

CTCI Corporation The 1st Investor Conference, 2024

2024.03.07



Disclaimer

- The consolidated financial statement is hereby based on International Financial Reporting Standards (IFRS) and reviewed/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

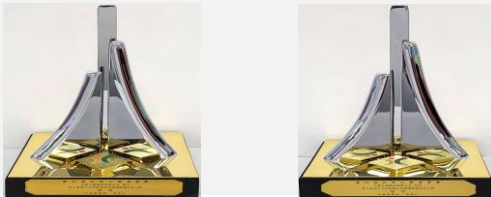
Climate Change Questionnaire

A-Leadership Level



MOEA's Public Construction Quality Award

Taiwan Ministry of Economic Affairs (MOEA) "Excellence Level Award" in both facility design and constructor categories of 2023 Public Construction Quality Award to CPC Third LNG Terminal Storage Tank EPC Project (CTCI jointly executed with KHI)



S&P Global The Sustainability Yearbook 2023

Top 1 % Highest Honor
No. 1 in the Global Construction Industry

CTCI Corporation
Construction & Engineering

Top 1%

S&P Global Corporate Sustainability Assessment (CSA) Score 2023

S&P Dow Jones Indices

CTCI Corp. Has Been Selected as Constituent of DJSI Indices for the 9th Year;
No. 1 in Global Construction & Engineering

Member of

**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

National Development Council

Awarded the highest honor for sustainability at the national level
"112 National Sustainability Award"



Taipower 2023 Outstanding Green & Eco-Friendly Site Evaluation

High Distinction Award (Hsinta CCPP)
Excellence Award (Taichung Power Plant Coal Handling System Improvement Project)



2023 Year In Review



New Contracts Expected to be Maintained from a Large Number of Potential Opportunities

- New contracts exceeded \$100 billion for the fourth consecutive year and potential markets will continuously boost new contracts
- Business Opportunity Highlights
 - Domestic: Large-scale projects and forward-looking infrastructure programs derived from public policies (combined cycle power plants and independent power plants, seawater desalination and metro systems), high-tech industrial chains.
 - Overseas: High-value products and low-carbon transformation of major international oil companies and global expansion of Taiwan's high-tech industries.



Expanding Business in New Technologies Related to ESG

- Grasping the new business opportunities of circular economy and the trend of energy transformation
- Selected as the most favorable bidder of Taiwan's first Carbon Storage Pilot Project. Continuing to deepen our participation in the value chain of Carbon Capture, Utilization and Storage (CCUS) technologies.
- Integrate with technology vendors to proactively pursue future potential business opportunities of new products, such as hydrogen, blue ammonia, sustainable energy, etc.. Making early preparations for a new economy in ESG.



Strengthen Risk Management and Make Operation Stable

- Challenges and risks arised along with the expansion of scale and diversification of business, hence the risk management became the key to stabilize operations.
- Enhance the risk awareness of all colleagues and improve the risk management mechanism.



ESG Sustainability Progress

□ Listed in TNFD Pioneers

TNFD (Nature-related Financial Disclosure) was announced at the World Economic Forum (WEF) 2024, and CTCI is the only engineering service provider in Taiwan.



No. of Global companies in the ranking

320

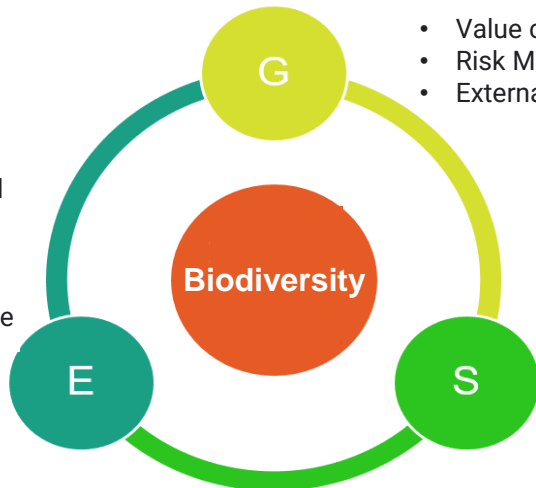


No. of Taiwan companies in the ranking

14

CTCI continues to connect with "CTCI Green Water Vitality" and issues the "CTCI Climate and Nature Related Financial Disclosure Report" in conjunction with TCFD.

- Water Reuse Project
- Ecology-related Green Technology Development
- Environmentally Friendly Design
- Construction Environmental Monitoring
- Habitat Maintenance e.g. streams and wetlands
- Species Recovery e.g. purple crow butterfly



- Value chain negotiation
- Risk Management
- External Unit Cooperation
- Environmental Education
- Waterfront Education
- Volunteer Service

□ Share the Experience of Green Transformation in COP28



United Nations

Framework Convention on Climate Change

- CTCI Education Foundation has been recognized by the United Nations Framework Convention on Climate Change (UNFCCC) as the 11th NGO observer in Taiwan in 2022.
- The Ministry of Economic Affairs (MOEA) participated in the 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC) in Dubai, and CTCI was invited to participate as an NGO observer. On December 8, 2023, the MOEA shared the country's approach to energy and industrial restructuring and the business opportunities derived from green growth at the Palau National Pavilion and CTCI Group and Delta Electronics were invited to share our efforts to promote net-zero

Leveraging our Core Business ESG Opportunities

Green Contracting

2015
Green
technology, low
carbon and
environmental
protection projects
23%

Backlog : 346% growth

Dec. 2023
Green
technology, low
carbon and
environmental
protection projects
56%

Green Investment

- The Group's green investment exceeds **NT\$47 billion**.
(wastewater treatment, reclaimed water, incinerator)
- The Group's green finance is approximately **NT\$9.18 billion**.
(Green Financing, Green Letter of Guarantee, Green Bonds)

* Benefits in 2023: 2.47 million tons of waste treatment / 1.3 billion kWh of electricity generated from waste / Solar power generation 120 million kWh / Wastewater treatment and reclaimed water 73.97 million tons / Waste solvent treatment 16,000 tons.



