International CSRC Investment Holdings Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2024 and 2023 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, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, 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 the Standards on Review Engagements of the Republic of China 2410 "Review Interim 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 12 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, 2024 and 2023, combined total assets of these non-significant subsidiaries were NT$4,829,344 thousand and NT$5,048,394 thousand, respectively, representing 8% and 9%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$2,383,815 thousand and NT$2,086,918 thousand, respectively, both representing 10% of the consolidated total liabilities; for the three months ended June 30, 2024 and 2023 and six months ended June 30, 2024 and 2023, the amounts of combined comprehensive loss of these subsidiaries were NT$130,629 thousand, NT$91,605 thousand, NT$186,356 thousand and NT$146,309 thousand, respectively, representing 15%, (22%), 49% and (16%), respectively, of the consolidated total comprehensive income (loss).

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, 2024 and 2023, its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2024 and 2023 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 as of June 30, 2024 and 2023 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, 2024 and 2023, the combined total assets of these subsidiaries were NT$13,762,984 thousand and NT$12,884,526 thousand, respectively, representing 23% and 22% of the consolidated total assets; for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the combined total revenue of these subsidiaries were NT$1,876,163 thousand, NT$1,767,467 thousand, NT$3,755,995 thousand and NT$3,821,382 thousand, respectively, representing 40%, 43%, 41% and 44% 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 12, 2024

<u>*Notice to Readers*</u>

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, 2024		December 31, 2023		June 30, 2023	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 8,810,754	15	$ 7,737,563	14	$ 7,490,493	13
Financial assets at fair value through profit or loss - current (Note 7)	200,690	-	-	-	-	-
Financial assets at fair value through other comprehensive income - current (Note 8)	2,133,153	4	1,608,902	3	2,028,732	4
Notes receivable, net (Notes 9 and 34)	224,522	-	221,063	-	106,413	-
Accounts receivable, net (Notes 9 and 34)	3,805,876	7	3,085,049	6	2,882,629	5
Accounts receivable from related parties, net (Note 33)	-	-	7	-	-	-
Current tax assets (Notes 4 and 27)	15,196	-	21,696	-	36,183	-
Inventories (Notes 10 and 34)	3,114,754	5	2,775,199	5	2,935,096	5
Other financial assets - current (Notes 11 and 34)	7,128,078	12	8,127,827	14	8,313,966	15
Other current assets (Note 19)	924,385	2	706,797	1	700,451	1
Total current assets	26,357,408	45	24,284,103	43	24,493,963	43
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 34)	6,180,549	10	6,221,724	11	6,873,153	12
Investments accounted for using the equity method (Note 13)	4,474,925	8	4,630,730	8	4,478,798	8
Property, plant and equipment (Note 14)	18,352,706	31	18,943,589	33	19,398,779	34
Right-of-use assets (Note 15)	1,686,723	3	885,315	2	664,033	1
Investment properties (Note 16)	295,067	1	303,816	1	312,571	-
Goodwill (Note 17)	265,614	-	244,024	-	249,406	-
Deferred tax assets (Notes 4 and 27)	610,269	1	579,357	1	345,276	1
Prepayments for equipment (Note 14)	14,683	-	2,034	-	8,987	-
Net defined benefit assets (Notes 4 and 23)	5,514	-	5,514	-	5,813	-
Other financial assets - non-current (Note 34)	74,618	-	46,281	-	62,912	-
Other non-current assets (Note 19)	796,159	1	689,775	1	674,677	1
Total non-current assets	32,756,827	55	32,552,159	57	33,074,405	57
TOTAL	$ 59,114,235	100	$ 56,836,262	100	$ 57,568,368	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 34)	$ 10,116,404	17	$ 8,034,201	14	$ 10,236,425	18
Financial liabilities at fair value through profit or loss (Notes 7 and 21)	80,500	-	37,100	-	-	-
Trade payables	711,818	1	669,639	1	544,184	1
Trade payables to related parties (Note 33)	80,374	-	91,329	-	84,647	-
Other payables (Notes 22 and 33)	1,695,239	3	1,875,873	4	2,133,421	4
Current tax liabilities (Notes 4 and 27)	29,609	-	144,602	-	104,859	-
Lease liabilities - current (Note 15)	208,923	1	27,629	-	40,725	-
Current portion of long-term borrowings (Note 20)	1,898,325	3	2,049,559	4	-	-
Other current liabilities (Note 30)	345,508	1	331,181	1	328,612	1
Total current liabilities	15,166,700	26	13,261,113	24	13,472,873	24
NON-CURRENT LIABILITIES						
Bonds payable (Note 21)	3,227,654	5	3,197,238	5	-	-
Long-term borrowings (Note 20)	-	-	-	-	3,312,700	6
Provisions - non-current (Notes 4 and 23)	16,094	-	16,094	-	16,100	-
Deferred tax liabilities (Notes 4 and 27)	4,473,785	8	4,384,694	8	4,112,919	7
Lease liabilities - non-current (Note 15)	995,250	2	367,657	1	125,685	-
Net defined benefit liabilities (Notes 4 and 23)	55,838	-	55,204	-	48,698	-
Other non-current liabilities	107,978	-	101,522	-	108,827	-
Total non-current liabilities	8,876,599	15	8,122,409	14	7,724,929	13
Total liabilities	24,043,299	41	21,383,522	38	21,197,802	37
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 21 and 24)						
Ordinary shares	9,847,336	17	9,847,336	17	9,847,336	17
Capital surplus	9,237,013	16	9,237,013	16	8,952,852	15
Retained earnings						
Legal reserve	3,189,170	5	3,189,170	6	3,189,170	6
Special reserve	648,078	1	648,815	1	648,815	1
Unappropriated earnings	5,175,858	9	6,831,945	12	6,982,809	12
Total retained earnings	9,013,106	15	10,669,930	19	10,820,794	19
Other equity	5,276,293	9	4,106,542	7	5,115,342	9
Treasury shares	(290,088)	(1)	(290,088)	-	(290,088)	-
Total equity attributable to owners of the Corporation	33,083,660	56	33,570,733	59	34,446,236	60
NON-CONTROLLING INTERESTS	1,987,276	3	1,882,007	3	1,924,330	3
Total equity	35,070,936	59	35,452,740	62	36,370,566	63
TOTAL	$ 59,114,235	100	$ 56,836,262	100	$ 57,568,368	100

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

(With Deloitte & Touche review report dated August 12, 2024)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 25 and 33)	$ 4,636,644	100	$ 4,074,526	100	$ 9,059,896	100	$ 8,713,842	100
OPERATING COSTS (Notes 10, 26 and 33)	4,478,610	97	4,008,102	98	8,606,214	95	8,029,707	92
GROSS PROFIT	158,034	3	66,424	2	453,682	5	684,135	8
OPERATING EXPENSES (Notes 9, 23, 26 and 33)								
Selling and marketing expenses	100,728	2	73,983	2	186,610	2	151,385	2
General and administrative expenses	187,551	4	285,309	7	397,677	4	502,348	6
Research and development expenses	47,074	1	52,916	1	90,431	1	101,815	1
Expected credit loss (gain)	287	-	(3,056)	-	(6,184)	-	(11,324)	-
Total operating expenses	335,640	7	409,152	10	668,534	7	744,224	9
LOSS FROM OPERATIONS	(177,606)	(4)	(342,728)	(8)	(214,852)	(2)	(60,089)	(1)
NON-OPERATING INCOME AND EXPENSES (Notes 13, 14, 26 and 30)								
Interest income	129,762	3	120,603	3	256,268	3	223,033	3
Other income	26,890	1	47,323	1	60,189	1	117,733	1
Other gains and losses	(1,042,522)	(23)	40,434	1	(1,033,826)	(12)	32,782	-
Finance costs	(207,363)	(4)	(170,970)	(4)	(401,977)	(5)	(335,677)	(4)
Share of loss of associates and joint ventures	(99,604)	(2)	(21,980)	(1)	(199,338)	(2)	(113,771)	(1)
Total non-operating income and expenses	(1,192,837)	(25)	15,410	-	(1,318,684)	(15)	(75,900)	(1)
LOSS BEFORE INCOME TAX	(1,370,443)	(29)	(327,318)	(8)	(1,533,536)	(17)	(135,989)	(2)
INCOME TAX EXPENSE (Notes 4 and 27)	(37,974)	(1)	(67,637)	(2)	(124,314)	(1)	(237,337)	(3)
NET LOSS	(1,408,417)	(30)	(394,955)	(10)	(1,657,850)	(18)	(373,326)	(5)
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	196,540	4	272,971	7	(176,595)	(2)	890,394	10
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	569	-	544	-	2,206	-	544	-

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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)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of foreign operations	$ 355,646	8	$ 522,384	13	$ 1,411,586	16	$ 376,524	5
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	9,861	-	11,795	-	41,327	-	16,446	-
Other comprehensive income	562,616	12	807,694	20	1,278,524	14	1,283,908	15
TOTAL COMPREHENSIVE (LOSS) INCOME	$ (845,801)	(18)	$ 412,739	10	$ (379,326)	(4)	$ 910,582	10
NET LOSS ATTRIBUTABLE TO:								
Owners of the Corporation	$ (1,416,147)	(30)	$ (361,836)	(9)	$ (1,656,824)	(18)	$ (340,893)	(5)
Non-controlling interests	7,730	-	(33,119)	(1)	(1,026)	-	(32,433)	-
	$ (1,408,417)	(30)	$ (394,955)	(10)	$ (1,657,850)	(18)	$ (373,326)	(5)
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Corporation	$ (882,046)	(19)	$ 405,738	10	$ (487,073)	(5)	$ 919,363	10
Non-controlling interests	36,245	1	7,001	-	107,747	1	(8,781)	-
	$ (845,801)	(18)	$ 412,739	10	$ (379,326)	(4)	$ 910,582	10
LOSS PER SHARE (NEW TAIWAN DOLLARS; Note 28)								
Basic	$ (1.46)		$ (0.37)		$ (1.71)		$ (0.35)	
Diluted	$ (1.46)		$ (0.37)		$ (1.71)		$ (0.35)	

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

(With Deloitte & Touche review report dated August 12, 2024) (Concluded)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation (Note 24)										
			Retained Earnings			Other Equity					
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2023	$ 9,847,336	$ 8,952,852	$ 3,120,433	$ 645,316	$ 7,494,411	$ (512,098)	$ 4,367,184	$ (290,088)	$ 33,625,346	$ 1,933,111	$ 35,558,457
Appropriation of the 2022 earnings											
Legal reserve	-	-	68,737	-	(68,737)	-	-	-	-	-	-
Special reserve	-	-	-	3,499	(3,499)	-	-	-	-	-	-
Cash dividends distributed - NT$0.1 per share	-	-	-	-	(98,473)	-	-	-	(98,473)	-	(98,473)
Balance after appropriation	9,847,336	8,952,852	3,189,170	648,815	7,323,702	(512,098)	4,367,184	(290,088)	33,526,873	1,933,111	35,459,984
Net loss for the six months ended June 30, 2023	-	-	-	-	(340,893)	-	-	-	(340,893)	(32,433)	(373,326)
Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	369,770	890,486	-	1,260,256	23,652	1,283,908
Total comprehensive (loss) income for the six months ended June 30, 2023	-	-	-	-	(340,893)	369,770	890,486	-	919,363	(8,781)	910,582
BALANCE AT JUNE 30, 2023	$ 9,847,336	$ 8,952,852	$ 3,189,170	$ 648,815	$ 6,982,809	$ (142,328)	$ 5,257,670	$ (290,088)	$ 34,446,236	$ 1,924,330	$ 36,370,566
BALANCE AT JANUARY 1, 2024	$ 9,847,336	$ 9,237,013	$ 3,189,170	$ 648,815	$ 6,831,945	$ (589,662)	$ 4,696,204	$ (290,088)	$ 33,570,733	$ 1,882,007	$ 35,452,740
Appropriation of the 2023 earnings											
Reversal of special reserve	-	-	-	(737)	737	-	-	-	-	-	-
Balance after appropriation	9,847,336	9,237,013	3,189,170	648,078	6,832,682	(589,662)	4,696,204	(290,088)	33,570,733	1,882,007	35,452,740
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(2,478)	(2,478)
Net loss for the six months ended June 30, 2024	-	-	-	-	(1,656,824)	-	-	-	(1,656,824)	(1,026)	(1,657,850)
Other comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	1,343,273	(173,522)	-	1,169,751	108,773	1,278,524
Total comprehensive (loss) income for the six months ended June 30, 2024	-	-	-	-	(1,656,824)	1,343,273	(173,522)	-	(487,073)	107,747	(379,326)
BALANCE AT JUNE 30, 2024	$ 9,847,336	$ 9,237,013	$ 3,189,170	$ 648,078	$ 5,175,858	$ 753,611	$ 4,522,682	$ (290,088)	$ 33,083,660	$ 1,987,276	$ 35,070,936

