

# CTCI Corporation The 2nd Investor Conference, 2022

2022.5.27



# Disclaimer

- The consolidated financial statement is hereby based on International Financial Reporting Standards (IFRS) and audited by CPA.
- This presentation may include forward-looking statements with respect to the operations and business of the company other than the historical results. The actual results may differ from those indicated forward-looking statements due to unknown risks and uncertainties. Investors should make their own judgement and control the investment risk.

# Agenda

- Operation Review
- Summary of Financial Highlights
- Business Outlook

# Operation Review

# Honors and Awards

## Carbon Disclosure Project

Climate Change Score: B  
Supplier Engagement Rating: A-



## DJSI Index

A component of DJSI's Emerging Markets index for seven years in a row

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

## MSCI ESG and Constituent Stocks

MSCI ESG Rating: BBB  
A constituent stock in Emerging Markets Small Cap Index



## Commonwealth Magazine's 2000 Survey

CTCI ranked 32nd among the 650 largest service industries ranked No.1 in the engineering contract category;  
CTCI ASI ranked 22nd in the information equipment sales and service category;  
ECOVE ranked No. 8 in the investment holding category



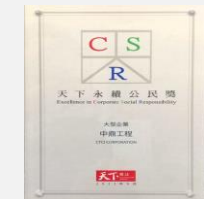
## Top 5% performer in the Corporate Governance Evaluation

3 listed companies in the Group continue to be listed by Taiwan Stock Exchange Corporation



## Taiwan Corporate Sustainability Award

Top 10 Domestic Companies Sustainability Model Awards  
Top 100 Performing Companies for Excellence in Corporate Social Responsibility 《Common Wealth Magazine》



# Top Prize for CSR & ESG Award under the Service Industry Category

《Global Views Monthly Magazine》 Corporate Social Responsibility Award is the first global Chinese media which promoted CSR evaluation survey from 2005 through a comprehensive evaluation on CSR strategic planning, stakeholder negotiation, organizational action and performance.

- ❑ CTCL is committed to devoting to sustainability in the core engineering under the spirit of "Fulfilling Net Zero EPC Mission through Company-wide ESG Engagement"
- ❑ CTCL promotes the win-win between the environment and the economy by implementing the three major categories of "Green Engineering," namely Green Technology, Green Contracting, and Green Investments.
- ❑ Through accumulation of the long-term outstanding performance, CTCL won the top prize for the award for this year.



# 2022 Up to Now

## Revenue Hits Record High

- Driven by more than 300 billion backlogs, the revenue has grown significantly. As of the end of April, the consolidated revenue hits 29.9 billion as a record high

## Gross Profit Gradually Stabilized

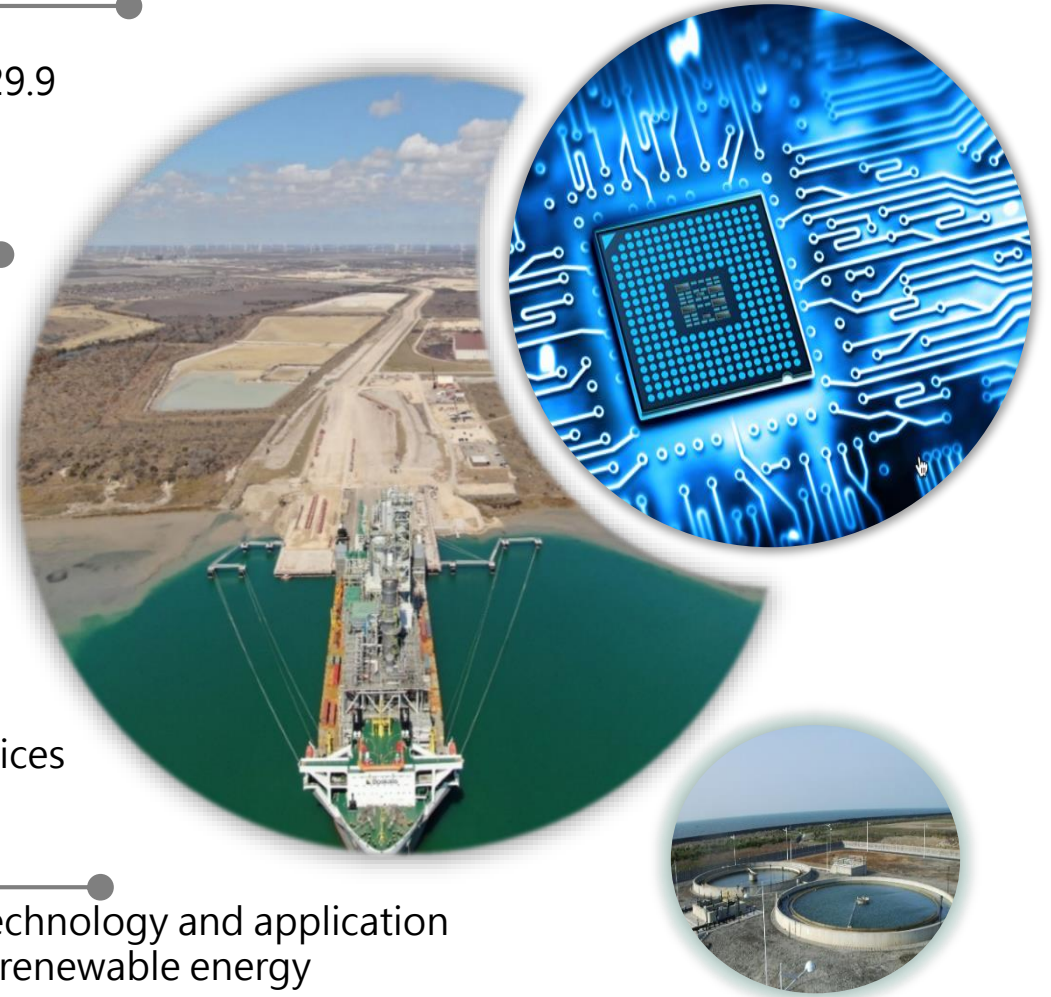
- Gross profit margin gradually stabilized by effectively managing the risk of rising prices

## Effectively Manage the Risk of Rising Prices

- All bids have taken into account the cost and trend of sharp price increases
- Quote the price increase instructions of the Public Works Committee and deal the price increase compensation
- Risk sharing with owners, vendors and suppliers
- No longer compete at low prices and obtain bids at reasonable prices

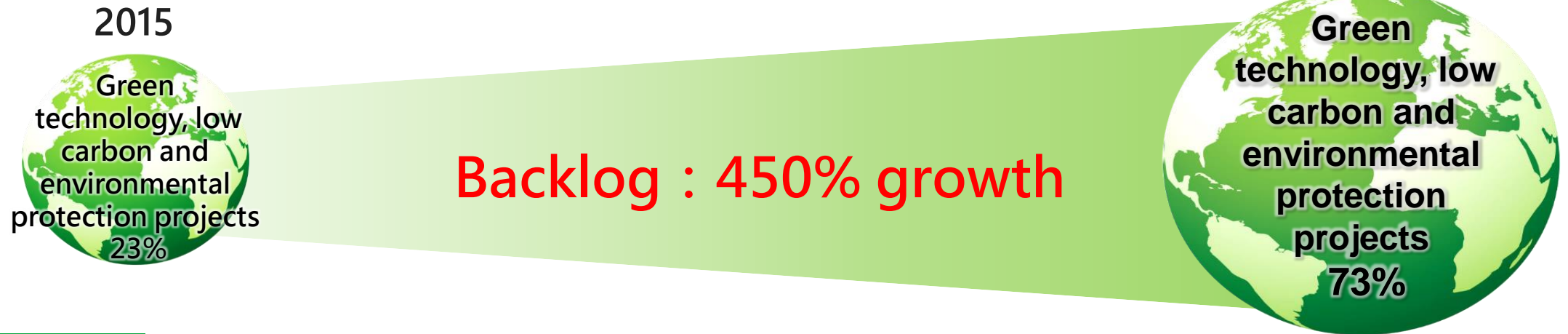
## Actively Practice Net Zero Emissions









- Signed signed a Memorandum with ITRI for the cooperation on technology and application development in net zero carbon emissions, hydrogen energy and renewable energy
- More Actively Promote "Net Zero EPC "



