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中鼎工程股份有限公司
CTCI Corporation

2020 Annual Report

Printed on March 31, 2021



Notice to readers

This English version annual report 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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■ **Deputy Spokesperson**

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■ **Auditors**

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■ **Overseas Trade Places for Listed Negotiable Securities**

None.

■ **Corporate Website**

<http://www.ctci.com>

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I. Letter to Shareholders

Dear Shareholders,

In the face of severe challenges brought by the global COVID-19 outbreak in 2020, CTCI has upheld the "Most Reliable" brand spirit by joining hands with owners, partners, and suppliers. Not only have we mitigated the impact, but we have allowed business operations worldwide to go on uninterrupted. However, we still fell short of expectations in terms of revenues in 2020 with all the hard work. The good news is that the contract amount secured by CTCI Group have broken historical records, an achievement made by all our colleagues.

I would hereby like to report to you our 2020 business review as well as our 2021 strategic plan and blueprint for CTCI, which are as follows:

1. 2020 Business Review

The consolidated sales revenue for 2020 amounted to TWD55.55 billion, decreased by TWD2.65 billion, or a 4.56%, compared to that of 2019. The consolidated operating expenses were TWD1.58 billion, while the consolidated non-operating expense was TWD293.2 million. The consolidated net income was reported at TWD766.5 million, and the earnings per share (EPS) was at TWD1.01. The major reason for the decreased amount of consolidated sales revenue is that impacted by the COVID-19 pandemic, some of our projects being executed have been halted according to the laws due to lockdown of the region/country where projects are located. Thus, revenues for many contracts have not yet been recognized.

Under the joint efforts of all Group colleagues, we broke historical records in both backlogs and annual contract amount, with total contract amount stands at TWD 130.2 billion, while contract backlog comes to 266.0 billion, reaching a multi-billion dollar contract goal in 2020. Major new contracts in 2020 include CPC Talin Tank Farm 41 Tanks PKG-7 EPC Project, CPC Talin Tank Farm Utility & Offsite PKG-2 EPC Project, CPC 3rd LNG Receiving Terminal Regas EPC Project, TPC Taichung Combined Cycle Power Plant Project, TPC Hsinta Combined Cycle Power Plant EPCC Project, TPC Taichung LNG Regas EPCC Project, CGTDC/TSRC Butadiene Tank EPC Project, IDB Sludge Incineration Plant BOT Project, and Taipei MCT Wanda Line E&M System Phase II EPCC Project.

In 2020, based on the major development goals of delivering intelligent EPC (iEPC) turnkey projects, CTCI's Research and Innovation Center developed an in-house innovative digital engineering platform. The platform aims to achieve digital transformation of EPC turnkey project executions and reform the operation process by overcoming the various challenges arising during project implementation. Specifically, we have been targeting efforts on bridging between engineering, procurement, construction, and commissioning phases, which were independent systems each, and make project executions worldwide more transparent, safer, better optimized, more efficient, and with higher quality. Additionally, it also assists decision-making and enables our management team to streamline man-hour and cost allocations, and prevent construction delays. Availled by the digital transformation iEPC brings, not only has CTCI's global competitiveness been strengthened, but it also allows CTCI to differentiate our services from competitors, and break a new ground for CTCI.

Up until today, iEPC has been widely used in CTCI's project executions, whether in front-end engineering design (FEED), procurement, or construction. In the engineering stage, with the digitization of engineering information, such as using AI tools to assist in components recognition in mechanical flow diagrams and material take off, capturing data from datasheets, and creating structured data, and reducing repetitive tasks of manual entries. Besides, with Tag Platform, delivery of data now speeds up and quality of engineering design is ensured.

Other innovative digitization applications are 3D modeling, simulation analysis and calculations performed with parametric design and robotic process automation. When applied to procurement tasks, the digitized information and integrated data make selection of vendor more accurately performed and contract negotiation completed faster. Through information exchanges between CTCI and suppliers, we can keep track of the order status and ensure the timely arrival of procured equipment with expected quality. As for the construction phase, we make good use of mobile devices and wireless positioning technology to assist worker management; the said technology also allows us to look over the latest construction drawings, and check location and quantity of equipment, making construction works smoother and improve the efficiency of field work.

In terms of professional expertise, we continue to refine our engineering capabilities through Lessons Learned and capability inventory. By now, we have developed pure water processing systems, sludge treatment system, package system designs, cryogenic tank designs, and lightning electromagnetic interface research. Through industry-academia collaborations and self-research, we improve our engineering skills and qualities of engineering reviews, and update design guidelines and specifications. Also, workshops and training courses are conducted to strengthen EPC project execution capabilities, making project executions faster, better, more precise and competitively to meet the demands in the fast changing markets.

2. Our Business Goals and Prospect

In 2021, under the continuous impact of the pandemic and global economic fluctuations, industries are still faced with tough challenges. Thus, for the Group to grow sustainably, and to get prepared well in advance, we shall direct our efforts towards the following three major directions to open up new prospects for a bumper harvest.

(1) Stay Ahead of the Trend to Penetrate into the Advanced Technology Facility Business

The high-tech industry is now developing rapidly around the world. The US-China trade war has led to the rise of de-globalization and a different supply chain landscape. Long chains now become short chains, creating regional development opportunities. It is against this backdrop that CTCI branches out into the high-tech business. We have integrated our group resources and experiences and set up a new unit called Advanced Technology Facilities Business Operations, or ATFBO, in an aggressive bid for businesses in five major areas: integrated circuits (IC), precision testing, optoelectronics, computers and peripherals, and communications. This is a huge transformation and it also offsets the dwindling hydrocarbon business opportunities, and fill the gap from thermal power plants constructions increasingly replaced by the trend to a transition to renewable energy sources, ultimately laying a foundation for the Group's sustainable growth.

In addition, by drawing on synergies of our three business groups, we will seek business opportunities in the high-tech industry supply chain and related waste treatment business. This will help create a new business model for CTCI that brings stable revenues.

(2) Integrate Group Resources & Commit to Circular Economy

Driven forward by the global attention on sustainability, the idea of circular economy is becoming increasingly popular among the world. Guided by the United Nation's Sustainability Development Goals (SDGs), governments are devoted to making a future with zero-waste where resource use is compatible with environmental sustainability. Under this context, clean and renewable energy development has become a key focus for the related industries. We must take this opportunity to transform ourselves by proactively strengthening capabilities in delivering green power and low carbon projects. In so doing, we could realize circular economy with our competencies and enhance our impact to sustainability worldwide with the green projects executed.

We have also integrated group resources to meet our circular economy strategic goal, which has seen fruitful results in various fields. For instance, in the energy-from-waste sector, we are actively engaging in adopting advanced technologies to enhance power generation efficiency. As for solar PV business, our track records performance, we have hit national record in terms of largest installed PV panel capacity at seaports, restored landfills, and rail transit stations across Taiwan. On the other hand, we are also actively establishing ourselves for green power transaction in preparation for the global trends of carbon neutrality and RE100 initiative.

In the area of clean energy related projects, we not only completed our first batch of made-in-Taiwan pin piles of wind turbines for offshore wind farms, we have also extended services to detailed design for onshore cables horizontal directional drilling (HDD). Moreover, we secured plant construction contracts from CPC Corporation and Taipower, both with an aim to effectively lower carbon emissions within the framework of the government's clean energy policies. Also, we have plentiful experiences in water resource projects, specifically in the construction and O&M of water resource recycling centers, sewage treatment plants, and wastewater reclamation plants.

The circular economy trend is taking the world by storm, and it is bringing new demands and challenges. To be able to obtain more green business opportunities, all business groups shall work synergistically to meet the challenge and break new ground.

(3) Honor Our Commitment and Corporate Culture

"Professionalism, Integrity, Teamwork, Innovation" defines our corporate culture, and it is a quality that every CTCI member must equip himself/herself with. Only when we have technological professionalism, innovation in work behaviors, strong team spirits, coupled with an attitude of integrity will clients trust us with their works.

Integrity is the foundation based on which enterprises may go sustainability, and the best way to act with integrity is to honor commitments. That is to say, internally or externally, when a commitment is made, we must make sure our actions correspond with our words and can deliver what we promise. When problems occur, we have to seek out solutions in a transparent and open manner, hence demonstrating our brand spirit of being "the most reliable." As I've always reminded the top managers "to lead by example, have moral integrity, be smart and wise, while staying just, open, and fair in every action taken." Only when the management team can exemplify transparent management, fairly communicate

with others, and know subordinates well can CTCI create a work atmosphere that all can trust and rely on each other. This is the way to strengthen all staff's coherence to further our endeavor under the mantra of "one team, one spirit, one goal."

"With change comes opportunities. It is never too late to transform ourselves to grasp them." To compete with the top-notch engineering firms in Europe, the U.S. and Japan in the highly competitive market, we must know well the ever-changing global industry trends and transform ourselves when necessary. Equally important is that all of us must honor our integrity corporate culture to proceed in the right direction, and win victories.

With the intention of facilitating future growth and sustainable operations, in 2016, we began to carry out organizational restructuring at unprecedented scale. As part of the restructuring plan, we established the Executive Committee (EXCO), three business groups, and a Group Shared Services, so that more senior level managers can join the Group's operations, take part in decision-making, assume more responsibilities, and go through solid trainings. Later in 2020, we finalized leadership transition and had new successors ready for top management roles. We believe that the new successors will open a new chapter in CTCI's business records.

Let us be prepared for the challenges at the new year. We shall commit ourselves to realizing the vision of being "the Most Reliable Global Engineering Services Provider" for a broader, brighter future.

I wish all of you good health and prosperity.

Sincerely,

A handwritten signature in black ink that reads "Michael Yang". The signature is written in a cursive, flowing style.

Michael Yang
Chairman

II. Company Profile

2.1 Date of Incorporation: April 6, 1979

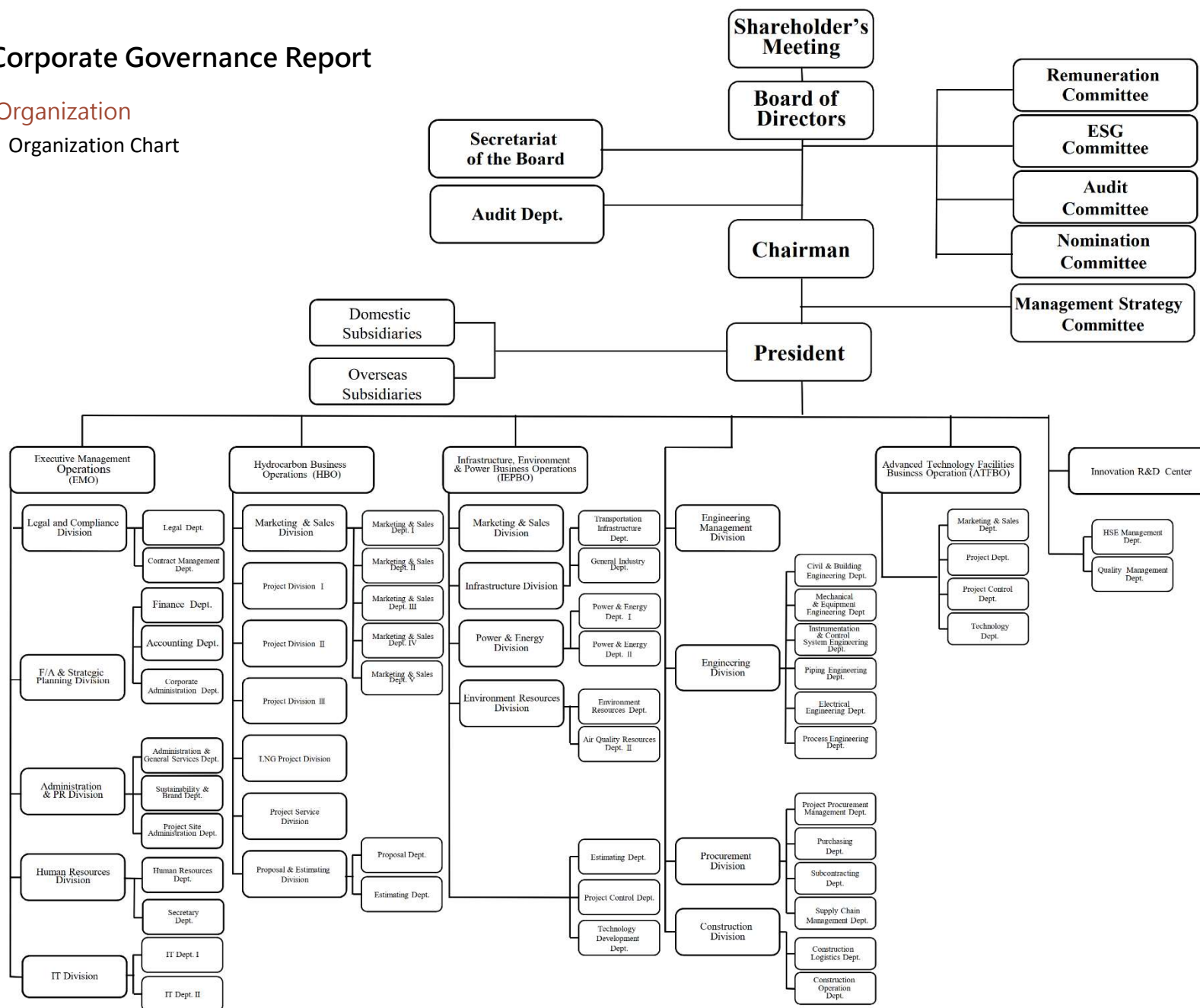
2.2 Company History

2020.05	CTCI, CTCI Advanced Systems and ECOVE Environment finished as Top 5% in the “2020 Corporate Governance Evaluation System”; CTCI and ECOVE Environment finished in the top 10% of listed companies in the non-finance and non-electronics industry with a market value of 10 billion TWD or more.
2020.05	In terms of the overall ranking in the Top 650 Service Enterprises by Common Wealth Magazine in 2020, CTCI ranked as 30 th and retained Top 1 spot in the contractor sector for years in a row.
2020.05	CTCI Corporation held its Annual General Meeting of Shareholders on May 28, 2020 and the 12 directors (including 4 independent directors) for the 15 th Term Board of Directors were elected in the Meeting. At the same day, for succession planning, former President Michael Yang was elected as Chairman and former Executive Vice President Todd Chen was appointed as President.
2020.09	CTCI ranked the 16 th in the large enterprise category, ECOVE Environment and CTCI Advanced Systems ranked the 3 rd and 10 th in the mid-size enterprise categories respectively in Corporate Social Responsibility” by Common Wealth Magazine in 2020.
2020.10	CTCI group ranked the 86 th among “The International Design Firms”, the 75 th among “The International Contractors” and the 164 th among “The Global Contractors” in the 2020 Engineering News-Record(ENR) Rankings.
2020.11	CTCI selected as a member of the Dow Jones Sustainability Index (DJSI) component for 6 years in a row, ranks 2 nd place in the Engineering & Construction Industry category, and rank top place in the Economic and 2 nd place in Social Dimension among global peers, sustaining its position as an industry leader in Taiwan.
2020.11	CTCI bags 18 awards in the 2020 Taiwan Corporate Sustainability Awards (TCSA). It is also the only engineering firm selected for this honor in Taiwan. John T. Yu, CTCI Group Chairman, has been selected as Global Corporate Sustainability Awards (GCSA) Outstanding Professional for his superior leadership and performance.

III. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Operations and functions of the various departments

Department		Operations & Functions
Immediate Board of Directors	Secretariat of The Board	Responsible for furnishing information required for business execution by directors, assisting directors with legal compliance, and handling matters relating to functional committees meetings, board meetings and shareholders meetings according to laws.
	Audit Dept.	Responsible for inspecting and reviewing defects in the internal control systems for the Company and its subsidiaries' business continuity, providing timely recommendations for improvements to reasonably ensure the sustained operating effectiveness of the systems.
Immediate President	HSE Management Dept.	Responsible for the effectiveness of establishing and maintaining the Company's HSE management system, handling HSE audit operations of various permanent departments and projects, researching and continuously improving the HSE management operation mechanism, and supervising the HSE management operations of the group.
	Quality Management Dept.	Responsible for the effectiveness of establishing and maintaining the Company's Quality management system, handling Quality audit operations of various permanent departments and projects, researching and continuously improving the Quality management operation mechanism, and supervising the Quality management operations of the group.
	Research and Innovation Center	Responsible for applying innovative technology, developing intelligent platform and researching new operating technology.
	Engineering Management Division	Responsible for executing quality, HSE and cost control of project engineering management.
	Engineering Division	Responsible for coordinating and integrating the human resources, quotation, execution of projects, and multi-departmental technology of various design departments and Hydrocarbon projects' commissioning, also planning and executing the training programs for various projects.
	Procurement Division	Responsible for the procurement, inspection and transportation business, and supervising and confirming the quality/HSE requirements about all of the procurement documents.

Department	Operations & Functions
Executive Management Operations (EMO)	Construction Division Responsible for supporting interaction of various business divisions and subsidiaries, and supervising the compliance of various quotations and project site operations with the Company's requirement.
	IT Division Responsible for defining the Company's information policy, planning and promoting the information systems, supervising the information dept. affairs of various affiliates.
	Legal Dept. Responsible for handling disputes, litigation, arbitration, non-litigation.
	Contract Management Dept. Responsible for contract reviewing.
	Corporate Administration Dept. Responsible for auditing the project cost, releasing commodity price information and helping the cost-related system development.
	Finance Dept. Responsible for supporting the project's achievement of financial objectives, planning and executing important financial tasks and controlling the project risk to increase the Company's earnings.
	Accounting Dept. Responsible for verifying the Company's income, providing the actual accounting information in a timely manner, and well-founding various financial management systems.
	Human Resources Dept. Responsible for human resource's strategies and management, providing the talents corporate needs to meet corporate's mission.
	Secretary Dept. Responsible for the optimization of the manpower of the secretary.
	Administration & General Services Dept. Responsible for managing the general administrative affairs and related public affairs contacts, to ensure corporate administration running well and keep good relationship with related government agencies.
	Project Site Administration Dept. Responsible for the administrative general affairs of overseas and domestic construction project sites to ensure the operation of administrative management at the site.
	Sustainability & Brand Dept. Responsible for establishing a structure for branding and sustainability management of the Group, developing/promoting brand and sustainability management strategies, and organizing external brand marketing and sustainability related campaigns.

Department		Operations & Functions
Hydrocarbon Business Operations (HBO)	Marketing & Sales Division	Responsible for developing the market, collecting business information, establishing cooperative relations, striving for bidding and winning opportunities, analyzing competitors' status, planning strategic alliances, preparing qualification proposals and reviewing & suggesting tender documentation, participating in tender opening, negotiating for contracts and maintaining after-sales service.
	Project Division I	Responsible for executing various projects in Taiwan and Mainland China.
	Project Division II	Responsible for executing various projects in South East Asia and India.
	Project Division III	Responsible for executing various projects in the Middle East.
	LNG Project Division	Responsible for executing LNG projects and proposal related business.
	Project Service Division	Responsible for controlling the various information about refining and petro-chemical projects, and achieving the objectives together with the projects.
	Proposal & Estimating Division	Responsible for defining the quotation strategies and work plans, organizing the quotation taskforce, drafting the project execution strategies and development execution plan, executing the project risk assessment, preparing technical and business tender documentation, clarifying and negotiating after tender submission, and preparing case closure report of the quotation.
Infrastructure, Environment & Power Business Operations (IEPBO)	Marketing & Sales Division	Responsible for developing the market, collecting business information, establishing cooperative relations, striving for bidding and winning opportunities, analyzing competitors' status, planning strategic alliances, preparing qualification proposals and reviewing & suggesting tender documentation, participating in tender opening, negotiating for contracts and maintaining after-sale service.
	Infrastructure Division	Responsible for executing the projects about MRT, HSR, light rail, steel plant, and air separation plant.
	Power & Energy Division	Responsible for executing the projects about gas power plants, cogeneration plants, coal-fired power plants, incinerators, sewage and pure water treatment plants, water recycling and seawater desalination plants.

Department		Operations & Functions
Advanced Technology Facilities Business Operation (ATFBO)	Environment Resources Division	Responsible for executing the projects about coal-fired power plants, desulfuration and De-NOx.
	Marketing & Sales Division	Responsible for developing the market, collecting business information, establishing cooperative relations, striving for bidding and winning opportunities, analyzing competitors' status, planning strategic alliances, preparing qualification proposals and reviewing & suggesting tender documentation, participating in tender opening, negotiating for contracts and maintaining after-sale service.
	Technology Division	Responsible for application of technology in various fields about advanced technology facilities and assist the project to perform EPC operations.
	Project Division	Responsible for project management about advanced technology facilities and achieving the objectives together with the projects.
	Project Control Division	Responsible for controlling the various information about advanced technology facilities projects, and achieving the objectives together with the projects.

3.2 Directors and Management Team

3.2.1 Directors

March 31st, 2021

Title	Nationality	Name	Gender	Date Elected	Term (Years)	Date First Elected (Rep. of juridical person)	Shareholding when Elected		Current Shareholding (Rep. of juridical person)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R.O.C.	Michael Yang (Rep. of CTCI Development Corporation)	Male	May 28, 2020	3	Feb. 8, 2002 (Mar. 7, 2016)	912,170	0.12	912,170 (42,000)	0.12 (0.01)	407,097	0.05	0	0	Note 1	Note 2	None	None	None
Director	R.O.C.	John T. Yu (Rep. of CTCI Development Corporation)	Male	May 28, 2020	3	Feb. 8, 2002 (Feb. 9, 1999)	912,170	0.12	912,170 (973,471)	0.12 (0.13)	1,890,000	0.25	0	0	Note 3	Note 4	None	None	None
Director	R.O.C.	Quintin Wu	Male	May 28, 2020	3	Jun. 23, 2006	0	0	0	0	0	0	0	0	Note 5	Note 6	None	None	None
Director	R.O.C.	Johnny Shih	Male	May 28, 2020	3	Feb. 8, 2002 (Note 7)	0	0	0	0	0	0	0	0	Note 8	Note 9	None	None	None
Director	R.O.C.	Yancey Hai	Male	May 28, 2020	3	Feb. 8, 2002	0	0	0	0	0	0	0	0	Note 10	Note 11	None	None	None
Director	R.O.C.	An-Ping Chang (Rep. of Taiwan Cement Corporation)	Male	May 28, 2020	3	May 28, 2020 (Jun. 28, 2017)	9,054,350	1.19	9,054,350 (0)	1.19 (0)	0	0	0	0	Note 12	Note 13	None	None	None
Director	R.O.C.	Paul Chen (Rep. of CTCI Foundation)	Male	May 28, 2020	3	Apr. 6, 1979 (Feb. 1, 2020)	60,862,051	7.97	60,862,051 (0)	7.97 (0.00)	120,000	0.02	0	0	Note 14	Note 15	None	None	None

Title	Nationality	Name	Gender	Date Elected	Term (Years)	Date First Elected (Rep. of juridical person)	Shareholding when Elected		Current Shareholding (Rep. of juridical person)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	R.O.C.	Wenent Pan	Male	May 28, 2020	3	Apr. 1, 2012 (Note 16)	0	0	30,000	0.00	0	0	0	0	Note 17	Note 18	None	None	None
Independent Director	R.O.C.	Yen-Shiang Shih	Male	May 28, 2020	3	Jun. 28, 2017	0	0	0	0	0	0	0	0	Note 19	Note 20	None	None	None
Independent Director	R.O.C.	Frank Fan	Male	May 28, 2020	3	Jun. 26, 2014	0	0	0	0	0	0	0	0	Note 21	None	None	None	None
Independent Director	R.O.C.	Evon Chen	Female	May 28, 2020	3	May 28, 2020	0	0	0	0	0	0	0	0	Note 22	None 23	None	None	None
Independent Director	R.O.C.	Jack Huang	Male	May 28, 2020	3	Jun. 26, 2014	0	0	0	0	0	0	0	0	Note 24	Note 25	None	None	None

Note: Chairman and President of the Company are not the same person, spouses or relatives within the first degree of kinship.

Note 1:

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

Note 2:

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. / Director, MIE Industrial Sdn. Bhd.

Note 3:

PMD 61, Harvard Business School, USA / B.S., Electrical Engineering, National Taiwan University / Chairman, CTCI Corporation

Note 4:

Director, CTCI Corporation / Chairman, CTCI Development Corporation / Director, CTCI Overseas Corporation Limited / Director, CTCI Education Foundation / Managing Director, CTCI Foundation / Director, Taiwan Cement Co., Ltd. / Director, TSRC Corporation / Director, Dynamic Ever Investments Limited / Director, Ever Victory Global Limited

Note 5:

Chairman, USI Corporation

Note 6:

Chairman, USI Corporation / Chairman, China General Plastics Corporation / Chairman, Asia Polymer Corporation / Chairman, Taita Chemical Company, Limited / Chairman, Acme Electronics Corporation

Note 7:

Mr. Johnny Shih is not the director or supervisor of the Company during the period from Jun. 15, 2005 to Jun. 25, 2014.

Note 8:

Master in Computer Science and Business Administration, Columbia University, USA / Vice Chairman, Far eastern International Bank

Note 9:

Vice Chairman, Far Eastern New Century Corporation / Vice Chairman, Oriental Union Chemical Corporation / Chairman, Everest Textile Company Limited / Director, Asia Cement Corporation

Note 10:

Master's Degree in International Business Management, the University of Texas at Dallas / Country Manager, G.E. Capital / Vice Chairman and CEO, Delta Electronics, Inc.

Note 11:

Chairman, Delta Electronics Inc. / Chairman of Strategic Steering Committee, Delta Electronics, Inc. / Independent Director, USI Corporation / Independent Director and Compensation Committee member, Taiwan Semiconductor Manufacturing Co., Ltd. / Director, Delta Electronics (Shanghai) Co., Ltd. / Director, Cytotec Co., Ltd. / Director, Delta Networks, Inc. / Director, Delta Electronics Capital Company / Director, Delta Electronics Power (Dongguan) Co., Ltd.

Note 12:

MBA, New York University, U.S.A / Vice Chairman, Taiwan Cement Corporation / Chairman, Chia Hsin Cement Corporation

Note 13:

Chairman, Taiwan Cement Corporation(TCC) /Chairman, TCC International Holdings Ltd. / Chairman, Hong Kong Cement Manufacturing Co., Ltd. / Independent Director, Synnex Technology International Corporation / Managing Director, O-Bank Co., Ltd. / Director, Taiwan Stock Exchange Corporation

Note 14:

EMBA, Thunderbird School of Global Management, USA / Chairman, Kuo Kuang Power Co., Ltd.

Note 15:

CEO, CTCI Foundation

Note 16:

Mr. Wenent Pan is not the director or supervisor of the Company during the period from Aug. 1, 2012 to Jun. 25, 2014.

Note 17:

M.S. & Ph.D., Chemical Engineering, University of Wyoming, USA / President & Chairman, CPC Corporation / Chairman & CEO, Kuo Kuang Power Co., Ltd.

Note 18:

Chairman, CTCI Foundation / Independent Director, UPC Technology Corporation / Independent Director, China Petrochemical Development Corporation / Independent Director, U-Ming Transport Corporation

Note 19:

Ph.D., Chemistry, Massachusetts Institute of Technology, U.S.A. / 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 / Minister & Vice Minister & Deputy Minister, MOEA / Director General, Taiwan Tobacco & Wine Bureau / Chairman, Sinotech Engineering Consultants, Inc.

Note 20:

Chair Professor, Chung Yuan Christian University / Policy Advisor, Taiwan Electrical and Electronic Manufacturers' Association / Chairman, Sustainable Circulation Economy Development Association / Independent Director, AU Optronics Corp. / Director, Taiwan Institute of Economic Research / Independent Director, Formosa Plastics Corporation/ Director, Taiwan Research Institute

Note 21:

M.S., Institute of traffic and Transportation, National Chiao Tung University / Minister without Portfolio & Chairperson of Public Construction Commission, Executive Yuan



Note 22:

M.S. Accounting, Soochow University / 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)

Note 23:

Chairman, YiFang CPA Firm / Supervisor, YKK Taiwan Co. Ltd. / Supervisor, YKK AP Taiwan Co., Ltd.

Note 24:

S.J.D., Harvard University / Attorney-at-Law, Jones Day Taipei Office

Note 25:

Founder & Chairman, Taiwan Renaissance Corp. / Special Advisor to the CEO, Yulon Group / Independent director, WPG Holdings Limited / Independent director, Systex Corporation / Director, Yulon Motor Co., Ltd. / Director, Taiwan Capital Management Corporation / Director, Taiwan Capital Buffalo Fund Co., Ltd. / Director, Taiwan Capital Biotechnology Corporation

Major shareholders of the institutional shareholders

March 31st, 2021

Name of institutional shareholders	Major shareholders of the institutional shareholders
CTCI Development Corporation	CTCI Corporation (100%)
Taiwan Cement Corporation	Chinatrust Investment Co., Ltd. (4.00%)、Chia Hsin Cement Corporation (3.60%)、Taiwan Life Insurance Co., Ltd. (2.02%)、Old Labor Pension Scheme Fund (1.90%)、Cathay Life Insurance Co., Ltd. (1.86%)、China Life Insurance Co., Ltd. (1.83%)、New Labor Pension Scheme Fund (1.80%)、Tong Yang Chia Hsin International Corporation (1.75%)、Fubon Life Insurance Co., Ltd. (1.74%)、International CSRC Investment Holdings Co., Ltd. (1.71%)
CTCI Foundation	CPC Corporation (4.44%)、Taiwan Sugar Corporation (4.44%)、Taiwan Power Company (4.44%)、Taiwan Fertilizer Co., Ltd. (4.44%)、BES Engineering Corporation (4.44%)、Taiwan industrial Development Corporation (4.44%)、Tatung Company (4.44%)、Taiwan Cement Corporation (4.44%)、YULON Motor Co., Ltd. (4.44%)、China Man-Made Fiber Corporation (4.44%)、Formosa Plastics Corporation (4.44%)、Asia Cement Corporation (4.44%)、SESODA Corporation (4.44%)、Pioneer Chemical Corporation (4.44%)

Major shareholders of the major shareholders that are juridical persons

March 31st, 2021

Name of juridical persons	Major shareholders of the juridical persons
CTCI Corporation	CTBC Bank Co., Ltd. (CTCI Corporation Employee Stock Ownership Trust)(8.55%)、CTCI Foundation (7.97%)、Fubon Life Insurance Co., Ltd.(7.88%)、CTBC Bank Co., Ltd. (Sustainability Employee Stock Ownership Trust)(4.90%)、Eastspring Investments - Global Emerging Markets Customized Equity Fund(2.18%)、Chunghwa Post Co., Ltd.(2.12%)、USI Corporation(1.98%)、Asia Polymer Corporation(1.89%)、Union Cement Traders Inc.(1.75%)、Nan Shan Life Insurance Co., Ltd.(1.56%)

Name of juridical persons	Major shareholders of the juridical persons
Chinatrust Investment Co., Ltd.	Heng Qiang Investment Co., Ltd.(23.38%) 、 Fu Pin Investment Co., Ltd.(23.33%) 、 Taiwan Cement Corporation(9.36%) 、 International CSRC Investment Holdings Co., Ltd.(4.48%) 、 TCC Investment Co., Ltd(3.45%) 、 Hoping Industrial Port Corporation(3.31%) 、 Kun Qing International Development Ltd.(2.97%) 、 Qiao Tai Investment Co., Ltd.(2.78%) 、 Chung Ho Textile Co., Ltd.(2.31%) 、 Ta-Ho Maritime Corporation(2.09%)
Chia Hsin Cement Corporation	Tong Yang Chia Hsin International Corporation(16.44%) 、 Sung Ju Investment Corporation(8.88%) 、 Yung-Ping Chang(5.39%)、Taiwan Cement Corporation(3.54%)、Ta-Ho Marinetime Corporation(3.32%)、Nutri Vita Inc.(2.27%)、Chai Hsin Foundation(1.92%) 、 International Chia Hsin Corporation(1.89%) 、 Guo-Huei Gu(1.74%) 、 Chia Hsin Ready-Mixed Concrete Corporation(1.70%)
Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd.(100%)
Old Labor Pension Scheme Fund	None
Cathay Life Insurance Co.,Ltd.	Cathay Financial Holding Co., Ltd.(100%)
China Life Insurance Co., Ltd.	China Development Finance Holding Corporation(47.30%) 、 KGI Securities Co., Ltd.(8.66%) 、 Videoland Inc.(2.42%) 、 Cathay Life Insurance Co., Ltd(1.27%) 、 Lin-Lang Chan(1.24%) 、 Guang-Ming Song(0.72%) 、 iShares MSCI Taiwan ETF(0.66%) 、 Shih-Jin Chen(0.63%) 、 Norges Bank(0.60%) 、 Pei-Ru Huang(0.60%)
New Labor Pension Scheme Fund	None
Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation(87.18%) 、 Chia Hsin Construction & Development Corporation(10.41%) 、 Chia Min Corporation(0.52%) 、 Sung Ju Investment Corporation(0.42%) 、 Ju-Ping Chang(0.25%) 、 Yung-Ping Chang(0.22%) 、 Chung-Lien Chung(0.19%) 、 International Chia Hsin Corporation(0.16%) 、 An-Ping Chang(0.12%) 、 C.K. Wang(0.11%)
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd.(100%)

Name of juridical persons	Major shareholders of the juridical persons
International CSRC Investment Holdings Co., Ltd.	Taiwan Cement Corporation(15.59%)、Chinatrust Investment Co., Ltd.(7.92%)、TCC Investment Co., Ltd.(2.23%)、Fu Pin Investment Co., Ltd.(1.72%)、Taiwan Life Insurance Co., Ltd.(1.52%)、CS Development & Investment Co.(1.50%)、Norges Bank(1.40%)、JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds(1.29%)、Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds(1.23%)、Union Cement Traders Inc.(1.16%)
CPC Corporation	Ministry of Economic Affairs R.O.C.(100%)
Taiwan Sugar Corporation (Note)	Ministry of Economic Affairs R.O.C.(86.15%)、Northern Region Branch, National Property Administration, MOF(9.92%)、First Commercial Bank(0.75%)、Chang Hwa Commercial Bank, Ltd.(0.41%)、Bank of Taiwan(0.36%)、Taiwan Business Bank Co., Ltd.(0.30%)、Hua Nan Commercial Bank, Ltd.(0.14%)、Central Investment Corporation(0.14%)、Mega International Commercial Bank Co., Ltd.(0.13%)、Land Bank of Taiwan(0.08%)、Taiwan Cooperative Bank(0.08%)
Taiwan Power Company (Note)	Ministry of Economic Affairs R.O.C.(94.04%)、Bank of Taiwan(2.62%)、First Commercial Bank(0.84%)、Chang Hwa Commercial Bank, Ltd.(0.71%)、Hua Nan Commercial Bank, Ltd.(0.45%)、Taiwan Cooperative Bank(0.24%)、Land Bank of Taiwan(0.16%)、Taiwan Provincial Education Association Mutual Aid Society(0.11%)、Taipei City Government(0.10%)、Taiwan Railways Administration Staff Welfare Committee(0.08%)
Taiwan Fertilizer Co., Ltd. (Note)	Council of Agriculture, Executive Yuan R.O.C.(24.07%)、China Life Insurance Co., Ltd.(2.45%)、Investment account of Ma Shih Investment Fund Company under the custody of Bank of Taiwan(2.31%)、Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds, in custody of JPMorgan Chase Bank N.A., Taipei Branch (1.48%)、Nan Shan Life Insurance Co., Ltd.(1.41%)、JUN Investment International Co., Ltd.(1.32%)、Norges Bank(1.27%)、Investment account of Vanguard emerging market fund under the custody of JP Morgan(1.09%)、Taiwan Life Insurance Co., Ltd.(1.09%)、Chen-Lung Wu(1.06%)

Name of juridical persons	Major shareholders of the juridical persons
BES Engineering Corporation (Note)	China Petrochemical Development Corporation(10.735%)、Wei Jin Development Co., Ltd.(2.237%)、Wen-Yang Lin (2.189%)、Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds, in custody of JPMorgan Chase Bank N.A., Taipei Branch (1.555%)、Tony Development Industrious Co., Ltd.(1.391%)、Kuo-Ching Investment Co., Ltd.(1.378%)、Investment account of Vanguard emerging market fund under the custody of JP Morgan (1.100%)、Citibank (Taiwan) as custodian of Dimensional Fund Advisors' Emerging Markets Core Portfolio Investment Account(0.940%)、Citibank (Taiwan) as custodian of Dimension Emerging Market Evaluation Fund Investment Account(0.846%)、Sheen Chuen-Chi & Educational Foundation(0.835%)
Tatung Company (Note)	Capital Securities Corporation Broking Capital Securities /Futures(HK) Ltd- A/C Clients (8.73%)、Luo De Investment Co., Ltd.(6.75%)、Tatung University Representative(6.19%)、HSBC Broking ING Asia Private Bank Limited(5.87%)、San Ya Investment Co., Ltd.(4.20%)、Wen-Yi Zheng(3.35%)、China Trust Commercial Bank's trust division in custody for Tatung Company's employee stockholding trust account(3.31%)、Hsbc Broking Securities (Asia) Limited(2.40%)、Bei Ji Investment Co.,Ltd.(2.00%)、Xin-Tatung Investment Consulting Ltd.(1.86%)
Taiwan Cement Corporation	Chinatrust Investment Co., Ltd. (4.00%)、Chia Hsin Cement Corporation (3.60%)、Taiwan Life Insurance Co., Ltd. (2.02%)、Old Labor Pension Scheme Fund (1.90%)、Cathay Life Insurance Co.,Ltd. (1.86%)、China Life Insurance Co., Ltd. (1.83%)、New Labor Pension Scheme Fund (1.80%)、Tong Yang Chia Hsin International Corporation (1.75%)、Fubon Life Insurance Co., Ltd. (1.74%)、International CSRC Investment Holdings Co., Ltd. (1.71%)
Yulon Motor Co., Ltd. (Note)	Tai-Yuen Textile Co., Ltd.(18.11%)、China Motor Corporation(16.67%)、Kenneth K. T. Yen(10.18%)、Mercuries Life Insurance Co., Ltd.(5.12%)、Fande Investment Co., Ltd.(1.58%)、Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds, in custody of JPMorgan Chase Bank N.A., Taipei Branch (1.13%)、Yen Ching Ling Industrial Development Foundation(1.09%)、Allianz Global Investors Taiwan Technology Fund(0.93%)、Investment account of Vanguard emerging market fund under the custody of JP Morgan(0.81%)、PAOLYTA Investment Co., Ltd. (0.79%)

Name of juridical persons	Major shareholders of the juridical persons
Formosa Plastics Corporation (Note)	Chang Gung Medical Foundation(9.44%)、Formosa Chemicals & Fibre Corp.(7.65%)、Credit Suisse AG-Credit Suisse Singapore Branch(6.26%)、Nanya Plastics Corp.(4.63%)、Chindwell International Investment Corp.(4.16%)、Vanson International Investment Co., Ltd.(3.05%)、Formosa Petrochemical Corp.(2.07%)、Government of Singapore(1.46%)、Ming Chi University of Technology(1.43%)、Nan Shan Life Insurance Co., Ltd. (1.40%)
China Man-Made Fiber Corporation (Note)	Pan Asia Chemical Corporation(15.51%)、SHEEN REN Knitting Factory Co., Ltd. (4.36%)、Chou Chin Industrial Co., Ltd. (3.65%)、Pan Asia Investment Co., Ltd. (3.11%)、Chung Chien Investment Co., Ltd.(2.61%)、JP Mogan Chase N.A., Taipei Branch as a custodian for Vanguard Total International Stock Index Fund (1.36%)、Investment account of Vanguard emerging market fund under the custody of JP Morgan(1.31%)、Gao-Huang Lin(1.06%)、Citibank (Taiwan) as custodian of Dimension Emerging Market Evaluation Fund Investment Account(0.96%)、Citibank (Taiwan) as custodian of Dimensional Fund Advisors' Emerging Markets Core Portfolio Investment Account (0.96%)
Asia Cement Corporation (Note)	Far Eastern New Century Corp.(22.33%)、Far Eastern Medical Foundation(5.40%)、Labor Pension Fund Committee of Far Eastern New Century Corporation(1.55%)、Yuan Ding Investment Company(1.53%)、Yuanta/P-shares Taiwan Dividend Plus ETF (1.51%)、Far Eastern Department Stores Co., Ltd.(1.49%)、Yuan-Ze University(1.41%)、Far Eastern Memory Foundation(1.31%)、Yu Yuan Investment Co., Ltd.(1.29%)、Yu Chang Investment Company(1.26%)
SESODA Corporation (Note)	JIAN-KAI Property Management Co., Ltd.(7.46%)、Cheng Pang Investment Co., Ltd.(6.46%)、Ying-Piao Chu(5.08%)、Chih Fu Investment Co., Ltd.(4.74%)、China Trust Commercial Bank's Masterlink Securities (Hong Kong) Co., Ltd. stockholding trust account(3.22%)、Forbison International Co., Ltd.(3.10%)、Fubon Life Insurance Co., Ltd.(2.74%)、Sande International Investment Co., Ltd.(2.17%)、Chung-Li Wu(1.72%)、Wu Chung-Ya Education Charity Foundation(1.69%)
Pioneer Chemical Corp. (Note)	The Great Taipei Gas Corporation(26.55%)、Cian Dao Investment Co., Ltd.(8.73%)、Mian Hao Industrial Co., Ltd.(6.33%)、Bai Syun Investment Co., Ltd.(5.64%)、Herui Industrial Co., Ltd.(5.03%)、Han-Dong Lin(4.07%)、Tai Fung Investment Co., Ltd.(3.34%)、Taiwan Glass Industry Corp.(3.30%)、Hung Shin Industrial Co., Ltd.(2.28%)、Huei-Wun Lin(1.93%)

Note: The latest public information disclosed by each company as of March 31, 2021.

Professional qualifications and independence analysis of directors

Criteria Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria(Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Michael Yang	–	–	√	–	–	√	–	√	√	√	√	√	√	√	–	0
John T. Yu	–	–	√	–	–	–	–	–	√	√	√	√	√	√	–	0
Quintin Wu	–	–	√	√	–	√	√	√	√	√	√	√	√	√	√	0
Johnny Shih	–	–	√	√	–	√	√	√	√	√	√	√	√	√	√	0
Yancey Hai	–	–	√	√	–	√	√	√	√	√	√	√	√	√	√	2
An-Ping Chang	–	–	√	√	–	√	√	–	√	√	√	√	√	√	–	1
Paul Chen	–	–	√	√	–	√	√	–	√	√	√	√	√	√	–	0
Wenent Pan	–	–	√	√	–	√	√	–	√	√	√	√	√	√	√	3
Yen-Shiang Shih	√	–	√	√	√	√	√	√	√	√	√	√	√	√	√	2
Frank Fan	–	–	√	√	√	√	√	√	√	√	√	√	√	√	√	0
Evon Chen	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	0
Jack Huang	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	2

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where independent directors appointed in accordance with the Securities and Exchange Act("Act") or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the managerial officers in the preceding item 1, or any of the persons in the preceding item 2 or 3.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. The same does not apply, however, in cases where independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
6. Not a director, supervisor, or employee of that other company if a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person. The same does not apply, however, in cases where independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
7. Not a director (or governor), supervisor, or employee of that other company or institution if the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses. The same does not apply, however, in cases where independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. The same does not apply, however, in cases where it holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company and independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding TWD500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
11. Not been a person of any conditions defined in Article 30 of the Company Law.
12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

3.2.2 Management Team

March 31st, 2021

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Vice Chairperson of Management Strategy Committee	R.O.C.	Andy Sheu (Note 1)	Male	Jun. 23, 2009	1,031,281	0.14	1,966	0.00	0	0	-MBA, EMBA Program in International Business Management, National Taiwan University -B.S., Power Mechanical Engineering, National Tsing-Hua University -Managing Director, CTCI (Thailand) Co., Ltd. - President, CTCI Corporation	None	-	-	-
Vice Chairperson of Management Strategy Committee	R.O.C.	Michael Yang	Male	May 28, 2020	42,000	0.01	407,097	0.05	0	0	-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	-Chairman, CTCI Overseas Corporation Limited -Director, CTCI Overseas (BVI) Corporation -Director, CTCI Americas, Inc. -Chairman, Crown Asia 2 Investment Limited -Director, CTCI Education Foundation -Director, MIE Industrial Sdn. Bhd.	-	-	-
President	R.O.C.	Todd Chen	Male	May 28, 2020	0	0	187,099	0.02	0	0	-M.S., Mechanical Engineering, National Chiao Tung University -B.S., Mechanical Engineering, National Chiao Tung University - Executive Vice President, CTCI Corporation	-Chairman, CTCI Investment Corporation -President, CTCI Development Corporation -Chairman, CTCI (Thailand) Co., Ltd. -Director, CTCI Overseas Corporation Limited -Director, CTCI Chemicals Corporation -Director, CTCI Beijing Co., Ltd. -Chairman, CTCI Vietnam Company Limited -Director, CTCI Americas, Inc. -Chairman, CTCI Arabia Ltd. -Chairman, Superiority (Thailand) Co., Ltd. -Chairman, CINDA Engineering & Construction Private Limited -President Director, PT CTCI International Indonesia	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Executive Vice President	R.O.C.	M. H. Wang (Note 2)	Male	Jan. 1, 2013	0	0	317,212	0.04	0	0	-MBA, Chulalongkorn University, Thailand -B.S., Mechanical Engineering Feng Chia University -Senior Vice President, CTCI Corporation -Managing Director, CTCI (Thailand) Co., Ltd.	None	-	-	-
Executive Vice President & Financial Officer & Chief Corporate Governance Officer	R.O.C.	Ming-Cheng Hsiao	Male	Jan. 1, 2016	9,000	0.00	159,000	0.02	0	0	-MBA, EMBA Program in Accounting, National Taiwan University -Ph.D., Chemical Engineering, National Tsing Hua University -M.S., Chemical Engineering, National Tsing Hua University -B.S., Chemical Engineering Tamkang University -Postdoctoral position, University of California, Davis -President, Unisurpass Technology Co., Ltd. -President, Uniplus Electronics Co., Ltd. -Senior Vice President, CTCI Corporation	-Chairman, CIPEC Construction Inc. -Director, CTCI Americas, Inc. -Chairman, Universal Engineering (BVI) Corporation -Chairman, Accuracy International Inc. -Director, ECOVE Solar Energy Corporation -Director, Crown Asia 2 Investment Limited	-	-	-
Executive Vice President	R.O.C.	Ting-Kuo Li	Male	Jan. 1, 2021	156,751	0.02	0	0	0	0	-B.S., Mechanical engineering, Tatung University -Senior Vice President, CTCI Corporation	-Chairman, CTCI-HDEC (Chungli) Corporation -Directors and President, CTCI Investment Corporation -Director, Metro Consulting Service Corporation -Director, EVER ECOVE Corporation -Director, HDEC-CTCI (Linghai) Corporation -Chairman, CTCI Engineering & Construction Sdn. Bhd. -Director, Jing Ding Green Energy Technology, Co., Ltd.	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Senior Vice President & CFO	R.O.C.	Patrick Lin (Note 3)	Male	Jan. 1, 2017	63,280	0.01	278,000	0.04	0	0	-MBA, EMBA Program in Finance, National Taiwan University -MBA, University of Massachusetts-Boston, USA -B.S., Business Administration, Tamkang University -Director, Financial Division, Coretronic Corporation -Manager, Financial Division, Powerchip Technology Corporation -Director, Societe Generale Corporate & Investment Banking -Vice President, CTCL Corporation	None	-	-	-
Senior Vice President	R.O.C.	Casey Yeh (Note 4)	Male	Nov. 2, 2017	42,000	0.01	0	0	0	0	-M.S., Industrial Engineering and Management, University of Iowa, U.S.A. -B.S., Aeronautical Engineering, National Cheng Kung University, Taiwan -Senior Program Manager, Autodesk -Senior Program Manager, Kaspick & Company -Senior Engineering Manager, Intuit, Mountain View -Director, VISA	None	-	-	-
Senior Vice President	R.O.C.	Shih-Wei Chung	Male	Jan. 1, 2021	36,033	0.00	512,000	0.07	0	0	-Mechanical Engineering, National Kaohsiung Industrial of Institute -Vice President, CTCL Corporation	-Chairman, CTCL Overseas (BVI) Corporation -Director, CTCL Development Corporation -Director, CCJV P1 Engineering & Construction Sdn. Bhd.	-	-	-
Vice President	R.O.C.	Steve Jean	Male	Jan. 1, 2011	2,000	0.00	231,000	0.03	0	0	-EMBA, Executive Master of Business Administration of National Cheng Chi University -M.S., Mechanical Engineering, National Central University -B.S., Civil Engineering, National Taipei Institute of Technology -General Director, CTCL Vietnam Company Limited	None	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Vice President	R.O.C.	M. G. Lee (Note 5)	Male	Jan. 1, 2013	0	0	183,029	0.02	0	0	-M.S., Management, National Taiwan University of Science and Technology -B.S., Ming Chi University of Technology -Senior General Manager, CTCI Corporation	None	-	-	-
Vice President	R.O.C.	Tsai-Ming Wang (Note 6)	Male	Apr. 1, 2014	0	0	316,767	0.04	0	0	-B.S., Mechanical Engineering, Tamkang University -Chemical Engineering, National Taipei Institute of Technology -Senior General Manager, CTCI Corporation	None	-	-	-
Vice President	R.O.C.	Min-Li Lee	Male	Apr. 1, 2014	95,156	0.01	79,000	0.01	0	0	-M.S., Chemical Engineering, National Central University -B.S., Chemical Engineering, Chung-Yuan Christian University -Senior General Manager, CTCI Corporation	-Director, CTCI Chemicals Corporation	-	-	-
Vice President	R.O.C.	Y. S. Liao (Note 7)	Male	Mar. 12, 2015	0	0	98,000	0.01	0	0	-B.S. in Nuclear Engineering, National Tsing-Hua University -President, CTCI Smart Engineering Corporation	None	-	-	-
Vice President	R.O.C.	S.H. Lin (Note 8)	Male	Jan. 1, 2017	9,000	0.00	210,649	0.03	0	0	-EMBA, National Chengchi University -B.S., Accounting, Soochow University -Senior General Manager, CTCI Corporation	None	-	-	-
Vice President	R.O.C.	Connie Lin	Female	May 12, 2017	82,000	0.01	0	0	0	0	-MBA, EMBA of National Central University, Taiwan -B.S., International Business and Trade, Chinese Culture University, Taiwan -HR Consultant, Delta Research Institute Delta Electronics, Inc. -Senior HR Manager, Corp. HR, Delta Electronics, Inc.	-Supervisor, CTCI Smart Engineering Corporation	-	-	-
Vice President	R.O.C.	Ho-Chuang Lee (Note 9)	Male	Jan. 1, 2018	0	0	245,076	0.03	0	0	-MBA, EMBA Program in Industrial Management, National Taiwan University of Science and Technology, Taiwan -B.S., Marine Engineering, National Taiwan Ocean University, Taiwan -Senior General Manager, CTCI Corporation	-Director and President, CTCI Beijing Co., Ltd. -Director and President, CTCI Shanghai Co., Ltd.	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Vice President	R.O.C.	I-Kang Ho	Male	Apr. 1, 2019	108,543	0.01	0	0	0	0	-Ph.D., Structural Engineering, University of Cincinnati, USA -M.S., Civil Engineering, University of Cincinnati, USA -B.S., Civil Engineering, National Cheng Kung University, Taiwan -Senior General Manager, CTCI Corporation	-Director, CTCI (Thailand) Co., Ltd.	-	-	-
Vice President	R.O.C.	Paul Wu	Male	Apr. 1, 2019	186,096	0.02	0	0	0	0	-M.S., Electrical Engineering, National Taipei University of Technology, Taiwan -Associate Bachelor of Electrical Engineering, Taipei Institute of Technology, Taiwan -Senior General Manager, CTCI Corporation	-Director, CTCI Shanghai Co., Ltd.	-	-	-
Vice President	R.O.C.	T.C. Li	Male	Apr. 1, 2019	600	0.00	185,182	0.02	0	0	-Associate Bachelor of Architecture, China Junior College of Industrial and Commercial Management, Taiwan -Senior General Manager, CTCI Corporation	-Director, CTCI Engineering & Construction Sdn. Bhd.	-	-	-
Vice President	R.O.C.	Y.S. Kuan	Male	Apr. 1, 2019	157,030	0.02	0	0	0	0	- Bachelor of Industrial Management, National Taiwan university of Science and Technology -Senior General Manager, CTCI Corporation	-Supervisor, CTCI Machinery Corporation	-	-	-
Vice President	R.O.C.	Gino Tsai	Male	Apr. 1, 2019	280,306	0.04	0	0	0	0	-MBA, EMBA Advanced Management Master's Program, National Taiwan University, Taiwan -MBA, EMBA Business management, Ming Chuan University, Taiwan -M.S., Information management, Ming Chuan University, Taiwan -Associate Bachelor of Electronic Engineering, Taipei Institute of Technology, Taiwan -Senior General Manager, CTCI Corporation	-Supervisor, CTCI Resources Engineering Inc.	-	-	-
Vice President	R.O.C.	Vincent Liu	Male	Dec. 11, 2019	93,741	0.01	0	0	0	0	-M.S., Chemical Engineering, National Taiwan University, Taiwan -B.S., Chemical Engineering, National Central University, Taiwan -President, CTCI Advanced Systems Inc.	-Director, CIPEC Construction, Inc. -Director, Accuracy International, Inc.	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Vice President & Accounting Officer	R.O.C.	Ai-Cheng Ho	Male	Apr. 1, 2020	58,225	0.01	35,000	0.00	0	0	-MBA, EMBA Program in Finance, National Taiwan University -MBA in Finance, West Coast University, California, USA -Senior General Manager, CTCI Corporation	-Chairman, CTCI Singapore Pte. Ltd. -Supervisor, EVER ECOVE Corporation -Supervisor, CTCI Beijing Co., Ltd. -Director, Century Ahead Ltd. -Supervisor, CTCI Advanced Systems Shanghai Inc. -Director, Pan Asia Corporation -Supervisor, CTCI Trading Shanghai Co., Ltd.	-	-	-
Vice President	R.O.C.	Ming-Shyan Lee	Male	Apr. 1, 2020	65,220	0.01	10,000	0.00	0	0	-MBA, EMBA Program, National Sun Yat-sen University, Taiwan -B.S., Marine Engineering, Tamkang University, Taiwan -Senior General Manager, CTCI Corporation	-Director, CTCI CMCE JV Sdn. Bhd. -Director, CINDA Engineering & Construction Private Limited -Director, PT CTCI International Indonesia	-	-	-
Vice President	R.O.C.	Wen-Pin Lo	Male	Apr. 1, 2020	43,723	0.01	0	0	0	0	-B.S., Mechanical Engineering, National Cheng Kung University, Taiwan -Chief Engineer, CTCI Corporation	-Director, CTCI Development Corporation	-	-	-
Vice President	R.O.C.	Ella Tsai	Female	Nov. 4, 2020	36,000	0.00	13,000	0.00	0	0	-B.S., Electrical Engineering, National Kaohsiung University of Science and Technology, Taiwan -Corning Glass Technology Globe Expansion Program Director Glass Technology Division, Corning Inc.	None	-	-	-
Vice President	R.O.C.	James Wang	Male	Jan. 1, 2021	41,999	0.01	0	0	0	0	- M.S., Civil Engineering, Chung Yuang University, Taiwan - B.S., Civil Engineering, Chung Yuang University, Taiwan - Senior General Manager, CTCI Corporation	-Director, CTCI Vietnam Company Limited	-	-	-
Vice President	R.O.C.	Sharon Chiang	Female	Jan. 1, 2021	195,006	0.03	0	0	0	0	-M.S., Civil and Construction Engineering, National Taiwan University of Science and Technology, Taiwan -B.S., Civil and Construction Engineering, National Taiwan University of Science and Technology, Taiwan -Senior General Manager, CTCI Corporation	-Supervisor, CTCI Shanghai, Co., Ltd.	-	-	-
Vice President	R.O.C.	Jack Hung	Male	Jan. 1, 2021	99,060	0.01	0	0	0	0	- B.S., Naval Architecture Engineering, National Cheng Kung University, Taiwan -Senior General Manager, CTCI Corporation	-Managing Director, CTCI(Thailand) Co., Ltd. -Director, Superiority (Thailand) Co., Ltd.	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Vice President	R.O.C.	Jeff Hsu	Male	Jan. 1, 2021	130,873	0.02	0	0	0	0	-M.S., Civil Engineering, National Chung Hsing University, Taiwan -B.S., Civil Engineering, National Chung Hsing University, Taiwan -Senior General Manager, CTCI Corporation	-Director, CTCI-HDEC (Chungli) Corporation -Director, Blue Whale Corporation -Supervisor, CTCI Development Corporation	-	-	-
Vice President	R.O.C.	Tiger Tsai	Male	Jan. 1, 2021	146,603	0.02	5,000	0.00	0	0	-M.S., Chemical Engineering, National Taipei University of Technology, Taiwan -B.S., Chemical Engineering, Chung Yuang University, Taiwan -Senior General Manager, CTCI Corporation	-Director, CTCI-HDEC (Chungli) Corporation -Director, CTCI Beijing Co., Ltd.	-	-	-
Vice President	R.O.C.	Jenq-Shyong Chung	Male	Jan. 1, 2021	181,282	0.02	5,000	0.00	0	0	-M.S., Naval Architecture, National Taiwan University, Taiwan -B.S., Naval Architecture Engineering, National Cheng Kung University, Taiwan -Chief Engineer, CTCI Corporation	-Director, CTCI Malaysia Sdn. Bhd. -Director, CTCI Engineering & Construction Sdn. Bhd.	-	-	-

Note: Chairman and President of the Company are not the same person, spouses or relatives within the first degree of kinship.

Note 1: Vice Chairperson of Management Strategy Committee Andy Sheu is dismissed on Jul. 14, 2020, and disclose the information during his tenure of office only.

Note 2: EVP M. H. Wang is dismissed on Jul. 25, 2020, and disclose the information during his tenure of office only.

Note 3: SVP & CFO Patrick Lin is dismissed on Feb. 19, 2021, and disclose the information during his tenure of office only.

Note 4: SVP Casey Yeh is dismissed on Mar. 21, 2020, and disclose the information during his tenure of office only.

Note 5: VP M. G. Lee is dismissed on Jul. 21, 2020, and disclose the information during his tenure of office only.

Note 6: VP Tsai-Ming Wang is dismissed on May 1, 2020, and disclose the information during his tenure of office only.

Note 7: VP Y. S. Liao is dismissed on Jan. 22, 2020, and disclose the information during his tenure of office only.

Note 8: VP S.H. Lin is dismissed on Jun. 16, 2020, and disclose the information during his tenure of office only.

Note 9: VP Ho-Chuang Lee is dismissed on Apr. 6, 2020, and disclose the information during his tenure of office only.

3.3 Remuneration of Directors and Management Team

3.3.1 Remuneration of Directors

December 31st, 2020; Unit: TWD thousands; thousand shares

Title			Name	Compensation						Ratio of total remuneration (A+B+C+D) to net income (%)		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to net income(%)		Compensation paid to directors from an invested company other than the Company's subsidiary or Parent Company		
				Base Remuneration (A)		Pension Fund (B)		Directors' Remuneration (C)				Allowances (D)		Salary, Bonuses, and Allowances (E)(Note 6)		Pension Fund(F) (Note 7)		Employees' Compensation (G)						
				CTCI	All Consolidated Entities	CTCI	All Consolidated Entities	CTCI	All Consolidated Entities	CTCI	All Consolidated Entities	CTCI	All Consolidated Entities	CTCI	All Consolidated Entities	CTCI	All Consolidated Entities	CTCI		All Consolidated Entities			CTCI	All Consolidated Entities
Chairman / Director			John T. Yu (Note1)	14,792	16,520	0	0	0	0	110	254	1.94	2.19	0	0	0	0	0	0	0	0	1.94	2.19	0
Director	Juristic-person Director	CTCI Development Corporation	8,675	8,675	0	0	12,000	12,000	1,513	1,907	2.89	2.95	13,142	14,582	209	209	57	0	57	0	4.64	4.88	0	
	Juristic-person Director	CTCI Foundation																						
	Juristic-person Director	Taiwan Cement Corporation																						
	Chairman / Director	Michael Yang (Note1)																						
	Director	Quintin Wu																						
	Director	Bing Shen (Note 4)																						
	Director	Johnny Shih																						
	Director	Yancey Hai																						
	Director	An-Ping Chang (Note 3)																						
	Director	Paul Chen (Note 2)																						
	Director	Hsien-Cheng Yang (Note 2)																						
	Director	Wenent Pan																						
Independent Director	Yen-Shiang Shih	8,582	8,582	0	0	0	0	1,176	1,176	1.27	1.27	0	0	0	0	0	0	0	0	1.27	1.27	0		
	Frank Fan																							
	Evon Chen (Note 5)																							
	Jack Huang																							



1. Please describe the payment policy, systems, standards and constructions of Independent Directors, their relevance between payment of compensation and taking responsibility, risks, investing time and so on:
The compensation of Independent Directors is according to the Company's business outcome (consolidated revenue, EPS and ROE), moreover, the compensation also pay as functional committee's convener or member.
2. Other than disclosure in above table, Directors remunerations earned by providing services (e.g. providing consulting services as a non-employee) to CTCI and all consolidated entities in the 2020 financial statements: None.

