

Stock Code: 9933

2023 Annual General Shareholders' Meeting Meeting Handbook (Translation)

May 31, 2023



中鼎工程股份有限公司
CTCI Corporation

Notice to readers :

This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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CTCI CORPORATION

Procedure of 2023 Annual General Shareholders' Meeting

1. Call Meeting to Order
(Report of Number of Shares Represented by Attendees)
2. Chairman's Address
3. Report Items
4. Ratification Items
5. Election Item
6. Discussion Items
7. Special Motions
8. Meeting Adjourned

CTCI Corporation Agenda of 2023 Annual General Shareholders' Meeting (Translation)

Time and Date of Meeting: 9:00 a.m., Wednesday, May 31, 2023

Place of Meeting: No. 127, Sec.7, Zhongshan N. Rd., Taipei,
International Conference Hall , Mellow Fields Hotel

Meeting Type: Physical meeting

1. Report Items

- (1) Business Report of 2022. (Please refer to page 7 to 26)**
- (2) Audit Committee's Review Report of 2022. (Please refer to page 52)**
- (3) The Directors' and Employees' Remuneration of 2022.
(Please refer to page 53)**
- (4) Distribution of cash dividends from profits in 2022. (Please refer to page 54)**
- (5) As at 2022/12/31, the aggregate amount of guarantees provided by the Company was TWD 79,694.865 million and the highest amount for a single enterprise was TWD 22,583.303 million which are all under its respective ceiling. (Please refer to page 55)**
- (6) Report on the issuance of unsecured ordinary corporate bonds.
(Please refer to page 56)**

2. Ratification Items

(1) To ratify 2022 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanatory Notes:

The Company's 2022 Financial Statements (including 2022 consolidated financial statements and 2022 parent company only financial statements) were audited and certified by Mr. Weng, Shih-Jung and Mr. Lin, Yi-Fan, the CPA of PricewaterhouseCoopers.

The above-mentioned documents subsequently examined by Audit Committee pursuant to Article 228 of the Company Act. The Business Report and Financial Statements are hereby submitted for ratification. (Please refer to page 7 to 50)

Resolved:

(2) To ratify the Company's distribution of 2022 earnings.

(Proposed by the Board of Directors)

Explanatory Notes:

The Table for 2022 Earnings Distribution is compiled as follows in accordance with the Company Act and Articles of Incorporation (Please refer to page 51) and has been approved by the Audit Committee and Board of Directors of the Company.

Resolved:

3. Election Item

(1) Election of the Company's 16th term Directors.

(Proposed by the Board of Directors)

Explanatory Notes:

- 1) The 15th term of the office of Directors will expire on May 27, 2023. To accommodate the shareholders meeting, it is proposed that the term of office of incumbent directors be until the time new directors have been elected and assumed their office.
- 2) Pursuant to Article 22 of the "Articles of Incorporation", it is proposed to elect 12 directors (including 4 independent directors) for the 16th term with tenure from May 31, 2023 to May 30, 2026.
- 3) The election is in accordance with "Rules Governing the Election of Directors" of the Company.
- 4) Pursuant to the "Articles of Incorporation" of the Company, the Directors shall be elected from among the nominees listed in the roster of director candidates. Please refer to page 57 to 61 for the relevant information of candidates.

Result of the Election:

4. Discussion Items

(1) To approve the amendment of the Company's "Regulations Governing the Acquisition and Disposal of Assets".

(Proposed by the Board of Directors)

Explanatory Notes:

Please refer to page 62 to 63 for the comparison table between the existing provisions and amendments of the "Regulations Governing the Acquisition and Disposal of Assets".

Resolved:

(2) To approve removing the non-competition restrictions on 16th term Board Directors. (Proposed by the Board of Directors)

Explanatory Notes:

- 1) Pursuant to Article 209 of the Company Act, a director who is involved, for his own purpose or on behalf of third party, with activities related to the Company's scope of business, shall explain such issue to the shareholders meeting and obtain consent accordingly.
- 2) It is proposed to submit to the 2023 Annual General Shareholders' Meeting for approval on removing the non-competition restrictions on 16th term Board Directors. Please refer to page 64 to 66 for the relevant information.

Resolved:

5. Special Motion(s)

6. Meeting Adjourned

CTCI CORPORATION

Business Report of 2022

For the period from Jan. 1 to Dec. 31, 2022

I. Business performance

Sales revenue for the year 2022 was TWD31,714.598 million, consolidated sales revenue was TWD95,100.568 million and the net profit after tax was TWD2,379.298 million.

A) Sales Revenue and profit

(Unit: TWD thousands)

Consolidated sales revenue for 2022	95,100,568
Consolidated sales revenue for 2021	70,540,414
Increased from 2022 to 2021	24,560,154
Growth rate	34.82%
Sales revenue for 2022	31,714,598
Sales revenue for 2021	30,782,149
Increased from 2022 to 2021	932,449
Growth rate	3.03%
Net profit after tax for 2022	2,379,298
Net profit after tax for 2021	1,642,175
Increased from 2022 to 2021	737,123
Growth rate	44.89%

B) Breakdown of sales revenue

(Unit: TWD thousands)

Hydrocarbon	3,078,449
Non-Hydrocarbon	28,636,149
Total	31,714,598

II. Performance review

A) New contracts

The total contract value (including LOI) awarded to CTCI group amounted to TWD102,456.720 million.

B) Contracts classified by Services

(Unit: TWD thousands)

Construction	37,437,460	36.54%
Procurement	17,190,075	16.78%
Engineering Design	7,340,150	7.16%
Project Management	4,126,065	4.03%
Others	36,362,970	35.49%
Total	102,456,720	100.00%

C) Contracts classified by Business Lines

(Unit: TWD thousands)

Hydrocarbon	67,123,476	65.51%
Non-Hydrocarbon	35,333,244	34.49%
Total	102,456,720	100.00%

D) Primary businesses

2022 Awarded Project List

1. CPC Talin Tank Farm 2 Cryogenic Tanks and Receiving Facilities Project(PKG-VIII), Taiwan
2. TPC Taichung LNG Receiving Terminal Regas Project, Taiwan
3. TPC Dah-Tarn 3&4 Air-Cooled Low NOx Combustor & GAC Turbine Upgrade Project, Taiwan
4. CHIMEI Tainan Plant Project, Taiwan
5. Hon Hai Kaohsiung Li-Battery Plant Project, Taiwan
6. ProLogium Battery LCA Project, Taiwan
7. ASML Linkou Expansion Project, Taiwan
8. Versum Material(Merck Group) New Process Factory Project, Taiwan
9. Data Center of Foreign Large Enterprise, Taiwan
10. CDTT Taichung Plant TC10-TC13 Facility Upgrades Project, Taiwan

11. Taoyuan International Airport Terminal 1 Check-In Counters Conveyors Project, Taiwan
12. Taoyuan 40,000 CMD Municipal WWRU BTO Project, Taiwan
13. Changbin Low Carbon Recycling and Disposal Center, Taiwan
14. RLPP Ethylene Project, Qatar
15. Ascend Lianyungan HMD Project, China
16. Talta Zhangzhou EPS Project, China
17. Macao Special and Hazardous Waste Treatment O&M Services, Macao
18. Foxconn New Plant CSA Project, India
19. Adani Coal to PVC Project, India
20. Reliance PTA Project, India
21. Pouchen Chennai New Manufacturing Project, India
22. Solar Power Plant Development/Investment over 150MW and O&M Project over 450MW

III. Our Business Prospects for 2023

The world has entered the post-pandemic era and the impact of the Ukraine-Russia war has started to lessen since 2022. The market is gradually regaining its vitality. Various industries are expected to gradually recover in 2023. Hopefully, the global economy will head off depression and market vitality will recuperate soon. CTCI will not only continue to focus on its business in Taiwan, but also step up its expansion in overseas markets.

■ Engineering Business

1. Taiwan

The large-scale engineering projects from the government's public policies and projects under the Forward-Looking Infrastructure Development Program have always been the focus of CTCI's development. Major business opportunities include the construction of natural gas receiving stations, gas-fired power plants, energy storage systems, water resources systems (wastewater treatment, recycled water, and seawater desalination), waste treatment, and railways.

With the rise of global ESG awareness and in accordance with Taiwan's long-term power development plan, enhanced reserve capacity policies, and energy transformation policies, gas-fired power plants have gradually replaced traditional coal and oil-fired power plants. In the coming years, Taipower will launch several gas-fired power plant renewal projects and new construction projects, as well as join forces with private power plants to increase the domestic power supply. In response to the increasing demand for natural gas, the business opportunities related to natural gas receiving stations will also be a key focus for CTCI. Keeping up with the global trend, Taipower is also actively developing renewable energy, such as offshore wind power, geothermal power, and energy storage. CTCI will closely keep track of these developments, formulate business strategies and reserve relevant technologies and resources to actively seize opportune business opportunities. Moreover, in line with the policy of the Kaohsiung City Government, the major investment project of Phase-2 of the Intercontinental Container Terminal, Dalin Petrochemical Oil Storage Center is also a key business opportunity, and CTCI has been approved by the customers to obtain the turnkey projects of the storage tank and utility system one after another.

In terms of the Forward-Looking Infrastructure Development Program, in response to the water shortage for both the people and industries caused by the uneven distribution of rainwater in Taiwan due to climate change, the government is actively pushing ahead with water resources improvement projects, recycled water development and desalination-related development projects, the developments of which are also something that CTCI will continue to track and follow up on. In addition, in response to the government's diversified waste treatment plan and the tightening of environmental regulations which implements the adoption of total volume controls to reduce emissions of primary PM2.5 and derived PM2.5 precursors in the territory, there will continue to be business opportunities for new construction or renewal projects of municipal solid waste and industrial waste combustion power plants. In addition to the above-mentioned business opportunities, railway construction projects of the Forward-Looking Infrastructure Development Program have completed their first stage plan, and the policy of localizing railway construction has also made significant progress. CTCI will continue to track the railway system specifications of each project and seek the best partners to work with and thrive together to pursue railway construction business opportunities.

In the high-tech sector, CTCI will continue to focus on the construction opportunities of the customers in the semiconductor, memory, and panel industries, which have been steadily developing in Taiwan. The data center, battery, and biomedical industries are all high-tech opportunities that CTCI will continue to explore as well. With the development of AI and 5G

communication, the demand for high-speed computing continues to increase, and Taiwan's comprehensive infrastructure, critical geographic location, and importance of information security has attracted the attention of data center owners worldwide to invest in Taiwan, creating a bunch of construction opportunities for data centers. In addition, there is an urgent demand for electric vehicles and energy storage technology due to the goal of net zero. According to a survey, the expected battery production capacity is projected to be 13 GWh by 2027 in Taiwan, which can only meet about 50% of the market demand. Thus, many domestic leading manufacturers are aware of the trend and are investing in the development of the battery industry. With over 40 years of experience in large-scale project management, international safety standards, and the integration of one-stop solutions, CTCI has extended its existing engineering capabilities and is actively making a foray into the high-tech industry.

2. China

As the second largest economy in the world, China accounts for 40% of the global chemical market and is expected to grow further in the future. The petrochemical industry in China is undergoing an industrial restructuring, where new refinery projects are pursued to "reduce oil and increase chemistry" for extending the petrochemical industry chain. According to the "14th Five-Year Plan Guidelines for the Petrochemical and Chemical Industries" issued by the China Petroleum and Chemical Industry Federation, the main task of the Plan is to promote the modernization of China's petrochemical industry and increase the richness and high-end level of new chemical material products, including four major development trends: strengthening and upgrading petrochemical production capacity, upgrading and perfecting new coal chemical industry, vigorously developing new chemical materials and optimizing and integrating traditional chemical industry. To achieve those objectives, the petrochemical business opportunities in China are expected to grow significantly.

In recent years, China has proposed a number of fiscal and tax incentives to encourage foreign investors to continue to expand their investments. As the termination of the lockdown has stimulated the growth of China's domestic demand and other factors such as the relaxing of rules for foreign investment, Badische Anilin- und Sodafabrik (BASF) has invested in a new integrated petrochemical production site in Zhanjiang; Saudi Basic Industries Corporation (SABIC) and FJPEC have signed a joint venture agreement and established a company for the Gulai Petrochemical complex project, and Saudi Arabian Oil Company (Aramco) is considering reopening its investment in Liaoning.

Meanwhile, to continue the development of enterprises, along with the huge domestic market and the advantage of the ASEAN sales distribution in China, Taiwan's petrochemical industry, such as Formosa Plastics, CHIMEI, GPPC, Taita Chemical, and LCY Group, has been promoting expansion projects in China one after another. China has become the first choice for petrochemical plants to move into overseas operations, and CTCI has been closely following up on these investments.

3. Southeast Asia and India

In addition to the already established markets in Thailand, Malaysia, Vietnam, and India, CTCI will continue to develop and explore other markets with potential for growth, such as Myanmar, Indonesia, the Philippines, and Bangladesh. Southeast Asia and India are high population bonus regions with strong demand for petrochemical raw materials needed for livelihood. Recently, due to the fluctuation of international oil prices and the impact of the US-China trade war, investments by state-owned and private petroleum companies in various countries have been slightly conservative. However, Thailand's refining and petrochemical industry has been highly developed and constructed, and in recent years, it will aim to improve oil products and expand downstream chemical products, and actively develop the application of liquefied natural gas and the construction of natural gas receiving stations. Malaysia will move towards high-value fossilized products. The Indonesia Olefin, Aromatic, and Plastics Industry Association (INAPlas) estimates that new petrochemical plants and ongoing expansion projects will increase Indonesia's petrochemical production capacity by 30-40% over the next 3-5 years. Vietnam has recently focused on the development of gas-fired power plants and the corresponding natural gas receiving stations and gasification facilities, and therefore related construction projects have been launched in succession. Meanwhile, major countries are accelerating the expansion and development of infrastructure, such as providing sufficient power supply in the region, and promoting private power plants and co-generation plants in addition to the existing government-promoted large-scale power plant projects. In addition, under the pressure of improving the quality of life and environmental protection, waste treatment plants have become a key project for countries to actively evaluate, and there are bound to be a lot of potential business opportunities as well. In response to the government's new southward policy, Taiwanese companies are actively setting up factories in Indonesia, India, Thailand, Vietnam, Malaysia, etc. With years of experience in Southeast Asian countries and the resources of local subsidiaries, CTCI is expected to be the best partner for Taiwanese companies in their southward strategy.

In the high-tech sector, Taiwan's OEM brands operating in China have been requested by their European and American clients to establish new production bases and supply chains in countries other than China to avoid the impact of the US boycott on China-- the so-called "China Plus One" strategy--in the past few years. Similarly, due to geopolitical reasons, European and American manufacturers have in recent years requested their Taiwanese partners to find another production base for their high-tech plants in Taiwan, and the trend of "Taiwan Plus One" has gradually emerged. These two factors have jointly driven technology companies to relocate their plants to Southeast Asia and South Asia, which presents business opportunities for construction. In addition to the opportunities in the semiconductor and data center industry chain in Singapore and Malaysia, which is already relatively mature, CTCI is also aware of the potential opportunities in Vietnam and India, where the government has been supporting the development of semiconductor-related industries from the back-end of the packaging and testing process to the front-end of the wafer fab. Again, these are all potential business opportunities for CTCI.

4. Middle East

In 2022, due to the military conflict between Russia and Ukraine and the EU embargo on Russian crude oil, Europe saw a reduction in the import of Russian crude oil. As a result, oil prices have soared, which has benefited the Gulf countries. It is believed that Middle Eastern petrochemical producers may leverage this crisis to promote the sale of petrochemical products to Europe amidst the global economic downturn. At the GPCA forum, Middle Eastern petrochemical producers announced their commitment to the continued development of downstream petrochemical products, given their advantages such as low raw material costs, economies of scale, and significant cash reserves.