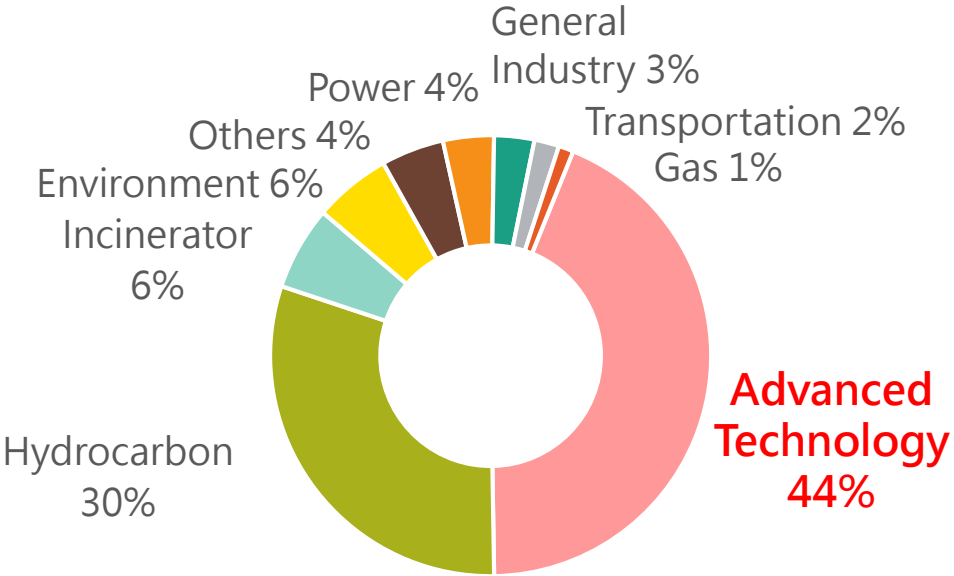
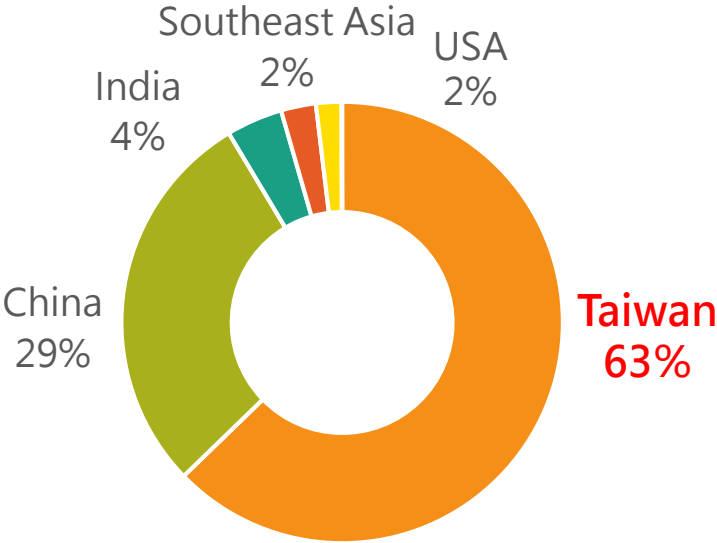
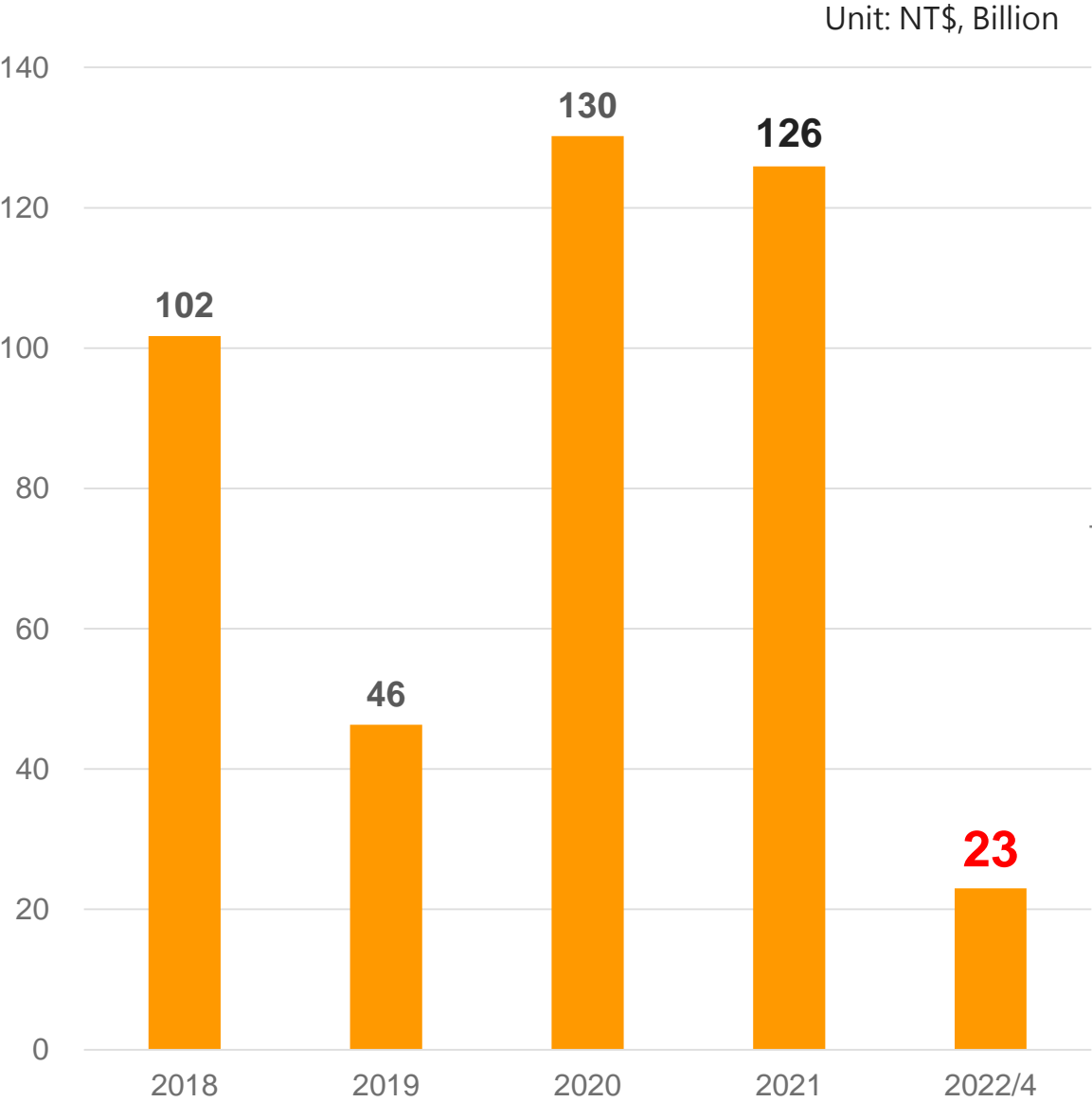
# Green Technology, Low Carbon and Environmental Protection Projects