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

(With Deloitte & Touche review report dated August 12, 2024)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (1,533,536)	$ (135,989)
Adjustments for:		
Depreciation	762,062	632,090
Amortization	12,838	21,146
Expected credit reversal gain	(6,184)	(11,324)
Net loss (gain) on financial assets and liabilities at FVTPL	42,710	(3,254)
Interest expense	400,962	334,835
Interest income	(256,268)	(223,033)
Compensation costs of share-based payments	(4,181)	23,149
Share of loss of associates and joint ventures	199,338	113,771
Loss on disposal and retirement of property, plant and equipment	6,401	6,103
Impairment loss recognized on non-financial assets	1,081,901	40,387
Unrealized gain on foreign exchange	(5,337)	(11,606)
Changes in operating assets and liabilities		
Notes receivable	(645,301)	478,863
Accounts receivable	(704,669)	1,071,801
Accounts receivable from related parties	7	-
Inventories	(362,363)	225,940
Other current assets	(217,588)	(305,885)
Other financial assets	226,991	(162,885)
Contract liabilities	-	(224,207)
Trade payables	42,076	(130,114)
Trade payables to related parties	(10,955)	(7,969)
Other payables	(192,276)	(90,999)
Other current liabilities	14,327	185,205
Net defined benefit assets and liabilities	634	(4,143)
Cash (used in) generated from operations	(1,148,411)	1,821,882
Interest received	270,381	141,569
Income tax paid	(174,628)	(373,458)
Net cash (used in) generated from operating activities	(1,052,658)	1,589,993
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at FVTPL	(200,000)	-
Proceeds from disposal of financial assets at FVTPL	-	619,616
Acquisition of property, plant and equipment	(227,266)	(553,336)
Proceeds from disposal of property, plant and equipment	255	20,022
Decrease (increase) in other financial assets	730,308	(7,635,958)
(Increase) decrease in other non-current assets	(137,051)	43,217
Decrease in prepayments for equipment	33,093	68,181
Net cash generated from (used in) investing activities	199,339	(7,438,258)

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INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	**2023**
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	$ 2,082,203	$ 1,375,068
Decrease in short-term bills payable	-	(9,977)
Repayments of long-term borrowings	(263,183)	(2,758,250)
Repayments of the principal portion of lease liabilities	(17,083)	(17,951)
Increase in other non-current liabilities	6,456	429
Dividends paid	(2,478)	-
Interest paid	(354,644)	(338,898)
Net cash generated from (used in) financing activities	1,451,271	(1,749,579)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	475,239	139,370
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,073,191	(7,458,474)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	7,737,563	14,948,967
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 8,810,754	$ 7,490,493

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

(With Deloitte & Touche review report dated August 12, 2024) (Concluded)

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 12, 2024.

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 IFRS (SIC) (collectively, the "IFRS Accounting Standards") 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 IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
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 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition to the above impact, as of the date the consolidated financial statements were authorized for issue, the Group continues to assess the effects of other standards and amendments to interpretations on financial position and financial performance, with related impacts to be disclosed upon completion of the assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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 measured at fair value, payables arising from cash settled share-based payments and net defined benefit abilities recognized at the present value of defined benefit abilities less the fair value of plan assets.

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).

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.

See Note 12, Tables 7 and 8 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;

- Assets expected to be realized within 12 months after the reporting period; and

- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;

- Liabilities due to be settled within 12 months after the reporting period, and

- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

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 defined benefit plans except that remeasurement is recognized in profit or loss.

4) Income tax expense

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. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations 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 same material accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Corporation's consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Bank deposits	$ 4,812,659	$ 3,275,171	$ 4,205,460
Cash equivalent (investments with original maturities less than 3 months)			
Repurchase agreements collateralized by commercial papers	1,434,815	1,722,032	2,933,403
Time deposits	2,562,933	2,739,947	351,216
Cash on hand	347	413	414
	$ 8,810,754	$ 7,737,563	$ 7,490,493

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	$ 200,690	$ -	$ -
Financial liabilities at FVTPL - current			
Held for trading			
Derivatives (undesignated hedging)			
Redemption option and put option of convertible bonds	$ 80,500	$ 37,100	$ -

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2024	December 31, 2023	June 30, 2023
Current			
Debt instruments investment			
Bank's acceptance bill	$ 857,291	$ 215,449	$ 658,797
Domestic investments			
Listed shares and emerging market shares	1,275,862	1,393,453	1,369,935
	$ 2,133,153	$ 1,608,902	$ 2,028,732
Non-current			
Domestic investments			
Listed shares and emerging market shares	$ 5,478,632	$ 5,555,239	$ 6,040,359
Unlisted shares	701,917	666,485	832,794
	$ 6,180,549	$ 6,221,724	$ 6,873,153

The objectives of managing the bill receivables in Mainland China by the Group are collecting contractual cash flows and selling financial assets. Accordingly, the management elected to designate these bill receivables in debt instruments as at FVTOCI. As of June 30, 2024, the Group evaluated the credit risk exposure as immaterial because all counterparties are reputable financial institutions with good credit ratings.

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 assets at FVTOCI pledged as collateral for bank borrowings were set out in Note 34.

Based on the Group's future investment strategies, the Group reclassified the investment in Taiwan Cement Corporation, a domestic listed Corporation, from current assets to non-current assets in the first half of 2023.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable			
Notes receivable	$ 224,522	$ 221,063	$ 106,413
Less: Allowance for impairment loss	-	-	-
	$ 224,522	$ 221,063	$ 106,413
Accounts receivable			
Accounts receivable	$ 3,869,100	$ 3,169,642	$ 3,001,604
Less: Allowance for impairment loss	(63,224)	(84,593)	(118,975)
	$ 3,805,876	$ 3,085,049	$ 2,882,629

a. Notes receivable

The Group entered into a factoring agreement with financial institutions to sell its discounted notes receivable. Although the Group has transferred the contractual rights to collect cash flows, the Group is still obligated to bear the default risk of such notes receivable. Thus, it did not meet the conditions for derecognition of financial assets. The related information is as follows:

	December 31, 2023		
Purchaser of Notes Receivable	**Notes Receivable Transferred**	**Amount in Advanced (Note)**	**Interest Rate**
Bank of Communications Co., Ltd. Maanshan Branch	$ 17,655	$ 17,655	1.40%-1.60%

Note: The advanced payment of the discounted note receivable was accounted for short-term borrowings, please refer to Notes 20 and 34 for related information of short-term borrowings and guarantee.

b. Accounts receivable

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, 2024

	Not Past Due	Past Due Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	2%-30%	71%	98%	100%	100%	
Gross carrying amount	$ 3,477,426	$ 576,199	$ 2,835	$ 342	$ 116	$ 36,704	$ 4,093,622
Allowance for impairment loss (Lifetime ECL)	(3,958)	(20,096)	(2,016)	(334)	(116)	(36,704)	(63,224)
Amortized cost	$ 3,473,468	$ 556,103	$ 819	$ 8	$ -	$ -	$ 4,030,398

December 31, 2023

	Not Past Due	Past Due Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	3%-13%	31%	94%	100%	100%	
Gross carrying amount	$ 2,940,261	$ 380,373	$ 1,772	$ 2,705	$ 17,997	$ 47,597	$ 3,390,705
Allowance for impairment loss (Lifetime ECL)	(2,606)	(13,298)	(558)	(2,537)	(17,997)	(47,597)	(84,593)
Amortized cost	$ 2,937,655	$ 367,075	$ 1,214	$ 168	$ -	$ -	$ 3,306,112

June 30, 2023

	Not Past Due	Past Due Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	0%-25%	6%-74%	100%	100%	100%	
Gross carrying amount	$ 2,662,044	$ 284,468	$ 93,194	$ 12,620	$ 2,385	$ 53,306	$ 3,108,017
Allowance for impairment loss (Lifetime ECL)	(2,664)	(6,512)	(41,488)	(12,620)	(2,385)	(53,306)	(118,975)
Amortized cost	$ 2,659,380	$ 277,956	$ 51,706	$ -	$ -	$ -	$ 2,989,042

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

	For the Six Months Ended June 30 2024 Notes Receivable	Accounts Receivable	Total	2023 Notes Receivable	Accounts Receivable	Total
Balance at January 1	$ -	$ 84,593	$ 84,593	$ -	$ 158,406	$ 158,406
Less: Reversal of impairment loss recognized	-	(6,184)	(6,184)	-	(11,324)	(11,324)
Less: Amount written off	-	(19,307)	(19,307)	-	(28,210)	(28,210)
Effect of exchange rate differences	-	4,122	4,122	-	103	103
Balance at June 30	$ -	$ 63,224	$ 63,224	$ -	$ 118,975	$ 118,975

The notes receivable and accounts receivable pledged as collateral for bank borrowings were set out in Note 34.

10. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	$ 1,213,263	$ 1,245,370	$ 1,311,708
Semi-finished goods	62,483	61,641	68,983
Raw materials	1,400,565	1,090,713	1,214,599
Supplies	235,824	226,196	255,160
Inventory in transit	202,619	151,279	84,646
	$ 3,114,754	$ 2,775,199	$ 2,935,096

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	
	2024	2023	2024	2023
Cost of inventories sold	$ 3,957,350	$ 3,411,045	$ 7,809,421	$ 6,991,377
Provision of inventory	90,022	23,592	33,996	40,387
Unallocated fixed overhead	431,238	573,465	762,797	997,943
	$ 4,478,610	$ 4,008,102	$ 8,606,214	$ 8,029,707

The inventories pledged as collateral for bank borrowings were set out in Note 34.

11. OTHER FINANCIAL ASSETS - CURRENT

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits (original maturities more than 3 months)	$ 6,733,375	$ 7,492,020	$ 7,660,440
Pledged bank deposits	236,861	496,623	501,262
Interest receivable	98,916	113,029	111,763
Pledged time deposits	8,943	8,463	30,004
Others	49,983	17,692	10,497
	$ 7,128,078	$ 8,127,827	$ 8,313,966

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, 2024	December 31, 2023	June 30, 2023
Time deposits with original maturities more than 3 months	5.00%-5.72%	5.47%-5.76%	4.90%-5.23%

The other financial assets - current pledged as collateral were set out in Note 34.

12. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements include subsidiaries as follows:

			Proportion of Ownership (%)			
Investor	Investee	Main Business	June 30, 2024	December 31, 2023	June 30, 2023	Remark
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	1)
	Consolidated Resource Co.	Carbon masterbatch and carbon black processing and sales	100.00	100.00	100.00	1)
	Linyuan Advanced Materials Technology Co., Ltd.	Carbon black production and sales	100.00	100.00	100.00	-
	Circular Commitment Company	Biotechnology services and investment	100.00	100.00	100.00	2)
	CCC Dutch B.V.	Investment	100.00	100.00	100.00	1)
	Yun Cheng Investment Corporation	Investment	94.69	94.69	94.69	1)
	Synpac (North Carolina) Inc.	Investment	88.46	88.46	88.46	-
	Synpac Ltd.	Investment	75.00	75.00	75.00	1)
	CCC USA Corp.	Investment	66.67	66.67	66.67	-
CSRC (BVI) Ltd.	CSRC (Singapore) Pte. Ltd.	Investment	100.00	100.00	100.00	-
	Continental Carbon Eco Tech Pvt Ltd.	Carbon black production and sales	0.01	0.01	0.01	-
CSRC (Singapore) Pte. Ltd.	CSRC China Corporation	Carbon black production and sales	100.00	100.00	100.00	-
	CSRC China (Anshan) Corporation	Carbon black production and sales	100.00	100.00	100.00	-
	CSRC China (Chongqing) Corporation	Carbon black production and sales	100.00	100.00	100.00	1)
	Continental Carbon India Pvt Ltd.	Carbon black production and sales	100.00	100.00	100.00	1)
	Continental Carbon Eco Tech Pvt Ltd.	Carbon black production and sales	99.99	99.99	99.99	-
CS Development & Investment Co.	SVC Services, LLC	Investment service	99.90	99.90	99.90	-
	SVC Management, LLC	Investment consultation	99.90	99.90	99.90	-
	Yun Cheng Investment Corporation	Investment	0.33	0.33	0.33	1)
Circular Commitment Company	Synpac GP Corporation	Investment	100.00	100.00	100.00	1)
Synpac GP Corporation	SVC Services, LLC	Investment service	0.10	0.10	0.10	-
	SVC Management, LLC	Investment consultation	0.10	0.10	0.10	-
Yun Cheng Investment Corporation	Synpac (North Carolina), Inc.	Investment	11.54	11.54	11.54	-
Synpac (North Carolina), Inc.	Synpac Venture Capital, L.P.	Investment	99.90	99.90	99.90	-
SVC Management, LLC	Synpac Venture Capital, L.P.	Investment	0.10	0.10	0.10	-
CCC USA Corp.	Continental Carbon Company	Carbon black production and sales	100.00	100.00	100.00	-
	CCC Transport Company	Carbon black transport	100.00	100.00	100.00	-
	Continental Carbon Nanotechnologies, Inc.	Carbon nanotubes production and sales	100.00	100.00	100.00	-
Continental Carbon Company	Continental Carbon Company Europe SPRL	Carbon black sales	100.00	100.00	100.00	-

Remark:

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

2) The company is not a major subsidiary since year 2024.

b. Subsidiaries excluded from consolidated financial statements: None.

c. There are no subsidiaries that have material non-controlling interests.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2024	December 31, 2023	June 30, 2023
Investment in associate	$ 3,758,891	$ 3,898,448	$ 4,038,656
Investment in joint venture	716,034	732,282	440,142
	$ 4,474,925	$ 4,630,730	$ 4,478,798

a. Investment in associate

	June 30, 2024	December 31, 2023	June 30, 2023
Associate that is not individually material			
TCC Recycle Energy Technology Company	$ 3,758,891	$ 3,898,448	$ 4,038,656

Aggregate information of associate that is not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
The Group's share of:				
Net loss from continuing operations	$ (31,132)	$ (36,146)	$ (143,001)	$ (83,549)
Other comprehensive income	719	3,957	3,444	3,327
Total comprehensive loss	$ (30,413)	$ (32,189)	$ (139,557)	$ (80,222)

b. Investment in joint venture

	June 30, 2024	December 31, 2023	June 30, 2023
Joint venture that is not individually material			
Continental Carbon OYAK (Netherlands) B.V.	$ 716,034	$ 732,282	$ 440,142

Aggregate information of joint venture that is not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
The Group's share of:				
Net (loss) income from continuing operations	$ (68,472)	$ 14,166	$ (56,337)	$ (30,222)
Other comprehensive income	9,711	8,382	40,089	13,663
Total comprehensive (loss) income	$ (58,761)	$ 22,548	$ (16,248)	$ (16,559)

According to the contents of the joint venture agreement, the management authority of the actual operations, major approval matters, and significant decision-making are jointly led by two capital contributors, and the Group does not have control over these aspects.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Other Equipment	Property under Construction	Total
Cost						
Balance at January 1, 2024	$ 607,133	$ 3,107,974	$ 23,486,423	$ 1,019,872	$ 6,809,570	$ 35,030,972
Additions	-	228	33,295	10,495	183,248	227,266
Disposals and retirements	-	(276)	(200,952)	(9,703)	-	(210,931)
Reclassification	-	464	197,362	2,024	(245,592)	(45,742)
Effect of exchange rate differences	4,358	131,568	1,125,910	36,875	358,763	1,657,474
Balance at June 30, 2024	$ 611,491	$ 3,239,958	$ 24,642,038	$ 1,059,563	$ 7,105,989	$ 36,659,039
Accumulated depreciation and impairment						
Balance at January 1, 2024	$ -	$ 1,520,141	$ 13,591,636	$ 829,433	$ 146,173	$ 16,087,383
Impairment losses	-	292,698	717,274	18,331	19,602	1,047,905
Depreciation expense	-	46,972	569,998	25,670	-	642,640
Disposals and retirements	-	(276)	(194,490)	(9,509)	-	(204,275)
Effect of exchange rate differences	-	66,917	626,282	31,667	7,814	732,680
Balance at June 30, 2024	$ -	$ 1,926,452	$ 15,310,700	$ 895,592	$ 173,589	$ 18,306,333
Carrying amounts at January 1, 2024	$ 607,133	$ 1,587,833	$ 9,894,787	$ 190,439	$ 6,663,397	$ 18,943,589
Carrying amounts at June 30, 2024	$ 611,491	$ 1,313,506	$ 9,331,338	$ 163,971	$ 6,932,400	$ 18,352,706
Cost						
Balance at January 1, 2023	$ 607,145	$ 3,082,462	$ 22,943,827	$ 1,009,907	$ 6,685,722	$ 34,329,063
Additions	-	7,411	95,809	14,489	435,627	553,336
Disposals and retirements	-	(6,404)	(44,682)	(30,746)	-	(81,832)
Reclassification	-	33,400	389,353	33,592	(522,942)	(66,597)
Effect of exchange rate differences	1,074	(1,173)	149,917	3,278	127,638	280,734
Balance at June 30, 2023	$ 608,219	$ 3,115,696	$ 23,534,224	$ 1,030,520	$ 6,726,045	$ 35,014,704
Accumulated depreciation and impairment						
Balance at January 1, 2023	$ -	$ 1,423,108	$ 12,440,547	$ 798,604	$ 350,341	$ 15,012,600
Depreciation expense	-	65,476	506,667	24,394	-	596,537
Disposals and retirements	-	(5,763)	(39,214)	(10,730)	-	(55,707)
Reclassification	-	-	242,514	(212)	(242,514)	(212)
Effect of exchange rate differences	-	(958)	64,619	2,730	(3,684)	62,707
Balance at June 30, 2023	$ -	$ 1,481,863	$ 13,215,133	$ 814,786	$ 104,143	$ 15,615,925
Carrying amounts at January 1, 2023	$ 607,145	$ 1,659,354	$ 10,503,280	$ 211,303	$ 6,335,381	$ 19,316,463
Carrying amounts at June 30, 2023	$ 608,219	$ 1,633,833	$ 10,319,091	$ 215,734	$ 6,621,902	$ 19,398,779

The Group's carbon black products have been affected by factors such as the slower-than-expected economic recovery in China, intensified competition in the industry, and imbalances in market supply and demand. As a result, The Group expects a decrease in the future economic benefits of certain property, plant and equipment, leading to their recoverable amounts being lower than the carrying amounts. Consequently, an impairment loss of $1,047,905 thousand was recognized in the first half of 2024 and recorded under other gains and losses.

Some of the subsidiaries of the Group determined the recoverable amounts of the relevant assets on the basis of their fair values less costs of disposal. The fair values used in determining the recoverable amounts were categorized as Level 3 measurements and were measured using the market approach. The others determined the recoverable amounts of the relevant assets on the basis of their value in use. The discount rate used in measuring value in use was 9.3% per annum.

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

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

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

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts			
Land	$ 515,346	$ 492,252	$ 502,883
Buildings	31,384	19,454	17,740
Machinery	15,949	16,353	17,418
Transportation equipment	365,074	357,256	125,992
Oil tank	758,970	-	-
	$ 1,686,723	$ 885,315	$ 664,033

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Additions to right-of-use assets			$ 854,794	$ 11,075
Depreciation charge for right-of-use assets				
Land	$ 3,226	$ 2,617	$ 5,848	$ 5,247
Buildings	6,046	2,945	11,996	5,899
Machinery	614	590	1,210	1,189
Transportation equipment	12,193	7,261	24,090	14,452
Oil tank	34,169	-	67,529	-
	$ 56,248	$ 13,413	$ 110,673	$ 26,787

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, 2024 and 2023.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts			
Current	$ 208,923	$ 27,629	$ 40,725
Non-current	$ 995,250	$ 367,657	$ 125,685

Range of discount rate for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	2.90%-8.00%	8.00%	8.00%
Buildings	2.75%-7.82%	6.00%-7.82%	4.50%-7.82%
Machinery	3.80%	3.80%	3.80%
Transportation equipment	5.75%-6.65%	5.75%-6.65%	4.50%-5.75%
Oil tank	9.50%	-	-

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 16.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	$ 3,552	$ 8,607	$ 11,694	$ 16,428
Expenses relating to low-value asset leases	$ 608	$ 594	$ 1,198	$ 1,182
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 4,266	$ -	$ 8,328	$ -
Total cash outflow for leases			$ 79,034	$ 38,577

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.

16. INVESTMENT PROPERTIES

	For the Six Months Ended June 30	
	2024	2023
Cost		
Balance at January 1	$ 487,430	$ 487,430
Balance at June 30	$ 487,430	$ 487,430
Accumulated depreciation		
Balance at January 1	$ (183,614)	$ (166,093)
Depreciation expense	(8,749)	(8,766)
Balance at June 30	$ (192,363)	$ (174,859)
Carrying amount at January 1	$ 303,816	$ 321,337
Carrying amount at June 30	$ 295,067	$ 312,571

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. 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, 2024	December 31, 2023	June 30, 2023
Year 1	$ 26,868	$ 26,868	$ 26,868
Year 2	26,868	26,868	26,868
Year 3	26,868	26,868	26,868
Year 4	10,379	23,777	26,868
Year 5	-	-	10,453
	$ 90,983	$ 104,381	$ 117,925

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 $310,121 thousand and $327,887 thousand on December 31, 2023 and 2022, respectively. Management of the Group had assessed and determined that there was no significant changes in the fair value during the six months ended June 30, 2024 and 2023.