Compared to previous weakness, oil prices have gradually risen to a near two-year high, leading to an improvement in the financial situation of state-owned refining and petrochemical companies in the Middle East, which possess abundant oil and natural gas resources. This has driven them to start improving existing refineries and petrochemical plants, as well as previously planned large-scale petrochemical park projects. As long as Middle East's raw material and energy prices remain lower than international levels, Middle Eastern petrochemical producers will continue to maintain a competitive advantage relative to their global peers. Currently, downstream petrochemical products and natural gas expansion are the two major development priorities.

5. The USA

After experiencing the impact of the US-China trade war, lockdown and port congestion due to the pandemic, and the Ukraine-Russia war on raw material supply, chips are now considered a strategic material worldwide, especially by the economic superpower, the United States. To protect and enhance the United States' ability to produce high-tech products independently, President Biden signed the "CHIPS and Science Act" in the second half of 2022. US-based memory chip manufacturers and semiconductor wafer design and manufacturing factories benefited from this bill and proposed long-term investment plans in areas such as Idaho and New York and as a result the semiconductor industry's plans to build fabs in the United States is gaining momentum. Other countries' semiconductor supply chain industries, such as upstream silicon wafer factories, also saw future opportunities and considered investing in the United States to serve their customers. For example, Arizona is now attracting attention as TSMC and Intel invest in the state and drive upstream and downstream industries such as the Taiwanese chemical supply chains to set up factories there. It will be a business opportunity for plant construction in the near future. Responding to the public utility demand from the high-tech factories investing in the United States, the construction opportunities for wastewater treatment, recycled water, and gas separation plants are also a highlight of CTCI's planning in the United States.

In addition to gasoline and diesel fuel, recently, the renewable energy market has been heating up in the United States because major aviation companies have plans to gradually increase the proportion of renewable aviation fuel, which will also be a noteworthy business opportunity for plant construction in the medium to long term.

Furthermore, with the booming development of the electric vehicle industry in the United States, peripheral supply chain companies such as automotive panel manufacturers and battery manufacturers are also planning to build factories near car plants in the United States and North Mexico for geographical convenience.

All of the above-mentioned are potential opportunities in the high-tech industry in North America. CTCI will cooperate with its US subsidiaries to leverage their past experience in building factories in the United States and their experience in high-tech factories in Arizona to seize relevant business opportunities.

■ Intelligent Solutions Business

In the post-pandemic era, in addition to deepening the cooperation within the Group in the instrumentation and control business of domestic and overseas power plants, incineration plants, large petrochemical plants, and water reclamation plants, the Group Intelligent Solutions Business (GISB) focuses on the domestic market in Taiwan, with process instrumentation and control, system integration, intelligent applications, high-end clean room E&M project, and construction development as the main objectives, and actively strives to seek opportunities in the manufacturing industry, transportation industry, and construction industry. The followings are the five major fields of business operation:

1. Process Instrumentation and Control

GISB will deepen the cooperation within the Group and strive to seek business opportunities of the instrumentation and control work in the petrochemical industry, power plants, natural gas receiving stations, water reclamation plants, special chemical plants, waste treatment centers, etc.

2. System Integration

(1) Information and Communication Technology

In response to the government's Forward-Looking Infrastructure Development Program and policies promoting the localization of the railway industry and components, CTCL will utilize the resources of the group to bid for communication construction projects of the metro systems in Taipei, New Taipei City, Taoyuan, and Taichung. In addition to new construction projects, for other targets like maintenance and system revamping, CTCL will also collaborate with strategic partners to bid on projects for high-speed rail system integration and metro communication system revamping. Furthermore, the airport transportation industry has been severely affected by the COVID-19 pandemic, resulting in a significant decline in business. As the pandemic restrictions are gradually lifted and travel volume increases, the transformation toward automation and digitization of the airport is accelerating. CTCL will continue to find hardware and software integration and revamping business opportunities for replacing electromechanical and information and communication systems in various terminals.

(2) Automated Integration

In the past, CTCI has accumulated extensive experience in the project construction of instrument & control, electromechanical and small-scale cleanrooms in petrochemical plants, biotechnology plants, and specific high-tech plants and has built a good reputation among customers. In addition to satisfying existing customers with optimized services, CTCI will seek to expand our business scope by pursuing opportunities to participate in turnkey automation projects for new customers.

3. Smart Applications

(1) Factory Digital Overhaul and Process Optimization Business

CTCI has accumulated years of experience in constructing industrial plants and software development. Meanwhile, CTCI offers digital factory and intelligent modeling solutions to assist traditional industries in upgrading their factories to digital ones. By combining process simulation analysis software with rectification measures, it can effectively enhance the production efficiency of existing factories and reduce the use of raw materials and energy, working with customers on energy-saving plans to reduce carbon emissions.

(2) Intelligent AI Business

CTCI promotes intelligence AI business with engineering design and construction improvement capability together with software development to provide customers with integrated services from on-site improvement to optimization. Likewise, CTCI has successfully developed Mr. AI, an AI application platform, which has already been introduced into enterprise for applications, such as using images, sounds, and other sensory intelligence into data analysis to identify critical equipment abnormalities. CTCI ASI will also develop AI applications for transportation facilities by combining its experience in integrating information and communication of railways in airports.

(3) Automation System in Data Center

Based on the experience of implementing the building management system of the CTCI's second headquarters building, we have combined the technical capability of instrumentation and control with the expertise of information and communication integration and intelligent application, and jointly participated in the Group's bid for the business opportunity of building automation system of data center, which has been recognized by the customer and successfully obtained the contract for the construction. We will continue to expand this business opportunity.

4. Construction Development / Smart Building Business

The scope of CTCT's civil construction projects includes geotechnical engineering such as geological surveys, soil testing and analysis, and soil improvement, as well as civil engineering, transportation engineering planning, design, and supervision. Besides, we are also engaged in smart projects such as smart buildings and smart parks. Under the government's continuous promotion of urban renewal policies, we are gearing up for rebuilding projects for old and dangerous buildings, and the construction and development of national residences and parks.

5. Civil Construction and Clean Room E&M Projects for Hi-Tech Plants

CTCI has obtained the civil construction work of data center and will continue to develop the new business of semiconductor and electrochemical high tech plants along with the clean room and system integration business. In addition to the clean room E&M projects for hi-tech plants, CTCI will continue to seek business opportunities in the integration of clean room water vaporization systems for high-tech plants.

■ **Resource Cycling Business**

1. Waste Management

Domestically, in addition to maintaining existing business, CTCI has begun to invest in supporting the trial operation, and O&M projects for the later stages of the construction of the Taoyuan Biomass Energy Center, the EIA project of the Changhua Coastal Industrial Park Resource Treatment Center. Furthermore, in conjunction with the government's incinerator renovation extension and diversified waste treatment plans, CTCI will continue to combine the engineering resources within the Group to actively compete for government contracts and participate in investment and O&M projects. As for overseas operations, CTCI focuses on the ASEAN region, China, and India as priority business development areas. CTCI will work with the Group to replicate the successful BOT/BOO investment projects and operation model and mature O&M (including ROT) capabilities abroad.

2. Recycling

Along with the stable operation of waste solvent recycling, CTCI will strive for more materials sources and improve overall operational efficiency under the newly obtained cases and general case reuse permits as well as the continuous expansion of high-tech industry capacity. In terms of water resources, CTCI will introduce the implementing O&M experience of water resources plants and participate in the operation of reclaimed water projects under construction and to be launched by the Group. Together with the

Group's project resources, CTCI will shoot for the subsequent investment and O&M work in new projects such as government reclaimed water, seawater desalination, etc. As for other recycling projects, CTCI will pursue research in various industrial markets, integrate domestic and foreign technical resources, and exploit projects with investment benefits.

3. Renewable Energy

For the domestic solar photovoltaic sector, other than maintaining the stable operation of existing projects, CTCI will also devote itself to implementing new projects' scheduled commercial operations. Given the consistent government policy, there will still be a considerable amount of new capacity to be released in the future. Therefore, CTCI will persist in exploiting potential projects and government bids, including large-scale projects, as well as strive for O&M service of the external case as it does at the moment. Furthermore, CTCI also vigorously develops innovative market business models in response to business opportunities arising from the liberalization of the electricity industry, deregulation, and corporate green power demand. In respect of the foreign sector, apart from maintaining the solid operation of the photovoltaic field in the US, CTCI will take advantage of the favorable dynamics created by the recently passed Inflation Reduction Act and the increase of investment tax credits to expand our assessment of investment opportunities in this market, while also exploiting more business opportunities in other countries and regions.

4. E&M Maintenance

Apart from the maintenance of the environmental control facilities of the existing MRT system, CTCI also extend the maintenance of the public system of the high-tech plants and the expansion of the solvent recovery system of the international semi-conductor plants. In the future, in addition to the E&M maintenance of existing transportation plants, we will also expand the high value-added high-tech related maintenance projects.

IV. Future Development Strategy

Since 2020, CTCI's new contract volume has reached one record high after another and continues to reach an all-time high of over \$100 billion, and is expected to continue to grow in the future. With the support of business growth, revenue and earnings are expected to recover from the downturn in 2020 and 2021 and gather momentum for a leap forward. As we prepare for growth, CTCI has also developed several sound medium- and long-term strategies and plans to cope with challenges and uncertainties in the market.

■ **Grasping ESG Opportunities, Enhancing Green Engineering, and Practicing Sustainability with Our Core Competencies**

With the signing of the Paris Climate Agreement, governments, industries, and even investors around the world are increasingly focusing on the development of environmental-related industries, and the awareness and commitment to environmental issues have also increased significantly. Forty countries, including the United States, the United Kingdom and members of the European Union, have agreed to accelerate investments in green energy technologies through policy-driven measures that are estimated to bring more than US\$16 trillion in business opportunities to emerging economies and developed countries.

Apart from internalizing ESG into our corporate DNA, CTCI is also committed to linking our engineering business with ESG and actively expanding the effectiveness of implementing ESG.

1. Expanding Engagement in Green, Low-Carbon, and Environmental-friendly Projects

Following the global net-zero trend and the huge business opportunities arising from Taiwan's energy transformation policy, CTCI has sound planning in the field of green and low-carbon projects, such as natural gas receiving stations, natural gas power plants, power generation from waste incineration, and water resources systems, etc., and has already become the leading domestic engineering, procurement, and construction (EPC) services provider in terms of market share. In recent years, CTCI has branched out into the renewable field such as solar power and off-shore wind energy, producing a total capacity of nearly 140MW, and has also broaden our business operations to international markets such as the United States. In the wind power market, we have also completed orders for the underwater foundation transfer section of the Yunneng's offshore wind farm and the underwater pile projects for the offshore wind farms in Zhongneng, Changfang and Xidao, continuously enhancing our core technologies and production capabilities to help the government achieve its goal of localizing the offshore wind power industry. These construction contracts also go to show that the core competencies of CTCI are closely related to new technologies and customers' demands. Hence, as we closely research and develop new technologies related to green energy, low carbon and environmental protection in the future, such as hydrogen energy and carbon capture, we hope to take the lead in the near future.

2. Strengthening the Planning of the Circular Economy

Before the term "circular economy" was widely known in Taiwan, CTCI has been working on "waste-to-energy" projects. The first large-scale waste incineration plant in Taiwan designed and built by Taiwanese designers and architectures was the work of CTCI. After turning waste into energy, CTCI focuses on resource transformation by using value-added treatment technology to turn waste into resources and return it to the market. The fact that we have already invested in the fields of water reclamation and waste solvent recycling is an indication of Taiwan's abundant technological capabilities. In line with the promotion of the concept of emission reduction and circular economy, setting up zero-waste centers in technology and industrial parks has become a trend, and in the future, it is expected that the global circular economy business opportunities will become more and more lucrative.

3. Increasing Green Investments to Build Long-term Stable Profit Growth

Environmental-related projects are about people's daily lives, and to expand production capacity and quality, there is a trend for governments around the world to shift these types of projects to the BOT/BOO model, where the participating companies are responsible for investment, construction, and operation. CTCI group has deep roots in incinerators field and continue to strengthen layouts. In order to solve the issue of water shortage caused by environmental change, the Taiwan government expects to complete 11 water reclamation plants from 2019 to 2026, and the 5 water reclamation plants that have not been contracted yet are expected to be launched mainly under the BOT/BOO model, while the planned desalination plants, such as the Tainan and Hsinchu desalination plants, have passed the environmental review by experts during EIA and are going through further evaluation for the possibility of cooperation with the private sector under the Promotion of Participation Act. Furthermore, since the EIA requirements have gradually included the proportion of recycled water used in factories and plants, the construction of wastewater treatment and reuse plants for high-tech industries in the science parks, along with long-term operational services, will also become a future trend.

Starting from plant construction, CTCI actively engages in investment and operation, expanding our business scope upstream and downstream to provide total solutions for the complete life cycle of investment/development/construction/operation. Besides the technical advantages of the plant construction capability, sufficient capital is also an excellent condition for competing for relevant construction projects. We expect to build a diversified and profitable portfolio with long-term and stable operation business to make the Group's overall revenue portfolio more stable.

4. Developing Green Engineering Technologies

During the design and construction of plants for customers, CTCI incorporates "green technology" throughout the entire lifecycle of the construction project to reduce environmental impact. This includes optimizing construction methods to minimize carbon footprint by using energy-saving lighting fixtures, machinery, and processes with higher efficiency that conserve water and electricity. Through the application of green technology, from 2019 to 2021, CTCI's projects have saved an equivalent of 11.7 million tons of CO₂ emissions in electricity consumption - roughly equivalent to the annual carbon absorption capacity of 30,000 Daan Forest Parks - as well as other achievements such as reducing waste and recycling. These outstanding and remarkable achievements not only save costs but also provide a competitive advantage over competitors while creating a win-win situation for customers engaging in ESG.

■ **Prospering in the High-Technology Engineering Field and Exploring Global Supply Chain Opportunities**

At the end of 2020, CTCI established a high-tech facilities engineering division. Although it is a relative latecomer in the high-tech field, CTCI has achieved rapid results in a short period of time thanks to its solid engineering expertise, and has been favored by large customers in both the United States and Taiwan. In the future, we will focus on five major areas, including semiconductors, communications (data center), photovoltaics, precision monitoring, and computer peripherals, to build long-term and strong momentum for CTCI to thrive. We will also enhance our high-technology business capabilities to provide the best professional services to our global customers.

In the domestic market, unlike existing peer companies that focus on a single project (civil/structural/building main system CSA or general MEP), we take advantage of our strengths in providing integrated services in various fields and we are the only engineering company in Taiwan that can provide turnkey services for high-tech plants.

In terms of overseas markets, as the opportunities for Taiwanese companies to invest and set up plants overseas are increasing, we are the domestic company with the most extensive experience and professional capabilities in overseas engineering contracting. Combined with the local resources of our overseas offices, we can provide the best services to Taiwanese companies to invest and set up plants overseas, which is our irreplaceable advantage.

■ Technology and Service Upgrading

In recent years, international political and economic dynamics has changed rapidly. With geopolitical tensions rising, the confrontation between the United States and China, along with the outbreak of the Russia-Ukraine War, has further intensified this trend and systemic risks in supply chain restructuring. Through digitalization and AI intelligence, the processing time can be shortened and quality management can be stabilized to effectively address resource constraints in response to rapid growth in resource demand.