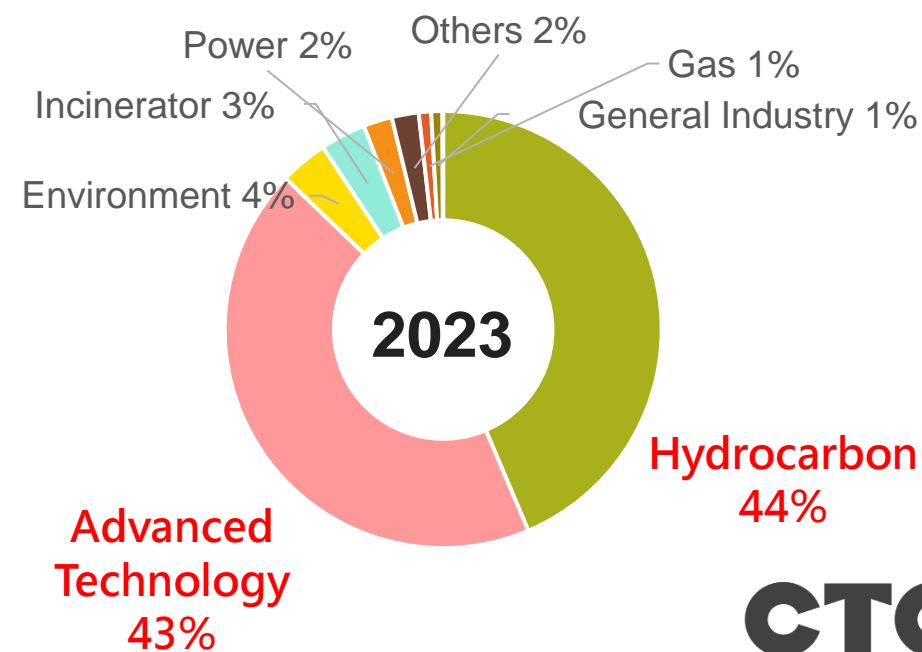
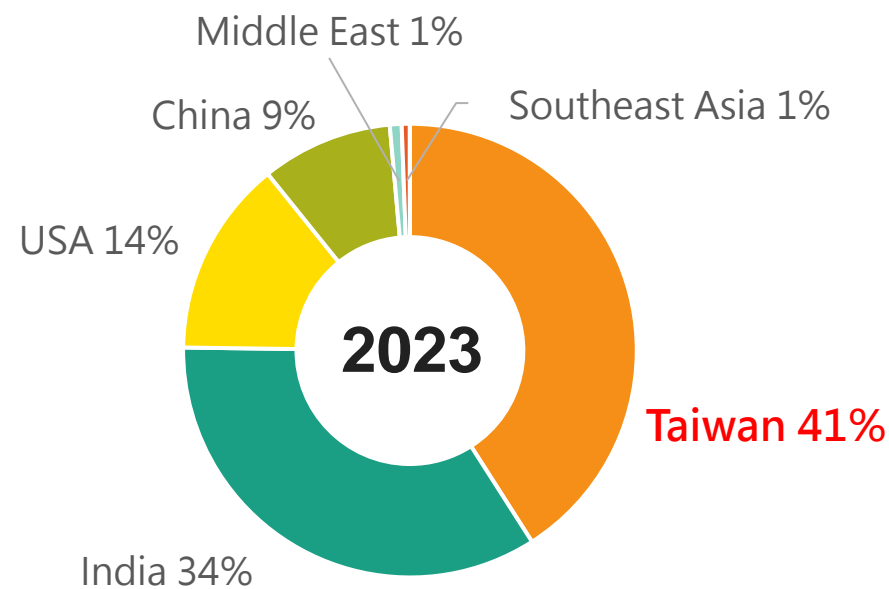
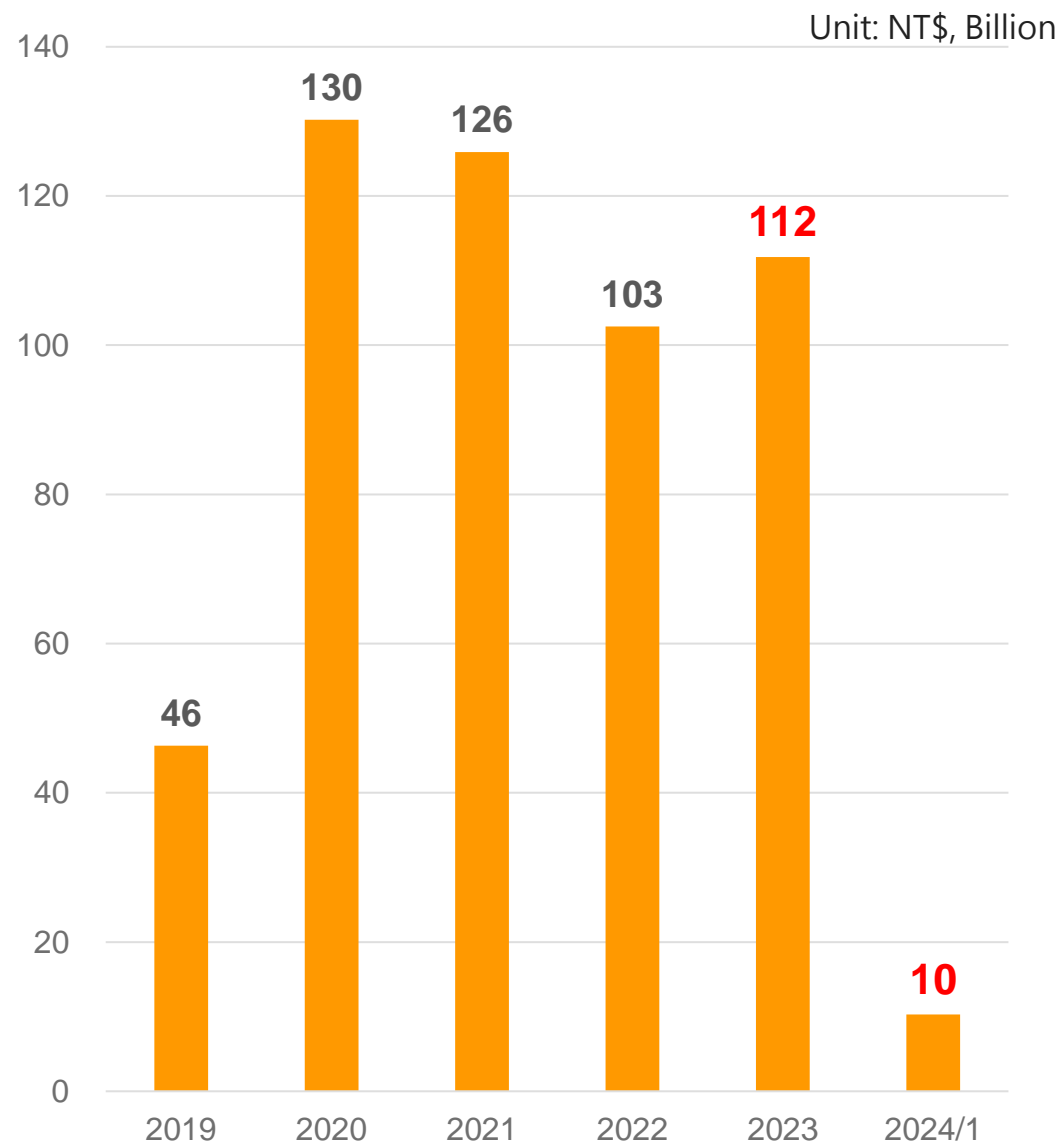
Green Technology