17. GOODWILL

	For the Six Months Ended June 30	
	2024	2023
Cost		
Balance at January 1	$ 613,050	$ 613,132
Effect of exchange rate differences	28,608	7,049
Balance at June 30	$ 641,658	$ 620,181
Accumulated impairment		
Balance at January 1	$ (369,026)	$ (369,046)
Effect of exchange rate differences	(7,018)	(1,729)
Balance at June 30	$ (376,044)	$ (370,775)
Carrying amount at January 1	$ 244,024	$ 244,086
Carrying amount at June 30	$ 265,614	$ 249,406

18. OTHER INTANGIBLE ASSETS

	Patents
Cost	
Balance at January 1, 2023	$ 704,824
Balance at June 30, 2023	$ 704,824
Accumulated amortization and impairment	
Balance at January 1, 2023	$ (694,108)
Amortization expense	(10,716)
Balance at June 30, 2023	$ (704,824)
Carrying amount at January 1, 2023	$ 10,716
Carrying amount at June 30, 2023	$ -

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

Patents	14 to 15 years

19. OTHER ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
Excess VAT paid	$ 1,094,987	$ 923,224	$ 899,983
Prepayments for purchases	491,405	352,456	351,140
Deferred expenses	65,483	50,866	70,048
Other prepayments	63,541	51,217	39,696
Others	5,128	18,809	14,261
	$ 1,720,544	$ 1,396,572	$ 1,375,128
Current	$ 924,385	$ 706,797	$ 700,451
Non-current	796,159	689,775	674,677
	$ 1,720,544	$ 1,396,572	$ 1,375,128

20. BORROWINGS

a. Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Secured borrowings (Note 34)			
Bank loans	$ 1,070,850	$ 829,035	$ 840,780
Discounted notes receivable*	-	17,655	-
	1,070,850	846,690	840,780
Unsecured borrowings			
Credit borrowings	9,045,554	7,187,511	9,395,645
	$ 10,116,404	$ 8,034,201	$ 10,236,425
Interest rates	1.68%-8.63%	1.68%-8.76%	1.68%-8.76%

* Discounted notes receivable were secured by the Group’s notes receivables. The effective interest rates were 1.40-1.60% per annum as of December 31, 2023. Please refer to Note 32 (e) for the relevant covenant.

b. Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Credit borrowings	$ 1,898,325	$ 2,049,559	$ 3,312,700
Less: Current portions	(1,898,325)	(2,049,559)	-
Long-term borrowings	$ -	$ -	$ 3,312,700
Interest rate	6.82%-7.44%	6.82%-7.46%	1.73%-7.20%
Due date	2025.8.24	2025.8.24	2028.10.13

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

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) and CCC 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. If the semi-annual or annual financial report fails to meet the agreed financial ratio limit, the Corporation shall complete the improvement within 6 months from the announcement date of the semi-annual or annual financial report. If it can be improved within the aforementioned period, it will not be regarded as a violation of this financial covenants. The Corporation’s interest coverage ratio for the first half of 2023 did not meet the contract requirement, but it was still within the grace period of the contract and was not considered as breach of contract. The Corporation and CCC’s interest coverage ratios for 2023 were below the contract requirement, and the Corporation applied for an exemption from the participating banks according to contract requirements in June 2024. Such long-term borrowings has been reclassified as current portion of long-term borrowings on December 31, 2023. In June 2024, the Corporation apply for exemption from the participating banks according to contract requirements, and obtained the consent of the lending bank to waive the review of the relevant financial ratios as stated in the consolidated financial statements for the second quarter of 2024. The Corporation’s interest coverage ratio for the first half of 2024 did not meet the contract requirement, but it was still within the grace period of the contract and was not considered as breach of contract.

Additionally, CCC signed a loan contract with Bank SinoPac Company Limited on August 24, 2023. According to the contract requirements, the agreement required the association guarantor (the Corporation) and CCC 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 and CCC’s interest coverage ratios for 2023 were below the contract requirement. Such long-term borrowings has been reclassified as current portion of long-term borrowings on December 31, 2023. In July 2024, the Corporation applied for an exemption from Bank SinoPac Company Limited according to the contract requirements and obtained the consent of the bank to waive the aforementioned financial covenants. The Corporation’s interest coverage ratio for the first half of 2024 did not meet the contract requirement, but it was still within the grace period of the contract and was not considered as breach of contract.

21. BONDS PAYABLE

	June 30, 2024	December 31, 2023	June 30, 2023
Third domestic unsecured convertible bonds	$ 3,500,000	$ 3,500,000	$ -
Less: Discounts on bonds payable	(272,346)	(302,762)	-
	$ 3,227,654	$ 3,197,238	$ -

The Corporation issued third domestic unsecured convertible bonds with a coupon rate of 0% on October 13, 2023. The face value of each bond was $100 thousand and was issued at 100.2% of the face value. The bonds issued 35,000 units at the total amount of $3,507,000 thousand, and the maturity period was five years.

Each bondholders has the right to convert one unit of bonds into ordinary shares at a price of $21.2 per share. If the subsequent conversion price encounters anti-dilution clauses, it will be adjusted in accordance with the conversion regulations. The conversion period is from January 14, 2024 to October 13, 2028. If the corporate bonds are not converted by then, they will be repaid in cash at maturity according to the face value of the bonds.

Other major clauses are as follows:

a. Put option of the bondholders

These convertible bonds could be sold back by bondholders three years after the issuance date (i.e., October 13, 2026). Bondholders may request the Corporation to redeem the convertible bonds at the price by adding interest compensation to the face value, which is 100.90% of the face value of the bonds (the real yield is 0.3%). If the Corporation accepts the request of sell-back, the Corporation shall redeem the convertible bonds in cash.

b. Redemption right of the Corporation

From the day after the three-month issuance of the convertible bonds (i.e., January 14, 2024) to the forty days before the expiration of the issuance period (i.e., September 3, 2028), if the closing price of the Corporation's common stock exceeding the current conversion price by more than 30% (inclusive) for thirty consecutive business days, or when the outstanding balance of the convertible bonds is less than 10% of the original issuance amount, the Corporation may redeem the outstanding bonds in cash according to the face value of the bonds in accordance with the regulations.

These convertible bonds include liability and equity components. The equity component is presented as capital surplus - share option under equity. The effective interest rate initially recognized for the liability component was 1.9106%.

	Convertible Bonds
Proceeds from issuance (less transaction cost $5,729 thousands)	$ 3,501,272
Derivative instrument of redemption option and put option (listed as financial liabilities at fair value through profit or loss) and allocation of transaction cost recognized as profit or loss	(34,592)
Equity component (less allocation of transaction cost $462 thousand)	(282,688)
Liability component at issue date (less allocation of transaction cost $5,208 thousand)	3,183,992
Interest charged at an effective interest rate of 1.9106%	13,246
Liability component at December 31, 2023	3,197,238
Interest charged at an effective interest rate of 1.9106%	30,416
Liability component at June 30, 2024	$ 3,227,654

22. OTHER PAYABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Payable for purchase of equipment, construction and repairing construction	$ 473,703	$ 451,706	$ 502,588
Payable for research fee	298,860	317,754	318,572
Payable for professional fee	223,065	211,651	232,274
Payable for salaries and bonuses	212,713	261,035	235,365
Payable for cash-settled share-based payment transactions	99,784	147,959	174,503
Payable for tax	45,998	29,012	34,376
Payable for water and electricity	26,772	22,584	50,230
Payable for transportation and selling expenses	18,431	82,052	77,501
Payable for dividends	2,478	-	102,285
Others	293,435	352,120	405,727
	$ 1,695,239	$ 1,875,873	$ 2,133,421

23. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group’s defined benefit retirement plans for the three months ended June 30, 2024 and 2023 were $1,587 thousand and $4,564 thousand, respectively; and for the six months ended June 30, 2024 and 2023 were $5,995 thousand and $9,819 thousand by the actuarially determined pension cost discount rate as of December 31, 2023 and 2022, respectively.

The Group’s other long-term employee benefits were $7,724 thousand, $7,724 thousand and $7,730 thousand as of June 30, 2024, December 31, 2023 and June 30, 2023 respectively, and were presented in provisions - non-current.

24. EQUITY

a. Ordinary shares

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	2,000,000	2,000,000	2,000,000
Shares authorized	$ 20,000,000	$ 20,000,000	$ 20,000,000
Number of shares issued and fully paid (in thousands)	984,734	984,734	984,734
Shares issued	$ 9,847,336	$ 9,847,336	$ 9,847,336
Surplus	8,529,343	8,529,343	8,529,343
	$ 18,376,679	$ 18,376,679	$ 18,376,679

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, 2024	December 31, 2023	June 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	$ 8,529,343	$ 8,529,343	$ 8,529,343
Treasury shares transactions	250,662	250,662	249,189
May be used to offset a deficit only (2)			
Changes in percentage of ownership interests in subsidiaries	107,235	107,235	107,235
Changes in interests in associates or joint ventures accounted for using the equity method	44,944	44,944	44,944
May not be used for any purpose			
Equity component of convertible bond	282,688	282,688	-
Employee share options	22,141	22,141	22,141
	$ 9,237,013	$ 9,237,013	$ 8,952,852

1) Such capital surplus 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).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries and associates resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries and associates accounted for using the equity method.

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 2023 and 2022 were approved in the shareholders' meetings on May 28, 2024 and May 30, 2023, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2023	**2022**	**2023**	**2022**
Legal reserve	$ -	$ 68,737	$ -	$ -
Special reserve	(737)	3,499	-	-
Cash dividends	-	98,473	-	0.10

d. Non-controlling interests

	For the Six Months Ended June 30	
	2024	**2023**
Balance at January 1	$ 1,882,007	$ 1,933,111
Attributable to non-controlling interests		
Share of loss for the period	(1,026)	(32,433)
Exchange difference on translating foreign operations	109,640	23,200
Unrealized (loss) gain on financial assets at FVTOCI	(867)	452
Cash dividends distributed by subsidiaries	(2,478)	-
Balance at June 30	$ 1,987,276	$ 1,924,330

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**
2024				
Shares held by its subsidiary	14,735	-	-	14,735
2023				
Shares held by its subsidiary	14,735	-	-	14,735

The subsidiary, CS Development & Investment Co., acquired the Corporation's shares with book value of $290,088 thousand. As of June 30, 2024, December 31, 2023 and June 30, 2023, the market value of treasury shares was $252,699 thousand, $287,326 thousand and $316,795 thousand, respectively. A subsidiary holding treasury shares, shall have shareholders' rights, except that 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	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from the sales of goods	$ 4,594,244	$ 4,067,096	$ 9,010,715	$ 8,477,924
Revenue from settlement royalties	-	713	-	222,425
Other operating revenue	42,400	6,717	49,181	13,493
	$ 4,636,644	$ 4,074,526	$ 9,059,896	$ 8,713,842

a. Contract information

1) Revenue from the sale of goods

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

2) 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 35(c) in the consolidated financial statements for the year ended December 31, 2022.

b. Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Accounts receivables (Note 9)	$ 3,869,100	$ 3,169,642	$ 3,001,604	$ 4,089,378
Contract liabilities - current				
Settlement royalties	$ -	$ -	$ -	$ 224,207

26. LOSS BEFORE INCOME TAX

Net loss from continuing operations included the following:

a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Technology licensing income	$ 8,878	$ 13,670	$ 18,904	30,548
Government grants income (Note 30)	3,054	2,425	5,622	2,425
Rental income	384	90	461	165
Claim income	185	20,532	13,071	20,629
Others	14,389	10,606	22,131	63,966
	$ 26,890	$ 47,323	$ 60,189	$ 117,733

b. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Bank deposits	$ 129,762	$ 120,603	$ 256,268	$ 223,033

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Impairment loss on property, plant and equipment (Note 14)	$ (1,047,905)	$ -	$ (1,047,905)	$ -
Net foreign exchange gains	28,528	43,574	69,460	33,516
Net (loss) gain on financial assets and liabilities at FVTPL	(15,781)	1,549	(42,710)	3,254
Loss on disposal and retirement of property, plant and equipment	(5,364)	(5,556)	(6,401)	(6,103)
Others	(2,000)	867	(6,270)	2,115
	$ (1,042,522)	$ 40,434	$ (1,033,826)	$ 32,782