1. From Traditional EPC to iEPC with Intelligent Technology

iEPC is an innovative and intelligent engineering platform built by CTCL under research and development for many years. By introducing AI into traditional EPC projects, EPC becomes iEPC with intelligent technology, which automatically connects the changes and updates of each independent phase during the process of each project. For example, we integrate digital technology into the workflow, digitizing and automating the workflow and physical objects into a platform to link and integrate data, using a technology called knowledge mapping.

In the execution phase of iEPC projects, from design, procurement, and construction to project management, CTCL links plant data in 1D, photo files in 2D, and 3D models with each other. For instance, the quantity of materials in the plant can be projected from the beginning of design, and any changes in the design quantity will be immediately shared with project managers for procurement and construction and make adjustments as soon as possible, benefiting from the results of data linkage. Moreover, there are many technologies incorporated into iEPC. For example, we use AI image recognition technology to identify the number of valves and instruments on the P&ID. In the past, these labor-intensive works are done by humans, but now with the help of AI, engineers only have to do the final verification. We have applied Robotic Process Automation (RPA) to assist in the highly repetitive manual input, calculation, and analysis work, which are highly repetitive and time-consuming. We have developed a cleaning robot to assist in the inspection and cleaning of natural gas pipes. These are the achievements of CTCL's long-term R&D efforts in iEPC. With the continuous introduction of various high-tech applications, we expect the workflow to be optimized with faster, better, more accurate, and more competitive project execution.

2. From iEPC to Digital Twin Technology

In recent years, CTCI has continued to develop Digital Twin technology based on its existing iEPC platform and expertise. This aims to integrate engineering execution from intelligence towards virtual-real integration. Simultaneously, we extend the service scope to the subsequent operation and maintenance, successfully establishing a digital one-stop service for the entire project lifecycle and maximizing project effectiveness.

The so-called Digital Twin technology is to build a 3D virtual plant while undergoing the construction of the physical plant. By using CTCI's iEPC platform, the 3D model is linked with the plant design, procurement, and construction data to achieve the purpose of integrating the virtual and reality. Thus, this allows customers to view the detailed design of the plant in advance during the construction process, reducing the maintenance cost of future operations and providing the best service experience. After the plant is completed, CTCI will deliver the virtual plant by a digital handover, and provides various value-added system services such as digital operation and maintenance, allowing the customer's maintenance and operation system to be linked with the virtual plant, making the subsequent operation and maintenance more intuitive and convenient, and showing significant benefits in terms of error reduction and cost saving.

Unlike other companies in the market that provide similar functions, CTCI's Digital Twin service is different because we participated from the very beginning of the project and has complete information about the entire process design, equipment specifications, and other plant construction information, which can be transferred to the owner upon completion of the new plant. By linking the Digital O&M technology, customers can operate and maintain the entire plant more efficiently, bringing value to customers, which is an irreplaceable and competitive advantage of CTCI.

3. Developing iManagement to Promote Intelligent Logistics

Continuing the excellent achievements of iEPC and Digital Twin, in order to expand the unique advantages of intelligence and digitization, we also started the development of iManagement platform system this year, hoping to reduce the repetitive labor work for the logistics units through automation, digitization, and cross-system linkage. Employees would benefit from the system, which helps them manage their day-to-day business in a systematic and intelligent way and have more energy and creativity to work on tasks of greater importance. Currently, we are executing the intelligent transformation of the logistics service management, and such implementation will be extended to all units of the Group to expand the effectiveness of

intelligentization and increase competitiveness, assisting the Group to provide value-oriented services for customers.

4. Robotic Process Automation (RPA) and Robots Applications

(1) RPA(Robotic Process Automation)

Digitalization and process automation are the key steps towards intelligentization for CTCI. Through computer calculations, RPA process automation technology is used to digitize data that previously relied on manual input and maintenance. This not only frees employees from repetitive work but also creates more value for the company through advanced digital data applications. We have introduced RPA into daily accounting tasks, successfully reducing Internet banking receipt posting and payment uploading, accounts receivable reconciliation, overseas invoices printing, etc., effectively saving 40-67% of daily operation time. We are also evaluating the possibility of applying it to repetitive operations in other areas of the Group to improve cross-departmental operational efficiency.

(2) Robots Applications (Pipeline Cleaning Robot)

By enhancing the cleaning capability and developing the movement and imaging capability, the pipeline cleaning robots developed by CTCI can effectively and quickly deal with the welding slag remaining inside the pipeline, thus improving engineering efficiency and reducing construction costs.

5. Developing of New Techniques (Modularization), Expanding Flexibility

The construction work on site is the most difficult and challenging part of the turnkey project due to the cultural, environmental, and climatic issues. Modular construction is a method that is based on the concept of building block assembly, which is prefabricated in a plant and then transported to the site for assembly. Such a method has the advantages of a short construction period, high construction efficiency, good quality control, and higher construction safety, which effectively overcomes the problems of labor shortage and bad climate in the process of construction, and will become an important development trend of future on-site construction.

CTCI has recently completed a 1.1 million tons MEG turnkey project for Gulf Coast Growth Ventures (GCGV) in the US, which is the world's largest modular onshore project. During the execution phase, the project spanned six locations including Taiwan, the United States, China, Mexico, India, and Malaysia. After prefabrication, the five modules with a total weight of nearly 40,000 tons were shipped through the Cape of Good Hope Strait and the Panama Canal to the construction site in the U.S. for assembly, which result in the decrease of the project cost by 20% and the decrease of 30% construction time comparing with executed in U.S. site. CTCI has

successfully expanded its experience in modularizing equipment to modularizing entire plants, setting a new record for Taiwan's innovative project execution on the international stage, which is highly significant.

For plant construction projects with difficult conditions, modular technology provides customers with more cost-effective solutions and expands the flexibility of bidding and thereby enhancing the competitiveness in obtaining different types of projects.

■ **Cultivating Diversified International Talents, Utilizing Human Resources without Borders**

The cultivation of talent is crucial to the competitiveness of companies. Over the years, CTCI has completed numerous challenging projects around the world, and every team member is crucial to CTCI's innovative growth. For a company to operate sustainably, besides the great efforts dedicated by each colleague in their respective positions, it is more important to accumulate wisdom and pass on professional experience so that each member can continue to grow through learning, building a stronger team capable of competing internationally.

CTCI is an international EPC services provider with over 40 locations established in more than 10 countries worldwide. The total number of employees in the Group is about 7,000 people, with approximately 2,000 overseas employees. Over the years, CTCI realized the importance of global resource utilization. Therefore, we have been cultivated skillful engineering teams for subsidiaries located in China, Vietnam, Thailand, India, Indonesia and the United States. These overseas "small CTCIs" can act as local bridges, not only to assist in local procurement, researching local regulations, and grasping local business opportunities. Also, through the use of global human resources and cross-border cooperation, we are able to expand the Group's overall engineering capacity to meet the growing demand for manpower.

Even good talents require continuous learning for improvement, and education is the only way to achieve this goal. Many years ago, CTCI has already digitalized all the internal training, and these courses are available in English and Chinese to facilitate sharing among colleagues around the world. Thus, colleagues around the world can continue to learn and improve through their own "CTCI University." In 2021, with the successful experience of the "CTCI University" digital education platform and CTCI has launched the "CTCI Learning" online learning platform, which open hundreds of engineering courses to the public and related academic institutions for free. CTCI hopes to pass on our professional engineering knowledge and experience in order to enhance the technology and knowledge of the engineering industry in Taiwan.

In addition, CTCI continues to cooperate with industry and academia and strengthen its own R&D capabilities. For example, we have developed desalination system technology, high-tech

plant engineering guidelines, packaged equipment technology, refrigerated storage tank technology, hazardous area classification and explosion-proof level selection, etc. We have also strengthened our design and review capabilities, and updated and established new guidelines and specifications. Furthermore, we organize workshops and training courses to improve the design ability, quality and efficiency of engineers and strengthen the ability of EPC project execution, allowing the professional technology to immediately respond to the rapid changes in the market and making project execution faster, better, more accurate and more competitive.

■ **Green Commitment and Practice**

Through promoting the concept of "Fulfilling Net Zero EPC Mission through ESG Engagement of All Members," CTCI's senior managers have lead all the staff to contribute to sustainable development through the four core competencies of "green engineering," "smart plant," "circular economy," and "iEPC."

In 2021, CTCI participated in the establishment of the "Taiwan Alliance for Net Zero Emission" and the "Association of Taiwan Net Zero Emissions," and committed to achieving the goal of net zero in office premises by 2030 and in both office and production premises by 2050. In addition, CTCI is also promoting the "Zero EPC" initiative for turnkey plant construction, working together with partners in the global supply chain to implement sustainability, leading the engineering industry towards sustainable development, as well as continuing to focus on carbon reduction issues such as carbon capture and hydrogen energy, to seize the huge business opportunities from net-zero transformation.

In 2022, CTCI further joined the "Science-Based Targets Initiative (SBTi)" and pledged to set a "1.5°C target" for carbon reduction to accelerate the achievement of net-zero carbon emissions by 2050. At the "Forum on Sustainability and Net-Zero Leaders," Chairman John T. Yu led the senior managers to pledge to implement the zero goal on behalf of all members, hoping to join hands with customers worldwide and supply chain partners to head towards the path of sustainability.

By integrating various strategies in engineering technology and management and upholding the concept of "Fulfilling Net Zero EPC Mission through ESG Engagement of All Members," CTCI continues to implement ESG in its core engineering business and strives to become a trustworthy company for stakeholders such as shareholders, customers, vendors, and employees. By doing so, CTCI hopes to enhance the recognition and loyalty of employees worldwide with this corporate culture, steadily achieving the vision of becoming "the most trustworthy global engineering service team."



INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of CTCI Corporation

Opinion

We have audited the accompanying consolidated balance sheets of CTCI Corporation and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:



Valuation of work completed

Description

Refer to Note 4(34) for accounting policy on revenue recognition, Note 5(2) for significant accounting estimates and assumptions, and Note 6(27) for details of construction revenue.

The Group recognized revenue and profit by using the percentage of completion method, which is the same method used to calculate the cost during the construction period. The percentage of completion will be calculated based on the actual cost as of the financial period-end in proportion to the estimated total contract cost. As a result of possible inaccuracy arising from estimated total cost which involves accounting estimates, and since the estimated total contract cost will affect the recognition of work completed and construction revenue, we included this as the key areas of focus for this fiscal year's audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding of the internal working procedures of evaluating estimated total cost and selected samples of estimated total cost on material construction to assess the consistency of valuation working flow and internal working procedures.
- B. Selected samples of estimated total cost which was approved by the project management department, including supplementary works as well as construction changes, and the related supporting documents of significant constructions.
- C. Obtained the details of current costs and expenses, performed related statistical procedures, including selecting current costs incurred and tracing them to related vouchers and confirming whether the current input costs have been accounted for appropriately.



Other matter – Reference to the audits of other auditors

The financial statements of certain subsidiaries and investments accounted for under the equity method were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and investments accounted for under the equity method, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for under the equity method included in the Group's consolidated financial statements amounted to NT\$12,346,448 thousand and NT\$6,829,940 thousand, constituting 13.20% and 7.81% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and the comprehensive loss recognized from these subsidiaries and investments accounted for under the equity method amounted to (NT\$103,883) thousand and (NT\$1,312,534) thousand, constituting (3.96%) and (45.46%) of the consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of CTCI Corporation as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.



Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in black ink, reading 'Weng Shih-Jung'.

Weng, Shih-Jung

A handwritten signature in black ink, reading 'Yi-Fan Lin'.

Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 7, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 21,209,400	23	\$ 21,399,753	25
1110	Financial assets at fair value through profit or loss - current	6(2)	3,905,400	4	4,209,688	5
1120	Financial assets at fair value through other comprehensive income - current	6(3)	346,019	-	423,044	-
1136	Financial assets at amortized cost - current	6(4)	418,483	1	3,023,582	3
1140	Contract assets - current	6(27) and 7	20,522,469	22	18,280,978	21
1150	Notes receivable, net	6(5)	27,383	-	39,546	-
1170	Accounts receivable, net	6(5)	12,943,690	14	8,440,398	10
1180	Accounts receivable - related parties	7	546,660	1	895,847	1
1200	Other receivables		290,849	-	184,519	-
1210	Other receivables - related parties	7	18,408	-	30,271	-
1220	Current income tax assets		262,369	-	235,544	-
130X	Inventories		201,541	-	162,718	-
1410	Prepayments	6(6)	3,956,657	4	3,523,013	4
1460	Non-current assets or disposal groups classified as held for sale, net	6(7)	-	-	475,759	1
1470	Other current assets	6(17)	793,024	1	-	-
11XX	Total current assets		65,442,352	70	61,324,660	70
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	828,716	1	1,665,826	2
1535	Financial assets at amortized cost - non-current	6(4) and 8	203,131	-	51,600	-
1550	Investments accounted for using equity method	6(8)	2,712,951	3	2,207,214	3
1600	Property, plant and equipment, net	6(9) and 8	16,783,393	18	16,127,549	18
1755	Right-of-use assets	6(10)	642,512	1	440,752	1
1760	Investment property, net	6(11) and 8	949,499	1	876,169	1
1780	Intangible assets	6(12)	1,079,984	1	1,078,217	1
1840	Deferred income tax assets		1,280,421	1	942,905	1
1900	Other non-current assets	6(13) and 8	3,636,396	4	2,709,813	3
15XX	Total non-current assets		28,117,003	30	26,100,045	30
1XXX	Total assets		\$ 93,559,355	100	\$ 87,424,705	100

(Continued)

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(14)	\$ 5,495,679	6	\$ 4,374,260	5
2110	Short-term notes and bills payable		-	-	39,969	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	73,486	-	34,253	-
2130	Contract liabilities - current	6(27) and 7	25,120,244	27	23,832,631	27
2150	Notes payable		9,827	-	5,783	-
2170	Accounts payable	6(15)	19,040,004	21	15,737,842	18
2180	Accounts payable - related parties	7	79,886	-	8,877	-
2200	Other payables	6(16)	2,856,833	3	3,139,099	4
2220	Other payables - related parties	7	1,591	-	1,855	-
2230	Current income tax liabilities		598,503	1	508,294	-
2280	Current lease liabilities	7	241,577	-	170,259	-
2320	Long-term liabilities, current portion	6(19)	215,529	-	109,676	-
2399	Other current liabilities	6(17)	89,748	-	616,868	1
21XX	Total current liabilities		<u>53,822,907</u>	<u>58</u>	<u>48,579,666</u>	<u>55</u>
	Non-current liabilities					
2527	Non-current contract liabilities	6(27)	711,552	1	888,190	1
2530	Bonds payable	6(18)	10,884,182	12	10,878,316	13
2540	Long-term borrowings	6(19)	3,825,979	4	4,146,193	5
2570	Deferred income tax liabilities		238,773	-	206,423	-
2580	Non-current lease liabilities	7	374,449	-	254,113	-
2600	Other non-current liabilities	6(20)	1,869,466	2	1,910,939	2
25XX	Total non-current liabilities		<u>17,904,401</u>	<u>19</u>	<u>18,284,174</u>	<u>21</u>
2XXX	Total liabilities		<u>71,727,308</u>	<u>77</u>	<u>66,863,840</u>	<u>76</u>
	Equity attributable to owners of parent					
	Share capital	6(24)				
3110	Common stock		7,906,825	8	7,638,637	9
3170	Share capital awaiting retirement		(1,742)	-	-	-
	Capital surplus	6(25)				
3200	Capital surplus		5,058,003	5	4,225,401	4
	Retained earnings	6(26)				
3310	Legal reserve		2,636,785	3	2,486,099	3
3320	Special reserve		757,109	1	1,178,685	1
3350	Unappropriated retained earnings		2,468,440	2	1,505,187	2
	Other equity interest					
3400	Other equity interest		(1,387,062)	(1)	(441,601)	-
3500	Treasury stocks	6(24)	(11,853)	-	(11,853)	-
31XX	Equity attributable to owners of the parent		<u>17,426,505</u>	<u>18</u>	<u>16,580,555</u>	<u>19</u>
36XX	Non-controlling interests	4(3)	<u>4,405,542</u>	<u>5</u>	<u>3,980,310</u>	<u>5</u>
3XXX	Total equity		<u>21,832,047</u>	<u>23</u>	<u>20,560,865</u>	<u>24</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 93,559,355</u>	<u>100</u>	<u>\$ 87,424,705</u>	<u>100</u>