Benefits to Owners in 2021-2023

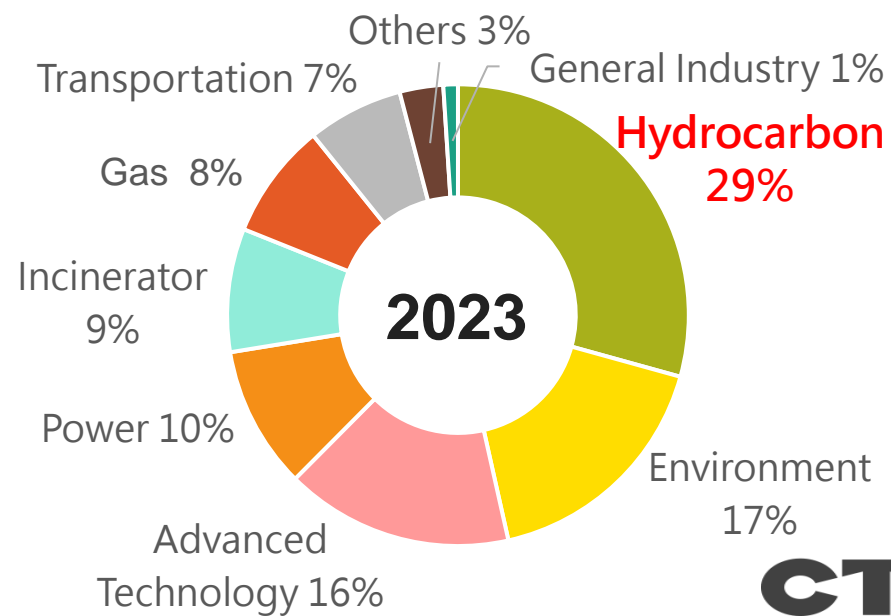
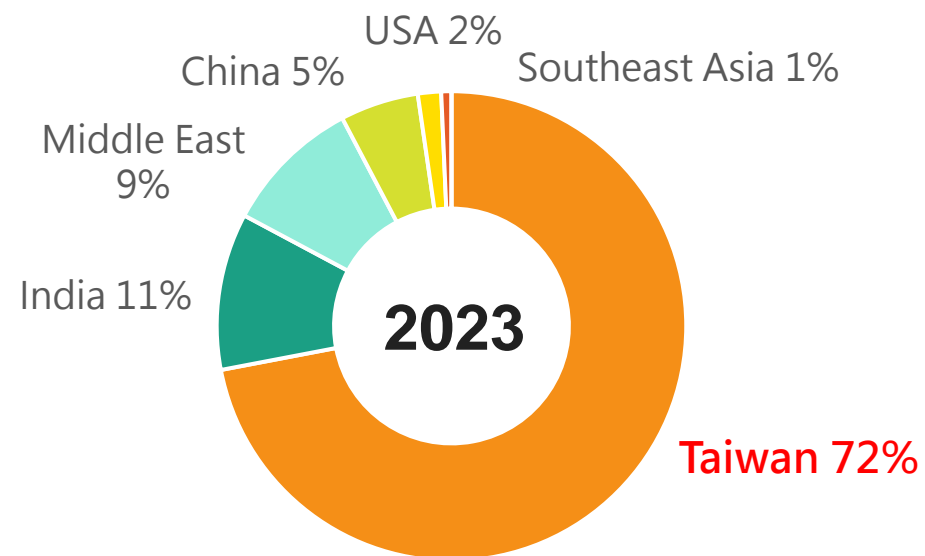
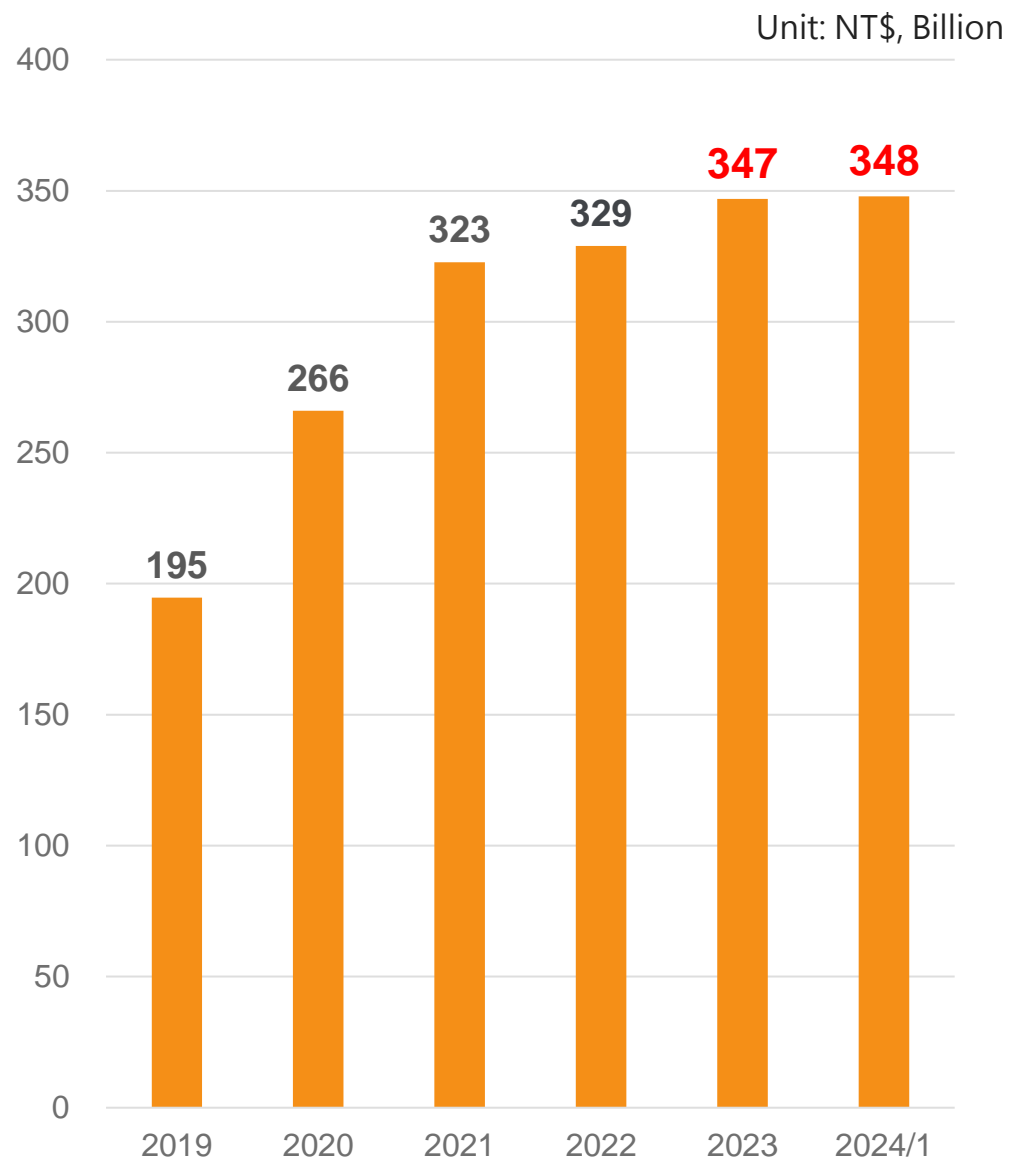
- CO2 reduced displacement: **18.9 million metric tons** → About **48,747** Daan Forest Park Carbon adsorption capacity in a year
- Electricity saving: **728 million kWh** → About the annual electricity consumption of **197,000** households
- Water saving: **150 million tons** → About **182 days** of water consumption in Taipei