April 2022

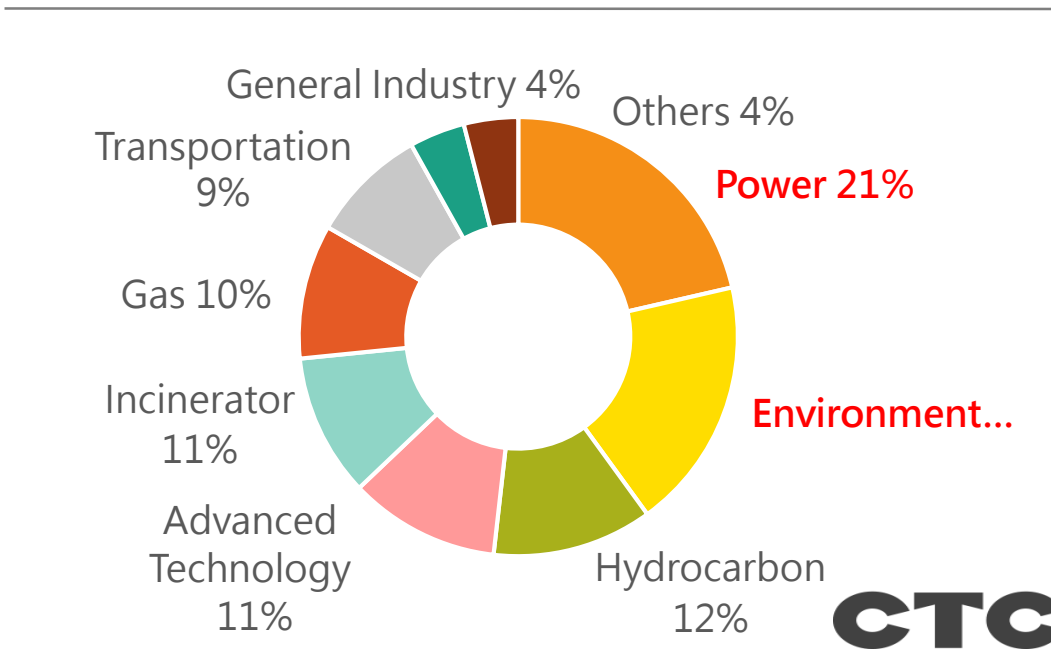
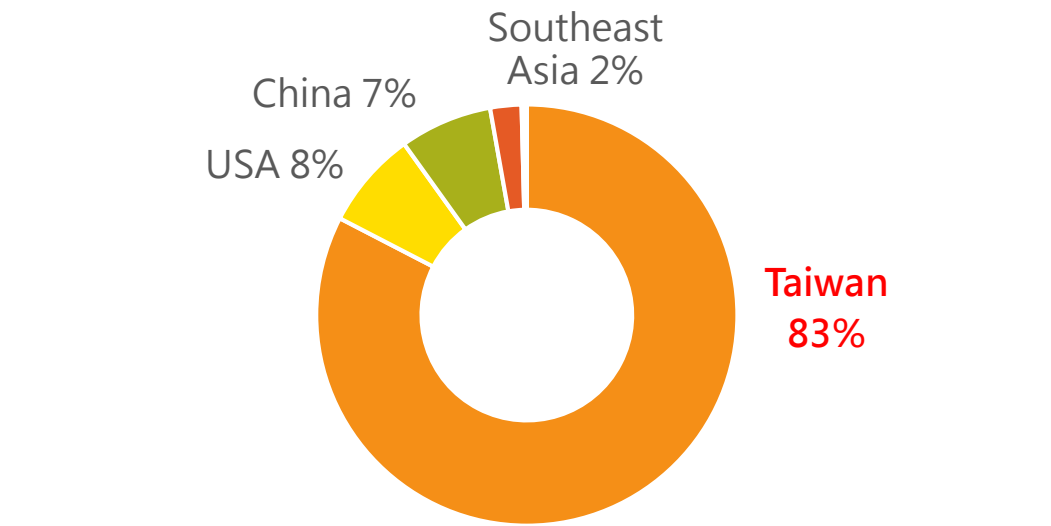
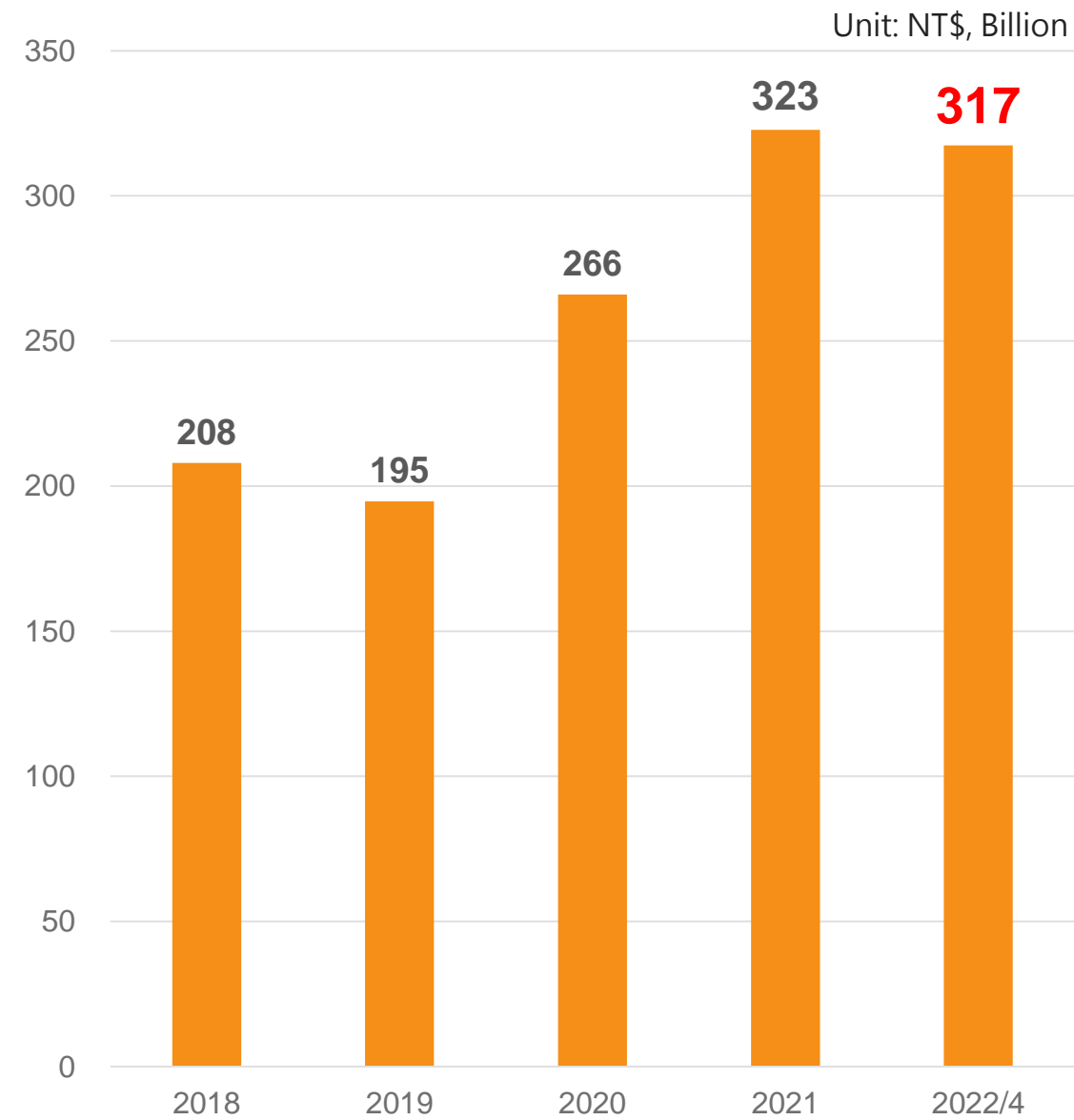