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

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNT)

			Year ended December 31			
	Items	Notes	2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(27) and 7	\$ 95,100,568	100	\$ 70,540,414	100
5000	Operating costs	6(32)(33) and 7	(89,720,344)	(94)	(66,538,507)	(94)
5900	Gross Profit		5,380,224	6	4,001,907	6
	Operating expenses	6(32)(33)				
6200	General and administrative expenses		(1,698,266)	(2)	(1,701,661)	(3)
6300	Research and development expenses		(136,925)	-	(124,999)	-
6000	Total operating expenses		(1,835,191)	(2)	(1,826,660)	(3)
6900	Operating income		3,545,033	4	2,175,247	3
	Non-operating income and expenses					
7100	Interest income	6(28)	150,914	-	99,986	-
7010	Other income	6(29)	381,587	-	239,548	-
7020	Other losses and gains	6(30)	(37,445)	-	573,977	1
7050	Finance costs	6(31)	(322,988)	-	(277,472)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(8)	250,342	-	222,242	-
7000	Total non-operating income and expenses		422,410	-	858,281	1
7900	Profit before income tax		3,967,443	4	3,033,528	4
7950	Income tax expense	6(34)	(697,366)	-	(630,517)	(1)
8200	Profit for the year		\$ 3,270,077	4	\$ 2,403,011	3
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gains on defined benefit plans	6(21)	\$ 119,884	-	\$ 92,979	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(911,874)	(1)	333,816	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(34)	(24,130)	-	(18,616)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Cumulative translation differences of foreign operations		170,780	-	76,314	-
8300	Total other comprehensive (loss) income for the year		(\$ 645,340)	(1)	\$ 484,493	1
8500	Total comprehensive income for the year		\$ 2,624,737	3	\$ 2,887,504	4
	Profit attributable to:					
8610	Owners of the parent		\$ 2,379,298	3	\$ 1,642,175	2
8620	Non-controlling interest		890,779	1	760,836	1
	Total		\$ 3,270,077	4	\$ 2,403,011	3
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 1,665,505	2	\$ 2,126,986	3
8720	Non-controlling interest		959,232	1	760,518	1
	Total		\$ 2,624,737	3	\$ 2,887,504	4
9750	Basic earnings per share (in NT dollars)	6(35)	\$ 3.07		\$ 2.15	
9850	Diluted earnings per share (in NT dollars)	6(35)	\$ 3.03		\$ 2.15	

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

CTCI 2023 Annual General Shareholders' Meeting

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent													
		Capital		Retained Earnings				Other Equity Interest							
			Share capital awaiting retirement	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Other equity, others	Treasury stocks	Total	Non-controlling interests	Total equity
Notes	Common stock														
<u>Year ended December 31, 2021</u>															
	\$ 7,633,599	\$ -	\$ 4,077,689	\$ 3,278,010	\$ 1,180,439	\$ 733,054	(\$ 271,317)	(\$ 843,263)	\$ 51,181	\$ -	(\$ 11,835)	\$ 15,827,557	\$ 3,206,680	\$ 19,034,237	
Balance at January 1, 2021															
Profit for the year	-	-	-	-	-	1,642,175	-	-	-	-	-	1,642,175	760,836	2,403,011	
Other comprehensive income (loss)	-	-	-	-	-	68,189	91,702	324,920	-	-	-	484,811	(318)	484,493	
Total comprehensive income	-	-	-	-	-	1,710,364	91,702	324,920	-	-	-	2,126,986	760,518	2,887,504	
Appropriations of 2020 earnings															
Legal reserve	-	-	-	73,305	-	(73,305)	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	(1,754)	1,754	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	(865,216)	-	(661,504)	-	-	-	-	-	(1,526,720)	(540,128)	(2,066,848)	
Employee stock options exercised 6(24)(25)	5,038	-	14,495	-	-	-	-	-	-	-	-	19,533	-	19,533	
Employee stock options exercised 6(25) by subsidiary	-	-	28,621	-	-	-	-	-	-	-	(18)	28,603	47,733	76,336	
Share-based payment transactions 6(25)	-	-	104,596	-	-	-	-	-	-	-	-	104,596	15,507	120,103	
Disposal of investments in equity instruments designated at fair value through other comprehensive income 6(3)	-	-	-	-	-	(205,176)	-	205,176	-	-	-	-	-	-	
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	490,000	490,000	
Balance at December 31, 2021	\$ 7,638,637	\$ -	\$ 4,225,401	\$ 2,486,099	\$ 1,178,685	\$ 1,505,187	(\$ 179,615)	(\$ 313,167)	\$ 51,181	\$ -	(\$ 11,853)	\$ 16,580,555	\$ 3,980,310	\$ 20,560,865	
<u>Year ended December 31, 2022</u>															
	\$ 7,638,637	\$ -	\$ 4,225,401	\$ 2,486,099	\$ 1,178,685	\$ 1,505,187	(\$ 179,615)	(\$ 313,167)	\$ 51,181	\$ -	(\$ 11,853)	\$ 16,580,555	\$ 3,980,310	\$ 20,560,865	
Balance at January 1, 2022															
Profit for the year	-	-	-	-	-	2,379,298	-	-	-	-	-	2,379,298	890,779	3,270,077	
Other comprehensive income (loss)	-	-	-	-	-	92,677	137,357	(943,827)	-	-	-	(713,793)	68,453	(645,340)	
Total comprehensive income (loss)	-	-	-	-	-	2,471,975	137,357	(943,827)	-	-	-	1,665,505	959,232	2,624,737	
Appropriations of 2021 earnings 6(26)															
Legal reserve	-	-	-	150,686	-	(150,686)	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	(421,576)	421,576	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	-	(1,776,078)	-	-	-	-	-	(1,776,078)	(629,101)	(2,405,179)	
Employee stock options exercised 6(24)(25)	216,429	-	584,918	-	-	-	-	-	-	-	-	801,347	-	801,347	
Employee stock options exercised 6(25) by subsidiary	-	-	50,655	-	-	-	-	-	-	-	-	50,655	86,329	136,984	
Share-based payment transactions 6(25)	-	-	38,577	-	-	-	-	-	-	-	-	38,577	8,075	46,652	
Restricted stock 6(25)	51,759	(1,742)	130,621	-	-	1,016	-	-	-	(138,991)	-	42,663	4,625	47,288	
Recognition of change in equity of associates from not acquiring shares in portion to the Group's ownership	-	-	27,831	-	-	-	-	-	-	-	-	27,831	12,159	39,990	
Non-controlling interests	-	-	-	-	-	(4,550)	-	-	-	-	-	(4,550)	(16,087)	(20,637)	
Balance at December 31, 2022	\$ 7,906,825	(\$ 1,742)	\$ 5,058,003	\$ 2,636,785	\$ 757,109	\$ 2,468,440	(\$ 42,258)	(\$ 1,256,994)	\$ 51,181	(\$ 138,991)	(\$ 11,853)	\$ 17,426,505	\$ 4,405,542	\$ 21,832,047	

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

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 3,967,443	\$ 3,033,528
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on valuation of financial assets	6(30)	87,697	(427,553)
Gain on disposal of property, plant and equipment	6(30)	(21,313)	(84,183)
Loss (gain) on disposal of non-current assets held for sale	6(30)	39,062	(357,531)
Loss on lease modification	6(30)	336	960
Share of profit of associates and joint ventures accounted for under equity method	6(8)	(250,342)	(222,242)
Depreciation	6(32)	965,255	994,177
Depreciation charge on investment property	6(30)	2,187	-
Amortization	6(32)	194,194	155,000
Expected credit (gain) loss	12(2)	(3,557)	37,484
Interest income	6(28)	(150,914)	(99,986)
Dividend income	6(29)	(262,276)	(42,584)
Interest expense	6(31)	322,988	277,472
Compensation costs for employee stock options	6(33)	46,652	120,103
Compensation costs for restricted stock	6(33)	47,288	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		154,945	572,250
Contract assets - current	(	2,241,491)	(185,010)
Notes receivable		12,163	(20,302)
Accounts receivable	(	4,499,735)	(2,508,746)
Accounts receivable - related parties		349,187	(806,702)
Other receivables		63,688	9,082
Inventories	(	38,823)	(10,018)
Prepayments	(	433,644)	(954,376)
Other current assets	(	793,024)	939,579
Other non-current assets	(	616,122)	(1,486)
Changes in operating liabilities			
Contract liabilities - current		1,287,613	9,336,897
Notes payable		4,044	(1,789)
Accounts payable		3,302,162	4,495,848
Accounts payable - related parties		71,009	(158,020)
Other payables	(	335,989)	759,661
Other payables - related parties	(	264)	1,855
Other current liabilities	(	527,120)	536,126
Other non-current liabilities	(	173,262)	(191,152)
Cash inflow generated from operations		570,037	15,198,342
Interest received		160,741	69,856
Dividends received		385,097	163,451
Income tax refund		45,496	144,931
Interest paid	(	265,232)	(255,816)
Income tax paid	(	813,830)	(756,277)
Net cash flows from operating activities		82,309	14,564,487

(Continued)

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income - current		\$ -	\$ 10,161
Proceeds from disposal (acquisition) of financial assets at amortized cost		2,453,568	(2,059,350)
Decrease in other receivables - related parties		11,863	3,389
Proceeds from disposal of financial assets at fair value through other comprehensive income - non-current		2,261	147,314
Increase in investments accounted for using equity method	6(8)	(330,000)	(112,500)
Proceeds from disposal of non-current assets held for sale		205,177	624,839
Acquisition of property, plant and equipment	6(36)	(1,294,471)	(2,514,384)
Proceeds from disposal of property, plant and equipment	6(36)	64,922	55,844
Prepayments for engineering equipment		(207,230)	(447,044)
Increase in intangible assets	6(12)	(38,293)	(54,970)
Decrease in refundable deposits		122,840	8,908
Increase in other non-current assets		(92,423)	(67,241)
Prepayments for land		(475,380)	-
Net cash flows from (used in) investing activities		422,834	(4,405,034)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings		1,121,419	(1,035,304)
Decrease in short-term notes and bills payable		(39,969)	(107,956)
Decrease in lease liabilities		(265,395)	(217,167)
Increase in deposits received (recognized in other non-current liabilities)		131,790	50,914
Increase in long-term borrowings		-	107,747
Decrease in long-term borrowings		(214,361)	(1,414,942)
Issuance of bonds payable		-	1,887,324
Proceeds from employee stock options exercised		990,381	123,695
Cash dividends paid	6(36)	(2,405,179)	(2,066,848)
(Decrease) increase in non-controlling interests		(14,182)	490,000
Net cash flows used in financing activities		(695,496)	(2,182,537)
Net (decrease) increase in cash and cash equivalents		(190,353)	7,976,916
Cash and cash equivalents at beginning of year		21,399,753	13,422,837
Cash and cash equivalents at end of year		\$ 21,209,400	\$ 21,399,753

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



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of CTCI Corporation

Opinion

We have audited the accompanying parent company only balance sheets of CTCI Corporation (the “Company”) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Valuation of work completed

Description

Refer to Note 4(28) for accounting policy on revenue recognition, Note 5(2) for significant accounting estimates and assumptions, and Note 6(24) for details of construction revenue.

The Company recognized revenue and profit by using the percentage of completion method, which is the same method used to calculate the cost during the construction period. The percentage of completion is calculated based on the actual cost as of the financial period-end in proportion to the estimated total contract cost. As a result of possible inaccuracy arising from the estimation of total cost which involves accounting estimates, and since the estimated total contract cost affects the recognition of work completed and construction revenue, we considered this as the key areas of focus for this fiscal year's audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the internal working procedures of evaluating estimated total cost and selected samples of estimated total cost on material construction to assess the consistency of valuation working flow and internal working procedures.
2. Selected samples of estimated total cost which was approved by the project management department, including supplementary works as well as construction changes, and the related supporting documents of significant constructions.
3. Obtained the details of current costs and expenses, performed related statistical procedures, including selecting current costs incurred and tracing them to related vouchers, and confirmed whether the current input costs have been accounted for appropriately.



Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to \$1,437,713 thousand and (\$699,888) thousand, constituting 2.60% and (1.26%) of the parent company only total assets as at December 31, 2022 and 2021, respectively, and the comprehensive loss recognized from associates and joint ventures accounted for under the equity method amounted to (\$109,272) thousand and (\$1,368,686) thousand, constituting (6.56%) and (64.35%) of the parent company only total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.



Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in black ink, reading 'Weng Shih-Jung'.

Weng, Shih-Jung

A handwritten signature in black ink, reading 'Lin Yi-Fan'.

Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 7, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

CTCI CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2022		December 31, 2021			
Assets			AMOUNT		AMOUNT			
Notes			%		%			
Current assets								
1100	Cash and cash equivalents	6(1)	\$	6,021,718	11	\$	9,243,520	17
1110	Financial assets at fair value through profit or loss - current	6(2)		334,258	1		2,982,710	5
1120	Financial assets at fair value through other comprehensive income - current	6(3)		193,932	-		228,942	1
1136	Financial assets at amortized cost - current	6(4)		200,000	-		1,264,000	2
1140	Contract assets - current	6(24) and 7		15,149,017	27		12,136,265	22
1150	Notes receivable, net			227	-		-	-
1170	Accounts receivable, net	6(5)		1,520,848	3		1,648,239	3
1180	Accounts receivable - related parties	7		575,692	1		888,089	2
1200	Other receivables			22,045	-		43,593	-
1210	Other receivables - related parties	7		4,638,510	8		1,756,259	3
1220	Current income tax assets			30,947	-		63,484	-
1410	Prepayments	6(6)		2,504,342	5		1,774,458	3
1470	Other current assets	6(15)		782,440	2		-	-
11XX	Total current assets			31,973,976	58		32,029,559	58
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)		828,648	1		1,665,283	3
1535	Financial assets at amortized cost - non-current	6(4)		100,300	-		100,300	-
1550	Investments accounted for using equity method	6(7)		16,183,671	29		14,803,750	27
1600	Property, plant and equipment	6(8)		2,802,771	5		2,318,802	4
1755	Right-of-use assets	6(9)		2,495,694	5		2,660,550	5
1780	Intangible assets			97,902	-		47,247	-
1840	Deferred income tax assets	6(27)		544,899	1		260,769	-
1900	Other non-current assets	6(10) and 8		291,681	1		1,650,423	3
15XX	Total non-current assets			23,345,566	42		23,507,124	42
1XXX	Total assets		\$	55,319,542	100	\$	55,536,683	100

(Continued)

CTCI CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 1,700,000	3	\$ -	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	18,241	-	23,120	-
2130	Contract liabilities - current	6(24) and 7	10,379,249	19	11,875,433	21
2150	Notes payable		3,388	-	54	
2170	Accounts payable	6(13)	8,580,085	16	7,675,296	14
2180	Accounts payable - related parties	7	539,267	1	486,221	1
2200	Other payables	6(14)	1,327,947	2	1,314,994	2
2220	Other payables - related parties	7	5,969	-	4,208	-
2230	Current income tax liabilities		84,815	-	90,951	-
2280	Current lease liabilities	7	470,100	1	388,847	1
2300	Other current liabilities	6(15)	33,950	-	587,493	1
21XX	Total current liabilities		23,143,011	42	22,446,617	40
Non-current liabilities						
2530	Bonds payable	6(16)	8,992,801	16	8,989,470	16
2570	Deferred income tax liabilities	6(27)	35,600	-	14,409	-
2580	Non-current lease liabilities	7	2,027,035	3	2,288,914	4
2600	Other non-current liabilities	6(7)(17)	3,694,590	7	5,216,718	10
25XX	Total non-current liabilities		14,750,026	26	16,509,511	30
2XXX	Total liabilities		37,893,037	68	38,956,128	70
Equity						
	Share capital	6(21)				
3110	Common stock		7,906,825	14	7,638,637	14
3170	Share capital awaiting retirement		(1,742)	-	-	-
	Capital surplus	6(22)				
3200	Capital surplus		5,058,003	9	4,225,401	8
	Retained earnings	6(23)				
3310	Legal reserve		2,636,785	5	2,486,099	4
3320	Special reserve		757,109	1	1,178,685	2
3350	Unappropriated retained earnings		2,468,440	5	1,505,187	3
	Other equity interest					
3400	Other equity interest		(1,387,062)	(2)	(441,601)	(1)
3500	Treasury stocks	6(21)	(11,853)	-	(11,853)	-
3XXX	Total equity		17,426,505	32	16,580,555	30
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 55,319,542	100	\$ 55,536,683	100

The accompanying notes are an integral part of these parent company only financial statements.