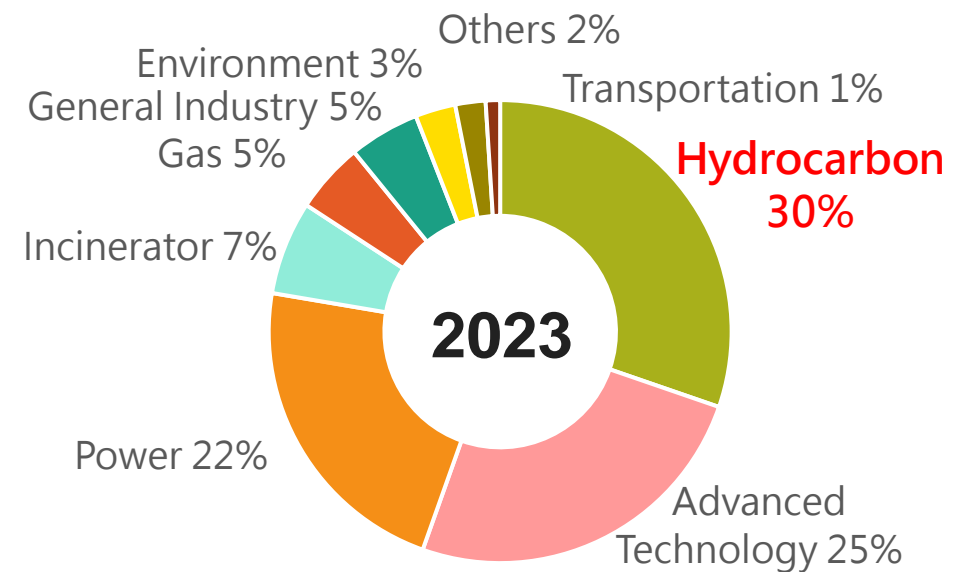
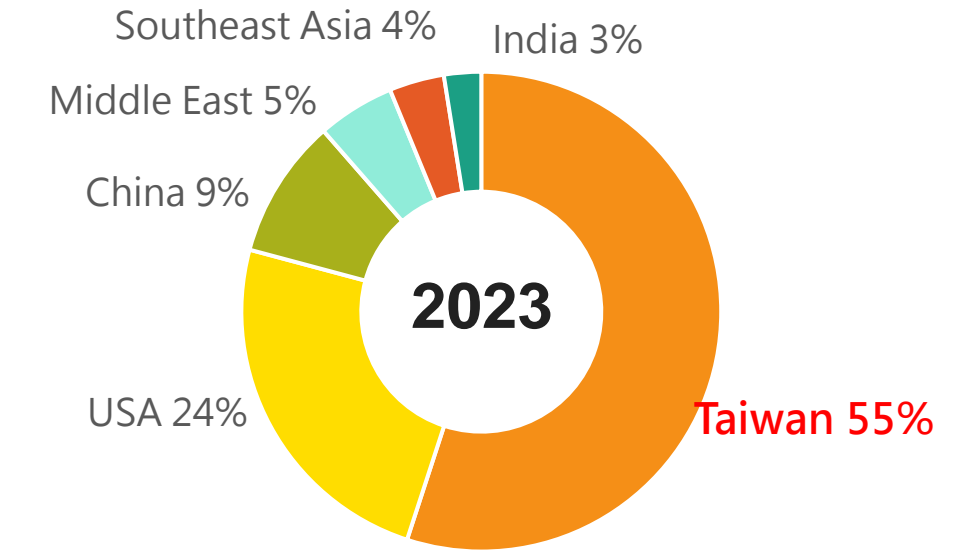
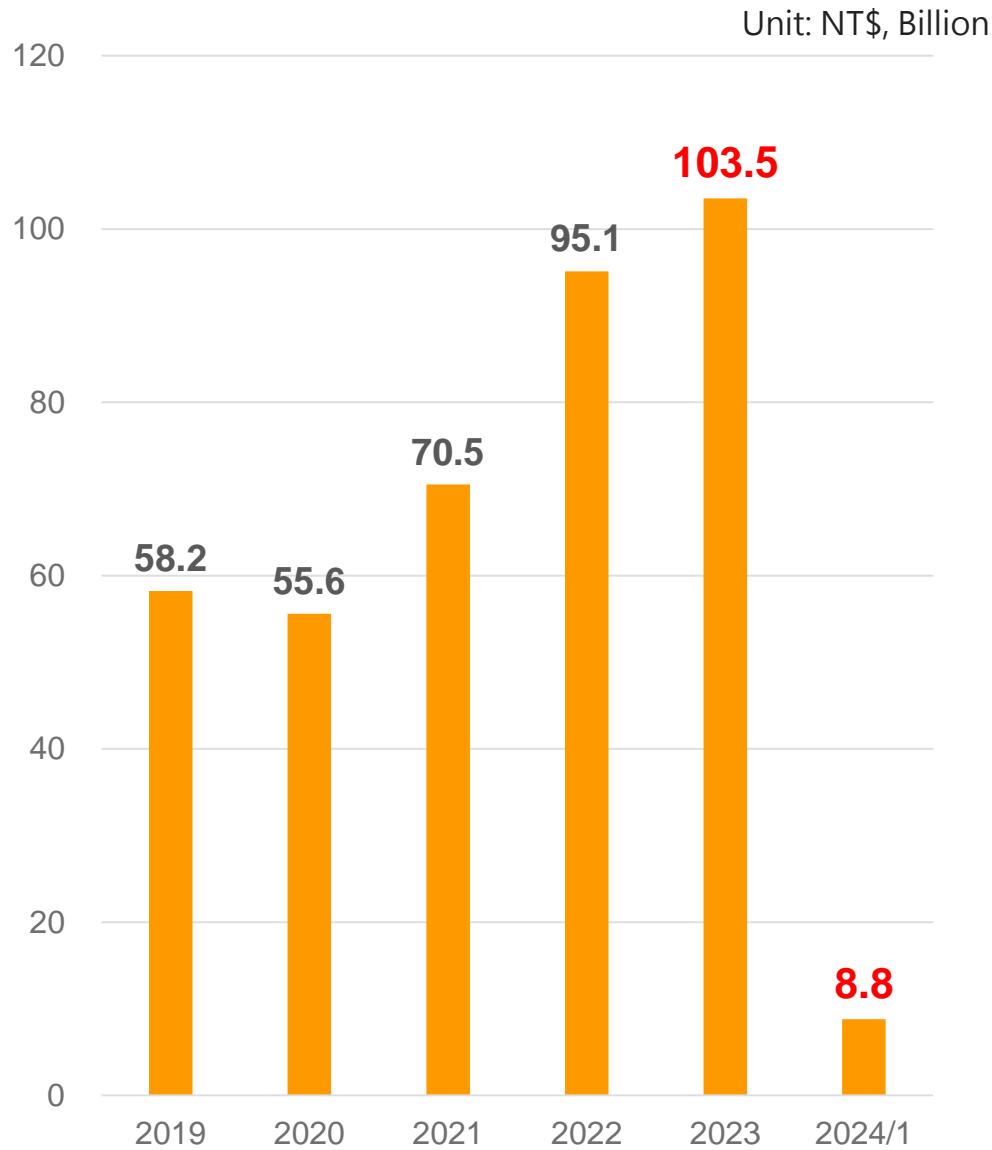
New Contracts and Distribution