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest expense	$ 165,581	$ 168,951	$ 319,128	$ 331,487
Interest on lease liabilities	26,066	1,623	51,418	3,348
Bond interest	15,208	-	30,416	-
Other finance costs	508	396	1,015	842
	$ 207,363	$ 170,970	$ 401,977	$ 335,677

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Property, plant and equipment	$ 322,488	$ 302,295	$ 642,640	$ 596,537
Right-of-use assets	56,248	13,413	110,673	26,787
Investment properties	4,375	4,383	8,749	8,766
Other intangible assets	-	-	-	10,716
Deferred expenses	6,584	5,260	12,838	10,430
	$ 389,695	$ 325,351	$ 774,900	$ 653,236
An analysis of depreciation by function				
Operating costs	$ 358,441	$ 297,568	$ 714,122	$ 587,072
Operating expenses	24,670	22,523	47,940	45,018
	$ 383,111	$ 320,091	$ 762,062	$ 632,090
An analysis of amortization by function				
Operating costs	$ 2,210	$ 1,837	$ 3,975	$ 2,992
Operating expenses	4,374	3,423	8,863	18,154
	$ 6,584	$ 5,260	$ 12,838	$ 21,146

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Post-employment benefits				
Defined contribution plans	$ 16,108	$ 16,803	$ 31,808	$ 32,889
Defined benefit plans (Note 23)	1,587	4,564	5,995	9,819
	17,695	21,367	37,803	42,708
Cash-settled share-based payments (Note 29)	295	20,560	(4,181)	23,149
Other employee benefits	304,215	355,709	636,611	709,589
Total employee benefits expense	$ 322,205	$ 397,636	$ 670,233	$ 775,446
An analysis of employee benefits expense by function				
Operating costs	$ 227,357	$ 250,311	$ 469,799	$ 497,601
Operating expenses	94,848	147,325	200,434	277,845
	$ 322,205	$ 397,636	$ 670,233	$ 775,446

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 not higher than 1%, respectively, of net profit before income tax. When the Corporation has accumulated deficits, it shall reserve the deficit amount in advance, and then allocate compensation of employees and remuneration of directors based on aforementioned ratio.

For the six months ended June 30, 2024 and 2023, the Corporation incurred loss before tax, and thus did not accrue compensation of employees and remuneration of directors.

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 and adjusted in the following year.

For the year ended December 31, 2023, the Corporation incurred loss before tax, and thus did not accrue compensation of employees and remuneration of directors.

The appropriations of compensation of employees and remuneration of directors for 2022 were approved by the Board of Directors on March 29, 2023 was as below:

Amount

	For the Year Ended December 31, 2022
Compensation of employees	$ 1,703
Remuneration of directors	$ 5,000

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 year ended December 31, 2022.

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 income tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
In respect of the current year	$ 23,144	$ 58,218	$ 74,479	$ 127,608
Income tax on unappropriated earnings	-	25,833	-	25,833
Adjustments for prior years	(8,344)	(15,861)	(8,344)	(15,861)
	14,800	68,190	66,135	137,580
Deferred tax				
In respect of the current year	23,369	(319)	59,252	99,778
Others	(195)	(234)	(1,073)	(21)
	23,174	(553)	58,179	99,757
Income tax expense recognized in profit or loss	$ 37,974	$ 67,637	$ 124,314	$ 237,337

b. Income tax assessments

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

1) CS Development & Investment Co. - through 2022
2) Yun Cheng Investment Corporation - through 2022
3) Consolidated Resource Co. - through 2022
4) Circular Commitment Company - through 2021
5) Linyuan Advanced Materials Technology Co., Ltd. - through 2021
6) The Corporation - through 2021

28. LOSS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	**2023**	**2024**	**2023**
Basic loss per share				
Total basic loss per share	$ (1.46)	$ (0.37)	$ (1.71)	$ (0.35)
Diluted loss per share				
Total diluted loss per share	$ (1.46)	$ (0.37)	$ (1.71)	$ (0.35)

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

Net Loss for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	**2023**	**2024**	**2023**
Loss attributable to owners of the Corporation	$ (1,416,147)	$ (361,836)	$ (1,656,824)	$ (340,893)
Effect of potentially dilutive ordinary shares:				
Compensation of employees	-	-	-	-
Loss used in the computation of diluted loss per share from continuing operations	$ (1,416,147)	$ (361,836)	$ (1,656,824)	$ (340,893)

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	**2023**	**2024**	**2023**
Weighted average number of ordinary shares used in computation of basic loss per share	969,999	969,999	969,999	969,999
Effect of potentially dilutive ordinary shares:				
Compensation of employees	-	-	-	-
Weighted average number of ordinary shares used in the computation of diluted loss per share	969,999	969,999	969,999	969,999

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, 2024 and 2023, and for the six months ended June 30, 2024 and 2023, one of the components used in the computation of diluted losses per share was a net loss. Therefore, it caused an anti-dilutive effect and was excluded from the computation of diluted loss 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, 2024 and 2023, were as follows:

	For the Six Months Ended June 30			
	2024		2023	
	Number of Rights (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Rights (In Thousands)	Weighted-average Exercise Price (NT$)
Balance at January 1	182	$ 3,561	165	$ 3,127
Rights granted	31	4,362	-	-
Rights exercised	(25)	2,440	(12)	1,855
Balance at June 30	188		153	
Rights exercisable, end of period	125		121	
Weighted-average fair value of rights granted ($)	$ 782		$ 1,414	

The Corporation's subsidiary, CCC, issued share appreciation rights ("SARs") to certain employees, and paid the intrinsic value of the SARs in cash to the employees at the date of exercise, in accordance with the contract.

The Group recorded total expenses (benefit) of $295 thousand, $20,560 thousand, $(4,181) thousand, and $23,149 thousand in respect of the SARs for the three months ended June 30, 2024 and 2023, and six months ended June 30, 2024 and 2023, respectively.

30. GOVERNMENT GRANTS

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

CCC, had received Employee Retention Credit $212,025 thousand from Internal Revenue Service in May 2023. As of June 30, 2024, there was not yet reasonable assurance that the grant will meet the conditions and therefore was accounted for other current liabilities.

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. FINANCIAL INSTRUMENTS

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

Except those listed in the table below, the disclosures of fair value are not required for financial instruments that are not measured at fair value with carrying value approximating fair value.

June 30, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 3,227,654	$ -	$ -	$ 3,184,300	$ 3,184,300

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 3,197,238	$ -	$ -	$ 3,210,900	$ 3,210,900

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

1) Fair value hierarchy

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets				
Mutual funds	$ 200,690	$ -	$ -	$ 200,690

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 6,729,311	$ -	$ 25,183	$ 6,754,494
Domestic unlisted shares	-	-	701,917	701,917
Investments in debt instruments				
Bank's acceptance bill	-	-	857,291	857,291
	$ 6,729,311	$ -	$ 1,584,391	$ 8,313,702
Financial liabilities at FVTPL				
Derivative instrument - redemption option and put option of convertible bonds	$ -	$ -	$ 80,500	$ 80,500

(Concluded)

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 6,933,934	$ -	$ 14,758	$ 6,948,692
Domestic unlisted shares	-	-	666,485	666,485
Investments in debt instruments				
Bank's acceptance bill	-	-	215,449	215,449
	$ 6,933,934	$ -	$ 896,692	$ 7,830,626
Financial liabilities at FVTPL				
Derivative instrument - redemption option and put option of convertible bonds	$ -	$ -	$ 37,100	$ 37,100

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 7,390,239	$ -	$ 20,055	$ 7,410,294
Domestic unlisted shares	-	-	832,794	832,794
Investments in debt instruments				
Bank's acceptance bill	-	-	658,797	658,797
	$ 7,390,239	$ -	$ 1,511,646	$ 8,901,885

No transfers between Levels 1 and 2 for the six months ended June 30, 2024 and 2023.

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

For the six months ended June 30, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2024	$ -	$ 896,692	$ 896,692
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	45,857	45,857
Changes in bank's acceptance bill	-	641,842	641,842
Balance at June 30, 2024	$ -	$ 1,584,391	$ 1,584,391

Financial Liabilities	Financial Liabilities at FVTPL	Financial Liabilities at FVTOCI	Total
Balance at January 1, 2024	$ 37,100	$ -	$ 37,100
Recognized in loss (other gains and losses)	43,400	-	43,400
Balance at June 30, 2024	$ 80,500	$ -	$ 80,500

For the six months ended June 30, 2023

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1, 2023	$ -	$ 1,796,682	$ 1,796,682
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	64,322	64,322
Changes in bank's acceptance bill	-	(349,358)	(349,358)
Balance at June 30, 2023	$ -	$ 1,511,646	$ 1,511,646

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

	Fair Value at June 30, 2024	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Financial assets at FVTOCI					
Equity instruments	$ 727,100	Market approach	P/B Lack of liquidity discount	1.09-2.68 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.
Debt instruments investment	857,291	Income approach	-	-	-
Financial liabilities at FVTPL					
Redemption option and put option of convertible bonds	80,500	Binomial option pricing model	Volatility	14.45%	When the higher of the volatility, the higher of the fair value.

	Fair Value at December 31, 2023	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Financial assets at FVTOCI					
Equity instruments	$ 681,243	Market approach	P/B Lack of liquidity discount	0.85-2.48 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.
Debt instruments investment	215,449	Income approach	-	-	-
Financial liabilities at FVTPL					
Redemption option and put option of convertible bonds	37,100	Binomial option pricing model	Volatility	17.21%	When the higher of the volatility, the higher of the fair value.

	Fair Value at June 30, 2023	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Financial assets at FVTOCI					
Equity instruments	$ 852,849	Market approach	P/B Lack of liquidity discount	0.94-2.81 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.
Debt instruments investment	658,797	Income approach	-	-	-

c. Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets			
Mandatorily classified as at FVTPL (1)	$ 200,690	$ -	$ -
Financial assets at amortized cost (2)	20,043,848	19,217,790	18,856,413
Financial assets at FVTOCI (3)	8,313,702	7,830,626	8,901,885
Financial liabilities			
Financial liabilities at FVTPL			
Held for trading	80,500	37,100	-
Amortized cost (4)	17,729,814	15,917,839	16,311,377

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.

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, trade payables, trade payables to related parties, other payables, bonds payable and long-term borrowings (included current portion).

d. Financial risk management objectives and policies

The Group’s major financial instruments include equity and debt investments, beneficiary certificates, accounts receivable, trade payables, borrowings, bonds payable 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 primarily exposed it 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 36.

