 2,250 ≡ 66,870	-	99.90	US\$ 235,140 ≡ 6,988,361	US\$ 11,562 ≡ 332,118	Note 4	Subsidiary
SVC Management, LLC	Synpac Venture Capital, L.P.	U.S.A.	Investment	US\$ 2 ≡ 59	US\$ 2 ≡ 59	-	0.10	US\$ 1,810 ≡ 53,793	US\$ 11,562 ≡ 332,118	Note 4	Associate
CCC USA Corp.	Continental Carbon Company	U.S.A.	Carbon black production and sale	US\$ 204,000 ≡ 6,062,880	US\$ 204,000 ≡ 6,062,880	151,300	100.00	US\$ 219,105 ≡ 6,511,801	US\$ 8,524 ≡ 244,852	Note 4	Subsidiary
	CCC Transport Company	U.S.A.	Carbon black transport	US\$ 10 ≡ 297	US\$ 10 ≡ 297	10,000	100.00	US\$ (1,379) ≡ (40,984)	US\$ (129) ≡ (3,706)	Note 4	Subsidiary
	Continental Carbon Nanotechnologies, Inc.	U.S.A.	Carbon nanotubes production and sale	US\$ 6,200 ≡ 184,264	US\$ 6,200 ≡ 184,264	1,000	100.00	US\$ 751 ≡ 22,320	US\$ - ≡ -	Note 4	Subsidiary
Continental Carbon Company	Continental Carbon Company Europe SPRL	Belgium	Carbon black sale	US\$ 24 ≡ 713	US\$ 24 ≡ 713	1,000	100.00	US\$ 476 ≡ 14,147	US\$ 18 ≡ 517	Note 4	Subsidiary
CCC Dutch B.V.	Continental Carbon OYAK (Netherlands) B.V.	Dutch	Investment	US\$ 19,000 ≡ 564,680	US\$ 19,000 ≡ 564,680	25	50.00	EUR 12,993 ≡ 403,448	EUR (3,702) ≡ (116,280)	Note 4	Joint venture

(Continued)

Note 1: The average exchange rates for the six months ended June 30, 2022 were US\$1=NT\$28.725, EUR1=NT\$31.4100; the exchange rates on June 30, 2022 were US\$1=NT\$29.720, EUR1=NT\$31.0500.

Note 2: Investment income (loss) was not based on financial statements reviewed by the “Corporation” auditors.

Note 3: The consolidated subsidiaries’ ending balances were excluded from the consolidation.

Note 4: The share of profits/losses of the investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

(Concluded)

TABLE 9

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of June 30, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2022	Accumulated Repatriation of Investment Income as of June 30, 2022	Note
					Outflow	Inflow							
CSRC China Corporation	Carbon black production and sale	US\$ 53,500 ≡ 1,590,020	Indirect	US\$ 56,441 ≡ 1,677,427	\$ -	\$ -	US\$ 56,441 ≡ 1,677,427	US\$ (5,148) ≡ (147,876) (Note 1)	100.00	US\$ (5,148) ≡ (147,876) (Note 1)	US\$ 26,880 ≡ 798,874	\$ -	-
CSRC China (Anshan) Corporation	Carbon black production and sale	US\$ 134,850 ≡ 4,007,742	Indirect	US\$ 102,750 ≡ 3,053,730	US\$ 20,000 ≡ 594,400	-	US\$ 122,750 ≡ 3,648,130	US\$ (7,222) ≡ (207,452) (Note 1)	100.00	US\$ (7,222) ≡ (207,452) (Note 1)	US\$ 18,912 ≡ 562,065	-	-
CSRC China (Chongqing) Corporation	Carbon black production and sale	US\$ 46,100 ≡ 1,370,092	Indirect	US\$ 46,100 ≡ 1,370,092	-	-	US\$ 46,100 ≡ 1,370,092	US\$ (3,124) ≡ (89,737) (Note 2)	100.00	US\$ (3,124) ≡ (89,737) (Note 2)	US\$ 14,162 ≡ 420,895	-	-

	Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA (Note 4)
International CSRC Investment Holdings Co., Ltd.	\$ 6,695,649	\$ 7,055,261 (US\$ 237,391)	\$ 20,036,095

Note 1: Investment income (loss) was based on financial statements reviewed by the “Corporation” auditors.

Note 2: Investment income (loss) was not based on financial statements reviewed by the “Corporation” auditors.

Note 3: Except the average exchange rate for the six months ended June 30, 2022 was US\$1=NT\$28.725; the exchange rate on June 30, 2022 was US\$1=NT\$29.720.

Note 4: The investment limit is 60% of the Corporation’s net equity.