CTCI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNT)

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(24) and 7		\$ 31,714,598	100	\$ 30,782,149	100
5000 Operating costs	6(25)(26) and 7		(30,045,059)	(95)	(29,135,545)	(95)
5900 Net operating margin			1,669,539	5	1,646,604	5
5910 Unrealized loss from sales			18	-	2,789	-
5920 Realized profit on sales			2,033	-	1,991	-
5950 Gross profit			1,671,590	5	1,651,384	5
Operating expenses	6(25)(26) and 7					
6200 General and administrative expenses			(793,600)	(3)	(754,114)	(3)
6300 Research and development expenses			(121,667)	-	(111,392)	-
6000 Total operating expenses			(915,267)	(3)	(865,506)	(3)
6900 Operating profit			756,323	2	785,878	2
Non-operating income and expenses						
7100 Interest income			85,685	-	53,062	-
7010 Other income	7		316,842	1	80,845	-
7020 Other gains and losses			5,137	-	382,667	1
7050 Finance costs			(100,161)	-	(96,940)	-
7070 Share of profit of associates and joint ventures accounted for under equity method	6(7)		1,201,655	4	640,341	2
7000 Total non-operating income and expenses			1,509,158	5	1,059,975	3
7900 Profit before income tax			2,265,481	7	1,845,853	5
7950 Income tax expense	6(27)		113,817	-	(203,678)	(1)
8200 Profit for the year			\$ 2,379,298	7	\$ 1,642,175	4
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 Actuarial gains on defined benefit plan	6(18)		\$ 100,491	-	\$ 79,601	-
8316 Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)		(871,645)	(3)	312,159	1
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss			(59,898)	-	17,269	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)		(20,098)	-	(15,920)	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Cumulative translation differences of foreign operations			137,357	1	91,702	1
8300 Other comprehensive (loss) income for the year			(\$ 713,793)	(2)	\$ 484,811	2
8500 Total comprehensive income for the year			\$ 1,665,505	5	\$ 2,126,986	6
Earnings per share (in NT dollars)	6(28)					
9750 Basic earnings per share			\$ 3.07		\$ 2.15	
9850 Diluted earnings per share			\$ 3.03		\$ 2.15	

The accompanying notes are an integral part of these parent company only financial statements.

CTCI 2023 Annual General Shareholders' Meeting

CTCI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Capital			Retained Earnings			Other equity interest						
								Financial statements translation differences of foreign operations	Unrealized (losses) gains from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Other equity, others	Treasury stocks	Total equity	
	Notes	Common stock	Share capital awaiting retirement	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings							
Year ended December 31, 2021														
Balance at January 1, 2021		\$ 7,633,599	\$ -	\$ 4,077,689	\$ 3,278,010	\$ 1,180,439	\$ 733,054	(\$ 271,317)	(\$ 843,263)	\$ 51,181	\$ -	(\$ 11,835)	\$ 15,827,557	
Profit for the year		-	-	-	-	-	1,642,175	-	-	-	-	-	1,642,175	
Other comprehensive income		-	-	-	-	-	68,189	91,702	324,920	-	-	-	484,811	
Total comprehensive income		-	-	-	-	-	1,710,364	91,702	324,920	-	-	-	2,126,986	
Appropriations of 2020 earnings	6(23)													
Legal service		-	-	-	73,305	-	(73,305)	-	-	-	-	-	-	
Special reserve		-	-	-	-	(1,754)	1,754	-	-	-	-	-	-	
Cash dividends		-	-	-	(865,216)	-	(661,504)	-	-	-	-	-	(1,526,720)	
Employee stock options exercised	6(21)(22)	5,038	-	14,495	-	-	-	-	-	-	-	-	19,533	
Employee stock options exercised by subsidiary	6(22)	-	-	28,621	-	-	-	-	-	-	-	-	28,603	
Share-based payment transactions	6(22)	-	-	104,596	-	-	-	-	-	-	-	-	104,596	
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	-	(205,176)	-	205,176	-	-	-	-	
Balance at December 31, 2021		\$ 7,638,637	\$ -	\$ 4,225,401	\$ 2,486,099	\$ 1,178,685	\$ 1,505,187	(\$ 179,615)	(\$ 313,167)	\$ 51,181	\$ -	(\$ 11,853)	\$ 16,580,555	
Year ended December 31, 2022														
Balance at January 1, 2022		\$ 7,638,637	\$ -	\$ 4,225,401	\$ 2,486,099	\$ 1,178,685	\$ 1,505,187	(\$ 179,615)	(\$ 313,167)	\$ 51,181	\$ -	(\$ 11,853)	\$ 16,580,555	
Profit for the year		-	-	-	-	-	2,379,298	-	-	-	-	-	2,379,298	
Other comprehensive income (loss)		-	-	-	-	-	92,677	137,357	(943,827)	-	-	-	(713,793)	
Total comprehensive income (loss)		-	-	-	-	-	2,471,975	137,357	(943,827)	-	-	-	1,665,505	
Appropriations of 2021 earnings	6(23)													
Legal service		-	-	-	150,686	-	(150,686)	-	-	-	-	-	-	
Special reserve		-	-	-	-	(421,576)	421,576	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	(1,776,078)	-	-	-	-	-	(1,776,078)	
Employee stock options exercised	6(21)(22)	216,429	-	584,918	-	-	-	-	-	-	-	-	801,347	
Employee stock options exercised by subsidiary	6(22)	-	-	50,655	-	-	-	-	-	-	-	-	50,655	
Share-based payment transactions	6(22)	-	-	38,577	-	-	-	-	-	-	-	-	38,577	
Restricted stock	6(22)	51,759	(1,742)	130,621	-	-	1,016	-	-	-	(138,991)	-	42,663	
Recognition of change in equity of associates from not acquiring shares in portion to the Company's ownership	6(22)	-	-	27,831	-	-	-	-	-	-	-	-	27,831	
Non-controlling interests		-	-	-	-	-	(4,550)	-	-	-	-	-	(4,550)	
Balance at December 31, 2022		\$ 7,906,825	(\$ 1,742)	\$ 5,058,003	\$ 2,636,785	\$ 757,109	\$ 2,468,440	(\$ 42,258)	(\$ 1,256,994)	\$ 51,181	(\$ 138,991)	(\$ 11,853)	\$ 17,426,505	

The accompanying notes are an integral part of these parent company only financial statements.

CTCI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,265,481	\$ 1,845,853
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	482,500	389,943
Amortization	6(24)	105,609	116,875
Expected credit loss		352	1,477
Loss (gain) on valuation of financial assets	6(2)	144,942	(376,861)
Gain on disposal of property, plant and equipment		(23)	(1,102)
Gain on disposal of non-current assets classified as held for slae		-	(160,626)
Compensation costs for employee stock options	6(26)	26,290	72,658
Compensation costs for restricted stock	6(26)	32,666	-
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(1,201,655)	(640,341)
Realized gain from intercompany transactions		(2,033)	(1,991)
Unrealized loss from sales		(18)	(2,789)
Interest income		(85,685)	(53,062)
Dividend income		(244,491)	(21,560)
Loss on lease modification		490	21
Interest expense		100,161	96,940
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		2,519,940	(591,696)
Contract assets - current		(3,012,752)	(411,952)
Notes receivable (including related parties)		(277)	-
Accounts receivable (including related parties)		439,486	(69,721)
Other receivables		21,300	(13,332)
Other receivables - related parties		(37,183)	(1,434)
Prepayments		(729,884)	(493,847)
Other current assets		(782,440)	912,357
Other non-current assets		442	622
Changes in operating liabilities			
Contract liabilities - current		(1,496,184)	2,624,532
Notes payable		3,334	(338)
Accounts payable		1,133,226	2,464,492
Accounts payable - related parties		53,046	75,291
Other payables		11,371	144,688
Other payables - related parties		1,761	1,114
Accrued pension liabilities		(105,907)	(178,169)
Other current liabilities		(553,543)	574,319
Cash (outflow) inflow generated from operations		(909,678)	6,302,361
Interest received		39,329	13,606
Interest paid		(77,677)	(77,100)
Dividends received		1,085,580	631,834
Income tax paid		(109,095)	(204,836)
Income tax refund		34,969	137,590
Net cash flows from operating activities		63,428	6,803,455

(Continued)

CTCI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in other receivables - related parties		(\$ 2,845,068)	\$ 2,190,616
Interest received - related parties		46,604	39,360
Decrease in financial assets at fair value through other comprehensive income - non-current		-	146,140
Decrease in financial assets at fair value through other comprehensive income - current		-	10,161
Proceeds from disposal (acquisition) of financial assets at amortized cost		1,064,000	(694,700)
Acquisition of property, plant and equipment	6(30)	(747,689)	(1,118,200)
Proceeds from disposal of property, plant and equipment		23	1,123
Proceeds from disposal of non-current assets classified as held for sale		-	324,368
Increase in investments accounted for using the equity method (including prepayments for long-term investments)	6(30)	(944,534)	(2,645,468)
Proceeds from disposal of investments accounted for using the equity method		-	2,783
Acquisition of intangible assets		(35,172)	(44,403)
Increase in other non-current assets		(58,173)	(49,600)
(Increase) decrease in refundable deposits (shown in other non-current assets)		(43,829)	2,496
Net cash flows used in investing activities		(3,563,838)	(1,835,324)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		1,700,000	-
Decrease in lease liabilities		(481,046)	(372,446)
Increase in deposits received		34,385	56,982
Cash dividends paid	6(23)	(1,776,078)	(1,526,720)
Proceeds from employee stock options exercised		801,347	19,533
Net cash flows from (used in) financing activities		278,608	(1,822,651)
Net (decrease) increase in cash and cash equivalents		(3,221,802)	3,145,480
Cash and cash equivalents at beginning of year		9,243,520	6,098,040
Cash and cash equivalents at end of year		\$ 6,021,718	\$ 9,243,520

The accompanying notes are an integral part of these parent company only financial statements.

CTCI CORPORATION
Earnings Distribution Table
For the Year Ended December 31, 2022

Currency : TWD

Items	Amount
Unappropriated retained earnings from previous years	0
Add: Actuarial gains on defined benefit plans in 2022	92,676,447
Add: Adjustment of expected unvested restricted stock in 2022	1,016,032
Less: The difference between the equity value and book value of the subsidiary actually acquired in 2022	(4,549,016)
Add: Profit after income tax for 2022	2,379,297,644
Add: Reversal of special reserve	1,590,419
total	2,470,031,526
Less: set aside as legal reserve	(247,003,153)
Less: set aside as special reserve	(492,552,260)
Retained earnings available for distribution as of December 31, 2022	1,730,476,113
Cash dividends (TWD 1.91 per share based on estimated 796,960,813 shares outstanding at 2023/01/31)	(1,520,476,113)
Unappropriated retained earnings	210,000,000

Note 1: The estimated number of shares outstanding is based on the number of shares outstanding as of January 31, 2023.

The actual shares participating in the distribution is based on the actual shares outstanding on record date.

Note 2: In accordance with the Article 38 of the Articles of Incorporation, cash dividends are resolved by the Board of Directors of the Company and will be reported at the shareholders' meeting.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements (included consolidated and individual), and proposal for allocation of profits. The CPA firm of PriceWaterhouseCoopers was retained to audit CTCI's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of CTCI Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

The Audit Committee of CTCI Corporation

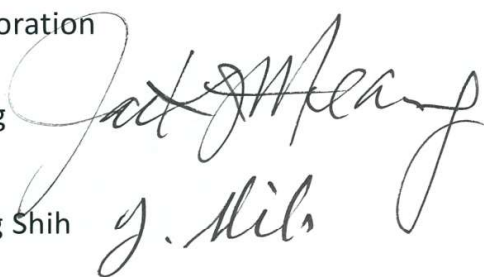
Independent Director : Jack Huang

Independent Director : Yen-Shiang Shih

Independent Director : Frank Fan

Independent Director : Evon Yi-Fang Chen

Dated March 7th, 2023



CTCI Corporation
The Directors' and Employees' Remuneration of 2022

1. It is processed in accordance with the Article 37 of "Articles of Incorporation" of the Company.
2. Profit before income tax for year ended December 31, 2022 was TWD 2,354,859,418 before deducting directors' and employees' remuneration of the Company. The Board of Directors of the Company resolved that TWD 18,000,000 of directors' remuneration (contribution rate: 0.76%) and TWD 71,378,929 of employees' remuneration (contribution rate: 3.03%) will be distributed by cash. There is no difference between the amount of employees' and directors' remuneration recognized in the 2022 financial statements.

CTCI Corporation
2022 Distribution of cash dividends from profits

1. It is processed in accordance with the Article 38 of "Articles of Incorporation" of the Company.
2. The Board of Directors of the Company resolved the distribution of 2022 shareholders' dividends in the amount of TWD 1,520,476,113 by cash (TWD 1.91 per share based on common shares outstanding 796,960,813 shares at the end of January, 2023). The distribution of cash dividends will be calculated to new Taiwan dollar and round it to the nearest dollar. The difference will be booked as the other income or expense of the Company.
3. The Chairman of the Company is authorized to determine the record date to distribute the cash dividends. In case that the total common shares outstanding may change and the ultimate cash to be distributed to each common share may need to be adjusted, the Chairman of the Company is authorized to do adjustments.