	Kwun Tong CPC third LNG terminal station gasification facility turnkey project
	Hsinta/Taichung/Sunba Power Phase II Gas Recycled Power Plant Turnkey Project
	Zhong Neng/CFXD Offshore Wind Farm Underwater Foundation Yunlin Offshore Wind Farm Transition Pieces Fabrication Work
	Multiple Solar Power Plants
	Molie Quantum Energy Hi-Tech Battery Plant Project
	Changhua Xizhou and Kaohsiung Gangshan EfW Plant O&M and Remapping Service/ DAKA Renewable Resources Center of Hualien Plant
	Taoyuan North District Water Recycling Center
	Renewable Diesel Project in the U.S.

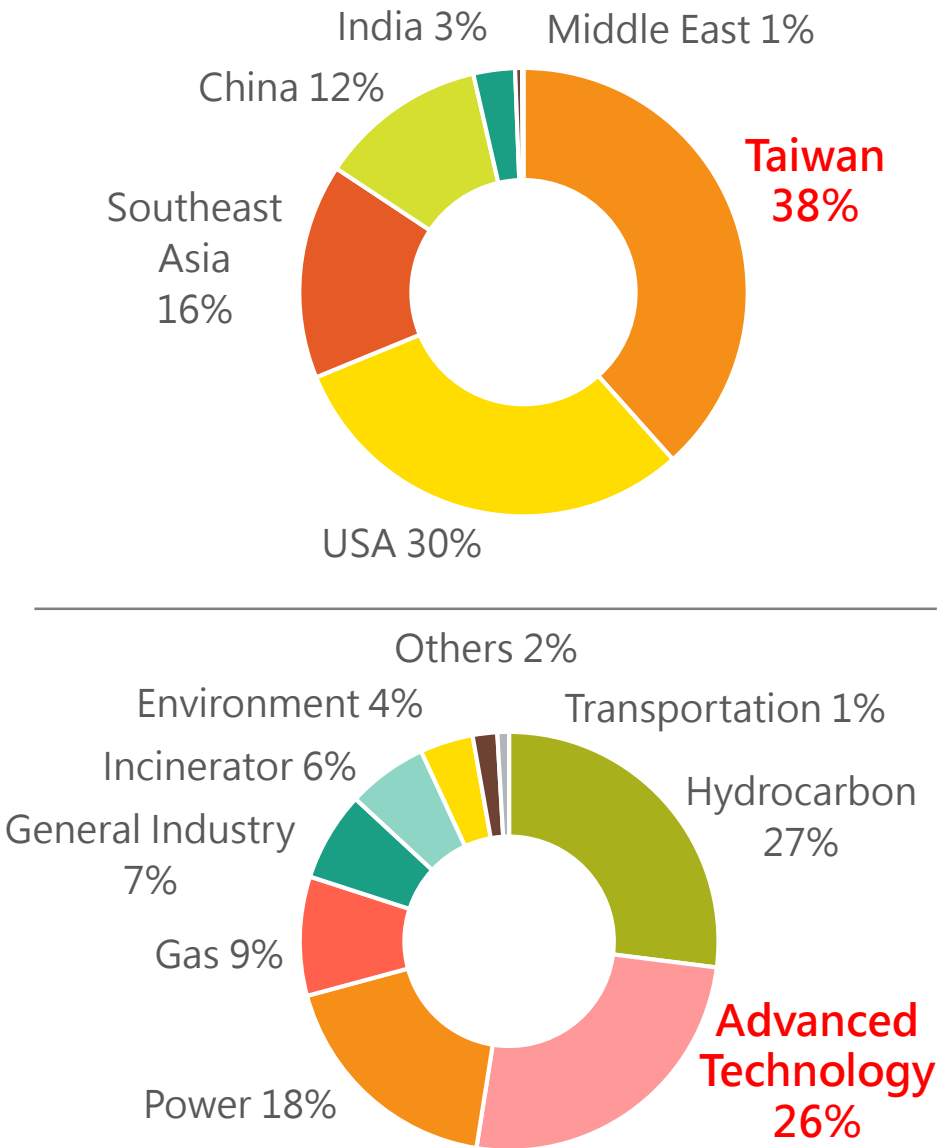
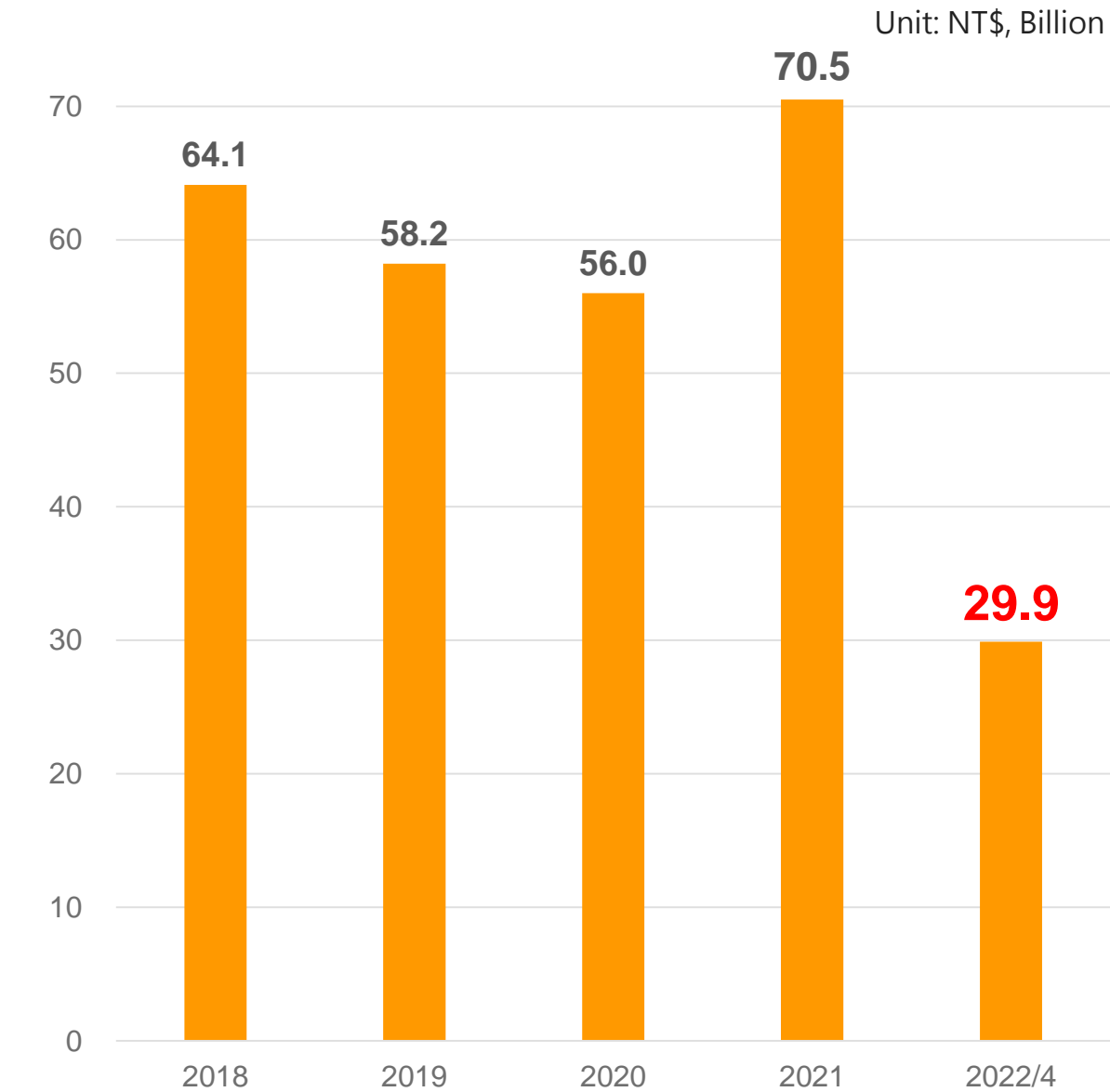
# New Contracts and Distribution