Note 1: Mr. John T. Yu and Mr. Michael Yang are representative of CTCI Development Corporation.

Mr. John T. Yu is only as the Director without Chairman since May 28, 2020; Mr. Michael Yang is be elected as Chairman on May 28, 2020.

Note 2: Mr. Hsien-Cheng Yang and Mr. Paul Chen are representative of CTCI Foundation.

Mr. Hsien-Cheng Yang's tenure ended on Jan. 31, 2020, Mr. Paul Chen's tenure started on Feb. 1, 2020 , and disclose the information during his tenure of office only.

Note 3: Mr. An-Ping Chang was the director of natural person. He be newly appointed as the representative of juridical person since May 28, 2020.

Note 4: Mr. Bing Shen is dismissed on May 27, 2020.

Note 5: Ms. Evon Chen is on board on May 28, 2020.

Note 6: That salary, bonuses, and allowances include the estimation of Employee Stock Options.

Note 7: TWD 209 thousand are allocated to the pension plan in 2020.

Range of Remuneration

Bracket	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	CTCI	All Consolidated Entities	CTCI	All Consolidated Entities
Under TWD 1,000,000	Taiwan Cement Corporation / Bing Shen / Hsien-Cheng Yang	Taiwan Cement Corporation / Bing Shen / Hsien-Cheng Yang	Taiwan Cement Corporation / Bing Shen / Hsien-Cheng Yang	Taiwan Cement Corporation / Bing Shen / Hsien-Cheng Yang
TWD1,000,000 ~ TWD2,000,000	CTCI Foundation / Michael Yang / An-Ping Chang / Paul Chen / Evon Chen	CTCI Foundation / Michael Yang / An-Ping Chang / Paul Chen / Evon Chen	CTCI Foundation / An-Ping Chang / Paul Chen / Evon Chen	CTCI Foundation / An-Ping Chang / Paul Chen / Evon Chen
TWD2,000,000 ~ TWD3,500,000	Quintin Wu / Wenent Pan / Yancey Hai / Johnny Shih / Jack Huang / Frank Fan / Yen-Shiang Shih	Quintin Wu / Wenent Pan / Yancey Hai / Johnny Shih / Jack Huang / Frank Fan / Yen-Shiang Shih	Quintin Wu / Wenent Pan / Yancey Hai / Johnny Shih / Jack Huang / Frank Fan / Yen-Shiang Shih	Quintin Wu / Wenent Pan / Yancey Hai / Johnny Shih / Jack Huang / Frank Fan / Yen-Shiang Shih
TWD3,500,000 ~ TWD5,000,000	CTCI Development Corporation	CTCI Development Corporation	CTCI Development Corporation	CTCI Development Corporation
TWD5,000,000 ~ TWD10,000,000	-	-	-	-
TWD10,000,000 ~ TWD15,000,000	John T. Yu	-	John T. Yu	-
TWD15,000,000 ~ TWD30,000,000	-	John T. Yu	Michael Yang	John T. Yu / Michael Yang
TWD30,000,000 ~ TWD50,000,000	-	-	-	-
TWD50,000,000 ~ TWD100,000,000	-	-	-	-
Over TWD100,000,000	-	-	-	-
Total	-	-	-	-

3.3.2 Compensation of President and Executive Vice President

December 31st, 2020; Unit: TWD thousands; thousand shares

Title	Name	Salary(A)		Pension Fund (B)(Note1)		Bonuses and Allowances (C)(Note2)		Employees' Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation paid to the president and executive vice president from an invested company other than the Company's subsidiary or Parent Company
		CTCI	All Consolidated Entities	CTCI	All Consolidated Entities	CTCI	All Consolidated Entities	CTCI		All Consolidated Entities		CTCI	All Consolidated Entities	
								Cash	Stock	Cash	Stock			
Vice Chairperson of Management Strategy Committee	Andy Sheu (Note 3)	16,556	21,325	700	700	34,485	34,485	129	0	129	0	6.77	7.39	0
Vice Chairperson of Management Strategy Committee	Michael Yang													
President	Todd Chen													
Executive Vice President	M. H. Wang (Note 4)													
Executive Vice President	Ming-Cheng Hsiao													

Note 1: Pension contributed according to actuaries' report and resolution of board of directors' meeting.

Note 2: That Bonuses and Allowances include the estimation of Employee Stock Options.

Note 3: Vice Chairperson of Management Strategy Committee Andy Sheu is dismissed on Jul. 14, 2020.

Note 4: EVP M. H. Wang is dismissed on Jul. 25, 2020.

Range of Remuneration

Bracket	Name of President and Executive Vice President	
	CTCI	All Consolidated Entities
Under TWD 1,000,000	-	-
TWD1,000,000 ~ TWD2,000,000	-	-
TWD2,000,000 ~ TWD3,500,000	-	-
TWD3,500,000 ~ TWD5,000,000	-	-
TWD5,000,000 ~ TWD10,000,000	Andy Sheu / M. H. Wang / Todd Chen / Ming-Cheng Hsiao	M. H. Wang / Ming-Cheng Hsiao
TWD10,000,000 ~ TWD15,000,000		Andy Sheu / Todd Chen
TWD15,000,000 ~ TWD30,000,000	Michael Yang	Michael Yang
TWD30,000,000 ~ TWD50,000,000	-	-
TWD50,000,000 ~ TWD100,000,000	-	-
Over TWD100,000,000	-	-
Total	-	-

Employees' Compensation Granted to Management Team

Unit: TWD thousands

	Title	Name	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	Vice Chairperson of Management Strategy Committee	Michael Yang	0	449	449	0.06
	President	Todd Chen				
	Executive Vice President	Ming-Cheng Hsiao				
	Senior Vice President	Ting-Kuo Li				
	Vice President	Steve Jean				
	Vice President	Min-Li Lee				
	Vice President	Connie Lin				
	Vice President	Shih-Wei Chung				
	Vice President	I-Kang Ho				
	Vice President	Paul Wu				
	Vice President	T.C. Li				
	Vice President	Y.S. Kuan				
	Vice President	Gino Tsai				
	Vice President	Vincent Liu				
	Vice President & Accounting Officer	Ai-Cheng Ho				
	Vice President	Ming-Shyan Lee				
	Vice President	Wen-Pin Lo				
	Vice President	Ella Tsai				

Note: The distributed amount is based on the total amount (TWD22,996 thousand) approved by Board of Directors in 2021 and calculated accordingly to each executive officers' on-job days in the previous year.

3.3.3 Comparison of Remuneration for Directors, Presidents and Executive Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy, for Directors, Presidents and Executive Vice Presidents

- A. Analysis of total remuneration of ratio to net income in accordance with CTCI's Directors, President and Executive Vice President by CTCI and all consolidated entities' financial statements in the most recent two fiscal years

Unit: TWD thousands

Year	CTCI		All Consolidated Entities	
	Total remuneration	Ratio to net income (%)	Total remuneration	Ratio to net income (%)
2019	103,518	8.80	110,538	9.39
2020	97,115	12.67	103,756	13.54

- B. The remuneration's policies, standards, combinations, the procedures for determining the remuneration, and the relation to business performance and future risks

- (1) CTCI's Directors' Compensation is categorized into Base Remuneration, Remuneration and Allowance:

Directors' Base Remuneration

Pursuant to Article 35 of Articles of Incorporation, 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. The base remuneration of all Directors (included Independent Directors) is stipulated with the Company's performance (Consolidated Revenue, EPS, ROE)

Directors' Remuneration

It is paid according to Article 37 of Articles of Incorporation, "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 no more than 1.5% of the income before tax to pay to the board of directors as remuneration" and Company's performance (Consolidated Revenue, EPS, ROE).

Allowance

It includes traveling allowance and attendance fee which are stipulated with reference to the typical pay levels adopted by other public listed companies or companies within the similar industry field. The remuneration of Directors/Supervisors who hold concurrent positions in the affiliates is stipulated under the same standard.

- (2) The structure of remuneration of the managerial officer is categorized into fixed and variable ones. The fixed remuneration is salary paid monthly, while the variable one includes employee remuneration, year-end bonus and Employee Stock Options, with the standards based on individual's annual key performance index (KPI) assessment. The aforementioned assessment includes qualitative indicators (e.g. core competencies, potential development, etc.) and quantitative indicators (e.g. the achievement of the individual's goals, the rate of achievement or the degree of achievement of the expected target value, etc.) Employee remuneration is paid according to Article 37 of Articles of Incorporation, "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". The year-end bonus is determined based on the annual operating performance of the Company, and shall be decided after suggestion of Company's personnel development committee / Remuneration Committee and approval by Board of Directors. The grant of Employee Stock Option is categorized into regular and reward. The regular number of options will be determined by corporate title, seniority and job performance. The employees who have directly contribution to the Company or outstanding performance are eligible for the grant of reward stock options which is decided after suggestion of Chairman / Remuneration Committee and approval by Board of Directors.
- (3) The procedure for setting remuneration is in accordance with "Procedure for Performance Assessment and Remuneration Standard of the directors and Management Officers ". It refers to the typical pay levels adopted by other public listed companies and companies within the similar industry field, and considered about Company's business performance, individual performance and their respective contribution to Company in order to prescribe reasonable remuneration. Remuneration committee and Board will periodically review the reasonableness of the remuneration and make timely adjustment of the remuneration system based on the Company's business and relevant laws. It also shall not produce an incentive for the Directors, President and Executive Vice Presidents to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate in order to avoid the Company loss suffering even after the compensation payment.

3.4 Implementation of Corporate Governance

3.4.1 Board of Directors

A. A total of 8 meetings of the board of directors were held in the previous period,
Directors' attendance was as follow: (As of March 31st, 2021)

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
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A total of 2 meetings of the 14th Term Board of Directors

Chairman	John T. Yu (Rep. of CTCL Development Corporation)	2	0	100	
Vice Chairman	Michael Yang (Rep. of CTCL Development Corporation)	2	0	100	
Independent Director and Managing Director	Jack Huang	2	0	100	
Independent Director	Yen-Shiang Shih	2	0	100	
Independent Director	Frank Fan	2	0	100	
Director	Hsien-Cheng Yang (Rep. of CTCL Foundation)	0	0	0	Be newly appointed on March 1, 2019, be dismissed on February 1, 2020 and should present 0 time.
Director	Paul Chen (Rep. of CTCL Foundation)	2	0	100	Be newly appointed on February 1, 2020 and should present 2 times.
Director	Quintin Wu	2	0	100	
Director	Bing Shen	2	0	100	
Director	Johnny Shih	2	0	100	
Director	Yancey Hai	2	0	100	
Director	An-Ping Chang	1	1	50	
Director	Wenent Pan	2	0	100	

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
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A total of 6 meetings of the 15th Term Board of Directors

Chairman	Michael Yang (Rep. of CTCI Development Corporation)	6	0	100	
Director	John T. Yu (Rep. of CTCI Development Corporation)	6	0	100	
Director	Quintin Wu	3	3	50	
Director	Johnny Shih	4	2	67	
Director	Yancey Hai	4	2	67	
Director	An-Ping Chang (Rep. of Taiwan Cement Corporation)	5	1	83	
Director	Paul Chen (Rep. of CTCI Foundation)	6	0	100	
Director	Wenent Pan	6	0	100	
Independent Director	Yen-Shiang Shih	6	0	100	
Independent Director	Frank Fan	6	0	100	
Independent Director	Evon Chen	6	0	100	
Independent Director	Jack Huang	6	0	100	

B. Independent Directors' attendance of each meeting of board of directors was as follows:
(As of March 31st, 2021)

Name	the 19 th Meeting of the 14 th Term Board of Directors (2020.03.10)	the 20 th Meeting of the 14 th Term Board of Directors (2020.05.06)
Yen-Shiang Shih	◎	◎
Frank Fan	◎	◎
Jack Huang	◎	◎

Name	the 1 st Meeting of the 15 th Term Board of Directors (2020.05.28)	the 2 nd Meeting of the 15 th Term Board of Directors (2020.05.28)	the 3 rd Meeting of the 15 th Term Board of Directors (2020.08.05)	the 4 th Meeting of the 15 th Term Board of Directors (2020.11.04)	the 5 th Meeting of the 15 th Term Board of Directors (2020.12.16)	the 6 th Meeting of the 15 th Term Board of Directors (2021.03.09)
Yen-Shiang Shih	◎	◎	◎	◎	◎	◎
Frank Fan	◎	◎	◎	◎	◎	◎
Evon Chen	◎	◎	◎	◎	◎	◎
Jack Huang	◎	◎	◎	◎	◎	◎

C. Other mentionable items

1. If there are the matter referred to as below in the directors' meetings, the dates of meetings, sessions, contents of motions, all independents' opinion and the Company's response to independent directors' opinion should be specified:

(1) The matters referred to in Article 14-3 of Securities and Exchange Act.

(2) Resolutions of the directors' meetings objected to by Independent Directors or subject to qualified opinion and recorded or declared in writing.

The Company has already established the Audit Committee, please refer to the section 3.4.2 "The State of operations of the Audit Committee" for the matters referred to in Article 14-5 of Securities and Exchange Act.

Until the annual report on printed, the resolutions of the directors' meetings were unanimously approved by all present Board members.

2. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified:

- (1) Directors' Names: Michael Yang and John T. Yu

Contents of motion

The 1st meeting of the 15th term Board of Directors (2020.05.28): Approval of the appointment of the Chairperson and Vice Chairpersons of the Management Strategy Committee.

Causes for avoidance and voting should be specified

Chairman Michael Yang and Director John T. Yu recused themselves during discussion of and voting on this item because of the interested party relationship.

- (2) Directors' Names: John T. Yu

Contents of motion

The 2nd meeting of the 15th term Board of Directors (2020.05.28): Approval of the adoption to the remuneration of the Chairperson of the Management Strategy Committee.

Causes for avoidance and voting should be specified

Director John T. Yu recused himself during discussion of and voting on this item because of the interested party relationship.

- (3) Directors' Names: Michael Yang

Contents of motion

The 3rd meeting of the 15th term Board of Directors (2020.08.05): Approval of the remuneration of the newly management officers of the Company.

Causes for avoidance and voting should be specified

Chairman Michael Yang recused himself during discussion of and voting on this item because of the interested party relationship.

- (4) Directors' Names: Michael Yang

Contents of motion

The 5th meeting of the 15th term Board of Directors (2020.12.16): Approval of the average salary increase rate of 2021.

Causes for avoidance and voting should be specified

Chairman Michael Yang recused himself during discussion of and voting on this item because of the interested party relationship.

- (5) Directors' Names: Michael Yang

Contents of motion

The 5th meeting of the 15th term Board of Directors (2020.12.16): Approval of the remuneration of the management officers.

Causes for avoidance and voting should be specified

Chairman Michael Yang recused himself during discussion of and voting on this item because of the interested party relationship.

(6) Directors' Names: Michael Yang

Contents of motion

The 5th meeting of the 15th term Board of Directors (2020.12.16): Approval of the amendment to the principle of bonus and employee remuneration of the Company.

Causes for avoidance and voting should be specified

Chairman Michael Yang recused himself during discussion of and voting on this item because of the interested party relationship.

(7) Directors' Names: Michael Yang and John T. Yu

Contents of motion

The 5th meeting of the 15th term Board of Directors (2020.12.16): Approval of donation to CTCI Education Foundation.

Causes for avoidance and voting should be specified

Chairman Michael Yang and Director John T. Yu recused themselves during discussion of and voting on this item because of the interested party relationship.

(8) Directors' Names: John T. Yu

The 5th meeting of the 15th term Board of Directors (2020.12.16): Approval of the 2021 remuneration of the Chairperson of Management Strategy Committee.

Causes for avoidance and voting should be specified

Director John T. Yu recused himself during discussion of and voting on this item because of the interested party relationship.

3. Status of Board of Directors' Performance Evaluation

Cycles	Periods	Scope	Method	Content
Once a year	2020/01/01 to 2020/12/31	1. Whole board of directors. 2. Individual board members. 3. Functional committees (include 4 functional committees: Audit Committee, Remuneration Committee, Nominating Committee and ESG Committee)	The methods of board performance evaluation include internal evaluation of the board, self-evaluation by the board members and evaluation by an appointed external professional institution and experts, etc. The Company has completed evaluation of the board on January, 2021 and reported to Nominating Committee and the Board of Director on March 9, 2021. The result of evaluation adopts 5 scales to show; 1 is strongly disagree, 2 is disagree, 3 is average, 4 is agree, 5 is strongly agree. In 2018, the board of directors of Company approved that the board	1. The board performance evaluation should involve five aspects: participation in the operation of the company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors and internal control. 2. Individual board members' performance evaluation should involve six aspects: alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and

Cycles	Periods	Scope	Method	Content
			performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.	communication, the director's professionalism and continuing education and internal control. 3. Functional committees' performance evaluation should involve five aspects: participation in the operation of the company, awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, makeup of the functional committee and election of its members and internal control.

4. Measures taken to strengthen the functionality of the Board

- (1) CTCI has elected 4 Independent Directors after their tenure expired on May 28, 2020 and has included 1 Female Independent Director. Independent Directors seats are more than required by law. The Audit Committee which is composed of all independent directors. Please refer to the section 3.4.2 "The State of Operations of the Audit Committee".
- (2) CTCI has established the Nominating Committee under the resolution of the directors' meeting on Dec. 13, 2016. The 3rd term Nominating Committee is composed of 3 Independent Directors and 1 Director.
- (3) From 2011, CTCI has disclosed the major resolutions of the Board meeting voluntarily on the Company website.
- (4) The Chairman of the Company do not serve as the President, and thus the duty is clearly differentiated to improve checks-and-balances mechanisms.
- (5) In accordance with the Articles of Incorporation, CTCI has purchased D&O insurance for directors and supervisors in order to reduce and diversify major damage risks of CTCI and the shareholders. Review its contents regularly for ensuring needs in line with the limit of liability and coverage, and report to the board of directors regularly in accordance with regulations.
- (6) Besides encouraging Directors and corporate governance officer to do self-training, the Company held the 3 hours of on-site course for directors of CTCI group's listed company on May 6 and August 5, 2020 respectively. Moreover, the Company held "Case analysis of changes in management right recently" for Group's Directors, Supervisors and management officers by professional lawyer on December 30, 2020. This is helpful about realizing the importance of management right and fulfilling corporate governance.

3.4.2 The State of operations of the Audit Committee

1. A total of 6 meetings of the Audit Committee were held in the previous period, Independent Directors' attendance was as follows: (As of March 31st, 2021)

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
A total of 2 meetings of the 2 nd Term Audit Committee					
Independent Director	Jack Huang	2	0	100	
Independent Director	Yen-Shiang Shih	2	0	100	
Independent Director	Frank Fan	2	0	100	
A total of 4 meetings of the 3 rd Term Audit Committee					
Independent Director	Jack Huang	4	0	100	
Independent Director	Yen-Shiang Shih	4	0	100	
Independent Director	Frank Fan	4	0	100	
Independent Director	Evon Chen	4	0	100	

2. The Audit Committee is responsible to review the following major matters:

- (1) Review financial report.
- (2) Adopt or amend the internal control system.
- (3) Assessment of the effectiveness of the internal control system.
- (4) Adopt or amend regulations for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- (5) Review a matter bearing on the personal interest of a director.
- (6) Review a material asset or derivatives transaction.
- (7) Review a material monetary loan, endorsement, or provision of guarantee.
- (8) Review the offering, issuance, or private placement of any equity-type securities.
- (9) Review the hiring or dismissal of an attesting CPA, or the compensation given thereto.
- (10) Adopt the Risk Management policy and regulations, and monitor its executive status.

◆ Review Annual Financial Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements 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.

◆ Assess the effectiveness of the internal control system

The Audit Committee assessed the effectiveness of the Company's internal control system policies and procedures (including finance, operation, risk management, information security, compliance, etc.) and reviewed periodic reports from the Company's Internal Audit Department, independent accountants and management. The Audit Committee believes that the Company's internal control system is effective and that the Company has adopted the necessary control mechanisms to monitor and correct violations. °

◆ In order to ensure the independence of the accounting firm, the Audit Committee has established an independent evaluation form to assess the independence, professionalism and competence of accountants with reference to Article 47 of the Accountant law and Accountant's Code of Ethics Code No. 10.

◆ The CPA has reported audit results of financial statement Individually with Audit Committee members before the Audit Committee's meeting on March 9, 2021. All related executive status, effects and suggestions have been communicated fully.

3. Other mentionable items

(1) If there are the matter referred to as below in the Audit Committee, the dates of directors' meetings, sessions, contents of motions, the Audit Committee' resolutions and the Company's response to the Audit Committee's opinion should be specified.

A. The matters referred to in Article 14-5 of Securities and Exchange Act.

B. Resolution that was not approved by the Audit Committee but be undertaken upon the consent of two-thirds or more of all directors.

BOD Meetings	Contents of Motions and the Response	In Article 14-5 of Securities and Exchange Act	Not approved by the Audit Committee but be undertaken upon the consent of two-thirds or more of all directors
The 19 th meeting of the 14 th term Board of Directors (2020.03.10)	Approval of the distribution plan of the 2019 directors' and employees' remuneration.	V	None
	Approval of the Fiscal 2019 business report, financial reports and consolidated reports.	V	None
	Approval of the distribution plan of Fiscal 2019 earnings.	V	None
	Approval of the cash distribution from legal reserve.	V	None

BOD Meetings	Contents of Motions and the Response	In Article 14-5 of Securities and Exchange Act	Not approved by the Audit Committee but be undertaken upon the consent of two-thirds or more of all directors
	Approval of "Statement of Internal Control System for the Year 2019".	V	None
	Approval of invest a reclaimed water treatment plant at the Southern Taiwan Science Part (STSP).	V	None
	Approval on funds lending the subsidiaries for working capital requirement by the Company.	V	None
	Approval of the amendment to the Company's "Audit Committee Charter".	V	None
	Approval of the amendment to the Company's "Internal Audit Systems".	V	None
	Resolutions of the Audit Committee(2020.03.10): unanimously approved by all present Audit Committee members.		
	The Company's response to the Audit Committee's opinion: unanimously approved by all present Board members.		
The 20 th meeting of the 14 th term Board of Directors (2020.05.06)	Approval of the issuance of unsecured ordinary corporate bonds.	V	None
	Approval of the update of the Company's paid-in capital registration.	V	None
	Resolutions of the Audit Committee(2020.05.06): unanimously approved by all present Audit Committee members.		
	The Company's response to the Audit Committee's opinion: unanimously approved by all present Board members.		
The 3 rd meeting of the 15 th term Board of Directors (2020.08.05)	Approval on funds lending the subsidiaries for working capital requirement by the Company.	V	None
	Approval of the update of the Company's paid-in capital registration.	V	None
	Resolutions of the Audit Committee(2020.08.05): unanimously approved by all present Audit Committee members.		
	The Company's response to the Audit Committee's opinion: unanimously approved by all present Board members.		
The 4 th meeting of the 15 th term Board	Approval of the disposal of the Company's immovables in Nangang.	V	None
	Approval on funds lending the subsidiaries for working capital requirement by the	V	None

BOD Meetings	Contents of Motions and the Response	In Article 14-5 of Securities and Exchange Act	Not approved by the Audit Committee but be undertaken upon the consent of two-thirds or more of all directors
of Directors (2020.11.04)	Company.		
	Approval of the establishment to the Company's "Risk Management Regulations".	V	None
	Approval of the update of the Company's paid-in capital registration.	V	None
	Resolutions of the Audit Committee(2020.11.04): unanimously approved by all present Audit Committee members.		
	The Company's response to the Audit Committee's opinion: unanimously approved by all present Board members.		
The 5 th meeting of the 15 th term Board of Directors (2020.12.16)	Approval of the budget of 2021.	V	None
	Approval of the Year 2021 Audit Plan.	V	None
	Approval of participation in cash capital increase of the subsidiary.	V	None
	Approval on funds lending the subsidiaries for working capital requirement by the Company.	V	None
	Approval of the amendment to the registration of the Joint-Venture Company in Italy branch.	V	None
	Approval of donation to CTCI Education Foundation.	V	None
	Resolutions of the Audit Committee(2020.12.16): unanimously approved by all present Audit Committee members.		
	The Company's response to the Audit Committee's opinion: unanimously approved by all present Board members.		
The 6 th meeting of the 15 th term Board of Directors (2021.03.09)	Approval of the distribution plan of the 2020 directors' and employees' remuneration.	V	None
	Approval of the Fiscal 2020 business report, financial reports and consolidated reports.	V	None
	Approval of the distribution plan of Fiscal 2020 earnings.	V	None
	Approval of the cash distribution from legal reserve.	V	None

BOD Meetings	Contents of Motions and the Response	In Article 14-5 of Securities and Exchange Act	Not approved by the Audit Committee but be undertaken upon the consent of two-thirds or more of all directors
	Approval of "Statement of Internal Control System for the Year 2020".	V	None
	Approval of the issuance of Restricted Stock Awards.	V	None
	Approval of the amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets".	V	None
	Approval of the amendment to the Company's "Internal Audit Systems".	V	None
	Approval on funds lending the subsidiaries for working capital requirement by the Company.	V	None
	Approval of change of independent auditors of the Company.	V	None
	Approval of change of the Financial Officer.	V	None
	Approval of the update of the Company's paid-in capital registration.	V	None
	Resolutions of the Audit Committee(2021.03.09): unanimously approved by all present Audit Committee members.		
	The Company's response to the Audit Committee's opinion: The issues unanimously approved by all present Board members except "Regulations Governing the Acquisition and Disposal of Assets" approved as the amendments.		

- (2) If there is Independent Directors' avoidance of motions in conflict of interest, the Independent Directors' names, contents of motions, causes for avoidance and voting should be specified: None.
- (3) Communications between Independent Directors and the Company's Internal Audit officer and CPA
- A. After having presented the audit and follow-up reports to the Chairman, the Internal Audit officer submitted the same reports via e-mail to the Independent Directors for review on a monthly basis. In addition, the Internal Audit officer met in person with the Independent Directors at least quarterly in 2020. There were no objections raised by independent directors in 2020.



- B. The Internal Audit officer presented the findings of all audit reports in the meetings of the Audit Committee and Board of Directors to ensure that the Independent directors can keep abreast of the company's latest internal audit status. During 2020, the communication channel between Independent Directors and the Internal Audit officer functioned well.
- C. In the meetings of the Audit Committee every half year, the CPAs present audit results and other communication matters required by relevant laws and regulations to the Independent Directors. CFO, Finance manager, Accounting manager and Internal Audit officer attend the Audit Committee meetings and reply to Independent Directors immediately if they have any questions. During 2020, the communication channel between Independent Directors and CPAs functioned well.

3.4.3 Corporate Governance and Operation, Differences from the Corporate Governance Best Practice Principles for the TWSE/ GTSM Listed Companies and Reasons

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary Statement	
1.Does the Company establish and disclose the Corporate Governance Practice Principals in accordance with the Corporate Governance Best Practice Principles for the TWSE/ GTSM Listed Companies?	V		In the 10 th meeting of the 10 th term board of directors, the establishment of the Corporate Governance Practice Principals was decided on Jul. 24, 2006, which had been modified in accordance with the regulations and real practice in these years. The latest revision was made in the 15 th meeting of the 13 th term board of directors on Aug. 5, 2016 and was published in the Market Observatory Post System (MOPS) and CTCI's website.	None.
2.Ownership structure and shareholder's equity (1)Does the Company set up the internal standard operation procedure to handle issues such as shareholder's advices, questions, disputes and accusations for implementation accordingly?	V		(1) The Company has set up spokesman as the liaison channel to handle issues like the shareholders' advices or disputes.	None.
(2)Does the Company have control over the major shareholders, who control the Company and have the name list of the major	V		(2)The Company has been submitting monthly report to the Market Observatory Post System, assigned by the Securities and Futures Bureau about the change of the shareholding of the insiders (directors, managers and shareholders who have more than 10% of	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
shareholders who have the ultimate control over the Company?			the total shares) in accordance with the 25 th article of the Securities and Exchange Act.	
(3) Does the Company set up and implement the risk control and firewall mechanism with the subsidiaries and affiliates?	V		(3) In addition to establishing the “Supervision and Management of Subsidiaries” based on the “Regulations Governing Establishment of Internal Control System by Public Companies” set by the Financial Supervisory Committee, the Company also stipulated the internal basic principles for cooperation of CTCI Group like “Group Authorization Regulations”, “Group Project Cooperation Regulations”, etc., which are inspected by departments like the Auditing Department and QHSE Division to ensure the thorough implementation of the system and good mechanism of the risk-control for the subsidiaries and affiliates.	None.
(4) Does the Company stipulate internal regulation, prohibiting the insiders of the Company to make use of the unpublished information for the trading of securities?	V		(4) The Company has set up the “Measures to Prevent Insider Trading” and “CTCI Group Code of Ethics Conduct”, prohibiting use of the unpublished information for the trading of securities.	None.
3. Composition and Responsibilities of Board of Directors				

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
(1) Is there establishment of the diversification and thorough implementation about the composition of board of directors?	V		<p>(1)</p> <p>A. The Company has established the diversification policy for the composition of board of directors in its “Corporate Governance Principles “. Base on this principle, the 12 directors of the 15th term Board of Directors are:</p> <p>Mr. Michael Yang (Chairman), Mr. John T. Yu(Director), Mr. Quintin Wu(Director), Johnny Shih(Director), Mr. Yancey Hai(Director), Mr. An-Ping Chang(Director), Mr. Wenent Pan(Director) and Paul Chen(Director), who are listed company operators in different industries (including Engineering Consultant, Plastics, textiles, electronics, optoelectronics and cement and so on). They are good at leadership, management and decision-making ability. Mr. Jack Huang (Independent Director) has the experience of attorney at law. Mr. Yen-Shiang Shih (Independent Director) was Minister of Ministry of Economic Affairs (MOEA); Mr. Frank Fan (Independent Director) was Chairperson of Public Construction Commission, Executive Yuan. Ms. Evon Chen (Independent Director) was Deputy Chairman of PwC. To implement diversity policy for composed of the board of Directors, the Company has targeted at least one female Director and has elected one female director already. Moreover, there is 1 Director (8%) of the Company who is also employee. There are</p>	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>4 Independent Directors (33%), one’s seniority is under 3 years, the other one’s seniority is between 3 to 6 years, two’s seniority is between 6 to 9 years. 1 Director’s age is under 60; 3 Directors’ age are between 60 to 70 years old; 8 Directors’ age are over 70 years old. The implementation about diversity policy of each Director, please refer to 【Note 1】 .</p> <p>B. The implementation about diversity policy of Board members has disclosed on the Company website (www.ctci.com) and the Market Observation Post System.</p>	
(2) In addition to the establishment of the Remuneration Committee and Audit Committee, does the Company have other functional committees?	V		<p>(2) In addition to the establishment of the Remuneration Committee and Audit Committee regulated by law, the Company newly established the ESG Committee in 2020. The major jobs of ESG Committee include Formulating the sustainability policy; setting sustainability governance, ethical management, environmental and social aspect, strategies, and execution plans; reviewing, tracking, and modifying progress and results of sustainability activities, reporting regularly to the board of directors; following issues of interest to stakeholders and overseeing communications programs, etc.</p> <p>The committee is composed of 1 independent director and 2 directors and has held 1 meetings during the most recent fiscal</p>	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>year and current fiscal year up to the date of publication of the annual report.</p> <p>Moreover, the Company established the Nominating Committee on Dec. 13, 2016. The 3rd term Nominating Committee is composed of 3 independent directors and 1 director, whose major jobs include the programming of the composition of board of directors/ functional committees, the qualification assessment of the directors, the programming of the succession of the managing echelon, conducting performance evaluation of the board of directors, etc. The meeting was held 4 times during the most recent fiscal year and current fiscal year up to the date of publication of the annual report.</p>	
(3) Is there performance appraisal of the board of directors, which is carried out annually, the performance evaluation results shall be reported to the board of directors and shall base its determination of an individual director's remuneration and nomination?	V		<p>(3) The Company has set up the “Regulations Governing the board Performance Evaluation” by the resolution of the Boards on Dec. 13, 2016 which has been revised successively according to law or actual situations. According to the revised version by the resolution of 11th meeting of the 14th term of the Boards on Nov. 2, 2018, the board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. The latest version is revised by the resolution of the 17th meeting of the 14th term of the Boards on Nov. 1, 2019. According to the</p>	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>latest regulation, the board of directors of the Company shall perform the performance evaluation of the internal board of directors each year according to the evaluation procedures and the evaluation indexes of the regulations. The results of the internal and external performance evaluation of the board of directors should be completed before the end of the first quarter of the following year.</p> <p>The Company considers the Company's situation and needs to determine the performance evaluation of the board of directors, including the following aspects:</p> <ul style="list-style-type: none"> a. Participation in the operation of the Company; b. Improvement of the quality of the board of directors' decision making; c. Composition and structure of the board of directors; d. Election and continuing education of the directors; e. Internal control; and f. Others. <p>The criteria for performance evaluation of Board members include the following aspects:</p> <ul style="list-style-type: none"> a. Alignment of the goals and missions of the Company; b. Awareness of the duties of a director; 	

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>c. Participation in the operation of the Company; d. Management of internal relationship and communication; e. The director's professionalism and continuing education; f. Internal control; and g. Others.</p> <p>The criteria for evaluating the performance of functional committees include the following five aspects: a. Participation in the operation of the company; b. Awareness of the duties of the functional committee; c. Improvement of quality of decisions made by the functional committee; d. Makeup of the functional committee and election of its members and e. Internal control. f. Others.</p> <p>The 2020 board performance evaluation is carried out by the Secretariat of the Board (STB) in early 2021. STB collect related information about activities of the Board of Directors and distribute “the Questionnaire of Self-Evaluation of Performance of the Board” to Board members for self-evaluation. The evaluation period is from Jan. 1 to Dec. 31, 2020, the evaluation</p>	

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
			scoop includes whole board of directors, individual board members, and 4 functional committees: Audit Committee, Remuneration Committee, Nominating Committee and ESG Committee. When nominating members of the board of directors, the Company will base its election on the evaluation results of individual Board member. The result has been reported to the 6 th meeting of the 15 th term Board of Directors on Mar. 9, 2021. The operation of CTCI’s Board of Directors is evaluated well base on the result of the 2020 board performance evaluation.	
(4) Is there regular assessment of the independence of the certified public accountant every year?	V		<p>(4) To fulfill Corporate Governance, the Company has established “Evaluation of engaged Certified Public Accountant Regulation” in the 11th meeting of the 12th term board of director on Dec. 20, 2012. According to this regulation, the Company exams and evaluates CPA’s independence and capability annually, and submit a report to the Audit Committee and Board meeting. The report was acknowledged by the 4th meeting of the 3rd term Audit Committee on Mar. 9, 2021 and the 6th meeting of the 15th term Board of Directors on Mar. 9, 2021, the evaluation items please refer to the 【Note 2】.</p> <p>After assessed, CPAs Yi-Fan Lin and Shu-Chiung Chang from PricewaterhouseCoopers were qualified. Both CPAs do not have any direct or indirect interest relationship with either Board of</p>	None.

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary Statement	
			Directors or the Company, and believed to have more than sufficient capabilities on auditing, taxation and time cost efficiency.	
4. Does the company set up an adequate number of personnel with appropriate qualifications and appoint a chief corporate governance officer who are responsible for matters related corporate governance? (including but not limited to providing the business-required information to the directors and supervisor, furnishing information required for business execution by directors and supervisors, handling the matters related to the meetings of the Board and the shareholders' meeting and producing the minutes of the Board and the shareholders' meeting)	V		<p>The corporate governance of the Company is taken charge by 3 full-time colleagues of Secretariat of the Board (STB). The head of STB is Mr. Ming-Cheng Hsiao, the Executive Vice President of Executive Management Operations (EMO), who has been appointed as the chief corporate governance officer by the 13th meeting of the 14th term Board of Directors on Mar. 8, 2019. Mr. Ming-Cheng Hsiao has been in a managerial position for at least three years in a public company in handling stock affairs (STB) and corporate governance affairs.</p> <p>The major job of chief corporate governance officer includes as following:</p> <p>Handling matters relating to board meetings and shareholders' meetings according to laws; Producing minutes of board meetings and shareholders' meetings; Assisting in onboarding and continuous development of directors and supervisors; Furnishing information required for business execution by directors and supervisors; Assisting directors and supervisors with legal compliance.</p> <p>The business developments in 2020 are as following:</p> <p>A. Handling matters relating to board meetings and shareholders'</p>	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>meetings according to laws, producing minutes of board meetings and shareholders’ meetings and assisting directors with legal compliance.</p> <p>(a) Draw up the meeting schedule for functional committees’ meetings and Board meetings; consolidate proposals from related divisions and provide the notice, agenda and related information to each director no later than 7 days prior to the scheduled meeting date; convene the said meetings and provide meeting materials; remind directors who have conflicts of interest of recusing themselves; and complete meeting minutes within 20 days after the functional committees’ meetings and board meetings.</p> <p>(b) Draw up and have prior booking for the date of Shareholders’ meeting; process the stock affairs; prepare meeting notice, handbook, annual report and minutes within statutory period; and report to MOPS and apply the certificate from Ministry of Economic Affairs after shareholders’ meeting.</p> <p>(c) Ensuring directors’ affair and the process of board resolution are in compliance with regulations.</p> <p>(d) Inspecting material information about major resolutions of Shareholders’ meeting and the board of the directors; making</p>	

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>sure lawfulness and correctness in order to have information asymmetry with investors.</p> <p>B. Assist directors to carry out their duties, provide related information in need and arrange training program for them.</p> <p>(a) Plan the 3 hours of on-site course for directors of CTCL group’s listed company in May and August respectively and assist new Director join public training course. Moreover, the Group plans the training course for the directors, supervisors and management officers of the non-public company on an irregular basis.</p> <p>(b) The Company held “Case analysis of changes in management right recently” for Group’s Directors, Supervisors and management officers on Dec. 30, 2020. This is helpful about realizing the importance of management right and fulfilling corporate governance.</p> <p>(c) Inform the related information of laws or announcements to insiders on irregular basis.</p> <p>C. Renew the Directors’ and Officers’ Liability Insurance in September, and report the insured amount, coverage, premium rate, and other major contents of the liability insurance at the board meeting in November.</p>	

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary Statement	
			<p>D. Prepare the Self-evaluation of Corporate Governance Evaluation and assist related divisions to follow up Corporate Governance Evaluation Indicators and related regulations by the Competent Authority published.</p> <p>E. The training program of the chief corporate governance officer, Mr. Ming-Cheng Hsiao, from last year to the report printed date is as 【Note 3】.</p>	
5.Does the Company establish communication channel for stakeholders which including but not limited to shareholders, employees, customers and suppliers, set up a dedicated section in its corporate website for stakeholders, and properly respond to CSR-related issues concerned by stakeholders?	V		The Company establishes "CSR" and "Investor Relations" sections in its corporate website to explain to stakeholders the conducts for fulfilling CSR and may be contacted via its corporate website when needed. The Company will give proper feedback to any reasonable concerns raised by the stakeholders.	None.
6.Does the Company entrust the professional stock affair agency for the shareholder affairs?	V		The Company has entrusted the department of the stock affair agency of the KGI Securities Co. Ltd. to assist the Company in the stock affairs.	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
7.Information Disclosure				
(1)Does the Company set up a website to disclose information regarding the Company’s finance, business and corporate governance status?	V		<p>(1)</p> <p>A. The Company has set up a Chinese/English website (www.ctci.com) to disclose information regarding the Company’s finance and business status and update information regularly.</p> <p>B. The Company has disclosed information regarding the organization and function of Internal Auditing Dept., “Rules Governing Procedure for Making of Endorsements or Guarantees”, “Rules Governing Acquisition and Disposal of Assets” and “Rules Governing Procedure for Loaning of Funds” on the Company website.</p>	None.
(2)Is there any other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, appointing spokespersons, webcasting investors conference)?	V		<p>(2)</p> <p>A. The Company has set up a Chinese/English website and has appointed Sustainability and Brand Dept. to handle information collection and disclosure.</p> <p>B. The Company has appointed the President as the spokesperson, the Head of Executive Management Office as deputy spokesperson and they are responsible for speaking to the public. The Company will hold investors conference presentation according to practical needs.</p> <p>C. The audio-visual record of investor conference has been posted on the Company website. The Company has disclosed finance and</p>	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
			business information revealed in inventor conference on the Company website and the Market Observation Post System pursuant to regulations of Taiwan Stock Exchange.	
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V		(3) The Company announces and reports annual financial statements, Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit.	None.
8. Is there other important information, which helps to understand the governance and operation of the Company, which includes but not limited to the rights and interest of the staff, cares for the employees, investor relations, relation with the suppliers, rights of	V		Please refer to the 【Note 4】.	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
the stakeholders, trainings received by the directors and supervisors, the implementation of the risk management policy and risk assessment criteria, the liability insurance policies taken out for the directors and supervisors, etc.?				
9. According to the last Corporate Governance Evaluation by TWSE, please indicate the situation has been improved and the priority and measures for the non-improved ones.	V		The result of the 7 th Corporate Governance Evaluation System was announced. Please refer to the 【 Note 5 】 for the specific improvements.	None.

【Note 1】 The implementation about diversity policy of each Director

Diversity Name	Nationality	Gender	Employee	Age			Independent Director's tenue			Operation Management	Industry knowledge	Law	Financial Accounting Economics	international market perspective	Ability to lead	Ability to make policy decisions
				Under 60	60-70	Over 70	Under 3 years	3-6 years	6-9 years							
Michael Yang	R.O.C.	Male	v	v						v	Engineering Consultant			v	v	v
John T. Yu	R.O.C.	Male				v				v	Engineering Consultant			v	v	v
Quintin Wu	R.O.C.	Male				v				v	Plastic Industry/ Petrochemical Industry			v	v	v
Johnny Shih	R.O.C.	Male				v				v	Textile Industry/ Banking Industry		v	v	v	v
Yancey Hai	R.O.C.	Male				v				v	Electronics industry/ Banking Industry		v	v	v	v
An-Ping Chang	R.O.C.	Male			v					v	Cement industry/ Investment M & A		v	v	v	v
Paul Chen	R.O.C.	Male			v					v	Petrochemical Industry			v	v	v
Wenent Pan	R.O.C.	Male				v				v	Petrochemical Industry/ Optoelectronics			v	v	v
Yen-Shiang Shih	R.O.C.	Male				v		v		v	Engineering Consultant/ Industry Economy		v	v	v	v
Frank Fan	R.O.C.	Male				v			v		Engineering Consultant			v	v	v
Evon Chen	R.O.C.	Female				v	v				Manufacturing Industry		v	v	v	v
Jack Huang	R.O.C.	Male			v				v	v	Investment M & A	v		v	v	v

【Note 2】Assessment of the CPA's independence

No.	Evaluation Item	Result	Qualify for Independence
1	The engaged auditors should not accept the engagement when they may have involved in any direct or material indirect interests which may impair their impartiality and independence.	Yes	Yes
2	An audit or review of financial statements delivers high or medium (but not absolute) assurance to potential users of financial statements. In addition to the maintenance of independence in appearance, the maintenance of independence in mind is more important for an independent auditor. Therefore, the members of audit engagement team, the partners of the accounting firm, and accounting firm and its affiliates must be independent to us.	Yes	Yes
3	If the engaged auditor fulfills any of the below requirements: (1) Integrity: an independent auditor shall be straightforward and honest during his/her provision of professional services. (2) Objectivity: During his/her provision of professional services, an independent auditor shall be objective and avoid any conflict of interests to override his/her independence. (3) Independence: an independent auditor shall have independence in mind and in appearance on an audit or review of financial statements.	Yes	Yes
4	Independence is related to the integrity and objectivity. During the engagement, if an independent auditor isn't in the lack/impairment of independence and thus affects his/her integrity and objectivity.	Yes	Yes
5	If the independence of an auditor isn't impaired by self-interest, self-review advocacy, familiarity, and intimidation.	Yes	Yes
6	Self-interest could impair an auditor's independence. Self-interest means acquiring a financial interest in an audit client (i.e. CTCI Corporation) or having another conflict of interests created by other interests or relationships with us. If our engaged independent auditor isn't in any of the below situations: (1) Having a direct or material indirect financial interest from us. (2) Having financing or guarantee relationship with us or our directors. (3) Concerned about the possibility of losing CTCI Corporation as a client.	Yes	Yes

No.	Evaluation Item	Result	Qualify for Independence
	(4) Having a significant and close business relationship with us. (5) Entering into a potential employment negotiations with us. (6) Entering into a contingent fee arrangement relating to our audit engagement.		
7	Independence influenced by self-review means an independent auditor uses a report or judgment resulting from a non-audit service as an important factor to conclude the result in an audit or review of financial information, or a member of the audit engagement team is our former director, or is in our key position with significant influence over the subject matter of the audit engagement. If the engaged auditor isn't in any of the below situations: (1) A member of the audit engagement team is/was our director, supervisor, manager, or employed by us in a position with significant influence over the subject matter of the audit engagement within last two years. (2) The accounting firm of the audit engagement team provides us non-audit services which would directly affect a material item of the audit engagement.	Yes	Yes
8	Independence influenced by advocacy means that a member of the audit team acting as an advocate of our position so the objectivity of the independent auditor could be challenged. If the engaged auditor isn't in any of the below situations: (1) Promoting or brokering shares or other securities issued by us. (2) Acting as an advocate on behalf of us in litigation or disputes with third parties.	Yes	Yes
9	The effects of familiarity to independence means a close relationship with our directors, supervisors, and/or managers will cause an independent auditor to excessively concern or sympathize about our interest. If the engaged auditor isn't in any of the below situations: (1) Having a family relationship with our directors, supervisors, managers, or employees in a position with significant influence over the subject matter of the audit engagement. (2) A former partner, who was disassociated with the engaged accounting firm within a year, joins us as a director, supervisor, manager, or employee in a key position with significant influence over the subject matter of the audit	Yes	Yes

No.	Evaluation Item	Result	Qualify for Independence
	engagement. (3) Accepting gifts or preferential treatment from our directors, managers, or us.		
10	Independence influenced by intimidation means an independent auditor is deterred from being objective due to actual or perceived pressures, including the attempts to exercise undue influences. if engaged auditor isn't in any of the below situations: (1) Requesting an independent auditor to agree with our inappropriate accounting treatments and disclosures. (2) Compelling an independent auditor to reduce the extent of work performed in order to lower the audit fee.	Yes	Yes

【Note 3】

Training program of Corporate Governance Officer

Date	Sponsoring Organization	Course	Hours
2019/05/03	Taiwan Corporate Governance Association	New trend about sustainable policies- Recommendations of the Task Force on Climate-related Financial Disclosures	3
2019/07/19	Taiwan Corporate Governance Association	Best Practices for Enterprise Innovation	3
2019/07/31	Securities and Futures Institute	The seminar of legal compliance announcement for insiders' equity trading of listed companies, public companies in 2019	3
2019/08/02	Securities and Futures Institute	The battle for protection of trade secret	3
2019/12/12	Securities and Futures Institute	Enterprise Financial Crisis Early Warning and Type Analysis	3
2020/02/14	Taiwan Corporate Governance Association	Core technology and market application in 5G and IoT	3
2020/05/06	Taiwan Corporate Governance Association	React to financial scenario Analysis under pressure events - U.S.-China trade war and COVID-19 for example	3
2020/08/05	Securities and Futures Institute	Key technology and business opportunity of applications in 5G	3

【 Note 4 】

1. The system about employee rights and interests and the care for the employees adopted by the Company is implemented in accordance with the related regulations and specified clearly in the working regulations of the employee manual, which include the gender equality at work, sexual harassment prevention and treatment, the compensation and pension for the disaster, injury and disease, subsidy principals the for weddings /funerals, etc. The labor management meeting is held as well to communicate with each other for issues concerned by the labor regularly each quarter. There are other measurements like the mail box for the employee opinion and special line against the sexual harassment to give trust to the employees thoroughly and to carry out the self- governance of the employee.
2. The first principle for the sound corporate administration is to protect the shareholder rights and interests and to treat all shareholders fairly. To encourage the investors to participate in the corporate governance and to implement the shareholder activism, the Company has uploaded the minute of the shareholder meeting on the website and released the major information in English and Chinese simultaneously to protect the rights and interests of the domestic and international investors. Moreover, the Company holds the corporate conference regularly and uploads the video of the conference to the website to increase the understanding of the corporation about the Company to maintain the shareholder rights and interests accordingly.
3. The Company offers the relevant laws and regulations requiring attention and seminar information for further study to directors and make presentation about the business regularly in the meeting of board of directors. (For detailed information, please refer to 3.4.8 - the important information concerning the corporate governance and operation.)
4. All directors will attend the meeting of board of directors except for special situation and their attendance of the meeting will be reported in the Market Observatory Post System.
5. The Directors of the Company will recuse themselves to avoid conflicts of interests in the Board Meeting.
6. The Company purchased D&O insurance for its directors and supervisors.
7. We strictly conduct supplier management. Only those qualified and registered in the CTCI Group PSSCM (Project Service Supply Chain Management) System have the chance for quote and to be contracted for plant construction. Issues regarding the scope of the integration work, the work regulation, the project schedule, the quality inspection, QHSE Management are well- explained to the contractors during the inquiry and quote for them to understand completely the content of work, responsibilities and obligations in the contract. The total amount of the contract, the payment term, the responsibilities, obligations and penalties for the mutual parties are specified in the contract as base for the implementation of the contract of the corporative contractor.

Upon the delivered equipment, materials or services, project team will evaluate vendor performance, including quality, HSE and schedule. The performance evaluation will be referred to future vendor selection for inquiry.

In case of any inappropriate-issue caused by vendor during on-going contraction, project team also could propose the request to negotiate with the vendor by official hierarchy.

With the sound finance of the Company, all contractors get paid in due course and according to the payment term. Besides, the function to check the payment is established for the contractors to know the review procedure of the invoice. The Company treats all contracted contractors fairly and honestly and negotiates with them for cooperation, mutual harmony and prosperity.

8. "Implementation of risk management policies and risk measuring criteria"

Risk management policies:

Declarations: All kinds of risks will affect the achievement of objective of the Company. The understanding and management of risk can assist the Company to prepare countermeasure and improve performance, so as to achieve stable growth and pursue the sustainable operation.

Descriptions: Through constructing proper risk management procedure, the risk management of the Company will integrate into the daily operating activities to manage the operating risks effectively. For this purpose, the Company will:

- Establish enterprise risk management system consistent with company strategy;
- Define the roles and responsibilities of all employees in enterprise risk management, and communicate with all employees;
- Prepare systematized enterprise risk assessment method to ensure that risks significantly affecting the Company can be identified effectively;
- Ensure that information related to enterprise risk can be passed through explicit and effective channel;
- Integrate enterprise risk management mechanism into daily operating activities.

Enterprise risk management is a continuous activity; all employees of the Company are responsible for understanding and carrying out risk management system of the Company. All colleagues shall properly perform the duty of risk management; each management level shall also comply with relevant requirements of this risk management system.

CTCI follows the "Risk Management Regulations" which defines the risk management process and risk measuring criteria to perform the risk management tasks. Each risk management unit regularly performs risk identification and risk evaluation and proposes the improvement plan. The report is submitted to the Risk Management Executive Committee to control and to reduce the risks.

9. "To Satisfy Our Customers with Optimized Engineering Services" is CTCI's corporate mission, and we stress customers' feedback highly. For years,

we have been collecting customers' feedback based on "Customer Service Enhancement Regulations" in a timely fashion and proactively conducting customer satisfaction survey twice a year. Besides, a cross-departmental "Customers Services Feedback Group" coordinated by the President was established. The Group would review the customer feedback raised in the questionnaire survey, proposed correction actions, and instructed the departments concerned to fulfill their tasks accordingly to make sure our customers' trust and expectations are met.

【Note 5】

No.	Evaluation Item	Specific Improvements
3.2	Does the Company announce English Material Informations synchronized?	The Company will ask all departments to follow this instruction.

3.4.4 The Remunerate committee's composition, responsibilities and operation

A. Remuneration Committee members' information

Identity (Note1)	Criteria Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note 2)										Number of Other Public Companies in Which the Individual is Concurrently Serving as a member of Remuneration Committee	Remark
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Director	Frank Fan	—	—	√	√	√	√	√	√	√	√	√	√	√	0	
Independent Director	Yen-Shiang Shih	√	—	√	√	√	√	√	√	√	√	√	√	√	2	
Independent Director	Evon Chen	√	√	√	√	√	√	√	√	√	√	√	√	√	0	
Independent Director	Jack Huang	√	√	√	√	√	√	√	√	√	√	√	√	√	2	

Note 1: Please fill out director, independent director, or other.

Note 2:

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.

4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the managerial officers in the preceding item 1, or any of the persons in the preceding item 2 or 3.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
6. If a majority of the company's director seats or voting shares and those of any other company are not controlled by the same person: a director, supervisor, or employee of that other company. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are not the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
8. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company. The same does not apply, however, specified company or institution holds 20% or more and no more than 50% of the total number of issued shares of the public company, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding TWD 500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
10. Not been a person of any conditions defined in Article 30 of the Company Law.

B. The state of operations of the Remuneration Committee

(A) This committee is comprised of 4 members.

(B) The term of current committee members is from May 28, 2020 to May 27, 2023.

A total of 5 meetings of the Remuneration Committee were held during the most recent fiscal year: (As of March 31st, 2021)

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
A total of 1 meetings of the 3 rd Term Remuneration Committee					
Convener	Frank Fan	1	0	100	
Member	Yen-Shiang Shih	1	0	100	
Member	Jack Huang	1	0	100	
A total of 4 meetings of the 4 th Term Remuneration Committee					
Convener	Frank Fan	4	0	100	
Member	Yen-Shiang Shih	4	0	100	
Member	Evon Chen	4	0	100	
Member	Jack Huang	4	0	100	

(C) Other mentionable items

- a. If board of directors declined to adopt, or modified, a recommendation of the remuneration committee, the dates of meetings, sessions, contents of motions, resolutions of the Board Meeting and the Company's response to remuneration committee' opinion should be specified (If the remuneration passed by board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
- b. If there are objections or reservations to any discussion matters or extraordinary motions expressed by any member of the Committee, recorded or provided in written forms, the dates of meetings, sessions, contents of motions, all members' opinion and the Company's response to members' opinion should be specified: None.

c. The State of operations of the Remuneration Committee in the recent fiscal year

Remuneration Committee	Contents of Motions and the Response	Resolution	The Company's response to the Remuneration Committee's opinion
the 8 th Meeting of the 3 th Term (2020.03.10)	1. The distribution plan of the 2019 directors' and employees' remuneration. 2. The amendment to the Company's "Remuneration Committee Charter".	Unanimously approved by all present Remuneration Committee members.	Unanimously approved by all present Board Directors.
the 1 st Meeting of the 4 th Term (2020.05.28)	1. The amendment to criteria and structures of directors and management officers' remuneration. 2. The remuneration of the Chairperson of Management Strategy Committee.	Unanimously approved by all present Remuneration Committee members.	Unanimously approved by all present Board Directors.
the 2 nd Meeting of the 4 th Term (2020.08.05)	1. The remuneration of the newly management officers of the Company.	Unanimously approved by all present Remuneration Committee members.	Unanimously approved by all present Board Directors.
the 3 rd Meeting of the 4 th Term (2020.12.16)	1. The average salary increase rate of 2021. 2. The remuneration of the management officers. 3. The remuneration of the Chairperson of Management Strategy Committee in 2021. 4. The amendment to the principle of bonus and employee remuneration of the Company. 5. The annual leave principles of the newly management officers of the Company.	Item 1 to 3 have been approved as the amendment by all present Remuneration Committee members, other items have been unanimously approved by all present Remuneration Committee members.	Approved as the suggestions of Remuneration Committee by all present Board Directors.
the 4 th Meeting of the 4 th Term (2020.03.10)	1. The distribution plan of the 2020 directors' and employees' remuneration. 2. The amendment to the Company's "Procedure for Performance Assessment and Remuneration Standard of the Directors and Management Officers". 3. The issuance of Restricted Stock Awards.	Unanimously approved by all present Remuneration Committee members.	Unanimously approved by all present Board Directors.