CTCI Corporation
The Balance of the Company's Guarantees and Endorsements
December 31, 2022

Unit: TWD thousands

Item	Guarantees and Endorsements	
	As of 2022/12/31	As of 2021/12/31
CB&I-CTCI B.V.	2,168,290	1,972,904
CINDA Engineering & Construction Pvt. Ltd.	4,275,966	4,297,294
CIPEC Construction Inc.	483,849	468,694
CTCI (Thailand) Co., Ltd.	2,247,196	2,453,316
CTCI Americas, Inc.	22,583,303	22,672,962
CTCI Arabia Ltd.	2,333,048	1,688,114
CTCI Engineering & Construction Sdn. Bhd.	1,258,618	1,369,863
CTCI Malaysia Sdn. Bhd.	491,168	691,850
CTCI Singapore Pte. Ltd.	3,739,961	3,375,783
Universal Engineering(BVI) Corporation	30,698	27,674
CTCI Shanghai Co., Ltd.	532,224	669,570
CTCI Chemicals Corporation	147,350	132,835
CTCI Overseas Corporation Limited	2,852,490	4,000,428
CTCI Beijing Co., Ltd.	5,498,620	1,829,864
CTCI Machinery Corporation	15,313,502	15,830,219
CTCI Smart Engineering Corporation	7,324,986	7,180,670
CTCI-HDEC (Chungli) Corporation	2,144,785	357,000
Blue Whale Water Technology Corporation	867,300	867,300
HDEC-CTCI (Linhai) Corporation	1,215,000	1,215,000
EVER ECOVE Corporation	999,775	1,024,400
CTCI Resources Engineering Inc.	535,267	535,267
CTCI Vietnam Company Limited	92,094	-
PT CTCI International Indonesia	1,893,375	-
Bao Ding Reclaimed Water Co., Ltd	666,000	-
Total	79,694,865	72,661,007

Note: (2022/12/31 Net worth : 17,426.505 million)

1. The ceiling on the total amount of endorsements or guarantees made by the Company is TWD 174,265.050 million.
2. The ceiling on the total amount of endorsements or guarantees for any single entity is TWD 104,559.030 million.

CTCI Corporation
Report on the issuance of unsecured ordinary corporate bonds

To repay the debt, reduce interest rate risk and lock in medium and long-term capital costs, the Company issued domestic unsecured corporate bonds on January 11, 2023, and has successfully completed fund raising. The main issuance conditions and related information are as follows:

Unit: TWD

Item	2023 First Unsecured Corporate Bond
Date of Resolution	January 04, 2023
Date of Issuance	January 11, 2023
Total Issuance Amount	1.7 billion
Face Value	1 million
Issue Price	100% face value
Issue Period	3 years, due date: January 11, 2026
Issue Interest Rate	Annual fixed rate of 2.4%
Interest Payment Method	Starting on the date of issuance, based on the coupon rate, interest accrued and paid once per annum
Redemption	On due date, the bonds will be redeemed in whole
Trustee	Bank SinoPac Co.Ltd.
Principal Paying Agent	Bank SinoPac Co.Ltd. Chung Hsiao Branch
Use of Proceeds	The 1.2 billion of proceeds have been used for repaying the debt in 2023 Q1; the remaining 0.5 billion is expected to repay the debt in 2023 Q2.

Attachment 10

CTCI Corporation
Director Candidates for the 16th Term

Title	Name	Education	Experience	Current Position	Shareholding of CTCI Corp.
Director	John T. Yu (Rep. of CTCI Development Corporation)	<ul style="list-style-type: none"> - PMD 61, Harvard Business School, USA - B.S., Electrical Engineering, National Taiwan University 	- Chairman, CTCI Corporation	<ul style="list-style-type: none"> - Director, CTCI Corporation - Chairman, CTCI Development Corporation - Director, CTCI Overseas Corporation Limited - Director, CTCI Education Foundation - Managing Director, CTCI Foundation - Director, TSRC Corporation - Director, Dynamic Ever Investments Limited - Director, Ever Victory Global Limited 	912,170
Director	Michael Yang (Rep. of CTCI Development Corporation)	<ul style="list-style-type: none"> - EMBA, Business Administration, National Taiwan University of Science and Technology - M.S., Mechanical Engineering, National Taiwan University - B.S., Mechanical Engineering, Tatung University 	- President, CTCI Corporation	<ul style="list-style-type: none"> - Chairman, CTCI Corporation - Chairman, CTCI Overseas Corporation Limited - Director, CTCI Overseas (BVI) Corporation - Chairman, Crown Asia 2 Investment Limited - Director, CTCI Education Foundation - Director, CTCI Americas, Inc. - Chairman, CTCI USA Holding Inc. - Director, MIE Industrial Sdn. Bhd. - Chairman, CTCI Engineering & Construction Sdn. Bhd. - Director, CTCI Foundation 	912,170
Director	Quintin Wu	- Bachelor's Degree	- Chairman, USI Corporation	<ul style="list-style-type: none"> - Chairman, USI Corporation - Chairman, China General Plastics Corp. - Chairman, Asia Polymer Corporation - Chairman, Taita Chemical Co., Ltd. - Chairman, Acme Electronics Corporation 	0
Director	Johnny Shih	- Master in Computer Science and Business Administration, Columbia University, USA	- Vice Chairman, Far Eastern International Bank	<ul style="list-style-type: none"> - Vice Chairman, Far Eastern New Century Corporation - Vice Chairman, Oriental Union Chemical Corporation - Chairman, Everest Textile Company Limited - Director, Asia Cement Corporation 	0

Title	Name	Education	Experience	Current Position	Shareholding of CTCI Corp.
Director	Yancey Hai	- MA, International Business Management, the University of Texas at Dallas	- Country Manager, G.E. Capital - Vice Chairman and CEO, Delta Electronics, Inc. - Chairman of Strategic Steering Committee, Delta Electronics, Inc	- Chairman and Chairman of Delta ESG Committee, Delta Electronics Inc. - Independent Director, Convener of Compensation Committee, Audit Committee Member and ESG Committee Member, USI Corporation - Independent Director, Audit and Risk Committee Member, Compensation and People Development Committee member and Nominating, Corporate Governance and Sustainability Committee Member, Taiwan Semiconductor Manufacturing Co., Ltd. - Director, Delta Electronics (Shanghai) Co., Ltd. - Director, Cyntec Co., Ltd. - Director, Delta Networks, Inc. - Director, Delta Electronics Capital Company - Senior Strategy Consultant, Cloud Computing & IoT Association in Taiwan - Director, Taiwan Business Council for Sustainable Development - Director, Delta Electronic Foundation - Director, Felix Chang Foundation - Director and Finance Committee Member, Chiang Ching-kuo Foundation for International Scholarly Exchange - Chairman, Taiwan Climate Partnership	0
Director	An-Ping Chang (Rep. of Taiwan Cement Corporation)	- MBA, New York University, USA	- Vice Chairman, Taiwan Cement Corporation - Chairman, Chia Hsin Cement Corporation - Chairman, International CSRC Investment Holdings Co., Ltd. - Independent Director, Synnex Technology International Corporation - Managing Director, O-Bank Co., Ltd.	- Chairman, Taiwan Cement Corporation(TCC) - Chairman, TCC International Holdings Ltd. - Chairman, Hong Kong Cement Manufacturing Co., Ltd. - Executive Chairman, NHOA S.A. - Innkeeper, L'Hotel de Chine Corporation - Director, Taiwan Stock Exchange Corporation	9,054,350

Title	Name	Education	Experience	Current Position	Shareholding of CTCI Corp.
Director	Paul Chen (Rep. of CTCI Foundation)	- EMBA, Thunderbird School of Global Management, USA - MBA, Sul Ross State University, USA	- President, CPC Corporation - Chairman, Kuo Kuang Power Co, Ltd. - Chairman, CAPCO Co., Ltd.	- CEO, CTCI Foundation - Director, CTCI Foundation	60,862,051
Director	Wenent Pan	- M.S. & Ph.D., Chemical Engineering, University of Wyoming, USA	- Chairman/President, CPC Corporation - Chairman/CEO, Kuo Kuang Power Co.	- Chairman, CTCI Foundation - Independent Director, UPC Technology Corporation - Independent Director, China Petrochemical Development Corporation - Independent Director, U-Ming Transport Corporation	30,000

Title	Name	Education	Experience	Current Position	Served as Independent Director for three consecutive terms	Shareholding of CTCI Corp.
Independent Director	Chien-Chung Li	<ul style="list-style-type: none"> - M.S. & Ph.D., Civil Engineering, Michigan State University, USA - B.S., Department of Civil Engineering, National Cheng Kung University 	<ul style="list-style-type: none"> - Chairman, CECI Engineering Consultants, Inc., Taiwan - Dean, College of Engineering, National Central University - Director, Graduate Institute of Construction Engineering and Management, National Central University - Chairman and Director, Department of Civil Engineering, National Central University - Professor and Associate Professor, Department of Civil Engineering, National Central University - Vice Chairman, Public Construction Commission, Executive Yuan - Deputy Executive Secretary, Public Construction Supervisory Task Force, Executive Yuan - Manager, Planning Department, Ret-Ser Engineering Agency 	<ul style="list-style-type: none"> - Professor Emeritus, National Central University - Chairman, Veracity Foundation of Legal Studies 	No	0
Independent Director	Yen-Shiang Shih	<ul style="list-style-type: none"> - Ph.D., Chemistry, Massachusetts Institute of Technology, USA - B.S., Chemistry Department, National Taiwan University 	<ul style="list-style-type: none"> - Professor and Chief of Chemical Engineering, National Taiwan University of Science and Technology - Director General, Small and Medium Enterprise Administration, Ministry of Economic Affairs(MOEA) - Director General, Industrial Development Bureau, MOEA - Director General, Taiwan Tobacco & Wine Bureau - Minister/ Vice Minister/ Deputy Minister, MOEA - Chairman, Sinotech Engineering Consultants, Inc. 	<ul style="list-style-type: none"> - Chair Professor, Chung Yuan Christian University - Policy Advisor, Taiwan Electrical and Electronic Manufacturers' Association - Honorable Chairman, Sustainable Circulation Economy Development Association - Independent Director, Formosa Plastics Corporation - Director, Taiwan Research Institute 	No	0

Title	Name	Education	Experience	Current Position	Served as Independent Director for three consecutive terms	Shareholding of CTCI Corp.
Independent Director	Yi-Fang Chen	- M.S. Accounting, Soochow University	<ul style="list-style-type: none"> - Chairman, YiFang CPA Firm - Lecturer, Accounting, Soochow University - Deputy Chairman, PwC - Supervisor, VE WONG Corporation - Supervisor, Taiwan Liposome Company, Ltd. - Supervisor, INNOLUX Corporation - Independent Director, Sintronic Technology Inc. - Supervisor, NatureWise Biotech & Medicals Corporation - Managing Director, the National Federation of CPA Associations of the R.O.C.(NFCPAA) 	<ul style="list-style-type: none"> - Supervisor, YKK Taiwan Co. Ltd. - Supervisor, YKK AP Taiwan Co., Ltd. 	No	0
Independent Director	Hui-Huang Yen	- B.S., Department of Banking, National Chengchi University	<ul style="list-style-type: none"> - Director General & Deputy Director General, Department of Foreign Exchange, Central Bank of the Republic of China (Taiwan) - Representative, New York Representative Office, Central Bank of the Republic of China (Taiwan) - Deputy Representative, London Representative Office, Central Bank of the Republic of China (Taiwan) 	- Chairman, Taipei Foreign Exchange Market Development Foundation	No	0

Attachment 11

CTCI Corporation
Table of Amendments to
“Regulations Governing the Acquisition and Disposal of Assets”

Article	Existing Provisions	Amendments
Attachment II	<p>Regulation for the Authorization of Acquisition and Disposal of Assets</p> <p>I. The Regulation are formulated in accordance with The Procedures for the Acquisition and Disposal of Assets promulgated by the Company.</p> <p>II. These Regulation apply to investments in non-current financial assets, idle funds, current financial assets, derivatives, real property and equipment, or right-of-use assets thereof.</p> <p>III. The authorization for the acquisition and disposal of assets is specified as follows:</p> <p>1. About investment in non-current financial assets, the company obtains or disposal equity investment for long-term holding purposes due to business expansion and overall operation needs, and the relevant department shall submit it to the board of directors for approval.</p>	<p>Regulation for the Authorization of Acquisition and Disposal of Assets</p> <p>I. The Regulation are formulated in accordance with The Procedures for the Acquisition and Disposal of Assets promulgated by the Company.</p> <p>II. These Regulation apply to investments in non-current financial assets, idle funds, current financial assets, derivatives, real property and equipment, or right-of-use assets thereof.</p> <p>III. The authorization for the acquisition and disposal of assets is specified as follows:</p> <p>1. About investment in non-current financial assets, the company obtains or disposal equity investment for long-term holding purposes due to business expansion and overall operation needs. <u>The chairman of the board of directors is authorized to approve or disposal any investment reaching or less than the value of TWD 50 million and classified as non-current assets on the financial statements; for any investment or disposal of securities exceeding the value of TWD 50 million or the cumulative transaction exceeding the value of TWD 50 million with the same counterparty within the preceding year,</u></p>

Article	Existing Provisions	Amendments
	2. (Omitted)	<p>the relevant department shall submit it to the board of directors for approval.</p> <p>2. (Omitted)</p>

CTCI Corporation
The 16th Term Director Candidates' Adjunct Positions

Name	Current Adjunct Positions
John T. Yu	<ul style="list-style-type: none"> • Chairman, CTCI Development Corporation • Director, CTCI Overseas Corporation Limited • Director, CTCI Education Foundation • Managing Director, CTCI Foundation • Director, TSRC Corporation • Director, Dynamic Ever Investments Limited • Director, Ever Victory Global Limited
Michael Yang	<ul style="list-style-type: none"> • Chairman, CTCI Overseas Corporation Limited • Director, CTCI Overseas (BVI) Corporation • Chairman, Crown Asia 2 Investment Limited • Director, CTCI Education Foundation • Director, CTCI Americas, Inc. • Chairman, CTCI USA Holding Inc. • Director, MIE Industrial Sdn. Bhd. • Chairman, CTCI Engineering & Construction Sdn. Bhd. • Director, CTCI Foundation
Quintin Wu	<ul style="list-style-type: none"> • Chairman, USI Corporation • Chairman, China General Plastics Corp. • Chairman, Asia Polymer Corporation • Chairman, Taita Chemical Co., Ltd. • Chairman, Acme Electronics Corporation
Johnny Shih	<ul style="list-style-type: none"> • Vice Chairman, Far Eastern New Century Corporation • Vice Chairman, Oriental Union Chemical Corporation • Chairman, Everest Textile Company Limited • Director, Asia Cement Corporation

Name	Current Adjunct Positions
Yancey Hai	<ul style="list-style-type: none"> • Chairman, Delta Electronics Inc. • Independent Director, USI Corporation • Independent Director, Taiwan Semiconductor Manufacturing Co., Ltd. • Director, Delta Electronics (Shanghai) Co., Ltd. • Director, Cyntec Co., Ltd. • Director, Delta Networks, Inc. • Director, Delta Electronics Capital Company • Senior Strategy Consultant, Cloud Computing & IoT Association in Taiwan • Director, Taiwan Business Council for Sustainable Development • Director, Delta Electronic Foundation • Director, Felix Chang Foundation • Director and Finance Committee Member, Chiang Ching-kuo Foundation for International Scholarly Exchange • Chairman, Taiwan Climate Partnership
An-Ping Chang	<ul style="list-style-type: none"> • Chairman, Taiwan Cement Corporation(TCC) • Chairman, TCC International Holdings Ltd. • Chairman, Hong Kong Cement Manufacturing Co., Ltd. • Executive Chairman, NHOA S.A. • Innkeeper, L'Hotel de Chine Corporation • Director, Taiwan Stock Exchange Corporation
Paul Chen	<ul style="list-style-type: none"> • CEO, CTCI Foundation • Director, CTCI Foundation
Wenent Pan	<ul style="list-style-type: none"> • Chairman, CTCI Foundation • Independent Director, UPC Technology Corporation • Independent Director, China Petrochemical Development Corporation • Independent Director, U-Ming Transport Corporation

Name	Current Adjunct Positions
Chien-Chung Li	<ul style="list-style-type: none"> • Chairman, Veracity Foundation of Legal Studies
Yen-Shiang Shih	<ul style="list-style-type: none"> • Policy Advisor, Taiwan Electrical and Electronic Manufactures' Association • Honorable Chairman, Sustainable Circulation Economy Development Association • Independent Director, Formosa Plastics Corporation • Director, Taiwan Research Institute
Hui-Huang Yen	<ul style="list-style-type: none"> • Chairman, Taipei Foreign Exchange Market Development Foundation

CTCI Corporation

Articles of Incorporation

Chapter I General

Article 1 This company is incorporated under the Company Act of the Republic of China, in the name of "CTCI Corporation" (hereinafter the "Company").