Sensitivity analysis

The Group was mainly exposed to the U.S. 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. Had the New Taiwan dollars strengthened/weakened by 1% against U.S. dollars, the Group's pre-tax loss for the six months ended June 30, 2024 and 2023 would increase/decrease by $5,789 thousand and $14,046 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 are 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, 2024	**December 31, 2023**	**June 30, 2023**
Fair value interest rate risk			
Financial assets	$ 10,764,045	$ 11,983,456	$ 10,975,063
Financial liabilities	10,978,731	8,740,455	7,808,575
Cash flow interest rate risk			
Financial assets	5,049,520	3,771,794	4,706,722
Financial liabilities	5,467,825	4,935,829	5,906,960

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 loss for the six months ended June 30, 2024 and 2023 would increase/decrease by $1,046 thousand and $3,001 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, 2024 and 2023 would increase/decrease by $372,821 thousand and $412,154 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 47%, 52% and 44% in total accounts receivable as of June 30, 2024, December 31, 2023 and June 30, 2023, 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, 2024, December 31, 2023 and June 30, 2023, the amounts of unused financing facilities were $18,023,558 thousand, $19,267,671 thousand and $17,138,670 thousand, 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, 2024

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 2,487,431	$ -	$ -	$ -	$ 2,487,431
Lease liabilities	232,130	220,454	671,783	432,484	1,556,851
Variable interest rate borrowings	5,467,825	-	-	-	5,467,825
Fixed interest rate borrowings	6,546,904	-	-	-	6,546,904
	$ 14,734,290	$ 220,454	$ 671,783	$ 432,484	$ 16,059,011

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	$ 232,130	$ 892,237	$ 276,718	$ 155,766	$ -	$ 1,556,851
Variable interest rate borrowings	5,467,825	-	-	-	-	5,467,825
Fixed interest rate borrowings	6,546,904	-	-	-	-	6,546,904
	$ 12,246,859	$ 892,237	$ 276,718	$ 155,766	$ -	$ 13,571,580

December 31, 2023

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 2,636,841	$ -	$ -	$ -	$ 2,636,841
Lease liabilities	51,562	44,128	110,639	337,784	544,113
Variable interest rate borrowings	4,935,829	-	-	-	4,935,829
Fixed interest rate borrowings	5,147,931	-	-	-	5,147,931
	$ 12,772,163	$ 44,128	$ 110,639	$ 337,784	$ 13,264,714

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	$ 51,562	$ 154,767	$ 172,316	$ 158,259	$ 7,209	$ 544,113
Variable interest rate borrowings	4,935,829	-	-	-	-	4,935,829
Fixed interest rate borrowings	5,147,931	-	-	-	-	5,147,931
	$ 10,135,322	$ 154,767	$ 172,316	$ 158,259	$ 7,209	$ 10,627,873

June 30, 2023

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 2,762,252	$ -	$ -	$ -	$ 2,762,252
Lease liabilities	42,865	36,312	88,338	16,990	184,505
Variable interest rate borrowings	3,394,260	1,890,478	533,333	88,889	5,906,960
Fixed interest rate borrowings	6,842,165	800,000	-	-	7,642,165
	$ 13,041,542	$ 2,726,790	$ 621,671	$ 105,879	$ 16,495,882

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	$ 42,865	$ 124,650	$ 9,008	$ 475	$ 7,507	$ 184,505
Variable interest rate borrowings	3,394,260	2,423,811	88,889	-	-	5,906,960
Fixed interest rate borrowings	6,842,165	800,000	-	-	-	7,642,165
	$ 10,279,290	$ 3,348,461	$ 97,897	$ 475	$ 7,507	$ 13,733,630

e. Transfers of financial assets

During the year ended December 31, 2023, the Group transferred part of notes receivable in mainland China to the Bank of Communications. According to the contract, if these notes receivable cannot be collected at maturity, the bank has the right to request the Group to pay the uncollected balance. As the significant risks and rewards of these notes receivable have not been transferred, the Group continues to recognize the full carrying amounts of these notes receivable and treats these notes receivable as collateral for borrowings. Please refer to Note 20 for the relevant borrowings information.

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, 2024, December 31, 2023 and June 30, 2023, the face amounts of these unsettled bills receivable were $360,339 thousand, $474,767 thousand and $300,061 thousand, respectively. The unsettled bills receivable will be due in 6 months, 6 months and 6 months, respectively after June 30, 2024, December 31, 2023 and June 30, 2023, respectively. 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, 2024 and 2023, 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.

33. 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
Fuzhou TCC Information Technology Corporation	Same key management personnel
Kuan-Ho Refractories Industry Corporation	Same key management personnel
China Hi-Ment 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
E-One Moli Energy Corporation	Associate

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 the payment terms were determined at general condition.

	Sale of Goods			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Same key management personnel	$ 63	$ -	$ 63	$ -

	Purchase of Goods			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
The Group acts as key management personnel of the entity	$ 242,026	$ 242,365	$ 498,569	$ 523,585
Same key management personnel	2,820	2,623	5,431	5,892
	$ 244,846	$ 244,988	$ 504,000	$ 529,477

	Overhead and Operating Expenses			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Same key management personnel	$ 27,887	$ 31,286	$ 59,057	$ 74,432
Related party in substance	72	37	72	241
	$ 27,959	$ 31,323	$ 59,129	$ 74,673

	Accounts Receivable from Related Parties		
	June 30, 2024	December 31, 2023	June 30, 2023
Associate	$ -	$ 7	$ -

	Trade Payables to Related Parties		
	June 30, 2024	December 31, 2023	June 30, 2023
China Steel Chemical Corporation	$ 78,116	$ 90,333	$ 82,722
Same key management personnel	2,258	996	1,925
	$ 80,374	$ 91,329	$ 84,647

The outstanding trade payables to related parties are unsecured and accounts receivable from related parties are not guaranteed.

	Other Payables		
	June 30, 2024	December 31, 2023	June 30, 2023
Related party in substance	$ 28,000	$ 28,000	$ 28,239
Same key management personnel	14,233	10,860	8,828
	$ 42,233	$ 38,860	$ 37,067

c. Compensation of key management personnel

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	$ 15,382	$ 17,452	$ 27,938	$ 31,922
Post-employment benefits	68	107	147	208
Share-based payments	295	20,560	(4,181)	23,149
	$ 15,745	$ 38,119	$ 23,904	$ 55,279

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	June 30, 2024		December 31, 2023		June 30, 2023	
	Shares (Thousands)	Amount	Shares (Thousands)	Amount	Shares (Thousands)	Amount
Notes and accounts receivable	-	$ 2,199,927	-	$ 1,738,741	-	$ 1,647,905
Inventories	-	773,539	-	715,746	-	785,871
Pledged bank deposits (included in other financial assets - current)	-	236,861	-	496,623	-	501,262
Pledged time deposits (included in other financial assets - current and non-current)	-	32,922	-	29,457	-	30,004
Financial assets at fair value through other comprehensive income - non-current						
Taiwan Cement Corporation	4,100	140,220	4,100	142,885	4,100	156,005
		$ 3,383,469		$ 3,123,452		$ 3,121,047

35. 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, 2024, December 31, 2023 and June 30, 2023 were as follows:

a. The Group entered into purchase agreements of materials with multiple suppliers. The relative minimum purchase quantity is specified in the agreements.

b. In January 2019, Continental Carbon Eco Tech Pvt Ltd. (“CCET”), the Corporation’s subsidiary, 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, 2024, the accumulated construction cost paid without tax was US$201,871 thousand (including advance payment US$9,950 thousand).

c. The amounts of letters of guarantee granted and issued by the banks for the Group are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Linyuan Advanced Materials Technology Co., Ltd.	$ 385,000	$ 305,000	$ 280,000
Continental Carbon Eco Tech Pvt Ltd.	122,294	115,941	119,206

d. On February 15, 2023, the President announced an amendment to the Climate Change Response Act to include a carbon fee. On December 29, 2023, the Ministry of the Environment ("MOE") formulated a draft of the carbon fee based on the aforementioned regulation. The draft stipulates that starting from 2024, the electric power industry and large-scale manufacturing industries meeting the MOE's requirements for carbon footprint verification and inspection of emission sources, with annual greenhouse gas emissions totaling 25,000 metric tons of carbon dioxide equivalent ("MTCO2E") from both direct emissions from the entire plant (site) and indirect emissions from the use of electric power, are required to pay a carbon fee. The carbon fee is calculated on a monthly pro-rata basis for the first year, starting from the month in which the carbon fee rate announcement comes into effect. As of August 12, 2024, the Group is unable to fully estimate the amount of carbon fee for fiscal year 2024 because the carbon fee rate has not yet been announced.

36. 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, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 44,317	32.450 (USD:NTD)	$ 1,438,100
USD	703	7.1268 (USD:RMB)	22,819
USD	1,058	0.9349 (USD:EUR)	34,323
			$ 1,495,242
Financial liabilities			
Monetary items			
USD	470	32.450 (USD:NTD)	$ 15,262
USD	211	7.1268 (USD:RMB)	6,853
USD	27,558	0.9349 (USD:EUR)	894,262
			$ 916,377

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 46,508	30.705 (USD:NTD)	$ 1,428,034
USD	4,358	7.0827 (USD:RMB)	133,825
USD	450	0.9036 (USD:EUR)	13,825
			$ 1,575,684
Financial liabilities			
Monetary items			
USD	147	30.705 (USD:NTD)	$ 4,522
USD	136	7.0827 (USD:RMB)	4,166
USD	27,500	0.9036 (USD:EUR)	844,388
			$ 853,076

June 30, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 59,016	31.140 (USD:NTD)	$ 1,837,770
USD	2,839	7.2258 (USD:RMB)	88,410
USD	780	0.9210 (USD:EUR)	24,290
			$ 1,950,470
Financial liabilities			
Monetary items			
USD	69	31.140 (USD:NTD)	$ 2,159
USD	927	7.2258 (USD:RMB)	28,858
USD	16,532	0.9210 (USD:EUR)	514,821
			$ 545,838

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, net foreign exchange gains were $28,528 thousand, $43,574 thousand, $69,460 thousand and $33,516 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

37. 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. (None)

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 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 6)

9) Trading in derivative instruments. (Notes 7, 21 and 32)

10) Intercompany relationships and significant intercompany transactions. (Table 9)

11) Information on investees. (Table 7)

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 8)

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 10)

38. 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, and others:

a. Segment revenue and results

	For the Six Months Ended June 30, 2024			
	Carbon Black	**Biotechnology**	**Others**	**Total**
Segment revenues	$ 9,010,715	$ -	$ 49,181	$ 9,059,896
Segment losses	$ (178,925)	$ (7,811)	$ (28,116)	$ (214,852)
Interest income				256,268
Other income				60,189
Other gains and losses				(1,033,826)
Finance costs				(401,977)
Share of profit or loss of associates and joint ventures for using the equity method				(199,338)
Loss before income tax				$ (1,533,536)
Depreciation and amortization expenses				$ 774,900

	For the Six Months Ended June 30, 2023			
	Carbon Black	**Biotechnology**	**Others**	**Total**
Segment revenues	$ 8,477,924	$ 222,425	$ 13,493	$ 8,713,842
Segment (losses) income	$ (189,643)	$ 206,346	$ (76,792)	$ (60,089)
Interest income				223,033
Other income				117,733
Other gains and losses				32,782
Finance costs				(335,677)
Share of profit or loss of associates and joint ventures for using the equity method				(113,771)
Loss before income tax				$ (135,989)
Depreciation and amortization expenses				$ 653,236

The segment revenue reported was generated from external customers. There were no intersegment sales for the six months ended June 30, 2024 and 2023.