3.4.5 Corporate Social Responsibility (CSR)

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary Statement	
1. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to its operations in accordance with the materiality principle, and implement relevant risk management policies or strategies?	V		According to the Global Reporting Initiatives (GRI) Standards and the AA 1000 Stakeholder Engagement Standard (SES), CTCI applied the three principles of identification, analysis, and confirmation, identified the material issues of economy, environment, and society and formulated the relevant strategies. Please refer to the "Stakeholders and Materiality Assessment" section in CTCI Corporate Sustainability Report.	None
2. Does the Company establish exclusively (or concurrently) dedicated units with senior management authorized by the Board to be in charge of CSR Promotion and report to the Board?	V		To continuously strengthen corporate sustainability, the functional committee of the board— ESG Committee is established to administer CSR related activities and policies and the promotion of them. Meanwhile, to carry out every policy, a ESG Task Force was set up under the ESG Committee which shall report to the Board on a yearly basis. The President and the Head of Executive Management Office act as the Chief Officer and the Coordinator of the ESG Task Force, respectively. Alongside them are the Social Participation Group, the Environmental Protection Group and the Operation & Governance Group, which are mainly composed of the heads of CTCI's Div. (Dept.) and subsidiaries. The primary roles of the ESG Task Force are as follows:	None

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
			<ul style="list-style-type: none"> ● Establish CSR Policy. ● Review operations of the CSR Management System. ● Review CSR targets, strategies, and action plans of the Company, and guide and track the developments, performances, and improvements of each action plan. ● Supervise communication plans with each stakeholder (e.g. the writing of the CSR Report), and invite stakeholders to join in discussions with committee members or host stakeholder meetings as the need arises. ● Supervise that the writing and compilation of the CSR Report is accomplished within the set timeframe. 	
3. Environmental Issues (1) Does the company set up an environmental management system that suits the nature of industry?	V		(1) CTCI has long been dedicating to the introduction of green engineering technologies. The aims are to provide owners with economical, feasible environmental and energy-saving solutions, to reduce pollution, to lower impacts to human health and environment risk, and to bring innovation and enhance the industry’s green competitiveness based on the core technology of CTCI, with a full life cycle perspective starting from engineering design, procurement, construction, commissioning, operation and decommissioning. Hence, we can attain a multi-win scenario among CTCI, cooperative partners, stakeholders and social	None

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary Statement	
(2) Does the company dedicate itself to improve the efficiency of all kinds of resources and use the renewable materials that impact on the environment less?	V		environment. (2) As a member of the society, CTCL shall spare no pain to save energy and reduce carbon emissions. In terms of engineering expertise, CTCL has been making continuous innovation of engineering technologies to reduce energy consumption and reduce pollution. For routine affairs, CTCL urges employees to save energy and resources and emphasize the importance of saving paper, electricity, water and petroleum consumption. For office paper use, we adopt "Paper from Farmed Trees" from environmentally sustainable sources.	
(3) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?	V		(3) To show the world its resolution to mitigate climate change, CTCL lists issues concerning greenhouse gases and climate change into its primary missions of the Environmental Protection Group of ESG Task Force subordinated to the Board of Directors. The Environmental Protection Group reports the management benefits of GHG and the results of climate change solutions to the President via routine work conferences. CTCL was required by CDP investors to fill out the climate change project questionnaire and obtained great results of management level A- in 2020. We implement the procedure recommended in the questionnaire every	

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons															
	Yes	No	Summary Statement																
(4) Does the Company pay attention to the impact of climate change on its operations; carry out the investigation of greenhouse gas inventory; and make strategies of energy efficiency, carbon and greenhouse gas reduction for the company?	V		<p>year to review our gaps in climate change management to make improvements to related issues and make it useful. CTCI adopts the risk analysis of TCFD (Task Force on Climate related Financial Disclosure) to discover the risks and opportunities of business potentials in the future. In this way, we can evaluate the potential impact on finances and propose relevant methods of management.</p> <p>(4) CTCI’s GHG emissions, water consumption, and waste volume over the past two years are shown in the table below (data verified by neutral third party):</p> <table> <tr> <th>Item</th> <th>2019</th> <th>2020</th> </tr> <tr> <td>GHG emissions (Scope 1)</td> <td>149.1 tons of CO2e</td> <td>142 tons of CO2e</td> </tr> <tr> <td>GHG emission (Scope 2)</td> <td>2,709.7 tons of CO2e</td> <td>2,557 tons of CO2e</td> </tr> <tr> <td>Water consumption</td> <td>18,285m³</td> <td>17,551m³</td> </tr> <tr> <td>Waste</td> <td>60,116kgs</td> <td>60,495kgs</td> </tr> </table> <p>CTCI introduces the ISO 14001:2015 environmental management system internally, which is integrated with ISO 45001:2018 occupational safety</p>	Item	2019	2020	GHG emissions (Scope 1)	149.1 tons of CO2e	142 tons of CO2e	GHG emission (Scope 2)	2,709.7 tons of CO2e	2,557 tons of CO2e	Water consumption	18,285m³	17,551m³	Waste	60,116kgs	60,495kgs	
Item	2019	2020																	
GHG emissions (Scope 1)	149.1 tons of CO2e	142 tons of CO2e																	
GHG emission (Scope 2)	2,709.7 tons of CO2e	2,557 tons of CO2e																	
Water consumption	18,285m³	17,551m³																	
Waste	60,116kgs	60,495kgs																	

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary Statement	
			and health management system into company's daily operations, to grasp overall risks. The scope of the system covers Engineering, Procurement, Construction (EPC), commissioning and all activities and services on CTCI's construction sites. In order to ensure the effectiveness of the integrated system, in addition to regular and irregular internal audits, the third-party verification company also conducts external audits at the company headquarters and construction sites every year.	
4. Social issues				
(1) Does the Company formulate management policies and procedures in accordance with relevant regulations as well as International Covenant on Human Rights?	V		(1) In compliance with the United Nations Global Compact regarding regulations over human rights, labor standards, environment and anti-corruption, in addition to ensuring all daily operations conforming to corporate ethics, CTCI develops basic conduct standards of compliance for all board directors, managers, employees and procurement staff. This set of standards Corporate Governance Norms, Business Ethical Behavior Norms for Board Members and Managers, Code of Employee Ethics and Behavior, and Work Ethical Behavior Rules for Procurement Staff.	None
(2) Does the Company establish and deliver reasonable employee welfare programs (including	V		(2) In addition to fixed salary and variable salary, CTCI's overall salary structure also includes annual bonuses, annual employee compensation (dividends), as well as a shareholding trust mechanism. In the overall	None

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
salary, compensated absences, and other benefits) and adjust employee compensation in relation to business performance?			salary structure planning, CTCI is committed to achieving internal equity and external competitiveness, and employee compensation is linked to performance to motivate outstanding colleagues. Performance indicators, workplaces, roles and responsibilities, capacity building and future potential are all included. CTCI offers our employees a comprehensive benefit system that is better than the statutory standards, including the different types of unpaid leaves, group Insurance, employee stock trust, language, and professional training. For contribution to the old pension system, we engage professional actuaries to safeguard the retirement related rights of our employees who chose the old pension system. The contribution rate for the new pension system is 6%, which is fully contributed by the Company and applicable to all employee choosing the new pension scheme.	
(3) Does the Company provide employees with a safe and healthy working environment as well as the regular tutorials regarding the knowledge of safety and health?	V		(3) CTCI’s HSE Policy Statement stresses “Safety First” and works on aspects including “Promote Personal Health and Wellbeing”, “Protect the Environment and Pursue Sustainability”, “Implement Effective Risk Management”, “Comply with Legal and Contractual Requirements”, “Encourage Training and Engagement”, and “Continuously Improve Our HSE Management System” to provide employees with a safe work	None

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
(4) Does the company draw up workable plans of vocational skills development for employees?	V		<p>environment. CTCI established a health center in 2013. We advocate health promotion through inviting physicians or nutritionists as well as other experts to hold health promotion seminars and provide physician on-site services every month. The topics of health promotion seminars feature mental, physical and spiritual wellbeing. Moreover, to create a friendly workplace, we set up a breastfeeding room for female colleagues who become new moms.</p> <p>(4) To provoke the passion for work in every employee and in consideration of the need for the organization to satisfy employees with self-realization, CTCI started promoting Individual Development Plan (IDP) for all employees. Each employee may develop different learning development plans according to the corporate development, competency required for the function and individual development intent, which urges the employees to increase their own KSA (knowledge, skill and attitude) while employees can develop training, experience, disciplines, and refinement based on their own strength and weakness through communication with the coach. Consequently the overall competitiveness in employees is enhanced to reach win-win situation between the employees and the company, which forms an unconstrained work environment with infinite</p>	None

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary Statement	
(5) Does the Company comply with relevant regulations and international standards regarding customer health and safety, right to privacy, marketing and labeling of its products and services and set up relevant consumer protection policies and complaint procedures?	V		<p>development opportunities.</p> <p>(5) A commitment to quality is the key that enables CTCI to operate sustainably, it is also a promise that CTCI has kept to its clients. To do so, we established Quality Management System based on ISO 9001:2015 to make sure all vital stages of project management, engineering, procurement, construction, fabrication, commissioning and maintenance are in compliance with engineering and regulation requirements. We had been certified since 1996. CTCI has also stipulated Quality Policy Statements, committed to "providing excellent services for customer satisfaction" and "performing contract and legal requirements" to make sure our clients' top concerns are well taken care of.</p> <p>CTCI has set up "Project Intellectual Property Protection Management Procedure" to ensure information of our products and services will not be misused, disclosed, lost, or damaged, fulfilling our due care to clients' intellectual properties. This would help prevent loss of our company reputation and properties.</p> <p>"Customer Service Enhancement Regulations" has been enforced with which our clients are given the opportunity to review CTCI's performance in HSE, quality, project progress, technological expertise, and project</p>	None

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
(6) Does the Company formulate supplier management policies that require suppliers to comply with relevant regulations on environmental protection, occupational safety and health,	V		<p>management for products and services offered through our Customer Satisfaction Survey, providing feedback and giving their satisfaction level. In case our customer provides a feedback is categorized internally as a complaint case, we will assign colleagues dedicated to analyzing reasons, proposing solutions, prevention measures, and following up on the effectiveness of improvement made. We will compile the survey results and then convene a Customer Service Feedback Group meeting chaired by the President to review the survey the results, and propose suggestions for improvement directly against the complaint project.</p> <p>A dedicated email account has been established to collect inquiries from external parties; Sustainability and Brand Dept. is the contact window of external emails and forwards emails received to relevant units for handling.</p> <p>(6) CTCI has always been committed to the sustainable development for companies. We also expect suppliers to have the same values as us. Therefore, we refer to relevant international initiatives and requirements to establish the CTCI Vendor Code of Conduct. We have requested all of our suppliers (including new suppliers) to comply with the Code, and at the same time, encouraged them to treat their suppliers with the same</p>	None

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary Statement	
and labor rights and request their reporting on the implementation of such issues?			standard, in the hope of enhancing the sustainability of the whole industry chain through the power of mutual influence. We have also requested all our vendors to sign the Commitments on Corporate Sustainable Management to enhance their awareness to sustainability.	
5. Does the Company publish its CSR report in accordance with the internationally accepted reporting standards or guidelines for compiling reports on non-financial information? Is this report assured or verified by a neutral third party?	V		We began publishing on an annual basis the CTCI CSR Report in 2008 to disclose the information concerning our materiality issues according to the GRI Standard. We also regularly submit the report to a neutral third party for verification. In fact, we are the first private business in Taiwan to have our CSR report verified by a neutral third party. The latest CSR Report was released in June 2020, assured by an independent third party.	None
6. If the Company has established corporate social responsibility principles based on “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the principles and their implementation:				
Verified by a third party, CTCI CSR Report is in compliance with the three major principles of AA1000 Assurance Standard, which are Inclusivity, Materiality and Responsiveness.				
7. Other important information to facilitate better understanding of the Company’s corporate social responsibility practices:				
Please refer to CTCI’s Corporate Social Responsibility website for more details http://www.ctci.com/CSR/				

3.4.6 The Ethical Corporate Management

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM- Listed Companies” and reasons
	Yes	No	Summary Statement	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company formulate an integrity management policy approved by the board of directors, and clearly state the policies and practices of integrity management in the regulations and external documents, and the commitment of the board of directors and senior management to actively implement the business policy?</p> <p>(2) Does the company has established an evaluation mechanism for the risk of unethical behaviors, regularly analyzes and evaluates business activities with a higher risk of unethical behaviors in the</p>	V		<p>The Company established “Corporate Governance Principles”, “CTCI Group Ethical Corporate Management Principles”, “CTCI Group Codes of Ethical Conduct”, and “Procurement Personnel Code of Conduct”.</p> <p>Directors, and managers should obey the “CTCI Group Codes of Ethical Conduct” when they execute their function. Meanwhile, all employees are requested to follow the laws and ethics standard and behavior principles clearly defined in “Codes of Ethical Conduct”.</p>	None

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM- Listed Companies” and reasons
	Yes	No	Summary Statement	
business scope, and establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies? (3) Does the Company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies regularly?				
2. Fulfill operations integrity policy (1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses	V		(1) The Company concluded the commerce contracts based on mutual trust and good faith management principles.	None

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM- Listed Companies” and reasons
	Yes	No	Summary Statement	
in business contracts?				
(2) Does the Company establish an exclusively dedicated unit supervised by the Board to be in charge of corporate integrity and regularly (at least once a year) report to the board of directors?			(2) The Company assigned Human Resources Department to be in charge of corporate integrity related matter and report to the board meeting at least once a year. The last report to BOD is on Dec. 16, 2020.	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?			(3) It is forbidden to have preferential affairs between employee and party. All employees can't pay or ask for present, entertainment, commission or bribe for the advantage of themselves or third party, when they conduct their work.	
(4) Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management? Has the internal			(4) The Company has established effective and complete accounting system and internal control mechanism to perform exception management. The internal audit unit draws up an annual audit plan based on the results of the risk assessment, executes yearly audit plans, and sends the audit reports and the follow-up audit reports to the independent directors on	

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM- Listed Companies” and reasons
	Yes	No	Summary Statement	
audit unit formulated relevant audit plans based on the results of the assessment of the risk of unethical behavior and audited the compliance of ethical corporate management accordingly? Or the Company entrusts CPAs to perform the audit?			a monthly basis. The audit unit also has to attend the Audit Committee and the Board of Directors' Meetings to report the defects and irregularities found during the inspection, and urge relevant units to take appropriate improvement measures and track the results quarterly until the improvement is completed.	
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?			(5) The principles of the Company are professionalism, integrity, teamwork and innovation. We delivered 4 related seminars to 616 employees and training courses to our employees, accumulated to 3,699 employees and posted the poster at office and site to remind our employees as well.	
3. Operation of the integrity channel (1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) The Company has the Accusation management regulation with a dedicated line, an external credibility platform and an investigation team to deal with the graft and bribe events. (2) The Company has the regulation of Reward and Punishment to deal with the above cases.	None

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM- Listed Companies” and reasons
	Yes	No	Summary Statement	
(2) Does the Company establish standard operating procedures for confidential reporting on investigating accusation cases, follow-up measures after investigations are completed and confidentiality mechanism? (3) Does the Company provide proper whistleblower protection?				
4. Strengthening information disclosure (1) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	V		The Company has disclosed the “Ethical Corporate Management Best Practice Principles” on its website and MOPS.	None
5. If the Company has established its own ethical corporate principles based on “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”, please describe the difference between operation practice and the ethical corporate principles: According to the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”, the Company has obtained the approval of the “Ethical Corporate Management Best Practice Principles” (the “Principle”) in the 5 th meeting of the 13 th Term Board of Directors in Dec. 17, 2014. The all employees, officers and board members should comply with the Principle. Furthermore, the Principle was amended and				

Evaluation Item	Implementation Status		Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and reasons
	Yes	No		Summary Statement
renamed to the “CTCI Group Ethical Corporate Management Principles” for the expansion of applicable scope to whole CTCI Group on Jun. 22, 2016.			
6. Other important information to facilitate understanding of the Company’s good faith management implementation. (e.g. To announce the Company’s determination to implement good faith management to business vendors, to invite vendors to participate in related education, and to review and revise the Company’s ethical corporate management best practice principles)			
The Company strictly observed “Company Act”,“ Securities and Exchange Act”, related rules for TWSE/GTSM-Listed Companies and other commerce ordinances to implement the good faith management. Review and revise the Company’s internal management principles including “Corporate Governance Principles”, “CTCI Group Ethical Corporate Management Principles “, “CTCI Group Codes of Ethical Conduct”, and “Procurement Personnel Code of Conduct” based on the development of ethical corporate management principles.			

3.4.7 Corporate Governance Guidelines and Regulations

Please refer to the Company’s website at <http://www.ctci.com>.

3.4.8 Other Important Information Regarding Corporate Governance

A. Training program for directors

Title	Name	Study period		Sponsoring Organization	Course	Training hours
		From	To			
Chairman	Michael Yang	2020/05/06	2020/05/06	Taiwan Corporate Governance Association	React to financial scenario Analysis under pressure events - U.S.-China trade war and COVID-19 for example	3.0
		2020/08/05	2020/08/05	Securities and Futures Institute	Key technology and business oppitunity of applications in 5G	3.0
Director	John T. Yu	2020/05/06	2020/05/06	Taiwan Corporate Governance Association	React to financial scenario Analysis under pressure events - U.S.-China trade war and COVID-19 for example	3.0
		2020/08/05	2020/08/05	Securities and Futures Institute	Key technology and business oppitunity of applications in 5G	3.0
Director	Quintin Wu	2020/07/09	2020/07/09	Securities and Futures Institute	How to react business strategy and corporate governance of unsustainable risks in COVID-19	3.0
		2020/10/13	2020/10/13	Securities and Futures Institute	Strategy and management of enterprise upgrade and transformation - the choice of M&A and alliance	3.0
Director	Johnny Shih	2020/08/05	2020/08/05	Taiwan Academy of Banking and Finance	Key technology and business oppitunity of applications in 5G	3.0
		2020/12/09	2020/12/09	Securities and Futures Institute	Seminar on Board Operation Practice and Corporate Governance	3.0

Title	Name	Study period		Sponsoring Organization	Course	Training hours
		From	To			
Director	Yancey Hai	2020/04/29	2020/04/29	Taiwan Corporate Governance Association	Development direction of Company strategy	3.0
		2020/05/06	2020/05/06	Taiwan Corporate Governance Association	React to financial scenario Analysis under pressure events - U.S.-China trade war and COVID 19 for example	3.0
		2020/07/29	2020/07/29	Taiwan Corporate Governance Association	Opportunities and challenges of action 5.0 from the development of telecommunications	3.0
Director	An-Ping Chang	2020/08/11	2020/08/11	Taiwan Corporate Governance Association	Climate change and TCFD	3.0
		2020/08/11	2020/08/11	Taiwan Corporate Governance Association	The trend and risk management of Digital technology and A.I.	3.0
Director	Paul Chen	2020/02/13	2020/02/13	Securities and Futures Institute	The pattern analysis and pre-warning for crisis of corporate finance	3.0
		2020/02/19	2020/02/19	Securities and Futures Institute	Survey the management performance of the corporation by humans and functions	3.0
		2020/02/21	2020/02/21	Accounting Research and Development Foundation	Corporate's reaction – set up “Independent Directors” and “Audit Committee” of Listed Company by laws	3.0
		2020/03/17	2020/03/17	Taiwan Corporate Governance Association	Survey the battle of Corporate Control from the perspective of corporate governance	3.0
		2020/08/05	2020/08/05	Securities and Futures Institute	Key technology and business opportunity of applications in 5G	3.0

Title	Name	Study period		Sponsoring Organization	Course	Training hours
		From	To			
Director	Wenent Pan	2020/05/06	2020/05/06	Taiwan Corporate Governance Association	React to financial scenario Analysis under pressure events - U.S.-China trade war and COVID-19 for example	3.0
		2020/07/22	2020/07/22	Taiwan Academy of Banking and Finance	Seminar on Board Operation Practice and Corporate Governance	3.0
Independent Director	Yen-Shiang Shih	2020/05/06	2020/05/06	Taiwan Corporate Governance Association	React to financial scenario Analysis under pressure events - U.S.-China trade war and COVID-19 for example	3.0
		2020/08/05	2020/08/05	Securities and Futures Institute	Key technology and business oppitunity of applications in 5G	3.0
Independent Director	Frank Fan	2020/05/06	2020/05/06	Taiwan Corporate Governance Association	React to financial scenario Analysis under pressure events - U.S.-China trade war and COVID-19 for example	3.0
		2020/08/05	2020/08/05	Securities and Futures Institute	Key technology and business oppitunity of applications in 5G	3.0
Independent Director	Evon Chen	2020/07/03	2020/07/03	Taiwan Corporate Governance Association	Overall viewpoint of global business sustainable development - from action 2020 to vision 2050	3.0
		2020/08/05	2020/08/05	Securities and Futures Institute	Key technology and business oppitunity of applications in 5G	3.0
Independent Director	Jack Huang	2020/05/06	2020/05/06	Taiwan Corporate Governance Association	React to financial scenario Analysis under pressure events - U.S.-China trade war and COVID-19 for example	3.0
		2020/11/11	2020/11/11	Taiwan Corporate Governance Association	Innovation transformation under post-epidemic	3.0

B. Internal Material Information Disclosure Procedure

(1) Management of the Prevention of Insider Trading

The Company has established "Management of the Prevention of Insider Trading" (the "Management") in the 9th meeting of the 11th term board of director on Aug. 28, 2009 by the letter of Financial Supervisory Commission dated Mar. 16, 2009 and consulting with "Internal Material Information Disclosure Procedure" which is announced by Taiwan Stock Exchange Corporation (TWSE). The Regulation is the code of conduct for Directors, Supervisors, Managerial personnel, and the persons regulated under the Regulation and it includes the scope of Internal Material Information, and the laws, regulations, orders that people forenamed should comply with.

The Company amend the "Management" in response to the amendment to the regulation and actual operation needs over the years, the latest amendment is in the 17th meeting of the 14th term board of director on Nov. 1, 2019. The "Management" has been announced at Enterprise Information Portal(EIP) and official website(www.ctci.com) for all employees followed up the prevention of insider trading.

(2) Implementation situation

- (a) At least once per year, the Company shall conduct educational campaigns to promote awareness among all directors, managerial officers, and employees with respect to the "Management" and related laws and regulations. The Company shall also provide educational campaigns to new directors, managerial officers, and employees in a timely manner.
- (b) When the 15th Directors were elected on May 28, 2020, the Company provide all Directors (re-elected and newly-elected) with the guide book - "Questions and Answers about Insiders' Share Transactions of Listed Company" by Taiwan Stock Exchange published (including questions and answers about insider trading) and "Management of the Prevention of Insider Trading" ("Management") by the Company made. Moreover, all directors have received an introduction to regulations of insider trading by Taiwan Stock Exchange Corporation published and the "Management" on Nov. 13, 2020.
- (c) The Company sends behaviors of the prevention of insider trading and the advice about report of changes in managerial officers every month. Additionally, the Company sets up online required course for all managerial officers in Jul. 2020. They shall pass the exam after the course.
- (d) The Company adds related teaching materials in the orientation for new colleagues. Moreover, to strengthen the beliefs of all employees, the Company had announced educational campaigns to all employees at EIP on Dec. 28, 2020 and set up online required course for them.
- (e) The aforementioned course includes regulated object of insider trading, reason for the formation, scope of material information, scope of trading targets, identification process, description of trading cases and so on.

C. Code of Business Conduct and Ethics for Board of Directors and Managers

CTCI CORPORATION Code of Business Conduct and Ethics for Board of Directors and Managers

Adopted on November 2nd, 2006

Amended on December 19th, 2007

Amended on August 8th, 2014

Amended on June 22nd, 2016

Article 1 (Purpose of and basis for adoption)

Pursuant to Article 6 of CTCI's Corporate Governance Principles, CTCI's Codes of Ethical Conduct are established to pursue the greatest interest of CTCI and devote in continuous business development. And for stakeholders to understand the content of ethical standards and code of conduct that have been complied by directors, managers and all employees in the execution of their duties. CTCI's Codes of Ethical Conduct shall be approved by a resolution of Board of Directors.

Article 2 (Scope)

The Codes of Ethical Conduct are applicable to CTCI's subsidiaries, and other institutions or juridical persons which are substantially controlled by CTCI ("business group").

The term "CTCI employees" in this Codes of Ethical Conduct refers to directors, supervisors, and managerial officers (including deputy assistant general managers or their equivalents, chief financial and chief accounting officers), and employees.

Article 3 (Compliance of ethical conduct)

CTCI directors and managers shall comply with all regulations and the Codes of Ethical Conduct. They shall set as examples to CTCI employees, promoting the practice of this Codes of Ethical Conduct, pursuing high-level compliance of this Codes.

CTCI directors and managers shall fulfill the duty of care of a good custodian, and as their objective the pursuit of CTCI's overall benefit. Moreover, CTCI employees may not damage CTCI's rights and interests for the benefit of a specific individual or specific group, and shall treat all shareholders fairly.

In the execution of their duties, CTCI employees shall focus on teamwork, abandon sectionalism, diligently comply with the principle of honesty and credibility, be proactive, responsible and prudent.

Article 4 (Fair hiring and anti-discrimination policy)

No form of preferential treatment or discrimination should take place in any form based on race, sex, religious beliefs, political party affiliation, sexual orientation, position, nationality, or age.

Article 5 (Safe and healthy working environment)

CTCI employees should work to maintain a safe and healthy environment, and there should be no instances of harassment, or violent and threatening behavior.

Article 6 (Prevention of conflicts of interest)

When a proposal at a given board of directors meeting concerns the interest of CTCI, the concerned person shall not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director.

Where a director or manager, for himself/herself or on behalf of others, enters into a sale/purchase or loan transaction, or conducts any legal act with CTCI, he/she shall disclose detail information of the above situation to the audit committee.

Article 7 (Prevention of conflicts of interest)

If a director engages in conduct involving competition with CTCI, pursuant to the Company Law, he or she shall report the matter in advance to a general meeting of shareholders and obtain approval.

If a manager engages in conduct involving competition with CTCI, in accordance with the Company Law, he or she shall report the matter in advance to board of directors and obtain approval.

Article 8 (Minimizing incentives to pursue personal gain)

CTCI employees shall faithfully execute their duties in the interests of all shareholders. As regards procurement and supply arrangements related to CTCI's operations, cooperation arrangements, strategic alliances or other commercial opportunities or opportunities from which profit may be gained with which CTCI employees become familiar as the result of executing their functional duties, CTCI employees shall give priority to providing such opportunities to CTCI or to preserving the interests of the Company, and must not take advantage of such opportunities to seek personal gains for themselves or third parties.

CTCI employees shall prevent the following activities:

1. Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions.
2. Competing with CTCI or damage CTCI's interest through any methods.

Article 9 (Fair trade)

CTCI employees shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 10 (Insider trading)

Work-related knowledge and any information that could affect the share price of CTCI stock, before it has been disclosed as public information, all information shall be kept confidential pursuant to The Securities and Exchange Act regulations, and shall not to be used to engage in insider trading.

Article 11 (Confidentiality)

Company employees' work-related knowledge, confidential information or customer data is to be carefully managed, and except for that required for company disclosure or publicized as required by law, data should not be leaked to other persons, or used for any non-work related matter. This Article also to employees who have left the Company.

CTCI employees are obliged to keep the Company and its clients' information confidential. Information shall not be disclosed prior to Company's authorization or as required by law, and leaked to other persons or used for any non-work related matter. The confidential information includes, but is not limited to, any undisclosed information that may be utilized or divulged by competitors and consequently cause damage or loss to the Company or its clients, as well as information regarding the investments, inventions, business secrets, technical data, product design, professional manufacturing knowledge, finance, accounting and intellectual property rights of CTCI.

Article 12 (Safeguarding and proper use of company assets)

CTCI employees have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact CTCI's profitability.

Article 13 (Legal compliance)

CTCI employees shall comply all regulations and company's policies and procedures.

Article 14 (Encouraging reporting on illegal or unethical activities)

CTCI shall raise awareness of ethics internally and encourage employees to report with defined identity or anonymously upon suspicion or discovery of any activity in violation of a law or regulation or the Codes of Ethical Conduct. The Company shall use its best efforts to ensure the safety of informants and protect them from reprisals.

Article 15 (Procedures for penalizing)

CTCI employees in violation of the Codes of Ethical Conduct shall be penalized according to the Company's Rewards and Punishment related policy. Employees who are in significant violation of this Conduct shall be reported to Board of Directors.

Article 16 (Procedures for exemption)

In the event that a director or supervisor wishes to be exempted from the applicability of the Codes of Ethical Conduct, he or she should explain said opportunity, information or the specific details of the competition with CTCI to Board of Directors, and the reasons why there is no conflict with CTCI's interests; this shall then be approved by a resolution of Board of Directors.

Upon approval by a resolution of Board of Directors of an exemption of applicability as provided in the preceding paragraph, CTCI shall immediately disclose information including the titles and names of the personnel exempted, the date of board approval of the exemption, the period of the exemption, the reasons for exemption, and the standard(s) has been exempted on the Market Observation Post System (MOPS).

Article 17 (Enforcement and method of disclosure)

CTCI's Codes of Ethical Conduct, and any amendments to it, shall enter into force after it has been adopted by board of directors, and shall disclose in CTCI annual reports on its website.

D. Accusation Management Regulations

CTCI CORPORATION Accusation Management Regulations

1.0 Purpose

For implementing and manifesting our corporate culture sincerity effectively and encouraging insiders to report illegal events so as to prevent and deal with illegal events before their impacts spread, these regulations are specially formulated in order to effectively control the accusation case of the Company and establish smooth accusation channel and fair investigation procedure, so as to prevent blackmail and correct possible undue behavior.

2.0 Scope

2.1 Accuser

Including official, contracted and dispatched in-service employee of the Company, however, if external personnel of the Company finds any significant malpractice, such personnel can be included as accuser.

2.2 Scope of accusation

Accusation may be proposed if the accused object violates laws and decrees, rules and regulations of the Company, or has other undue behaviors affecting the rights and interests of the Company.

3.0 Definition

3.1 Individual accusation

A employee proposes real-name accusation independently in his/her own name.

3.2 Joint accusation

Two (inclusive) or more employees propose real-name accusation jointly.

3.3 Blackmail

The accusation letter proposed anonymously.

3.4 Provision of Information

An accuser is expected to provide information relevant to the concerned illegal event, appear to testify or help with investigation in any manner.

4.0 Responsibility

4.1 Human Resources Department

Responsible for accepting accusation case and proposing suggestion on preliminary examination, sending the case for Rewards and Punishment Committee for hearing, and handing subsequent matters thereof according to hearing result.

4.2 Investigation group

The trans-department group formed by the members as approved by Rewards and Punishment Committee, which will be responsible for investigating whether the accusation contents are true and proposing investigation report.

4.3 Rewards and Punishment Committee

Responsible for hearing the accusation case preliminary examination proposal and accusation case investigation report, and proposing suggestions on punishment.

4.4 Each Department

Relevant personnel of each department shall coordinate to assist investigation group to execute relevant investigation works.

5.0 Activity

5.1 Operation procedure

Subject to Attachment 1 - Flow Chart of this Regulation.

5.2 Accusation

The accuser shall provide specific descriptions and relevant evidences on the concerned person, matter, time, place and object etc, (the accusation matter must conform to the scope as prescribed in Article 2.2 hereof), on accusation website (<https://www.reportnow.com.tw/ctci>) or submit such information to the special accusation e-mail box(ctci@reportnow.com.tw). When accepting joint accusation, it will be handled as single case, and representative shall be elected upon accusation for the convenience of contact.

When the accusation case comes from outside the Company, the unit or employee that receiving the accusation materials shall submit the complete accusation materials to Human Resources Department at first time for subsequent handling, if the affiliated department of accused object has any concealment or delay that causing impact on the handling time and affecting the rights and interests of the Company, it shall be punished according to relevant regulations of the Company.

5.3 Case acceptance

After Human Resources Department has accepted the accusation case, if necessary, it may ask the accuser to supplement relevant descriptions or evidences, conduct preliminary examination according to relevant contents of accusation materials, propose suggestions on whether or not to establish trans-department investigation group for investigation, fill in "Accusation Preliminary Examination Proposal" (Attachment 3) and submit it to CTCI Rewards and Punishment Committee together with other case materials for review and approve whether or not to open a case for investigation. If it is not belong to the scope of accusation or the evidences proposed by accuser are not detailed and true, Human Resources Department shall ask the accuser for supplement. If the accusation case is blackmail, Human Resources Department may not handle it.

5.4 Investigation

If the CTCI Rewards and Punishment Committee decides to open a case for investigation, it shall designate relevant unit representatives to form investigation group and assign group convenor to start investigation according to the situation of accusation case. However, those who have conflicts of interest in the accusation case shall avoid voluntarily and shall not participate in the investigation. In the course of investigation, Human Resources Department shall inform relevant units that shall cooperate to assist in investigation according to the investigation plan of the investigation group. When necessary, investigation group may interview relevant personnel or ask relevant personnel to provide relevant materials to assist in investigation. After the completion of investigation, investigation group shall submit investigation report to Human Resources Department.

5.5 Punishment

After Human Resources Department has received the investigation report, it shall convene the meeting of Rewards and Punishment Committee pursuant to "CTCI Employees Reward and Punishment Regulations" to hear the accusation case, and propose punishment suggestions according to the preceding Regulation. Then Human Resources Department will submit the complete report contents to the Chairman for review and decision.

5.6 Response

For any accusation case, Human Resources Department shall respond to the accuser in writing on the handling result thereof. For false accusation or fling abuses, the responding content shall include the reminder on relevant legal responsibility. If an employee of CTCI accuses falsely or malevolently, the employee will be punished and shall be dismissed in the serious situation.

5.7 Protective Measures

Responsible employee of Human Resources Department and all members of Rewards and Punishment Committee and investigation group shall bear confidentiality obligation for the materials of accuser, and shall declare in writing that they shall not disclose any information that can be used to identify a specific individual, including but not limited to name, employee number, ID Card no., gender, date of birth, department, job title, position grade, contract information and other data that may be used directly or indirectly to identify the individual.

CTCI promises to protect accusers from being dismissed, demoted, or disciplined by pay cut or impairment of any of their rights available legally, in a contract or based on custom. However, if an employee of CTCI accuses falsely or malevolently, the employee will not be protected under this clause.

5.8 Incentive Mechanism

When an employee of CTCI reports any event in accordance with these regulations that violates or impairs corporate benefit, the employee shall be granted a reward of no more than NT\$100,000 if the reported event is found factual or the report enables CTCI to reduce or prevent damage.

In case an accuser reports the illegal event in which the accuser has been involved, and then provides information and assists CTCI and administrative and juridical authorities in investigating facts of the illegal event, the punishment and liability to be imposed on the accuser for the illegal event shall be reduced or exempted.

6.0 Reference document

CP-319-B CTCI Employees Reward and Punishment Regulations

7.0 Attachment

Attachment 1 Work Flow Chart

Attachment 2 Accusation Preliminary Examination Proposal

Attachment 3 Non-disclosure Agreement

3.4.9 Internal Control System

A. Statement of Internal Control System

CTCI CORPORATION Statement of Internal Control System



Date: March 9, 2021

CTCI CORPORATION (CTCI) states the following with regard to its internal control system during fiscal year 2020, based on the findings of a self-assessment:

1. CTCI is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. CTCI has established such a system aimed at providing reasonable assurance of the achievement of the following objectives :
 - (1) Effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security).
 - (2) Reliability, timeliness, transparency, and regulatory compliance of reporting.
 - (3) Compliance with applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may be subject to changes in environment or circumstances. The internal control system of CTCI contains self-monitoring mechanisms, however, and CTCI takes immediate remedial actions in response to any identified deficiencies.
3. CTCI judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations divide internal control into five elements based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
4. CTCI has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, CTCI believes that, as of December 31, 2020, its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for (1) knowing about the achievement degree of operational effectiveness and efficiency, (2) reliability timeliness, transparency, and regulatory compliance of reporting, and (3) compliance with applicable laws, regulations, and bylaws, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will be a major part of CTCI's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of CTCI held on March 9, 2021, the twelve attending directors all affirmed the content of this Statement.

CTCI CORPORATION

Chairman (Michael Yang) :

(signature)

President (Todd Chen) :

(signature)

- B. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

3.4.10 In Recent Years until the Annual Report being Published, Violation of Internal Control Policies by Employees:

Due to negligence, there are 4 insiders of the Company violated Article 22-2 or 157 of the Securities and Exchange Act and had been disciplined in 2020. The Company has strengthened internal education and training, to avoid violating the law related to Securities and Exchange Act.

3.4.11 Major Resolutions of Shareholders' Meeting and Board Meetings

A. Major resolutions of Shareholders' Meeting of Year 2020(2020.05.28)

Date	Resolutions of Shareholders' Meeting	Action Arisen
2020.05.28	1. Adoption of the Company's 2019 Business Report, Financial Statements and Consolidated Financial Statements.	The resolution has been made and implemented.
	2. Adoption of the Company's distribution plan of 2019 earnings. (Distribute cash dividend TWD 1.2398 per share)	The ex-dividend date was on Aug. 1, 2020, and paid on Aug. 21, 2020.
	3. Approval of the cash distribution from legal reserve.(Distribute cash TWD 0.7601 per share)	
	4. Amendment to the Company's "Articles of Incorporation".	It has been registered by Ministry of Economic Affairs on Jul. 02, 2020 and announced at official website.
	5. Election of the Company's 15 th term Directors. <u>The list of newly elected Directors:</u> Michael Yang and John T. Yu , Representative of CTCI Development Corporation, Paul Chen, Representative of CTCI Foundation, An-Ping Chang, Representative of Taiwan Cement Corporation, Quintin Wu, Johnny Shih, Yancey Hai, Wenent Pan. <u>The list of newly elected Independent Directors:</u> Jack Huang, Yen-Shiang Shih, Frank Fan and Evon Chen.	The newly elected directors have been registered by Ministry of Economic Affairs on Jul. 02, 2020 and announced at MOPs and official website.
	6. Approval of the lifting of newly-elected directors of non-competition restrictions.	The resolution of removing 12 directors (including 4 independent directors) of the 15 th Term Board of Directors has been made and implemented.

B. Major resolutions of the Board Meeting in recent years until the annual report being published:

- 2020.03.10 2019 Review Report of Functional Committees.
- Evaluation Report for the Independence and Capability of Independent Auditor.
- Report for Board of Directors Performance Assessments.
- Report for the Ability of Financial Statement Preparation.
- Approval of the distribution plan of the 2019 directors' and employees' remuneration.
- Approval of the Fiscal 2019 business report, financial reports and consolidated reports.
- Approval of the distribution plan of Fiscal 2019 earnings.
- Approval of the cash distribution from legal reserve.
- Approval of "Statement of Internal Control System for the Year 2019".
- Approval of the amendment to the Company's "Articles of Incorporation".
- Approval of the election of board directors for the 15th term.
- Approval of nomination of director candidates for the 15th term.
- Approval of submitting to the AGM for removing the non-competition restrictions on board directors newly-elected.
- Approval of the convening of the 2020 Annual General Meeting.
- Approval of the place and the period of time for shareholders to submit proposals and the roster of director candidates of the 2020 Annual General Meeting.
- Approval of invest a reclaimed water treatment plant at the Southern Taiwan Science Part.
- Approval on funds lending the subsidiaries for working capital requirement by the Company.
- Approval of the amendment to the Company's "Audit Committee Charter".
- Approval of the amendment to the Company's "Remuneration Committee Charter".
- Approval of the amendment to the Company's "Internal Control Systems".
- Approval of the appointment of members of the "Corporate Governance Committee".
- Approval of the adjustment of the managerial officers of the Company.
- Approval of the removing the non-competition restrictions on new managerial officers.

- 2020.05.06 Report on Consolidated financial reports as of March 31st, 2020.
 Approval of the issuance of unsecured ordinary corporate bonds.
 Approval of the update of the Company's paid-in capital registration.
 Approval of authorization for Chairman to change of venue for 2020 Annual General Meeting.
- 2020.05.28 Michael Yang was elected as Chairman of the 15th Term Board of Directors.
 Todd Chen was appointed as newly President of the Company.
 Approval of adjustment of the organization of the functional committees and amendment to the internal rules.
 Approval of the appointment of the members and assistants of the functional committees.
 Approval of the appointment of the Chairperson and Vice Chairpersons of the Management Strategy Committee.
 Approval of the record date for the dividends and the cash distribution from legal reserve.
- 2020.05.28 Approval of the amendment to the remuneration standards and structure for directors and managerial officers.
 Approval of the remuneration of the Chairperson of the Management Strategy Committee.
- 2020.08.05 Report on Consolidated financial reports as of June 30th, 2020.
 Approval on funds lending the subsidiaries for working capital requirement and adjustment of loan limit by the Company.
 Approval of the update of the Company's paid-in capital registration.
 Approval of the remuneration of the new management officers of the Company.
- 2020.11.04 Report on Consolidated financial reports as of September 30th, 2020.
 Report on Directors' and Officers' Liability Insurance.
 Report on the management of Intellectual property protection.
 Approval of the disposal of the Company's immovables in Nangang.
 Approval on funds lending the subsidiaries for working capital requirement by the Company.
 Approval of the establishment to the Company's "Risk Management Regulations".
 Approval of the update of the Company's paid-in capital registration.
 Ella Tsai was appointed as the head of ATFBO of the Company.
 Approval of the appointment of the assistant of Remuneration Committee.

- 2020.12.16 Report on the practice of risk management.
 Report on the implementation of ethical corporate management in 2020.
 Approval of the budget of 2021.
 Approval of the Year 2021 Audit Plan.
 Approval of participation in cash capital increase of the subsidiary.
 Approval on funds lending the subsidiaries for working capital requirement by the Company.
 Approval of the amendment to registration of Italy branch.
 Approval of the adjustment of the managerial officer of the Company.
 Approval of the removing the non-competition restrictions on managerial officers.
 Approval of the annual leave principle of newly manager level and above.
 Approval of the average salary increase rate of 2021.
 Approval of the remuneration of the management officers of the Company.
 Approval of the amendment to the principle of bonus and employee remuneration of the Company.
 Approval of donation to CTCI Education Foundation.
 Approval of the 2021 remuneration of the Chairperson of Management Strategy Committee.
- 2021.03.09 2020 Review Report of Functional Committees.
 Evaluation Report for the Independence and Capability of Independent Auditor.
 Report for Board of Directors Performance Assessments.
 Report for the Ability of Financial Statement Preparation.
 Approval of the distribution plan of the 2020 directors' and employees' remuneration.
 Approval of the Fiscal 2020 business report, financial reports and consolidated reports.
 Approval of the distribution plan of Fiscal 2020 earnings.
 Approval of the cash distribution from legal reserve.
 Approval of "Statement of Internal Control System for the Year 2020".
 Approval of the amendment to the Company's "Articles of Incorporation".
 Approval of the issuance of Restricted Stock Awards.
 Approval of the amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets".
 Approval of the amendment to the Company's "Internal Audit Systems".
 Approval of the convening of the 2021 Annual General Meeting.
 Approval of the place and the period of time for shareholders to submit proposals of the 2021 Annual General Meeting.

Approval on funds lending the subsidiaries for working capital requirement by the Company.

Approval of change of the Financial Officer.

Approval of change of the spokesperson and deputy spokesperson.

Approval of change of independent auditors of the Company.

Approval of the update of the Company's paid-in capital registration.

Approval of the amendment to the Company's "Procedure for Performance Assessment and Remuneration Standard of the Directors and Management Officers".

Approval of the removing the non-competition restrictions on managerial officers.

Approval of the appointment of the assistant of the "ESG Committee".

3.4.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by Board of Directors: None.

3.4.13 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, President, and Heads of Accounting, Finance, Internal Audit and R&D

March 31 st , 2021				
Title	Name	On Board Date	Leave Date	Reason for Resignation or Dismissal
Chairman	John T. Yu	Feb. 12, 2001	May 28, 2020	Re-election after tenure expired. Be Group Chairman currently.
President	Michael Yang	Jun. 26, 2014	May 28, 2020	Be elected as Chairman
R & D officer	Casey Yeh	Feb. 2, 2017	Mar. 21, 2020	Resignation
CFO & Financial Officer	Patrick Lin	Mar. 28, 2007	Feb. 19, 2021	Retirement

3.5 Information on CPA' s Fees

3.5.1 Information of CPA

Accounting Firm	Name of CPA		Audit Period	Note
PriceWaterHouseCoopers	Yi-Fan Lin	Shu-Chiung Chang	2020.01.01-2020.12.31	-

3.5.2 Scale of information on CPA's Fees

	Item	Audit Fee	Non-audit Fee	Total
	Amount (TWD)			
1	Less than 2,000			
2	2,000 ~ 4,000 (inclusive of 2,000)		2,617	2,617
3	4,000 ~ 6,000 (inclusive of 4,000)			
4	6,000 ~ 8,000 (inclusive of 6,000)	6,350		6,350
5	8,000 ~ 10,000 (inclusive of 8,000)			
6	More than 10,000 (inclusive of 10,000)			

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Audit Period	Note
			System Design	Registration	Human Resource	Other (Note1)	Total		
PriceWaterHouseCoopers	Yi-Fan Lin	6,350	1,491	146	0	980	2,617	2020.01.01~2020.12.31	Note 1
	Shu-Chiung Chang							2020.01.01~2020.12.31	

Note 1: The (other) professional fees except audit fee include: transfer-pricing report TWD680 thousand, opinion of review employee stock options TWD150 thousand and bonds payable TWD150.

Note 2: In the event that the CPA firm is changed and the audit fees paid by the Company in the concurrent year are lower than the preceding year: None.

Note 3: In the event that the audit fees paid by the Company are reduced by 10% compared to the preceding year: None.

3.6 Alternation of CPA: None.

3.7 The Company's Chairman, President and Managerial Officer in charge of Finance or Accounting matters has held a position within CTCI's CPA firm or its affiliated enterprise in the most recent year: None.

3.8 Changes in Shareholding of Directors, Managers and Major Shareholders

3.8.1 Changes in Shareholding of Directors, Managers and Major Shareholders

Title	Name	2020		As of March 31 st , 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	CTCI Development Corporation	0	0	0	0
	Representative: Michael Yang	42,000	0	0	0
Director	CTCI Development Corporation	0	0	0	0
	Representative: John T. Yu	(75,000)	0	(55,000)	0
Director	Quintin Wu	0	0	0	0
Director	Johnny Shih	0	0	0	0
Director	Yancey Hai	0	0	0	0
Director	Taiwan Cement Corporation	0	0	0	0
	Representative: An-Ping Chang (Note 1)	0	0	0	0
Director	CTCI Foundation	0	0	0	0
	Representative: Hsien-Cheng Yang (Note 2)	0	0	0	0
	Representative: Paul Chen (Note 2)	0	0	0	0
Director	Wenent Pan	0	0	30,000	0
Director	Bing Shen (Note 3)	0	0	0	0
Independent Director	Yen-Shiang Shih	0	0	0	0
Independent Director	Frank Fan	0	0	0	0
Independent Director	Evon Chen (Note 4)	0	0	0	0
Independent Director	Jack Huang	0	0	0	0
Managerial Officers	John T. Yu	(75,000)	0	(55,000)	0

Title	Name	2020		As of March 31 st , 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Managerial Officers	Andy Sheu (Note 5)	0	0	0	0
Managerial Officers	Michael Yang	42,000	0	0	0
Managerial Officers	Todd Chen	0	0	0	0
Managerial Officers	M. H. Wang (Note 6)	0	0	0	0
Managerial Officers & Financial Officer	Ming-Cheng Hsiao	7,000	0	0	0
Managerial Officers	Ting-Kuo Li	24,000	0	2,000	0
Managerial Officers & CFO	Patrick Lin (Note 7)	10,000	0	0	0
Managerial Officers	Casey Yeh (Note 8)	8,000	0	0	0
Managerial Officers	Shih-Wei Chung	0	0	0	0
Managerial Officers	M. G. Lee (Note 9)	0	0	0	0
Managerial Officers	Steve Jean	0	0	332	0
Managerial Officers	Tsai-Ming Wang (Note 10)	0	0	0	0
Managerial Officers	Min-Li Lee	0	0	0	0
Managerial Officers	Y. S. Liao (Note 11)	0	0	0	0
Managerial Officers	S. H. Lin (Note 12)	0	0	0	0
Managerial Officers	Connie Lin	13,000	0	(1,000)	0
Managerial Officers	Ho-Chuang Lee (Note 13)	0	0	0	0
Managerial Officers	I-Kang Ho	17,000	0	0	0
Managerial Officers	Paul Wu	14,000	0	11,000	0
Managerial Officers	T.C. Li	0	0	0	0

Title	Name	2020		As of March 31 st , 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Managerial Officers	Y.S. Kuan	4,000	0	16,000	0
Managerial Officers	Gino Tsai	6,000	0	10,000	0
Managerial Officers	Vincent Liu	42,166	0	37,000	0
Managerial Officers & Accounting Officer	Ai-Cheng Ho	0	0	0	0
Managerial Officers	Ming-Shyan Lee (Note 14)	21,453	0	10,000	0
Managerial Officers	Wen-Pin Lo (Note 14)	6,000	0	12,000	0
Managerial Officers	Ella Tsai (Note 15)	7,000	0	0	0
Managerial Officers	James Wang (Note 16)	0	0	20,052	0
Managerial Officers	Sharon Chiang (Note 16)	0	0	175,006	0
Managerial Officers	Jack Hung (Note 16)	0	0	97,348	0
Managerial Officers	Jeff Hsu (Note 16)	0	0	125,498	0
Managerial Officers	Tiger Tsai (Note 16)	0	0	145,603	0
Managerial Officers	Jenq-Shyong Chung (Note 16)	0	0	181,282	0

Note1: Mr. An-Ping Chang was the director of natural person. He was newly appointed as the representative of juridical person since May 28, 2020.

Note2: Mr. Hsien-Cheng Yang was newly appointed on Mar. 1, 2019 and was dismissed on Feb. 1, 2020; Mr. Paul Chen was newly appointed on Feb. 1, 2020. The above-mentioned directors disclose the changes in Shareholding during their tenure of office only.

Note3: Be dismissed on May 28, 2020, and disclose the information during his tenure of office only.

Note4: On Board on May 28, 2020, and disclose the information during his tenure of office only.

Note5: Be Dismissed on Jul. 14, 2020, and disclose the information during his tenure of office only.

Note6: Be Dismissed on Jul. 25, 2020, and disclose the information during his tenure of office only.

Note7: Be Dismissed on Feb. 19, 2021, and disclose the information during his tenure of office only.

Note8: Be Dismissed on Mar. 21, 2020, and disclose the information during his tenure of office only.

Note9: Be Dismissed on Jul. 21, 2020, and disclose the information during his tenure of office only.

Note10: Be Dismissed on May 1, 2020, and disclose the information during his tenure of office only.

Note11: Be Dismissed on Jan. 22, 2020, and disclose the information during his tenure of office only.

Note12: Be Dismissed on Jun. 16, 2020, and disclose the information during his tenure of office only.

Note13: Be Dismissed on Apr. 6, 2020, and disclose the information during his tenure of office only.

Note14: On Board on Apr. 1, 2020, and disclose the information during his tenure of office only.

Note15: On Board on Nov. 4, 2020, and disclose the information during his tenure of office only.

Note16: On Board on Jan. 1, 2021, and disclose the information during his tenure of office only.

3.8.2 Shares Trading with Related Parties

Name	Reason for Transfer	Date of Transaction	Transferee	Relationship between Transferee and Directors, Supervisors, Managers and Major Shareholders	Shares	Transaction Price (TWD)
John T. Yu	Donation	2020.03.20	Bing-Sian Yu	Son	75,000	NA
John T. Yu	Donation	2021.01.08	Bing-Sian Yu	Son	55,000	NA

3.8.3 Shares Pledge with Related Parties

None.

3.9 Relationship among the Top Ten Shareholders

March 30th, 2021

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Shareholders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
CTBC BANK CO., LTD.(CTCI Corporation Employee Stock Ownership Trust)	65,255,438	8.55	0	0	0	0	None	None	
CTCI Foundation	60,862,051	7.97	0	0	0	0	None	None	
Fubon Life Insurance Co., Ltd.	60,129,000	7.88	0	0	0	0	None	None	
Representative: Richard M. Tsai	0	0	0	0	0	0	None	None	
CTBC BANK CO., LTD. (Sustainability Employee Stock Ownership Trust)	37,428,789	4.90	0	0	0	0	None	None	
Eastspring Investments - Global Emerging Markets Customized Equity Fund	16,648,000	2.18	0	0	0	0	None	None	
Chunghwa Post Co., Ltd.	16,203,000	2.12	0	0	0	0	None	None	
Representative: Hong-Mo Wu	0	0	0	0	0	0	None	None	
USI Corporation	15,130,656	1.98	0	0	0	0	Asia Polymer Corporation	Subordinate company of USI Corporation's subsidiary	
Representative: Quintin Wu	0	0	0	0	0	0	Asia Polymer Corporation	Chairman of Asia Polymer Corporation	
Asia Polymer Corporation	14,446,107	1.89	0	0	0	0	USI Corporation	Parent company of Asia Polymer Corporation's shareholder	
Representative: Quintin Wu	0	0	0	0	0	0	USI Corporation	Chairman of USI Corporation	
Union Cement Traders Inc.	13,365,318	1.75	0	0	0	0	None	None	
Representative: An-Ping Chang	0	0	0	0	0	0	None	None	
Nan Shan Life Insurance Co., Ltd.	11,918,000	1.56	0	0	0	0	None	None	
Representative: Tang Chen	0	0	0	0	0	0	None	None	

3.10 Ownership of Shares in Affiliated Enterprises

As of March 31st, 2021

Affiliated Company	Investment of the Company		Directors, Supervisors, Managements Direct and Indirect Investment of the Company		Total Investment	
	Shares	%	Shares	%	Shares	%
CTCI Smart Engineering Corporation	59,098,624	97.09	1,000	0.001	59,099,624	97.09
CTCI Advanced Systems Inc.	12,454,461	45.69	1,263,431	4.63	13,717,892	50.32
CTCI Development Corporation	350,000,000	100.00	0	0.00	350,000,000	100.00
CTCI Investment Corporation	207,200,000	100.00	0	0.00	207,200,000	100.00
ECOVE Environment Corporation	38,457,105	55.67	282,908	0.41	38,740,013	56.08
CTCI (Thailand) Co., Ltd.	1,249,500	49.00	1,300,500	51.00	2,550,000	100.00
CTCI Overseas (BVI) Corporation	6,740,000	100.00	0	0.00	6,740,000	100.00
CTCI Engineering & Construction Sdn. Bhd.	450,000	60.00	300,000	40.00	750,000	100.00
CTCI Arabia Ltd.	500	50.00	500	50.00	1,000	100.00
CTCI Machinery Corporation	20,000,000	100.00	0	0.00	20,000,000	100.00
SINO GAL - Waste Services Co., Ltd.	*0	30.00	*0	30.00	0	60.00
CTCI Americas, Inc.	100,000	100.00	0	0.00	100,000	100.00
CTCI Singapore Pte. Ltd.	5,100,000	100.00	0	0.00	5,100,000	100.00
CCJV P1 Engineering & Construction Sdn. Bhd.	247,500	99.00	0	0	247,500	99.00
CTCI CMCE JV Sdn. Bhd.	382,500	51.00	0	0	382,500	51.00
CTCI-HDEC (Chungli) Corporation	76,500,000	51.00	0	0	76,500,000	51.00
PT CTCI International Indonesia**	341,700,000	67.00	0	0.00	341,700,000	67.00

*SINO GAL - Waste Services Co., Ltd. doesn't issue any stock related certificates.

**PT CTCI International Indonesia was a newly established JV subsidiary on Jan. 13, 2020.

4 Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

A. Issued Shares

As of March 31st, 2021

Year/ Month	Par Value (TWD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (TWD)	Shares	Amount (TWD)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1997.07	10	300,000,000	3,000,000,000	288,417,000	2,884,170,000	Retained Earnings	None	-
1998.07 ~ 2000.06	10	520,000,000	5,200,000,000	476,000,000	4,760,000,000	Retained Earnings	None	-
2001.06	10	720,000,000	7,200,000,000	547,600,000	5,476,000,000	Retained Earnings	None	-
2003.12 ~ 2004.03	23.38	720,000,000	7,200,000,000	571,620,484	5,716,204,840	ECB	None	-
2004.08 ~ 2006.08	10	720,000,000	7,200,000,000	598,000,000	5,980,000,000	Retained Earnings	None	-
2007.09 ~ 2008.08	10	900,000,000	9,000,000,000	631,438,000	6,314,380,000	Retained Earnings	None	-
2010.01 ~ 2011.04	10	900,000,000	9,000,000,000	698,666,648	6,986,666,480	CB & ESOP	None	-
2011.07 ~ 2019.11	10	900,000,000	9,000,000,000	763,318,240	7,633,182,400	ESOP	None	-
2020.05	10	900,000,000	9,000,000,000	763,321,290	7,633,212,900	ESOP	None	Note 1
2020.09	10	900,000,000	9,000,000,000	763,332,551	7,633,325,510	ESOP	None	Note 2
2020.12	10	900,000,000	9,000,000,000	763,351,139	7,633,511,390	ESOP	None	Note 3

Note 1: 2020.05.29 MOEA Ruling Ref.No. 10901088710.

Note 2: 2020.09.07 MOEA Ruling Ref.No. 10901163710.

Note 3: 2020.12.17 MOEA Ruling Ref.No. 10901223320.

B. Type of Stock

Share Type	Authorized Capital			Remark
	Issued Shares	Un-issued Shares	Total Shares	
Common Share	763,351,139	136,648,861	900,000,000	Listed stock

4.1.2 Status of Shareholders

As of March 30th, 2021

Item	Government Agencies	Financial Institutions	Other Juridical Person	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	33	128	37,114	196	37,471
Shareholding (shares)	0	205,564,341	185,341,078	246,822,114	125,647,148	763,374,681
Percentage (%)	0.00	26.93	24.28	32.33	16.46	100

4.1.3 Shareholding Distribution Status

As of March 30th, 2021

Common Shares (The par value for each share is TWD10)

Class of Shareholding (Unit : Share)	Number of Shareholders	Shareholding (Shares)	Percentage (%)
1 ~ 999	7,768	1,729,638	0.23
1,000 ~ 5,000	20,870	46,112,681	6.04
5,001 ~ 10,000	4,197	33,118,322	4.34
10,001 ~ 15,000	1,440	18,368,072	2.41
15,001 ~ 20,000	897	16,478,277	2.16
20,001 ~ 30,000	787	19,835,480	2.60
30,001 ~ 40,000	385	13,866,147	1.82
40,001 ~ 50,000	270	12,526,790	1.64
50,001 ~ 100,000	455	32,965,005	4.32
100,001 ~ 200,000	219	31,160,839	4.08
200,001 ~ 400,000	74	20,524,504	2.69
400,001 ~ 600,000	29	13,628,762	1.79
600,001 ~ 800,000	11	7,613,587	1.00
800,001 ~ 1,000,000	12	10,611,641	1.39
1,000,001 or over	57	484,834,936	63.49
Total	37,471	763,374,681	100.00

4.1.4 List of Major Shareholders

As of March 30th, 2021

Shareholder's Name	Shareholding	
	Shares	Percentage (%)
CTBC BANK CO., LTD.(CTCI Corporation Employee Stock Ownership Trust)	65,255,438	8.55
CTCI Foundation	60,862,051	7.97
Fubon Life Insurance Co., Ltd.	60,129,000	7.88
CTBC BANK CO., LTD. (Sustainability Employee Stock Ownership Trust)	37,428,789	4.90
Eastspring Investments - Global Emerging Markets Customized Equity Fund	16,648,000	2.18
Chunghwa Post Co., Ltd.	16,203,000	2.12
USI Corporation	15,130,656	1.98
Asia Polymer Corporation	14,446,107	1.89
Union Cement Traders Inc.	13,365,318	1.75
Nan Shan Life Insurance Co., Ltd.	11,918,000	1.56

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Item	2019	2020	As of March 31 st , 2021
Market Price per Share			
Highest Market Price	49.00	41.30	38.55
Lowest Market Price	35.45	25.70	34.90
Average Market Price	44.41	36.34	36.54
Net Worth per Share			
Before Distribution	21.20	20.77	N/A
After Distribution	19.20	18.77	N/A
Earnings per Share			
Weighted Average Shares	762,037	762,074	N/A
Diluted Earnings Per Share	1.54	1.01	N/A
Dividends per Share			
Cash Dividends	2.00	2.00	N/A
Stock Dividends			
• Dividends from Retained Earnings	0	0	N/A
• Dividends from Capital Surplus	0	0	N/A
Accumulated Undistributed Dividends	0	0	N/A
Return on Investment			
Price / Earnings Ratio	28.84	35.98	N/A
Price / Dividend Ratio	22.21	18.17	N/A
Cash Dividend Yield Rate	4.50%	5.50%	N/A

Note: Board of Directors has approved the 2020 earnings distribution and has not been resolved by the Annual General Meeting of Shareholders in 2021.

4.1.6 Dividend Policy and Implementation Status

A. Dividend Policies under Articles of Incorporation

When net profit occurs in the annual accounts, the Company shall first pay the profit-seeking enterprise income taxes and offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside a special capital reserve in the amount equivalent to the balance of shareholders' equity deficit of the current fiscal year.

After having paid the corporate taxes and off-set past losses, 10% of the profit earned by the Company of each fiscal year shall be set aside as statutory reserve, except where such reserve has reached the total authorized capital of the Company.

Furthermore, a special reserve shall be set aside. If there is recovery of the balance of shareholders' equity deficit, 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, together with the cumulative undistributed profit of the previous year shall be referred to as cumulative allocable profit, which shall be distributed according to shareholders' resolutions.

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 allocable profit according to the shareholders' resolutions

Besides, the amount of shareholders' bonus shall not be less than 50% of cumulative allocable profit of the Company, in particular cash dividend shall not be less than 20%.

- B. Proposed Distribution of Dividend: Cash dividend: The proposed 2020 distribution of earnings of shareholders' dividends is set to be distributed as an all cash dividend of TWD 0.87 per share and incurred legal reserve TWD 1.13 per share. The total cash distribution is TWD 2 per share.
- C. The Company adopts a dividend policy of high earnings appropriation rate, and stipulates that at least 80% of total attributable earnings should be appropriated as dividends. In recent years, the Company distributes all of its dividends in the form of cash. Historical information about dividends distribution is available on the Company's website.

4.1.7 Impact of Stock Dividend Distribution on Business Performance, EPS and Return on Investment: Not Applicable.

4.1.8 Employee and Directors' Remuneration

A. Information Relating to Employee and Directors' Remuneration in the Articles of Incorporation

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 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 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 board of directors' remuneration shall be submitted to the shareholders' meeting.

- B. The estimation basis on remuneration to Employees and Directors, the calculating basis on the number of shares for share bonus and accounting treatment for the differences between the actual distributing amounts and estimations

Estimation of employee and Directors' remuneration is based on prior experience and is recognized as current expenses. In case of a significant change (per Article 6 of Securities and Exchange Act Enforcement Rules, the amount is over TWD10,000 thousand while reaching 1% of audited net operating revenue or 5% of paid-in capital), the expense shall be adjusted accordingly in the year where the employee bonus was recorded. When the change is not significant, it shall be recorded in the following year as change in accounting estimation. If the amount remains variable at the date of Shareholders' meeting in the following year, it shall be recorded in the following year as change in accounting estimation.

- C. Profit Distribution of Year 2020 Approved in Board of Directors Meeting for Employee and Directors' Remuneration
- Recommended Distribution of Directors' Remuneration is TWD 12 million, and Employees' Remuneration in cash is TWD22.996 million.
 - Ratio of Recommended Employee Stock Bonus to Capitalization of Earnings: None.
- D. Information of 2019 Earnings Set Aside to Employee Bonus and Directors' and Supervisors' Remuneration

Unit: TWD

	Actual Distribution A	Recognized Estimated Amount B	Variance C=A-B
Bonuses for Employees (Cash)	35,310,323	35,310,323	0
Remuneration for Directors (Cash)	12,000,000	12,000,000	0

The Estimation for 2019 Employee Bonus and Directors' Remuneration is based on the percentage of earnings after tax and legal reserve consideration in the Articles of Incorporation. There is no difference between the actual 2019 Employee Bonus and Directors' Remuneration distributed according to the resolution of the stockholders' meeting and the Estimated Amount.