Article 2 Scope of the Company's business activities include the following:

- 1 B101010 Coal Mining
- 2 B102010 Crude Petroleum and Natural Gas
- 3 B201010 Metal Ore Mining
- 4 B202010 Nonmetallic Mining
- 5 B601010 On land Clay and Stone Quarrying
- 6 C801010 Basic Industrial Chemical Manufacturing
- 7 C801020 Petrochemical Manufacturing
- 8 C801030 Precision Chemical Materials Manufacturing
- 9 C801060 Synthetic Rubber Manufacturing
- 10 C801100 Synthetic Resin & Plastic Manufacturing
- 11 C801110 Fertilizer Manufacturing
- 12 C801120 Manmade Fiber Manufacturing
- 13 C801990 Other Chemical Materials Manufacturing
- 14 C802120 Industrial Catalyst Manufacturing
- 15 C802200 Paints, Varnishes, Lacquers, Dyeing Mills and Dyestuff Manufacturing
- 16 C802990 Other Chemical Products Manufacturing
- 17 C901040 Concrete Mixing Manufacturing
- 18 C901050 Cement and Concrete mixing manufacturing
- 19 CA01010 Iron and Steel Refining
- 20 CA01020 Iron and Steel Rolls over Extends and Crowding
- 21 CA01030 Iron and Steel Casting
- 22 CA01050 Iron and Steel Rolling, Drawing, and Extruding
- 23 CA01990 Other Non-ferrous Metal Basic Industries
- 24 CA02010 Metal Architectural Components Manufacturing
- 25 CA02050 Metal Valves Manufacturing
- 26 CA02060 Metal Containers Manufacturing
- 27 CA02080 Metal Forging industry

28	CA03010	Metal Heat Treating
29	CA04010	Metal Surface Treating
30	CB01010	Machinery and Equipment Manufacturing
31	CB01030	Pollution Controlling Equipment Manufacturing
32	CB01990	Other Machinery Manufacturing Not Elsewhere Classified
33	CC01010	Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
34	CC01040	Electric Wires and Cables Manufacturing
35	CC01080	Electronic Parts and Components Manufacturing
36	CC01090	Batteries Manufacturing
37	CC01110	Computers and Computing Peripheral Equipments Manufacturing
38	CC01120	Data Storage Media Manufacturing and Duplicating
39	CC01990	Electrical Machinery, Supplies Manufacturing
40	CD01020	Tramway Cars Manufacturing
41	CE01010	Precision Instruments Manufacturing
42	D101040	Non-Public Electric Power Generation
43	D101050	Steam and Electricity Paragenesis
44	D301010	Water Supply
45	D401010	Heat Energy Supplying
46	E103101	Environmental Protection Construction
47	E401010	Dredge Engineering
48	E402010	Ballast and Mud Construction on Sea
49	E501011	Water Pipe Construction
50	E502010	Fuel Pipe Construction
51	E599010	Pipe Lines Construction
52	E601010	Electric Appliance Construction
53	E601020	Electric Appliance Installation
54	E603010	Cables Construction
55	E603020	Elevator Construction
56	E603040	Fire Fighting Equipments Construction
57	E603050	Cybernation Equipments Construction
58	E603080	Traffic Signals Construction
59	E603090	Illumination Equipments Construction
60	E603100	Electric Welding Construction
61	E603110	Quench Construction
62	E603120	Sand Spurting Construction
63	E603130	Gas Water Heater Construction
64	E604010	Machinery Installation Construction

65	E605010	Computing Equipments Installation Construction
66	E701020	Channel KU and C of Satellite TV Equipments and Materials Construction
67	E701030	Restrained Telecom Radio Frequency Equipments and Materials Construction
68	E801010	Building Maintenance and Upholstery
69	E801020	Doors and Windows Construction
70	E801030	Interior Light Rigid Frame Construction
71	E801040	Glass Construction
72	E801070	Kitchen and Bath Facilities Construction
73	E901010	Painting Construction
74	E903010	Eroding and Rusting Construction
75	EZ02010	Derrick Construction
76	EZ03010	Furnace Installation Construction
77	EZ05010	Apparatus Installation Construction
78	EZ06010	Traffic Labels Construction
79	EZ07010	Drilling Construction
80	EZ09010	Static Electricity Protecting and Clearing Construction
81	EZ13010	Nucleus Construction
82	EZ14010	Sports Ground Equipments Construction
83	EZ15010	Warming and Cooling Maintenance Construction
84	EZ99990	Other Construction
85	F106010	Wholesale of Ironware
86	F107170	Wholesale of Industrial Catalyst
87	F107200	Wholesale of Chemistry Raw Material
88	F107990	Wholesale of Other Chemical Products
89	F113010	Wholesale of Machinery
90	F113020	Wholesale of Household Appliance
91	F113030	Wholesale of Precision Instruments
92	F113050	Wholesale of Computing and Business Machinery Equipment
93	F113060	Wholesale of Metrological Instruments
94	F113070	Wholesale of Telecom Instruments
95	F113090	Wholesale of Traffic Signal Equipments and Materials
96	F113100	Wholesale of Pollution Controlling Equipments
97	F114080	Wholesale of Tramway Cars and Parts
98	F117010	Wholesale of Fire Fighting Equipments
99	F118010	Wholesale of Computer Software
100	F119010	Wholesale of Electronic Materials

101	F120010	Wholesale of Refractory Materials
102	F199010	Wholesale of Recycling Materials
103	F199990	Other Wholesale Trade
104	F206010	Retail Sale of Ironware
105	F207170	Retail Sale of Industrial Catalyst
106	F207200	Retail sale of Chemistry Raw Material
107	F207990	Retail Sale of Other Chemical Products
108	F211010	Retail Sale of Building Materials
109	F213010	Retail Sale of Household Appliance
110	F213030	Retail sale of Computing and Business Machinery Equipment
111	F213040	Retail Sale of Precision Instruments
112	F213050	Retail Sale of Metrological Instruments
113	F213060	Retail Sale of Telecom Instruments
114	F213080	Retail Sale of Other Machinery and Equipment
115	F213090	Retail Sale of Traffic Signal Equipments and Materials
116	F213100	Retail Sale of Pollution Controlling Equipments
117	F214080	Retail Sale of Tramway Cars and Parts
118	F217010	Retail Sale of Fire Fighting Equipments
119	F218010	Retail Sale of Computer Software
120	F219010	Retail Sale of Electronic Materials
121	F220010	Retail Sale of Refractory Materials
122	F299990	Retail Sale of Other Retail Trade Not Elsewhere Classified
123	F401010	International Trade
124	H701010	Residence and Buildings Lease Construction and Development
125	H701020	Industrial Factory Buildings Lease Construction and Development
126	H701030	Funeral Places Lease Construction and Development
127	H701040	Specialized Field Construction and Development
128	H701050	Public Works Construction and Investment
129	H701060	New County and Community Construction and Investment
130	H701070	Land Levy and Delimit
131	H701080	Reconstruction within the renewal area
132	H701090	Renovation, or maintenance within the renewal area
133	H702010	Construction Management
134	H703090	Real Estate Commerce
135	H703100	Real Estate Rental and Leasing

136	H703110	Senior Citizen's Development
137	I101061	Engineering Consultancy
138	I101070	Agriculture, Forestry, Fishing and Animal Husbandry Consultancy
139	I102010	Investment Consultancy
140	I103060	Manages Consultant Business
141	I199990	Other Consultancy
142	I301010	Software Design Services
143	I301020	Data Processing Services
144	I301030	Digital Information Supply Services
145	I501010	Product Designing
146	I503010	Landscape and Interior Designing
147	I599990	Other Designing
148	IF01010	Fire Fighting Equipments Overhauling
149	IF02010	Electricity Equipments Checking and Maintenance
150	IF04010	Harmless Checking Services
151	IG01010	Biotechnology Services
152	IG02010	Research Development Service
153	IG03010	Energy Technical Services
154	IZ09010	Management System Verification
155	IZ13010	Internet Identify Services
156	IZ15010	Marketing Research and Opinion Poll
157	IZ99990	Other Industry and Commerce Services Not Elsewhere Classified
158	J101010	Buildings Cleaning Service
159	J101030	Waste Disposing
160	J101040	Waste Disposing
161	J101050	Sanitary and Pollution Controlling Services
162	J101060	Wastewater (Sewage) Treatment
163	J101070	Radwaste Disposing Service
164	J101080	Waste Recycling
165	J101090	Waste Collecting and Disposing
166	J101990	Other Environmental Protection Construction
167	J399990	Other Publishers Not Elsewhere Classified
168	JD01010	Industry and Commerce Credit Bureau Services
169	JE01010	Rental and Leasing Business
170	ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3 The Company has established its headquarter in Taipei, R.O.C., and may establish branches within or outside of the territory of R.O.C.

Article 4 Public announcement of the Company shall be made in accordance with the Company Act and other relevant rules and regulations.

Article 4-1 To the extent of the necessary practice, the Company may make endorsement and guarantee according to the Rules governing procedure for making of endorsements or guarantees.

Chapter II Capitals

Article 5 Article 5 The Company has an authorized capital of TWD12 billion dollars, divided into 1.2 billion shares at TWD10 dollars par value per share. For shares that are not issued, the Company hereby authorizes the board of directors to issue such shares in installments as necessary by board resolution.

The Company may issue employee stock options in installments as per board resolution. A total of TWD 800 million, divided into 80 million shares at TWD 10 par value per share, amount the above capital should be reserved for issuing employee stock options.

Article 5-1 The total amount of the Company's reinvestment is not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Article 13 of the Company Act. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the board of directors.

Article 5-2 The employees entitled to receive shares, which bought back by the Company, or share subscription warrants, or restricted stock for employees, or reserved for subscription by employees when the Company issues new shares, may including the employees of subsidiaries of the Company meeting certain specific requirements which will be determined by the Board of Directors.

- Article 6 The Company had issued shares. The share issued is exempted from printing any share certificate and shall be registered the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise. However, the stock of the Company shall be registered with the securities centralized depository institution.
- Article 7 The shares of the Company shall be name-bearing shares, clearly identify the real name of each shareholder. Each shareholder shall register its address with the Company. In the event where a shareholder is a juristic person, such shareholder shall register the real name and address of its representative with the Company.
- Article 8 With respect to the assignment of a shareholder's shares, unless such assignment is recorded with the Company and the name of the assignee is indicated on the share certificates and the name and address of the assignee recorded on the shareholder roster of the Company, the rights with respect to such shares shall deem to belong to the original shareholder.
- Article 9 In the event where the share certificates are lost or destroyed, the provisions of Criteria Governing Handling of Stock Affairs by Public Companies shall govern.
- Article 10 Where new shares are re-issued because of assignment of ownership, loss or damages of shares, the Company may charge a fee sufficient to cover the printing cost.
- Article 11 Shareholders shall register their seals with the Company, so as to allow the Company to verify the authenticity of the seals at the time when the shareholders receive dividends or exercise their shareholders' rights.
- Article 12 If a shareholder has lost the seal registered with the Company, the shareholder shall proceed in accordance with the provisions of Criteria Governing Handling of Stock Affairs by Public Companies shall govern.
- Article 13 No amendment shall be made to the shareholders' roster within sixty days immediately before the general shareholders' meeting, or thirty days immediately before the special shareholders' meeting, or five days before the date on which dividends and bonuses or other benefits are scheduled to be paid by the Company.

Chapter III Shareholders' Meeting

Article 14 There are two types of shareholders' meeting:

(1) General shareholders' meeting

(2) Special shareholders' meeting

General shareholders meeting shall be convened within six months after the end of each fiscal year by the board of directors. Special shareholders' meeting shall be convened in accordance with the laws when necessary.

Article 15 A written notice setting forth the reason for convening the shareholders' meeting shall be sent to each shareholder to its last-known address registered with the Company at least thirty days before the scheduled meeting for general shareholders' meeting or fifteen days before the scheduled meeting for special shareholders' meeting.

Article 16 Except as provided in the Company Act and other relevant rules and regulations, the shareholders' meeting shall only be held if it is attended by shareholders representing more than half of the total number of issued shares. The resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

Article 17 The shareholders' meeting may be held by means of visual communication network or other methods promulgated by the central competent authority.

In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 18 Except as provided in the Company Act and other relevant rules and regulations, the shareholder shall have one voting right for each share owned in the Company.

Article 19 Where a shareholder cannot attend the shareholders' meeting, he or she may appoint a representative to attend the meeting and exercise his or her rights on his or her behalf pursuant to Article 177 of the Company Act. The representative does not need to be a shareholder of the Company.

Article 20 The shareholders' meeting shall be chaired by the chairman. In the event where the chairman is absent or cannot exercise its duties for any reasons, Article 208 of the Company Act shall govern.

Article 21 Resolutions adopted at the shareholders' meeting shall be recorded in the meeting minutes, signed or sealed by the chairman of the shareholders' meeting. The meeting minutes, together with the attendance sheet and proxies, shall be filed and kept at the Company pursuant to the laws.

Chapter IV Directors and Audit Committee

Article 22 The Company shall have nine to thirteen directors, who shall be elected from people with legal capacity at the shareholders' meeting. However, the total number of the name-bearing shares held by all directors shall not be less than a certain percentage of the total shares issued by the Company. The percentage shall be determined by the regulations of the competent authority.

In compliance with the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least two independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors. The directors (including independent directors) shall be elected from among the nominees listed in the roster of director candidates pursuant to the candidates nomination system as specified in Article 192-1 of the Company Act. Compliance matters with respect to independent directors shall comply with the Company Act and the regulations of the competent securities authority.

Article 22-1 The election of directors shall be made in cumulative vote by open ballots. Each share shall enjoy as many votes as the number of directors' positions up for election. Shareholders may concentrate their full share of votes on one or several candidates.

Article 22-2 In compliance with Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of the entire number of independent directors. The Audit Committee or the members of Audit Committee shall be delegated the power as set forth in the provisions regarding supervisors in the Company Act, the Securities and Exchange Act, and other laws and regulations.

- Article 23 The term of office of directors shall be three years and all directors shall be eligible for re-election.
- Article 24 The board of directors shall have the authority to perform the followings:
- (1) Set out business guidelines
 - (2) Approve important bylaws and contracts
 - (3) Appoint or remove executing officers
 - (4) Establish or dissolve branches
 - (5) Approve budget and financial reports
 - (6) Recommend proposals for the amendment the articles of incorporation, change capital and dissolution or merger of the Company at the shareholders' meeting
 - (7) Recommend proposals regarding the allocation of profit or covering losses at the shareholders' meeting
 - (8) Decide on other important matters
- Article 25 The directors shall elect amongst themselves a chairman and may elect a vice chairman pursuant to Article 208 of the Company Act.
- Article 26 The Chairman shall externally represent the Company and, when representing the Company externally, the chairman shall act in accordance with the articles of incorporation, the shareholders' resolutions and the board of directors' resolutions.
- Article 27 The board meeting shall be chaired by the chairman. In the event where the chairman is absent or cannot exercise its duties for any reasons, Article 208 of the Company Act shall govern.
- Article 28 Meetings of the board of directors shall be convened by the chairman of the board of directors, except for the first meeting of each term of the board of directors, which shall be convened by the director who has received the largest number of ballots for exercising voting rights. In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director, by means of written document, email or facsimile, no later than 7 days prior to the scheduled meeting date. However, in case of emergency, a meeting may be convened at any time.