Segment profit or loss represented the profit or loss 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, 2024			
	Carbon Black	**Biotechnology**	**Others**	**Total**
Total segment assets	$ 34,141,644	$ 10,977,731	$ 13,994,860	$ 59,114,235
Total segment liabilities	$ 15,291,598	$ 4,125,496	$ 4,626,205	$ 24,043,299

	December 31, 2023			
	Carbon Black	**Biotechnology**	**Others**	**Total**
Total segment assets	$ 31,614,016	$ 10,187,586	$ 15,034,660	$ 56,836,262
Total segment liabilities	$ 12,652,857	$ 4,065,050	$ 4,665,615	$ 21,383,522

	June 30, 2023			
	Carbon Black	**Biotechnology**	**Others**	**Total**
Total segment assets	$ 32,111,757	$ 10,888,321	$ 14,568,290	$ 57,568,368
Total segment liabilities	$ 13,138,760	$ 4,005,121	$ 4,053,921	$ 21,197,802

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(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	$ 448,700 RMB (100,000)	$ 444,500 RMB (100,000)	$ 17,780 RMB (4,000)	3.55%	Short-term financing	$ -	Operating capital	$ -	-	$ -	$ 931,646 (Note 1)	$ 1,863,293 (Note 1)	-
		CSRC China (Chongqing) Corporation	Other receivables from related parties	Yes	89,740 RMB (20,000)	88,900 RMB (20,000)	-	-	Short-term financing	-	Operating capital	-	-	-	931,646 (Note 1)	1,863,293 (Note 1)	-
2	Synpac (North Carolina), Inc.	Continental Carbon Company	Other receivables from related parties	Yes	1,301,800 US$ (40,000)	1,298,000 US$ (40,000)	713,900 US$ (22,000)	6.95%	Short-term financing	-	Operating capital	-	-	-	19,539,837 (Note 2)	39,079,674 (Note 2)	-
		CCC Transport Company	Other receivables from related parties	Yes	325,450 US$ (10,000)	324,500 US$ (10,000)	292,050 US$ (9,000)	6.95%	Short-term financing	-	Operating capital	-	-	-	19,539,837 (Note 2)	39,079,674 (Note 2)	-
		CCC Dutch B.V.	Other receivables from related parties	Yes	894,988 US$ (27,500)	892,375 US$ (27,500)	892,375 US$ (27,500)	4.70%	Short-term financing	-	Operating capital	-	-	-	19,539,837 (Note 2)	39,079,674 (Note 2)	-
		SVC Management, LLC	Other receivables from related parties	Yes	1,383,163 US$ (42,500)	1,379,125 US$ (42,500)	1,379,125 US$ (42,500)	4.38%- 4.70%	Short-term financing	-	Operating capital	-	-	-	19,539,837 (Note 2)	39,079,674 (Note 2)	-
		CSRC (BVI) Ltd.	Other receivables from related parties	Yes	1,952,700 US$ (60,000)	1,947,000 US$ (60,000)	1,947,000 US$ (60,000)	4.47%	Short-term financing	-	Operating capital	-	-	-	19,539,837 (Note 2)	39,079,674 (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 current 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.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(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	$ 33,965,706	$ 100,000	$ 100,000	$ -	$ -	0.29%	$ 50,948,559 (Note 3)	Yes	No	No	-
		CS Development & Investment Co.	Note 1		200,000	200,000	-	-	0.59%		Yes	No	No	-
		Continental Carbon India Pvt Ltd.	Note 1		1,880,581	1,616,020	449,328	-	4.76%		Yes	No	No	-
		Continental Carbon Eco Tech Pvt Ltd.	Note 1		2,563,577	2,563,577	996,410	-	7.55%		Yes	No	No	-
		Continental Carbon Company	Note 1		6,110,324	5,824,775	4,396,975	-	17.15%		Yes	No	No	-
		CSRC China Corporation	Note 1		4,178,963	4,154,625	2,021,220	-	12.23%		Yes	No	Yes	-
		CSRC China (Chongqing) Corporation	Note 1		1,894,453	1,882,275	859,278	-	5.54%		Yes	No	Yes	-
		CSRC China (Anshan) Corporation	Note 1		2,595,135	2,578,600	1,374,770	-	7.59%		Yes	No	Yes	-
		Yun Cheng Investment Corporation	Note 1		100,000	100,000	-	-	0.29%		Yes	No	No	-

Note 1: Subsidiary in which the Corporation 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 transactions amount 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.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2024
(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, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 1)	
International CSRC Investment Holdings Co., Ltd.	Ordinary share(s)							
	China Steel Chemical Corporation	The Corporation is one of its directors	Financial assets at FVTOCI - current	11,759,096	$ 1,275,862	4.96	$ 1,275,862	-
	Taiwan Cement Corporation	Same with key management personnel	Financial assets at FVTOCI - non-current	113,896,285	3,895,253	1.51	3,895,253	-
	O-Bank	-	Financial assets at FVTOCI - non-current	19,489,522	204,640	0.71	204,640	-
	China Investment Co., Ltd.	-	Financial assets at FVTOCI - non-current	8,491,677	282,518	4.48	282,518	-
	Videoland Television Network	-	Financial assets at FVTOCI - non-current	6,437,457	372,149	5.64	372,149	-
	Preferred share(s)							
	Taiwan Cement Corporation - preferred share	Same with key management personnel	Financial assets at FVTOCI - non-current	2,000,000	96,800	-	96,800	-
	O-Bank - preferred share	-	Financial assets at FVTOCI - non-current	1,755,895	18,437	-	18,437	-
	Mutual fund(s)							
	Cathay Taiwan Money Market Fund	-	Financial assets at FVTPL - current	7,812,622	100,339	-	100,339	-
	Yuanta Wan Tai Money Market Fund	-	Financial assets at FVTPL - current	6,409,640	100,351	-	100,351	-
CS Development & Investment Co.	Ordinary share(s)							
	Taiwan Cement Corporation	Same with key management personnel	Financial assets at FVTOCI - non-current	30,860,136	1,055,417	0.41	1,055,417	(Note 2)
	International CSRC Investment Holdings Co., Ltd.	100.00% parent company	Financial assets at FVTOCI - non-current	14,734,663	252,699	1.50	252,699	-
	Yieh United Steel Corporation	-	Financial assets at FVTOCI - non-current	349,906	1,932	0.01	1,932	-
	Preferred share(s)							
	Taiwan Cement Corporation - preferred share	Same with key management personnel	Financial assets at FVTOCI - non-current	782,130	37,855	-	37,855	-
Consolidated Resource Co.	Ordinary share(s)							
	Taiwan Cement Corporation	Same with key management personnel	Financial assets at FVTOCI - non-current	1,850,161	63,276	0.02	63,276	-
	Preferred share(s)							
	Taiwan Cement Corporation - preferred share	Same with key management personnel	Financial assets at FVTOCI - non-current	933,521	45,182	-	45,182	-
Yun Cheng Investment Corporation	Ordinary share(s)							
	China Investment Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,420,200	47,250	0.75	47,250	-
	PhytoHealth Corporation	-	Financial assets at FVTOCI - non-current	1,793,584	36,589	0.90	36,589	-
	MegaPro Biomedical Co., Ltd.	-	Financial assets at FVTOCI - non-current	3,167,725	23,251	4.88	23,251	-
Synpac Ltd.	Ordinary share(s)							
	Glade Remedies Private Limited	23% investee	Financial assets at FVTOCI - non-current	23	US$ -	23.00	US$ -	-

Note 1: Listed shares were measured by closing price of June 30, 2024. Unlisted shares, emerging market shares and funds were measured by valuation techniques and inputs applied for Level 3 fair value, please refer to Note 32.

Note 2: Please refer to Note 34 for the detail of financial assets pledged as collateral.

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(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	Amount
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	559,090,790	$ 6,940,809	22,310,903	$ 700,719	-	$ -	$ -	$ -	$ (1,263,534) (Note)	581,401,693	$ 6,377,994
CSRC (BVI) Ltd.	CSRC (Singapore) Pte Ltd.	Investments accounted for using equity method	Original subscription of a registered share	Directly 100%-owned subsidiary	843,656,947	US$ 284,904	29,653,421	US$ 22,311	-	-	-	-	US$ (50,493) (Note)	873,310,368	US$ 256,722
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	1,993,390,592	US$ 227,636	185,479,014	US$ 22,311	-	-	-	-	US$ (5,944) (Note)	2,178,869,606	US$ 244,003

Note: Including the share of profit or loss of subsidiaries recognized by the equity method and exchange differences on translation of financial statements of foreign operations.

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, 2024
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts/Trade Receivable (Payables)			Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total	
Linyuan Advanced Materials Technology Co., Ltd.	China Steel Chemical Corporation	The Corporation is one of its directors	Purchase	$ 498,569	40	Payable on the 15th of the next month	-	-	Trade payables	$ (78,116)	(26)	-
Continental Carbon Company	Continental Carbon Company Europe SPRL	Same ultimate parent company	Sale	238,961	6	Receivable on the 120th day	-	-	Accounts receivable	210,259	10	Note
Continental Carbon Company Europe SPRL	Continental Carbon Company	Same ultimate parent company	Purchase	238,961	100	Payable on the 120th day	-	-	Trade payables	(210,259)	(51)	Note

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

TABLE 6

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, 2024
(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		
Synpac (North Carolina), Inc.	Continental Carbon Company	Same ultimate parent company	Other receivable	$ 722,304	Note 2	$ -	-	$ -	$ -
	CCC Transport Company	Same ultimate parent company	Other receivable	293,122	Note 2	-	-	-	-
	CCC Dutch B.V.	Same ultimate parent company	Other receivable	894,262	Note 2	-	-	-	-
	SVC Management, LLC	Same ultimate parent company	Other receivable	1,394,104	Note 2	-	-	1,796	-
	CSRC (BVI) Ltd.	Same ultimate parent company	Other receivable	1,959,934	Note 2	-	-	-	-
Continental Carbon Company	Continental Carbon Company Europe SPRL	Same ultimate parent company	Accounts receivable	210,259	2.50	-	-	42,964	-

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).