E. The Information of Top Ten Recipients of Employee Bonuses in 2019:

Name	Title	Amount(TWD)
Michael Yang	Vice Chairperson of Management Strategy Committee	492,860
Todd Chen	President	
M. H. Wang	Executive Vice President	
Ming-Cheng Hsiao	Executive Vice President	
Ting-Kuo Li	Executive Vice President	
Patrick Lin	Senior Vice President and CFO	
Steve Jean	Vice President	
Min-Li Lee	Vice President	
Gino Tsai	Vice President	
Jack Hung	Vice President	

4.1.9 Buyback of Treasury Stock: None.

4.2 Corporate Bonds

Item	Type	2019 First Unsecured Corporate Bond	2020 First Unsecured Corporate Bond
Issuance (Process) Date		December 25, 2019	June 22, 2020
Face value		TWD 1,000,000	TWD 1,000,000
Locate of Issuance and Exchange		NA	NA
Price of Issuance		TWD 100(100% of face value)	TWD 100(100% of face value)
Total Amount		TWD 6,000,000,000	TWD 3,000,000,000
Rate		Fixed annual rate of 0.9%	Fixed annual rate of 0.77%
Tenor		Five years. Maturity Date: December 25, 2024	Five years. Maturity Date: June 22, 2025
Guarantor		NA	NA
Trustee		Taipei Fubon Commercial Bank Co., Ltd.	KGI Bank Co., Ltd.
Underwriter		Yuanta Securities Co., Ltd.	Yuanta Securities Co., Ltd.
Appointed Attorney of Law		Hui-Chi Kuo	Hui-Chi Kuo
Appointed CPAs		Yi-Fan Lin	Yi-Fan Lin
Repayment Method		On due date, the bonds will be redeemed in whole	On due date, the bonds will be redeemed in whole
Outstanding principal		TWD6,000,000,000	TWD3,000,000,000
Terms of redemption or early repayment		NA	NA
Restrictive terms		NA	NA

Item \ Type		2019 First Unsecured Corporate Bond	2020 First Unsecured Corporate Bond
Name of the credit rating agency, date, and outcome of the rating of the corporate bond		Credit Rating Agency: Taiwan Ratings Corporation Rating subject: CTCL Corporation Credit Ratings: twA Date of rating: October 16, 2019	Credit Rating Agency: Taiwan Ratings Corporation Rating subject: CTCL Corporation Credit Ratings: twA Date of rating: March 26, 2020
Other Rights At A fit	By the publication date of the annual report, the amount of the converted (exchanged or subscribed) common shares, GDR, or other negotiable securities	NA	NA
	Guidelines of issuance or conversion (exchange or subscription)	NA	NA
Guidelines of issuance or conversion, exchange or subscription; the possible dilutions to equities by the issuance terms, Effects to the current shareholders' equity		NA	NA
Delegated custodian of the underlying exchange		NA	NA

4.3 Preferred Shares: None.

4.4 Global Depository Receipts: None.

4.5 Employee Stock Options

4.5.1 Issuance of Employee Stock Options

As of March 31st, 2021

Type of Stock Option	2017 ESOP	2018 ESOP	2019 ESOP	2020 ESOP
Effective Date by Regulatory Agency	2017/04/05	2018/01/09	2019/01/09	2020/01/08
Issue date	2017/04/11	2018/03/09	2019/03/08	2020/01/08
Units issued	20,000 units	20,000 units	20,000 units	20,000 units
Option shares to be issued as a percentage of outstanding shares (%)	2.62	2.62	2.62	2.62
Duration	The duration for options is 6 years, during which employees may not transfer, pledge, or gift their options except to heirs. Upon the expiration of the grant period, unexercised options are deemed forfeited and the subscribers may no longer claim right to exercise the option and purchase those shares.			
Conversion measures	Issue new common share.			
Conditional conversion periods and percentages	Subscribers may exercise their options by the following schedule and proportion:			
	The availability period	The ceiling of option exercisable (accumulate)		
		Regular	Reward	
	Less than 2 years	0%	0%	
	In 2 years after the grant	50%	25%	
	In 3 years after the grant	75%	50%	
	In 4 years after the grant	100%	100%	
Converted shares	50,139 Shares	47,722 Shares	2,972 Shares	0 Shares
Exercised amount	TWD2,289,499	TWD1,869,200	TWD131,066	TWD0
Number of shares yet to be converted	19,949,861 Shares	19,952,278 Shares	19,997,028 Shares	20,000,000 Shares
Adjusted exercise price for those who have yet to exercise their rights	TWD41.8	TWD38.7	TWD44.1	TWD35.0
Unexercised shares as a percentage of total issued shares (%)	2.61	2.61	2.62	2.62
Impact on possible dilution of shareholdings	Dilution to Shareholders' Equity is limited.			

4.5.2 List of Executives Receiving Employee Stock Options and the Top 10 Employees

As of March 31st, 2021

	Title	Name	No. of Option Shares (thousand shares)	Option Shares as a Percentage of Shares issued (%)	Exercised				Unexercised ^{Note1}			
					No. of Shares Converted (thousand shares)	Strike Price (TWD)	Amount (TWD thousands)	Converted Shares as a Percentage of Shares issued (%)	No. of Shares Converted (thousand shares)	Strike Price (TWD)	Amount (TWD thousands)	Converted Shares as a Percentage of Shares issued (%)
Managerial officers	Vice Chairperson of Management Strategy Committee	Michael Yang	8,065	1.06	7	38.7	270	0.00	8,058	2017 ESOP: TWD41.8 2018 ESOP: TWD38.7 2019 ESOP: TWD44.1 2020 ESOP: TWD35.0	320,030	1.06
	President	Todd Chen										
	Executive Vice President & Financial Officer	Ming-Cheng Hsiao										
	Executive Vice President	Ting-Kuo Li										
	Senior Vice President	Shih-Wei Chung										
	Vice President	Steve Jean										
	Vice President	Min-Li Lee										
	Vice President	Connie Lin										
	Vice President	Paul Wu										
	Vice President	I-Kang Ho										
	Vice President	T.C. Li										
	Vice President	Y.S. Kuan										
	Vice President	Gino Tsai										
	Vice President	Vincent Liu										
	Vice President & Accounting Officer	Ai-Cheng Ho										

	Title	Name	No. of Option Shares (thousand shares)	Option Shares as a Percentage of Shares issued (%)	Exercised				Unexercised ^{Note1}			
					No. of Shares Converted (thousand shares)	Strike Price (TWD)	Amount (TWD thousands)	Converted Shares as a Percentage of Shares issued (%)	No. of Shares Converted (thousand shares)	Strike Price (TWD)	Amount (TWD thousands)	Converted Shares as a Percentage of Shares issued (%)
Employees	Vice President	Ming-Shyan Lee										
	Vice President	Wen-Pin Lo										
	Vice President	Ella Tsai										
	Vice President	James Wang										
	Vice President	Sharon Chiang										
	Vice President	Jack Hung										
	Vice President	Jeffrey Hsu										
	Vice President	Tiger Tsai										
	Vice President	Jenq-Shyong Chung										
	Chief Engineer	Hope Sun	1,589	0.21	0	N/A	0	0	1,589		63,130	0.21
	Chief Engineer	Cheng-Shen Wang										
	Chief Engineer	Jin-Wen Chang										
	Chief Engineer	Michael Shih										
	Chief Engineer	Michael C. Chang										
	Chief Engineer	C.L. Yen										
	Chief Engineer	Rhino Fu										
	Chief Engineer	John Hsu										
	Chief Engineer	James Liu										
	Chief Engineer	Hung-Liang Hsieh										

4.6 Employee Restricted Stock: None.

4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

4.8 Financing Plans and Implementation

(1) The placement and issuance of 2019 first unsecured corporate Bond:

A. Capital utilization plan: To repay the debt.

B. Approved date and document No.: Dated December 16, 2019. Zheng-Guei-Zai-Zhi No. 10800138191.

C. Amount needed for this plan: TWD6,000,000,000.

D. Source of funds: issuing unsecured common corporate bonds for TWD6,000,000,000.

E. Items of the plan and the executions:

(Unit: TWD thousands)

Items of the plan	The executions		As of March 31 st , 2021	Reason of being early or late and the improvement plan
Repay the debt	Amount to be used	Estimated	6,000,000	Fully executed as the plan
		Actual	6,000,000	
	Progress of execution(%)	Estimated	100%	
		Actual	100%	

(2) The placement and issuance of 2020 first unsecured corporate Bond:

A. Capital utilization plan: To repay the debt.

B. Approved date and document No.: Dated June 11, 2020. Zheng-Guei-Zai-Zhi No. 10900060931.

C. Amount needed for this plan: TWD3,000,000,000.

D. Source of funds: issuing unsecured common corporate bonds for TWD3,000,000,000.

E. Items of the plan and the executions:

(Unit: TWD thousands)

Items of the plan	The executions		As of March 31 st , 2021	Reason of being early or late and the improvement plan
Repay the debt	Amount to be used	Estimated	3,000,000	Fully executed as the plan
		Actual	3,000,000	
	Progress of execution(%)	Estimated	100%	
		Actual	100%	

5 Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

A. Main areas of business operations

a. Markets:

Hydrocarbon, Power, Environmental, Transportation and Industrial.

b. Services:

Project Management, FS/FEED, Engineering, Procurement, Fabrication, Construction, Commissioning, Intelligent Solutions, Automation & Control, Clean Room & MEP, Structure Jacking & Movement, Ground Freezing and Operation & Maintenance.

c. Products:

Stationary Equipment, Chemical Additives and Energy Management Software.

B. Revenue distribution

Major Divisions	Total Sales in Year 2020	Unit ; TWD thousands
		(%) of total sales
Engineering	48,697,998	87.65
Environment	5,639,611	10.15
General Trade	755,924	1.36
Others	464,876	0.84
Total	55,558,409	100.00

C. Main Services

The main services of the Company include feasibility study & planning, project management, engineering, procurement, fabrication, construction, plant commissioning, QA & HSE, operation & maintenance, and information technology.

D. New products development: Not Applicable.

5.1.2 Industry Overview

A. Outlook of Macro Economy

According to the International Monetary Fund (IMF) announced on Jan. 26, 2021, the updated version of the World Economic Outlook report pointed out recent vaccine approvals have raised hopes of a turnaround in the pandemic later in 2020, but a new wave of mutated viruses and its infection tide also attracts attention. Under a high degree of uncertainty, the IMF adjusted the 2020 global economic growth rate from -4.4% to -3.5%, a significant increase of 0.9 percentage points. The report pointed out that this was mainly because the performance in the second half of 2020 was better than originally expected. The updated report raises the global economic growth rate in 2021 by 0.3 percentage points to 5.5%, mainly reflecting that the launch of vaccines will promote the development of activities and the additional policy support of some large economies. The economic growth rate of advanced economies is estimated to be 4.3%, while that of emerging markets and developing economies is 6.3%. In the part of individual economies, the IMF adjusted the U.S. economic growth rate in 2020 to -3.4%, from 3.1% to 5.1% in

2021, and 2.5% next year; the euro zone's economic growth rate in 2020 was adjusted to -7.2%, and will be revised down from 5.2% to 4.2% in 2021. In Asia, Japan's economic growth rates in 2020 and 2021 have been adjusted from -5.3% and 2.3% to -5.1% and 3.1% respectively; China's economic growth rates last year and this year have also increased from the 1.9% and 8.2% reported in October. The amendments are 2.3% and 8.1%.

The Company is engaged in the engineering, procurement and construction ("EPC") industry, which is closely tied to the overall economy outlook of our target markets. Because many projects are initiated by the governments, the economic growth rates of the Company's target markets are one of major indicators for business opportunities. The table below is conducted by IMF, showing global growth forecasts. The Company will retain a progressive bidding strategy in every target and potential markets.

Overview of the World Forecast of Economic Growth Rate

	2020	2021
World Output	(3.5%)	5.5%
Advanced Economies	(4.9%)	4.3%
United States	(3.4%)	5.1%
Euro Area	(7.2%)	4.2%
Germany	(5.4%)	3.5%
France	(9.0%)	5.5%
Italy	(9.2%)	3.0%
Spain	(11.1%)	5.9%
Japan	(5.1%)	3.1%
United Kingdom	(10.0%)	4.5%
Canada	(5.5%)	3.6%
Other Advanced Economies	(2.5%)	3.6%
Emerging Market and Developing Economies	(2.4%)	6.3%
Emerging and Developing Asia	(1.1%)	8.3%
China	2.3%	8.1%
India	(8.0%)	11.5%
ASEAN-5	(3.7%)	5.2%
Emerging and Developing Europe	(2.8%)	4.0%
Russia	(3.6%)	3.0%
Latin America and the Caribbean	(7.4%)	4.1%
Brazil	(4.5%)	3.6%
Mexico	(8.5%)	4.3%
Middle East and Central Asia	(3.2%)	3.0%
Saudi Arabia	(3.9%)	2.6%
Sub-Saharan Africa	(2.6%)	3.2%

	2020	2021
Nigeria	(3.2%)	1.5%
South Africa	(7.5%)	2.8%
Low-Income Developing Countries	(0.8%)	5.1%

Sources: IMF, World Economic Outlook Update, January 2021.

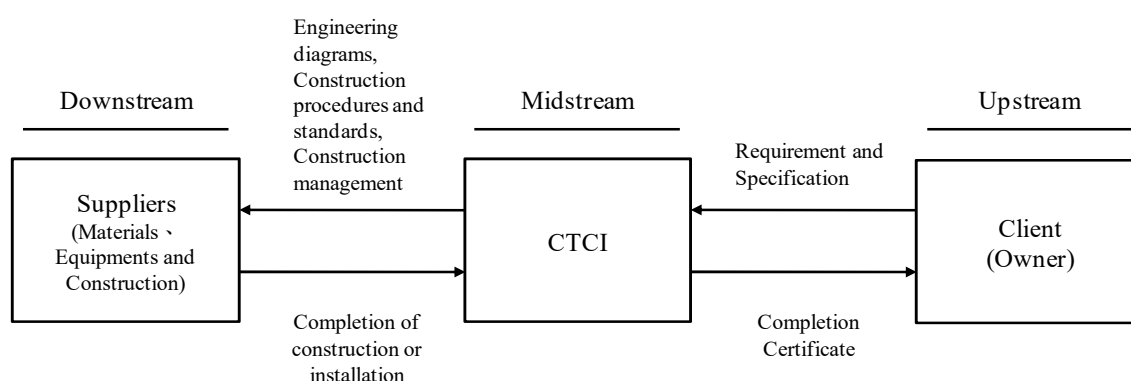
B. Market Overview

The Company is mainly engaged in the field of engineering design, procurement and construction ("EPC"). As a professional EPC lump sum turn-key provider, enjoying a leading position out of more than 530 companies registered with the Chinese Association of Engineering Consultants. Basically, most of local EPC companies target domestic market which is limited and competitive. In addition, those large-projects are under the tendency of lump sum turn-key for international bidding, only a few local EPC companies are capable to team up with international bidders. Having a solid track record in the international EPC market for years, the Company has become a designated partner of many well-known international companies for various large projects globally. Currently, the Company is capable to bid project with single contract amount over USD 1 billion.

C. The EPC Industry

Major clients of the Company cover in areas of refinery, petrochemical, general chemical, LNG, power, transportation, steel manufacturing, environmental protection, and etc. The main service of the Company is to provide the EPC works in accordance to clients' requirements. The EPC project is a professional-based integration, which requires an intensive engineers' capability in completion timely and efficiently as required by the clients. For this reason, the entry barrier to enter this industry is high.

More specifically, the Company's services include feasibility study, engineering, procurement services, equipment supply, construction management, and commissioning services. The upstream of this industry is the clients with plant construction demands. The midstream is the EPC turnkey companies. (The Company is at this section) The downstream is the third-party vendors, such as materials, equipment suppliers and construction firms.



D. Market Trend and Competition

(A) The Trend

a. Large EPC Projects

Given a trend of incessant businesses expansion overtime, requirements from client are getting more complicated. In order to minimize the risks associated with large projects and reduce the costs, clients turn to be reluctant to award specific sub-projects to different contractors and prefer single EPC contractors instead.

b. Turnkey Solution

Clients' requirements today request not only engineering design, procurement and construction, but advance planning, project financing, operation management, etc. To complete the project with low cost, high quality and timely are preferred by the clients. It's undoubtedly a challenge to EPC contractors.

c. Potential BOT projects in public sector

In the public sector, the governments tend to boost economic growth by investing infrastructure projects. In order to reduce the government fiscal burden and encourage private sector to get involve with government's projects, it's becoming popular to announce BOT (Build-Operate-Transfer) projects for public sector projects. In the future, we will also introduce BOT model to emerging markets' clients.

After Taiwan joined the World Trade Organization and signed government purchase agreements with other countries, the domestic market in is now available to foreign construction companies on an equal basis. Taiwanese engineering companies aim business potentials in global markets via collaboration with other engineering firms worldwide, and strengthening the capability in finance and legal resources to cope with the ever-changing environment.

d. Technical Innovation

Technical innovation becomes increasingly important to viability of EPC contractors. Generating value-added solutions to satisfy clients' demands is a key challenge to engineering firms worldwide for maintaining competitiveness on the market.

(B) Competition

The Company doesn't have its own technology, but the key to be awarded a project usually comes from the Company's track records and the ability to control executing cost. The Company has over 40 affiliates spanning across more than 15 countries worldwide, and has accumulated abundant experiences in local markets, which becomes its competitive advantage. There are about 16 EPC competitors globally, mainly from South Korea, Japan and Europe. Take the major petrochemical market in Middle East for example, rigid competition from South Korea companies remains unchanged; besides, European companies turn to be aggressive in recent years. In domestic market, there are only few local competitors in terms of operation scale, so the Company still has the geographically advantages in Taiwan.

5.1.3 Research and Development Overview

A. Research and Development Expenses in Past Three Years

Unit ; TWD thousands

Item/Year	2018	2019	2020
Operating Revenue	35,684,680	28,430,333	25,873,770
R&D Expense	120,849	112,049	100,437
R&D Expense as percentage of Operating Revenue (%)	0.34	0.39	0.39

Note: Independent Financial Statements were under IFRS.

B. Research and Development Projects Completed in Recent Years and Successful Technology or Products Developed in Past Two Years

(A) RD Projects Completed in Recent Years

Item	2019 Projects	2020 Projects
1	Research and Development for Unified Project Information applied in Plant Life Cycle	Development for Engineering Data Extraction Technology (Phase II)
2	Development for Engineering data extraction technology	iConstruction - Construction Planning Development
3	Plant Area Intelligent Program Development (Process Area)	iEngineering - Design Collaboration Development
4	Intelligent technology assists development and research of construction site management	Plant Area Intelligent Program Development (Tank Farm Area)
5	Cloud Intelligent Platform Development	iProcurement Application System Development
6	Intelligent technology assists development and research of construction site management	Research for Intelligent technology of construction site management
7	iEPC Intelligent Design System Development-2019	iEPC Intelligent Design System Development-2020
8	Research and Development of Wastewater Treatment System	Research of Pure Waster Treatment Workflow
9	Web and login system module development	Research of Sludge Treatment System
10	Research on Process Dynamic Simulation-2019	Package Equipment Capability Improvement-2020
11	Engineering design data exchange system	Engineering design data exchange system
12	Research and development of EPC technology of cryogenic storage tank	Research and development of EPC technology of cryogenic storage tank-2020
13	Development of damping track design tools	QTO Information Platform
14	Design and Research of Package Equipment-Air Delivery System	S3D Integrated Development

Item	2019 Projects	2020 Projects
15	Analysis of the effects of creep on high temperature pipelines	Improvement of Surge Phenomenon in Fire Pipeline System
16	E3D / MDS / Clash Manager software implementation	LNG & Comment Package Equipment Pipeline Design Guideline
17	Motor system maintenance import and upgrade	Maintain and Development for Electrical Applications
18	Whole Plant Analysis of Grounding System of Power Plant and Its Ultra High Voltage Substation	Lightning Electromagnetic Interface Research
19	i-Procurement 2019	i-Procurement 2020
20	Study on functional requirements of construction R & D	Construction Automation
21	E/M management system maintenance, customized program development and maintenance	E/M management system maintenance, customized program/ report development and maintenance
22	SPF system maintenance, customized modules, program development and import applications	SPF system maintenance, customized modules, program development and import applications
23	AP Service	AP Service

(B) Successful Technology or Products Developed in Past Two Years

Only the most important technology or products are listed below due to approximate 20 projects in a year.

Year	RD Achievements
2019	<ol style="list-style-type: none"> 1. Research and Development for Unified Project Information applied in Plant Life Cycle 2. Development for Engineering data extraction technology 3. Plant layout intelligent program development 4. Cloud Intelligent Platform Development 5. iEPC Intelligent Design System Development-2019 6. Research and Development of Wastewater Treatment System 7. Research on Process Dynamic Simulation-2019 8. Development of damping track design tools 9. Analysis of the effects of creep on high temperature pipelines 10. Whole Plant Analysis of Grounding System of Power Plant and Its Ultra High Voltage Substation
2020	<ol style="list-style-type: none"> 1. Development for Engineering Data Extraction Technology (Phase II) 2. iConstruction - Construction Planning Development 3. iEngineering - Design Collaboration Development 4. Research for Intelligent technology of construction site management 5. iEPC Intelligent Design System Development-2020 6. Research of Pure Waster Treatment Workflow 7. Research of Sludge Treatment System 8. Package Equipment Capability Improvement-2020

Year	RD Achievements
	9. Research and development of EPC technology of cryogenic storage tank-2020
	10. Lightning Electromagnetic Interface Research

C. 2021 RD Direction and Major Technology Development

(A) 2021 RD Direction is to

- The goal of implement and achieve iEPC 2.0 is mainly divided into three: EPC Enhancement, Project Management, Digital Twin and Maintenance service.
- Develop professional technology applications and strengthen core design capabilities.

(B) Major Technology developments are as follows:

- Continue to develop and improve AI-assisted tools to assist in digitizing engineering information.
- Expansion of design data delivery highway to speed up the flow of design information.
- Develop AWP planning system to suite for CTCI work process.
- Using new technologies to strengthen procurement strategy and supplier management.
- Establish construction management system aiming at the construction sequence.
- Establish real-time EAC early warning control system through information integration.
- Create cloud-based digital twin platform to provide digital delivery services for owners.
- Improving design expertise in response to design expertise gaps
- Improving technical capabilities and talent training through industry-academia cooperation.

D. Current Project or New Product Being in process

Refer to Section 7.6.3 for current RD project list.

5.1.4 Short & Long Term Development Plans

A. Short Term Goals

(A) Cultivating Global Landscape with Enhancement of Cross-Border Management Capability

The Company has been well-positioned in the international EPC markets such as Middle East, Southeast Asia and the US, and will explore further to those new territories including East Europe, North Africa and South America. Having such active global development in the future, the Company will endeavor to facilitate comprehensive cross-border management synergy by means of a barrier-free platform in language, culture, talents and internal operations. Importantly, a global mindset has to be implanted in-depth to all of employees around the world.

(B) Participating in Global Power Plant and LNG receiving terminal Projects Aggressively

According to the nuclear-free government policy in Taiwan, Taipower has planned several gas-fired power plant projects in next couple years. And the demand for LNG also lead to several LNG receiving terminal projects. In addition, contributed by a promising economy in Southeast Asian region, strong power demand has been predicted, which draws attention for new power plant projects in the coming few years as well. The Company will be involved actively in Taiwan and overseas market consistently.

B. Long Term Goals

(A) Targeting New Business

In addition to existing business lines, the Company has developed new fields recently such as liquid natural gas, green energy, recycling resources, etc. These new businesses are expected to contribute a good and stable profit in the long run, particularly in emerging markets.

(B) Innovating Service Patterns to differentiate competitiveness against rivals

By integrating of EPC service vertically and horizontally for an incessant expansion, the Company consistently devotes to an improvement in various aspects such as engineering technology, procurement, research and development, quality/HSE, etc. Through an active introduction of intelligent technology, the Company aims to create an intelligent technology platform - "iEPC" for its turnkey service and build big data bank for an intelligent turnkey service to a variety of customers. Through iEPC, the Company will be able to optimize the efficiency of project execution and originate a synergy for future business development aggressively.

In all, the Company aims to become one of the top 30 engineering companies in the world, and to create an esteemed brand name for the Taiwanese engineering consulting service industry.

5.2 Market and Sales Overview

5.2.1 Market Analysis

The Company signed contracts amounted TWD 105.6 billion, while CTCL Group signed of TWD130.2 billion totally in 2020. The sales revenues of the Company amounted TWD 25.9 billion, while the CTCL Group consolidated sales revenues amounted TWD 55.6 billion totally in 2020.

A. Sales Analysis by Major Services:

(A) By Area

Area	Group New Contracts	Consolidated Sales Revenues
Taiwan	96%	43%
South East Asia	1%	21%
United States	1%	9%
India	0%	5%
China	2%	18%
Middle East	0%	4%
Total	100%	100%

(B) By Industry

Industry	Group New Contracts	Consolidated Sales Revenues
Power	45%	12%
LNG	28%	12%
Environment	16%	16%
Transportation	5%	2%
Hydrocarbon	3%	43%
General Industry	2%	13%
Others	1%	2%
Total	100%	100%

* Industrial, Transportation and others are included.

B. Market Share

The Company has ranked No.1 in the domestic EPC market in Taiwan for years. The Common Wealth Magazine has placed the Company as No.1 in the top 650 service company survey within the engineering service provider category since 2005. On the global scene, the Company is well recognized by the U.S. Magazine Engineering News-Record in its annual rankings. For the year 2020, the Company is ranked No.86 in The Top 225 International Design Firms Rankings, No.75 in The Top 250 International Contractors Rankings and No.164 in The Top 250 Global Contractors Rankings.

C. Industry Trend Overview

(A) Short Term Market Trend

With COVID-19 continues to affect the world. Many countries are still restricting public activities or planning to restart the lockdown to control the epidemic. However, the launch of multiple new COVID-19 vaccines and the implementation of stimulus plan, brings hope to global economic recovery in 2021. The investment and bidding plans suspended in 2020 due to the epidemic are expected to restart in 2021. According to the latest research report of the IMF (International Monetary Fund), the global economy will grow by 5.5% in 2021, and it is also predicted that the economy will expand in 2022. Therefore, the company expects that the investment momentum of the business target market will gradually recover. Our views on the global market are briefed as following:

a. Taiwan

Since the government's policy of continuing to promote clean energy, related coal-fired or oil-fired power plants will be gradually phased out into natural gas power plants. TPC has begun to implement the plan for the new gas power plant. Therefore, the opportunities of LNG receiving terminals will gradually emerge in the next few years. In the petrochemical industry, in response to the rising awareness of domestic environmental protection, high-quality related work is also a business goal to strive for in the future. In addition, the projects for mass rapid transportation (MRT) system, General Industry, solid waste burning, air pollution control, and sewerage projects are also the bidding targets for The Company.

b. South East Asia and India

Southeast Asia and India are demographic dividend regions with strong demand for oil products, petrochemical products, and LNG. Recently, international oil prices have been steadily rising and the COVID-19 vaccine has begun to launch. Public and private oil companies in various countries have restarted investment plans. Besides above, due to the rising global environmental awareness and the need for carbon reduction, the transformation of coal-fired power plants and the construction of new gas-fired power plants has become the main energy policy of this area.

Indonesia: Pertamina, the Indonesian national oil company, is planning on expansion of several refineries. In the meanwhile, a number of international oil companies including Taiwanese companies have negotiated with Pertamina and have reached a preliminary consensus. It is expected that there will be a certain amount of investment in refining and petrochemical industry;

Thailand: Oil refining and petrochemical industry has been highly developed and constructed. The goals for recent years are providing high quality oil products and the expansion of downstream chemical products. In addition, due to the increased demand for LNG, Thailand's public and private power company will build LNG Terminal.

Malaysia: Petronas Chemical Group has set a goal to increase petrochemical production capacity by 25%. The RAPID refining and petrochemical complex has started production. The chances of building new large-scale refineries are low. The main business opportunities are in the expansion of existing plants, de-bottlenecking and downstream petrochemical plants;

Vietnam: Currently is focusing on gas-fired power plants and LNG receiving terminal as well as LNG regas facilities. But there are also potential petrochemical plants in planning.

India: India is less affected by international oil price fluctuations due to its strong demands in domestic market. Public and private oil companies try to substitute oil product imports by continue to invest in the expansion of their refineries and petrochemical plants. It's also expected that there will be several gas-fired power plants and LNG receiving terminals investment.

Phillipine: It's focusing on gas-fired power plants and small LNG receiving terminals.

In addition, the plans of MRT and solid waste burning projects still continues in Southeast Asia; and due to the market demand of industrial feedstock, we will be tracking the opportunity metal refinery plant.

c. China

Due to recently increasing international oil prices, the opening up of the China petrochemical market, population increase factor, causing the petrochemical investment boom of local governments, private enterprises (Hengyi Group) and Taiwanese investors (such as USIG, CCPG, Chimei).

Especially central governments transfer their permit authority to local government have contributed to the willingness of local governments, private enterprises and Taiwanese companies to invest.

After "Fifth Plenary Session of 19th CPC Central Committee", China's refining and chemical industry will enter a period of industry integration, transformation and upgrading, refining structure adjustment, advanced production capacity to eliminate backward production capacity, and the process of marketization of refined oil will be basically completed, and the development of high-end and green chemical products will become a new trend.

At the same time, Zhanjiang Economic and Technological Development Zone has also announced its development goals during the "14th Five-Year Plan" period, which will focus on the development of BASF Petrochemical Complex Project and the second phase of ZhongKe(Guangdong) Refinery and Petrochemical Complex Project.

Due to the impact of China's domestic demand increase, the mainland government's relaxation of foreign investment conditions and the signing of China-EU comprehensive agreement on investment, there are many foreign companies are planning to build large-scale refining and petrochemical plants in China.

This wave of ethylene and downstream derivation products are expected to be completed in 2025 to 2030.

As the impact of the new coronavirus is gradually diminishing, the impact of the epidemic on the oil refining and petrochemical industry and China's domestic demand should be cautiously optimistic.

d. Middle East and North Africa

Looking back on 2020, Due to the impact of COVID-19, global economic development has been hit hard, severely affecting market demand, and causing a decline in demand for crude oil and petrochemical products. Countries in the Middle East and North Africa have postponed their investment plans for new factories, committed to domestic epidemic prevention policies and stabilizing domestic economic development.

Looking forward to 2021, Saudi Arabia keep performing the production reduction agreement which caused the crude production showing a downward trend. The Middle East region is effort to stabilizing oil prices, developing the downstream petrochemical products, and natural gas exportation business. Furthermore, due to the slowdown of the global epidemic, the refining and petrochemical market is recovering in the Middle East.

Saudi Arabia: after Aramco mergerd SABIC, Aramco will focus on improvement plan in Petrochemcial complex. Furthermore, considering global market demand, Aramco also effort to developing oversea investment plan in recently year.

United Arab Emirates: ADNOC is developing downstream petrochemical complex, and refinery improvement projects. However, due to the impact of the epidemic, many large-scale investment plan is under early stage, the progress is slow.

Bahrain: Cause the epidemic and financial difficulties, many investment plans have been delayed.

Qatar: Qatargas will continue to focus on LNG expansion and mining plans.

Oman: OQ is focusing on Duqm Special Economic Zone and the development of high added value of the industry.

Kuwait: the main market for Kuwait petrochemical business is for Asia, due to global economic recession, it will affect strategic decisions in this region.

e. USA

The market is facing an oversupply of Ethylene, making our customers pay more attention to how to reduce the overall cost of plant construction at this stage. At the same time, due to the spread of COVID-19 pandemic, which has had a great impact on transportation, it can be expected that the volume of land, sea and air transportation will drop sharply in the short term. Therefore, for oil refineries, customers will tend to expand and maintain existing plants. In addition, the U.S. government has issued an incentive mechanism for the renewable energy industry, which encourages many industry players to begin to transform to the direction of renewable diesel, thereby opening up many business opportunities. At present, many large-scale and foreign investment plans are still being delayed, and they are expected to restart after the COVID-19 epidemic is brought under control within 2021 or 2022.

f. Commonwealth of Independent States

With its rich oil and natural gas reserve, CIS area has always been full of potential. CTCL will carefully evaluate the opportunities to form strategic alliance with international partners to enter into this market. Countries such as Russia, Kazakhstan, Uzbekistan, and Azerbaijan are rich in oil and gas but lack funds. These countries have financing needs for refining and petrochemical projects.

(B) Long Term Market Trend

Due to the oil price fluctuations, COVID-19 prevention measures and trade barriers, global economic is having some uncertainty, but emerging markets such as China, Indonesia, Malaysia, Vietnam, Philippines and India which is benefiting from their domestic demand markets are estimated to be able to maintain higher economic growth rates than the global rate. Affected by global warming and climate change, the petrochemical industry needs to face stricter environmental protection requirements. The future trend will be towards improving energy efficiency and reducing energy consumption. Therefore, the existing old factories are replaced and upgraded. The demand for operating efficiency of existing factories will increase, and the construction of liquefied natural gas receiving stations and gas-fired power plants in response to

carbon reduction is also a future trend. Countries around the world have successively promulgated policies to ban the sale of fuel vehicles from 2030 to 2050. Electric vehicles have become a new trend in future transportation vehicles, which in turn will impact the traditional oil refining industry.

COVID-19 deeply affects the way people living and people are now spending more time stay at home. Which causes an increase demands in home appliances and plastic ingredient. This situation and the shrinking of oil market led to countries have turned to investing in crude-oil-to-chemicals (COTC), and many countries have successively launched plans for the construction of large-scale refining and chemical integrated plants. In the future, in addition to continuing to extend its reach to emerging markets, CTCI will also actively develop new technologies and invest in new fields, such as investing in related industries such as alternative energy and energy conservation and environmental protection projects.

D. Competitive Advantage

The Company has been engaged in the industry for 40 years and recognized as tier one international EPC company with solid track records worldwide. To overcome competition around the world, the Company tries to leverage resources on a global basis. By setting up 40 subsidiaries and branches in 15 countries, the Company develops engineering talents at competitive costs.

Besides, the Company seeks strategic partners, on project basis, not only with other EPC companies but also critical vendors (e.g. producer of generator) to jointly bid project for enhancement of competitiveness.

The Company is constantly trying to reinforce capability of project execution by soliciting a global logistics for cost down, and strengthening project risk management as well.

E. Advantages and Disadvantages for Long-Term Development & Corresponding Strategies

(A) Advantages

a. Domestic market is recovering

Taiwan government continues to push ahead for a new national development plan. CPC Corporation and Taipower continue to invest in power plants and LNG receiving terminal projects. Besides, the trade war between United States and China also stimulates Taiwanese companies to invest in Taiwan and Southeast Asia. Given the better control ability of resources in domestic market, the Company stands in a better position to bid the potential opportunities. Moreover, the Company is recognized for its good execution quality by Taiwanese companies, their plans of new capacity expansion in overseas market also provide the Company with potential business in the future.

b. Bidding for mega projects with professional capabilities

The Company is the tier one EPC Company in Taiwan, and the designated partner for the foreign EPC companies to bid for domestic projects. In addition, the Company has expanded its visibility in global market by collaborating with international EPC companies, and therefore will enjoy the competitive advantage in professional EPC market.

c. Entering into Overseas Markets with Strategic Partners

With the successful strategic alliances, the Company now has world-class patented processes and techniques at its disposal. These advantages will not only serve existing projects, but can also be utilized globally such as China, Thailand, Vietnam, India, Singapore, Malaysia and the Middle East. The Company will integrate all the available resources to expand globally.

d. Strengthening Competitiveness through Global Resources Management

The Company's subsidiaries in China, Thailand, India, and Vietnam, Malaysia and Singapore have contributed significantly to the projects carried out in domestic and overseas markets. The ability of these engineers in these subsidiaries have raised significantly throughout the execution process. These subsidiaries will continue to serve the Company favorably in the years to come with low cost and work efficiency advantages.

(B) Disadvantages & Corresponding Strategies

Item	Corresponding Strategies
Severe competition from other EPC companies	<p>The Company plans to do the following to increase its chances of winning projects:</p> <ul style="list-style-type: none"> • Strengthen cost control and project management capabilities. • Technical Improvement: Continuous process re-engineering and innovation through the R&D center. • Human Resources Development: Global expansion by integrating local talents.
Fluctuations in commodity prices	<p>The Company has adopted the following internal control mechanisms to deal with risk of commodity price:</p> <ul style="list-style-type: none"> • Shortening design timeframe, better control of procurement supply quantities and shipment schedule. • Multiple hedging mechanisms to reduce the associated risks to the minimum. Purchasing commodity swaps to lock-in the prices of basic materials required such as copper and nickel. • Arranging long-term supply contracts with suppliers. Enhancing relationships with major equipment manufacturers. • To reduce the procurement costs of the projects, actively seeking for low cost regional suppliers with stable quality.
Difficulties in executing overseas projects	<ul style="list-style-type: none"> • The Company has established a risk management committee to monitor and control all the relevant risks at both the project and the corporate levels. • Better integration of local resources and cost control for higher efficiency.

5.2.2 The Company's Main Services Purposes and Service Sequences

The Company's main services are EPC and consulting-oriented, including all sorts of professional services such as feasibility study, design, equipment supply, equipment fabrication, construction services, construction management, commissioning, and maintenance.

A. Main Services and Purposes

- (A) Refinery/Petrochemical: For the manufacturing of oil-related and petrochemical products.
- (B) Utilities: Nuclear power plant, natural-gas power plant, coal-fired power plant, and combined-cycle power plant.
- (C) Infrastructure: MRT system, high speed railway, etc.

- (D) Environmental: Incinerators operation and maintenance, waste management, water treatment, air pollution processing, etc.
 (E) General Industry: Steel manufacturing plant, storage and docking facilities.
 (F) High tech and bio-related: electronic plant, pharmaceutical plant, etc.

B. Service Sequences

Feasibility study and initial design → Engineering → Procurement → Construction → Construction Management → Commissioning → Service and Maintenance

5.2.3 Major Materials Used and Supply Status

- A. Commodities: specially-formed steel, steel plates, steel rods, cement, various pipes and accessories, electricity cables, and special paints. These materials are sourced by qualified suppliers in the region close to the project job sites.
 B. Equipment: reactor, storage tank, heat exchanger, heat boiler...etc. These major equipment is supplied by specialized companies throughout the world.

5.2.4 Major Suppliers and Clients

- A. Major Clients (each commanding 10%-plus share of annual order volume) Information for the Last Two Calendar Years

Unit : TWD thousands

Item	2019				2020			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	Company D	1,655,421	3	None	Company D	7,280,130	13	None
2	Company G	5,280,373	9	None	Company G	5,101,504	9	None
3	Company T	2,456,070	4	None	Company T	4,249,916	8	None
4	Company S	2,748,265	5	None	Company S	3,617,524	7	None
5	Others	46,070,893	79	None	Others	35,309,335	63	None
	Total	58,211,022	100		Total	55,558,409	100	

- B. Major Suppliers Information for the Last Two Calendar Years: N/A.

5.2.5 Production over the Last Two Years

Unit : TWD thousands

	2019	2020
Engineering	49,245,335	46,898,545
Environment	3,961,664	4,244,697
General Trade	870,145	636,790
Others	142,183	134,727
Total	54,219,327	51,914,759

5.2.6 Shipments and Sales over the Last Two Years

Unit : TWD thousands

	2019		2020	
	Local	Export	Local	Export
Engineering	32,142,010	19,201,145	31,532,606	17,165,392
Environment	4,347,069	964,925	4,187,806	1,451,805
General Trade	1,035,372	0	755,924	0
Others	520,501	0	464,876	0
Total	38,044,952	20,166,070	36,941,212	18,617,197

5.3 Human Resources

5.3.1 The information about employees employed for the most recent two fiscal years and up to the date of printing of the annual report

Year		2019	2020	As of March 31 st , 2021
Number of Employees	Permanent employee	2,489	2,316	2,286
	Contract employee	74	97	107
	Total	2,563	2,413	2,393
Average Age		42.5	43.2	43.3
Average service seniority		14.8	14.4	14.4
Number of employees at each level of educational degree	Doctor	18	19	19
	Master	1,255	1,190	1,185
	Bachelor	1,226	1,147	1,134
	Senior High School	49	49	47
	Senior High School below	15	8	8

Certification details of employees whose Jobs are related to the Release of the Company's Financial Information:

Certification	Number of Employees
Certified Internal Auditor(CIA)	5
Test of the Enterprise Internal Control Basic Ability	4
Certified Public Accountant (ROC)	4
Certified Public Accountant (USA)	1

5.3.2 Work Environment and Occupational Safety and Health

A. HSE Policy Statement

Our approach is captured by the following values, principles and mission statements, which drive the way our staff and subcontractors act and operate. This policy statement is also communicated to our suppliers and JV partners.

- Insist on Safety as the First Priority;
- Promote Personal Health and Wellbeing;
- Protect the Environment and Pursue Sustainability;
- Implement Effective Risk Management;
- Comply with Legal and Contractual Requirements;
- Encourage Training and Engagement;
- Continuously Improve Our HSE Management System.

Creating a safe, comfortable and environmentally friendly workplace has always been the CTCI's philosophy. All activities are given priority in providing a safe and secure workplace, and actively promote self-management of workplace health, create a healthy working environment, and promote physical and mental activity. Moreover, we provide professional services that meet environmental protection requirements, promote energy conservation, carbon reduction, and pollution prevention. Implement risk management mechanisms to prevent occupational injuries and environmental protection, and continuously improve the performance and goals of HSE. We are committed to the design, procurement, construction and commissioning of CTCI in line with the government's regulations and customer requirements for HSE. In order to enhance the HSE awareness of all employees and subcontractors, CTCI regularly organizes and sponsors various HSE training activities or seminars to encourage colleagues and subcontractors to participate actively. In addition, CTCI continues to review and optimize the HSE activities, ensuring that the HSE Management System (HSEMS) is sound and feasible, thereby enhancing the effectiveness of the HSEMS.

B. HSE Organization setting

CTCI set up the department of HSE as a first-class unit to provide a safe workplace for our colleagues and achieve the goal of zero incidents. Therefore, the HSE Management Department is responsible for drafting, planning, promoting and supervising the HSE management matters of CTCI and guides the implementation of various departments, projects and related group alliances, and regularly measures the performance of various HSE management, and supervises and ensures the effectiveness of the implementation of the HSE management of each project unit, so as to prevent the reduction of occupational injuries and ensure the goals of safety and health of workers and maintaining environmental resources.

C. HSE Management System

Driven by the mission of providing quality engineering services forever and adhering to the needs of customers in the era, CTCI adheres to the well-established HSE management mechanism in response to the development trend of international HSE management. CTCI obtained certificates of the ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System Certificate in 2006. In order to continue to improve, CTCI obtained the OHSAS 18001:2007 certification. At the same time, CTCI also voluntarily undertook the Taiwan Occupational Safety and Health Management System (TOSHMS) certification. Moreover, CTCI transferred to and obtained the CNS 15506 certification in 2012, we also continued to contribute to the TOSHMS promotion meeting, and the experience are shared to the domestic industry, and spared

no effort to improve domestic safety and health management capabilities. In addition, CTCI obtained ISO 14001: 2015 certification in 2017. CTCI's long-term development of the HSE management system demonstrated its value in April 2018. Then, in 2019, CTCI successfully certified to Taiwan's CNS 45001 occupational health and safety management systems following certification to Taiwan's first international occupational health and safety management system standard. This makes CTCI Taiwan's first example of engineering company certified to both standards. CTCI takes the lead in being certified to ISO Occupational Health and Safety Standard in global engineering industry. This is not only the result of team efforts, but also show CTCI's determination of taking the initiative and surpass ourselves on the improvement of HSE management.

D. HSE Management Operation

CTCI HSE management system is a management method and strategy. It solves the problems related to HSE with order, objectives and methods. It adopts the logic of Deming management mode: Plan, Do, Check and Act (PDCA) which covers design, procurement, construction, commissioning, emergency response and headquarters office buildings. In addition, CTCI has formed the "Occupational Safety and Health Committee", and the Committee has 15 members, with the EMO president serving as the chairman of the committee. 6 are representatives from the labor side. Routine meetings are held every three months. Prior to each meeting, we would distribute the BBS (Behavior-Based Safety) survey to understand the levels of employee awareness in HSE-related information. In the survey, the employees can make suggestions to the Company on HSE matters.

Furthermore, to the spirit of continuous improvement of the HSE management system, the president take charge of the "HSE Top Management Review Meeting" which not only reviews the annual achievement of the HSE target and performance indicators, but also proposes the specific and feasible improvement plans to various defects and problems as well as requires to be implemented by relevant units to reduce potential HSE risks, and provides the best working environment for all workers.

E. HSE Training

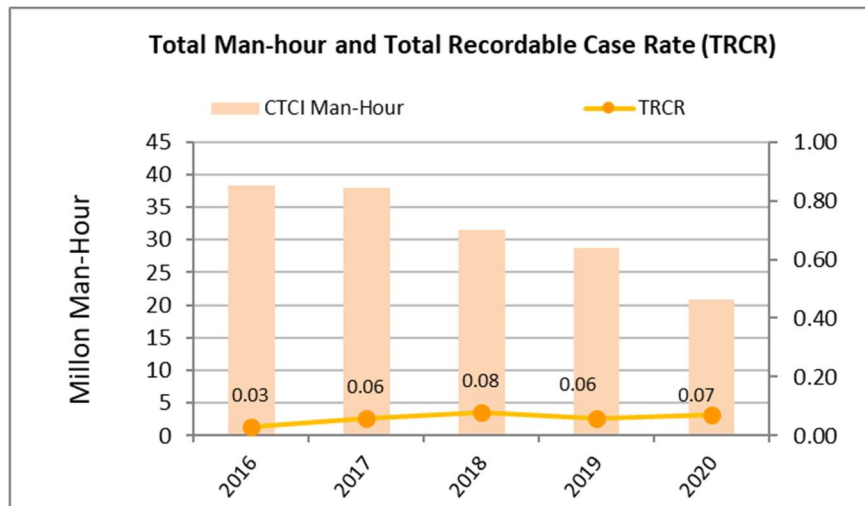
To decrease the occurrence of occupational hazards, all relevant personnel need to receive educational training for work-related hazard prevention and regulations from local government. The training courses must be completed prior to being stationed at a project site. In addition, Employees in CTCI HQ Building also need to receive routine HSE training courses according to the law, including those in fire drill, new employee training, general on-the-job safety and health training, first-aid training and high-risk emergency training for special topics.

F. HSE Risk Assessment

CTCI 's HSE risk assessment procedure was established according to ISO 45001, ISO 14001 management systems and as per the principles of ISO 31000. The Administration & PR Division and HSE contact personnel of respective departments would participate in the HSE risk assessment at the Company HQ building on an annual basis. Improvements or regulatory measures are proposed for risks and opportunities. Risk evaluation during project execution is carried out at the start of the project and re-evaluated on an annual basis till its end. When there are changes in construction methods, equipment, or procedures, major worker-safety related incidents or abnormal improvements to HSE, then the corrective measures would be proposed and hazard and risk need to be identified and assessed again. The HSE assessment and improvement results of HSE were included in the enterprise risk management issues, and the President presided over the review of the "Organization Risk Management Meeting".

G. Statistical analysis of occupational injury

CTCI is an international engineering company. According to the requirements of customers of international engineering projects, the statistics of occupational injury mainly adopts the Total Recordable Case Rate (TRCR)^{Note 1} which published by the Occupational Safety and Health Administration (OSHA) of the US Department of Labor is the statistical basis. The causes of occupational injuries are analyzed and the implementation improvement plan is proposed, including cross-unit or systemic issues which are the focus of management.

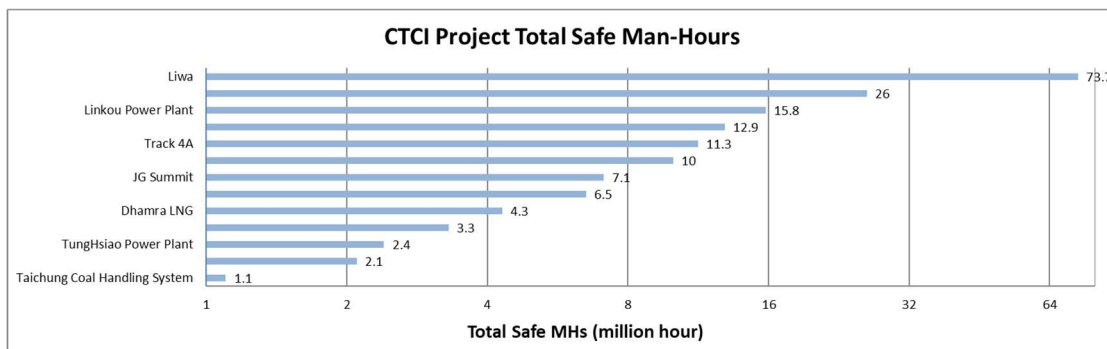


Note 1: Total recordable case rate, $TRCR = \frac{\text{Total recordable cases}}{\text{Total hours worked}} \times 200,000$

H. HSE Specific Effectiveness

In 2020, CTCI continued to work hard in HSE. The outstanding results are summarized as follows:

- (A) Domestic and foreign projects that more than one million hours without any work-related injury in 2020 project in pprogress, as detailed in the following table:



- (B) From January 18, 2007, to December 31, 2020, the CTCI Taipei headquarters building has accumulated 53,218,842 Total Safe Man-Hours.
- (C) CTCI awarded the "Excellent Business Unit with Safe Man Hours-Gold Award" by the Occupational Safety and Health Administration.

- (D) CTCI actively assists in the promotion of occupational safety and health and won a certificate of appreciation from the Ministry of Labor.
- (E) Taoyuan project "CPC Third LNG Receiving Terminal Tank" awarded certificate of appreciation from the Labor Inspection Office of Taoyuan City Government.
- (F) Kaohsiung project "Ta-Lin Power Plant" awarded Excellent HSE unit by TPC.
- (G) CTCI abroad project "India Carbon Black" received local director of Industrial Safety & Health awarded "CERTIFICATE OF COVID-19 WARRIOR".

5.4 Environmental Protection Expenditure

As the Company belongs construction and engineering technology service industry, CTCI's workplace divides into a headquarters building and a project site, as detailed below:

- A. Headquarters building: Due to the high energy consumption of the old refrigerator and the failure of the outdoor unit, one refrigerator and one outdoor unit were replaced with new ones in September and November 2020. Two official vehicles will be eliminated in July and November 2020 to reduce the fuel consumption. We also made regular announcements within the company to remind colleagues to develop energy-saving habits and establish an energy-saving corporate culture. We always consider energy-saving and carbon-reduction as a major focus of our daily work. Besides, we inspect and record energy consumption status every night.
- B. Project site: Most of the operations are carried out in the industrial zone. During the construction process, all the cooperating subcontractors are required to implement the relevant environmental protection measures such as air, water, waste and soil to comply with environmental protection regulations. The most important goal is not to affect the residents and the environment around, and there is no unreasonable situation at present.

5.5 Labor Relations

5.5.1 Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

A. Employees' benefits

(A) Labor insurance

- a. The Company's employees are enrolled in the labor insurance program pursuant to laws.
- b. The labor insurance premium includes the premium of the insurance against ordinary incident and occupational disaster. 70% of the insurance premium for ordinary incident will be borne by the Company, 20% thereof borne by the insured, 10% thereof borne by the government. The insurance premium for occupational disaster will be borne by the Company in full.

(B) National health insurance

- a. The Company's employees and their dependents are enrolled in the national health insurance program pursuant to laws.
- b. The payable national health insurance premium shall be subject to the government's relevant requirements.

(C) Group insurance

- a. The Company's employees are entitled to the additional group insurance purchased by the Company from the life insurance company externally.

- b. The Company's employees will be enrolled in the group insurance program immediately on the hiring date. The group insurance covers life insurance and accidental injury insurance 、 medical insurance, which will be borne by the Company in full.
- c. The Company's employees and their dependents may select the medical care insurance programs at their sole discretion, and 50% of the insurance premium will be borne by the Company.

(D) Annual bonus

The Company will allocate the incentive bonus subject to the annual operation overview, and will grant the bonus with respect to individual performance, attendance record and seniority in accordance with the relevant operating procedure.

(E) Workers' Welfare Commission

The Company establishes the Workers' Welfare Commission pursuant to laws, and allocates the welfare fund periodically. The colleagues may elect the commission members openly, and organize tours and club activities and give birthday coupons and festival gifts, subsidies and consolation money periodically.

(F) Incentive payment for shareholding trust

To support the employees' shareholding committee incorporated by employees and encourage employees to save funds and hold the Company's shares permanently, the Company specially agrees that the colleagues who have served more than one year and been enrolled in the employees' shareholding committee may be granted the incentive payment on a pro rata basis subject to the fund allocated on a monthly basis.

(G) Employee health care and promotion

In order to create a healthy workplace environment, the Company has a health center and deploys full-time medical staff (nurse and psychologist), provided Employee Assistance Program system and doctors' clinic services, health training course, and has an electronic platform to assist associates in linking health resources to implement employee health care and promotion.

B. Top Management advanced studies

(A) EMBA

Title	Name	Course Name	Status
Vice Chairperson of Management Strategy Committee	Michael Yang	EMBA, National Taiwan University of Science and Technology, Taiwan	Graduated in Jan. 2008
President	Todd Chen	EMBA, National Taiwan University, Taiwan	Studying
Vice President	Steve Jean	EMBA, National Chengchi University, Taiwan	Graduated in Jun. 2013
Vice President	Gino Tsai	EMBA Program, National Sun Yat-sen University, Taiwan	Graduated in May 2012
Vice President & Accounting Officer	Ai-Chen Ho	EMBA Program in Finance, National Taiwan University, Taiwan	Graduated in Jun. 2010

Title	Name	Course Name	Status
Vice President	Ming-Shyan Lee	EMBA Program, National Sun Yat-sen University, Taiwan	Graduated in Jan. 2012

(B) Top Management program

Title	Name	Course Name	Status
Vice Chairperson of Management Strategy Committee	Michael Yang	Executive Management Training Program, National Taiwan University, Taiwan	During the period of Mar. to Jun. 2013
President	Todd Chen	Participated in Advanced Executive Program for Senior Manager of National Taiwan University, Taiwan	During the period of Aug. 2009 to Mar. 2010
Executive Vice President & Financial Officer	Ming-Cheng Hsiao	Executive Management Training Program, National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
Executive Vice President	Ting-Kuo Li	Executive Management Training Program, National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
Senior Vice President	Shih-Wei Chung	Executive Management Training Program, National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
Vice President	Steve Jean	Participated in Advanced Executive Program for Senior Manager of National Taiwan University, Taiwan	During the period of Dec. 2008 to Aug. 2009
		Top Management Training Course by National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
		Participated in Advanced Seminar on General Management of National Taiwan University, Taiwan	During the period of Sep. 2009 to Mar. 2010
Vice President	Min-Li Lee	Participated in Advanced Executive Program for Senior Manager of National Taiwan University, Taiwan	During the period of May 2009 to Jan. 2010
		Executive Management Training Program, National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
Vice President	I-Kang Ho	Executive Management Training Program, National Taiwan University, Taiwan	During the period of Mar. to June 2013
Vice President	Paul Wu	Executive Management Training Program, National Taiwan University, Taiwan	During the period of Mar. to June 2013

Title	Name	Course Name	Status
Vice President	T.C. Li	Participated in Advanced Executive Program for Senior Manager of National Taiwan University, Taiwan	During the period of Jun. 2011 to Feb. 2012
		Executive Management Training Program, National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
Vice President	Gino Tsai	Executive Management Training Program, National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
Vice President	Vincent Liu	Participated in Advanced Seminar on General Management of National Taiwan University, Taiwan	During the period of Sep. 2009 to Mar. 2010
		Participated in Advanced Executive Program for Senior Manager of National Taiwan University, Taiwan	During the period of Jun. 2011 to Feb. 2012
Vice President & Accounting Officer	Ai-Chen Ho	Top Management Training Course by National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
Vice President	Ming-Shyan Lee	Participated in Advanced Executive Program for Senior Manager of National Taiwan University, Taiwan	During the period of May 2009 to Jan. 2010
Vice President	Sharon Chiang	Top Management Training Course by National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
Vice President	Jack Hung	Participated in Advanced Seminar on General Management of National Taiwan University, Taiwan	During the period of Sep. 2009 to Mar. 2010
Vice President	Tiger Tsai	Participated in Advanced Executive Program for Senior Manager of National Taiwan University, Taiwan	During the period of Jun. 2011 to Feb. 2012
Vice President	Jenq-Shyong Chung	Top Management Training Course by National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013

(C) Training program about Corporate Governance

Name	Date	Sponsoring Organization	Course	Hours
Todd Chen / Ming-Cheng Hsiao / Shih-Wei Chung / Connie Lin / I-Kang Ho / Gino Tsai / Ai-Cheng Ho / Vincent Liu / Ming-Shyan Lee / Ai-ling Hsu	2020/05/06	Taiwan Corporate Governance Association	React to financial scenario Analysis under pressure events - U.S.-China trade war and COVID-19 for example	3
Todd Chen / Ming-Cheng Hsiao / Ting-Kuo Li / Shih-Wei Chung / Connie Lin / I-Kang Ho / Ai-Cheng Ho / Ai-ling Hsu	2020/08/05	Securities and Futures Institute	Key technology and business opportunity of applications in 5G	3

C. Employees' training

The Company establishes the workers' training system in accordance with the Company's view, mission and long-term business objectives, and plans the training development blueprint for various professional areas and job ranks. In addition to enhancing the workers' professional ability, the Company also works hard to train their multi-departmental integration professional ability. The training programs include traditional lecturing courses, and also OJT, Lesson & Learnt, e-Learning and knowledge database in order to upgrade the employees' knowledge about the know-how and skill, language, computer, management and leadership. As of June 2010, the Company started to perform the Mentor & Mentee (M&M) plan with respect to new employees in order to assist new employees to adapt to the enterprise culture and rapidly acquire the professional attitude and ability required by independent operation through structured (professional guidance) and non-structured (environmental adaption) one-on-one instruction. We found the "CTCI University in 2020, clinging on to two goals: Pass on experiences and foster sustainable growth.

"CTCI University" is founded to introduce our employees to a sound, comprehensive, and professional career training program, encouraging them to strive for excellence and attain global vision, so that they can become globalized talents with diversified outlooks. By doing so, it raises our Group's overall business agility and ensures our future victories in the face of transforming business landscapes and fierce industrial competitions world wide.

The Company's personnel committee will recommend excellent colleagues to take on-the-job advanced studies in domestic and foreign colleges/universities on a yearly basis, and will offer them the chance to co-work with staff of foreign engineering companies on a non-scheduled basis, so as to upgrade their expertise and solidify their international competitive ability.

The employees' training costs will be TWD10.56 million approximately per year. The average training hours will be more than 72.70 hours per person/year (175,431 hours/2,413 persons). The various training hours and costs are specified as following:

Type	Number of class	Total number of attendees	Total hours (hour)	Total costs (TWD)
Orientation training	42	1,312	12,382	60,450
Competence training	1,275	38,704	135,012	5,073,108
Management training	70	799	16,751	4,426,805
General knowledge training	63	11,063	9,576	515,010
Self-development training	3	3	1,710	481,800
Total	1,453	51,881	175,431	10,557,173

- (A) Orientation training: Including the introduction to the overview, work rules and QHSE management regulations of the Company, Orientation, and Mentor & Mentee (M&M) plan;

- (B) Competence training: College of Engineering, CTCI University conduct the specialty training programs by instructing the employees and offering the employees with the chance to practice subject to the nature of work, the Company's business needs or requirements under contracts and laws, and have employees participate in the actual operation adequately to upgrade their competence;
- (C) Management training: College of Leadership, CTCI University arranges the management programs subject to the Company's status and development needs, and makes the programs available to the various departments' management.
- (D) General knowledge training: College of General, CTCI University plans general knowledge training programs together with relevant units in accordance with the employees' training policy, objective and strategy, and make the programs available to the whole employees;
- (E) Self-development training: Including English comprehension training arranged in order to upgrade the colleagues' international language ability, and on-the-job advanced studies in domestic and foreign colleges/universities to advance employees' competence; The operations related to the employees' training programs shall be conducted in accordance with the "CTCI Employee Training Management Procedure" and "CTCI Employee's Professional Competency Assessment and Management Procedure".

D. Retirement system and implementation thereof

The Company enforces the workers' retirement rules pursuant to the Labor Standard Law and allocates the pension reserve on a monthly basis. The rules are outlined as following:

- (A) All of the Company's employees shall comply with the rights and obligations defined in the workers' retirement rules.
- (B) The Company allocated the pension reserve equivalent to 5% of the total salary on a monthly basis before the end of September 2002, and 6.5% thereof after October 2002. The pension reserve will be deposited to the exclusive account maintained at the Bank of Taiwan. As of July 2005, the Company has executed the new system according to the employees' will and choice, and allocated the pension fund according to the Labor Pension Act.
- (C) Payment of pension fund: The Company paid the pension fund pursuant to the Labor Standard Act or Labor Pension Act pursuant to laws subject to the employees' choice as of Jul. 1, 2005.
- (D) The Company has the supervisory committee of workers' retirement reserve fund that meets quarterly.

E. Other important agreements

- (A) The Company is engaged in the engineering service and possesses qualified personnel, a definite management philosophy, and a well-founded management system. In addition to the ordinary organization and system, the communication channels also include employees' forums and labor and employer meetings held on a scheduled or non-scheduled basis, and installation of a suggestions box, so as to establish common consensus and a harmonious relationship between the employees and employer through the various channels.
- (B) The Company is engaged in the business where the Labor Standard Law may apply and, therefore, it shall operate in accordance with the Labor Standard Law.

- (C) Written undertaking for non-disclosure, non-competition and intellectual property right to secure the going concern, protect the group members' interest and complete the corporate governance, the Company amends the "written undertaking for non-disclosure and copyright & patent right" to the "written undertaking for non-disclosure, non-competition and intellectual property right" and hopes that all employees may comply with the undertaking. All employees of CTCI and its domestic affiliates and overseas companies have already signed the undertaking.

5.5.2 Loss suffered by the Company due to dispute between labor and employer in the most recent fiscal years

The Company is used to valuing the employees' benefits and calling a labor and employer meeting and welfare committee meeting on a quarterly basis, and also installs the suggestions box to make a two-way communication channel available to employees. Therefore, the relationship between labor and employer is harmonious and no dispute over labor has arisen in the past. No material loss or punishment has been suffered by the Company due to dispute between labor and employer in the past three years. In the future, the Company will continue to adhere to the same principle and solidify the relationship between labor and employer further.

5.5.3 Guidelines for ethical conduct

1.0 Purpose

Guidelines for ethical conduct ("the Guidelines") are adopted to assist CTCI to foster a corporate culture of ethical management, preventing employees taking advantage of their positions in exchange for improper benefits.

2.0 Scope

These Guidelines are applicable to CTCI employees, subsidiaries, and other institutions or juridical persons which are substantially controlled by CTCI ("business group").