Backlog and Distribution



Revenue and Distribution



Financial Highlights

2023 Consolidated Income Statement

Unit: NT\$, Thousand

| | 2023/1/1~12/31 | | 2022/1/1~12/31 | | YOY |
|---|----------------|------|----------------|------|-------------|
| | Amount | % | Amount | % | % |
| Sales Revenues | 103,527,201 | 100% | 95,100,568 | 100% | 9% |
| Operating costs | (98,169,881) | -95% | (89,720,344) | -94% | 9% |
| Gross Profit | 5,357,320 | 5% | 5,380,224 | 6% | 0% |
| Operating expenses | (2,078,361) | -1% | (1,835,191) | -2% | 13% |
| Operating income | 3,278,959 | 4% | 3,545,033 | 4% | -8% |
| Total non-operating income and expenses | 222,736 | 0% | 422,410 | 0% | -47% |
| Profit before income tax | 3,501,695 | 4% | 3,967,443 | 4% | -12% |
| Income tax expense | (646,369) | -1% | (697,366) | 0% | -7% |
| Profit for the period | 2,855,326 | 3% | 3,270,077 | 4% | -13% |
| Profit attributable to Owners of the parent | 1,891,316 | 2% | 2,379,298 | 4% | -21% |
| Total basic earnings per share | 2.39 | | 3.07 | | -22% |