Article 29 A director may, by a written proxy, appoint another director to attend the board meeting on its behalf and may authorize such director to vote on his or her behalf regarding all matters submitted at the meeting; provided that a director may only act as proxy on behalf of one other director.

Article 30 Directors shall carry out its authority pursuant to the resolution adopted at the board meeting. Unless otherwise provided by the Company Act, the board meeting shall be held only if it is attended by more than half of the directors. Resolutions shall be adopted with the concurrence of the majority of the directors present at the meeting.

Article 30-1 The Company may set up various functional committees under the Board of Directors. Each functional committee shall stipulate the operating rules for its functioning and such operating rules shall only take effect after the approval of the Board of Directors.

Article 31 (Deleted)

Article 32 (Deleted)

Chapter V Human Resources

Article 33 The appointment, removal and remuneration of corporate officer of the Company shall be made in accordance to Article 29 of the Company Act.

Article 34 The Company may purchase liability insurance for directors for statutory liabilities that may incur during their terms of office for the execution of business activities.

Article 35 The remuneration of directors, chairman and vice chairman shall be determined by the Board of Directors in reference to the industry standard and their respective contribution.

Chapter VI Financial Reports

Article 36 The fiscal year of the Company shall commence on January 1 of each year until December 31 of the same year. At the end of each fiscal year, the Board of Directors shall prepare the following documents to be audited by the Audit Committee and submitted them for the shareholders' approval at the general meeting of the shareholders:

- (1) Business report
- (2) Financial statements
- (3) Proposal for profit distribution or covering of losses

Article 37 When net profit occurs in the annual accounts, the Company may, after reserving a sufficient amount of the income before tax to cover the accumulated losses, with the resolution of the board of directors, distribute 1.5%~5% of the income before tax to pay to the employees as remuneration, and distribute no more than 1.5% of the income before tax to pay to the board of directors as remuneration. The remuneration could be stock or cash, and the employee remuneration could be distributed to the employees of subsidiaries of the Company under certain conditions.

A report of the distribution of employee remuneration or the board of directors remuneration shall be submitted to the shareholders' meeting.

Chapter VII Profit Allocation

Article 38 The Company shall, after all taxes and dues have been paid and its losses have been covered and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. Furthermore, in accordance with the provisions of laws and regulations and the rules prescribed by the central competent authority, a special reserve shall be set aside. If there is recovery of the balance of special reserve, the recovered amount shall be included in the distribution of the profit for the current year.

The allocable profit for the current year, which is the balance after the profit distribution and covering losses aforementioned as the preceding Paragraph, together with the undistributed retained earnings accrued from prior years shall be referred to as cumulative distributable earnings, which shall be distributed as dividends to shareholders according to shareholders' resolutions.

The Company authorizes the Board of Director to distribute all or part of the distributable dividends and bonuses, capital surplus or legal reserve in cash to shareholders after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

In order to meet the requirements in business expansion and industry growth, fulfilling future operating needs and stabilizing financial structure is the priority of the Company's dividend policy. Thus, the distribution of the cumulative distributable earnings accords to the shareholders' resolutions. And, the amount of shareholders' bonus shall not be less than 50% of cumulative distributable earnings of the Company, and in particular cash dividend shall not be less than 20%.

Chapter VIII Miscellaneous

Article 39 The internal organizational bylaws and procedural rules shall be set out by the Board of Directors.

Article 40 All matters that are not provided for herein shall be subject to the Company Act.

Article 41 These Articles of Incorporation were enacted on March 23, 1979.

The first amendment was approved on April 23, 1981,
the second amendment on December 28, 1982,
the third amendment on July 12, 1983,
the fourth amendment on February 25, 1984,
the fifth amendment on July 7, 1984,
the sixth amendment on March 1, 1985,
the seventh amendment on April 3, 1985,
the eighth amendment on March 20, 1986,
the ninth amendment on April 28, 1986,
the tenth amendment on July 4, 1986,
the eleventh amendment on June 17, 1987,
the twelfth amendment on December 1, 1987,
the thirteenth amendment on May 27, 1988,
the fourteenth amendment on May 30, 1989,
the fifteenth amendment on April 4, 1990,

the sixteenth amendment on June 29, 1990,
the seventeenth amendment on March 25, 1991,
the eighteenth amendment on May 20, 1991,
the nineteenth amendment on May 15, 1992,
the twentieth amendment on January 29, 1993,
the twenty-first amendment on May 24, 1994,
the twenty-second amendment on June 12, 1995,
the twenty-third amendment on June 10, 1996,
the twenty-fourth amendment on June 19, 1997,
the twenty-fifth amendment on June 19, 1998,
the twenty-sixth amendment on February 8, 1999,
the twenty-seventh amendment on May 22, 2000,
the twenty-eighth amendment on May 28, 2001,
the twenty-ninth amendment on February 8, 2002,
the thirtieth amendment on June 20, 2002,
the thirty-first amendment on June 15, 2004,
the thirty-second amendment on June 14, 2005,
the thirty-third amendment on June 23, 2006,
the thirty-fourth amendment on June 15, 2007,
the thirty-fifth amendment on June 19, 2009,
the thirty-sixth amendment on June 18, 2010,
the thirty-seventh amendment on June 22, 2011,
the thirty-eighth amendment on June 28, 2013,
the thirty-ninth amendment on June 26, 2014,
the fortieth amendment on June 22, 2016,
the forty-first amendment on May 28, 2020,
the forty-second amendment on July 30, 2021.
The forty-third amendment on May 26, 2022.

CTCI Corporation

Chairman Michael Yang

CTCI Corporation

Rules Governing Procedure for Shareholders' Meetings

Amended on June 05, 1999

Amended on June 22, 2011

- Article 1 Unless otherwise provided by laws or regulations, the shareholders' meeting shall be governed by the Rules.
- Article 2 The Company shall prepare an attendance sheet for the attending shareholders to sign or the attending shareholders shall hand in an attending card to indicate their presence. The number of the shares present at the shareholders' meeting shall be calculated based on the attendance sheet or the attending cards handed in.
- Article 3 The attendance of and voting at the shareholders' meeting shall be calculated based on shares.
- Article 4 The shareholders' meeting shall be held at the location of the Company or at the location that is convenient for the shareholders to attend and appropriate for convening shareholders' meeting thereat. The time of the meeting shall not be earlier than 9am or later than 3pm.
- Article 5 If the shareholders' meeting is convened by the board of directors, the shareholders' meeting shall be chaired by the chairman. If the chairman is absent or cannot exercise its duties for any reasons, Article 208 of the Company Act shall govern.
- Article 6 The Company may appoint its attorneys, accountants or other related persons to attend the shareholders' meeting as non-voting observers.
- Article 7 The entire proceedings of the shareholders' meeting shall be recorded on audio or video tape. Such audio or video tape shall be kept for at least 1 year.

Article 8 The chair of the shareholders' meeting shall immediately announce the commencement of the shareholders' meeting when it is time to commence, provided that where shareholders representing more than half of the total issued shares are absent from the shareholders' meeting, the chair may announce the postponement of the shareholders' meeting. However, the shareholders' meeting can only be postponed twice and the total period of postponement cannot exceed one hour. If, after two postponements, the quorum is still not satisfied, but the attending shareholders represent more than one third of the total issued shares, a provisional resolution may be made pursuant to Paragraph 1 of Article 175 of the Company Act. Before the closing of that shareholders' meeting, if the attending shareholders represent more than half of the total issued shares, the chair may submit the provisional resolution to the shareholders' meeting for voting in accordance with Article 174 of the Company Act.

Article 9 If the shareholders' meeting is convened by the board of directors, the agenda of the meeting shall be determined by the board of directors. The shareholders' meeting shall proceed in the order of proposed agenda. Such order shall not be changed without the approval of the shareholders' meeting.

Before the proposed agenda (including extempore motions) is decided, without the approval of the shareholders' meeting, the chair shall not announce the adjournment of the shareholders' meeting.

After the adjournment of the shareholders' meeting, the shareholders shall not elect another chair to continue the shareholders' meeting at the same location or at another location.

Article 10 Before an attending shareholder makes a statement, he or she shall first fill out a statement slip indicating the subject of his or her statement, the shareholder's account number (or the attendance identification number) and the shareholder's name. The chair shall determine the order in which the shareholders shall make the statement.

Where an attending shareholder only submits a statement slip but did not make any statement, he or she shall be deemed to have not spoken. Where the content of the oral statement is different from that indicated on the statement slip, the content of the oral statement shall prevail.

When an attending shareholder is making a statement, the other shareholders shall not interrupt unless otherwise agreed to by the chair and the speaking shareholder. In case of violation, the chair shall stop the disturbance.

Article 11 For every proposal discussed, unless otherwise agreed to by the chair of the shareholders' meeting, each shareholder shall not speak for more than twice and each time shall not exceed 5 minutes. Any shareholder violating the abovementioned rule or whose statement exceeds the scope of the proposal, the chair may interrupt and stop such shareholder from speaking.

Article 12 Where a juristic person is delegated to attend the shareholders' meeting, such juristic person can only appoint one person to attend the shareholders' meeting.

Where a juristic person appoints more than 2 representatives to attend the shareholders' meeting, only one of such representatives may speak for each proposal.

Article 13 When an attending shareholder speaks, the chair may answer such shareholder directly or appoint a related person to answer.

Article 14 With respect to the discussion of a proposal, where the chair is of the opinion that a matter has been sufficiently discussed to the extent that a vote may proceed, he or she may conclude the discussion and bring the matter to vote.

Article 15 People supervise and count the votes for the voting of a proposal shall be appointed by the chair, provided that the person supervising the vote shall be a shareholder of the Company. The result of the vote shall be announced on site and shall be recorded in the meeting minutes.

Article 16 During the course of the shareholders' meeting, the chair may announce a break at the times that he or she deems appropriate.

- Article 17 Unless otherwise provided by the Company Act or by the Articles of Incorporation, a proposal shall be adopted by a majority vote of the shareholders present. When voting, if no objection is expressed when the chair puts the matter before the shareholders present at the shareholders' meeting, the proposal shall be deemed to have been adopted. The effect of such adoption shall be the same as adoption by votes.
- Article 18 Where there is an amendment proposal or alternative proposal for the same issue, the chair shall determine the order of voting of such proposals together with the original proposal for the same issue. However, if a proposal has been approved, the other proposals shall be deemed to have been vetoed and need not be voted again.
- Article 19 The chair may direct the rectifiers (or security personnel) to assist in maintaining order at the shareholders' meeting. When the rectifiers (or security personnel) provide assistance to maintain the order at the shareholders' meeting, they shall wear the badge indicating that they are the rectifiers.
- Article 20 The Rules shall come into force upon the adoption by the shareholders' meeting. The same shall apply to the amendment hereof.

CTCI Corporation

Rules Governing the Election of Directors

Amended on June 15, 2004

Amended on June 26, 2014

- Article 1 The election of the Company's directors shall be governed by the Rules.
- Article 2 The directors shall be elected at the shareholders' meeting.
- Article 3 The directors shall be elected among people with legal capacity by the shareholders' meeting in accordance with the Rules. The directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of the Company Act.
- Article 4 The election of directors shall be made in cumulative vote by open ballots. Each share shall enjoy as many votes as the number of directors' positions up for election. Shareholders may concentrate their full share of votes on one or several candidates.
- Article 5 The number of positions of directors shall be determined by the Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. The persons with the most votes shall be elected respectively for the positions. Where there are more than two persons with the same number of votes, exceeding the number of positions available, the persons with the same number of votes shall take a draw to decide who shall be elected for the position. In the event where one of the said persons is absent, the chair shall take the draw on his or her behalf.
- Article 6 The board of directors shall print the ballot. In addition to the Company's chops, the attendance identification number and the number of voting rights of each voter shall be printed on the ballot.
- Article 7 Before the voting process commences, the chair shall appoint a number of supervising personnel and vote counting personnel to handle the relevant matters.

- Article 8 Before the voting process commences, the chair shall appoint a number of supervising personnel who should be shareholders and vote counting personnel to handle the relevant matters.
- Article 9 The voter shall indicate the shareholder account number or national identity card number and the name of one candidate on each ballot. Where the candidate is a government agency or a juristic person, the column of the candidate on the ballot shall include the name of the government agency or juristic person and the name of the representatives of the said government or juristic person may also be included therein. Where there are more than one representative, the voter shall specify the name of the representative additionally.
- Article 10 Where any of the following events occurs, the vote shall be deemed null and void:
1. Votes that are not made in accordance with the Rules.
 2. Unwritten blank votes put in the ballot box.
 3. Illegible writing that cannot be recognized or writings that have been altered.
 4. The name, shareholder account number or the national identity card number of the candidate written on the ballot and any items of the number of allocated voting rights have been altered.
 5. If the candidate is a shareholder, when its shareholder account number and name are different from those indicated on the shareholders' roster. If the candidate is not a shareholder, when the name and national identity card number are incorrect upon verification.
 6. Where the name of the candidate written on the ballot is the same as another shareholder, failure to inscribe the shareholder account number or national identity card number.
 7. In addition to the name, shareholder account number or national identity card number and the number of allocated voting rights, the ballot includes other drawings or writing.
 8. The number of candidate inscribed on the ballot exceeds the number of position available for election, or indication of two or more candidates on the same ballot.
 9. Where the total number of allocated voting rights exceeds the number of voting rights entitled to by the said shareholder.

- Article 11 When the total number of votes is less than the number of the allocated voting rights, the difference in number shall be deemed as waivers of right to vote.
- Article 12 The votes shall be opened at the shareholders' meeting after the votes are completed. The result shall be announced by the chair at the shareholders' meeting.
- Article 13 The Company shall issue a notice of election to the elected directors respectively.
- Article 14 Matters that are not provided for in the Rules shall be governed by the Company Act and by the Company's Articles of Incorporation.
- Article 15 The Rules shall come into force upon the adoption by the shareholders' meeting. The same shall apply to the amendment hereof.

CTCI CORPORATION

Shareholdings of All Directors

Record Date: April 02, 2023

Title	Name	Shares	%	Representative
Chairman	CTCI Development Corporation	912,170	0.11%	Michael Yang
Director				John T. Yu
Director	Quintin Wu	0	0.00%	
Director	Johnny Shih	0	0.00%	
Director	Yancey Hai	0	0.00%	
Director	Taiwan Cement Corporation	9,054,350	1.13%	An-Ping Chang
Director	CTCI Foundation	60,862,051	7.59%	Paul Chen
Director	Wenent Pan	30,000	0.00%	
Independent Director	Yen-Shiang Shih	0	0.00%	
Independent Director	Frank Fan	0	0.00%	
Independent Director	Yi-Fang Chen	0	0.00%	
Independent Director	Jack Huang	0	0.00%	
Total number of shares held by all Directors		70,858,571	8.84%	

(1) Total shares issued as of April 02, 2023: 801,869,386 Common Shares.

(2) The minimum required combined shareholding of all Directors by law: 25,659,820 shares.

Others

1. The process of proposals raised by shareholders during this annual general meeting:
 - (1) According to Article 172-1 of the Company Act, shareholders with more than 1% ownership interest are entitled to raise a maximum of one proposal less than 300 words to the Company in writing, which will be addressed during the annual general meeting.
 - (2) This year's annual general shareholders' meeting was open to shareholders' proposals from March 10 to March 20, 2023, and these dates have been published on the Market Observation Post System in compliance with the relevant regulations.
 - (3) The Company did not receive any proposals from shareholders.



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