3.0 Definition

3.1 Vendor: Including suppliers, third parties and subcontractors.

3.2 Family: Employee and their spouse and relatives within three degrees of consanguinity.

3.3 Confidential information: Including all CTCI methods, techniques, processes, programs, or other information that can be used for production, sale or business operation.

3.4 Intellectual property: Including all CTCI patents, trademarks, copyrights and trade secrets.

4.0 Responsibility

4.1 Human Resource Department: Establish guidelines of ethical conduct and accept accusations.

5.0 Operation Procedure

5.1 Gift receiving norm

5.1.1 If CTCI is the Party A in contract:

A. Shall not ask for, expect or receive any money and goods gifted by the downstream vendor (Party B in contract) having existing contractual relationship or might establish cooperation relationship with CTCL, including but not limited to: cash, coupon, present, entertainment ticket, fruit, food, liquor, tea, stationery, travel hospitality, commodity discount coupon, membership card, painting and other properties or preference in personal shopping.

B. But under general social etiquette and custom circumstances below, the gift may be received when not affecting the specific rights and obligations:

a. The gift is the souvenir distributed extensively and with the Logo of gifting company, such as calendar, notebook, pen drive, card case, tie, tie clip etc. or other management or inspirational books.

b. When being invited to dinner party or other communicative activities, CTCL employee has reported to the supervisor (*Notes) and been approved in advance.

* Notes: the supervisor of CTCL is the head of BU, the supervisor of subordinate unit is the President, so is the other companies under the Group.

5.1.2 If CTCL is the Party B in contract:

For the present gifted to our company by Party A's customer (landlord) and partner of our company, dinner party or other communicative activities, it may be accepted with prior report to the supervisor (*Notes).

* Notes: the supervisor of CTCL is the head of BU, the supervisor of subordinate unit is the President, so is the other companies under the Group.

5.2 Preventing conflicts of interest

CTCL employees are allowed to conduct personal investments and other business activities under the limitation of following requirements, in order to avoid conflicts of interest between employee and CTCL, which may further affect the loyalty of such employee:

5.2.1 Avoid personal gain during business operations:

A. CTCL employees shall not participate in business operations if business relationship appears between CTCL and their family.

B. CTCL employees shall not directly or indirectly accept any improper benefits when conducting business operation.

5.2.2 Avoid part-time job and/or competing with CTCL:

A. CTCL employees shall not accept other company's employment during tenure.

B. Direct or indirect relationship with competitors shall be avoid, including part-time/full-time employment and contractor of companies in the same business, CTCL's clients or vendors, CTCL's competitors and its supplier.

C. Effects on CTCL clients and/or vendors lead to disadvantage of CTCL shall not occur.

5.2.3 The measures of relatives' employment of related industries:

- A. To avoid disadvantaging CTCI and conflicting with interests of CTCI, CTCI employees shall not sharing confidential information with their relatives who is employed by a company in the related industries, and their companies as well.
 - B. CTCI employees shall proactively submit to Human Resource Department in written form if his/her relatives hold a business relationship with CTCI.
 - 5.2.4 CTCI employees shall submit to Executive Management Office in advance if he/she is a director of the board, supervisor or consultant of a company in the related industries, excluding those of CTCI affiliates.
- 5.3 Protection of business confidentiality and intellectual property rights
 - 5.3.1 All types of documents and information shall not be altered or modified by CTCI employees.
 - 5.3.2 CTCI employees shall not discuss their work with non-CTCI employees and leak confidential information which has not been revealed by CTCI to others.
 - A. The article above is still valid after resigning or retiring.
 - 5.3.3 Before CTCI patent or confidential information is revealed, CTCI employees shall not disclose it in any ways, including disclosing it in CTCI. The disclosure in CTCI should be authorized or assigned, and the disclosure out of CTCI should be done after subscribing the contract of confidentiality.
- 5.4 Fair trade with vendors
 - 5.4.1 Vendor selection
 - A. Vendors shall be fairly selected based on the technical specification, quality, duration and business requirements with the most competitive price. CTCI employees shall not choose vendors with preference and ignore CTCI's interests.
 - B. Employees participating in vendor selection shall avoid doing any activity that might be seen as the cause for vendor selection result.
 - C. Employees participating in vendor selection shall not provide any information relating to the contract or proposal to irrelevant third parties.
 - D. CTCI's goals in procurement are "Best price, suitable quality, and prompt delivery". CTCI employees should assist our vendors to accomplish the quality and quantity of their products or services.
 - 5.4.2 Dealing with vendors
 - A. CTCI employees should treat all vendors in positivity, fairness, and politeness.
 - B. CTCI employees shall not disclose confidential information to vendors.
 - C. CTCI employees should avoid contacting vendors due to non-business-related affairs
- 5.5 Steps to determine the ethicalness of behavior
 - 5.5.1 Ethical Decision Making

When CTCI employees have concerns about their own acts, or find anyone has suspected unethical behavior within CTCI, employees should take the following steps :

 - A. Assess that if there is any adverse effect to CTCI, other people, and yourself, due to the behaviors, according to the section 5.2 in Guideline.

- B. Taking action after assessing the above statement, and should be noted the following principles :
 - a. The action plan shall comply with laws and regulations.
 - b. The action plan shall meet CTCI's policies.
 - c. CTCI's employees may consult ethic-responsible department before deciding to take the action.

5.5.2 Questions to consider

When CTCI employees are faced with a situation not stated in this Guideline, the following questions may help them decide the right course of action:

- A. Am I personally uncomfortable about the course of action?
- B. Would I be unwilling or embarrassed to tell my family, friends, or coworkers?
- C. Could someone's life, health, safety, or reputation be endangered by my action?
- D. Would such action damage CTCI's reputation if it appears on the news?
- E. Would I be regret of such action?

5.6 Reporting and disciplinary procedures for violation

5.6.1 Disciplinary system

- A. CTCI employees shall acknowledge the rules and their obligations. Employee violates the Codes of Ethical Conduct shall be reviewed by the Rewards and Punishment Committee, and penalized according to "CTCI Employees Reward and Punishment Regulations". Employees who are in significant violation of this Conduct may be subject to disciplinary action up to and including termination of the labor contract.
- B. Apart from being penalized according to the CTCI internal rewards and punishment related policies, CTCI may conduct civil or criminal lawsuit based on the severity of violation.

5.6.2 Reporting system

- A. CTCI employees who discover any violation of this Conduct or other unethical activities shall report under their real name or anonymously according to "Accusation Management Regulations".
- B. Reporter shall provide specific descriptions and relevant evidences on the concerned person, matter, time, place and object for further investigation.
Reporting channels including:
Online reporting (<https://www.reportnow.com.tw/ctci>) and email (ctci@reportnow.com.tw).
- C. The reporting channel stated above is run by an independent third-party service provider to ensure the unethical activities being reported is conveyed truthfully. CTCI promise to keep the confidentiality of reporters' identity, protecting reporters from inappropriate disciplinary actions due to their whistle-blowing.
- D. CTCI may not conduct investigation or further action if reporters could not provide descriptions and relevant evidences on the concerned person involved. Such reporters may be penalized for malicious complaints.

5.6 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
EPC	CPC Corporation	2021/01/15 2024/07/06	CPC Talin Tank Farm 41 Tanks PKG-7 Project, EPC	According to contract content stipulation
EPC	CPC Corporation	2020/12/15 2024/12/31	CPC Talin Tank Farm Utility & Offsite PKG-2 Project, EPC	According to contract content stipulation
Engineering	Hengli Petrochemical (Huizhou) Co.,Ltd.	2020/10/19 2021/07/31	Hengli PTA Project, BDE+DDE	According to contract content stipulation
Engineering	Hengyi Brunei Industry	2020/09/23 2022/05/30	Hengyi(Brunei) PTA Project, BDE+DDE	According to contract content stipulation
EPC	Taiwan Power Company	2020/09/03 2028/05/01	TPC Taichung Combined Cycle Power Plant Project, EPCC	According to contract content stipulation
EPC	Taiwan Power Company	2020/09/03 2028/02/01	TPC Hsinta Combined Cycle Power Plant Project, EPCC	According to contract content stipulation
Engineering	Jiangsu Jiatong Energy Co., Ltd.	2020/07/22 2022/05/30	Tongkun PTA Project, BDE+DDE	According to contract content stipulation
EPC	Taiwan Power Company	2020/07/01 2025/11/30	TPC Taichung LNG Regas Project, EPCC	According to contract content stipulation
Engineering	DSM Coating Resins Ltd.	2020/07/01 2021/12/31	DSM Sleeping Beauty Project, DDE and Construction Management	According to contract content stipulation
EPC	Taiwan Power Company	2020/07/01 2022/05/31	TPC Dah-Tarn 5&6 GAC Turbine Upgrade Outside Enclosure Parts Project, EPC	According to contract content stipulation
EPC	China General Terminal & Distribution Corporation	2020/06/01 2021/11/30	CGTDC/TSRC Butadiene Tank Project, EPC	According to contract content stipulation
Engineering	Formosa Chemicals Industries (Ningbo) Co.,Ltd.	2020/02/10 2021/12/31	FCFC PTA Project, DDE	According to contract content stipulation
EPC	CPC Corporation	2020/02/08 2024/04/30	CPC 3 rd LNG Receiving Terminal Regas Project, EPC	According to contract content stipulation

Agreement	Counterparty	Period	Major Contents	Restrictions
EPC	China General Terminal & Distribution Corporation	2019/10/07 2022/03/31	CGTDC Petrochemical Tank Farm Project, EPC	According to contract content stipulation
Construction	ChiaHui Power Corporation	2019/10/04 2020/08/15	GE Chia Hui Mech, E&I and Piping Installation Packages, C	According to contract content stipulation
Engineering	FG LA LLC	2019/05/02 2020/03/30	FG LA Sunshine 900 KTA EO/EG FEED Project	According to contract content stipulation
EPC	QATAR Petrochemical Company	2018/12/09 2021/06/14	QAPCO EP1 Machines Replacement Project	According to contract content stipulation
EPC	CPC Corporation	2018/11/21 2024/08/30	Taiwan CPC Third LNG Receiving Terminal Tank EPC Project	According to contract content stipulation
EPC	ZhangZhou ChiMei Chemical Co., Ltd.	2018/11/01 2021/03/31	Chimei ABS EPC Project	According to contract content stipulation
BTO	Kaohsiung City Government	2018/10/31 2035/10/30	Taiwan KCG 33,000 CMD Linhai WWRU BTO Project	According to contract content stipulation
EPC	Fujian Gulei Petrochemical Company Limited	2018/09/15 2020/08/22	GSPC Gulei EVA Project, BEPC	According to contract content stipulation
EPC	International CSRC Investment Holdings Co.,	2018/09/07 2020/12/31	India CSRC/CCIL Carbon Black Plant EPC Project	According to contract content stipulation
EPC	China General Terminal & Distribution Corporation	2018/09/06 2020/12/31	Taiwan CGTD Tank Farm EPC Project	According to contract content stipulation
BOT	Taoyuan City Government	2018/08/13 2043/08/12	Taoyuan City Biomass Energy Center BOT Project	According to contract content stipulation
EPC	Taiwan Power Company	2018/07/09 2023/01/15	Taichung Power Plant Coal Handling System Improvement Project (EPCC)	According to contract content stipulation
EPC	PTT LNG Company Limited	2018/07/01 2022/02/28	Thailand PTTLNG Nong Fab LNG Receiving Terminal Project, EPCC	According to contract content stipulation

Agreement	Counterparty	Period	Major Contents	Restrictions
EPC	Department of Rapid Transit Systems Taipei City Government, SEMPO	2018/06/12 2027/06/30	Taipei MCT Wanda Line System E&M Phase 1 Project (EPCC)	According to contract content stipulation
EPC	Adani Dhamra LNG Terminal Private Limited	2018/05/09 2021/02/08	India DLTP L Dhamra LNG Receiving Terminal EPC Project	According to contract content stipulation
EPC	Department of Rapid Transit Systems Taipei City Government, SEMPO	2018/04/20 2023/03/31	Taipei MRT Xinyi Eastern Extension and Xinzhuang Depot Power Supply System and Depot Equipment Project, EPC	According to contract content stipulation
EPC	PRPC Refinery and Cracker SDN. BHD.	2017/09/01 2020/02/29	Malaysia RAPID P28B Euro 5 Project, EPCC	According to contract content stipulation
EPC	Prasarana Malaysia Berhad	2017/06/16 2021/02/27	Malaysia Kuala Lumpur KLLRT Line 3 Power Supply System Project, EPC	According to contract content stipulation
BTO	Kaohsiung City Government	2016/08/22 2033/08/21	Taiwan KCG 45,000 CMD WWRU BTO Project	According to contract content stipulation
BOT	Taoyuan City Government	2016/08/19 2054/08/18	TYCG 156,800CMD Chungli Sewerage System BOT Project	According to contract content stipulation
EPC	Taiwan Power Co., Ltd. Taichung Power Plant	2015/12/31 2020/12/31	TPC Taichung Power Plant 550MWX4 Existing Unit 1~4 AQCS Retrofit Project, EPC	According to contract content stipulation
EPC	Land Transport Authority	2014/07/25 2020/12/30	Singapore Thomson Line Trackwork Project	According to contract content stipulation
EPC	Taiwan Power Company	2013/09/03 2020/12/31	Tunghsiao Combined Cycle Power Plant Project	According to contract content stipulation
EPC	Taiwan Power Company	2011/08/02 2021/04/17	800 MW x 3 Lin Kou Power Plant Renewal Project, EPC, Taiwan	According to contract content stipulation

6 Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Consolidated Balance Sheet - International Financial Reporting Standards

Unit: TWD thousands

Item \ Year		Five-Year Financial Summary				
		2016	2017	2018	2019	2020
Current Assets		51,394,621	54,762,209	56,534,559	49,174,593	47,518,372
Property, Plant and Equipment		6,876,224	6,660,116	10,432,036	11,788,472	14,123,460
Intangible Assets		127,686	97,201	191,198	191,971	180,948
Other Assets		7,826,358	8,548,463	9,339,540	8,339,475	8,965,183
Total Assets		66,224,889	70,067,989	76,497,333	69,494,511	70,787,963
Current Liabilities	Before distribution	40,297,705	43,960,316	51,420,086	36,184,472	34,849,103
	After distribution	42,282,217	46,428,518	53,141,297	37,711,111	Note 2
Non-current Liabilities		5,737,135	5,067,516	4,451,088	13,963,042	16,904,623
Total Liabilities	Before distribution	46,034,840	49,027,832	55,871,174	50,147,514	51,753,726
	After distribution	48,019,352	51,496,034	57,592,385	51,674,153	Note 2
Equity Attributable to Shareholders of The Parent		17,098,343	17,952,032	17,458,729	16,156,443	15,827,557
Capital Stock		7,632,738	7,632,738	7,632,738	7,633,182	7,633,599
Capital Surplus		3,322,098	3,395,620	3,545,053	3,730,448	4,077,689
Retained Earnings	Before distribution	6,343,847	7,105,963	6,540,307	5,985,087	5,191,503
	After distribution	4,359,335	4,637,761	4,819,096	4,458,448	Note 2
Other Equities		(188,505)	(170,454)	(247,534)	(1,180,439)	(1,063,399)
Treasury Stocks		(11,835)	(11,835)	(11,835)	(11,835)	(11,835)
Non-controlling Interests		3,091,706	3,088,125	3,167,430	3,190,554	3,206,680
Total Equity	Before distribution	20,190,049	21,040,157	20,626,159	19,346,997	19,034,237
	After distribution	18,205,537	18,571,955	18,904,948	17,820,358	Note 2

Note1: The post-distribution numbers are based on the Shareholder's Resolution in the following year.

Note2: The 2020 earnings distribution has not been resolved by the Shareholder's Meeting, hence not applicable.

Condensed Balance Sheet - International Financial Reporting Standards

Unit: TWD thousands

Item \ Year		Five-Year Financial Summary				
		2016	2017	2018	2019	2020
Current Assets		30,226,145	31,969,258	36,642,462	28,688,486	29,710,264
Property, Plant and Equipment		320,512	301,716	300,724	292,125	1,192,313
Intangible Assets		121,127	90,863	40,343	42,114	32,046
Other Assets		13,650,508	13,851,788	13,919,371	15,631,087	16,854,761
Total Assets		44,318,292	46,213,625	50,902,900	44,653,812	47,789,384
Current Liabilities	Before distribution	23,623,778	24,616,947	30,146,321	16,017,640	16,433,395
	After distribution	25,608,290	27,085,149	31,867,532	17,544,279	Note 2
Non-current Liabilities		3,596,171	3,644,646	3,297,850	12,479,729	15,528,432
Total Liabilities	Before distribution	27,219,949	28,261,593	33,444,171	28,497,369	31,961,827
	After distribution	29,204,461	30,729,795	35,165,382	30,024,008	Note 2
Equity Attributable to Shareholders of The Parent		17,098,343	17,952,032	17,458,729	16,156,443	15,827,557
Capital Stock		7,632,738	7,632,738	7,632,738	7,633,182	7,633,599
Capital Surplus		3,322,098	3,395,620	3,545,053	3,730,448	4,077,689
Retained Earnings	Before distribution	6,343,847	7,105,963	6,540,307	5,985,087	5,191,503
	After distribution	4,359,335	4,637,761	4,819,096	4,458,448	Note 2
Other Equities		(188,505)	(170,454)	(247,534)	(1,180,439)	(1,063,399)
Treasury Stocks		(11,835)	(11,835)	(11,835)	(11,835)	(11,835)
Non-controlling Interests		0	0	0	0	0
Total Equity	Before distribution	17,098,343	17,952,032	17,458,729	16,156,443	15,827,557
	After distribution	15,113,831	15,483,830	15,737,518	14,629,804	Note 2

Note1: The post-distribution numbers are based on the Shareholder' s Resolution in the following year.

Note2: The 2020 earnings distribution has not been resolved by the Shareholder' s Meeting, hence not applicable.

6.1.2 Condensed Consolidated Income Statement - International Financial Reporting Standards

Unit: TWD thousands; EPS: TWD

Item \ Year	Five-Year Financial Summary				
	2016	2017	2018	2019	2020
Operating Revenues	70,509,675	71,606,604	64,069,542	58,211,022	55,558,409
Gross Profit	6,185,829	5,111,500	4,599,753	3,991,695	3,643,650
Operating Income	4,162,523	3,015,026	2,715,778	2,168,150	2,057,279
Non-Operating Income & Expenses	(184,055)	976,327	349,495	62,165	(293,259)
Income Before Income Tax	3,978,468	3,991,353	3,065,273	2,230,315	1,764,020
Net Income from continuing operations	3,013,715	3,290,098	2,300,063	1,674,325	1,305,146
Net Income(Loss)	3,013,715	3,290,098	2,300,063	1,674,325	1,305,146
Other Comprehensive Income (Income after tax)	(379,303)	(47,446)	(51,170)	(898,008)	176,021
Total Comprehensive Income	2,634,412	3,242,652	2,248,893	776,317	1,481,167
Net Income Attributable to Shareholders of The Parent	2,222,888	2,805,348	1,827,537	1,177,011	766,548
Net Income Attributable to Non-controlling Interests	790,827	484,750	472,526	497,314	538,598
Total Comprehensive Income (Loss) Attributable to Shareholders of the Parent	1,861,653	2,764,679	1,762,037	233,086	848,668
Total Comprehensive Income (Loss) Attributable to Non-controlling Interests	772,759	477,973	486,856	543,231	632,499
Earnings Per Share (TWD)	2.92	3.68	2.40	1.54	1.01

Condensed Income Statement - International Financial Reporting Standards

Unit: TWD thousands; EPS: TWD

Item \ Year	Five-Year Financial Summary				
	2016	2017	2018	2019	2020
Operating Revenues	42,764,443	48,591,380	35,684,680	28,430,333	25,873,770
Gross Profit	2,594,191	3,876,582	3,203,459	2,828,707	1,533,996
Operating Income	1,419,547	2,865,455	2,154,906	1,829,529	657,005
Non-Operating Income & Expenses	1,175,111	337,642	20,226	(469,299)	253,471
Income Before Income Tax	2,594,658	3,203,097	2,175,132	1,360,230	910,476
Net Income from continuing operations	2,222,888	2,805,348	1,827,537	1,177,011	766,548
Net Income(Loss)	2,222,888	2,805,348	1,827,537	1,177,011	766,548
Other Comprehensive Income (Income after tax)	(361,235)	(40,669)	(65,500)	(943,925)	82,120
Total Comprehensive Income	1,861,653	2,764,679	1,762,037	233,086	848,668
Net Income Attributable to Shareholders of The Parent	-	-	-	-	-
Net Income Attributable to Non-controlling Interests	-	-	-	-	-
Total Comprehensive Income (Loss) Attributable to Shareholders of the Parent	-	-	-	-	-
Total Comprehensive Income (Loss) Attributable to Non-controlling Interests	-	-	-	-	-
Earnings Per Share (TWD)	2.92	3.68	2.40	1.54	1.01

Auditors' Opinions in Past Five Years

CPA Firm/Year	2016	2017	2018	2019	2020
PriceWaterhouseCoopers	Shih-Jung Weng	Shu-Chiung Chang	Yi-Fan Lin	Yi-Fan Lin	Yi-Fan Lin
	Shu-Chiung Chang	Shih-Jung Weng	Shu-Chiung Chang	Shu-Chiung Chang	Shu-Chiung Chang
Auditing Opinion	unqualified opinion	unqualified opinion	unqualified opinion	unqualified opinion	unqualified opinion

6.2 Five-Year Financial Analysis

6.2.1 Consolidated Financial Ratio Analysis -International Financial Reporting Standards

Item \ Year		Five-Year Financial Summary				
		2016	2017	2018	2019	2020
Financial Structure (%)	Debt to Asset Ratio	69.51	69.97	73.04	72.16	73.11
	Long-term Funds to Properties, Plants and Equipment Ratio	377.06	392.00	240.39	282.56	254.46
Liquidity (%)	Current ratio	127.54	124.57	109.95	135.90	136.35
	Quick ratio	116.56	114.70	101.35	127.88	128.55
	Interest Coverage Ratio	5,051.79	3,932.68	2,041.18	1,045.78	720.11
Operating Performance	Accounts Receivable Turnover (times)	11.75	14.07	8.26	7.54	10.04
	Average Collection Period (days)	31.06	25.94	44.18	48.40	36.35
	Inventory Turnover (times)	N/A	N/A	N/A	N/A	N/A
	Accounts Payable Turnover (times)	3.97	4.56	4.92	4.56	4.36
	Average Inventory Turnover Period (Days)	N/A	N/A	N/A	N/A	N/A
	Properties, Plant and Equipment Turnover (times)	10.16	10.58	7.50	5.24	4.29
	Total Assets Turnover (times)	1.12	1.05	0.87	0.80	0.79
	Return on Assets (%)	3.62	4.24	2.67	1.87	1.42
Profitability	Return on Equity (%)	13.03	16.01	10.32	7.00	4.79
	Income before tax to Capital Ratio (%)	52.12	52.29	40.16	29.22	23.11
	Net Margin (%)	3.15	3.91	2.85	2.02	1.38
	Earnings per share (TWD)	2.92	3.68	2.40	1.54	1.01
Cash flow	Cash flow Ratio (%)	37.57	10.96	(8.61)	24.58	(8.06)
	Cash flow adequacy Ratio (%)	99.23	122.60	103.49	103.91	105.46
	Cash reinvestment Ratio (%)	47.21	8.48	(27.66)	19.25	(13.09)
Leverage	Operating leverage	3.54	4.49	4.84	5.85	5.79
	Financial leverage	1.02	1.04	1.06	1.12	1.16

6.2.2 Financial Ratio Analysis -International Financial Reporting Standards

Year		Five-Year Financial Summary				
		2016	2017	2018	2019	2020
Item						
Financial Structure (%)	Debt to Asset Ratio	61.42	61.15	65.70	63.82	66.88
	Long-term Funds to Properties, Plants and Equipment Ratio	6,456.70	7,157.95	6,902.20	9,802.71	2,629.85
Liquidity (%)	Current ratio	127.95	129.87	121.55	179.11	180.79
	Quick ratio	118.09	123.03	114.88	174.20	172.00
	Interest Coverage Ratio	57,707.86	27,801.26	5,096.63	1,618.94	1,109.86
Operating Performance	Accounts Receivable Turnover (times)	16.48	39.84	11.69	8.80	13.63
	Average Collection Period (days)	22.15	9.16	31.22	41.47	26.77
	Inventory Turnover (times)	N/A	N/A	N/A	N/A	N/A
	Accounts Payable Turnover (times)	4.02	5.33	5.25	4.69	4.37
	Average Inventory Turnover Period (Days)	N/A	N/A	N/A	N/A	N/A
	Properties, Plant and Equipment Turnover (times)	128.64	156.19	118.47	95.91	34.86
	Total Assets Turnover (times)	1.00	1.07	0.73	0.60	0.56
Profitability	Return on Assets (%)	5.21	6.22	3.84	2.61	1.81
	Return on Equity (%)	13.03	16.01	10.32	7.00	4.79
	Income before tax to Capital Ratio (%)	33.99	41.97	28.50	17.82	11.93
	Net Margin (%)	5.20	5.77	5.12	4.14	2.96
	Earnings per share (TWD)	2.92	3.68	2.40	1.54	1.01
Cash flow	Cash flow Ratio (%)	32.45	21.45	(2.77)	46.69	(17.45)
	Cash flow adequacy Ratio (%)	14.15	79.86	92.49	151.90	152.94
	Cash reinvestment Ratio (%)	29.18	14.09	(21.04)	22.85	(15.68)
Leverage	Operating leverage	4.78	2.88	3.33	3.38	7.11
	Financial leverage	1.00	1.00	1.02	1.05	1.16

The formulas for the above table:

1. Financial Structure
 - (1) Debts to Assets Ratio = Total Liabilities / Total Assets
 - (2) Long-term Funds to Properties, Plants and Equipment Ratio = (Total Shareholders' Equity plus Noncurrent Liabilities) / Net of Properties, Plants and Equipment
2. Liquidity
 - (1) Current Ratio = Current Assets / Current Liabilities
 - (2) Quick Ratio = (Current Assets - inventory - Prepaid Expense) / Current Liabilities
 - (3) Interest Coverage Ratio = (Net Income before Income Tax and Interest Expenses) / Interest Expense
3. Operating Performance
 - (1) Account Receivable Turnover = Net Sales / Average Accounts Receivable
 - (2) Average Collection Period = 365/ Accounts Receivable Turnover
 - (3) Inventory Turnover = Costs of Goods Sold / Average Inventory
 - (4) Accounts Payable Turnover = Costs of Goods Sold / Average Accounts Payable
 - (5) Average Inventory Turnover Period = 365 / Inventory Turnover
 - (6) Properties, Plant and Equipment Turnover = Net Sales / Average of Net Properties, Plants and Equipment
 - (7) Total Assets Turnover Ratio = Net Sales / Average of Total Assets
4. Profitability Analysis
 - (1) Return on Assets = [Net Income + Interest Expense × (1 - Tax Rate)] / Average Total Assets
 - (2) Return on Equity = Net Income / Average Shareholders' Equity
 - (3) Net Margin = Net Income / Net Sales
 - (4) Earnings per Share = (Net Income Attribute to Controlling Interest - Preferred Stock Dividend) / Weighted-average Number of Outstanding Shares
5. Cash Flow
 - (1) Cash Flow Ratio = Cash Flows from Operating Activities / Current Liabilities
 - (2) Cash Flow adequacy Ratio = Net Cash Flow from Operating Activities for the past 5 years / (Capital Expenditure + Increase in Inventory + Cash Dividends) for the past 5 years
 - (3) Cash Reinvestment Ratio = (Net Cash Flow from Operating Activities - Cash Dividends) / (Gross Properties, Plants and Equipment + Long-term Investment + Other Noncurrent Assets + Working Capital)
6. Leverage Ratio
 - (1) Operating Leverage = (Net Sales - Variable Operating Costs and Expenses) / Operating Income
 - (2) Financial Leverage = Operating Income / (Operating Income - Interest Expenses)

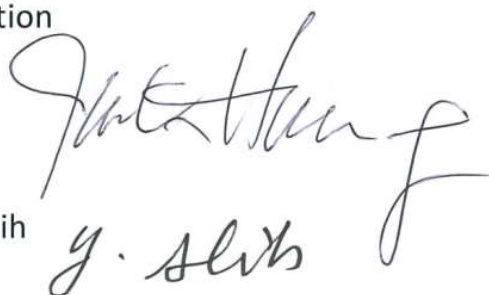
6.3 Audit Committee's Review Report in the Most Recent Year

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 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 9th, 2021



6.4 Annual Consolidated Financial Report in the Most Recent Year

Please refer to the Appendix 1.

6.5 Annual Parent Company only Financial Report in the Most Recent Year

Please refer to the Appendix 2.

6.6 Impact of the Financial Distress Occurred to the Company and Affiliates in the Recent Years until the Annual Report being published

None.

7 Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

7.1.1 Analysis of Financial Status

Unit: TWD thousands

Item \ Year	2020	2019	Difference		Remark
			Amount	%	
Current Assets	47,518,372	49,174,593	(1,656,221)	(3.37)	
Properties, Plants and Equipment	14,123,460	11,788,472	2,334,988	19.81	Note 1
Intangible Assets	180,948	191,971	(11,023)	(5.74)	
Other Assets	8,965,183	8,339,475	625,708	7.50	
Total Assets	70,787,963	69,494,511	1,293,452	1.86	
Current Liabilities	34,849,103	36,184,472	(1,335,369)	(3.69)	
Non-current Liabilities	16,904,623	13,963,042	2,941,581	21.07	Note 2
Total Liabilities	51,753,726	50,147,514	1,606,212	3.20	
Equity attributable to owners of the parent	15,827,557	16,156,443	(328,886)	(2.04)	
Capital stock	7,633,599	7,633,182	417	0.01	
Capital surplus	4,077,689	3,730,448	347,241	9.31	
Retained Earnings	5,191,503	5,985,087	(793,584)	(13.26)	
Other equity interest	(1,063,399)	(1,180,439)	(117,040)	(9.91)	
Treasury stocks	(11,835)	(11,835)	0	0.00	
Non-controlling interest	3,206,680	3,190,554	16,126	0.51	
Total Equity	19,034,237	19,346,997	(312,760)	(1.62)	

Note1: Properties, Plants and Equipment increased, due to build group second headquarter building, constructing a reclaimed water treatment plant at STSP and construction of A6 Dalin Plant in Kaohsiung Port Nanxing Free Trade Port Area.

Note2: Non-current liabilities increased, due to issuing bonds payable.

7.1.2 The evaluation basis of the balance sheet valuation items

Item	B/S valuation item	Evaluation reference	Evaluation basis
1	Monetary assets denominated in foreign currency	Spot rate on balance sheet date	Compute exchange gain or loss based on the spot rate.
2	Financial assets and liabilities at fair value through income statements	Fair market value on balance sheet date	Evaluate based on the fair market value.
3	Allowances for doubtful accounts	Historical records and credit references	The recognition and valuation of allowance-for-bad-debts are based on the controlling credit risks of our clients which are categorized such as excellent customers, general customers, individual assessment customers. etc. A certain percentage of allowances for bad debts are determined according to the valuation of aging of accounts receivable in each category. Note: The accounts receivables from related parties are not subject for allowances-for-bad-debts. However if special credit risk prevails, the allowance for bad debts will be evaluated according to the risk.
4	Allowances for inventory valuation and obsolescence losses	Not applicable to the Company	Not applicable to the Company.

7.2 Analysis of Financial Performance

7.2.1 Analysis of Financial Performance

Unit: TWD thousands

Item	Year		Difference		Remark
	2020	2019	Amount	%	
Operating Revenue	55,558,409	58,211,022	(2,652,613)	(4.56)	
Operating Costs	(51,914,759)	(54,219,327)	2,304,568	(4.25)	
Gross Profit	3,643,650	3,991,695	(348,045)	(8.72)	
Operating Expenses	(1,586,371)	(1,823,545)	237,174	(13.01)	
Operating Income	2,057,279	2,168,150	(110,871)	(5.11)	
Non-operating Income and expenses	(293,259)	62,165	(355,424)	(571.74)	Note 1
Profit before Income Tax	1,764,020	2,230,315	(466,295)	(20.91)	Note 1
Income Tax Expense	(458,874)	(555,990)	97,116	(17.47)	

Item \ Year	2020	2019	Difference		Remark
			Amount	%	
Non-controlling Interest	(538,598)	(497,314)	(41,284)	8.30	
Income attributable to owners of the parent	766,548	1,177,011	(410,463)	(34.87)	Note 1

Note 1: The analysis of the differences:

Compared to 2019, the consolidated non-operating income and expense for 2020 decreased is mainly due to interest income decreased, share of profit of associates accounted for under equity method decreased, foreign exchange loss increased and Interest expense on corporate bonds increased.

7.2.2 Mainly attributed factors of predetermined sales volume in the next year and anticipated sales volume increasing and decreasing

In order to expand the basis of business and sustainable operation and provide customers with services to improve performance, 2021 will continue to promote the combination of R&D innovation and business. In addition to the continuous strengthening of manpower and technology, it is also committed to enhancing the effectiveness of internal and external cooperation, complete quality and industrial safety management, maintaining the Group's "most reliable" brand spirit, and pursuing "professionalism, integrity, teamwork, innovation" Corporate philosophy, creating profits and value for shareholders.

7.3 Analysis of Cash Flow

7.3.1 Cash Flow Analysis for the Past 2 Year

Item \ Year	2020	2019	Difference ratio (%)
Cash Flow Ratio (%)	(8.06)	24.58	(132.79)
Fund Flow Adequacy Ratio (%)	106.51	103.91	2.50
Cash Re-investment Ratio (%)	(13.09)	19.25	(168.00)

Explanation to changes:

1. Cash flow ratio decreased due to cash inflow from operating activities reduced.
2. Cash re-investment ratio decreased due to cash inflow from operating activities reduced.

7.3.2 Analysis of Cash Liquidity

The cash inflow of Year 2020 is TWD7,344.744 million. The cash balance in the end of the year is TWD13,422.837 million. Cash liquidity is fine.

7.3.3 Analysis of Cash Liquidity for the Coming Year

Unit: TWD thousands

Cash Balance at Beginning for the Year	Expected Net Cash Flow from Operating Activities	Expected Cash Inflow (Outflow)	Expected Cash Surplus (Deficit)	Leverage of Expected Cash Deficit	
				Investment Plans	Investment Plans
13,422,837	3,905,224	2,709,586	16,132,423	-	-

- Analysis of change in cash flow in Year 2021:
 - Operating activities: Backlog leads to cash inflow.
 - Investing activities: The expected cash outflow is mainly due to more investments in current businesses.
 - Financing activities: The expected cash outflow is mainly due to cash dividends to investors.
- Liquidity analysis and remedial measures against cash deficit: None.

7.4 Major Capital Expenditure Items

In order to strengthen the global brand image and consolidate the centripetal force of the employees of the Group, the Company intends to build the second headquarter owned by CTCI Development Corp. in the Shilin Science and Technology Park. The total budget for land acquisition and construction is approximately TWD 4 billion, and the construction is expected to be completed in July, 2021.

7.5 Investment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

The Company has established subsidiaries in China, Thailand, Malaysia, Vietnam, India, the Middle East, the United States, Singapore and Indonesia; branches in United Arab Emirates and Qatar; CTCI Indonesia representative office. In accordance with strategy of development of U.S.A, the possibility of enlargement investment in US market is under evaluation recently. To strengthen global market position, CTCI would keep assessing overseas markets and future growth, and expand its global footprints timely to enhance the international competitiveness.

7.6 Analysis of Risk Management

7.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

A. Interest rate

Unit : TWD Thousands

Item	2020	2019
Interest Income	114,274	267,089
Interest Expense	284,469	235,817
Investment gain on money market fund	10,209	3,773
Sales	55,558,409	58,211,022
Net Income before Tax	1,764,020	2,230,315

Besides deposits, the Company invests inactive money mainly in money market funds, which highly correlate with market interest rates.

However, the investment gain on money market fund is not credited to interest income but to gain on disposal of investment. Therefore, to analyze the effects of changes in interest rates should consolidate interest income/expense and gain on disposal of money market fund.

Due to the Central Bank reduce the interest rate and the appreciation of TWD in 2020, the funds originally deposited in USD have been exchanged in batches and transferred to money market funds denominated in TWD, which cause the interest income decrease by TWD152,815 thousand over 2019.

The consolidated interest expense of 2020 increase by TWD48,652 thousand over 2019, which is because the Company issued corporate bond and the bank loan for the second headquarter building. The standalone interest expense of 2020 increase by TWD608 thousand by 2019. Thus, the consolidated interest expense of 2020 is higher than 2019.

For inactive money, the Company will continue to look for higher-yield financial products with safety and proper liquidity to achieve the purpose of earning stable investment profits.

B. Foreign exchange rates

Unit : TWD Thousands

Item	2020	2019
Net Foreign Exchange Gain/Loss(A)	(189,148)	(130,970)
Sales (B)	55,558,409	58,211,022
Net Income before Tax (C)	1,764,020	2,230,315
A/B(%)	(0.34)	(0.22)
A/C(%)	(10.72)	(5.87)

The business line of CTCL includes engineering design, procurement, fabrication, construction, supervision, project management, test & commissioning and environmental protection. All business work can be separated into two parts as domestic projects and overseas projects according to its location. For cash-in side, domestic projects are usually signed in New Taiwan dollar, and sometimes in other foreign currencies; overseas projects are usually signed in US dollar and local currency. For cash-out side, the currencies of payment are usually decided by service location or procurement region. Therefore, the Company must keep appropriate foreign assets and liabilities to operate general activities. Thus the appreciation or depreciation of major currencies, like US dollar, Japanese Yen, and Euro, will influence foreign exchange profit/loss of the Company.

To lower the influence on changes in foreign exchange rates, the Company adopts natural hedge strategy, including contracts in different currencies or asking multiple-currency contracts to cover major payment in different currencies. For other FX exposure, the Company also has concrete methods to hedge the risks. Thus, the changes in foreign exchange rates little affect the income of the Company.

According to above table, the ratios of foreign exchange profit/loss to sales and net income before tax are slight. That means the changes in foreign exchange rates have limited influence on the sales and net income before tax. The concrete methods to hedge FX risks are as below,

- a. To know well update trends of major currencies, and adjust FX position timely.
- b. To create internal hedge effect by netting foreign receivables and payables.
- c. For payment in foreign currencies, to forecast the direction of payment currencies and analyze the potential profit and loss of foreign exchange, and then choose leads or lags strategy to hedge FX risks and achieve the goal of saving costs.
- d. In order to allocate optimal capital position, to open foreign currency deposit accounts to collect foreign income and convert it into New Taiwan dollar or other strong currencies based on actual cash flow demand or FX tendency.
- e. To use forward contracts or other tools to hedge FX risks.

C. Inflation

Item	2020	2019
CPI	102.31	102.55
Annual Change of CPI(%)	(0.23)	0.56
Construction Cost Indices	109.73	108.19
Annual Change of Construction Cost Indices(%)	1.42	2.22
profit margin(%)	6.56	6.86

Source : Directorate General of Budget, Accounting and Statistics, Executive Yuan (DGBAS)/ Base year 2016.

Due to the industry nature of the Company, the analysis of inflation should be referred to not only CPI but also Construction Cost Indices.

In 2020, the consumer price index(CPI) was 102.31 with an annual growth rate of -0.23%. The crude oil price and raw material prices to fall due to the COVID-19 last year. CPI turned positive in November. Owing to the rising of the cost of crude oil and raw material, DGBAS estimates that the annual growth rate of the CPI for 2021 will be 1.33% based on a low comparison base. Taiwan Institute of Economic Research believes that countries approve vaccines for marketing and inoculation and the impact of COVID-19 will be eased. With low base effect, the economic growth rate of 2021 will be higher than 2020. In 2020, the total Construction Cost Indices rose by 1.42%. The main reasons were the cost of rebar keep rising recently and the scant supply of concrete materials has not yet been solved. The Company will do the best to take potential inflation and raw material prices into account during whole project period in bidding stage. However, the profits will still be eroded once the price increase is more than expected. The Company will continue to watch price changes closely and reflect them to project contract quotation simultaneously; furthermore the Company also executes derivatives to hedge operational risks from potential inflation.

7.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company is devoted to develop EPC service business and does not engage in high-risk and high-leveraged investment. As for lending to others, guarantees and derivatives transactions all are executed according to the Company's "Rules Governing Procedure for Loaning of Funds", "Rules Governing Procedure for Making of Endorsements or Guarantees" and "The Procedure for Acquisition and Disposition of Assets".

7.6.3 Future Research & Development Projects and Corresponding Budget

A. Current Project Progress (as of end of March, 2021), Budget and Estimated Time to Finish

Item	Project Name	Current Progress (%)	Budget	Estimated Time to Finish
1	Development of Engineering Digital Information Extraction Technology (Phase II)	20	3,060,000	2021.12.31
2	Research for Intelligent technology of construction site management	85	19,241,500	2021.12.31
3	Development for Engineering Data Extraction Technology (Phase III)	10	4,080,000	2021.12.31
4	Digital Transformation of EPC	20	11,560,000	2021.12.31
5	The solution for intelligent technology of construction site management	25	4,760,000	2021.12.31
6	Development and Application of New Technology of the Group	18	7,480,000	2021.12.31
7	Research on seawater desalination system	12	3,457,000	2021.12.31
8	Process Engineering iEPS upgrade	35	9,306,000	2021.12.31
9	Research of frozen storage tank	10	6,708,000	2021.12.31
10	Civil Engineering – iEPC development 2021 Plan	25	5,940,000	2021.12.31
11	Civil Engineering Professional Capacity Enhancement 2021 Plan	25	3,630,000	2021.12.31
12	Methodology Engineering – iEPC development 2021 Plan	33	4,026,000	2021.12.31
13	Methodology Engineering Professional Capacity Enhancement 2021 Plan	8	4,182,000	2021.12.31
14	Introduction and maintenance for engineering design data exchange system	25	4,488,000	2021.12.31
15	Package Equipment Professional Capacity Enhancement 2021 Plan	20	3,221,000	2021.12.31
16	Instrument Professional Capacity Enhancement 2021 Plan	25	4,514,000	2021.12.31
17	Instrument Engineering – iEPC development 2021 Plan	24	9,328,000	2021.12.31

Item	Project Name	Current Progress (%)	Budget	Estimated Time to Finish
18	High-tech factory planning and pipeline engineering benchmarking	23	544,000	2021.12.31
19	Piping Engineering – iEPC development 2021 Plan	25	15,586,000	2021.12.31
20	Electrical Engineering – iEPC development 2021 Plan	23	8,682,000	2021.12.31
21	Electrical Professional Capacity Enhancement 2021 Plan	24	3,426,000	2021.12.31
22	i-Procurement 2021	21	3,567,600	2021.12.31
23	Construction 2021 R&D Topics	26	3,614,000	2021.12.31

B. Major Factor to Influence Future RD Success

- a. Right RD strategy and definition of key performance Index.
- b. Good communication with users to make sure production meet market requirement.
- c. Stable RD resource to accomplish development task effectively.
- d. Accurate progress control to ensure the timeliness of RD results.

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales: None.

7.6.5 Effects of and Response to Changes in Technology and in Industry Relating to Corporate Finance and Sales: None.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures: None.

7.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

7.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: Not Applicable.

7.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: None.

7.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, or Shareholders with Shareholdings of over 10%

In case of directors or Shareholders with Shareholdings of over 10% of the Company's common share transferring a major quantity of share or changed hands, it might cause fluctuated security price and the possibility of changing directors. The shares transaction of the Company's insiders will report to competent authority by related regulations. There are no large share transfers or changes in shareholdings from last year to the report printed date.

7.6.11 Effects of, Risks Relating to and Response to Changes in Control over the Company: None.

7.6.12 Litigation or Non-Litigation Matters

- A. Dayu Mechanical Engineering Co., Ltd. (later known as “Dayu”), one of CTCI’s subcontractors, was responsible for prefabrication and installation work of underground pipelines for the renovation and expansion, Tongxiao Power Plant (later known as “renovation and expansion work for Tongxiao Power Plant”) and above-ground pipe prefabrication installation work in the project of “Project of OPTC Guanyin No. 2 Plant PTA Line3” (later known as “OPTC Guanyin No. 2 Plant”) in 2014. Dayu had advocated that there is more than 1.2-million-dollar outstanding payment in renovation and expansion work for Tongxiao Power Plant owing by CTCI Corporation in litigation case in 2017. CTCI Corporation did not deny the 1.2-million-dollar outstanding payment but claimed for damages caused by Dayu due to Dayu was unable to continue to implement in the Project of OPTC Guanyin No. 2 Plant PTA Line3. Thus, CTCI Corporation claimed to offset these damages to the outstanding payment. To counteract CTCI Corporation's offset defense, Dayu filed another lawsuit in the Taipei District Court on May 20, 2019, requesting compensation from CTCI Corporation for a total damage up to TWD 120,771,010 and alleged which was caused by CTCI Corporation’s delay in start and violation of its obligation to cooperate. This dispute is under trial in the Taipei District Court. There is no material impact to CTCI’s finance as well as business development so far.

7.6.13 Information Security Risk

Modern enterprises use IT systems extensively. In order to maintain corporate governance and reduce operational risks, companies must develop complete information security measures to protect the Company's important information assets in order to pursue sustainable business. Faced with the challenges of new-type technology and business model transformation, the Company will adhere to the protection of customers' important intellectual assets and strengthen the reliability and quality of project execution to enhance customer trust. And in line with the owner's requirements or laws and regulations, such as the Business Secrets Act, the Personal Data Protection Act, and the Information and Communication Security Management Act.

The main possible potential security threats include:

- Fraudulent groups use Business Email Compromise (BEC) to trick employees into remittances or transactions.
- Commercial spy or competitors use hacking technology to continuously infiltrate internal hosts and steal internal corporate data.
- Criminal groups combined with hackers to distribute maliciously linked content through emails, newsletters, social media app, and communications software, so that victim computer data is encrypted and abducted, requiring high ransom.
- Hackers use the Internet to launch a large number of connection requests to block the Company's normal network operations.
- Internal employees use illegal software or copy company confidential information to their portable storage devices, resulting in the loss of data.
- Natural disasters and man-made disasters cause information hardware and software or damage, resulting in service interruption or data loss.

For these security threats, CTCI officially began risk management by introducing ISO 27001:2013 standards in 2014. Committed to reducing the probability and impact of risk occurrence and enhancing the Company's ability to continue operations. At the same time, various security measures are introduced to carry out risk management and control in response to the above-mentioned major security threats, including items as below.

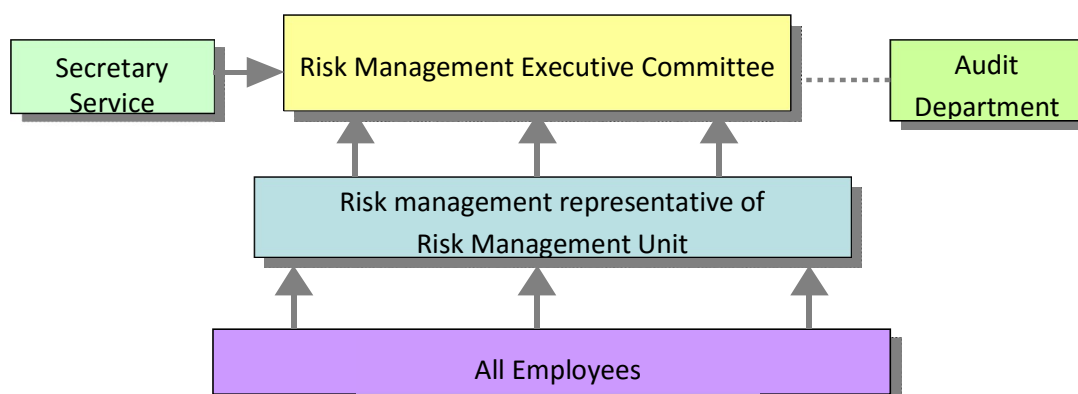
- Continue to conduct social engineering attack simulation exercises and provide training on security education to enhance employees' awareness of email security.
- The client installs anti-virus and supervision agent, blocks the connection of the USB storage device as well as the permission to install the software by user. Provide personal cloud service to backup user's important information.
- For the network layer, CTCI introduces Chunghwa Telecom's information security cloud service, combined with a firewall, to control the traffic and applications of the network. Development of intranet protection and database access monitoring and management mechanism.
- Protect file confidentiality through a sensitive file management system and disk encryption technology.
- Centralized management of the host, establishment of the server room control and environment monitor mechanism. Perform data backups on a regular basis and perform disaster recovery drills each year.
- Regular internal and external audits to improve the operation of the information security system.
- To reduce the risk of data leaking and the net attack launched by a hacker, we implement a security control for wireless connection of user's PC and Laptop. These devices cannot connect to personal AP (usually shared by mobile phones) within the office building.

In 2020, we implement a new email filtering and auditing system to reduce the risk of email use, and import face recognition system to meet the needs of epidemic prevention and physical security.

CTCI understands that in the management of security risks, it is necessary to continue to improve with the practice of PDCA. The promotion and implementation of the security management to support the sustainable operation and development of various businesses within the Group is also an important cornerstone for the CTCI IT in the new century.

7.6.14 Risk management organization framework

A. Organization chart



B. Responsibility

(A) Risk Management Executive Committee

The Risk Management Executive Committee is the major monitoring mechanism for risk management of the Company, its members mainly include President and Head of Executive Management Office, and Business Operations, President is the Chairman of committee, and the convener is Head of Executive Management Office.

Major responsibilities are as follows:

- Approve risk management policy and rules of the Company;
- Examine risk management report and strategy of the Company, and improvement plan;
- Supervise execution of risk control measure and improvement plan, communicate and deliver risk management affairs with and to all employees;
- Examine and assess the effectiveness of risk management measure and ask relevant unit to propose improvement plan.

(B) Risk Management Secretary Service

The convener of Risk Management Executive Committee will designate dedicated personnel (or unit) to be responsible for overall risk management secretary service to ensure continuous effectiveness of risk management mechanism.

Major responsibilities are as follows:

- Contact window of risk management mechanism of the Company;
- Summarize and submit the risk management report, real time report and other works related to risk management;
- Issue relevant procedures;
- Convene risk management review meeting.

(C) Audit Department

The Audit Department uses the risk assessment results as a reference for drafting the annual audit plan.

(D) Risk Management Representative

Company sets several risk management units in accordance with the functions and each unit designates risk management representative to undertake relevant affairs and contact windows. Roles and responsibilities of risk management representative are as follows:

- Promote the supervision, identification and management of significant risks on behalf of risk management units;
- Summarize and prepare risk registers and improvement plan of the risk management unit;
- Collect and monitor significant risk event and evaluate the impact;
- Report significant risk and relevant improvement plan to Head of Business Operations and provide a copy to the unit of risk management secretary service;
- Deliver the notice of risk management to members of the unit.

(E) All employees

Comply with company policy, perform duty in accordance with the R&R, implement relevant operations of risk management, and report to the supervisor immediately in case of a risk.

7.6.15 Other Major Risks

CTCI attaches great importance to the possibility of emerging risks, therefore emerging risk is being incorporated into the risk management cycle. Through the systematic management system, CTCI continues to identify emerging risks, and focuses on changes in the global environment. CTCI not only launches control measures for emerging risks that may arise, but also looks for opportunities from possible future trends.

Risk Description	Potential impact	Mitigating actions
Global financial institutions have responded to the Paris Agreement. Several banks have suspended investment and financing of petrochemical plants and coal-fired power plants. It is expected that more financial institutions will follow in the future.	<ul style="list-style-type: none"> Funding restrictions may lead to changes in plant construction plans, cancellation or postponement of original bid proposals, thereby affecting the company's business performance. Additional cost of estimate and quotation arising from changes in plant construction plan. The company's continued implementation of petrochemical plant and coal-fired power plant projects may affect its cooperation with financial institutions. 	<ul style="list-style-type: none"> When bidding for a project, the proprietor's financial situation should be evaluated first to avoid additional costs arising from changes in the plant construction plan. Investment and lending trends of international financial institutions are listed as one of the references for evaluating the Company's business strategy. Strengthen the layout of the green energy industry to facilitate obtaining loan lines and preferential interest rates from financial institutions.
The US-China trade war has led to changes in the global industrial chain, coupled with the unresolved impact of the epidemic and limited economic recovery. There may be gaps in CTCI's future business. In order to maintain the stable development of the company, transformation should be sought.	<ul style="list-style-type: none"> Enterprise transformation requires higher costs, and the initial stage of transformation may have an impact on the company's revenue. The engineering and plant planning, consideration and pace of other industries are very different from those of the CTCI's familiar oil refining and petrochemical industries or power plants, which may cause internal conflicts. 	<ul style="list-style-type: none"> Integrate the resources and experiences of CTCI Group to set up a new unit called Advanced Technology Facilities Business Operations in an aggressive bid for businesses in five major areas: integrated circuits (IC), precision testing, optoelectronics, computers and peripherals, and communications. Adjust the organizational structure, resource allocations, and operating procedures to respond to and meet client demands, and become an expert in new fields.

7.7 Other Important Information: None.

March 31, 2021



(2) General information of the affiliates:

March 31st, 2021; Unit : \$Thousands

Company	Date of Incorporation	Address	Paid-up Capital	Major Business Activities
CTCI Smart Engineering Corporation	1980.05.27	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 608,720	Planning and design of construction projects
CTCI Resources Engineering Inc.	1984.05.29	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 250,000	Planning, design and supervision of mechanical and electrical engineering projects
CTCI Advanced Systems Inc.	1987.08.03	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 270,770	Design and installation of software
ECOVE Environmental Service Corporation	1994.05.24	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 151,000	Environmental engineering
CTCI Development Corporation	1999.02.24	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 3,500,000	Real estate and leasing business
CTCI Investment Corporation	1999.02.05	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 2,072,000	Investments
ECOVE Environment Corporation	1999.12.13	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 690,286	Investments
CTCI Chemicals Corporation	1999.08.04	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 71,000	Manufacturing of chemical products
ECOVE Wujih Energy Corporation	2000.05.19	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 300,000	Environmental engineering
ECOVE Waste Management Corporation	2001.06.01	No.69, Ln. 373, Changchun St., Wuri Dist., Taichung City, Taiwan	TWD 20,000	Environmental engineering
ECOVE Miaoli Energy Corporation	2002.11.07	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 600,000	Environmental engineering
CTCI Machinery Corporation	2007.04.02	5, Xinggong Rd., Dashe Dist., Kaohsiung City, Taiwan	TWD 200,000	Planning and design of construction projects
CTCI (Thailand) Co., Ltd.	1987.08.15	19th Floor, Phairojkiija Tower 825, Bangna-Trad K.M.4, Bangna Bangkok 10260 Thailand	THB 255,000	Planning and design of construction projects

Company	Date of Incorporation	Address	Paid-up Capital	Major Business Activities
CTCI Overseas (BVI) Corporation	1997.04.30	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, Virgin Islands, British	HKD 67,400	Investment, planning and design of construction
CTCI Beijing Co., Ltd.	1993.02.17	10F Royal City International Centre B, No. 138, Andingmenwai Street, Dongcheng District, Beijing, China	USD 13,930	Planning and design of construction projects
CTCI Shanghai Co., Ltd.	2003.09.24	Room.12, Floor.8, No.441, He Nang Bai Road, Zhabei District, Shanghai, China	CNY 123,413	Consulting services for construction projects
CTCI Overseas Corporation Limited	1993.06.01	Suite 1801-5,18/F.,Tower 2,China Hong Kong City, 33 Canton Road,Tsim Sha Tsui, Kowloon Hong Kong	HKD 67,400	Planning and design of construction projects
CTCI Engineering & Construction Sdn. Bhd.	1983.09.21	6th Floor, Wisma MIE, No 2, Jalan Industri PBP 2, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan, Malaysia	MYR 750	Planning and design of construction projects
CTCI Arabia Ltd.	2002.10.27	P.O.Box 1962 Al Khobar 31952 Kindom of Saudi Arabia	SAR 5,000	Design and construction of chemical factories
CTCI Vietnam Company Limited	2001.03.28	6th Floor, Charmvit Building 117Tran Duy HungCau Giay District Hanoi, Vietnam	USD 3,800	Planning and design of construction projects
Century Ahead Ltd.	2000.10.12	Offshore Chambers, P.O.Box 217, Apia, Samoa	USD 750	Investments, planning and design of construction projects
Superiority (Thailand) Co., Ltd.	2006.01.01	19th Floor, Phairojkiija Tower 825, Bangna-Trad Road, K.M.4, Bangna, Bangkok 10260 Thailand	THB 350	Investments
CTCI Advanced Systems Shanghai Inc.	2001.09.11	Room 704, 7Fl, 26, Lane 168, Daduhe Road, Putuo District, Shanghai, China	USD 750	Computer skills services
CTCI Malaysia Sdn. Bhd.	2002.06.04	6th Floor, Wisma MIE, No 2, Jalan Industri PBP 2, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan, Malaysia	MYR 750	Planning and design of construction projects

Company	Date of Incorporation	Address	Paid-up Capital	Major Business Activities
Sumber Mampu Sdn. Bhd.	2003.06.04	6th Floor, Wisma MIE, No 2, Jalan Industri PBP 2, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan, Malaysia	MYR 100	Investments
CIPEC Construction Inc.	2003.07.03	Unit 1202 Global Tower Gen. Mascardo ST., Bangkal, Makati City, Philippines	PHP 82,000	Planning and design of construction projects
SINO GAL - Waste Services Co., Ltd.	2009.06.16	Rua Dr. Pedro Jose Lobo, ns 1-3, Edificio Banco Luso Internacional,15 andar, salas 1501 e 1510, em Macau	MOP 4,000	Environmental engineering
CINDA Engineering & Construction Pvt. Ltd.	2008.08.08	P-24, Green Park Extension, New Delhi 110016, India	INR 810,000	Planning and design of construction projects
CTCI Trading Shanghai Co., Ltd.	2009.07.17	Room 701, 7Fl, 26, Lane 168, Daduhe Road, Putuo District, Shanghai, China	CNY 5,000	General trade.
CTCI Americas, Inc.	2009.10.02	11490 Westheimer Rd., Suite 200 Houston, Texas 77077, USA	USD 100	Business development and related engineering services and planning
Universal Engineering(BVI) Corporation	2003.03.06	Craigmuir Chambers P.O. Box 71 Road Town Tortola VG1110 VIRGIN ISLANDS, BRITISH	USD 50	Planning and design of construction projects
CTCI Singapore Pte. Ltd.	2011.01.10	80 Robinson Road #02-00 Singapore(068896)	USD 5,100	Planning and design of construction projects
Yuan Ding Resources Corporation	2013.12.13	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 45,000	Environmental engineering
ECOVE Environment Consulting Corporation	2013.08.02	Room 2206-G,NO.89,East Yunling Rd., Putuo District, Shanghai, China	USD 140	Environmental engineering
CCJV P1 Engineering & Construction Sdn. Bhd.	2014.05.20	6th Floor, Wisma MIE, No 2, Jalan Industri PBP 2, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan, Malaysia	MYR 250	Planning of construction projects
CTCI Netherlands B.V.	2016.01.04	Jan Pietersz. Coenstraat 7, 2595WP's-Gravenhage, Netherlands	EUR 300	Engineers and other technical design and consultancy

Company	Date of Incorporation	Address	Paid-up Capital	Major Business Activities
Crown Asia 2 Investment Limited	2011.04.21	10Fl, 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 250	Investments
CTCI-HDEC (Chungli) Corporation	2016.08.15	16Fl., No.65, Sec. 2, Daxing W. Rd., Taoyuan Dist., Taoyuan City, Taiwan	TWD 1,500,000	Environmental engineering with BOT
CTCI CMCE JV Sdn. Bhd.	2017.07.10	6th Floor, Wisma MIE, No 2, Jalan Industri PBP 2, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan, Malaysia	MYR 750	Planning of construction projects
ECOVE Solar Energy Corporation	2011.6.2	13F., No. 366, Bo' ai 1st Rd., Sanmin Dist., Kaohsiung City 807, Taiwan (R.O.C.)	TWD 1,046,211	Energy technology service
ECOVE Solar Power Corporation	2013.8.9	13F., No. 366, Bo' ai 1st Rd., Sanmin Dist., Kaohsiung City 807, Taiwan (R.O.C.)	TWD 306,000	Energy technology service
ECOVE South Corporation Ltd.	2013.2.6	13F., No. 366, Bo' ai 1st Rd., Sanmin Dist., Kaohsiung City 807, Taiwan (R.O.C.)	TWD 30,500	Energy technology service
G.D. International, LLC	2011.12.12	251 Little Falls Drive, Wilmington, DE 19808, U.S.A.	USD 11,053	Energy technology service
Lumberton Solar W2-090, LLC	2011.10.28	Wilentz,Goldman&Spitzer,P.A.,90 Woodbridge Center Drive ,Woodbridge, New Jersey 07095	USD 10,942	Energy technology service
ECOVE Solvent Recycling Corporation	2013.7.15	No. 7-1, Guojian 3rd Rd., Guanyin Dist., Taoyuan City 328, Taiwan (R.O.C.)	TWD 90,000	Operating basic chemical industry and manufacture of other chemical products
PT CTCI International Indonesia	2020.01.13	Gedung Menara Global Lantai 10 Suite C, Jl. Jenderal Gatot Subroto Kav. 27, Setiabudi, Jakarta Selatan 12950	IDR 51,000,000	Planning of construction projects

(3) Common Shareholders of the Company and Its Subsidiaries or Its Affiliates with Actual of Deemed Control: Not Applicable.