2023 Consolidated Balance Sheet

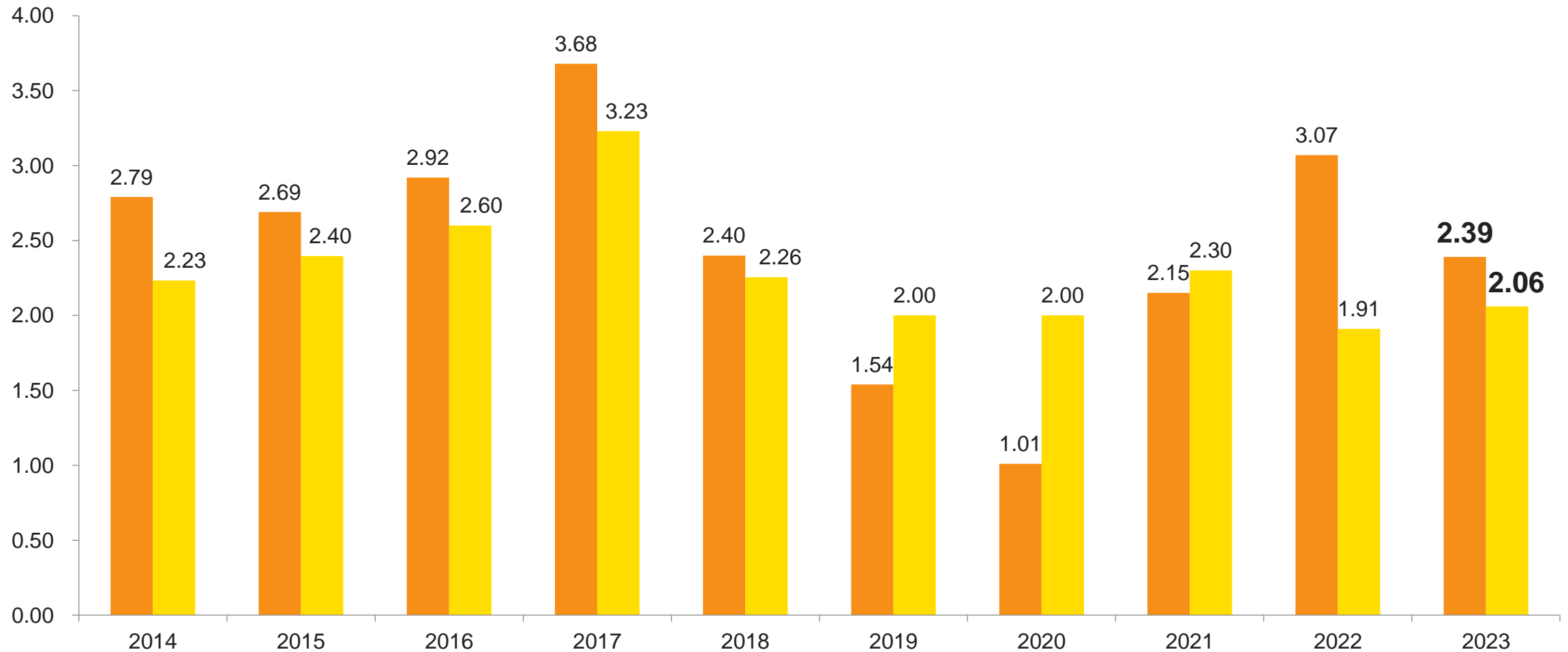
Unit: NT\$, Thousand

| | 2023/12/31 | | 2022/12/31 | |
|---|--------------------|-------------|-------------------|-------------|
| | Amount | % | Amount | % |
| Current assets* | 81,028,738 | 73% | 65,473,950 | 70% |
| Non-current assets | 29,610,433 | 27% | 28,117,003 | 30% |
| Total assets | 110,639,171 | 100% | 93,590,953 | 100% |
| Current liabilities | 75,074,406 | 68% | 53,854,505 | 58% |
| Non-current liabilities | 12,785,902 | 12% | 17,904,401 | 19% |
| Total Liabilities | 87,860,308 | 79% | 71,758,906 | 77% |
| Equity attributable to owners of The parent | 18,026,264 | 16% | 17,426,505 | 19% |
| Non-controlling interest | 4,752,599 | 5% | 4,405,542 | 5% |
| Total equity | 22,778,863 | 21% | 21,832,047 | 23% |
| Total liabilities and equity | 110,639,171 | 100% | 93,590,953 | 100% |

*Cash and cash equivalents in current assets are NT\$27.4 billion

Dividend Payout

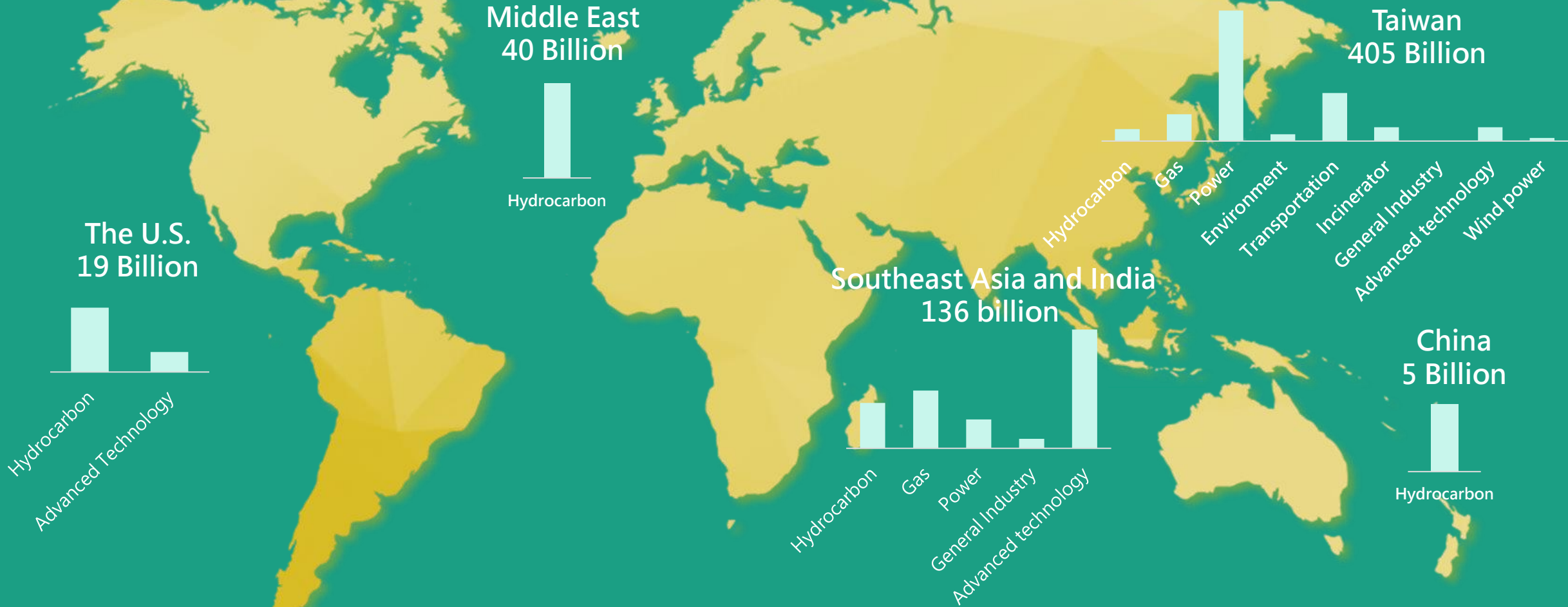
■ EPS ■ Cash DPS



Business Outlook

Potential Opportunities in the Coming 12 Months

Potential Opportunities in the Coming 12 months: NT\$605 billion



ESG Opportunities - Clean Energy (1/2)



"Reducing Coal, Increasing Gas "Medium Term Plan for Energy Transformation
In 2030, the electricity distribution ratio will be 27%~30% from renewable energy, 20% from coal and 50% from gas

Expansion of the Yongan and Taichung receiving terminals and new receiving terminals and storage tanks at Kwun Tong, Intercontinental, Concord, and Taichung Harbor.

Taipower will accelerate the expansion of gas power plants, and Dalin, Concord, Tongxiao, Taichung and Xingda power plants which will be launched soon.

The government is actively promoting independent power plant (IPP) , and plans to achieve the power supply target of 7,090MW between 2025 and 2027.

Taiwan expands hydrogen mixing ratio to stimulate hydrogen power generation opportunities.

Thailand and Vietnam are actively launching natural gas receiving terminals and power plants in line with national energy policies.