# Backlog and Distribution



# Revenue and Distribution



# Financial Highlights

# 2022Q1 Consolidated Income Statement

Unit: NT\$, Thousand

	2022/1/1~3/31		2021/1/1~3/31		YOY
	Amount	%	Amount	%	%
Sales Revenues	22,431,700	100%	14,625,557	100%	53.4%
Operating costs	(21,088,208)	-94.0%	(13,956,129)	-95.4%	51.1%
Gross Profit	1,343,492	6.0%	669,428	4.6%	100.7%
Operating expenses	(463,353)	-2.1%	(441,552)	-3.0%	4.9%
Operating income	880,139	3.9%	227,876	1.6%	286.2%
Total non-operating income and expenses	352,715	1.6%	325,630	2.2%	8.3%
Profit before income tax	1,232,854	5.5%	553,506	3.8%	122.7%
Income tax expense	118,942	0.5%	(180,334)	-1.2%	-166.0%
Profit for the period	1,351,796	6.0%	373,172	2.6%	262.2%
Profit attributable to Owners of the parent	1,147,646	5.1%	234,473	1.6%	389.5%
Total basic earnings per share	1.5		0.31		

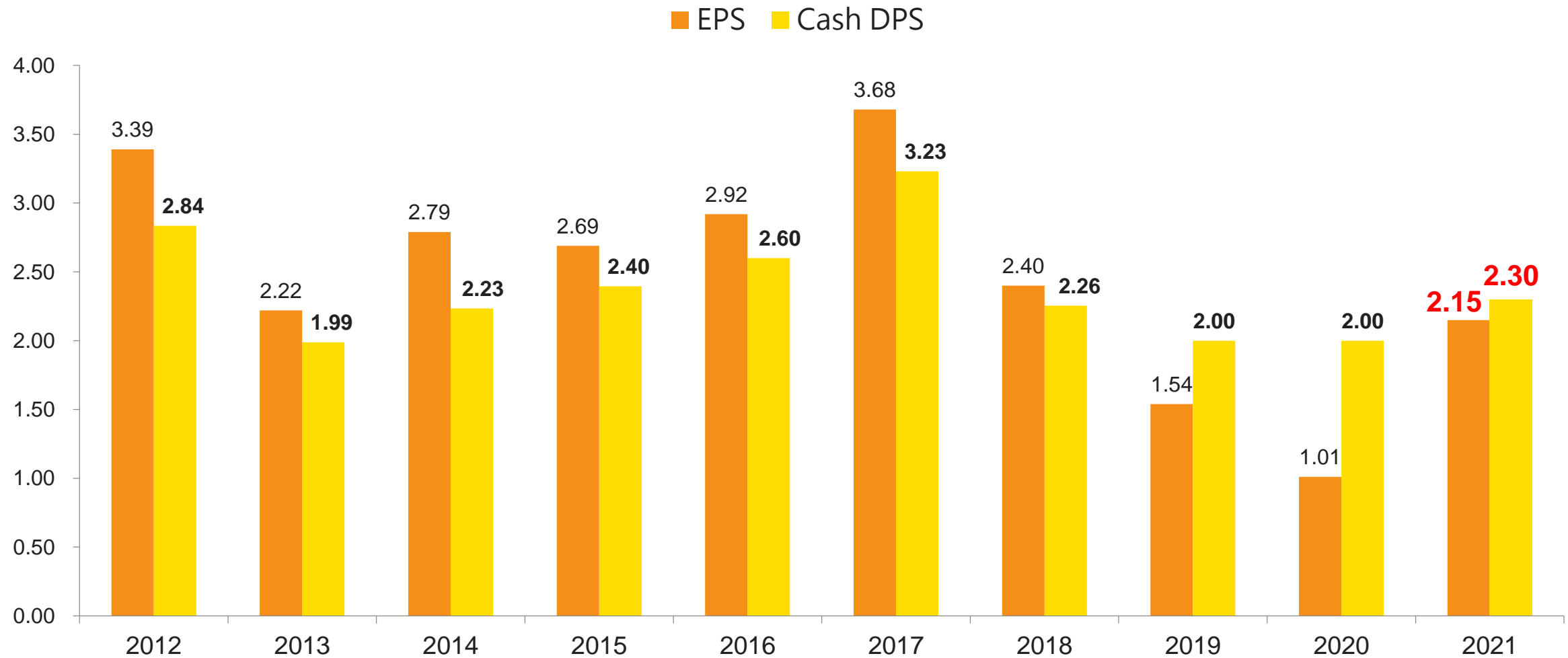
# 2022Q1 Consolidated Balance Sheet

Unit: NT\$, Thousand

	2022/3/31		2021/3/31	
	Amount	%	Amount	%
Current assets*	67,726,560	72%	61,227,534	72%
Non-current assets	26,515,963	28%	23,600,595	28%
<b>Total assets</b>	<b>94,242,523</b>	<b>100%</b>	<b>84,828,129</b>	<b>100%</b>
Current liabilities	53,617,819	57%	48,099,930	57%
Nun-current liabilities	18,325,730	19%	16,652,719	20%
<b>Total Liabilities</b>	<b>71,943,549</b>	<b>76%</b>	<b>64,752,649</b>	<b>76%</b>
Equity attributable to owners of The parent	18,061,379	19%	16,215,992	19%
Non-controlling interest	4,237,595	5%	3,859,488	5%
<b>Total equity</b>	<b>22,298,974</b>	<b>24%</b>	<b>20,075,480</b>	<b>24%</b>
<b>Total liabilities and equity</b>	<b>94,242,523</b>	<b>100%</b>	<b>84,828,129</b>	<b>100%</b>