(4) Industries covered by the business operated by all affiliates:

The business of the Company and its subsidiaries and affiliates provide include engineering, environmental, chemical and investment.

(5) Directors, supervisors, and general managers of the Company and affiliates

March 31st, 2021

Company	Title	Name of Representative	Shareholding	
			Shares	%
CTCI Smart Engineering Corporation	Chairman	CTCI Corporation Representative: DingGo Ku	59,098,624	97.09
	Director	CTCI Corporation Representative: John Fann		
	Director	CTCI Corporation Representative: Kuo-Ann Wu		
	Director	CTCI Corporation Representative: Shuh-Gong Lou		
	Director	CTCI Corporation Representative: Walker Wang		
	Supervisor	CTCI Investment Corporation Representative: Connie Lin	1,000	0.00
	President	Walker Wang	0	0
CTCI Resources Engineering Inc.	Chairman	CTCI Advanced Systems Inc. Representative: Kuo-Ann Wu	24,762,252	99.05
	Director	CTCI Advanced Systems Inc. Representative: Max Hsueh		
	Director	CTCI Advanced Systems Inc. Representative: Ming-Shan Yu		
	Director	CTCI Advanced Systems Inc. Representative: Fortune Chen		
	Director	CTCI Advanced Systems Inc. Representative: Benjamin Tsai		
	Supervisor	CTCI Development Corporation Representative: Gino Tsai	1,388	0.01
	President	Fortune Chen	0	0
CTCI Advanced Systems Inc.	Chairman	CTCI Corporation Representative: Kuo-Ann Wu	12,454,461	45.69
	Director	CTCI Corporation Representative: Chen-Chin Chen		
	Director	Shyue-Ching Lu	0	0
	Director	Bao-Lang Chen	0	0
	Director	Hou-Sheng Chan	0	0
	Director	Hung-I Chen	490,033	1.80
	Independent Director	Ray Chang	0	0
	Independent Director	Victor Tsan	0	0
	Independent Director	Amy Lee	0	0
	President	Chen-Chin Chen	4,000	0.01
ECOVE Environment Services Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	15,100,000	100
	Director	ECOVE Environment Corporation Representative: J.J. Liao		

Company	Title	Name of Representative	Shareholding	
			Shares	%
	Director	ECOVE Environment Corporation Representative: Eric Tiao		
	Director	ECOVE Environment Corporation Representative: Yu-Cyun Chen		
	Director	ECOVE Environment Corporation Representative: Daniel Ting		
	Supervisor	ECOVE Environment Corporation Representative: Chien-Lung Yen		
	President	Eric Tiao	0	0
CTCI Development Corporation	Chairman	CTCI Corporation Representative: John T. Yu	350,000,000	100.00
	Director	CTCI Corporation Representative: Shih-Wei Chung		
	Director	CTCI Corporation Representative: Wen-Pin Lo		
	Supervisor	CTCI Corporation Representative: Jeff Hsu		
	President	Todd Chen	0	0
CTCI Investment Corporation	Chairman	CTCI Corporation Representative: Todd Chen	207,200,000	100.00
	Director	CTCI Corporation Representative: Ting-Kuo Li		
	Director	CTCI Corporation Representative: James Liu		
	Supervisor	CTCI Corporation Representative: Hope Sun		
	President	Ting-Kuo Li	0	0
ECOVE Environment Corporation	Chairman	CTCI Corporation Representative: J.J. Liao	38,457,105	55.67
	Director	CTCI Corporation Representative: Yun-Peng Shih		
	Director	Eugene Chien	0	0
	Director	Kuan-Shen Wang	0	0
	Director	Yang-Min Liu	0	0
	Director	Bing Shen	0	0
	Independent Director	Shuh-Woei Yu	0	0
	Independent Director	Shan-Shan Chou	0	0
	Independent Director	James Tsai	0	0
	President	Yun-Peng Shih	16,444	0.02
CTCI Chemicals Corporation	Chairman	CTCI Investment Corporation Representative: Kevin S.P. Jen	1,657,207	23.34
	Director	CTCI Investment Corporation Representative: Todd Chen		
	Director	CTCI Investment Corporation Representative: M.L. Lee		

Company	Title	Name of Representative	Shareholding	
			Shares	%
	Director	CTCI Investment Corporation Representative: Yeu-Wen Chen		
	Director	Shirley Chou	576,910	8.13
	Supervisor	CTCI Development Corporation Representative: Henderson Ko	480,661	6.77
	President	Sam Kuo	13,186	0.19
ECOVE Wujih Energy Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	30,000,000	100.00
	Director	ECOVE Environment Corporation Representative: J.J. Liao		
	Director	ECOVE Environment Corporation Representative: Pei-Feng Chu		
	Supervisor	ECOVE Environment Corporation Representative: Nicole Ku		
	President	Pei-Feng Chu	0	0
ECOVE Waste Management Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	2,000,000	100.00
	Director	ECOVE Environment Corporation Representative: J.J. Liao		
	Director	ECOVE Environment Corporation Representative: Hsiu-Yu Mike Kuo		
	Supervisor	ECOVE Environment Corporation Representative: Jin-Wen Chang		
	President	Hsiu-Yu Mike Kuo	0	0
ECOVE Miaoli Energy Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	44,999,200	75.00
	Director	ECOVE Environment Corporation Representative: J.J. Liao		
	Director	Topco Scientific Co., Ltd. Representative: Fa-Siang Tan	14,960,000	24.93
	Supervisor	ECOVE Environment Services Corporation Representative: Ping-Kun Lin	800	0.00
	Supervisor	Topco International Investment Co., Ltd. Representative: Su-Qing Lu	40,000	0.07
	President	Pei-Feng Chu	0	0
CTCI Machinery Corporation	Chairman	CTCI Corporation Representative: Stone Tan	20,000,000	100.00
	Director	CTCI Corporation Representative: M.C. Wu		
	Director	CTCI Corporation Representative: Y.W. Cheng		
	Supervisor	CTCI Corporation Representative: Y.S. Kuan		
	President	M.C. Wu	0	0

Company	Title	Name of Representative	Shareholding	
			Shares	%
CTCI (Thailand) Co., Ltd.	Chairman	Todd Chen	0	0
	Director	I-Kang Ho	0	0
	Director	Rungthip Chin	0	0
	Managing Director	Jack Hung	0	0
CTCI Overseas (BVI) Corporation	Director	Shih-Wei Chung	0	0
	Director	Michael Yang	0	0
	Director	Melissa Liu	0	0
CTCI Beijing Co., Ltd.	Chairman	CTCI Overseas Corporation Limited Representative: Tieh-Shih Chang	USD 13,930,443	100.00
	Director	CTCI Overseas Corporation Limited Representative: Todd Chen		
	Director	CTCI Overseas Corporation Limited Representative: Ho-Chuang Lee		
	Director	CTCI Overseas Corporation Limited Representative: Tiger Tsai		
	Director	CTCI Overseas Corporation Limited Representative: Jeff C. F. Wu		
	Supervisor	CTCI Overseas Corporation Limited Representative: Ai-Cheng Ho		
	President	Ho-Chuang Lee	0	0
CTCI Shanghai Co., Ltd.	Chairman	CTCI Beijing Co., Ltd. Representative: Tieh-Shih Chang	CNY 123,412,513	100.00
	Director	CTCI Beijing Co., Ltd. Representative: Ho-Chuang Lee		
	Director	CTCI Beijing Co., Ltd. Representative: Paul Wu		
	Director	CTCI Beijing Co., Ltd. Representative: John Hsu		
	Supervisor	CTCI Beijing Co., Ltd. Representative: Sharon Chiang		
	President	Ho-Chuang Lee	0	0
CTCI Overseas Corporation Limited	Director	Michael Yang	0	0
	Director	John T. Yu	0	0
	Director	Todd Chen	0	0
CTCI Engineering & Construction Sdn. Bhd.	Chairman	Ting-Kuo Li	0	0
	Director	Jenq-Shyong Chung	0	0
	Director	T.C. Li	0	0
	Managing Director	Terence Wu	0	0

Company	Title	Name of Representative	Shareholding	
			Shares	%
CTCI Arabia Ltd.	Chairman	CTCI Corporation Representative: Todd Chen	500	50.00
	Director	CTCI Corporation Representative: Paul Yang		
	Director	CTCI Overseas Corporation Limited Representative: Joanne Ho	500	50.00
	Managing Director	CTCI Overseas Corporation Limited Representative: Scott Chen		
CTCI Vietnam Company Limited	Chairman	CTCI Overseas Corporation Limited Representative: Todd Chen	USD3,800,000	100.00
	BOM Member	CTCI Overseas Corporation Limited Representative: James Wang		
	BOM Member	CTCI Overseas Corporation Limited Representative: Neil Chen		
	General Director	Neil Chen	0	0
Century Ahead Ltd.	Director	Chen-Chin Chen	0	0
	Director	Benjamin Tsai	0	0
	Director	Ai-Cheng Ho	0	0
Superiority (Thailand) Co., Ltd.	Chairman	Todd Chen	0	0
	Director	Jack Hung	0	0
	Director	Rungthip Chin	0	0
CTCI Advanced Systems Shanghai Inc.	Chairman	Century Ahead Ltd. Representative: Chen-Chin Chen	USD750,000	100.00
	Director	Century Ahead Ltd. Representative: Benjamin Tsai		
	Director	Century Ahead Ltd. Representative: John Fann		
	Supervisor	Century Ahead Ltd. Representative: Ai-Cheng Ho		
	President	John Fann	0	0
CTCI Malaysia Sdn. Bhd.	Chairman	Mohamed Nor Bin Abu Bakar	0	0
	Director	Kamaruddin Bin Anuar	0	0
	Director	Muhammad Anas Bin Marjunit	0	0
	Director	Jenq-Shyong Chung	0	0
	Director	Terence Wu	0	0
SINO GAL-Waste Services Co., Ltd.	Chairman	Helder Jose Moura Dos Santos	0	0
	Director	Pereira Taveira Pinto, Carlos Manuel	0	0
	Director	Yun-Peng Shih	0	0

Company	Title	Name of Representative	Shareholding	
			Shares	%
	Director	Eric Tiao	0	0
	Director	Melissa Liu	0	0
	President	Peter Wang	0	0
CIPEC Construction Inc.	Chairman	Ming-Cheng Hsiao	1	0.00
	Director	Vincent Liu	1	0.00
	Director	Romuel Consunji	1	0.00
	Director	Randolph Ang	1	0.00
	Director	Grace Fernandez	1	0.00
	President	Romuel Consunji	1	0.00
CINDA Engineering & Construction Pvt. Ltd.	Chairman	Todd Chen	0	0
	Director	Ming-Shyan Lee	0	0
	Director	Mike Shih	0	0
	Managing Director	C. S. Kao	0	0
CTCI Trading Shanghai Co., Ltd.	Executive Director	CTCI Shanghai Co., Ltd. Representative: Tieh-Shih Chang	CNY5,000,000	100.00
	Supervisor	CTCI Shanghai Co., Ltd. Representative: Ai-Cheng Ho		
	President	Ho-Chuang Lee	0	0
CTCI Americas, Inc.	Chairman	Ebrahim Fatemizadeh	0	0
	Director	Michael Yang	0	0
	Director	Todd Chen	0	0
	Director	Ming-Cheng Hsiao	0	0
	President	Patrick Jameson	0	0
Universal Engineering (BVI) Corporation	Chairman	Ming-Cheng Hsiao	0	0
CTCI Singapore Pte. Ltd.	Chairman	Ai-Cheng Ho	0	0
	Director	Mike Chi-Min Chien	0	0
	Director	Wee Choo Peng	0	0
	Managing Director	Terence Wu	0	0
Yuan Ding Resources Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	4,500,000	100.00
	President	Yun-Peng Shih	0	0

Company	Title	Name of Representative	Shareholding	
			Shares	%
ECVOE Environment Consulting Corporation	Executive Director	ECOVE Environment Services Corporation Representative: Yun-Peng Shih	USD140,000	100.00
	Supervisor	ECOVE Environment Services Corporation Representative: Nicole Ku		
	President	Eric Wang	0	0
CCJV P1 Engineering & Construction Sdn. Bhd.	Director	Shih-Wei Chung	0	0
	Director	Terence Wu	0	0
	Director	Rick Wu	0	0
	Director	Ichinose Yasuji	0	0
CTCI Netherlands B.V.	Director	David Wang	0	0
Crown Asia 2 Investment Limited	Chairman	CTCI Development Corporation Representative: Michael Yang	TWD250,000	100.00
	Director	CTCI Development Corporation Representative: Ming-Cheng Hsiao		
CTCI-HDEC (Chungli) Corporation	Chairman	CTCI Corporation Representative: Ting-Kuo Li	76,500,000	51.00
	Director	CTCI Corporation Representative: Tiger Tsai		
	Director	CTCI Corporation Representative: Jeff Hsu		
	Director	HSIN DAR Environment Corporation Representative: Sheng-Le Chen	73,500,000	49.00
	Director	HSIN DAR Environment Corporation Representative: Li-Ming Zhou		
	Supervisor	Nicole Ku	0	0
	Supervisor	Shu-Ru Yang	0	0
	President	William Chung	0	0
Sumber Mampu Sdn. Bhd.	Director	Frank Wu	0	0
	Director	Terence Wu	0	0
	Director	Mohamed nor bin abu bakar	30,000	30.00
	Director	Kamaruddin Bin Anuer	30,000	30.00
	Director	Muhammad Anas Bin Marjunit	30,000	30.00
CTCI CMCE JV Sdn. Bhd.	Director	Mike Chi-Min Chien	0	0
	Director	Ming-Shyan Lee	0	0
	Director	Hazwan Alif Bin Abdul Rahman	0	0
	Director	Nazatul Najla Binti Abdul Rahman	0	0

Company	Title	Name of Representative	Shareholding	
			Shares	%
ECOVE Solvent Recycling Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	8,099,000	89.99
	Director	ECOVE Environment Corporation Representative: J. J. Liao		
	Director	ECOVE Environment Corporation Representative: Chao-Tsung Chiang		
	Supervisor	ECOVE Environment Services Corporation Representative: Helen Hsu	1,000	0.01
	President	Cheng-Lung Su	0	0
ECOVE Solar Energy Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	104,621,082	100.00
	Director	ECOVE Environment Corporation Representative: J. J. Liao		
	Director	ECOVE Environment Corporation Representative: Ming-Cheng Hsiao		
	Supervisor	ECOVE Environment Corporation Representative: Helen Hsu		
	President	Joy Chao	0	0
ECOVE Solar Power Corporation	Chairman	ECOVE Solar Energy Corporation Representative: Yun-Peng Shih	30,600,000	100.00
	President	Yun-Peng Shih	0	0
ECOVE South Corporation Ltd.	Director	ECOVE Solar Energy Corporation Representative: Yun-Peng Shih	TWD 30,500,000	100.00
G.D. International, LLC	Chairman	Yun-Peng Shih	0	0
	Managing Director	J. J. Liao	0	0
Lumberton Solar W2-090, LLC	Chairman	Yun-Peng Shih	0	0
	Managing Director	J. J. Liao	0	0
PT CTCI International Indonesia	President	Todd Chen	0	0
	Director	Ming-Shyan Lee	0	0
	Director	H. Amir Syarifudin	0	0

8.1.2 Operation overview of the Company and affiliates

December 31st, 2020; Unit: TWD Thousands

Company	Paid-up Capital	Total Assets	Total Liabilities	Total Stockholders' Equity	Total Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Earnings Per Share (TWD)
CTCI Smart Engineering Corporation	608,720	1,492,156	1,933,191	(441,034)	948,787	(313,806)	(265,258)	(4.36)
CTCI Resources Engineering Inc.	250,000	1,475,484	1,056,574	418,910	2,090,627	95,416	102,337	4.09
CTCI Advanced Systems Inc.	270,650	999,925	496,826	503,099	728,022	35,640	135,361	5.74
ECOVE Environmental Service Corporation	151,000	1,957,844	1,112,915	844,928	3,595,948	336,766	358,197	22.95
CTCI Development Corporation	2,843,992	7,925,299	4,187,007	3,738,292	329,049	196,984	127,286	0.45
CTCI Investment Corporation	2,072,000	825,975	7,836	818,138	(98,029)	(98,779)	(77,645)	(0.37)
ECOVE Environment Corporation	689,762	5,216,413	35,225	5,181,188	854,942	804,276	842,254	12.53
ECOVE Wujih Energy Corporation	300,000	1,213,396	331,990	881,405	793,288	319,886	255,553	8.52
ECOVE Miaoli Energy Corporation	600,000	1,347,363	133,989	1,213,374	332,356	157,750	126,817	2.11
CTCI Chemicals Corporation	71,000	538,299	285,651	252,649	459,058	71,824	56,472	7.95
ECOVE Waste Management Corporation	20,000	533,962	425,188	108,774	1,368,668	58,321	53,858	26.93
CTCI (Thailand) Co., Ltd.	239,343	796,498	1,356,604	(560,106)	1,912,550	281,830	248,270	97.35
CTCI Overseas (BVI) Corporation	242,950	2,141,986	32	2,141,954	0	(591)	210,229	31.23
CTCI Overseas Corporation Limited	242,950	3,663,006	1,542,218	2,120,788	362,808	(9,896)	210,540	31.23
CTCI Beijing Co., Ltd.	422,069	5,160,503	2,768,120	2,392,383	8,676,144	598,927	547,658	-
CTCI Engineering & Construction Sdn. Bhd.	5,237	1,473,647	1,631,836	(158,189)	754,789	(379,624)	(333,920)	(404.18)
CTCI Vietnam Company Limited	81,557	205,584	111,387	94,197	292,295	7,070	7,257	-
Century Ahead Ltd.	23,678	46,242	0	46,242	0	(44)	5,235	-
CTCI Arabia Ltd.	37,457	153,332	1,354,144	(1,200,812)	21,132	(70,214)	(143,145)	(280.83)
CTCI Shanghai Co., Ltd.	533,154	1,099,771	545,946	553,825	608,304	25,180	25,135	-
CTCI Advanced Systems Shanghai Inc.	23,002	50,539	4,838	45,701	44,465	5,903	5,339	-
CTCI Machinery Corporation	200,000	4,943,564	4,275,039	668,526	3,313,110	211,877	114,886	5.74
Superiority (Thailand) Co., Ltd.	329	122,306	69,296	53,010	0	0	125,289	-
Universal Engineering(BVI) Corporation	1,405	109,600	432,368	(322,768)	0	(129)	125,999	-

Company	Paid-up Capital	Total Assets	Total Liabilities	Total Stockholders' Equity	Total Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Earnings Per Share (TWD)
CIPEC Construction Inc.	47,978	513,312	558,767	(45,455)	541,100	(95,214)	(73,519)	(8.97)
CINDA Engineering & Construction Pvt. Ltd.	30,688	2,125,047	2,316,357	(191,310)	2,281,860	(97,669)	(97,667)	(12.21)
Sumber Mampu Sdn. Bhd.	698	4,210	4,970	(760)	0	(110)	(122,343)	(1.10)
CTCI Malaysia Sdn.Bhd.	5,237	169,448	20,542	148,906	500	(2,473)	(152,716)	(3.40)
SINO GAL-Waste Services Co., Ltd.	14,055	491,120	266,963	224,157	746,356	244,995	212,860	-
CTCI Trading Shanghai Co., Ltd.	21,601	60,456	36,340	24,116	3,311	(1,597)	(3,342)	-
CTCI Americas, Inc.	2,810	911,769	976,493	(64,724)	2,315,563	86,234	(57,082)	(570.82)
CTCI Singapore Pte. Ltd.	137,475	587,096	1,719,895	(1,132,799)	567,377	(65,439)	(64,160)	(69.64)
Yuan Ding Resources Corporation	45,000	39,468	80	39,388	0	(137)	53	0.01
ECOVE Environment Consulting Corporation	3,714	40,072	27,527	12,545	60,064	6,975	6,616	-
CCJV P1 Engineering and Construction Sdn. Bhd.	1,746	1,459,810	2,159,239	(699,429)	988,315	(225,554)	(247,077)	(982.40)
CTCI Netherlands B.V.	10,359	30,530	0	30,530	(13,611)	(18,072)	(19,102)	-
Crown Asia 2 Investment Limited	250	828	443	385	1	(84)	(86)	-
CTCI-HDEC (Chungli) Corporation	500,000	474,721	533	474,188	1,462	(1,004)	(621)	(0.01)
CTCI CMCE JV Sdn. Bhd.	5,237	21,056	114,667	(93,611)	0	(75,779)	(4,078)	(101.04)
ECOVE Solar Energy Corporation	1,046,211	2,521,302	1,232,928	1,288,374	206,332	30,657	74,513	0.71
ECOVE Solar Power Corporation	306,000	1,174,916	815,706	359,210	174,156	64,816	44,060	1.44
ECOVE South Corporation Ltd.	30,500	141,816	107,312	34,504	15,457	4,642	3,185	-
G.D. International ,LLC	310,551	368,473	154	368,319	0	(180)	15,572	-
Lumberton Solar W2-090, LLC	307,435	687,558	319,788	367,770	75,292	12,652	15,751	-
ECOVE Solvent Recycling Corporation	90,000	205,871	115,852	90,019	91,801	17,058	14,358	1.60
PT CTCI International Indonesia	102,000	100,499	3	100,496	0	(2,539)	(1,520)	-

8.1.3 The related information on the endorsements or guarantees for others, lending to others and derivative financial instruments of affiliates

A. Endorsements or guarantees for others (as of March 31st, 2021)

Unit: TWD thousands

No. (Note 1)	Guarantor	Guarantee		The Ceiling on guarantee for single enterprise	The highest balance during the period (Note 4)	Ending balance as of March 31 st , 2021	Assets pledged for guarantee	Ratio of the accumulated guarantee to the net asset value of the Company as of December 31 st , 2020	Ceiling on total guarantee amount (Note 3)
		Name	Relationship with the Company (Note 2)						
1	CTCI Advanced Systems Inc.	Century Ahead Ltd.	2	100% of the net worth from the latest audited financial statements of CTCI Advanced Systems Inc.	17,104	17,104	-	3.04%	The ceiling for total guarantee is \$1,006,198, 200% of the net worth from the latest audited financial statements of CTCI Advanced Systems Inc.
1	CTCI Advanced Systems Inc.	CTCI Advanced Systems Shanghai Inc.	2	100% of the net worth from the latest audited financial statements of CTCI Advanced Systems Inc.	21,683	21,683	-	4.31%	The ceiling for total guarantee is \$1,006,198, 200% of the net worth from the latest audited financial statements of CTCI Advanced Systems Inc.
2	CTCI Chemicals Corporation	CTCI Machinery Corporation	5	300% of the net worth from the latest audited financial statements of CTCI Chemicals Corporation	532,830	532,830	-	210.90%	The ceiling for total guarantee is \$ 1,515,892, 600% of the net worth from the latest audited financial statements of CTCI Chemicals Corporation
3	CTCI Resources Engineering Inc.	CTCI Smart Engineering Corporation	5	300% of the net worth from the latest audited financial statements of CTCI Resources Engineering Inc.	26,679	26,679	-	6.37%	The ceiling for total guarantee is \$ 2,513,461, 600% of the net worth from the latest audited financial statements of CTCI Resources Engineering Incorporated
4	ECOVE Environment Corporation	ECOVE South Corporation Ltd.	2	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	150,000	150,000	-	2.90%	The ceiling for total guarantee is \$15,543,564, 300% of the net worth from the latest audited financial statements of ECOVE Environment Corporation
4	ECOVE Environment Corporation	ECOVE Solar Energy Corporation	2	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	2,106,323	1,970,428	-	38.03%	The ceiling for total guarantee is \$15,543,564, 300% of the net worth from the latest audited financial statements of ECOVE Environment Corporation

No. (Note 1)	Guarantor	Guarantee		The Ceiling on guarantee for single enterprise	The highest balance during the period (Note 4)	Ending balance as of March 31 st ,2021	Assets pledged for guarantee	Ratio of the accumulated guarantee to the net asset value of the Company as of December 31 st ,2020	Ceiling on total guarantee amount (Note 3)
		Name	Relationship with the Company (Note 2)						
4	ECOVE Environment Corporation	ECOVE Solar Power Corporation	2	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	783,000	783,000	-	15.11%	The ceiling for total guarantee is \$15,543,564, 300% of the net worth from the latest audited financial statements of ECOVE Environment Corporation
4	ECOVE Environment Corporation	EVER ECOVE Corporation	6	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	220,500	220,500	-	4.26%	The ceiling for total guarantee is \$15,543,564, 300% of the net worth from the latest audited financial statements of ECOVE Environment Corporation
4	ECOVE Environment Corporation	ECOVE Solvent Recycling Corporation.	2	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	157,600	157,600	-	3.04%	The ceiling for total guarantee is \$15,543,564, 300% of the net worth from the latest audited financial statements of ECOVE Environment Corporation
5	ECOVE Solar Energy Corporation	ECOVE South Corporation Ltd.	2	400% of the net worth from the latest audited financial statements of ECOVE Solar Energy Corporation	14,000	14,000	-	1.09%	The ceiling for total guarantee is \$ 7,730,243, 600% of the net worth from the latest audited financial statements of ECOVE Solar Energy Corporation
5	ECOVE Solar Energy Corporation	ECOVE Solar Power Corporation	2	400% of the net worth from the latest audited financial statements of ECOVE Solar Energy Corporation	687,076	687,076	-	53.33%	The ceiling for total guarantee is \$ 7,730,243, 600% of the net worth from the latest audited financial statements of ECOVE Solar Energy Corporation
6	ECOVE Solar Power Corporation	ECOVE Solar Energy Corporation	3	400% of the net worth from the latest audited financial statements of ECOVE Solar Power Corporation	12,420	12,420	-	3.46%	The ceiling for total guarantee is \$2,155,261, 600% of the net worth from the latest audited financial statements of ECOVE Solar Power Corporation

Note 1:

1. Company : 0.

2. Subsidiaries : Please fill in the number with a sequence from 1 to 10.



Note 2: Eligibility of endorsements or Guarantees :

1. A company with which it does business.
2. A company in which the company directly or indirectly holds more than 50% of the voting shares.
3. A company directly and indirectly holds more than 50% of the voting shares in the company.
4. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares
5. Contract required.
6. The relationship of Joint venture.
7. The performance guarantees for the sale of pre-sales contracts under the Consumer Protection Law.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company' s "Regulations Governing Making of Endorsements/ Guarantees" , and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: Fill in the maximum outstanding balance of endorsements/guarantees provided during the year ended March 31st, 2021.

B. Lending to others (as of March 31st, 2021)

No. (Note1)	Lender	Borrower	Account item (Note2)	The highest balance during period (Note3)	Ending balance as of March 31 st ,2021 (Note8)	Interest rate	Nature of Lending (Note4)	Amount for operation (Note5)	Reason of short-term financing (Note6)	Allowance for bad debts	Collateral		Limit on lending for single enterprise (Note7)	Ceiling for total amount (Note7)
											Name	Value		
1	ECOVE Environment Corporation	ECOVE Solar Energy Corporation	Accounts receivable-related parties	200,000	200,000	0.930%	2	0	For operational needs	0	NA	0	518,119	2,072,475
2	ECOVE Solar Energy Corporation	ECOVE South Corporation Ltd.	Accounts receivable-related parties	80,000	80,000	1.480%	2	0	For operational needs	0	NA	0	515,350	515,350
2	ECOVE Solar Energy Corporation	ECOVE Solar Power Corporation	Accounts receivable-related parties	80,000	80,000	-	2	0	For operational needs	0	NA	0	515,350	515,350
3	CTCI Investment Corporation	Superiority (Thailand) Co., Ltd.	Accounts receivable-related parties	68,659	66,435	1.250%	2	0	For operational needs	0	NA	0	327,255	327,255
4	CTCI Resources Engineering Inc.	CTCI Advanced System Inc.	Accounts receivable-related parties	25,000	25,000	0.830%	2	0	For operational needs	0	NA	0	41,891	167,564
5	PT CTCI International Indonesia	PT EPTCO DIAN PERSADA	Accounts receivable-related parties	35,620	35,620	5.000%	2	0	For operational needs	0	Pledge of Stock Rights	33,660	40,198	40,198
6	CTCI Overseas Corp. Ltd.	CIPEC Construction Inc.	Accounts receivable-related parties	20,525	20,525	0.980%	2	0	For operational needs	0	NA	0	860,694	860,694
6	CTCI Overseas Corp. Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Accounts receivable-related parties	728,924	728,924	1.010%~1.082%	2	0	For operational needs	0	NA	0	860,694	860,694
7	CTCI Development Corp.	CIPEC Construction Inc.	Accounts receivable-related parties	293,622	293,622	1.35%	2	0	For operational needs	0	NA	0	1,495,317	1,495,317



Note 1 : Number for items explain as follows :

- Company : 0.
- Subsidiaries : Please fill in the number with a sequence from 1 to 10.

Note 2 : This item is for account receivable-related parties, owner' s equity, prepayments, temporary payments etc. If any item belongs to Lending to others needs to be filled in this column.

Note 3 : The highest balance during period.

Note 4 : Description for Lending to others as follows :

- Having business relationship.
- Operational needs.

Note 5 : Belongs to item 1, please fill in the amount for operation.

Note 6 : Belongs to item 2, please explain the reason and lending purpose of short-term financing. For example, repayment for loans, purchasing equipments, or needs for operations and working capital, etc.

Note 7 : Please fill in the limit of amount on lending to single enterprise and total limit of amount on lending to others by the Company, according to the stipulation of the Procedures of Lending to Others, and express the calculation of the aforesaid figures in the column of remarks.

Note 8 : The amounts of funds to be loaned to others which have been approved by board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if board of directors of a public company has authorized the chairman to loan funds in installments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” , the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

C. Derivative Transactions Information

(A) Derivatives transactions by December 31, 2020

- a. This year, up to December 31, 2020, CTCI Corporation engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD22,076,687 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid forward contracts is TWD72,190 thousand, listed in non-operating expense.
- b. This year, up to December 31, 2020, CTCI Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD4,882,217 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid SWAP contracts is TWD37,221 thousand, listed in non-operating expense.
- c. This year, up to December 31, 2020, CTCI Corporation engaged in Commodity SWAP transactions to hedge the risks from fluctuation in raw material prices. Total contract amount is TWD2,726,532 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD131,605 thousand, listed in non-operating income.
- d. This year, up to December 31, 2020, CTCI Chemicals Corporation engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD99,991 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange loss of aforesaid forward contracts is TWD1,527 thousand, listed in non-operating expense.
- e. This year, up to December 31, 2020, CTCI Investment Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD66,347 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid SWAP contracts is TWD2,083 thousand, listed in non-operating expense.
- f. This year, up to December 31, 2020, CTCI Development Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD342,564 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD1,771 thousand, listed in non-operating income.
- g. This year, up to December 31, 2020, CTCI Engineering & Construction Sdn. Bhd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD803,434 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange loss of aforesaid forward contracts is TWD11,719 thousand, listed in non-operating expense.
- h. This year, up to December 31, 2020, CTCI Engineering & Construction Sdn. Bhd. engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD278,550 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid SWAP contracts is TWD8,466 thousand, listed in non-operating expense.
- i. This year, up to December 31, 2020, CCJV P1 Engineering & Construction Sdn. Bhd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD1,941,749 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange loss of aforesaid forward contracts is TWD39,376 thousand, listed in non-operating expense.

- j. This year, up to December 31, 2020, CCJV P1 Engineering & Construction Sdn. Bhd. engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD493,901 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid SWAP contracts is TWD1,742 thousand, listed in non-operating expense.
- k. This year, up to December 31, 2020, CTCI Singapore Pte. Ltd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD853,152 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD3,803 thousand, listed in non-operating income.

(B) Derivatives transactions by Mar. 31, 2021

- a. This year, up to March 31, 2021, CTCI Corporation engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD6,577,767 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid forward contracts is TWD18,022 thousand, listed in non-operating income.
- b. This year, up to March 31, 2021, CTCI Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD3,948,687 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD30,164 thousand, listed in non-operating income.
- c. This year, up to March 31, 2021, CTCI Corporation engaged in Commodity SWAP transactions to hedge the risks from fluctuation in raw material prices. Total contract amount is TWD1,435,456 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD97,248 thousand, listed in non-operating income.
- d. This year, up to March 31, 2021, CTCI Chemicals Corporation engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD28,263 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD1,110 thousand, listed in non-operating income.
- e. This year, up to March 31, 2021, CTCI Investment Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD66,347 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD1,549 thousand, listed in non-operating income.
- f. This year, up to March 31, 2021, CTCI Development Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD510,006 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid SWAP contracts is TWD338 thousand, listed in non-operating expense.
- g. This year, up to March 31, 2021, CTCI Engineering & Construction Sdn. Bhd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD1,184,226 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD5,115 thousand, listed in non-operating income.

- h. This year, up to March 31, 2021, CTCI Engineering & Construction Sdn. Bhd. engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD662,669 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD4,376 thousand, listed in non-operating income.
- i. This year, up to March 31, 2021, CCJV P1 Engineering & Construction Sdn. Bhd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD1,465,810 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD15,251 thousand, listed in non-operating income.
- j. This year, up to March 31, 2021, CCJV P1 Engineering & Construction Sdn. Bhd. engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD1,319,959 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD1,713 thousand, listed in non-operating income.
- k. This year, up to March 31, 2021, CTCI Singapore Pte. Ltd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD 1,832,475 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange loss of aforesaid forward contracts is TWD11,463 thousand, listed in non-operating expense.

8.1.4 Consolidated Financial Statements of Affiliated Enterprises of the Company: None.

8.1.5 Affiliation Report: None.

8.2 Private Placement Securities in the Most Recent Year: None.

8.3 The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Year

Unit: TWD thousands; Shares; %

Name of subsidiary	Stock capital collected	Fund source	Shareholding ratio of the Company (%)	Date of acquisition or disposition	Shares and amount acquired	Shares and amount disposed of	Investment gain (loss)	Shareholdings & amount in the most recent year	Mortgage	Endorsement amount made for the subsidiary	Amount loaned to the subsidiary
ECOVE Environment Services Corporation	\$151,000	own reserves	55.67	1997.08	50,000 \$1,764			1,028 \$39	None	None	None
				1997.10		50,000 \$2,021	\$258				
				1997.10	50,000 \$1,893						
				1997.12	50,000 \$1,780						
				1997.12		100,000 \$3,673	\$185				
				1998.08	50,000 \$3,092						
				1998.12 Stock dividend	11,500						
				1998.12		61,000 \$3,112	\$45				
				1999.12	971,160 \$31,475						
				1999.12		831,560 \$26,951	\$721				

Name of subsidiary	Stock capital collected	Fund source	Shareholding ratio of the Company (%)	Date of acquisition or disposition	Shares and amount acquired	Shares and amount disposed of	Investment gain (loss)	Shareholdings & amount in the most recent year	Mortgage	Endorsement amount made for the subsidiary	Amount loaned to the subsidiary
				2001.12	505,871 \$13,256						
				2002.12		645,000					
				2004.08 Stock dividend	9						
				2005.10 Stock dividend	9						
				2006.10 Stock dividend	7						
				2007.10 Stock dividend	20						
				2008.09 Stock dividend	12						
CTCI Development Corporation	\$3,500,000	own reserves	100	1999.03	550,000 \$21,878			912,170 \$34,571	None	None	None
				1999.03		200,000 \$8,104	\$303				
				1999.04	450,000 \$19,056						
				1999.04		450,000 \$18,791	\$586				

Name of subsidiary	Stock capital collected	Fund source	Shareholding ratio of the Company (%)	Date of acquisition or disposition	Shares and amount acquired	Shares and amount disposed of	Investment gain (loss)	Shareholdings & amount in the most recent year	Mortgage	Endorsement amount made for the subsidiary	Amount loaned to the subsidiary
				1999.05	350,000 \$14,677						
				1999.05		620,000 \$27,053	\$831				
				1999.06	776,000 \$28,919						
				1999.07 Stock dividend	168,200						
				1999.07		15,000 \$584	\$18				
				1999.08	100,000 \$3,044						
				2000.02		427,000 \$14,663	\$1,274				
				2000.07 Stock dividend	68,220						
				2001.07 Stock dividend	108,060						
				2004.08 Stock dividend	8,710						
				2005.10 Stock dividend	8,671						

Name of subsidiary	Stock capital collected	Fund source	Shareholding ratio of the Company (%)	Date of acquisition or disposition	Shares and amount acquired	Shares and amount disposed of	Investment gain (loss)	Shareholdings & amount in the most recent year	Mortgage	Endorsement amount made for the subsidiary	Amount loaned to the subsidiary
CTCI Investment Corporation	\$2,072,000	own reserves	100	2006.10 Stock dividend	6,954			344,436 \$13,054	None	None	None
				2007.10 Stock dividend	18,539						
				2008.09 Stock dividend	10,816						
				1999.04	328,000 \$14,198						
				1999.04		105,000 \$4,582	\$108				
				1999.05	350,000 \$14,826						
				1999.05		400,000 \$17,881	\$769				
				1999.06	250,000 \$9,659						
				1999.07 Stock dividend	84,600						
				2000.02		308,840 \$8,841	\$420				
				2000.07 Stock dividend	84,600						

Name of subsidiary	Stock capital collected	Fund source	Shareholding ratio of the Company (%)	Date of acquisition or disposition	Shares and amount acquired	Shares and amount disposed of	Investment gain (loss)	Shareholdings & amount in the most recent year	Mortgage	Endorsement amount made for the subsidiary	Amount loaned to the subsidiary
				2001.07 Stock dividend	40,803						
				2004.08 Stock dividend	3,289						
				2005.10 Stock dividend	3,274						
				2006.10 Stock dividend	2,625						
				2007.10 Stock dividend	7,000						
				2008.09 Stock dividend	4,084						
Crown Asia 2 Investment Limited (Note)	\$250	Donation	100	2011.04	500 \$18			500 \$19	None	None	None

Note: Acquired in March 2016, the funding source is by donation.

8.4 Other Supplementary Information

8.4.1 KPI by industry

A. CTCI Group budget for conclusion of contract, operating revenue and gross profit

Unit: TWD100 million

Item	Budget in 2020	Performance in 2020
New Order	1,200.00	1,298.78
Operating Revenue	745.00	555.58
Gross Profit	53.59	36.44

B. Social responsibility

- (A) Concern about safety and health environment, carry out HSE management system.
- (B) Aggressively build positive ties throughout the community and promote local activities of culture and education.
- (C) Foster engineering expertise with close attention employee training and education and the exchange of knowledge which also enhances Industry-academic cooperation.
- (D) Provide employment opportunities, assist job related activities and build long term ties with marginally listed workers.
- (E) Offer a friendly workplace, health promotion activities in order to improve the physical and mental health of the employee.

(F) KPI for HSE:

Item	KPI in 2020	Performance
Abnormal tracking rate of health examination	100%	100%
Greenhouse gas emission intensity of headquarters	Not more than the previous year	2019: 1.38 Ton CO ₂ e/person 2020: 1.31 Ton CO ₂ e/person

8.4.2 Material Event Impact on Shareholders' Equity or Share Price in Recent Years until the Annual Report being published

- A. The 14th Term of the office of CTCI's Directors had expired in 2020, and 15th Term of the Directors had been elected in the 2020 AGM on May 28th, 2020. The new Directors and Independent Directors are as below:

Title	Name
Director	CTCI Development Corporation Representative :Michael Yang
Director	CTCI Development Corporation Representative :John T. Yu
Director	Quintin Wu
Director	Johnny Shih
Director	Yancey Hai
Director	Taiwan Cement Corporation Representative : An-Ping Chang
Director	CTCI Foundation Representative : Paul Chen
Director	Wenent Pan
Independent Director	Yen-Shiang Shih
Independent Director	Frank Fan
Independent Director	Evon Chen
Independent Director	Jack Huang

- B. Mr. Michael Yang succeed Mr. John T. Yu as Chairman of the Company and Mr. Todd Chen succeed Mr. Michael Yang as President of the Company by the resolution of 1st meeting of the 15th term of the Boards on May 28, 2020.

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, 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 (please 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, 2020 and 2019, 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 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 generally accepted auditing standards in 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 (please refer to the *Other matter section*), 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 2020 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 2020 consolidated financial statements are stated as follows:

Valuation of work completed

Description

Refer to Note 4(32) for accounting policy on revenue recognition, Note 5(2) for significant accounting estimates and assumptions, and Note 6(25) 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 one of 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 is approved by the project management department, including current supplementary (subtractive) construction and the related supporting documents of significant constructions.
3. Obtained the details of current costs and expenses, performed related statistical procedures, including selecting current incurred cost and tracing them to related vouchers and confirming whether the current input costs have been accounted 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\$8,020,455 thousand and NT\$8,542,177 thousand, constituting 11.33% and 12.29% of the consolidated total assets as at December 31, 2020 and 2019, respectively, and the comprehensive loss recognized from these subsidiaries and investments accounted for under the equity method amounted to (NT\$566,953) thousand and (NT\$1,053,005) thousand, constituting (38.28%) and (135.64%) of the consolidated total comprehensive loss for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of CTCI Corporation as at and for the years ended December 31, 2020 and 2019.

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 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 generally accepted auditing standards in 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 generally accepted auditing standards in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. 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.
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 Group'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 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.

5. 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.
6. 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.



資誠

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.

Lin, Yi-Fan

Chang, Shu-Chiung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 9, 2021

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 report of independent accountants 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, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 13,422,837	19	\$ 20,767,581	30
1110	Financial assets at fair value through profit or loss - current	6(2)	4,305,180	6	275,845	1
1120	Financial assets at fair value through other comprehensive income - current	6(3)	392,624	1	464,943	1
1136	Financial assets at amortized cost - current	6(4)	806,622	1	277,164	1
1140	Contract assets - current	6(25)	18,095,968	26	18,996,205	27
1150	Notes receivable, net	6(5)	19,244	-	63,360	-
1170	Accounts receivable, net	6(5)	5,969,136	8	4,170,584	6
1180	Accounts receivable - related parties	7	89,145	-	760,878	1
1200	Other receivables		121,027	-	245,735	-
1210	Other receivables - related parties	7	33,660	-	-	-
1220	Current income tax assets		218,937	-	204,024	-
130X	Inventories		152,700	-	144,407	-
1410	Prepayments	6(6)	2,568,637	4	2,758,670	4
1460	Non-current assets or disposal groups classified as held for sale, net	6(7)	383,076	1	38,380	-
1470	Other current assets	6(16)	939,579	1	6,817	-
11XX	Total current assets		47,518,372	67	49,174,593	71
Non-current assets						
1517	Financial assets at fair value through other comprehensive income-non-current	6(3)	1,329,059	2	858,499	1
1535	Financial assets at amortized cost - non-current	6(4) and 8	209,210	-	177,025	-
1550	Investments accounted for using equity method	6(8)	2,357,685	4	2,173,160	3
1600	Property, plant and equipment, net	6(9) and 8	14,123,460	20	11,788,472	17
1755	Right-of-use assets	6(10)	474,387	1	443,854	1
1760	Investment property, net	6(11) and 8	799,724	1	803,823	1
1780	Intangible assets		180,948	-	191,971	-
1840	Deferred income tax assets	6(32)	888,652	1	784,379	1
1900	Other non-current assets	6(12) and 8	2,906,466	4	3,098,735	5
15XX	Total non-current assets		23,269,591	33	20,319,918	29
1XXX	Total assets		\$ 70,787,963	100	\$ 69,494,511	100

(Continued)

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 5,409,564	8	\$ 6,163,306	9
2110	Short-term notes and bills payable		147,925	-	199,921	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	160,222	-	54,716	-
2130	Contract liabilities - current	6(25)	14,495,734	21	12,157,272	18
2150	Notes payable		7,572	-	48,369	-
2170	Accounts payable	6(14)	11,241,994	16	11,708,290	17
2180	Accounts payable - related parties	7	166,897	-	648,957	1
2200	Other payables	6(15)	2,425,378	3	2,848,021	4
2230	Current income tax liabilities		329,320	1	217,180	-
2280	Current lease liabilities	7	136,346	-	146,499	-
2300	Other current liabilities	6(16)(18)	328,151	-	1,991,941	3
21XX	Total current liabilities		34,849,103	49	36,184,472	52
Non-current liabilities						
2530	Bonds payable	6(17)	8,986,139	13	5,989,529	9
2540	Long-term borrowings	6(18)	5,315,655	8	5,390,673	8
2570	Deferred income tax liabilities	6(32)	227,769	-	216,697	-
2580	Non-current lease liabilities	7	323,883	-	281,103	-
2600	Other non-current liabilities	6(19)	2,051,177	3	2,085,040	3
25XX	Total non-current liabilities		16,904,623	24	13,963,042	20
2XXX	Total liabilities		51,753,726	73	50,147,514	72
Equity attributable to owners of parent						
	Share capital	6(22)				
3110	Common stock		7,633,599	11	7,633,182	11
	Capital surplus	6(23)				
3200	Capital surplus		4,077,689	5	3,730,448	5
	Retained earnings	6(24)				
3310	Legal reserve		3,278,010	5	3,741,648	5
3320	Special reserve		1,180,439	2	762,377	1
3350	Unappropriated retained earnings		733,054	1	1,481,062	2
	Other equity interest					
3400	Other equity interest		(1,063,399)	(2)	(1,180,439)	(1)
3500	Treasury stocks	6(22)	(11,835)	-	(11,835)	-
31XX	Equity attributable to owners of the parent		15,827,557	22	16,156,443	23
36XX	Non-controlling interest	4(3)	3,206,680	5	3,190,554	5
3XXX	Total equity		19,034,237	27	19,346,997	28
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 70,787,963	100	\$ 69,494,511	100

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, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE AMOUNTS)

Items		Notes	Year ended December 31			
			2020		2019	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(25) and 7	\$ 55,558,409	100	\$ 58,211,022	100
5000	Operating costs	6(30)(31) and 7	(51,914,759)	(93)	(54,219,327)	(93)
5900	Gross Profit		3,643,650	7	3,991,695	7
	Operating expenses	6(30)(31)				
6200	General and administrative expenses		(1,472,665)	(3)	(1,693,193)	(3)
6300	Research and development expenses		(113,706)	-	(130,352)	-
6000	Total operating expenses		(1,586,371)	(3)	(1,823,545)	(3)
6900	Operating income		2,057,279	4	2,168,150	4
	Non-operating income and expenses					
7100	Interest income	6(26)	114,274	-	267,089	-
7010	Other income	6(27)	104,932	-	201,141	-
7020	Other gains and losses	6(28)	(134,200)	-	370,779	1
7050	Finance costs	6(29)	(284,469)	-	(235,817)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(8)	(93,796)	-	(541,027)	(1)
7000	Total non-operating income and expenses		(293,259)	-	(62,165)	-
7900	Profit before income tax		1,764,020	4	2,230,315	4
7950	Income tax expense	6(32)	(458,874)	(1)	(555,990)	(1)
8200	Profit for the year		\$ 1,305,146	3	\$ 1,674,325	3
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial losses on defined benefit plans	6(20)	(\$ 54,574)	-	(\$ 19,030)	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(42,603)	-	(1,179,886)	(2)
8320	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		51,181	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		10,830	-	370,228	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Cumulative translation differences of foreign operations		211,187	-	(69,320)	-
8300	Total other comprehensive income (loss) for the year		\$ 176,021	-	(\$ 898,008)	(2)
8500	Total comprehensive income for the year		\$ 1,481,167	3	\$ 776,317	1
	Profit attributable to:					
8610	Owners of the parent		\$ 766,548	2	\$ 1,177,011	2
8620	Non-controlling interest		538,598	1	497,314	1
	Total		\$ 1,305,146	3	\$ 1,674,325	3
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 848,668	2	\$ 233,086	-
8720	Non-controlling interest		632,499	1	543,231	1
	Total		\$ 1,481,167	3	\$ 776,317	1
9750	Basic earnings per share (in NT dollars)	6(33)	\$ 1.01		\$ 1.54	
9850	Diluted earnings per share (in NT dollars)	6(33)	\$ 1.00		\$ 1.54	

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

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Equity attributable to owners of the parent													
		Retained Earnings					Other Equity Interest						
								Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Treasury stocks	Total	Equity attributable to former owner of business combination under common control	Total equity
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Cumulative translation differences of foreign operations						
Year ended December 31, 2019													
Balance at January 1, 2019		\$ 7,632,738	\$ 3,545,053	\$ 3,558,894	\$ 763,794	\$ 2,217,619	(\$ 290,028)	\$ 42,494	\$ -	(\$ 11,835)	\$ 17,458,729	\$ 3,167,430	\$ 20,626,159
Profit for the year		-	-	-	-	1,177,011	-	-	-	-	1,177,011	497,314	1,674,325
Other comprehensive income (loss)		-	-	-	-	(11,863)	(93,316)	(838,746)	-	-	(943,925)	45,917	(898,008)
Total comprehensive income		-	-	-	-	1,165,148	(93,316)	(838,746)	-	-	233,086	543,231	776,317
Appropriations of 2018 earnings	6(24)												
Legal reserve		-	-	182,754	-	(182,754)	-	-	-	-	-	-	-
Special reserve		-	-	-	(1,417)	1,417	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(1,721,211)	-	-	-	-	(1,721,211)	(529,621)	(2,250,832)
Employee stock options exercised	6(22)(23)	444	1,597	-	-	-	-	-	-	-	2,041	-	2,041
Share-based payment transactions	6(23)	-	183,798	-	-	-	-	-	-	-	183,798	9,514	193,312
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(2)	-	-	-	-	843	-	(843)	-	-	-	-	-
Balance at December 31, 2019		\$ 7,633,182	\$ 3,730,448	\$ 3,741,648	\$ 762,377	\$ 1,481,062	(\$ 383,344)	(\$ 797,095)	\$ -	(\$ 11,835)	\$ 16,156,443	\$ 3,190,554	\$ 19,346,997
Year ended December 31, 2020													
Balance at January 1, 2020		\$ 7,633,182	\$ 3,730,448	\$ 3,741,648	\$ 762,377	\$ 1,481,062	(\$ 383,344)	(\$ 797,095)	\$ -	(\$ 11,835)	\$ 16,156,443	\$ 3,190,554	\$ 19,346,997
Profit for the year		-	-	-	-	766,548	-	-	-	-	766,548	538,598	1,305,146
Other comprehensive income (loss)		-	-	-	-	(41,902)	111,436	(38,595)	51,181	-	82,120	93,901	176,021
Total comprehensive income		-	-	-	-	724,646	111,436	(38,595)	51,181	-	848,668	632,499	1,481,167
Appropriations of 2019 earnings	6(24)												
Legal reserve		-	-	116,599	-	(116,599)	-	-	-	-	-	-	-
Special reserve		-	-	-	418,062	(418,062)	-	-	-	-	-	-	-
Cash dividends		-	-	(580,237)	-	(946,402)	-	-	-	-	(1,526,639)	(515,285)	(2,041,924)
Employee stock options exercised	6(22)(23)	417	1,237	-	-	-	-	-	-	-	1,654	-	1,654
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(23)	-	12,286	-	-	-	-	-	-	-	12,286	140,029	152,315
Share-based payment transactions	6(23)	-	160,155	-	-	-	-	-	-	-	160,155	23,682	183,837
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	8,409	-	(8,409)	-	-	-	-	-
Reorganization	6(23)	-	187,351	-	-	-	591	836	-	-	188,778	(188,778)	-
Non-controlling interests	6(23)	-	(13,788)	-	-	-	-	-	-	-	(13,788)	(76,021)	(89,809)
Balance at December 31, 2020		\$ 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

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, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,764,020	\$ 2,230,315
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on valuation of financial assets	6(28)	(33,221)	(410)
Gain on reduction of capital of investments	6(28)	-	(516,017)
(Gain) loss on disposal of property, plant and equipment	6(28)	(21,036)	282
Gain on lease modification	6(28)	(1,044)	-
Share of loss of associates and joint ventures accounted for using the equity method	6(8)	93,796	541,027
Depreciation	6(30)	873,699	756,071
Amortization	6(30)	155,119	149,706
Expected credit loss (gain)	12(2)	24,326	(3,490)
Interest income	6(26)	(114,472)	(267,089)
Dividend income	6(27)	(37,961)	(42,644)
Interest expense	6(29)	284,469	235,817
Compensation costs for employee stock options	6(31)	184,037	193,310
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss	(	3,697,753)	109,024
Contract assets - current		900,237	5,827,227
Notes receivable		44,117	11,646
Accounts receivable	(	1,822,878)	4,925,238
Accounts receivable - related parties		671,733	183,193
Other receivables		141,877	100,704
Inventories	(	8,293)	22,938
Prepayments		190,033	1,495,225
Other current assets	(	932,762)	202,070
Other non-current assets		74,051	138,088
Changes in operating liabilities			
Contract liabilities - current		2,338,462	(1,762,926)
Notes payable	(	40,797)	29,581
Accounts payable	(	466,296)	1,717,028
Accounts payable - related parties	(	482,060)	(710,755)
Other payables	(	713,430)	(56,610)
Other current liabilities	(	1,663,790)	(5,664,600)
Other non-current liabilities	(	252,168)	(311,721)
Cash (outflow) inflow generated from operations	(	2,547,985)	9,532,228
Interest received		109,585	259,127
Dividends received		106,867	106,089
Income tax refund		95,445	27,458
Interest paid	(	277,462)	(236,564)
Income tax paid	(	296,092)	(795,986)
Net cash flows (used in) from operating activities	(	2,809,642)	8,892,352

(Continued)

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Prepayments for long - term investment		(\$ 190,905)	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income - current		44,754	45,892
(Acquisition) disposal of financial assets at amortized cost		(561,643)	93,167
Increase in other receivables - related parties		(33,660)	-
Increase in financial assets at fair value through other comprehensive income - non currentnt		(500,112)	(115,883)
Increase in investments accounted for under the equity method	6(8)	(315,000)	-
Proceeds from disposal of investments accounted for using the equity method		-	224,494
Acquisition of property, plant and equipment	6(34)	(2,293,725)	(3,638,421)
Proceeds from disposal of property, plant and equipment		26,500	3,277
Increase in prepayment of equipment		(674,724)	-
Increase in intangible assets		(19,988)	(45,555)
Increase in refundable deposits		(194,396)	(16,472)
Increase in other non-current assets		(94,178)	(112,196)
Net cash flows from acquisitionn of subsidiaries		(30,019)	(38,749)
Proceeds from capital reduction of subsidiaries		(37,500)	-
Net cash flows used in investing activities		(4,874,596)	(3,600,446)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings		(753,742)	(7,251,153)
(Decrease) Increase in short-term notes and bills payable		(51,996)	199,921
Increase in long-term borrowings		38,242	3,972,968
Decrease in lease liabilities		(186,152)	(176,109)
Increase (decrease) in deposits received (recognized in other non-current liabilities)		163,731	(81,642)
Issuance of bonds payable		2,993,839	5,989,489
Proceeds from employee stock options exercised		43,978	2,041
Cash dividends paid		(2,041,924)	(2,250,832)
Proceeds from issuing shares		96,003	-
Increase in non-controlling interests		37,515	-
Net cash flows from financing activities		339,494	404,683
Net (decrease) increase in cash and cash equivalents		(7,344,744)	5,696,589
Cash and cash equivalents at beginning of year		20,767,581	15,070,992
Cash and cash equivalents at end of year		\$ 13,422,837	\$ 20,767,581

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

CTCI CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

CTCI Corporation (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China on April 6, 1979 and commenced its operations on May 1, 1979. The main business activities of the Company and its subsidiaries (collectively referred herein as the “Group”) are the design, survey, construction and inspection of various engineering and construction projects, plants, machinery and equipment and environmental protection projects. The Company’s shares have been listed and traded on the Taiwan Stock Exchange since May 1993.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized by the Board of Directors on March 9, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020 (Note)

Note: Earlier application from January 1, 2020 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts-cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
CTCI Corp. CTCI Development Corp.	CTCI Advanced Systems Inc.	Design and installation of software	50.68	48.72	Note 1
CTCI Corp.	CTCI Development Corp.	Real estate and leasing business	100.00	100.00	
CTCI Corp.	CTCI Investment Corp.	Investments	100.00	100.00	
CTCI Corp. CTCI Investment Corp.	CTCI Smart Engineering Corp.	Planning and design of construction projects	97.09	97.09	
CTCI Corp. CTCI Development Corp. CTCI Advanced Systems Inc.	CTCI Resources Engineering Inc.	Engineering technology service	- 0.01 99.05	99.05 0.01 -	Note 4
CTCI Corp.	CTCI Americas, Inc.	Business development and related engineering services and planning	100.00	100.00	
CTCI Corp.	CTCI Singapore Pte. Ltd.	Planning and design of construction projects	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
CTCI Investment Corp. CTCI Development Corp. ECOVE Environment Services Corp. CTCI Smart Engineering Corp. CTCI Resources Engineering Inc.	CTCI Chemical Corp.	Manufacturing of chemical products	75.49	75.49	
CTCI Corp. CTCI Investment Corp. CTCI Development Corp.	ECOVE Environment Corp.	Investments	56.15	57.72	
ECOVE Environment Corp.	ECOVE Wujih Energy Corp.	Environmental engineering	100.00	100.00	
ECOVE Environment Corp.	ECOVE Waste Management Corp.	Environmental engineering	100.00	100.00	
ECOVE Environment Corp.	ECOVE Environment Services Corp.	Environmental engineering	100.00	93.15	Note 7
ECOVE Waste Management Corp.			-	0.01	
ECOVE Environment Corp. ECOVE Environment Services Corp.	ECOVE Miaoli Energy Corp.	Environmental engineering	75.00	75.00	Note 6
ECOVE Environment Corp.	Yuan Ding Resources Management Corp.	Environmental engineering	100.00	100.00	
ECOVE Environment Services Corp.	ECOVE Environment Consulting Corp.	Environmental engineering	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
CTCI Corp. ECOVE Environment Services Corp.	SINOGAL-Waste Services Co., Ltd.	Environmental engineering	60.00	60.00	
CTCI Corp.	CTCI Overseas (BVI) Corp.	Investments	100.00	100.00	
CTCI Overseas (BVI) Corp.	CTCI Overseas Co., Ltd.	Planning and design of construction projects	100.00	100.00	
CTCI Overseas Co., Ltd.	CTCI Beijing Co., Ltd.	Planning and design of construction projects	100.00	100.00	
CTCI Overseas Co., Ltd.	CIMAS Engineering Company	Planning and design of construction projects	100.00	83.00	Note 2
CTCI Overseas Co., Ltd.	Universal Engineering (BVI) Corporation	Planning and design of construction projects	100.00	100.00	
CTCI Overseas Co., Ltd.	CIPEC Construction Company Inc.	Planning and design of construction projects	39.93	39.93	Note 1
CTCI Overseas Co., Ltd.	CINDA Engineering & Construction Pvt. Ltd.	Planning and design of construction projects	100.00	100.00	
CTCI Corp. CTCI Overseas Co., Ltd.	CTCI Arabia Ltd.	Design and construction of chemical factories	100.00	100.00	
CTCI Beijing Co., Ltd.	CTCI Shanghai Co., Ltd.	Consulting services for construction projects	100.00	100.00	
CTCI Shanghai Co., Ltd.	CTCI Trading Shanghai Co., Ltd.	General trade	100.00	100.00	
CTCI Corp. CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Planning and design of construction projects	100.00	100.00	
CTCI Overseas Co., Ltd.	Sumber Mampu Sdn. Bhd.	Investments	10.00	10.00	Note 1
Sumber Mampu Sdn. Bhd. CTCI Engineering & Construction Sdn. Bhd.	CTCI Malaysia Sdn. Bhd.	Planning and design of construction projects	100.00	100.00	
CTCI Corp. Superiority (Thailand) Co., Ltd.	CTCI (Thailand) Co., Ltd.	Planning and design of construction projects	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
CTCI Advanced Systems Inc.	Century Ahead Ltd.	Investments	100.00	100.00	
Century Ahead Ltd.	CTCI Advanced Systems Shanghai Inc.	Computer skills services	100.00	100.00	
Universal Engineering (BVI) Corporation	Superiority (Thailand) Co., Ltd.	Planning and design of construction projects	100.00	100.00	
CTCI Corp.	CTCI Machinery Corp.	Planning and design of construction projects	100.00	100.00	
CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Planning of construction projects	99.00	99.00	
CTCI Development Corp.	Crown Asia-2 Investment Limited	Investments	100.00	100.00	
CTCI Singapore Pte. Ltd.	CTCI Netherlands B.V.	Engineers and other technical design and consultancy	100.00	100.00	
CTCI Corp.	CTCI-HDEC (Chungli) Corp.	Waste water treatment sewerage system	51.00	51.00	
CTCI Corp.	CTCI CMCE JV Sdn. Bhd.	Planning and design of construction projects	51.00	51.00	
CTCI Corp.	PT CTCI International Indonesia	Planning and design of construction projects	67.00	-	Note 5
ECOVE Environment Corp. ECOVE Environment Services Corp.	ECOVE Solvent Recycling Corp.	Environmental engineering	90.00	90.00	
ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Electric Power Supply	100.00	100.00	
ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	Electric Power Supply	100.00	100.00	
ECOVE Solar Energy Corp.	ECOVE South Corp. Ltd.	Electric Power Supply	100.00	100.00	
ECOVE Solar Energy Corp.	G.D International, LLC.	Electric Power Supply	100.00	100.00	
G.D International, LLC.	Lumberton Solar W2-090, LLC.	Electric Power Supply	100.00	100.00	

Note 1: Being the Company's controlled entities, these subsidiaries that were under 50% owned by the Company directly or indirectly were included in the consolidated financial statements.