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, U.S. Dollars and EUR)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee (Note 1)	Share of Profits (Loss) (Note 1)	Note
				June 30, 2024 (Note 1)	December 31, 2023 (Note 1)	Shares	%	Carrying Amount (Note 1)			
International CSRC Investment Holdings Co., Ltd.	CSRC (BVI) Ltd.	B.V.I.	Investment	$ 17,624,494	$ 16,923,775	581,401,693	100.00	$ 6,377,994	$ (1,633,568)	$ (1,633,532)	Subsidiary (Note 2)
	CS Development & Investment Co.	Taipei, Taiwan	Investment	198,569	198,569	43,680,000	100.00	1,692,254	1,170	1,170	Subsidiary (Note 2)
	Consolidated Resource Co.	Taipei, Taiwan	Carbon masterbatch and carbon black processing and sales	195,878	195,878	164,440	100.00	231,440	2,240	2,240	Subsidiary (Note 2)
	Linyuan Advanced Materials Technology Co., Ltd.	Kaohsiung, Taiwan	Carbon black production and sales	1,600,100	1,600,100	135,986,110	100.00	2,369,455	70,660	77,611	Subsidiary (Note 2)
	Circular Commitment Company	Taipei, Taiwan	Biotechnology services and investment	90,000	90,000	9,000,000	100.00	213,849	33,785	33,785	Subsidiary (Note 2)
	CCC Dutch B.V.	Dutch	Investment	172,290	130,261	50,000	100.00	(143,808)	(106,976)	(106,976)	Subsidiary (Note 2)
	Yun Cheng Investment Corporation	Taipei, Taiwan	Investment	991,041	991,041	52,173,842	94.69	1,399,620	25,797	24,427	Subsidiary (Note 2)
	Synpac (North Carolina), Inc.	U.S.A.	Investment	3,053,037	3,053,037	11,500,000	88.46	11,726,470	225,796	199,739	Subsidiary (Note 2)
	Synpac Ltd.	B.V.I.	Investment	211,425	211,425	8,100,000	75.00	23,152	343	257	Subsidiary (Note 2)
	CCC USA Corp.	U.S.A.	Investment	3,066,826	3,066,826	158,334	66.67	3,811,688	(7,188)	(4,792)	Subsidiary (Note 2)
	TCC Recycle Energy Technology Company	Taipei, Taiwan	Battery, electric generator and electronic components production and sales	3,963,684	3,963,684	388,962,582	13.67	3,658,246	(1,018,705)	(139,173)	Associate
CSRC (BVI) Ltd.	CSRC (Singapore) Pte. Ltd.	Singapore	Investment	US$ 638,402 ≒ 20,716,145	US$ 616,091 ≒ 19,992,153	873,310,368	100.00	US$ 256,722 ≒ 8,330,629	US$ (49,889) ≒ (1,591,509)	Note 3	Subsidiary (Note 2)
	Continental Carbon Eco Tech Pvt Ltd.	India	Carbon black production and sales	US$ - ≒ 2	US$ - ≒ 2	335	0.01	US$ - ≒ -	US$ (5,448) ≒ (173,797)	Note 3	Subsidiary (Note 2)
CSRC (Singapore) Pte. Ltd.	Continental Carbon India Pvt Ltd.	India	Carbon black production and sales	US$ 96,949 ≒ 3,145,995	US$ 96,949 ≒ 3,145,995	408,390,634	100.00	US$ 25,309 ≒ 821,277	US$ (654) ≒ (20,863)	Note 3	Subsidiary (Note 2)
	Continental Carbon Eco Tech Pvt Ltd.	India	Carbon black production and sales	US$ 291,611 ≒ 9,462,777	US$ 269,300 ≒ 8,738,785	2,178,869,606	99.99	US$ 244,003 ≒ 7,917,897	US$ (5,448) ≒ (173,797)	Note 3	Subsidiary (Note 2)
CS Development & Investment Co.	SVC Services, LLC	U.S.A.	Investment service	4	4	-	99.90	23,078	(337)	Note 3	Subsidiary (Note 2)
	SVC Management, LLC	U.S.A.	Investment consultation	8,885	8,885	-	99.90	696,137	6,261	Note 3	Subsidiary (Note 2)
	TCC Recycle Energy Technology Company	Taipei, Taiwan	Battery, electric generator and electronic components production and sales	105,046	105,046	10,583,923	0.37	99,041	(1,018,705)	Note 3	Associate
	Yun Cheng Investment Corporation	Taipei, Taiwan	Investment	10,775	10,775	183,066	0.33	4,878	25,797	Note 3	Subsidiary (Note 2)
Consolidated Resource Co.	TCC Recycle Energy Technology Company	Taipei, Taiwan	Battery, electric generator and electronic components production and sales	1,685	1,685	166,631	0.01	1,604	(1,018,705)	Note 3	Associate
Circular Commitment Company	Synpac GP Corporation	U.S.A.	Investment	602	602	1,000	100.00	799	6	Note 3	Subsidiary (Note 2)
Synpac GP Corporation	SVC Services, LLC	U.S.A.	Investment service	US$ 1 ≒ 32	US$ 1 ≒ 32	-	0.10	US$ 1 ≒ 32	US$ (11) ≒ (337)	Note 3	Subsidiary (Note 2)
	SVC Management, LLC	U.S.A.	Investment consultation	US$ 11 ≒ 357	US$ 11 ≒ 357	-	0.10	US$ 21 ≒ 681	US$ 196 ≒ 6,261	Note 3	Subsidiary (Note 2)
Yun Cheng Investment Corporation	Synpac (North Carolina), Inc.	U.S.A.	Investment	150,000	150,000	1,500,000	11.54	1,600,644	225,796	Note 3	Subsidiary (Note 2)
Synpac (North Carolina), Inc.	Synpac Venture Capital, L.P.	U.S.A.	Investment	US$ 2,250 ≒ 73,013	US$ 2,250 ≒ 73,013	-	99.90	US$ 234,615 ≒ 7,613,257	US$ 6,078 ≒ 193,894	Note 3	Subsidiary (Note 2)
SVC Management, LLC	Synpac Venture Capital, L.P.	U.S.A.	Investment	US$ 2 ≒ 65	US$ 2 ≒ 65	-	0.10	US$ 5,886 ≒ 191,001	US$ 6,078 ≒ 193,894	Note 3	Subsidiary (Note 2)
CCC USA Corp.	Continental Carbon Company	U.S.A.	Carbon black production and sales	US$ 204,000 ≒ 6,619,800	US$ 204,000 ≒ 6,619,800	151,300	100.00	US$ 204,412 ≒ 6,633,169	US$ (226) ≒ (7,210)	Note 3	Subsidiary (Note 2)
	CCC Transport Company	U.S.A.	Carbon black transport	US$ 10 ≒ 325	US$ 10 ≒ 325	10,000	100.00	US$ (1,927) ≒ (62,531)	US$ (100) ≒ (3,190)	Note 3	Subsidiary (Note 2)
	Continental Carbon Nanotechnologies, Inc.	U.S.A.	Carbon nanotubes production and sales	US$ 6,200 ≒ 201,190	US$ 6,200 ≒ 201,190	1,000	100.00	US$ 731 ≒ 23,721	US$ - ≒ -	Note 3	Subsidiary (Note 2)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount: June 30, 2024 (Note 1)	Original Investment Amount: December 31, 2023 (Note 1)	As of June 30, 2024: Shares	As of June 30, 2024: %	As of June 30, 2024: Carrying Amount (Note 1)	Net Income (Loss) of the Investee (Note 1)	Share of Profits (Loss) (Note 1)	Note
Continental Carbon Company	Continental Carbon Company Europe SPRL	Belgium	Carbon black sales	US$ 24 ≒ 779	US$ 24 ≒ 779	1,000	100.00	US$ 369 ≒ 11,974	US$ 121 ≒ 3,860	Note 3	Subsidiary (Note 2)
CCC Dutch B.V.	Continental Carbon OYAK (Netherland) B.V.	Dutch	Investment	US$ 30,000 ≒ 973,500	US$ 30,000 ≒ 973,500	26	50.00	EUR 20,629 ≒ 716,034	EUR (3,267) ≒ (112,674)	Note 3	Joint venture

Note 1: The average exchange rates for the six months ended June 30, 2024 were US$1=NT$31.901, EUR1=NT$34.490; the exchange rates on June 30, 2024 were US$1=NT$32.450, EUR1=NT$34.710.

Note 2: The consolidated subsidiaries' ending balances were excluded from the consolidation.

Note 3: 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)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(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, 2024	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of June 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income as of June 30, 2024	Note
					Outflow	Inflow							
CSRC China Corporation	Carbon black production and sales	US$ 53,500 ≒ 1,736,075	Indirect	US$ 56,441 ≒ 1,831,510	$ -	$ -	US$ 56,441 ≒ 1,831,510	US$ (2,774) ≒ (88,493) (Note 1)	100.00	US$ (2,774) ≒ (88,493) (Note 1)	US$ 11,964 ≒ 388,232	$ -	-
CSRC China (Anshan) Corporation	Carbon black production and sales	US$ 149,850 ≒ 4,862,633	Indirect	US$ 137,750 ≒ 4,469,988	-	-	US$ 137,750 ≒ 4,469,988	US$ (26,979) ≒ (860,657) (Note 1)	100.00	US$ (26,979) ≒ (860,657) (Note 1)	US$ (15,904) ≒ (516,085)	-	-
CSRC China (Chongqing) Corporation	Carbon black production and sales	US$ 46,100 ≒ 1,495,945	Indirect	US$ 46,100 ≒ 1,495,945	-	-	US$ 46,100 ≒ 1,495,945	US$ (14,000) ≒ (446,614) (Note 2)	100.00	US$ (14,000) ≒ (446,614) (Note 2)	US$ (8,997) ≒ (291,953)	-	-

	Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2024	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.	$ 7,797,443	$ 8,190,088 (US$ 252,391)	$ 19,850,196

Note 1: Investment gain (loss) was based on financial statements reviewed by the Corporation's auditors.

Note 2: Investment gain (loss) was not based on financial statements reviewed by the Corporation's auditors.

Note 3: Except for the profit (loss) in the current period which was based on the average exchange rates for the six months ended June 30, 2024 (US$1=NT$31.901), the rest of the amounts were based on the exchange rates on June 30, 2024 (US$1=NT$32.450).

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

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(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.	Continental Carbon Company	1	Management fee income	$ 28,506	(Note 4)	-
		Continental Carbon Company	1	Other receivables from related parties	14,243	(Note 4)	-
1	CSRC (BVI) Ltd.	Synpac (North Carolina), Inc.	3	Other payables to related parties	1,959,934	(Note 4)	3
		Synpac (North Carolina), Inc.	3	Interest expense	42,132	(Note 4)	-
2	CSRC China Corporation	CSRC China (Anshan) Corporation	3	Accounts receivable from related parties	19,027	(Note 4)	-
		Linyuan Advanced Materials Technology Co., Ltd.	3	Operating costs	13,217	(Note 4)	-
3	CSRC China (Anshan) Corporation	CSRC China Corporation	3	Other payables to related parties	19,027	(Note 4)	-
4	Linyuan Advanced Materials Technology Co., Ltd.	CSRC China Corporation	3	Operating revenue	13,217	(Note 4)	-
5	Synpac (North Carolina), Inc.	Continental Carbon Company	3	Other receivables from related parties	722,304	(Note 4)	1
		Continental Carbon Company	3	Interest income	24,671	(Note 4)	-
		CCC Transport Company	3	Other receivables from related parties	293,122	(Note 4)	-
		CCC Transport Company	3	Interest income	10,092	(Note 4)	-
		CCC Dutch B.V.	3	Other receivables from related parties	894,262	(Note 4)	2
		CCC Dutch B.V.	3	Interest income	20,447	(Note 4)	-
		SVC Management, LLC	3	Other receivables from related parties	1,394,104	(Note 4)	2
		SVC Management, LLC	3	Interest income	31,571	(Note 4)	-
		CSRC (BVI) Ltd.	3	Other receivables from related parties	1,959,934	(Note 4)	3
		CSRC (BVI) Ltd.	3	Interest income	42,132	(Note 4)	-
6	SVC Management, LLC	SVC Services, LLC	3	Trade payables to related parties	19,021	(Note 4)	-
		Synpac (North Carolina), Inc.	3	Other payables to related parties	1,394,104	(Note 4)	2
		Synpac (North Carolina), Inc.	3	Interest expense	31,571	(Note 4)	-
7	SVC Services, LLC	SVC Management, LLC	3	Accounts receivable from related parties	19,021	(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
8	Continental Carbon Company	International CSRC Investment Holdings Co., Ltd.	2	Management fee	$ 28,506	(Note 4)	-
		International CSRC Investment Holdings Co., Ltd.	2	Other payables to related parties	14,243	(Note 4)	-
		Synpac (North Carolina), Inc.	3	Other payables to related parties	722,304	(Note 4)	1
		Synpac (North Carolina), Inc.	3	Interest expense	24,671	(Note 4)	-
		Continental Carbon Company Europe SPRL	3	Accounts receivable from related parties	210,259	(Note 4)	-
		Continental Carbon Company Europe SPRL	3	Operating revenue	238,961	(Note 4)	3
		Continental Carbon Company Europe SPRL	3	Selling expenses	15,357	(Note 4)	-
		CCC Transport Company	3	Operating costs	21,034	(Note 4)	-
		CCC Transport Company	3	Other receivables from related parties	10,121	(Note 4)	-
		CCC USA Corp.	3	Other payables to related parties	31,739	(Note 4)	-
9	CCC USA Corp.	Continental Carbon Company	3	Other receivables from related parties	31,739	(Note 4)	-
10	Continental Carbon Company Europe SPRL	Continental Carbon Company	3	Trade payables to related parties	210,259	(Note 4)	-
		Continental Carbon Company	3	Operating costs	238,961	(Note 4)	3
		Continental Carbon Company	3	Non-operating income	15,357	(Note 4)	-
11	CCC Transport Company	Continental Carbon Company	3	Other payables to related parties	10,121	(Note 4)	-
		Continental Carbon Company	3	Operating revenue	21,034	(Note 4)	-
		Synpac (North Carolina), Inc.	3	Other payables to related parties	293,122	(Note 4)	-
		Synpac (North Carolina), Inc.	3	Interest expense	10,092	(Note 4)	-
12	CCC Dutch B.V.	Synpac (North Carolina), Inc.	3	Other payables to related parties	894,262	(Note 4)	2
		Synpac (North Carolina), Inc.	3	Interest expense	20,447	(Note 4)	-

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

a. 0 - parent company;
b. 1 to 12 - 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)

INTERNATIONAL CSRC INVESTMENT HOLDINGS CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Taiwan Cement Corporation	153,476,855	15.59

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.