\*Cash and cash equivalents in current assets are NT\$23.9 billion

# Dividend Payout

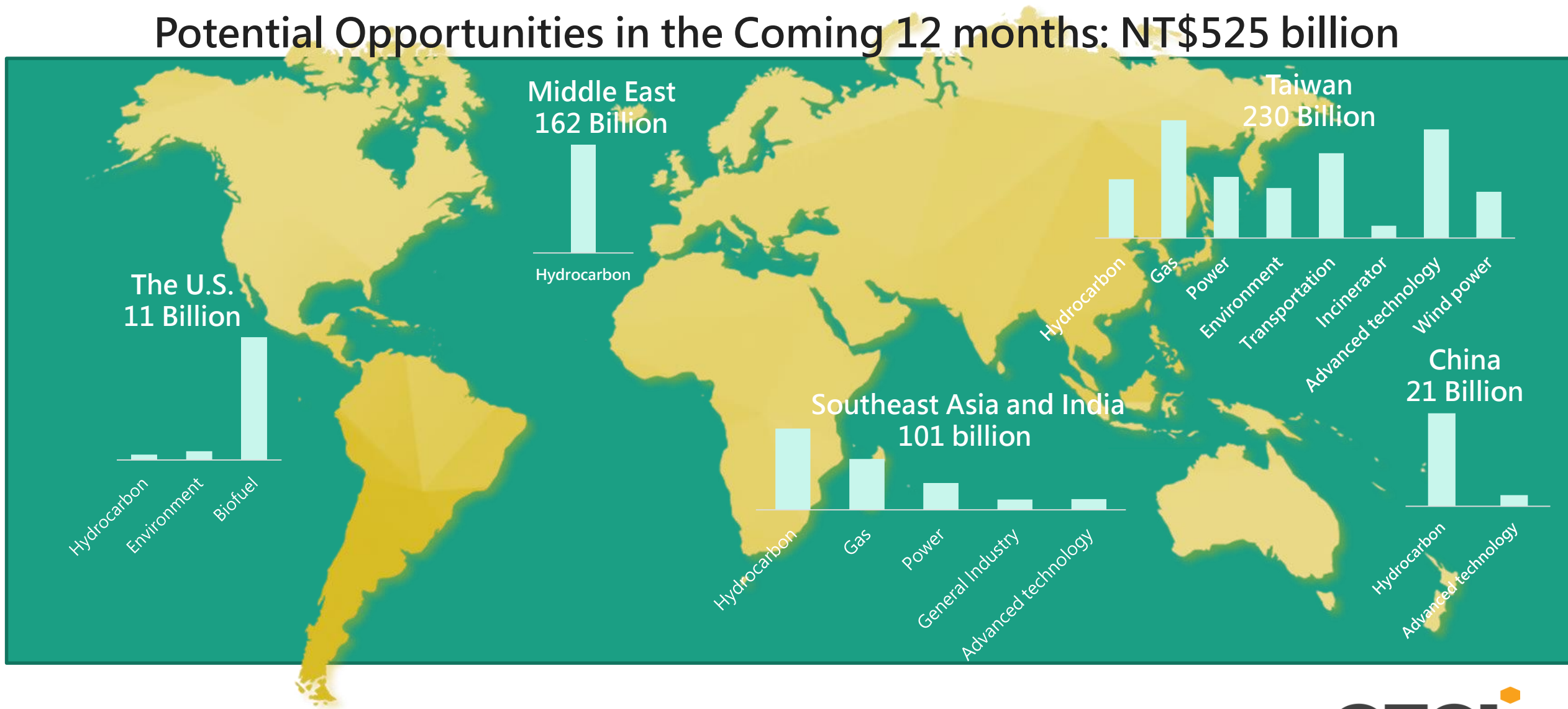


■ The net amount of other equity deductions decreased, so the special surplus reserve was reversed to undistributed earnings, resulting in a higher cash dividend per share than EPS in 2021.

# Business Outlook

# Potential Opportunities in the Coming 12 Months

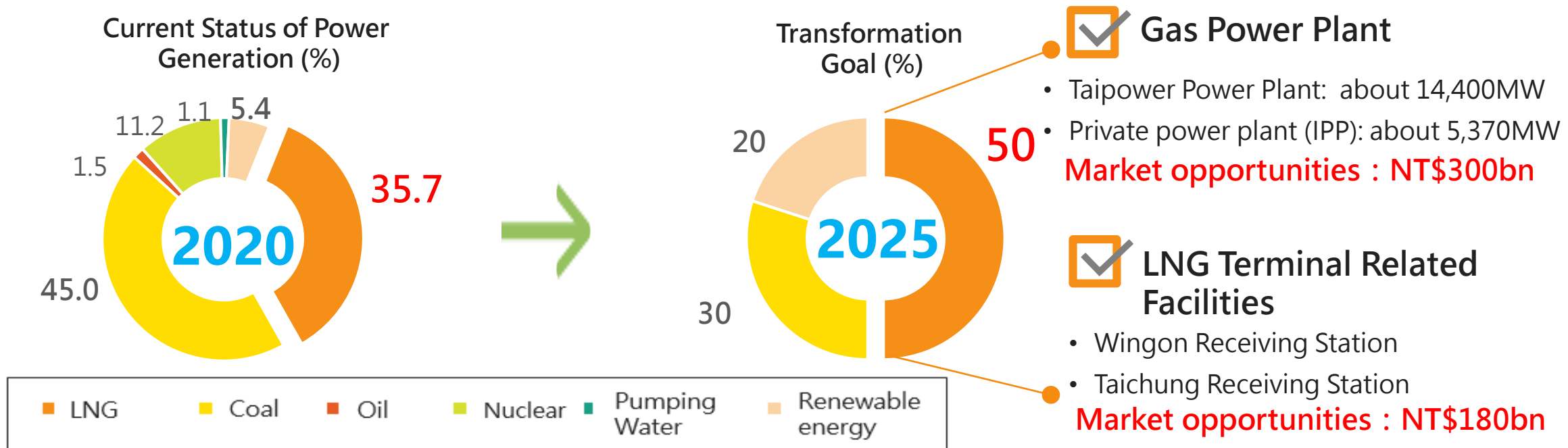
Potential Opportunities in the Coming 12 months: NT\$525 billion



# ESG Opportunities - Clean Energy (1/2)

Taiwan 2025 Energy Policy “Reducing Coal, Increasing Gas and Promoting Green”

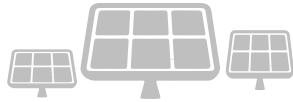
Natural gas imports: 17.75 million tons in 2020 → 2025 demand: 29.5 million tons



- ✓ After Datan Power Plant, the first gas-fired power plant to be outsourced under EPC contract, Taipower released numerous gas-fired power plants totaled of 13,850MW under EPC contracts and CTCI has awarded about 74%.
- ✓ Extend advantages to bid projects in Thailand and Vietnam, strive for opportunities for LNG terminal and subsequent power plants in compliance with local energy policies
- 🎯 **Major achievements within one year:** Taichung LNG Receiving Terminal Regas Project, Third LNG Receiving Terminal Tank Project, TPC 3,900MW Hsinta CCPP Project and 2,600MW Taichung CCPP Project, Sunba 1,000MW Independent Power Producer Project.