Note 2: The equity interest of 33% and 17% were acquired by cash in March 2019 and February 2020, respectively.

Note 3: ECOVE Central Corp. Ltd. conducted a simple merger with ECOVE Solar Energy Corp. in line with the Group's reorganization in October 2019. ECOVE Central Corp. Ltd. was dissolved upon approval by the Ministry of Economic Affairs.

Note 4: CTCI Corp. sold its 99.05% equity interest in CTCI Resources Engineering Inc. to CTCI Advanced Systems Inc. in line with the Group's reorganization in January 2020.

Note 5: The Company jointly established PT CTCI International Indonesia with PT Eptco Dian Persada and obtained 67% equity interest in January 2020.

Note 6: The Board of Directors of the subsidiary, ECOVE Miaoli Energy Corporation, during its meeting in March 2020, proposed a capital reduction amounting to \$150,000, and the proposal was approved by the shareholders in May 2020.

Note 7: The Board of Directors of the subsidiary, ECOVE Environment Corp., during its meeting in October 2020, resolved to issue 1,659,672 shares of common shares on December 31, 2020 to convert stocks into shares with the shareholders of the second-tier subsidiary, ECOVE Environment Services Corp., excluding the subsidiary, ECOVE Environment Corp., in order to acquire a 6.85% equity interest in ECOVE Environment Services Corp. (including 1,000 shares held by the subsidiary, ECOVE Waste Management Corp.).

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet date: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2020 and 2019, the non-controlling interest amounted to \$3,206,680 and \$3,190,554, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2020		December 31, 2019	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
ECOVE Environment Corp.	Taiwan	\$ 2,676,071	43.85%	\$ 2,638,453	42.28%

Summarized financial information of the subsidiary:

Balance sheets

	ECOVE Environment Corp.	
	December 31, 2020	December 31, 2019
Current assets	\$ 3,740,158	\$ 3,555,853
Non-current assets	6,149,838	5,984,964
Current liabilities	(2,262,945)	(1,734,603)
Non-current liabilities	(1,970,608)	(2,213,411)
Total net assets	<u>\$ 5,656,443</u>	<u>\$ 5,592,803</u>

Statements of comprehensive income

	ECOVE Environment Corp.	
	For the years ended December 31,	
	2020	2019
Revenue	\$ 5,641,590	\$ 5,321,559
Profit before income tax	1,289,833	1,274,835
Income tax expense	(235,744)	(212,685)
Profit for the year	1,054,089	1,062,150
Other comprehensive (loss) income, net of tax	(54,790)	4,838
Total comprehensive income for the year	<u>\$ 999,299</u>	<u>\$ 1,066,988</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 193,928</u>	<u>\$ 247,343</u>
Dividends paid to non-controlling interest	<u>\$ 235,671</u>	<u>\$ 184,766</u>

Statements of cash flows

	ECOVE Environment Corp.	
	For the years ended December 31,	
	2020	2019
Net cash provided by operating activities	\$ 290,747	\$ 1,559,200
Net cash provided by investing activities	(662,904)	(748,115)
Net cash used in financing activities	(773,741)	(674,724)
(Decrease) increase in cash and cash equivalents for the year	(1,145,898)	136,361
Cash and cash equivalents, beginning of year	1,679,523	1,543,162
Cash and cash equivalents, end of year	<u>\$ 533,625</u>	<u>\$ 1,679,523</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.

- (c) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (d) All resulting exchange differences are recognized in other comprehensive income.

(5) Classification of current and non-current items

- A. As the operating cycle for construction contracts usually exceeds one year, the Group uses the operating cycle (typically 3~4 years) as its criteria for classifying current and non-current assets and liabilities related to construction contracts. For other assets and liabilities, the criterion is one year.
- B. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- C. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Receivables

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for using the equity method-associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(14) Joint operation

For the interest in a joint operation, the Group recognizes direct interest in (and other shares of) the joint operation's assets, liabilities, revenues and expenses which are included in the financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3~50 years
Machinery	2~20 years
Transportation equipment	2~10 years
Office equipment	2~ 8 years

(16) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a fixed percentage basis over its estimated useful life of 48 years.

(18) Intangible assets

- A. Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 5 years.
- B. Goodwill arises in a business combination accounted for by applying the acquisition method.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss.
- B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(23) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognized at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortized to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(25) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(26) Provisions

Provisions (decommissioning) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation, directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(28) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. Current tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

- F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures, to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(30) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(32) Revenue recognition

- A. The Group provides engineering construction related services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs incurred relative to the total expected costs. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.
- B. Some contracts include sales and installation services of equipment. The equipment and the installation services provided by the Group are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customization and modification. The Group recognizes revenue on the basis of costs incurred relative to the total expected costs of that performance obligation.
- C. The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(33) Service concession arrangements

- A. The Group contracted with the government (grantor) a service concession arrangement whereby the Group shall provide construction of the government's infrastructure assets for public services and operate those assets during the term of the arrangement, and when the term of the operating period expires, the underlying infrastructure assets will be transferred to the government without consideration. The Group allocates the fair value of the consideration received or receivable in respect of the service concession arrangement between construction services and operating services provided based on their relative fair values, and recognizes such allocated amounts as revenues in accordance with IAS 15, 'Revenue', respectively.
- B. The consideration received or receivable from the grantor in respect of the service concession arrangement is recognized at its fair value. Such considerations are recognized as a financial asset or an intangible asset based on how the considerations from the grantor to the operator are made as specified in the arrangement. The Group recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

(34) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(35) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured at the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(36) Operating segments

The Group's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Revenue recognition

The Group relies on the project condition and objective factors to estimate total cost. The revenue is recognized based on the percentage of input cost, and the reasonableness of estimates is reviewed regularly. The estimated total cost will be affected by industry environment transition and construction status to adjust the revenue recognition amount.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand and revolving funds	\$ 159,698	\$ 92,656
Checking accounts and demand deposits	8,471,309	13,914,792
Time deposits	4,791,830	6,760,133
	<u>\$ 13,422,837</u>	<u>\$ 20,767,581</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8.

(2) Financial assets and liabilities at fair value through profit or loss - Current

Items	December 31, 2020	December 31, 2019
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 4,158,146	\$ 275,101
Derivatives	103,266	-
	<u>4,261,412</u>	<u>275,101</u>
Valuation adjustment	43,768	744
	<u>\$ 4,305,180</u>	<u>\$ 275,845</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives	\$ 160,222	\$ 54,716

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the years ended December 31,	
	2020	2019
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 60,912	\$ 4,177
Derivatives	22,193	(3,767)
	<u>\$ 83,105</u>	<u>\$ 410</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives	(\$ 49,884)	\$ -

B. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

December 31, 2020			
		Contract Amount	Contract Period
		(notional principal)	
Foreign exchange swap contract (3 items)	THB	1,023,150 thousand	2020.03.20~2021.08.16
Foreign exchange swap contract (13 items)	USD	66,550 thousand	2020.07.14~2021.07.06
Non-delivery foreign exchange contract-buy (16 items)	USD	86,000 thousand	2020.07.22~2021.09.13
Non-delivery foreign exchange contract-sell (5 items)	USD	35,000 thousand	2020.11.27~2021.01.11
Merchandise exchange contract (10 items)	USD	24,244 thousand	2020.10.02~2021.12.15
Foreign exchange contract-buy (9 items)	USD	54,720 thousand	2020.04.01~2021.05.27
Foreign exchange contract-sell (10 items)	USD	86,598 thousand	2020.10.16~2021.10.29
December 31, 2019			
		Contract Amount	Contract Period
		(notional principal)	
Foreign exchange swap contract (8 items)	USD	80,000 thousand	2019.12.12~2020.01.09
Foreign exchange contract-buy (11 items)	USD	35,370 thousand	2019.05.02~2020.09.17

The Group entered into contracts relating to derivative financial products to hedge exchange rate risk of import or export proceeds and price fluctuation risk of materials. However, these contracts are not accounted for under hedge accounting.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2020	December 31, 2019
Current items:		
Equity instruments		
Listed stocks	\$ 247,330	\$ 292,064
Valuation adjustment	145,294	172,879
	<u>\$ 392,624</u>	<u>\$ 464,943</u>
Non-current items:		
Equity instruments		
Unlisted shares	\$ 2,714,227	\$ 2,218,552
Valuation adjustment	(1,385,168)	(1,360,053)
	<u>\$ 1,329,059</u>	<u>\$ 858,499</u>

- A. The Group has elected to classify investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income.
- B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the years ended December 31,	
	2020	2019
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 42,603)	(\$ 1,180,026)
Cumulative gain (loss) reclassified to retained earnings due to derecognition	\$ 6,730	\$ 326
Dividend income recognized in profit or loss		
Held at end of period	\$ 31,406	\$ 29,452
Derecognized during the year	2,866	186
	\$ 34,272	\$ 29,638
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ -	\$ 140
Exchange gain recognized in profit or loss	\$ -	\$ 248
Interest income recognized in profit or loss	\$ -	\$ 564

- C. As of December 31, 2019, Powtec ElectroChemical Corp. continued to incur significant losses, and the current assets are insufficient to cover the current liabilities. In addition, the company filed for bankruptcy approved by the Board of Directors in February 2020. Accordingly, the Company has adjusted the book value of the financial asset to \$0, and recognized the loss in valuation under changes in fair value of other comprehensive income.
- D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortized cost

Items	December 31, 2020	December 31, 2019
Current items:		
Time deposits with maturity over three months	\$ 806,622	\$ 277,164
Non-current items:		
Pledged time deposits	\$ 209,210	\$ 177,025

A. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was \$1,105,832 and \$454,189, respectively.

B. Details of time deposits pledged to others as collateral are provided in Note 8.

(5) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	\$ 19,244	\$ 63,360
Accounts receivable	5,702,715	3,902,392
Long-term receivables due in one year	302,004	290,067
Less: Allowance for uncollectible accounts	(35,583)	(21,875)
	\$ 5,988,380	\$ 4,233,944

A. The ageing analysis of notes receivable and accounts receivable is as follows:

	December 31, 2020	December 31, 2019
Up to 30 days	\$ 4,867,802	\$ 3,088,966
31 to 90 days	175,991	89,428
91 to 180 days	84,706	346,706
Over 181 days	593,460	440,652
	\$ 5,721,959	\$ 3,965,752

The above analysis is calculated based on booking date.

B. As of December 31, 2020, December 31, 2019 and January 1, 2019, the balances of receivables (including notes receivable) from contracts with customers amounted to \$5,721,959, \$3,965,752 and \$8,548,204, respectively.

C. As of December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the receivables (including notes receivable) held by the Group was \$5,686,376 and \$3,943,877, respectively.

D. Information relating to long-term receivables due in one year is provided in Note 6(12).

E. Information relating to credit risk is provided in Note 12(2) C(b).

(6) Prepayments

	December 31, 2020	December 31, 2019
Prepayment for materials	\$ 1,071,927	\$ 855,305
Prepayment for construction in progress	441,085	652,900
Others	1,055,625	1,250,465
	<u>\$ 2,568,637</u>	<u>\$ 2,758,670</u>

(7) Non-current assets held for sale and discontinued operations

The Company's Board of Directors resolved to sell investment property and certain property, plant and equipment on November 4, 2020 and reclassified relevant assets as assets held for sale. The completion date for the transaction is expected by December 31, 2021. Disposal assets held for sale were \$383,076 on December 31, 2020.

	December 31, 2020	December 31, 2019
Property, plant and equipment	<u>\$ 383,076</u>	<u>\$ 38,380</u>

(8) Investments accounted for using the equity method

	2020	2019
At January 1	\$ 2,173,160	\$ 3,680,933
Addition of investments accounted for using the equity method	315,000	-
Disposal of investments accounted for using the equity method	- (	219,336)
Reclassified to financial assets at fair value through other comprehensive income	- (	672,267)
Share of profit or loss of investments accounted for using the equity method	(93,796)	(541,027)
Earnings distribution of investments accounted for using the equity method	(36,260)	(63,445)
Changes in other equity items	(419)	(11,698)
At December 31	<u>\$ 2,357,685</u>	<u>\$ 2,173,160</u>

Associates:	December 31, 2020	December 31, 2019
Pan Asia Corp.	\$ 271,069	\$ 197,079
Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	496,821	462,705
MIE Industrial Sdn. Bhd.	311,149	599,178
Blue Whale Water Technology Co., Ltd.	426,428	411,670
EVER ECOVE Corp.	461,795	291,685
HDEC-CTCI (Linhai) Corporation	384,585	210,843
Jing Ding Green Energy Technology Co., Ltd.	5,838	-
	<u>\$ 2,357,685</u>	<u>\$ 2,173,160</u>

Associates

- A. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of December 31, 2020 and 2019, the carrying amount of the Group's individually immaterial associates amounted to \$2,357,685 and \$2,173,160, respectively.

	For the years ended December 31,	
	2020	2019
Total comprehensive income	(\$ 180,477)	\$ 211,067

- B. In May 2019, the Board of Directors during its meeting resolved to dispose 19,580,000 shares of Pan Asia Corp. totaling \$224,494, of which \$5,158 was recognized as gain on disposal of investments (shown as other gains and losses).
- C. The Group, a director, resigned from Powtec ElectroChemical Corp. in September 2019 for business consideration. As the Group lost its significant influence over this company, the Group reclassified the equity investment in Powtec ElectroChemical Corp. as "financial assets at fair value through other comprehensive income - non-current" and recognized the result of remeasurement of its investment retained at fair value in gain on disposal, shown as other gains and losses, amounting to \$510,967.
- D. In December 2020, the Group increased its share in EVER ECOVE Corp. in the amount of \$174,000, equivalent to 29.62% of equity.
- E. In November 2020, the Group increased its share in HDEC-CTCI (Linhai) Corporation. in the amount of \$135,000, representing 13,500,000 shares, equivalent to 45.00% of equity.
- F. In September 2020, the Group acquired 600,000 shares of Jing Ding Green Energy Technology Co., Ltd. in the amount of \$6,000, for a 30% equity interest.

G. The investments accounted for using the equity method, Pan Asia Corp., Blue Whale Water Technology Co. Ltd., EVER ECOVE Corp., HDEC-CTCI (Linhai) Corporation, and Jing Ding Green Energy Corp. were recognized based on the financial statements which were audited by other auditors as of December 31, 2020 and 2019.

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Unfinished construction	Others	Total
<u>At January 1, 2020</u>								
Cost	\$ 5,494,521	\$ 4,502,955	\$ 3,863,852	\$ 302,719	\$ 248,188	\$ 769,306	\$ 871,920	\$ 16,053,461
Accumulated depreciation	-	(1,917,972)	(1,174,844)	(234,157)	(230,385)	-	(707,631)	(4,264,989)
	<u>\$ 5,494,521</u>	<u>\$ 2,584,983</u>	<u>\$ 2,689,008</u>	<u>\$ 68,562</u>	<u>\$ 17,803</u>	<u>\$ 769,306</u>	<u>\$ 164,289</u>	<u>\$ 11,788,472</u>
<u>2020</u>								
Opening net book amount	\$ 5,494,521	\$ 2,584,983	\$ 2,689,008	\$ 68,562	\$ 17,803	\$ 769,306	\$ 164,289	\$ 11,788,472
Additions	-	17,646	132,640	52,562	4,911	2,399,162	32,515	2,639,436
Disposals	-	-	(342)	(4,583)	(80)	-	(459)	(5,464)
Depreciation charge	-	(119,362)	(389,472)	(42,536)	(5,420)	-	(124,642)	(681,432)
Transfers to non-current assets held for sale	(264,101)	(118,975)	-	-	-	-	-	(383,076)
Reclassifications	-	250,847	1,100,049	32	-	(695,117)	175,412	831,223
Net exchange differences	(12,011)	(8,788)	(40,854)	(1,759)	(844)	-	(1,443)	(65,699)
Closing net book amount	<u>\$ 5,218,409</u>	<u>\$ 2,606,351</u>	<u>\$ 3,491,029</u>	<u>\$ 72,278</u>	<u>\$ 16,370</u>	<u>\$ 2,473,351</u>	<u>\$ 245,672</u>	<u>\$ 14,123,460</u>
<u>At December 31, 2020</u>								
Cost	\$ 5,218,409	\$ 4,628,685	\$ 4,935,345	\$ 342,971	\$ 236,233	\$ 2,473,351	\$ 1,071,946	\$ 18,906,940
Accumulated depreciation	-	(2,022,334)	(1,444,316)	(270,693)	(219,863)	-	(826,274)	(4,783,480)
	<u>\$ 5,218,409</u>	<u>\$ 2,606,351</u>	<u>\$ 3,491,029</u>	<u>\$ 72,278</u>	<u>\$ 16,370</u>	<u>\$ 2,473,351</u>	<u>\$ 245,672</u>	<u>\$ 14,123,460</u>

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Unfinished construction	Others	Total
<u>At January 1, 2019</u>								
Cost	\$ 5,519,050	\$ 4,254,061	\$ 2,853,926	\$ 262,446	\$ 239,739	\$ 290,187	\$ 771,729	\$ 14,191,138
Accumulated depreciation	-	(1,777,331)	(936,086)	(206,580)	(230,037)	-	(609,068)	(3,759,102)
	<u>\$ 5,519,050</u>	<u>\$ 2,476,730</u>	<u>\$ 1,917,840</u>	<u>\$ 55,866</u>	<u>\$ 9,702</u>	<u>\$ 290,187</u>	<u>\$ 162,661</u>	<u>\$ 10,432,036</u>
<u>2019</u>								
Opening net book amount	\$ 5,519,050	\$ 2,476,730	\$ 1,917,840	\$ 55,866	\$ 9,702	\$ 290,187	\$ 162,661	\$ 10,432,036
Additions	20	255,120	787,045	50,370	13,284	620,092	126,530	1,852,461
Disposals	-	-	(1,645)	(492)	(104)	-	(1,318)	(3,559)
Depreciation charge	-	(129,132)	(297,638)	(37,418)	(4,959)	-	(124,543)	(593,690)
Reclassifications	(26,354)	13,774	294,542	-	-	(141,914)	-	140,048
Net exchange differences	<u>1,805</u>	<u>(31,509)</u>	<u>(11,137)</u>	<u>236</u>	<u>(120)</u>	<u>942</u>	<u>959</u>	<u>(38,824)</u>
Closing net book amount	<u>\$ 5,494,521</u>	<u>\$ 2,584,983</u>	<u>\$ 2,689,007</u>	<u>\$ 68,562</u>	<u>\$ 17,803</u>	<u>\$ 769,307</u>	<u>\$ 164,289</u>	<u>\$ 11,788,472</u>
<u>At December 31, 2019</u>								
Cost	\$ 5,494,521	\$ 4,502,955	\$ 3,863,852	\$ 302,719	\$ 248,188	\$ 769,306	\$ 871,920	\$ 16,053,461
Accumulated depreciation	-	(1,917,972)	(1,174,844)	(234,157)	(230,385)	-	(707,631)	(4,264,989)
	<u>\$ 5,494,521</u>	<u>\$ 2,584,983</u>	<u>\$ 2,689,008</u>	<u>\$ 68,562</u>	<u>\$ 17,803</u>	<u>\$ 769,306</u>	<u>\$ 164,289</u>	<u>\$ 11,788,472</u>

A. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	For the years ended December 31,	
	2020	2019
Amount capitalized	\$ 6,492	\$ 3,143
Range of the interest rates for capitalization	0.85%~2.0364%	1.25%~1.37%

B. Please refer to Note 8 for the details of pledged property, plant and equipment.

(10) Leasing arrangements - lessee

- A. The Group leases various assets including land, buildings, business vehicles, multifunction printers, etc. Rental contracts are typically made for periods of 1 to 28 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 332,800	\$ 258,991
Buildings	51,701	73,633
Transportation equipment (Business vehicles)	34,859	48,233
Office equipment (Photocopiers)	22,158	29,338
Other equipment	32,869	33,659
	<u>\$ 474,387</u>	<u>\$ 443,854</u>

	<u>For the years ended</u> <u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 101,097	\$ 59,270
Buildings	39,017	43,848
Transportation equipment (Business vehicles)	30,512	30,414
Office equipment (Photocopiers)	14,864	15,795
Other equipment	2,678	8,748
	<u>\$ 188,168</u>	<u>\$ 158,075</u>

- C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$225,044 and \$187,384, respectively.
- D. The information on income and expense accounts relating to lease contracts is as follows:

	<u>For the years ended</u> <u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,209	\$ 1,715
Gain on lease modification	1,044	-
Expense on short-term lease contracts	248,402	272,249
Expense on leases of low-value assets	5,570	10,304
Expense on variable lease payments	48,532	30,165

- E. For the years ended December 31, 2020 and 2019, the Group's total cash outflow for leases were \$488,656 and \$488,827, respectively.

F. Variable lease payments:

- (a) The Group's lease contract contains a variable lease payment term that is linked to the amount of electricity generated by solar energy. Changes in variable lease payments are recognized as expense in the period specified in the contract.
- (b) A 1% increase in the electricity generated from solar energy would increase total lease payments by approximately 1% in accordance with the relevant variable lease contract.

(11) Investment property

	Land	Buildings and structures	Total
<u>At January 1, 2020</u>			
Cost	\$ 718,428	\$ 126,572	\$ 845,000
Accumulated depreciation	-	(41,177)	(41,177)
	<u>\$ 718,428</u>	<u>\$ 85,395</u>	<u>\$ 803,823</u>
<u>2020</u>			
Opening net book amount	\$ 718,428	\$ 85,395	\$ 803,823
Depreciation charge	-	(4,099)	(4,099)
Closing net book amount	<u>\$ 718,428</u>	<u>\$ 81,296</u>	<u>\$ 799,724</u>
<u>At December 31, 2020</u>			
Cost	\$ 718,428	\$ 126,572	\$ 845,000
Accumulated depreciation	-	(45,276)	(45,276)
	<u>\$ 718,428</u>	<u>\$ 81,296</u>	<u>\$ 799,724</u>
	Land	Buildings and structures	Total
<u>At January 1, 2019</u>			
Cost	\$ 718,428	\$ 126,572	\$ 845,000
Accumulated depreciation	-	(36,871)	(36,871)
	<u>\$ 718,428</u>	<u>\$ 89,701</u>	<u>\$ 808,129</u>
<u>2019</u>			
Opening net book amount	\$ 718,428	\$ 89,701	\$ 808,129
Depreciation charge	-	(4,306)	(4,306)
Closing net book amount	<u>\$ 718,428</u>	<u>\$ 85,395</u>	<u>\$ 803,823</u>
<u>At December 31, 2019</u>			
Cost	\$ 718,428	\$ 126,572	\$ 845,000
Accumulated depreciation	-	(41,177)	(41,177)
	<u>\$ 718,428</u>	<u>\$ 85,395</u>	<u>\$ 803,823</u>

- A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	For the years ended December 31,	
	2020	2019
Rental income from investment property	\$ 30,076	\$ 31,282
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 4,099	\$ 4,306
Direct operating expenses arising from the investment property that did not generate rental income during the year	\$ -	\$ -

- B. The fair value of the investment property held by the Group as at December 31, 2020 and 2019 were \$958,000 and \$940,000, respectively, which was valued by independent valuers. Valuations were made using the income approach with key assumptions as follows:

	December 31, 2020	December 31, 2019
Gross margin	2.54%	2.54%
Growth rate	1.00%~1.50%	1.00%~1.50%
Discount rate	3.25%	3.40%

- C. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(12) Other non-current assets

	December 31, 2020	December 31, 2019
Long-term receivables	\$ 2,190,819	\$ 2,480,797
Less: Long-term receivables due in one year	(302,004)	(290,067)
	1,888,815	2,190,730
Restricted bank deposits	12,372	7,258
Refundable deposits	341,035	146,639
Prepayments for long-term investments	190,905	-
Prepayments for business facilities	211,417	367,916
Costs to fulfill a contract	81,292	120,909
Others	180,630	265,283
	\$ 2,906,466	\$ 3,098,735

A. Long-term receivables:

The Group contracted with the government (grantor) a service concession arrangement. The consideration receivable from the grantor in respect of the service concession arrangement is recognized at its fair value. Such consideration is recognized as a financial asset based on the way of the consideration from the grantor to the operator being made as specified in the arrangement. The consideration receivable from the grantor is recognized as accounts receivable if it is expected to be realized within 12 months after the balance sheet date (please refer to Note 6(5)), and is recognized as long-term receivables if it is expected to be realized more than 12 months after the balance sheet date. The major terms of the arrangement are as follows:

- (a) The second-tier subsidiary, ECOVE Wujih Energy Corp., obtained the operation for the construction of Wujih Refuse Incineration Plant by build - operate - transfer (BOT) mode since April, 2000. In September, 2000, the “Taichung City waste incineration, commission contract” between ECOVE Wujih Energy Corp., and Taichung Government had been signed. The operating period is for 20 years starting from September 6, 2004. However, according to the contract, if it is expired in advance or extended during construction or operation, duration of the operation will be deemed to be matured or extended, but not to exceed 50 years. In order to work the “Waste Incineration Taichung City Commission Contract”, ECOVE Wujih Energy Corp., obtained the land-use right that has continued for 20 years since the plant began operation.
 - (b) The second-tier subsidiary, ECOVE Miaoli Energy Corp., obtained the operation for the construction of Miaoli County Refuse Incineration Plant by build - operate - transfer (BOT) mode since August, 2002. In September, 2002, the “Waste Incineration Commission Contract” between ECOVE Miaoli Energy Corp., and Miaoli County Government had been signed. The operating period is for 20 years starting from February 29, 2008. However, according to the contract, if it is expired in advance or extended during construction or operation, duration of the operation will be deemed to be matured or extended. In order to work the “Waste Incineration Miaoli County Commission Contract”, ECOVE Miaoli Energy Corp., obtained the land-use right of Miaoli Refuse Incineration Plant. Therefore, duration of the land-use right is from September 13, 2002 to March 12, 2026.
 - (c) ECOVE Wujih Energy Corp. and ECOVE Miaoli Energy Corp. need to comply with the guarantee tonnage of waste from government according to the contract during construction or operation.
 - (d) Per service cost is calculated and adjusted based on the “Waste Incineration Commission Contract”, “Index of average regular earnings of employees-manufacturing” and “Consumer price index”.
- B. Information about the restricted bank deposits and refundable deposits that were pledged to others as collateral is provided in Note 8.
 - C. The costs to fulfill a contract refer to the initial reconstruction cost of the Refuse Incineration Plant for the contract that the subsidiary - ECOVE Environment Services Corp. entered into with the owner to operate the plant on its behalf, and it is amortized over the term of the contract.
 - D. Prepayments for long-term investments refers to the capital increase of US\$13,200,000 and US\$28,819,000 in Ever Victory Global Limited. as resolved by the Board of Directors in August 2016 and December 2018, respectively. As of December 31, 2020, a total amount of \$1,103,219 (US\$36,405,000) was remitted, of which \$190,905 (US\$6,600,000) has not yet been registered. Thus, it was shown as prepayments for long-term investments under other non-current assets.

(13) Short-term borrowings

Type of borrowing	December 31, 2020	Interest rate range	Collateral
Unsecured borrowings	\$ 4,944,864	0.93%~6.1%	-
Secured borrowings	464,700	1%~1.23%	Note 2
	<u>\$ 5,409,564</u>		

Type of borrowing	December 31, 2019	Interest rate range	Collateral
Unsecured borrowings	\$ 5,858,306	0.70%~7.95%	-
Secured borrowings	305,000	0.95%~1.70%	Notes 1 and 2
	<u>\$ 6,163,306</u>		

Note 1: ECOVE Solvent Recycling Corporation has committed that upon completion of the construction, ECOVE Solvent Recycling Corporation will complete the registration of ownership on the construction and pledge with the basement of construction in first priority to Chang Hwa Bank. The construction was completed in January 2020, and the borrowings made from Chang Hwa Bank were settled in March 2020. Subsequently, the construction was pledged to CTBC Bank for obtaining long-term borrowings.

Note 2: The borrowing facilities were 100% jointly guaranteed by the subsidiary - ECOVE Environment Corp.

(14) Accounts payable

	December 31, 2020	December 31, 2019
Materials payable	\$ 5,874,268	\$ 6,250,524
Sub-contract costs payable	4,790,331	4,996,203
Maintenance costs payable	411,330	310,079
Incinerator equipment usage fee payable	64,357	41,517
Others	101,708	109,967
	<u>\$ 11,241,994</u>	<u>\$ 11,708,290</u>

(15) Other payables

	December 31, 2020	December 31, 2019
Accrued payroll	\$ 1,428,946	\$ 1,464,481
Accrued employees' compensation, directors' and supervisors' remuneration	71,259	123,434
Accrued insurance	73,567	71,953
Accrued pension	34,750	42,010
Accrued consultant fee	952	250,456
Others	815,904	895,687
	<u>\$ 2,425,378</u>	<u>\$ 2,848,021</u>

(16) Other current assets/liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other current assets		
Joint venture	\$ 939,579	\$ -
Others	-	6,817
	<u>\$ 939,579</u>	<u>\$ 6,817</u>
Other current liabilities		
Joint venture	\$ -	\$ 1,734,466
Long-term borrowings - current portion	247,409	134,149
Receipts in advance	14,731	46,992
Others	66,011	76,334
	<u>\$ 328,151</u>	<u>\$ 1,991,941</u>

Joint venture represents an accumulated cost over (under) the accumulated capital injection and bills.

(17) Bonds payable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Bonds payable	\$ 9,000,000	\$ 6,000,000
Less: Discount on bonds payable	(13,861)	(10,471)
	<u>\$ 8,986,139</u>	<u>\$ 5,989,529</u>

The terms of the domestic unsecured bonds issued by the Company are as follows:

In 2019 and 2020, the Company issued \$6,000,000 and \$3,000,000, with annual fixed interest rate of 0.9% and 0.77%, domestic unsecured bonds, as approved by the regulatory authority, respectively. The bonds mature 5 years from the issue date (December 25, 2019 ~ December 25, 2024 and June 22, 2020 ~ June 22, 2025) and will be redeemed at the maturity date. The bonds were approved to be issued on the Taipei Exchange on December 16, 2019 and June 11, 2020, respectively.

(18) Long-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Secured borrowings	\$ 5,563,064	\$ 5,524,822
Less: Current portion	(247,409)	(134,149)
	<u>\$ 5,315,655</u>	<u>\$ 5,390,673</u>
Financing amount	<u>\$ 8,759,719</u>	<u>\$ 7,733,525</u>
Interest rate range	<u>0.96%~2.63488%</u>	<u>1.25%~4.38513%</u>

A. Information about the assets that were pledged for bank borrowings as collateral is provided in Note 8.

B. The promissory note made by the subsidiary - ECOVE Environment Corp. as of December 31, 2020 and 2019 were \$1,997,784 and \$1,664,080, respectively.

(19) Other non-current liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Net defined benefit liabilities	\$ 1,200,376	\$ 1,409,863
Deposits received	489,738	326,007
Accrued recovery costs	167,454	109,623
Deferred revenue	133,506	157,648
Others	60,103	81,899
	<u>\$ 2,051,177</u>	<u>\$ 2,085,040</u>

Deferred revenue is a cash grant received from the New Jersey government in the United States in 2017 since Lumberton builds and operates a solar power station in New Jersey. The construction period of the solar power station is 15 years.

(20) Pensions

A. Defined benefit pension plan

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 6.5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

- (b) The amounts recognized in the balance sheet are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	\$ 3,274,461	\$ 4,102,081
Fair value of plan assets	(2,074,085)	(2,692,218)
Net defined benefit liability	<u>\$ 1,200,376</u>	<u>\$ 1,409,863</u>

(c) Movements in net defined benefit liabilities are as follows:

	2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 4,102,081	(\$ 2,692,218)	\$ 1,409,863
Current service cost	25,761	-	25,761
Interest expense (income)	28,148	(18,426)	9,722
	<u>4,155,990</u>	<u>(2,710,644)</u>	<u>1,445,346</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(9,282)	(9,282)
Change in demographic assumptions	-	-	-
Change in financial assumptions	96,597	-	96,597
Experience adjustments	<u>46,587</u>	<u>(79,328)</u>	<u>(32,741)</u>
	<u>143,184</u>	<u>(88,610)</u>	<u>54,574</u>
Pension fund contribution	-	(292,255)	(292,255)
Paid pension	<u>(1,024,713)</u>	<u>1,017,424</u>	<u>(7,289)</u>
At December 31	<u>\$ 3,274,461</u>	<u>(\$ 2,074,085)</u>	<u>\$ 1,200,376</u>

	2019		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 4,287,335	(\$ 2,440,066)	\$ 1,847,269
Current service cost	36,627	(13,058)	23,569
Interest expense (income)	<u>33,737</u>	<u>(5,838)</u>	<u>27,899</u>
	<u>4,357,699</u>	<u>(2,458,962)</u>	<u>1,898,737</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	3,380	(11,005)	(7,625)
Change in demographic assumptions	9,283	-	9,283
Change in financial assumptions	36,347	-	36,347
Experience adjustments	<u>60,918</u>	<u>(79,893)</u>	<u>(18,975)</u>
	<u>109,928</u>	<u>(90,898)</u>	<u>19,030</u>
Pension fund contribution	-	(505,507)	(505,507)
Paid pension	<u>(365,546)</u>	<u>363,149</u>	<u>(2,397)</u>
At December 31	<u>\$ 4,102,081</u>	<u>(\$ 2,692,218)</u>	<u>\$ 1,409,863</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31,	
	2020	2019
Discount rate	0.20%~0.30%	0.60%~0.70%
Future salary increases	1.50%~3.00%	1.50%~3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 60,823)	\$ 60,797	\$ 52,820	(\$ 51,675)

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	(\$ 75,419)	\$ 77,686	\$ 65,999	(\$ 64,513)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$65,328.

B. Defined contribution pension plan

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2020 and 2019 were \$199,083 and \$206,168, respectively.
- (c) Some overseas subsidiaries adopted a defined contribution pension plan, covering all regular employees. Appropriation of pension cost for the years ended December 31, 2020 and 2019 were \$100,928 and \$113,463, respectively.

(21) Share-based payment - employee compensation

A. The Company

- (a) For the years ended December 31, 2020 and 2019, the Company’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Fifth plan of employee stock options	2017.04.11	20,000 units	6 years	Service of 2 to 4 years
Sixth plan of employee stock options	2018.03.09	20,000 units	6 years	Service of 2 to 4 years
Seventh plan of employee stock options	2019.03.08	20,000 units	6 years	Service of 2 to 4 years
Eighth plan of employee stock options	2020.01.08	20,000 units	6 years	Service of 2 to 4 years

(b) The above employee stock options are set forth below:

i. Details of the fifth plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2020		2019	
	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of year	17,264.94	NT\$44.10	18,328.55	NT\$46.40
Options waived	(2,540.34)	-	(1,019.22)	-
Options exercised	(3.67)	NT\$44.10	(44.39)	NT\$45.97
Options outstanding at end of year	<u>14,720.93</u>	NT\$41.80	<u>17,264.94</u>	NT\$44.10
Options exercisable at end of year	<u>9,720.01</u>	NT\$41.80	<u>7,450.54</u>	NT\$44.10

ii. Details of the sixth plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2020		2019	
	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of year	18,167.07	NT\$40.80	19,294.54	NT\$42.90
Options waived	(1,192.64)	-	(1,127.47)	-
Options exercised	(37.98)	NT\$39.30	-	-
Options outstanding at end of year	<u>16,936.45</u>	NT\$38.70	<u>18,167.07</u>	NT\$40.80
Options exercisable at end of year	<u>7,637.01</u>	NT\$38.70	<u>-</u>	-

iii. Details of the seventh plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2020		2019	
	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of year	18,886.10	NT\$46.50	-	-
Options granted	-	-	20,000.00	NT\$48.90
Options waived	(1,258.89)	-	(1,113.90)	-
Options outstanding at end of year	<u>17,627.21</u>	NT\$44.10	<u>18,886.10</u>	NT\$46.50
Options exercisable at end of year	<u>-</u>	-	<u>-</u>	-

iv. Details of the eighth plan of employee stock options outstanding are set forth below:

Stock options	For the year ended December 31, 2020	
	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of year	-	-
Options granted	20,000.00	NT\$36.90
Options waived	(1,342.30)	-
Options outstanding at end of year	<u>18,657.70</u>	NT\$35.00
Options exercisable at end of year	<u>-</u>	-

(c) The weighted-average stock price of stock options at exercise dates for the years ended December 31, 2020 and 2019 were NT\$36.35 and NT\$44.55, respectively.

(d) As of December 31, 2020 and 2019, the range of exercise prices of stock options outstanding were NT\$35.00~NT\$44.10 and NT\$40.80~NT\$46.50, respectively, and the weighted-average remaining contractual periods were as follows:

Type of arrangement	December 31, 2020	December 31, 2019
Fifth plan of employee stock options	2.5 years	3.5 years
Sixth plan of employee stock options	3.5 years	4.5 years
Seventh plan of employee stock options	4.5 years	5.5 years
Eighth plan of employee stock options	5 years	-

- (e) The fair value of stock options is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk free interest rate	Fair value per unit (in dollars)
Fifth plan of employee stock options	2017.4.11	NT\$ 52.2	NT\$ 52.2	28.06%~ 29.05%	4~5 years	0%	0.80%~ 0.89%	NT\$12.19~ NT\$14.17
Sixth plan of employee stock options	2018.3.9	NT\$ 45.9	NT\$ 45.9	24.96%~ 26.37%	4~5 years	0%	0.63%~ 0.72%	NT\$ 9.56~ NT\$11.29
Seventh plan of employee stock options	2019.3.8	NT\$ 48.9	NT\$ 48.9	22.88%~ 23.56%	4~5 years	0%	0.64%~ 0.67%	NT\$ 9.38~ NT\$10.82
Eighth plan of employee stock options	2020.1.8	NT\$ 36.9	NT\$ 36.9	19.14%~ 21.50%	4~5 years	0%	0.55%~ 0.57%	NT\$5.95~ NT\$7.44

- (f) For the years ended December 31, 2020 and 2019, expenses recognized arising from share-based payment amounted to \$151,824 and \$175,548, respectively.

B. Subsidiary – CTCI Advanced System Inc.

- (a) For the years ended December 31, 2020 and 2019, the subsidiary's share-based payment transactions are set forth below:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Sixth plan of employee stock options	2018.03.23	600 units	6 years	Service of 2 to 4 years
Seventh plan of employee stock options	2019.03.08	600 units	6 years	Service of 2 to 4 years
Eighth plan of employee stock options	2020.01.08	600 units	6 years	Service of 2 to 4 years
Cash capital increase reserved for employee preemption	2020.11.24	350 units	NA	Vested immediately

(b) The above employee stock options are set forth below:

i. Details of the sixth plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2020		2019	
	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of year	557.00	NT\$41.20	583.00	NT\$44.00
Options waived	(39.00)	-	(26.00)	-
Options exercised	(85.45)	NT\$40.30	-	-
Options outstanding at end of year	<u>432.55</u>	NT\$38.70	<u>557.00</u>	NT\$41.20
Options exercisable at end of year	<u>115.80</u>	NT\$38.70	<u>-</u>	-

ii. Details of the seventh plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2020		2019	
	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of year	581.00	NT\$39.60	-	-
Options granted	-	-	600.00	NT\$42.20
Options waived	(58.00)	-	(19.00)	-
Options outstanding at end of year	<u>523.00</u>	NT\$37.20	<u>581.00</u>	NT\$39.60
Options exercisable at end of year	<u>-</u>	-	<u>-</u>	-

iii. Details of the eighth plan of employee stock options outstanding are set forth below:

Stock options	For the year ended December 31, 2020	
	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of year	-	-
Options granted	600.00	NT\$49.40
Options waived	(67.00)	-
Options outstanding at end of year	533.00	NT\$46.40
Options exercisable at end of year	-	-

(c) For the year ended December 31, 2020, the weighted-average exercise price at the exercise date for those exercised stock options amounted to NT\$40.34. For the year ended December 31, 2019, no stock options had been exercised.

(d) As of December 31, 2020 and 2019, the exercise price of stock options outstanding were NT\$37.20~NT\$46.40 and NT\$39.60~NT\$41.20, respectively. The weighted-average remaining contractual periods were as follows:

Type of arrangement	December 31, 2020	December 31, 2019
Sixth plan of employee stock options	3.25 years	4.25 years
Seventh plan of employee stock options	4.25 years	5.25 years
Eighth plan of employee stock options	5 years	-

(e) The fair value of stock options is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk free interest rate	Fair value per unit (in dollars)
Sixth plan of employee stock options	2018.03.23	NT\$46.85	NT\$46.85	21.33%~ 22.13%	4~5 years	0%	0.65%~ 0.72%	NT\$8.67~ NT\$9.85
Seventh plan of employee stock options	2019.03.08	NT\$42.20	NT\$42.20	19.42%~ 20.74%	4~5 years	0%	0.64%~ 0.67%	NT\$7.08~ NT\$8.33
Eighth plan of employee stock options	2020.01.08	NT\$49.40	NT\$49.40	18.19%~ 19.43%	4~5 years	0%	0.55%~ 0.57%	NT\$7.60~ NT\$8.96
Cash capital increase reserved for employee preemption	2020.11.24	NT\$69.00	NT\$62.46	31.56%	0.07 years	0%	0.18%	NT\$6.83

(f) For the years ended December 31, 2020 and 2019, the expenses incurred on share-based payment transactions were \$6,188 and \$3,085, respectively.

C. Subsidiary – ECOVE Environment Corp.

- (a) For the years ended December 31, 2020 and 2019, the subsidiary's share-based payment transactions are set forth below:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Sixth plan of employee stock options	2018.7.09	1,500 units	6 years	Service of 2 years
Seventh plan of employee stock options	2019.7.24	1,500 units	6 years	Service of 2 years
Eighth plan of employee stock options	2020.4.13	1,500 units	6 years	Service of 2 years

- (b) The above employee stock options are set forth below:

- i. Details of the sixth plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2020		2019	
	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of year	1,408.11	NT\$155.00	1,448.27	NT\$173.50
Options waived	(42.00)	-	(40.00)	-
Options exercised	(264.00)	NT\$147.40	-	-
Options outstanding at end of year	<u>1,102.11</u>	NT\$147.40	<u>1,408.27</u>	NT\$155.00
Options exercisable at end of year	<u>249.00</u>	NT\$147.40	<u>-</u>	-

ii. Details of the seventh plan of employee stock options outstanding are set forth below:

	For the years ended December 31,			
	2020		2019	
Stock options	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of year	1,466.32	NT\$201.00	-	-
Options granted	-	-	1,500.00	NT\$212.50
Options waived	(43.00)	-	(34.00)	-
Options outstanding at end of year	<u>1,423.32</u>	NT\$191.10	<u>1,466.00</u>	NT\$201.00
Options exercisable at end of year	<u>-</u>	-	<u>-</u>	-

iii. Details of the eighth plan of employee stock options outstanding are set forth below:

Stock options	For the year ended December 31, 2020	
	No. of units (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at beginning of year	-	-
Options granted	1,500.00	NT\$203.00
Options waived	(27.00)	-
Options outstanding at end of year	<u>1,473.00</u>	NT\$193.00
Options exercisable at end of year	<u>-</u>	-

(c) For the year ended December 31, 2020, the weighted-average exercise price at the exercise date for those exercised stock options amounted to NT\$212.47. For the year ended December 31, 2019, no stock options had been exercised.

(d) As of December 31, 2020 and 2019, the range of exercise prices of stock options outstanding were NT\$147.4~NT\$203.0 and NT\$173.5~NT\$212.5, respectively, and the weighted-average remaining contractual periods were as follows:

Type of arrangement	December 31, 2020	December 31, 2019
Sixth plan of employee stock options	3.5 years	4.5 years
Seventh plan of employee stock options	4.5 years	5.5 years
Eighth plan of employee stock options	5.25 years	-

- (e) The fair value of stock options is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk free interest rate	Fair value per unit (in dollars)
Sixth plan of employee stock options	2018.7.9	NT\$173.5	NT\$173.5	11.38%~ 12.71%	4~5 years	0%	0.66%~ 0.71%	NT\$17.88~ NT\$22.44
Seventh plan of employee stock options	2019.7.24	NT\$212.5	NT\$212.5	10.83%~ 11.00%	4~5 years	0%	0.56%~ 0.58%	NT\$20.57~ NT\$23.68
Eighth plan of employee stock options	2020.4.13	NT\$203.00	NT\$203.0	11.58%~ 12.02%	4~5 years	0%	0.41%~ 0.45%	NT\$20.26~ NT\$23.79

- (f) For the years ended December 31, 2020 and 2019, the expenses incurred on share-based payment transactions were \$26,025 and \$14,677, respectively.

(22) Share capital

- A. As of December 31, 2020 and 2019, the Company's authorized capital was \$9,000,000 (including 800 million shares reserved for employee stock options), and the paid-in capital was \$7,633,599 and \$7,633,182, consisting of 763,359,891 shares and 763,318,240 shares, respectively, with a par value of NT\$10 per share. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2020	2019
At January 1	763,318,240	763,273,848
Employee stock options exercised	41,651	44,392
At December 31	763,359,891	763,318,240

B. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

Name of company holding the shares	Reason for reacquisition	December 31, 2020	
		Number of shares (shares in thousands)	Carrying amount
Subsidiary-ECOVE Environment Services Corp.	To maintain stockholders' equity	1	\$ 10
Subsidiary-CTCI Investment Corp.	"	344	3,241
Subsidiary-CTCI Development Corp.	"	912	8,584
		<u>1,257</u>	<u>\$ 11,835</u>

Name of company holding the shares	Reason for reacquisition	December 31, 2019	
		Number of shares (shares in thousands)	Carrying amount
Subsidiary-ECOVE Environment Services Corp.	To maintain stockholders' equity	1	\$ 10
Subsidiary-CTCI Investment Corp.	"	344	3,241
Subsidiary-CTCI Development Corp.	"	912	8,584
		<u>1,257</u>	<u>\$ 11,835</u>

- (b) Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.

(23) Capital surplus

- A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. The details and movements of capital surplus are provided as follows:

	Share premium	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Employee stock options	Others	Total
At January 1, 2020	\$ 2,867,566	\$ 5,043	\$ 211,172	\$ 637,425	\$ 9,242	\$ 3,730,448
Employee stock options exercised	1,237	-	-	-	-	1,237
Share-based payment transaction	-	-	-	160,155	-	160,155
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	12,286	-	-	12,286
Reorganization	187,351	-	-	-	-	187,351
Non-controlling interests	-	-	(13,788)	-	-	(13,788)
At December 31, 2020	<u>\$ 3,056,154</u>	<u>\$ 5,043</u>	<u>\$ 209,670</u>	<u>\$ 797,580</u>	<u>\$ 9,242</u>	<u>\$ 4,077,689</u>

	Share premium	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Employee stock options	Others	Total
At January 1, 2019	\$ 2,865,969	\$ 5,043	\$ 211,172	\$ 453,627	\$ 9,242	\$ 3,545,053
Employee stock options exercised	1,597	-	-	-	-	1,597
Share-based payment transaction	-	-	-	183,798	-	183,798
At December 31, 2019	<u>\$ 2,867,566</u>	<u>\$ 5,043</u>	<u>\$ 211,172</u>	<u>\$ 637,425</u>	<u>\$ 9,242</u>	<u>\$ 3,730,448</u>

C. On November 1, 2019, the Board of Directors resolved to sell its 99.05% equity interest in the subsidiary, CTCI Resources Engineering Inc., to the subsidiary, CTCI Advanced Systems Inc., at a price of \$30 (in dollars) per share. This transaction was made for reorganization. The difference between the sale price of \$742,866 and the net equity value was \$188,778, which was adjusted to the equity attributable to the parent company and reduced the non-controlling interests. The increase in the equity attributable to the parent company was recognized in capital surplus of \$187,351, cumulative translation differences of foreign operations of \$591, and unrealized gain or loss from investments in equity instruments measured at fair value through other comprehensive income of \$836. The transaction was completed on March 2, 2020.

D. Please refer to Note 6 (21) for details about the capital surplus - employee stock options.

(24) Retained earnings

- A. When the company generates net profit 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% to 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 in the form of 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 stockholders during their meeting.
- B. 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 10% of such profits as 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 accumulated distributable earnings, which shall be distributed as dividends to shareholders according to shareholders' resolutions.

The Company's dividend policy takes into consideration the requirements for business expansion and industry growth, future operating needs and stability of financial structure. Thus, the distribution of the accumulated distributable earnings is in accordance with the shareholders' resolutions. Also, the amount of shareholders' bonus shall not be less than 50% of accumulated distributable earnings of the Company, and in particular, cash dividends shall not be less than 20% of total dividends distributed.

- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

D. Special reserve

- (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- E. The Company's appropriations of 2019 and 2018 earnings had been resolved at the stockholders' meeting on May 28, 2020 and May 29, 2019, respectively. Details are summarized below:

	2019		2018	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Set aside as legal reserve	\$ 116,599	\$ -	\$ 182,754	\$ -
Set aside as (reversal of) special reserve	418,062	- (1,417)		-
Distribution of cash dividends from legal reserve	580,237	0.76	-	-
Distribution of cash dividends from earnings	946,402	1.24	1,721,211	2.255
	<u>\$ 2,061,300</u>	<u>\$ 2.00</u>	<u>\$ 1,902,548</u>	<u>\$ 2.255</u>

- F. Details of the appropriations of 2020 earnings as proposed by the Board of Directors on March 9, 2021 are as follows:

	2020	
	Amount	Dividends per share (in NT dollars)
Set aside as legal reserve	\$ 73,305	\$ -
Reversal of special reserve	(1,755)	-
Distribution of cash dividends from legal reserve	865,216	1.13
Distribution of cash dividends from earnings	661,504	0.87
	<u>\$ 1,598,270</u>	<u>\$ 2.00</u>

- G. For information relating to employees' compensation (bonuses) and directors' remuneration, please refer to Note 6(31).

(25) Operating revenue

	For the years ended December 31,	
	2020	2019
Revenue from contracts with customers	\$ 54,987,647	\$ 57,046,087
Other-service concession revenue	570,762	1,164,935
	<u>\$ 55,558,409</u>	<u>\$ 58,211,022</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the year ended December 31, 2020	Construction Engineering Revenue	Service Revenue	Other Operating Revenue	Total
Total segment revenue	\$ 48,697,998	\$ 5,068,849	\$ 1,220,800	\$ 54,987,647
Inter-segment revenue	<u>2,772,159</u>	<u>1,979</u>	<u>436,337</u>	<u>3,210,475</u>
	<u>\$ 51,470,157</u>	<u>\$ 5,070,828</u>	<u>\$ 1,657,137</u>	<u>\$ 58,198,122</u>
Revenue from external customer contracts				
Timing of revenue recognition				
At a point time	\$ -	\$ -	\$ 464,876	\$ 464,876
Over time	<u>48,697,998</u>	<u>5,068,849</u>	<u>755,924</u>	<u>54,522,771</u>
	<u>\$ 48,697,998</u>	<u>\$ 5,068,849</u>	<u>\$ 1,220,800</u>	<u>\$ 54,987,647</u>

For the year ended December 31, 2019	Construction Engineering Revenue	Service Revenue	Other Operating Revenue	Total
Total segment revenue	\$ 51,343,155	\$ 4,354,766	\$ 1,348,166	\$ 57,046,087
Inter-segment revenue	<u>2,966,217</u>	<u>9,565</u>	<u>470,556</u>	<u>3,446,338</u>
	<u>\$ 54,309,372</u>	<u>\$ 4,364,331</u>	<u>\$ 1,818,722</u>	<u>\$ 60,492,425</u>
Revenue from external customer contracts				
Timing of revenue recognition				
At a point time	\$ -	\$ -	\$ 1,348,166	\$ 1,348,166
Over time	<u>51,343,155</u>	<u>4,354,766</u>	<u>-</u>	<u>55,697,921</u>
	<u>\$ 51,343,155</u>	<u>\$ 4,354,766</u>	<u>\$ 1,348,166</u>	<u>\$ 57,046,087</u>

B. Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>January 1, 2019</u>
Contract assets-			
construction contract			
revenue	\$ 18,095,968	\$ 18,996,205	\$ 24,823,432
Contract liabilities-			
construction contract			
revenue	(14,495,734)	(12,157,272)	(13,920,198)
	<u>\$ 3,600,234</u>	<u>\$ 6,838,933</u>	<u>\$ 10,903,234</u>

(26) Interest income

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Interest income from bank deposits	\$ 114,274	\$ 267,089

(27) Other income

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Rental revenue	\$ 9,609	\$ 9,612
Dividend income	37,961	42,644
Other income-others	57,362	148,885
	<u>\$ 104,932</u>	<u>\$ 201,141</u>

(28) Other gains and losses

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Gain (loss) on disposal of property, plant and equipment	\$ 21,036	(\$ 282)
Gain on disposal of investments	-	516,017
Gain from lease modification	1,044	-
Foreign exchange loss	(189,148)	(130,970)
Gain on financial assets at fair value through profit or loss	33,221	410
Other losses	(353)	(14,396)
	<u>(\$ 134,200)</u>	<u>\$ 370,779</u>

(29) Finance costs

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Interest expense		
Interest on loan	\$ 227,880	\$ 234,102
Interest on corporate bonds	53,380	-
Interest on lease liability	3,209	1,715
	<u>\$ 284,469</u>	<u>\$ 235,817</u>

(30) Expenses by nature

	For the years ended December 31,	
	2020	2019
Subcontract costs	\$ 23,198,302	\$ 19,217,001
Materials	19,745,225	21,182,518
Employee benefit expense	8,329,837	9,140,231
Amortization charges on buried equipment	503,860	468,373
Temporary equipment	1,000	1,613
Depreciation	873,699	756,071
Amortization	155,119	149,706
Others	694,088	5,127,359
	<u>\$ 53,501,130</u>	<u>\$ 56,042,872</u>

(31) Employee benefit expense

	For the years ended December 31,	
	2020	2019
Salaries and wages	\$ 6,853,357	\$ 7,589,190
Employee stock options	184,037	193,310
Labor and health insurance fees	480,238	495,808
Pension costs	335,494	371,099
Other personnel expenses	476,711	490,824
	<u>\$ 8,329,837</u>	<u>\$ 9,140,231</u>

- A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees and pay remuneration to the directors that should be 1.5% to 5% and not be higher than 1.5%, respectively, of the total distributed amount.
- B. For the years ended December 31, 2020 and 2019, employees' compensation was accrued at \$22,996 and \$35,310, respectively; directors' remuneration was accrued at \$12,000 and \$12,000, respectively. The aforementioned amounts were recognized in salary expenses and other expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on an amount of 1.5% to 5% and not higher than 1.5% of distributable profit of current year for the year ended December 31, 2020.

Employees' compensation and directors' remuneration for 2019 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2019 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(32) Income tax

A. Income tax expense

Components of income tax expense:

	For the years ended December 31,	
	2020	2019
Current tax:		
Current tax on profits for the year	\$ 498,136	\$ 702,510
Prior year income tax under (over) estimation	43,109	(30,591)
Total current tax	541,245	671,919
Deferred tax:		
Origination and reversal of temporary differences	(82,748)	(116,471)
Effect of foreign exchange	377	542
Total deferred tax	(82,371)	(115,929)
Income tax expense	\$ 458,874	\$ 555,990

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2020	2019
Income tax calculated by applying statutory rate to the profit before tax	\$ 476,115	\$ 411,390
Effects from items adjusted in accordance with tax regulation	(67,517)	(77,217)
Prior year income tax under (over) estimation	43,109	(30,591)
Effect from investment tax credits	(10,957)	(11,501)
Taxable loss not recognized as deferred tax assets	18,124	263,909
Income tax expense	\$ 458,874	\$ 555,990

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2020			
	At January 1	Recognized in profit or loss	Recognized in other comprehensive income	At December 31
Deferred income tax assets:				
-Temporary differences:				
Unrealized loss on financial assets	\$ 376,522	\$ 459	\$ -	\$ 376,981
Unrealized exchange loss	19,827	(18,595)	-	1,232
Unrealized loss on foreign investments	1,107	11,853	-	12,960
Unrealized loss on unfinished construction	41,215	55,409	-	96,624
Unrealized losses on doubtful debts	22,308	(2,108)	-	20,200
Unrealized compensated absences	45,689	(17,424)	-	28,265
Unrealized maintenance costs	12,184	-	-	12,184
Unrealized loss on market value decline and obsolete and slow-moving inventories	512	(37)	-	475
Unrealized golf card annual fee	1,080	-	-	1,080
Unrealized gain on sales of fixed assets	1,406	-	-	1,406
Reserve for retirement plan	239,692	(52,395)	11,310	198,607
Tax losses	-	88,341	-	88,341
Others	22,837	27,460	-	50,297
Subtotal	784,379	92,963	11,310	888,652
-Deferred tax liabilities:				
Unrealized exchange gain	(\$ 1,147)	\$ -	\$ -	(\$ 1,147)
Unrealized gain on foreign investments	(18,325)	(8,558)	-	(26,883)
Unrealized pension	(1,233)	(9)	(480)	(1,722)
Unrealized gain on concessions	(176,715)	-	-	(176,715)
Investment property	(11,239)	439	-	(10,800)
Others	(8,038)	(2,464)	-	(10,502)
Subtotal	(216,697)	(10,592)	(480)	(227,769)
Total	\$ 567,682	\$ 82,371	\$ 10,830	\$ 660,883

2019				
	At January 1	Recognized in profit or loss	Recognized in other comprehensive income	At December 31
Deferred income tax assets:				
-Temporary differences:				
Unrealized loss on financial assets	\$ 635	\$ 9,465	\$ 366,422	\$ 376,522
Unrealized exchange loss	2,975	16,852	-	19,827
Unrealized loss on foreign investments	25,255	(24,148)	-	1,107
Unrealized loss on unfinished construction	57,891	(16,676)	-	41,215
Unrealized losses on doubtful debts	20,800	1,508	-	22,308
Unrealized compensated absences	44,316	1,373	-	45,689
Unrealized maintenance costs	11,498	686	-	12,184
Unrealized loss on market value decline and obsolete and slow-moving inventories	220	292	-	512
Unrealized golf card annual fee	1,080	-	-	1,080
Unrealized gain on sales of fixed assets	1,516	(110)	-	1,406
Reserve for retirement plan	325,756	(90,378)	4,314	239,692
Others	1,393	21,444	-	22,837
Subtotal	<u>493,335</u>	<u>(79,692)</u>	<u>370,736</u>	<u>784,379</u>
-Deferred tax liabilities:				
Unrealized exchange gain	(\$ 865)	(\$ 282)	\$ -	(\$ 1,147)
Unrealized gain on foreign investments	(196,823)	178,498	-	(18,325)
Unrealized pension	(817)	92	(508)	(1,233)
Unrealized gain on concessions	(181,391)	4,676	-	(176,715)
Investment property	(12,108)	869	-	(11,239)
Others	(19,806)	11,768	-	(8,038)
Subtotal	<u>(411,810)</u>	<u>195,621</u>	<u>(508)</u>	<u>(216,697)</u>
Total	<u>\$ 81,525</u>	<u>\$ 115,929</u>	<u>\$ 370,228</u>	<u>\$ 567,682</u>

D. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are as follows:

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2016	\$ 3,110	\$ 3,110	\$ 529	2026
2017	255,514	88,545	22,136	2022
2017	583,936	520,170	88,429	2027
2018	388,705	388,705	77,741	2028
2019	1,411,728	1,287,847	257,569	2029
2020	224,604	224,604	44,921	2030
	<u>\$ 2,867,597</u>	<u>\$ 2,512,981</u>	<u>\$ 491,325</u>	

December 31, 2019				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2014	\$ 58,585	\$ 13,762	\$ 3,441	2019
2016	107,330	12,323	2,465	2026
2017	255,514	241,191	60,298	2022
2017	590,685	586,171	117,234	2027
2018	389,037	389,037	77,807	2028
2019	349,962	349,962	69,992	2029
2019	978,379	978,379	244,595	2024
	<u>\$ 2,729,492</u>	<u>\$ 2,570,825</u>	<u>\$ 575,832</u>	

E. The amounts of deductible temporary differences that were not recognized as deferred tax assets are as follows:

	December 31, 2020	December 31, 2019
Deductible temporary differences	<u>\$ 491,325</u>	<u>\$ 575,832</u>

F. Assessment of income tax

The Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

G. The Company disagreed with the result of the 2017 income tax return assessed by the Tax Authority and filed for further assessment on November 25, 2019.

H. The Company's subsidiary, CTCI Arabia Ltd., was ordered by the local tax authorities to pay back taxes in the amount of \$134,635 thousand (SAR 17,212 thousand) for the years 2007 through 2010. CTCI Arabia Ltd. has appealed the decision but has initially paid the tax in the amount of \$134,635 thousand (including taxes of SAR 8,941 thousand plus interest of SAR 8,271 thousand) in order to conduct subsequent administrative litigation. On December 21, 2020, CTCI Arabia Ltd. has withdrawn the appeal and recognized \$70,203 (SAR 8,941 thousand) of income tax expenses. In addition, additional interest of prepaid taxes is yet to be returned by the local Tax Authority.