TABLE 10

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2022

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transaction Company	Counterparty	Relationship (Note 2)	Transaction Details (Notes 3 and 5)			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
0	International CSRC Investment Holdings Co., Ltd.	Linyuan Advanced Materials Technology Co., Ltd.	1	Current tax assets	\$ 40,200	(Note 4)	-
		Circular Commitment Company	1	Current tax assets	19,662	(Note 4)	-
		Continental Carbon Company	1	Other receivables from related parties	13,360	(Note 4)	-
		Continental Carbon Company	1	Management fee income	36,754	(Note 4)	-
1	CSRC (BVI) Ltd.	Synpac (North Carolina), Inc.	3	Other payables to related parties	894,596	(Note 4)	1
2	CSRC China Corporation	CSRC China (Anshan) Corporation	3	Accounts receivable from related parties	34,809	(Note 4)	-
		CSRC China (Anshan) Corporation	3	Other receivables from related parties	608,326	(Note 4)	1
		CSRC China (Anshan) Corporation	3	Interest revenue	10,328	(Note 4)	-
3	CSRC China (Anshan) Corporation	CSRC China Corporation	3	Trade payables to related parties	34,809	(Note 4)	-
		CSRC China Corporation	3	Other payables to related parties	608,326	(Note 4)	1
		CSRC China Corporation	3	Interest expense	10,328	(Note 4)	-
		Consolidated Resource Co.	3	Trade payables to related parties	11,899	(Note 4)	-
		Consolidated Resource Co.	3	Operating costs	11,206	(Note 4)	-
		Linyuan Advanced Materials Technology Co., Ltd.	3	Trade payables to related parties	18,165	(Note 4)	-
4	Linyuan Advanced Materials Technology Co., Ltd.	International CSRC Investment Holdings Co., Ltd.	2	Current tax liabilities	40,200	(Note 4)	-
		CSRC China (Anshan) Corporation	3	Accounts receivable from related parties	18,165	(Note 4)	-
5	Circular Commitment Company	International CSRC Investment Holdings Co., Ltd.	2	Current tax liabilities	19,662	(Note 4)	-
6	Consolidated Resource Co.	CSRC China (Anshan) Corporation	3	Accounts receivable from related parties	11,899	(Note 4)	-
		CSRC China (Anshan) Corporation	3	Operating revenue	11,206	(Note 4)	-
7	Synpac (North Carolina), Inc.	Continental Carbon Company	3	Other receivables from related parties	656,804	(Note 4)	1
		CCC Transport Company	3	Other receivables from related parties	267,847	(Note 4)	-
		CCC Dutch B.V.	3	Other receivables from related parties	491,177	(Note 4)	1
		SVC Management, LLC	3	Other receivables from related parties	149,217	(Note 4)	-
		CSRC (BVI) Ltd.	3	Other receivables from related parties	894,596	(Note 4)	1
8	Synpac Venture Capital, L.P.	SVC Management, LLC	3	Trade payables to related parties	86,323	(Note 4)	-
		SVC Management, LLC	3	Management fee	83,433	(Note 4)	1
9	SVC Management, LLC	Synpac Venture Capital, L.P.	3	Accounts receivable from related parties	86,323	(Note 4)	-
		Synpac Venture Capital, L.P.	3	Operating revenue	83,433	(Note 4)	1
		SVC Services, LLC	3	Trade payables to related parties	11,456	(Note 4)	-
		Synpac (North Carolina), Inc.	3	Other payables to related parties	149,217	(Note 4)	-

(Continued)

No. (Note 1)	Transaction Company	Counterparty	Relationship (Note 2)	Transaction Details (Notes 3 and 5)			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
10	SVC Services, LLC	SVC Management, LLC	3	Accounts receivable from related parties	\$ 11,456	(Note 4)	-
11	Continental Carbon Company	International CSRC Investment Holdings Co., Ltd.	2	Other payables to related parties	13,360	(Note 4)	-
		International CSRC Investment Holdings Co., Ltd.	2	Management fee	36,754	(Note 4)	-
		Synpac (North Carolina), Inc.	3	Other payables to related parties	656,804	(Note 4)	1
		Continental Carbon Company Europe SPRL	3	Accounts receivable from related parties	313,444	(Note 4)	1
		Continental Carbon Company Europe SPRL	3	Operating revenue	405,637	(Note 4)	4
		CCC Transport Company	3	Operating costs	24,274	(Note 4)	-
12	Continental Carbon Company Europe SPRL	Continental Carbon Company	3	Trade payables to related parties	313,444	(Note 4)	1
		Continental Carbon Company	3	Operating costs	405,637	(Note 4)	4
13	CCC Transport Company	Synpac (North Carolina), Inc.	3	Other payables to related parties	267,847	(Note 4)	-
		Continental Carbon Company	3	Operating revenue	24,274	(Note 4)	-
14	CCC Dutch B.V.	Synpac (North Carolina), Inc.	3	Other payables to related parties	491,177	(Note 4)	1

Note 1: The types of transaction companies are identified by the following numbers in the “No.” column:

- a. 0 - parent company;
- b. 1 to 14 - subsidiary.

Note 2: The flow of transactions are identified by the following numbers in the “Relationship” column:

- a. 1 - from parent company to subsidiary;
- b. 2 - from subsidiary to parent company;
- c. 3 - between subsidiaries.

Note 3: The ratio of consolidated revenue/assets depends on the account to which it belongs. The profit and loss account is a percentage of consolidated revenue while the assets/liabilities are a percentage of consolidated total assets.

Note 4: The transaction terms are comparable with those for third parties.

Note 5: A transaction is disclosed if it amounts to more than \$10,000 thousand.

(Concluded)

TABLE 11**INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND
SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Taiwan Cement Corporation	153,476,855	15.59
Chinatrust Investment Co., Ltd.	67,378,748	6.84

Note: The percentage of ownership of major shareholders included in the table should be more than 5%, which was calculated based on the total number of ordinary shares, preference shares and treasury shares owned in the last trading day of the quarter that were traded in and registered electronically and was prepared by the Taiwan Depository & Clearing Corporation. In addition, the share capital and the actual number of traded shares with the completion of electronic registration stated in the consolidated financial statements, which may be different due to compilation basis.