Market Opportunities: NT\$420bn

- ✓ CTCI Group is the sole EPC company who is capable for turnkey projects for natural gas facilities and storage tanks.
- ✓ Taipower released numerous gas-fired power plants totaled of 14,630MW under turnkey basis after Datan Power Plant and CTCI has market shares of 70%.
- 🎯 **Recent Major Achievements: three gas-fired multiple-cycle power plants such as Hsinta 3,900MW CCPP Project, Taichung 2,600MW CCPP Project and Sunba Power Phase II 1,000MW IPP Project.**



ESG Opportunities - Clean Energy (2/2)

Offshore Wind



Total setup capacity in **2025**
5,738MW

Total setup capacity in **2035**
20,738MW

Run III Block Development

Business opportunity growth

- + Release 1,500MW/year → **100** wind turbines/year
- + All wind farms must meet **60%** localization requirements
- + **Increased localization Items** in Phase 2

- ✓ Pursue turnkey projects for onshore substations and design work for offshore substations
- ✓ CTCI MAC participated in the manufacturing of underwater foundation and transition piece totaled of round 1,150MW → From 2017 to 2023, revenue increased by 147%
- ✓ **Recent Major Achievements: Underwater Foundation Design for Hai-Xia Wind Farm, Preliminary Work for Haiding Wind Farm Phase 1 Onshore Substation**

Solar Photovoltaic and Energy Storage



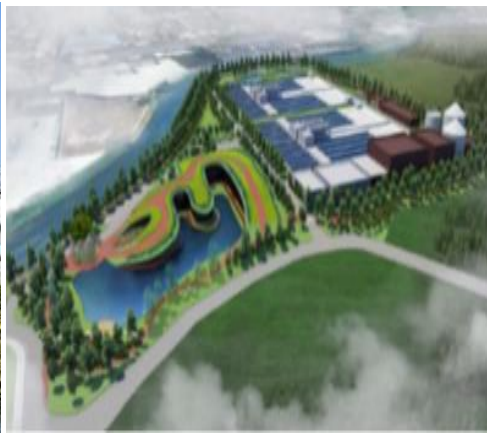
The Group is involved in the field of solar photovoltaic and energy storage:

Investment/Development (cumulative) – **163** MW

Operation and Maintenance (cumulative) – **484** MW

- ✓ The U.S. government's investment tax credit, renewable energy incentive system and tariff exemptions for solar components in four Southeast Asian countries are boosting business opportunities in the U.S. solar market
- ✓ Investment in energy storage industry. Taipower's Regulation Reserve Ancillary Service of 5MW project is now launched.

ESG Opportunities – Water Resources (1/2)



TSMC Tainan Science Park Reclaimed Water Plant

Construction of sewage sewer system in Zhongli area

Kaohsiung Fengshan Creek Reclaimed Water Plant

Kaohsiung Linhai Sewage Treatment and Reclaimed Water Plant

Taoyuan North District Water Recycling Center

BOT

1.5+20 years

BOT

2+33 years

BTO

2+15 years

BTO

3+15 years

BTO

3+15 years

20,000 tons/day

156,000 tons/day

45,000 tons/day

33,000 tons/day

40,000 tons/day

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

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

The first domestic municipal sewage recycling BTO demonstration project

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

Supply Taoyuan Refinery, Guanyin Industrial Zone and Nan Ya Plastics

ESG Opportunities – Water Resources (2/2)

- ✓ Numerous new reclaimed water plants be planed by Government before 2026, together with couple private reclaimed water plants in High-Tech Parks of total daily capacity about 334,000 tons.
- ✓ Seven new desalination plants total of 860,000 tons of water per day are planned to bid. Hsinchu and Tainan desalination plans, with a combined 300,000 tons/day, will be tendered in 2024. Water Resources Department (WRD) has also conducted feasibility assessments and advance planning for desalination plants in Taichung, Chiayi and Kaohsiung in 2023.

Market Opportunities: NT\$150bn

- ✓ Fengshan Creek, Linhai, and Tainan Science Park reclaimed water plants are already in operation, and Chungli sewage plant will enter operation this year, and the water treatment output can exceed 47 million tons/year in 2023
- ✓ CTCI Group owns five water resource plants which are on investment/construction/operating basis and 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.

 **Recent Major Achievements: Taoyuan North District Water Recycling Center**



ESG Opportunities - Circular Economy (1/2)

Indicative Performance



Resource Recycling Plant (Taichung Uri)

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

Waste Incineration Center (Macau)

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

Waste Isopropyl Alcohol Recycling Plant (Taoyuan)

- 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

Biomass Energy Center (Taoyuan)

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

Low Carbon Recycling and Disposal Center (Changbin)

- Enables the Group to provide a complete one-stop service from removal, recycling to incineration and landfill disposal

ESG Opportunities - Circular Economy (2/2)

- ✓ In the next three years, the six waste incineration plants will be phased out and replaced with new ones or expanded in order to comply with more stringent pollution prevention and control regulations, and to move towards the goals of high efficiency in power generation, energy saving and carbon reduction, and greening of the environment.
- ✓ Insufficient industrial/commercial waste treatment and increased capacity demand.



Market Opportunities: NT\$140 billion.

- ✓ 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.
- 🎯 **Recent Major Achievements:** Changbin Low Carbon Recycling and Disposal Center, the Green Energy Sustainable Circulation Center BOT Project in Chiayi City, Tainan Science Park Resource Recycling Center Expansion Turnkey Project

ESG Opportunities - Rail Transportation

- ✓ From 2023 to 2028, 12 track construction plans are planned and will continue to develop the MRT network to improve the public transportation system in the six cities.

Total Route Length: about 190 km / Total Budget of E&M Work: about NT\$180 billion

- ✓ The government promotes the nationalization policy of the rail industry and actively supports the light rail rapid transit.

- ✓ South East Asia (e.g. Thailand) MRT projects are being launched.