## ESG Opportunities - Clean Energy (2/2)

### Solar Photovoltaic



The participation participates in solar field of ECOVE Solar Energy Corp.:

Investment/development (cumulative) – **128.3**MW

Operation and Maintenance (cumulative) – **352.3**MW

- ✓ The obtained development rights in 2021 was increased by nearly 30% compared with 2020
- ✓ The obtained operation and maintenance in 2021 was increased by 2.5 times compared with 2020

### Offshore Wind



Total setup capacity in **2025**

**5,738**MW

Total setup capacity in **2035**

**20,738**MW

Block development release **1,500**MW/year →  
Wind turbine demand: 100 pcs/year

**60% Localization** → Business opportunities grow following with the proportion of localization increases

- ✓ CTCI MAC participated in the manufacturing of underwater foundation and transition piece totaled of approximately 1,150MW → From 2017 to 2021, revenue increased by 40%, and profit increased by more than 130%
- ✓ CTCI and Van Oord has formed a strategic alliance to bid for EPCI work

# ESG Opportunities - Water



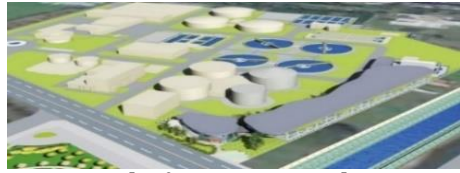
**Construction of sewage sewer system in Zhongli area**

**BOT**

2+33 years

156,000 tons/day

The total length of the pipeline is 246 km, connecting 200,000 households



**Kaohsiung Fengshan Creek Reclaimed Water Plant**

**BTO**

2+15 years

45,000 tons/day

The first domestic municipal sewage recycling BTO demonstration project



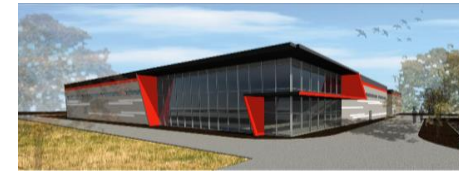
**Kaohsiung Linhai Sewage Treatment Plant and Reclaimed Water**

**BTO**

3+15 years

33,000 tons/day

The first domestic project that combines municipal sewage treatment and reclaimed water systems



**Tainan Science Park Reclaimed Water Plant**

**BOT**

1.5+20 years

20,000 tons/day

The world's first project of high-tech wastewater reclaimed to the semiconductor process



**Taoyuan North District Water Recycling Center**

**BTO**

3+15 years

40,000 tons/day

Supply Taoyuan Refinery, Guanyin Industrial Zone and Nan Ya Plastics

- ✓ Government continuously plans numerous new reclaimed water plants from 2019 to 2025, together with couple private reclaimed water plants planned in High-Tech Parks of total daily capacity about 500,000 tons. **Market Opportunities: NT\$50bn(exclusive operation work)**
- ✓ Government plans to release five desalination plants (Taoyuan, Hsinchu, Chiayi, Tainan, Kaohsiung) on investment/construction/ operation basis shortly. **Market Opportunities: NT\$ 60bn (exclusive operation work)**
- ✓ CTCI owns the only two reclaimed water plants awarded on investment/construction/operating basis among the four outsourced plants. And CTCI is the only one domestic professional player with both municipal sewage and industrial sewage treatment capabilities, together with the abilities in full life cycle performance in investment/construction/operation in reclaimed water business.
- 🎯 **Major achievements within one year: Linhai Sewage Treatment Plant and Reclaimed Water began to supply water; Nanke Reclaimed Water Plant is under commissioning; Taoyuan North District Water Recycling Center is going to sign the contract**

# ESG Opportunities - Circular Economy

## Indicative Performance



### Taichung Uri Resource Recycling Plant

- The first domestic large-scale municipal waste incineration plant launched in BOT model



### Macau Waste Incineration Center

- The first Taiwan player to award overseas waste incineration project and has exported the local expertise to overseas market as a precedent



### ECOVE Solvent Recycling Corp.

- Has obtained "BS 8001 Circular Economy Inspection Statement" in 2020.
- Has passed the BSI verification under PAS 2060 specification by the British Standards Institute, and achieved 100% carbon neutrality in 2021.



### Taoyuan Biomass Energy Center

- Adopting cutting-edge global technologies to allow over 25% power generating efficiency and becoming the best in Taiwan

- ✓ It is expected 9 municipal waste incineration plants will be replaced or expanded in the near future.

**Market Opportunities: NT\$140 billion.**

- ✓ Recycling and zero waste center business opportunities emerge in response to global trends.

- ✓ CTCI is the only professional manufacturer in Taiwan that has the entire life cycle performance and technology covering the investment, construction and operation of waste incineration industry, and is also the first manufacturer in Taiwan to export localized technology overseas.

**Major achievements within one year: Changbin Industrial Park Resource Processing Center(BOT), Changhua Xizhou EfW Plant O&M and Revamping Services, Kaohsiung Gangshan EfW Plant O&M and Revamping Services**

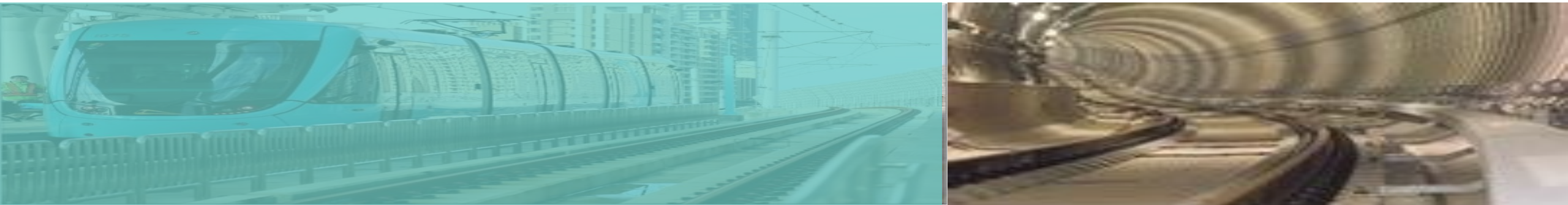
## ESG Opportunities - Rail Transportation

- ➕ From 2021 to 2026, 12 track construction plans are planned, including Taipei Metro's Circular Line North & South Sections (awarded by CTCI), New Taipei Minsheng Xizhi Line-Xizhi East Lake Section, and Keelung MRT Mechanical and Electrical System Project, etc.

**Total Route Length: about 190 km**

**Total Budget of E&M Work: about NT\$166 billion**

- ➕ CTCI is the leading player in domestic MRT system E&M work lump sum turnkey business



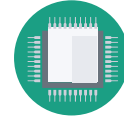
Major achievements within one year: Taoyuan Metro Green Line GC03 MEP Project, Taipei Metro's Circular Line North & South Sections

# High-Tech Market Opportunities



## Communication Business

The total investment in global data centers is growing at a compound annual growth rate of 9.9%. Google and Microsoft successively expand data centers in Taiwan



## Foundry Business

Taiwan's semiconductor leader continues to expand fab capacity until 2023 and plans to invest US\$100 billion to new fab capacity in recent years



## Computer & Accessories

Taiwan's Hi-Tech players are deployed in southbound countries to establish new supply chains and are estimated to invest exceed US\$10 billion in Southeast Asia within 10 years



## Optics Business

By 2030, the global lithium battery storage market will grow at a compound annual growth rate of 30% to 40%



## Taiwan Hi-Tech Chemical Supply Chain

The chemical supply chains follow the semiconductor manufacturers new expansion worldwide to invest new factories.

## Strength

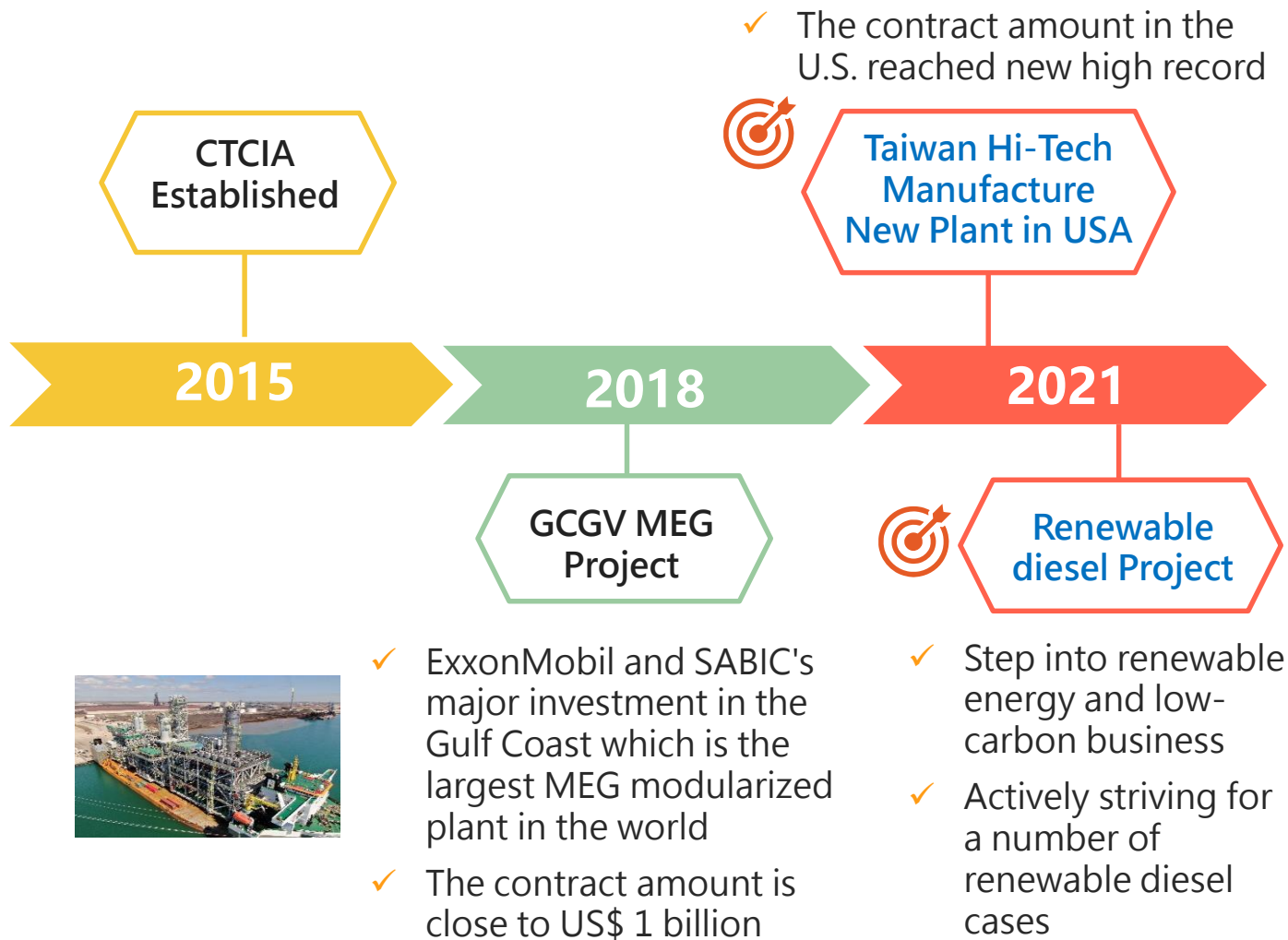
- Domestic: Planning and Design + Factory Building + Clean Room → **Total Solution**
- Overseas: Combine Overseas Bases → **Expand Global Business Opportunities**



## Major achievements within one year:

Taiwanese semiconductor manufacturer's U.S. plant construction project, Molie Quantum energy hi-tech battery plant, domestic DRAM factory work, data centers in Taiwan invested by foreign enterprises

# Market Opportunities in the U.S.



## + Semiconductor Industry Business

- Huge demand for electric vehicles and 5G
- The U.S. intends to expand local semiconductor production capacity and business opportunities for Taiwanese and US Local semiconductor companies' plant-construction
- Drive high-tech industry supply chain manufacturers to copy Taiwan's successful experience to the U.S.

## + Renewable Fuel Business

- The demand for clean energy continues to grow
- Biden government strongly supports green energy and environmental protection industry
- U.S. multi-state governments offer incentive policies for renewable fuels

## + U.S. Infrastructure Bill Business

- U.S. President Biden signed a 1.2 trillion U.S. dollar (33.41 trillion Taiwan dollars) infrastructure bill on November 15
- Major business opportunities include electromechanical engineering of transportation systems, green energy, water conservancy infrastructure and low-carbon technology engineering, etc.

# Market Opportunities in China

## Market opportunities : NT\$100 billion

- ✓ BASF Petrochemical Complex Project in Zhanjiang, Guangdong
- ✓ Dow Chemical Manufacturing Hub for Specialty Chemicals in Zhanjiang, Guangdong
- ✓ SABIC/Fuhaichuang Petrochemical Complex Project in Gulei, Fujian

### Investment from Taiwan :

- ✓ Quanzhou Grand Pacific Chemical Co. Ltd.
- ✓ Zhangzhou CHIMEI Chemical Co., Ltd.
- ✓ Formosa Petrochemical Corporation (FPCC)
- ✓ Chang Chun Petrochemical Co., Ltd.
- ✓ Taita Chemical Co., Ltd.



### Green and Low-carbon Investment

Under China's carbon peak and carbon neutrality "dual carbon" target, 10 low-carbon investment themes, many provinces in China have finalized green industry investment plans for the next five years, and the average annual investment in green industry is expected to be around RMB 3 trillion.



### China's Fourteenth Five-Year Plan

Announced to accelerate the goal to enlarge high-value downstream polymers, implement the elimination of backward production, and promote the integration of production capacity.



### Foreign Investment Returns

The relaxation of foreign investment restrictions has prompted the increase in new investment projects by foreign businessmen in China, consolidating the competitive advantage for the advantage of a few BASF designated partners.



### Advantages of Deep Farming

CTCI Beijing has been in China close to 30 years and is one of the few foreign engineering companies that entered China in the 1990s. The localization and the Class A qualifications of chemical and petrochemical, municipal administration, etc., enhance the competitiveness.



**Major achievements within one year: Grand Pacific Chemical Co. Ltd. PDH/PP project, Zhangzhou CHIMEI ABS/AS expansion project, BASF (Guangdong) NIS Cluster project, Ascend Performance Materials Co. Ltd. new plant project, Formosa Plastics Ningbo Ethylene Cryogenic Tank Project**

# Market Opportunities in Middle East

01

## High Oil Price Trend

The international oil price is maintained at a high level, and the Middle East customers have abundant funds to invest in natural gas, crude oil and high-value related industries.

02

## Upstream Development Plan

The GCC Gulf countries have successively announced upstream natural gas and crude oil development plans, driving the subsequent downstream petrochemical industry.

03

## Foreign Investment

In order to rapidly expand high-value petrochemical products, Middle Eastern countries have invited many foreign investors to invest in the refining and petrochemical industries, which has led to many business opportunities.

04

## Green and Low Carbon Environment

Countries in the Middle East have successively announced net zero goals, and existing refining and petrochemical plants must upgrade facilities to drive potential business opportunities.