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

The only one player who has the E&M Integration experience and capability

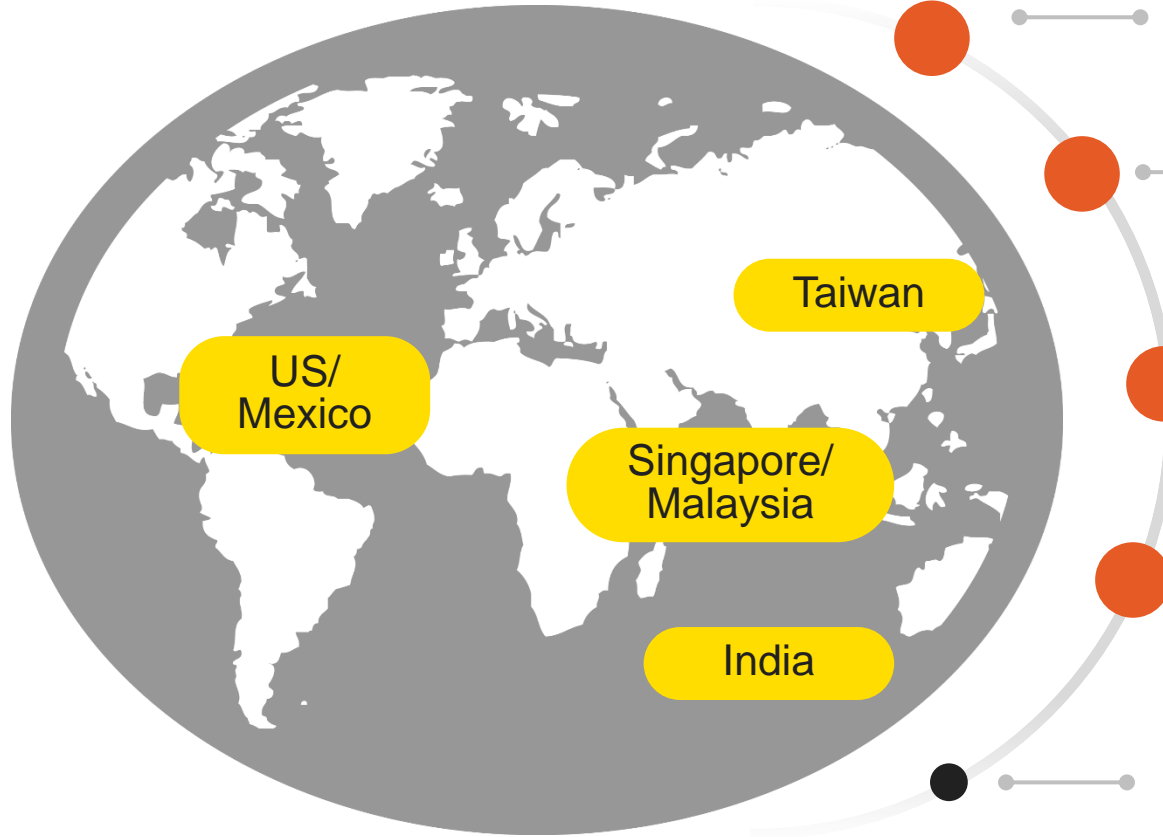
The only one player who has the Detail Design Ability in power supply system

The local player who has the Highest Market Share in E&M work



Recent Major Achievements: Taoyuan Metro Green Line GC03 MEP Project, Taipei Metro's Circular Line North & South Sections

High-Tech Market Opportunities



Data Center

As the booming AI industry stimulates a rebound in market growth, major international manufacturers continue to actively develop related infrastructure in the Asia-Pacific region

Foundry Business

After the slowdown in the growth of the semiconductor and memory industries due to the chip inventories in 2023, the market predicts that global inventories will return to growth trends in 2024.

Computer & Accessories

Taiwan electronics makers set up new supply chains in India and Vietnam

Optics Business

The global power battery market is expected to move from GWh to TWh by 2024 and exceed 3TWh by 2030, benefiting from the demand for electric vehicles

Taiwan Hi-Tech Chemical Supply Chain

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

Building Differentiation Advantage

Strength

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



Recent Major Achievements:

Domestic DRAM factory work, Two Foreign invested Data Centers in Taiwan, Kaohsiung Hoha Industrial Park Lithium Battery Project, BASF Electronic grade sulfuric acid, Construction work for Taiwan companies overseas factories (India, Vietnam, Malaysia)



Market Opportunities in the Refining and Petrochemical Industry

Recycling chemicals and low-carbon products and technologies become a necessary options for Global investment in response to ESG trends

The Daling Oil Storage and Transportation Center in the Kaohsiung Port Intercontinental Container Terminal Phase II is a key business opportunities in the domestic market

The overseas market has regained investment momentum. Middle Eastern clients are benefiting from high oil prices and launch the new investments in existing oil complex revamping and also strengthening the development of natural gas and downstream petrochemical products

✓ With over 40 years of global engineering experience in refining and petrochemicals, CTCI has a strong competitive edge in the domestic market. In the overseas market, CTCI has been able to create a win-win situation with customers and partners by flexibly deploying strategic partnerships in the Middle East market.

🎯 **Recent Major Achievements: Two refrigerated tanks and a refrigerated unloading facilities at Dalin Storage and transportation Center, Qatar RLPP ethylene project., Adani Coal to PVC design project.**



Market Opportunities in the Americas (U.S., Mexico)

- ✓ The contract amount in the U.S. reached new high record

Taiwan Hi-Tech
Manufacture New
Plant in USA

2018

GCGV MEG
Project

- ✓ ExxonMobil and SABIC's joint venture, which is the largest MEG modularized plant in the world
- ✓ The contract amount is close to US\$ 1 billion

2021

Renewable
diesel
Project

- ✓ Develop biofuel process technology experience to seize low-carbon business opportunities

2023

Sustainable
Energy

- ✓ Have obtained the front-end design work of several sustainable energy projects and are striving for the subsequent EPC work.

+ Semiconductor Industry Business

- The Chip and Science Act stimulates investment opportunities in the United States
- From 2022 to 2025, more than 40 new fabs worldwide is estimated and most of them will be in the U.S. The new fabs and their industry supply chain will drive business opportunities

+ Sustainable Energy

- Sustainable energy can reduce total lifecycle CO2 emissions by 80%, EU reaches agreement on 70% sustainable aviation fuel by 2050
- Many states in the U.S. have incentive policies to encourage local investment

+ Expansion into Mexico

- Benefiting from the U.S.-Mexico-Canada Trade Agreement (USMCA), the electric vehicle and battery industries are gathering in Mexico for new factories, and Taiwanese companies are following one after another
- Mexican subsidiary has been established for approaching local business opportunities

Market Opportunities in China

Market opportunities : NT\$100 billion

- ✓ BASF Petrochemical Complex Project II in Zhanjiang, Guangdong
- ✓ SABIC/Fuhaichuang Petrochemical Complex Project in Gulei, Fujian
- ✓ Ascend, SKGC, Dow and other potential foreign investment projects

Investment from Taiwan :

- ✓ Quanzhou Grand Pacific Chemical
- ✓ Zhangzhou CHIMEI Chemical
- ✓ Formosa Petrochemical (FPCC)
- ✓ Chang Chun Petrochemical
- ✓ Taita Chemical



Green and Low-carbon Investment

As China strives to achieve the "dual-carbon" goals of carbon peak in 2030 and carbon neutrality in 2060, a number of provinces in China have finalized their green industry investment plans for the next five years, and it is expected that the average annual investment in green industry will be around RMB 3 trillion.



Expanding High-Level Openness to the World

Loosening the restrictions to foreign investment and rebuilding foreign investment confidence in China, and the advantages of CTCI Beijing as a strategic partner of BASF consolidate our competitive edge.



China's 14th Five-Year Plan - Petrochemical Industry Modernization

Announced the goal of accelerating the petrochemical industry's move towards high-value downstream polymers, implementing the elimination of backward production capacity and promoting production capacity integration.



Advantages of Deep Farming

CTCI Beijing has been in China nearly 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.



Recent Major Achievements: Zhangzhou Chi Mei polycarbonate Project