(33) Earnings per share

For the year ended December 31, 2020			
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the ordinary shareholders of the parent	\$ 766,548	762,074	<u>NT\$ 1.01</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	667	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 766,548</u>	<u>762,741</u>	<u>NT\$ 1.00</u>

For the year ended December 31, 2019			
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the ordinary shareholders of the parent	\$ 1,177,011	762,037	<u>NT\$ 1.54</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	987	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,177,011</u>	<u>763,024</u>	<u>NT\$ 1.54</u>

(34) Supplemental cash flow information

Investing activities with partial cash payments

	For the years ended December 31,	
	2020	2019
Purchase of property, plant and equipment	\$ 2,639,436	\$ 1,852,461
Add: Opening balance of payable on equipment	-	1,785,960
Less: Ending balance of payable on equipment	(289,760)	-
Changes in other non-cash items	(55,951)	-
Cash paid during the year	<u>\$ 2,293,725</u>	<u>\$ 3,638,421</u>

(35) Changes in liabilities from financing activities

The Group's liabilities from financing activities in 2020 and 2019 included short-term borrowings, short-term notes and bills payable, corporate bonds payable, long-term borrowings, and lease liabilities, changes in cash flow from financing, etc. The summary amount is as follows. For the rest of the information, please refer to the cash flow statement.

	<u>Liabilities from financing activities-gross</u>	
	<u>2020</u>	<u>2019</u>
At January 1	\$ 18,305,180	\$ 14,966,313
Changes in cash flow from financing activities	2,040,191	2,735,116
Changes in other non-cash items	221,550	603,751
At December 31	<u>\$ 20,566,921</u>	<u>\$ 18,305,180</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Pan Asia Corp.	Associate
MIE Industrial Sdn. Bhd.	Associate
ZheJiang Boretech Environmental Engineering Co., Ltd.	Associate
Blue Whale Water Technology Corp.	Associate
Powtec ElectroChemical Corp. (formerly Powertec Energy Corp.)	It was an associate and became a non-related party starting from September, 2019.
EVER ECOVE CORP.	Associate
HDEC-CTCI (Linhai) Corp.	Associate
HDEC Corp.	Other related party
CTCI Foundation	Other related party
CTCI Education Foundation	Other related party
PT Eptco Dian Persada	Other related party
Topco Scientific Co., Ltd.	Other related party
Topco International Investment Co., Ltd.	Other related party
Ho-Ping Power Company	Other related party
TCC (Hangzhou) Environment Technology Limited	Other related party

(2) Significant transactions and balances with related parties

A. Sales of services

	For the years ended December 31,	
	2020	2019
Associates	\$ 2,872,872	\$ 3,194,730
Other related parties	324,855	13,361
	<u>\$ 3,197,727</u>	<u>\$ 3,208,091</u>

The price on the construction contracts entered into with related parties are set through negotiation by both parties. The collection terms were approximately the same as those with third parties.

B. Purchases of services

	For the years ended December 31,	
	2020	2019
Associates	\$ 759,180	\$ 1,726,882
Other related parties	146	36,360
	<u>\$ 759,326</u>	<u>\$ 1,763,242</u>

The price on the construction subcontracts entered into with related parties are set through negotiation by both parties.

C. Accounts receivable

	December 31, 2020	December 31, 2019
MIE Industrial Sdn. Bhd.	\$ 3,348	\$ 641,882
Other associates	83,250	112,346
Other related parties	2,547	6,650
	<u>\$ 89,145</u>	<u>\$ 760,878</u>

D. Loans to related parties (shown as other receivables due from related parties)

	December 31, 2020	December 31, 2019
Other related parties	<u>\$ 33,660</u>	<u>\$ -</u>

Loans to related parties are repayable within one year after loans were granted, and the interest was collected at 6% per annum for the year ended December 31, 2020.

E. Accounts payable

	December 31, 2020	December 31, 2019
Associates	<u>\$ 166,897</u>	<u>\$ 648,957</u>

F. Leasing arrangements - lessee

- (a) The Group leases buildings from other related parties. Rental contracts are made for periods from 2010 to 2029, and payments are made semiannually.

(b) On January 1, 2019 (the date of initial application of IFRS 16), the Group increased right-of-use assets by \$88,886.

(c) Lease liability

i. Outstanding balance:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other related parties	\$ <u>73,215</u>	\$ <u>81,077</u>

ii. Interest expense

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Other related parties	\$ <u>510</u>	\$ <u>563</u>

G. Provision for endorsements and guarantees

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Associates	\$ <u>3,307,300</u>	\$ <u>3,307,300</u>

H. The Group donated \$12,000 and \$15,000 to the CTCI Education Foundation in March, 2020 and 2019, respectively, for personnel training and enterprise social responsibility.

(3) Key management compensation

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Salaries and other short-term employee benefits	\$ 191,580	\$ 182,083
Post-employment benefits	10,848	9,883
Other long-term benefits	2,045	2,260
Share-based payments	<u>12,581</u>	<u>14,552</u>
	\$ <u>217,054</u>	\$ <u>208,778</u>

8. PLEDGED ASSETS

<u>Pledged assets</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	
Financial assets at amortized cost			
Pledged time deposits	\$ 209,210	\$ 177,025	Guarantee for oil expense, litigation deposits, construction contracts and short-term borrowing
Refundable deposits	341,035	146,639	Guarantee for oil expense, rent, golf certificates, tender bonds, dormitory deposit, and wages
Property, plant and equipment	6,729,275	6,116,344	Guarantee for long-term and short-term borrowings
Investment property	799,724	803,823	Guarantee for long-term and short-term borrowings
	<u>\$ 8,079,244</u>	<u>\$ 7,243,831</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to those items which have been disclosed in Note 6 (32), the significant contingent liabilities and unrecognized contract commitments of the Group as of December 31, 2020 were as follows:

A. Guarantee

- (a) The Group had outstanding notes payable for security deposits under various construction projects amounting to \$6,033,551.
- (b) The Group had letters of guarantee for warranty and security deposits under various construction projects amounting to \$50,561,962.
- (c) The Group had outstanding notes payable for bank financing amounting to \$125,207,592.

B. The Group had unused and outstanding letters of credit of \$442,062.

C. The Group had outstanding commitments for construction subcontracts and services contracts, less accounts payable that were already paid and accrued in the future, of \$46,084,950.

D. The Group had entered into contracts for acquisition of materials amounting to \$2,969,160 .

- E. On September 18, 2015, the Dalin-Gaogang 345kV underground transmission line, sector I, shield tunneling and Dalin and Nangong cooling room turnkey project happened a road collapse accident at Zhonglin Road, with the restoration of the collapse, resulting in an oil spill accident on October 16, 2015. Accordingly, CPC Corporation filed a lawsuit against the joint constructor, Chun Yuan Construction Co., Ltd., and the second-tier subsidiary, CTCI Resources Engineering Inc., and claiming compensation amounting to \$486,908 thousand. In accordance with the assessment result released by the Taiwan Construction Research Institute, the collapse was caused by geological factors, and the joint constructor shall not be liable for the collapse. In addition, the joint contractor initially reviewed the damages of CPC Corporation, of which \$130,000 thousand belonged to direct damages, and the remaining was indirect damages or no causality. Consequently, CTCI Resources Engineering Inc. disagreed with the compensation claimed by CPC Corporation. This case still under trial in the civil department of Taiwan Taipei District Court. On May 18, 2020, the new judge informed that the assessment of responsibilities and expenses would be handled, but the two parties have not yet reached an agreement on the appraisal unit.
- F. China Steel Corporation filed a lawsuit against the joint constructor, Chun Yuan Construction Co., Ltd., and the second-tier subsidiary, CTCI Resources Engineering Inc., for claiming compensation amounting to \$131,249 thousand as a result of an oil spill accident on October 16, 2015 in relation to the restoration of the Zhonglin Road collapse. However, the second-tier subsidiary, CTCI Resources Engineering Inc. considered that China Steel Corporation's claim is unjustified. Currently, the case is under the assessment in the civil department of the Taiwan Kaohsiung District Court.
- G. The subsidiary, CTCI Smart Engineering Corp., has entered into an electrical and mechanical contract with RPTI International Ltd. (RPTI) on behalf of the joint venture by RSEA Engineering Corp. and CTCI Smart Engineering Corp. for partial permanent work of electrical and mechanical engineering. However, as RPTI International Ltd. was behind the schedule, it agreed that CTCI Smart Engineering Corp. hire others to carry out the pending construction. In addition, because RPTI was unable to perform the air conditioning construction as stated in the contract, CTCI Smart Engineering Corp. revoked the air conditioning construction, and re-contract out to Jehng Long Engineering Corp. The aforementioned construction expenses for hiring others and for working on the terminated construction and losses were expected to be paid using RPTI's estimated assessment amount and retention payment. However, RPTI filed a lawsuit with the Taiwan Taipei District Court, alleging improper deduction by CTCI Smart Engineering Corp. and requesting construction payment of \$72,024 along with an interest at 5% per annum from November 28, 2007 until the date of repayment. The case was still in trial and CTCI Smart Engineering Corp. filed a counter-claim on August 8, 2008, alleging RPTI's estimated assessment amount and retention amount were insufficient to cover all payables, and requesting payment of \$94,569. The amount of \$22,947 of the requested payment of \$94,569 shall be paid along with an interest at 5% per annum from July 16, 2008 until the date of repayment, while the remaining request amount shall be paid along with an interest at 5% per annum from the date when RPTI receives the transcription of counter-complaint until the date of repayment. RPTI expanded its claim to request a payment of \$111,079 along with an interest. On April 27, 2015, Taiwan Taipei District Court rendered a judgement (Year 2008, Zian-Zi No. 21, Civil case) that CTCI Smart Engineering Corp. needs to pay RPTI an amount of \$84,305 which comprises of \$72,574 along

with an interest at 5% per annum from November 28, 2007 and of the remaining \$11,731 along with an interest at 5% per annum from December 15, 2010 until the date of repayment. RPTI's remaining appeal and CTCI Smart Engineering Corp.'s counter-claim were refuted. CTCI Smart Engineering Corp. disagreed with the verdict and filed an appeal with the Taiwan High Court in the prescribed time, asking for rejection to RPTI's claim and judgment of the counter-claim. The counter-claim is requesting RPTI to pay an amount of \$75,166 which comprises of \$22,947 along with an interest at 5% per annum from July 16, 2008 and of remaining \$52,218 along with an interest at 5% per annum from August 9, 2008 until the date of repayment. RPTI filed an incidental appeal requesting CTCI Smart Engineering Corp. to pay another amount of \$7,092 along with an interest at 5% per annum from November 28, 2007 until the date of repayment. Taiwan High Court rendered the judgement on August 30, 2017. Refuted the verdict above and commanded that RPTI needs to pay CTCI Smart Engineering Corp. \$57,899 along with an interest at 5% per annum from August 9, 2008 until the date of repayment. RPTI appealed to the Supreme Court during the legal period because they disagreed with the judgement. The Supreme Court rendered the judgement that the verdict Taiwan High Court rendered was void and reverted the case back to the Taiwan High Court for a retrial. During the retrial, the judge gave explicit instructions that CTCI Smart Engineering Corp. should obey the tenor sent by the Supreme Court and amend the statement of payment request to the statement of creditor's rights confirmation request, the statement declares that RPTIC needs to pay CTCI Smart Engineering Corp. an amount of \$57,899 which comprises of \$22,947 along with an interest at 5% per annum from July 16, 2008 and of remaining \$34,952 along with an interest at 5% per annum from August 9, 2008 until the date of repayment and they would be included in the Group's claim in bankruptcy. On March 10, 2020, the Taiwan High Court amended the statement and rendered the judgement whereby RPTI is required to pay CTCI Smart Engineering Corp. an amount of \$48,144 along with an interest at 5% per annum from August 9, 2008 until the date of repayment. RPTI then filed an appeal with the Supreme Court. On March 10, 2020, the Taiwan High Court refuted the verdict by voiding it (except for the confirmed part) again and the rendered the judgement whereby RPTI is required to pay CTCI Smart Engineering Corp. an amount of \$48,144 along with an interest at 5% per annum from August 9, 2008 until the date of repayment. RPTI appealed to the Supreme Court during the legal period because they disagreed with the judgement while CTCI Smart Engineering Corp. did not.

- H. On March 31, 2014, the Company entered into the building construction undertaking agreement with Oriental Petrochemical (Taiwan) Co., Ltd. and Dayu Mechanical Engineering Co., Ltd. for the prefabricated installation construction of the above ground piping in 19 districts of Oriental Petrochemical (Taiwan) Co., Ltd. Guanyin Second Field PTA LINE 3 plant project construction which was undertaken by Oriental Petrochemical (Taiwan) Co., Ltd.. The Company generally accepted all rights and obligations of Oriental Petrochemical (Taiwan) Co., Ltd. which were arouse from this agreement. Due to the adjustment in the details of the work, the Company entered into a contract change letter with Dayu Mechanical Engineering Co., Ltd. on November 18, 2014 to extend the construction period to December 31, 2015. Subsequently, due to the insufficient number of workers from Dayu Mechanical Engineering Co., Ltd. repeatedly, the Company sent a legal attest letter to Dayu Mechanical Engineering Co., Ltd. on May 9, 2016 to terminate this contract. On May 20, 2020, Dayu Mechanical Engineering Co., Ltd. filed a complaint against the Company, claiming

that it suffered the damage caused by the Company's delay in starting the construction for 5 months and failure in fulfilling contractual obligations such as not completing the infrastructure on schedule, and requested for payments of \$120,771 which were the total of retentions, unpaid construction payment, safety and health management fee, profit management fee and night entry assess fee paid on behalf the Company. However, the Company claimed that Dayu Mechanical Engineering Co., Ltd.'s claims had expired by prescription and if the court considers the claims had not expired then the Company will claim to offset the claims with its loss on recontracting amounting to \$75,007 and Dayu Mechanical Engineering Co., Ltd.'s overdue default penalty amounting to \$22,520. On November 14, 2019, the Company stated in the pleadings that this dispute shall be submitted to the arbitration under the procedures stipulated in the terms 5 of building construction undertaking agreement. The Taipei District Court ordered Dayu Mechanical Engineering Co., Ltd. to submit the arbitration for this case on July 31, 2020. Dayu Mechanical Engineering Co., Ltd. then submitted the arbitration on August 21, 2020. The Taiwan High Court later voided the original order on October 21, 2020 and determined that the case shall not be submitted to the arbitration. This case is currently under trial in the first instance.

- I. The plaintiff, Pao An Fire Equipment Co., Ltd., claimed that there were an outstanding final payment and an additional construction payment totaling \$82,411 for the "fire protection engineering of Taipower Talin Power Plant's main plant" that it entered with the Company. The Company claimed that since the construction is under the acceptance by some owners and therefore conditions required for the final payment have not been reached. For the additional construction payment, the amount confirmed on the site by the both parties' engineers at the time shall be a few millions of dollars only. Since Pao An Fire Equipment Co., Ltd. still has to pay the penalty for delayed completion, the Company has no obligation to pay Pao An Fire Equipment Co., Ltd. after offsetting the penalty. In addition, as Pao An Fire Equipment Co., Ltd. did not provide complete evidences corresponding to the additional construction payment that it claimed, the court currently asks both parties to check the quantity.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

- A. Details of the appropriation of earnings as proposed by the Board of Directors on March 9, 2021 are provided in Note 6 (24) F.
- B. The Board of Directors of the subsidiary, ECOVE Environment Corp. during its meeting on March 8, 2021 adopted a resolution to issue the unsecured convertible bonds (including green bonds) in one or more issuance(s) with aggregate amount not exceeding \$2 billion.
- C. The Board of Directors during its meeting on March 9, 2021 adopted a resolution to issue 5.5 million common shares of restricted stock with a par value of \$10 (in dollars) per share, totaling \$55,000.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Total borrowings include 'current and non-current borrowings' as shown in the consolidated balance sheet. Total capital is calculated as 'equity' as shown in the consolidated balance sheet.

The gearing ratios as of December 31, 2020 and 2019, were as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Total borrowings	\$ 20,106,692	\$ 17,877,578
Total equity	\$ 19,034,237	\$ 19,346,997
Gearing ratio	105.63%	92.40%

(2) Financial risk of financial instruments

A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial asset mandatorily measured at fair value through profit or loss	\$ 4,305,180	\$ 275,845
Designation of equity instrument	\$ 1,721,683	\$ 1,323,442
<u>Financial assets</u>		
Cash and cash equivalents	\$ 13,422,837	\$ 20,767,581
Financial assets at amortized cost	1,015,832	407,884
Notes receivable	19,244	63,360
Accounts receivable	5,969,136	4,170,584
Accounts receivable due from related parties	89,145	760,878
Other receivables	121,027	245,735
Other receivables due from related parties	33,660	-
Refundable deposits	341,035	146,639
Long-term receivables	1,888,816	2,190,730
Other financial assets	12,372	7,258
	<u>\$ 22,913,104</u>	<u>\$ 28,760,649</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial liabilities</u>		
Financial liabilities mandatorily measured at fair value through profit or loss	\$ <u>160,222</u>	\$ <u>54,716</u>
Financial liabilities at amortised cost		
Short-term borrowings	\$ 5,409,564	\$ 6,163,306
Short-term notes and bills payable	147,925	199,921
Notes payable	7,572	48,369
Accounts payable	11,241,994	11,708,290
Accounts payable due to related parties	166,897	648,957
Other payables	2,425,378	2,848,021
Corporate bonds payable	8,986,139	5,989,529
Long-term borrowings (including current portion)	5,563,064	5,524,822
Deposits received	489,738	326,007
	<u>\$ 34,438,271</u>	<u>\$ 33,457,222</u>
Lease liability	<u>\$ 460,229</u>	<u>\$ 427,602</u>

B. Risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and EUR. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2020			
Foreign Currency			
Amount			
	(In Thousands)	Exchange Rate	Book Value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 100,218	28.0970	\$ 2,815,825
EUR : NTD	5,671	34.5312	195,826
SGD : NTD	949	21.2478	20,164
JPY : NTD	489,914	0.2723	133,404
THB : NTD	5,139	0.9386	4,823
RMB : NTD	76,238	4.3201	329,356
MOP : NTD	30,697	3.5137	107,860
RMB : USD	3,018	0.1538	13,038
USD : VND	22,411	23,414.1667	629,682
USD : THB	10,999	29.9350	309,039
USD : SGD	500	1.3223	14,049
USD : MYR	58,267	1.0240	1,637,128
EUR : VND	525	28,776.0000	18,129
USD : INR	14,427	14,045.5000	405,355
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	5,189	28.0970	145,795
EUR : NTD	674	34.5312	23,274
JPY : NTD	657,517	0.2723	179,042
RMB : NTD	2,019	4.3201	8,722
MOP : NTD	1,395	3.5137	4,902
USD : MYR	6,782	4.0240	190,554
USD : SAR	99	3.7506	2,782
USD : INR	120	8.7890	3,372
EUR : USD	38	1.2290	1,312
SGD : PHP	471	36.3148	128,135

December 31, 2019			
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 246,678	30.1500	\$ 7,437,342
EUR : NTD	15,146	33.7982	511,908
SGD : NTD	56,526	22.3989	1,266,120
JPY : NTD	745,887	0.2775	206,984
MOP : NTD	18,978	3.7535	71,234
THB : NTD	40,364	1.0106	40,792
RMB : NTD	31,826	4.3294	137,787
GBP : NTD	33	39.6141	1,307
USD : VND	1,753	23,192.3077	52,853
USD : THB	3,060	29.8338	92,259
USD : MYR	547	4.0930	16,492
USD : EUR	1,465	0.8921	44,170
USD : SAR	636	3.7513	19,175
USD : PHP	2,956	50.6723	89,123
THB : USD	72,265	0.0335	73,031
RMB : USD	4,238	0.1436	18,347
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	17,122	30.1500	516,228
EUR : NTD	1,593	33.7982	53,841
MOP : NTD	4,103	3.7535	15,401
JPY : NTD	43,250	0.2775	12,002
RMB : NTD	3,079	4.3294	13,330
THB : NTD	1,420	1.0106	1,435
USD : MYR	291	4.0930	8,774
USD : VND	309	23,192.3077	9,316
USD : INR	5,922	71.3103	178,548
EUR : USD	455	1.1210	15,378

- iv. The unrealized exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2020 and 2019 amounted to \$16,193 and (\$65,582), respectively.

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	December 31, 2020		
	Sensitivity Analysis		
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 28,158	\$ -
EUR : NTD	1%	1,958	-
SGD : NTD	1%	202	-
JPY : NTD	1%	1,334	-
THB : NTD	1%	48	-
RMB : NTD	1%	3,294	-
MOP : NTD	1%	1,079	-
RMB : USD	1%	130	-
USD : VND	1%	6,297	-
USD : THB	1%	3,090	-
USD : SGD	1%	140	-
USD : MYR	1%	16,371	-
EUR : VND	1%	181	-
USD : INR	1%	4,054	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	1,458	-
EUR : NTD	1%	233	-
JPY : NTD	1%	1,790	-
RMB : NTD	1%	87	-
MOP : NTD	1%	49	-
USD : MYR	1%	1,906	-
USD : SAR	1%	28	-
USD : INR	1%	34	-
EUR : USD	1%	13	-
SGD : PHP	1%	1,281	-

December 31, 2019				
Sensitivity Analysis				
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 74,373	\$	-
EUR : NTD	1%	5,119		-
SGD : NTD	1%	12,661		-
JPY : NTD	1%	2,070		-
MOP : NTD	1%	712		-
THB : NTD	1%	408		-
RMB : NTD	1%	1,378		-
GBP : NTD	1%	13		-
USD : VND	1%	529		-
USD : THB	1%	923		-
USD : MYR	1%	165		-
USD : EUR	1%	442		-
USD : SAR	1%	192		-
USD : PHP	1%	891		-
THB : USD	1%	730		-
RMB : USD	1%	183		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	5,162		-
EUR : NTD	1%	538		-
MOP : NTD	1%	154		-
JPY : NTD	1%	120		-
RMB : NTD	1%	133		-
THB : NTD	1%	14		-
USD : MYR	1%	88		-
USD : VND	1%	93		-
USD : INR	1%	1,785		-
EUR : USD	1%	154		-

Price risk

The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2020 and 2019, the Group's borrowings at variable rate were denominated in NTD and USD.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.
- ii. Individual risk limits are controlled by internal risk that assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. The Group adopts the assumption under IFRS 9, that is, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the customers' contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable and contract assets in accordance with customer types. The Group applies the simplified approach using the provision matrix and loss rate methodology to estimate expected credit loss.

vi. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2020 and 2019, the provision matrix is as follows:

	Excellent customers (Note 1)	General customers (Note 2)	Individual assessment customers	Total
<u>December 31, 2020</u>				
Expected loss rate	0.0685%	0.1013%~4.0311%	100%	
Total book value	\$ 4,106,977	\$ 3,805,025	\$ 777	\$ 7,912,779
Loss allowance	(1,262)	(33,544)	(777)	(35,583)
	Excellent customers (Note 1)	General customers (Note 2)	Individual assessment customers	Total
<u>December 31, 2019</u>				
Expected loss rate	0.03%~0.4%	0.03%~100%	100%	
Total book value	\$ 3,838,343	\$ 2,607,350	\$ 856	\$ 6,446,549
Loss allowance	(1,386)	(19,633)	(856)	(21,875)

Note 1: Government institutions, state-owned enterprises and listed companies.

Note 2: Companies that are not included in Note 1.

Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable, contract assets and lease payments receivable are as follows:

	2020
	<u>Accounts receivable</u>
At January 1	\$ 21,875
Provision for impairment	24,326
Write-offs	(10,618)
At December 31	<u>\$ 35,583</u>
	2019
	<u>Accounts receivable</u>
At January 1	\$ 25,595
Provision for impairment	(3,490)
Write-offs	(230)
At December 31	<u>\$ 21,875</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

<u>December 31, 2020</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 5,431,453	\$ -
Short-term notes and bills payable	147,925	-
Notes payable	7,572	-
Accounts payable		
(including related parties)	11,408,891	-
Other payables	2,425,378	-
Lease liabilities	152,884	340,657
Bonds payable	77,100	9,242,850
Long-term borrowings		
(including current portion)	251,466	6,869,191

Non-derivative financial liabilities:

<u>December 31, 2019</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 6,192,195	\$ -
Short-term notes and bills payable	200,000	-
Notes payable	48,369	-
Accounts payable		
(including related parties)	12,357,247	-
Other payables	2,848,021	-
Lease liabilities	147,495	297,673
Bonds payable	54,000	6,216,000
Long-term borrowings		
(including current portion)	137,215	5,580,244

Derivative financial liabilities:

<u>December 31, 2020</u>	<u>Less than 3 months</u>	<u>Between 3 months and 1 year</u>
Exchange rate swaps (net-settled)	\$ 22,243	\$ 26,691
Merchandise exchange contracts	849	1,379
Forward exchange contracts	76,162	32,898

Derivative financial liabilities:

<u>December 31, 2019</u>	<u>Less than 3 months</u>	<u>Between 3 months and 1 year</u>
Exchange rate swaps (net-settled)	\$ 29,875	\$ -
Forward exchange contracts	22,784	2,057

(d) Cash flow risk from variations of rates

There is no significant cash flow risk from variations of rates since accounts payable are due less than one year.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks, beneficiary certificates with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in most derivative instruments is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data.

B. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 4,201,914	\$ -	\$ -	\$ 4,201,914
Derivative instruments	-	103,266	-	103,266
Financial assets at fair value through other comprehensive income				
Equity securities - current	392,624	-	-	392,624
Equity securities - non-current	-	-	1,329,059	1,329,059
	<u>\$ 4,594,538</u>	<u>\$ 103,266</u>	<u>\$ 1,329,059</u>	<u>\$ 6,026,863</u>

Financial liabilities:

Financial liabilities at fair value through profit or loss

Derivative instruments	<u>\$ -</u>	<u>\$ 160,222</u>	<u>\$ -</u>	<u>\$ 160,222</u>
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<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 275,845	\$ -	\$ -	\$ 275,845
Financial assets at fair value through other comprehensive income				
Equity securities - current	464,943	-	-	464,943
Equity securities - non-current	-	-	858,499	858,499
	<u>\$ 740,788</u>	<u>\$ -</u>	<u>\$ 858,499</u>	<u>\$ 1,599,287</u>

Financial liabilities:

Financial liabilities at fair value through profit or loss

Derivative instruments	<u>\$ -</u>	<u>\$ 54,716</u>	<u>\$ -</u>	<u>\$ 54,716</u>
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(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
- iii. When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

C. There was no transfer between Level 1 and Level 2 for the years ended December 31, 2020 and 2019.

D. Movements on Level 3 for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
	Equity securities	Equity securities
At January 1	\$ 858,499	\$ 788,611
Additions	-	1,299,117
Increase in investments in equity instruments measured at fair value through other comprehensive income	504,206	-
Recorded as unrealized losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	(30,734)	(862,828)
Sold in the period	(2,886)	-
Others	-	(366,422)
Effects of changes in foreign exchange rates	(26)	21
At December 31	<u>\$ 1,329,059</u>	<u>\$ 858,499</u>

E. For the year ended December 31, 2020, there was no transfer into or out from Level 3.

- F. Group finance segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,075,178	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	Median:1.99 Average:1.86 Liquidity discount: 17.5%	The higher the multiple and control premium, the higher the fair value
Unlisted shares	253,881	Net assets value	Not applicable		- Not applicable
	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 193,598	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	Median:1.86 Average:1.91 Liquidity discount: 17.5%	The higher the multiple and control premium, the higher the fair value
Unlisted shares	664,901	Net assets value	Not applicable		- Not applicable

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			December 31, 2020			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple, discount for lack of marketability	± 1%	\$ -	\$ -	\$ 10,752	(\$ 10,752)
			December 31, 2019			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple, discount for lack of marketability	± 1%	\$ -	\$ -	\$ 1,936	(\$ 1,936)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 7.
- I. Derivative financial instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Names, number of shares and shareholding ratio of major shareholders whose shareholding ratio more than 5%: Please refer to table 11.

14. SEGMENTAL FINANCIAL INFORMATION

(1) General information

A. The Group has identified which segments should be reported based on the information used by the Board of Directors to make decisions.

B. The Board of Directors classify reportable segments as construction engineering department, environmental resource department, sales department and other operating departments.

(2) Measurement of segmental financial information

The Board of Directors evaluates the performance of segments based on segmental income. Interest income and expenses cannot be attributed to any segment because such activity is handled by the Company's financial department.

(3) Segmental income, assets and liabilities of segments

The segmental financial information provided to the Board of Directors is as follows:

For the year ended December 31, 2020					
	Construction Engineering Department	Environmental Resource Department	Sales Department	Other Operating Departments	Total
External revenues	\$ 48,697,998	\$ 5,639,611	\$ 755,924	\$ 464,876	\$ 55,558,409
Internal revenues	2,772,159	1,979	-	436,337	3,210,475
Segmental revenues	<u>\$ 51,470,157</u>	<u>\$ 5,641,590</u>	<u>\$ 755,924</u>	<u>\$ 901,213</u>	<u>\$ 58,768,884</u>
Segmental income	<u>\$ 404,210</u>	<u>\$ 1,217,828</u>	<u>\$ 40,605</u>	<u>\$ 263,076</u>	<u>\$ 1,925,719</u>
Depreciation and amortization	<u>\$ 618,601</u>	<u>\$ 306,512</u>	<u>\$ 29,016</u>	<u>\$ 74,689</u>	<u>\$ 1,028,818</u>

For the year ended December 31, 2019					
	Construction Engineering Department	Environmental Resource Department	Sales Department	Other Operating Departments	Total
External revenues	\$ 51,343,155	\$ 5,311,994	\$ 1,035,372	\$ 520,501	\$ 58,211,022
Internal revenues	2,966,217	9,565	-	470,556	3,446,338
Segmental revenues	<u>\$ 54,309,372</u>	<u>\$ 5,321,559</u>	<u>\$ 1,035,372</u>	<u>\$ 991,057</u>	<u>\$ 61,657,360</u>
Segmental income	<u>\$ 516,951</u>	<u>\$ 1,177,974</u>	<u>\$ 165,228</u>	<u>\$ 300,363</u>	<u>\$ 2,160,516</u>
Depreciation and amortization	<u>\$ 577,502</u>	<u>\$ 234,882</u>	<u>\$ 11,503</u>	<u>\$ 81,890</u>	<u>\$ 905,777</u>

(4) Reconciliation information of segmental income

Intra-segment sales are of arm's length transactions. The measurement of external revenues reported to the Board of Directors is consistent with revenues in the statement of comprehensive income. The reconciliation information on income from continuing operations before income tax and segmental income is as follows:

For the years ended December 31,		
	2020	2019
Segmental income	\$ 1,925,719	\$ 2,160,516
Adjustment and elimination	8,190	7,634
Share of loss of associates and joint ventures accounted for using equity method	(93,796)	(541,027)
Interest income	114,274	267,089
Foreign exchange loss	(189,148)	(130,970)
Finance costs	(284,469)	(235,817)
Others	283,250	702,890
Income from continuing operations before income tax	<u>\$ 1,764,020</u>	<u>\$ 2,230,315</u>

(5) Information on products and services

Details of revenue is as follows:

	For the years ended December 31,	
	2020	2019
Engineering service revenue	\$ 48,697,998	\$ 51,343,155
Environmental resource service revenue	5,639,611	5,311,994
Sales revenue	755,924	1,035,372
Other operating revenue	464,876	520,501
Total	<u>\$ 55,558,409</u>	<u>\$ 58,211,022</u>

(6) Geographical information

Geographical information for the years ended December 31, 2020 and 2019 is as follows:

	For the years ended December 31,			
	2020		2019	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 36,941,212	\$ 16,477,374	\$ 37,330,805	\$ 14,193,306
Asia	16,226,342	1,350,988	19,489,322	1,378,215
America	2,390,855	656,624	1,390,895	755,334
Total	<u>\$ 55,558,409</u>	<u>\$ 18,484,986</u>	<u>\$ 58,211,022</u>	<u>\$ 16,326,855</u>

(7) Major customer information

Information on major customers that exceed 10% of operating revenue in the consolidated income statements of the Group for the years ended December 31, 2020 and 2019 is as follows:

	For the years ended December 31,			
	2020		2019	
	Revenue	Segment	Revenue	Segment
Company D	\$ 7,280,130	Construction service segment	\$ 1,655,421	Construction service segment
Company G	5,101,504	"	5,280,373	"
Company T	4,249,916	"	2,456,070	"
Company S	3,617,524	"	2,748,265	"

CTCI Corporation and its subsidiaries

Loans to others

For the year ended December 31, 2020

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
					December 31, 2020 (Note 3)	December 31, 2020 (Note 8)							Item	Value			
0	CTCI Corp.	CTCI Arabia Ltd.	Other receivables	Yes	\$ 907,620	\$ -	\$ -	-	2	-	For operational need	\$ -	None	\$ -	\$ 3,165,511	\$ 6,331,023	-
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	Other receivables	Yes	576,480	280,970	280,970	0.971%	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	Other receivables	Yes	605,080	-	-	-	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI Machinery Corp.	Other receivables	Yes	600,000	600,000	600,000	1.01%	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Other receivables	Yes	2,686,866	2,542,779	1,643,113	0.967%~1.352%	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI Smart Engineering Corp.	Other receivables	Yes	500,000	500,000	500,000	0.90%	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	Other receivables	Yes	1,000,000	1,000,000	891,670	1%~1.25%	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI Americas Inc.	Other receivables	Yes	280,970	280,970	-	-	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI Development Corp.	Other receivables	Yes	300,000	300,000	-	-	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CIPEC Construction Inc.	Other receivables	Yes	280,970	280,970	-	-	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
1	CTCI Overseas Co., Ltd.	Superiority (Thailand) Co., Ltd.	Other receivables	Yes	71,853	-	-	-	2	-	For operational need	-	None	-	848,315	848,315	-
1	CTCI Overseas Co., Ltd.	CCJV P1 Engineering & Construction Sdn. Bhd.	Other receivables	Yes	432,218	-	-	-	2	-	For operational need	-	None	-	848,315	848,315	-
1	CTCI Overseas Co., Ltd.	CIPEC Construction Inc.	Other receivables	Yes	20,988	-	-	-	2	-	For operational need	-	None	-	848,315	848,315	-
1	CTCI Overseas Co., Ltd.	CTCI Americas Inc.	Other receivables	Yes	124,353	-	-	-	2	-	For operational need	-	None	-	848,315	848,315	-
1	CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Other receivables	Yes	590,520	561,940	509,820	1.064%~1.121%	2	-	For operational need	-	None	-	848,315	848,315	-
2	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Other receivables	Yes	400,000	200,000	200,000	0.93%	2	-	For operational need	-	None	-	518,119	2,072,475	-
3	ECOVE Environment Services Corp.	ECOVE Solvent Recycling Corp.	Other receivables	Yes	36,000	30,000	-	-	2	-	For operational need	-	None	-	84,493	337,971	-

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
					December 31, 2020 (Note 3)	(Note 8)							Item	Value			
3	ECOVE Environment Services Corp.	CTCI Smart Engineering Corp.	Other receivables	Yes	\$ 30,000	\$ 30,000	\$ -	-	2	-	For operational need	\$ -	None	\$ -	\$ 84,493	\$ 337,971	-
3	ECOVE Environment Services Corp.	CTCI Machinery Corp.	Other receivables	Yes	30,000	30,000	30,000	1.01%	2	-	For operational need	-	None	-	84,493	337,971	-
3	ECOVE Environment Services Corp.	CTCI Corp.	Other receivables	Yes	30,000	-	-	-	2	-	For operational need	-	None	-	84,493	337,971	-
4	ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	Other receivables	Yes	90,000	80,000	-	-	2	-	For operational need	-	None	-	515,350	515,350	-
4	ECOVE Solar Energy Corp.	ECOVE South Corp. Ltd.	Other receivables	Yes	94,000	80,000	23,000	1.48%	2	-	For operational need	-	None	-	515,350	515,350	-
5	ECOVE Waste Management Corp.	CTCI Machinery Corp.	Other receivables	Yes	5,000	-	-	-	2	-	For operational need	-	None	-	10,877	43,510	-
5	ECOVE Waste Management Corp.	CTCI Smart Engineering Corp.	Other receivables	Yes	5,000	-	-	-	2	-	For operational need	-	None	-	10,877	43,510	-
6	CTCI Investment Corp.	CIPEC Construction Inc.	Other receivables	Yes	21,480	19,949	19,841	0.841%~0.889%	2	-	For operational need	-	None	-	81,814	327,255	-
6	CTCI Investment Corp.	Superiority (Thailand) Co., Ltd.	Other receivables	Yes	70,261	68,659	68,659	1.25%	2	-	For operational need	-	None	-	81,814	327,255	-
6	CTCI Investment Corp.	CTCI Advanced System Inc.	Other receivables	Yes	100,000	-	-	-	2	-	For operational need	-	None	-	81,814	327,255	-
7	PT CTCI International Indonesia	PT Eptco Dian Persada	Other receivables	Yes	37,026	33,660	33,660	6%	2	-	For operational need	-	Guaranteed by equity interest	33,660	40,192	40,192	-
8	CTCI Advanced System Inc.	CTCI Corp.	Other receivables	Yes	45,000	-	-	-	2	-	For operational need	-	None	-	50,310	201,239	-
9	CTCI Resources Engineering Inc.	CTCI Advanced System Inc.	Other receivables	Yes	25,000	25,000	-	-	2	-	For operational need	-	None	-	41,891	167,564	-
10	CTCI Development Corp.	CIPEC Construction Inc.	Other receivables	Yes	300,245	289,399	289,399	1.35%	2	-	For operational need	-	None	-	1,495,317	1,495,317	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognized, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2020

Note 4: The numbers filled in for the nature of loans are as follows:

(1) Business association is labeled as '1'.

(2) Short-term financing is labeled as '2'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan belongs to short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: The calculation and amount on ceiling of loans are as follows:

[The company]

(1) The limit on loans granted to a single party shall not exceed 20% of the Company's net assets value.

(2) The ceiling on total loans shall not exceed 40% of the Company's net assets value.

[Domestic subsidiaries and overseas subsidiaries]

(1) The limit on loans granted to a single party by domestic subsidiaries and overseas subsidiaries shall not exceed 10% and 40% of the Company's net assets value, respectively.

(2) The ceiling on total loans shall not exceed 40% of the Company's net assets value.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should excluded the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorised the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Table 2

CTCI Corporation and its subsidiaries
Provision of endorsements and guarantees to others
For the year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/ guarantees amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsement s/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	CTCI Corp.	Universal Engineering (BVI) Corporation	2	\$ 47,482,671	\$ 30,330	\$ 28,097	\$ -	\$ -	0.18%	\$ 94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Americas, Inc.	2	47,482,671	1,603,566	1,563,121	589,603	-	9.88%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	2	47,482,671	2,042,448	1,348,656	1,391,715	-	8.52%	94,965,342	Y	N	N	-
0	CTCI Corp.	CINDA Engineering & Construction Pvt. Ltd.	2	47,482,671	4,305,830	3,765,314	2,082,320	-	23.79%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Arabia Ltd.	2	47,482,671	3,503,115	2,486,585	1,449,802	-	15.71%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	2	47,482,671	3,546,195	3,231,206	1,464,612	-	20.42%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Overseas Co., Ltd.	2	47,482,671	4,553,473	4,440,312	1,279,734	-	28.05%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Machinery Corp.	2	47,482,671	15,797,041	15,797,041	13,015,715	-	99.81%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Trading Shanghai Co., Ltd.	2	47,482,671	84,924	-	-	-	0.00%	94,965,342	Y	N	Y	-
0	CTCI Corp.	CTCI Shanghai Co., Ltd.	2	47,482,671	994,035	638,880	15,471	-	4.04%	94,965,342	Y	N	Y	-
0	CTCI Corp.	CTCI Beijing Co., Ltd.	2	47,482,671	1,402,479	1,381,417	460,548	-	8.73%	94,965,342	Y	N	Y	-
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	2	47,482,671	894,735	196,679	-	-	1.24%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Smart Engineering Corp.	2	47,482,671	1,957,023	1,956,341	783,706	-	12.36%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	2	47,482,671	2,953,343	2,790,672	673,247	-	17.63%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Chemical Corp.	2	47,482,671	19,335	17,912	4,805	-	0.11%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI-HDEC (Chungli) Corp.	6	47,482,671	102,000	102,000	102,000	-	0.64%	94,965,342	Y	N	N	-
0	CTCI Corp.	CB&I-CTCI B.V.	6	47,482,671	6,426,891	2,399,252	2,089,304	-	15.16%	94,965,342	N	N	N	-

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/ guarantees amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsement s/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	CTCI Corp.	Blue Whale Water Technology Co., Ltd.	6	\$ 47,482,671	\$ 769,300	\$ 769,300	\$ 526,260	\$ -	4.86%	\$ 94,965,342	N	N	N	-
0	CTCI Corp.	HDEC-CTCI (Linhai) Corp.	6	47,482,671	1,215,000	1,215,000	810,000	-	7.68%	94,965,342	N	N	N	-
0	CTCI Corp.	CIPEC Construction Inc.	2	47,482,671	549,404	542,895	216,468	-	3.43%	94,965,342	Y	N	N	-
0	CTCI Corp.	EVER ECOVE Corp.	6	47,482,671	1,102,500	1,102,500	440,000	-	6.97%	94,965,342	N	N	N	-
0	CTCI Corp.	CTCI Malaysia Sdn. Bhd.	2	47,482,671	1,000,890	547,892	18,154	-	3.46%	94,965,342	Y	N	N	-
1	CTCI Advanced System Inc.	Century Ahead Ltd.	2	503,099	18,198	16,858	-	-	3.35%	1,006,198	N	N	N	-
1	CTCI Advanced System Inc.	CTCI Advanced Systems Shanghai Inc.	2	503,099	21,910	21,601	-	-	4.29%	1,006,198	N	N	Y	-
2	CTCI Chemical Corp.	CTCI Machinery Corp.	5	757,946	532,830	532,830	532,830	-	210.90%	1,515,892	N	N	N	-
3	CTCI Resources Engineering Inc.	CTCI Smart Engineering Corp.	5	1,256,730	267,102	26,679	26,679	-	6.37%	2,513,460	N	N	N	-
4	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	2	10,362,376	150,000	150,000	66,700	-	2.90%	15,543,564	N	N	N	-
4	ECOVE Environment Corp.	ECOVE Solar Power Corp.	2	10,362,376	683,000	683,000	345,319	-	13.18%	15,543,564	N	N	N	-
4	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	2	10,362,376	2,258,971	2,249,108	1,153,665	-	43.41%	15,543,564	N	N	N	-
4	ECOVE Environment Corp.	ECOVE Solvent Recycling Corp.	2	10,362,376	213,400	157,600	100,523	-	3.04%	15,543,564	N	N	N	-
4	ECOVE Environment Corp.	EVER ECOVE Corp.	6	10,362,376	220,500	220,500	88,000	-	4.26%	15,543,564	N	N	N	-
5	ECOVE Solar Energy Corp.	ECOVE South Corp. Ltd.	2	5,153,495	14,000	14,000	11,200	-	1.09%	7,730,243	N	N	N	-
5	ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	2	5,153,495	757,076	757,076	447,727	-	58.76%	7,730,243	N	N	N	-
6	ECOVE Solar Power Corp.	ECOVE Solar Energy Corp.	3	1,436,840	12,420	12,420	12,420	-	3.46%	2,155,261	N	N	N	-
7	CTCI Beijing Co., Ltd.	CTCI Shanghai Co., Ltd.	2	7,408,700	876	864	864	-	0.03%	14,817,400	N	N	Y	-

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is ‘0’.
- (2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed company.
- (3) The endorsed/guaranteed company owns directly or indirectly more than 50% voting shares of the endorser/guarantor company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) The performance guarantees for the sale of pre-sales contracts under the Consumer Protection Law are jointly guaranteed.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company’s

“Procedures for Provision of Endorsements and Guarantees”, and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

[The company]

- (1) The limit on endorsements and guarantees granted to a single party shall not exceed 300% of the Company’s net assets value in last financial statements which was audited by accountant.
- (2) The ceiling on total endorsements and guarantees shall not exceed 600% of the Company’s net assets value in last financial statements which was audited by accountant.

[Domestic subsidiaries and overseas subsidiaries]

- (1) The limit on endorsements and guarantees granted to a single party shall not exceed 100% to 400% of the Company's net assets value in last financial statements which was audited by accountant.
- (2) The ceiling on total endorsements and guarantees shall not exceed 200% to 600% of the Company's net assets value in last financial statements which was audited by accountant.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided.

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities. And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

CTCI Corporation and its subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

For the year ended December 31, 2020

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable Securities (Note 1)		Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2020				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Market value	
CTCI Corp.	Fund	Fuh Hwa Heirloom No. 2 Balance Fund	-	Financial assets at fair value through profit or loss-current	1,919,662	\$ 80,000	-	\$ 84,212	-
CTCI Corp.	Fund	Allianz Global Investors Income and Growth Fund	-	Financial assets at fair value through profit or loss-current	4,939,076	60,000	-	64,751	-
CTCI Corp.	Fund	Allianz Global Investors Taiwan Intelligence Trends Fund	-	Financial assets at fair value through profit or loss-current	876,653	50,000	-	53,502	-
CTCI Corp.	Fund	Fuh Hwa Global Thematic	-	Financial assets at fair value through profit or loss-current	2,937,746	90,000	-	99,560	-
CTCI Corp.	Fund	Allianz Global Investors Taiwan Technology Fund	-	Financial assets at fair value through profit or loss-current	511,236	40,000	-	44,876	-
CTCI Corp.	Fund	Fuh Hwa Global IoT and Tech Fund	-	Financial assets at fair value through profit or loss-current	3,469,417	70,000	-	77,958	-
CTCI Corp.	Fund	Fuh Hwa China New Economy A Shares Eq	-	Financial assets at fair value through profit or loss-current	6,623,946	90,000	-	96,842	-
CTCI Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	51,307,828	700,000	-	700,142	-
CTCI Corp.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss-current	49,375,354	<u>803,038</u>	-	<u>803,110</u>	-
						1,983,038		<u><u>\$ 2,024,953</u></u>	
				Adjustment		<u>41,915</u>			
						<u><u>\$ 2,024,953</u></u>			
CTCI Corp.	Common Stock	China Steel Chemical Corp.	-	Financial asset at fair value through other comprehensive income-current	1,118,706	\$ 49,254	-	\$ 123,617	-
CTCI Corp.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial asset at fair value through other comprehensive income-current	2,224,790	<u>68,448</u>	-	<u>95,666</u>	-
						117,702		<u><u>\$ 219,283</u></u>	
				Adjustment		<u>101,581</u>			
						<u><u>\$ 219,283</u></u>			

Securities held by	Marketable Securities (Note 1)		Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2020				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Market value	
CTCI Corp.	Common Stock	Core Pacific City Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	22,428,000	\$ 360,000	2.26	\$ 162,864	-
CTCI Corp.	Common Stock	CDIB & Partners Investment Holding Corp.	The Company is the supervisor	Financial assets at fair value through other comprehensive income-non-current	27,000,000	250,000	2.48	250,000	-
CTCI Corp.	Common Stock	Metro-consultant Co., Ltd.	The Company is the Board of director	Financial assets at fair value through other comprehensive income-non-current	300,000	3,000	6.00	3,000	-
CTCI Corp.	Common Stock	Ever Victory Global Limited.	-	Financial assets at fair value through other comprehensive income-non-current	29,805,000	912,314	5.17	912,314	-
CTCI Corp.	Common Stock	Heng Keng Corp.	-	Financial assets at fair value through other comprehensive income-non-current	20,000	<u>3,000</u>	5.12	<u>-</u>	-
						1,528,314		<u>\$ 1,328,178</u>	
				Adjustment		<u>(200,136)</u>			
						<u>\$ 1,328,178</u>			
CTCI Investment Corp.	Fund	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	10,697,392	\$ 111,557	-	\$ 111,557	-
CTCI Investment Corp.	Fund	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	726,367	10,859	-	10,859	-
CTCI Investment Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	344,436	13,450	0.05	13,450	-
CTCI Development Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	912,170	35,620	0.12	35,620	-
CTCI Development Corp.	Common Stock	CTCI Advanced System Inc.	Subsidiary	Financial assets at fair value through other comprehensive income-non-current	1,262,642	80,240	4.66	80,240	-
CTCI Development Corp.	Fund	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	9,551,348.7	147,411	-	147,411	-
CTCI Development Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,507,807	34,221	-	34,221	-
CTCI (Thailand) Co., Ltd.	Common Stock	CHIYODA(Thailand)Co.Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	3,600	338	9.00	338	-
Crown Asia-2 Investment Limited	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	500	19	-	19	-
CTCI Advanced System Inc.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial assets at fair value through other comprehensive income-current	1,020,906	43,899	-	43,899	-
CTCI Advanced System Inc.	Fund	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	1,630,267	17,001	-	17,001	-
CTCI Resources Engineering Inc.	Fund	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	8,750,993	135,058	-	135,058	-
CTCI Resources Engineering Inc.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	23,090,204	315,087	-	315,087	-
ECOVE Environment Corp.	Fund	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss-current	6,475,471	103,315	-	103,315	-
ECOVE Environment Corp.	Fund	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	5,186,230	80,042	-	80,042	-
ECOVE Environment Corp.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,030,294	33,024	-	33,024	-

Securities held by	Marketable Securities (Note 1)		Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2020				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Market value	
ECOVE Environment Corp.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial assets at fair value through other comprehensive income-current	531,205	\$ 22,842	-	\$ 22,842	-
ECOVE Environment Corp.	Common Stock	TeamWIN Opto-Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	150,000	475	2.46	475	-
ECOVE Environment Corp.	Common Stock	Eastern Pacific Energy Sdn. Bhd.	-	Financial assets at fair value through other comprehensive income-non-current	10,000	68	10.00	68	-
ECOVE Wujih Energy Corp.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial assets at fair value through other comprehensive income-current	534,295	22,975	-	22,975	-
ECOVE Wujih Energy Corp.	Fund	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	3,694,230	57,015	-	57,015	-
ECOVE Wujih Energy Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	11,656,485	159,063	-	159,063	-
ECOVE Wujih Energy Corp.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss-current	8,794,967	143,054	-	143,054	-
ECOVE Wujih Energy Corp.	Fund	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,685,577	28,006	-	28,006	-
ECOVE Environment Services Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-current	1,028	40	-	40	-
ECOVE Environment Services Corp.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial assets at fair value through other comprehensive income-current	1,406,754	60,490	-	60,490	-
ECOVE Environment Services Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	31,167,316	425,306	-	425,306	-
ECOVE Environment Services Corp.	Fund	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	5,927,679	88,619	-	88,619	-
ECOVE Waste Management Corp.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial assets at fair value through other comprehensive income-current	538,039	23,135	-	23,135	-
ECOVE Waste Management Corp.	Fund	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss-current	376,704	6,010	-	6,010	-
ECOVE Waste Management Corp.	Fund	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	7,249,584	108,381	-	108,381	-
ECOVE Waste Management Corp.	Fund	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	8,039,900	83,844	-	83,844	-
ECOVE Mioali Energy Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	1,613,021	22,011	-	22,011	-
ECOVE Mioali Energy Corp.	Fund	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	942,277	9,827	-	9,827	-
ECOVE Mioali Energy Corp.	Fund	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	1,231,751	19,010	-	19,010	-
Yuan Ding Resources Management Corp.	Fund	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,624,764	39,240	-	39,240	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities in accordance with IFRS 9, ‘Financial instruments’.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Note 5: The fair value of Bond and Common Stock is expressed in RMB.

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

CTCI Corporation and its subsidiaries														
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital														
For the year ended December 31, 2020														
Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2020		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2020	
					Number of shares (thousands)	Amount	Number of shares (thousands)	Amount	Number of shares (thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (thousands)	Amount
CTCI Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	\$ -	226,886	\$ 3,090,000	175,579	\$ 2,391,756	\$ 2,390,000	\$ 1,756	51,308	\$ 700,000
CTCI Corp.	Capital Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	136,020	2,210,000	86,645	1,407,382	1,406,962	420	49,375	803,038
CTCI Corp.	Ever Victory Global Limited Common Stock	Financial assets at fair value through other comprehensive income-non-current	-	-	13,181	408,108	16,624	504,206	-	-	-	-	29,805	912,314
ECOVE Environment Services Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	79,292	1,080,000	48,124	655,557	654,930	627	31,168	425,070
ECOVE Environment Services Corp.	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	22,824	340,000	16,897	252,050	251,686	364	5,927	88,314
ECOVE Waste Management Corp.	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	22,094	329,000	14,844	221,125	220,991	134	7,250	108,009
ECOVE Waste Management Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	20,981	322,800	20,981	323,067	322,800	267	-	-
ECOVE Mioali Energy Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	28,808	392,000	27,195	370,410	369,995	415	1,613	22,005
ECOVE Wujih Energy Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	33,173	511,000	29,478	454,550	454,000	550	3,695	57,000
ECOVE Wujih Energy Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	35,408	482,000	23,752	323,410	323,000	410	11,656	159,000

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2020		Addition (Note 3)		Disposal (Note 3)			Balance as at December 31, 2020		
					Number of shares (thousands)	Amount	Number of shares (thousands)	Amount	Number of shares (thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (thousands)	Amount
CTCI Resources Engineering Inc.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	10,921	\$ 148,337	61,564	\$ 839,000	49,394	\$ 672,630	\$ 672,198	\$ 432	23,091	\$ 315,000
ECOVE Environment Corp.	Prudential Financial Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	18,859	300,000	12,383	197,132	196,805	327	6,476	103,195
ECOVE Environment Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	20,259	312,000	15,073	232,339	232,000	339	5,186	80,000
CTCI Development Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	24,361	332,000	21,853	298,000	297,818	182	2,508	34,182
CTCI Development Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	27,963	431,000	18,411	284,003	283,746	257	9,552	147,254

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Table 5

CTCI Corporation and its subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the year ended December 31, 2020

												Expressed in thousands of NTD (Except as otherwise indicated)		
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:					Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount				
CTCI Development Corp.	Unfinished construction	2018/11/6	\$ 1,659,649	\$ 839,231	CTCI Resources Engineering Inc.	Associate	-	-	-	\$ -	According to the contract signed by both parties		To build second office building	None
CTCI Corp.	Unfinished construction	2020/7/14	362,000	191,757	HWA FONG Construction	-	-	-	-	-	According to the contract signed by both parties		The requirements in business	None

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

CTCI Corporation and its subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the year ended December 31, 2020

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Differences in transaction terms compared to third party											
			Transaction				transaction		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
ECOVE Wujih Energy Corp.	ECOVE Waste Management Corp.	Second-tier subsidiary	(Sales)	(\$ 461,238)	(0.83%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	\$ 75,920	1.25%	-
ECOVE Environment Services Corp.	ECOVE Waste Management Corp.	Second-tier subsidiary	(Sales)	(688,788)	(1.24%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	125,044	2.06%	-
ECOVE Environment Services Corp.	ECOVE Wujih Energy Corp.	Second-tier subsidiary	(Sales)	(271,866)	(0.49%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	65,090	1.07%	-
ECOVE Environment Services Corp.	ECOVE Mioali Energy Corp.	Second-tier subsidiary	(Sales)	(155,285)	(0.28%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	24,505	0.40%	-
CTCI Chemical Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	(Sales)	(142,778)	(0.26%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	11,764	0.19%	-
CTCI Corp.	EVER ECOVE Corp.	Associate	(Sales)	(2,165,212)	(3.90%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	82,789	1.36%	-
CTCI Corp.	HDEC-CTCI (Linhai) Corp.	Associate	(Sales)	(688,585)	(1.24%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	321	0.01%	-
CTCI Corp.	CTCI Americas, Inc.	Subsidiary	(Sales)	(158,512)	(0.29%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Corp.	CTCI Singapore Pte. Ltd.	Subsidiary	(Sales)	(184,517)	(0.33%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Corp.	CTCI Overseas Co., Ltd.	Subsidiary	(Sales)	(130,791)	(0.24%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Corp.	HO-PING Power Company	Other related parties	(Sales)	(315,786)	(0.57%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Machinery Corp.	CTCI Corp.	The Company	(Sales)	(553,404)	(1.00%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	10,900	0.10%	-
CTCI Advanced System Inc.	CTCI Corp.	The Company	(Sales)	(216,800)	(0.39%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	7,320	0.06%	-
CTCI Resources Engineering Inc.	CTCI Development Corp.	Second-tier subsidiary	(Sales)	(532,977)	(0.96%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	41,532	0.36%	-
ECOVE Waste Management Corp.	ECOVE Wujih Energy Corp.	Second-tier subsidiary	Purchases	461,238	0.89%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(75,920)	(0.67%)	-
ECOVE Waste Management Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	688,788	1.33%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(125,044)	(1.10%)	-
ECOVE Wujih Energy Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	271,866	0.52%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(65,090)	(0.57%)	-
ECOVE Mioali Energy Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	155,285	0.30%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(24,505)	(0.21%)	-
ECOVE Environment Services Corp.	CTCI Chemical Corp.	Second-tier subsidiary	Purchases	142,778	0.28%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(11,764)	(0.10%)	-
CTCI Americas, Inc.	CTCI Corp.	The Company	Purchases	158,512	0.31%	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Singapore Pte. Ltd.	CTCI Corp.	The Company	Purchases	184,517	0.36%	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transaction		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
CTCI Corp.	CTCI Machinery Corp.	Subsidiary	Purchases	\$ 553,404	1.07%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(\$ 10,900)	(0.10%)	-
CTCI Corp.	CTCI Advanced System Inc.	Subsidiary	Purchases	216,800	0.42%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(7,320)	(0.06%)	-
CTCI Overseas Co., Ltd.	CTCI Corp.	Subsidiary	Purchases	130,791	0.25%	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Development Corp.	CTCI Resources Engineering Inc.	Second-tier subsidiary	Purchases	532,977	1.03%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(41,532)	(0.36%)	-
CTCI Engineering & Construction Sdn.Bhd.	MIE Industrial Sdn. Bhd.	Associate	Purchases	358,302	0.69%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(94,220)	(0.83%)	-

CTCI Corporation and its subsidiaries

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

For the year ended December 31, 2020

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	Subsidiary	\$ 281,135	Note 1	\$ -	-	\$ -	\$ -
CTCI Corp.	CTCI Machinery Corp.	Subsidiary	600,515	Note 1	-	-	-	-
CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Subsidiary	1,644,271	Note 1	-	-	-	-
CTCI Corp.	CTCI Smart Engineering Corp.	Subsidiary	500,303	Note 1	-	-	-	-
CTCI Corp.	CTCI (Thailand) Co., Ltd.	Subsidiary	892,525	Note 1	-	-	-	-
CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Subsidiary	509,820	Note 1	-	-	-	-
CTCI Development Corp.	CIPEC Construction Inc.	Second-tier subsidiary	289,399	Note 1	-	-	-	-
ECOVE Environment Services Corp.	ECOVE Waste Management Corp.	Second-tier subsidiary	125,044	3.97	-	-	-	-
ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Second-tier subsidiary	204,511	Note 2	-	Note 2	-	-

Note 1 : Receivables arising from lending capital and personnel's transfer.

Note 2 : Other accounts receivable arising from lending capital and director's remuneration.

CTCI Corporation and its subsidiaries
Significant inter-company transactions during the reporting period
For the year ended December 31, 2020

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount		
0	CTCI Corp.	CTCI Americas, Inc.	1	Sales revenue	\$ 158,512	Negotiated by both parties	0.29%
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	1	Sales revenue	184,517	Negotiated by both parties	0.33%
1	ECOVE Environment Services Corp.	ECOVE Waste Management Corp.	3	Sales revenue	688,788	Negotiated by both parties	1.24%
1	ECOVE Environment Services Corp.	ECOVE Wujih Energy Corp.	3	Sales revenue	271,866	Negotiated by both parties	0.49%
1	ECOVE Environment Services Corp.	ECOVE Mioali Energy Corp.	3	Sales revenue	155,285	Negotiated by both parties	0.28%
2	ECOVE Wujih Energy Corp.	ECOVE Waste Management Corp.	3	Sales revenue	461,238	Negotiated by both parties	0.83%
3	CTCI Machinery Corp.	CTCI Corp.	2	Sales revenue	553,404	Negotiated by both parties	1.00%
4	CTCI Advanced System Inc.	CTCI Corp.	2	Sales revenue	216,800	Negotiated by both parties	0.39%
5	CTCI Resources Engineering Inc.	CTCI Development Corp.	3	Sales revenue	532,977	Negotiated by both parties	0.96%
6	CTCI Chemical Corp.	ECOVE Environment Services Corp.	3	Sales revenue	142,778	Negotiated by both parties	0.26%
0	CTCI Corp.	CTCI Overseas Co., Ltd.	1	Sales revenue	130,791	Negotiated by both parties	0.24%
1	ECOVE Environment Services Corp.	ECOVE Waste Management Corp.	3	Accounts receivable	125,044	Negotiated by both parties	0.18%
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	1	Other receivables	281,135	Negotiated by both parties	0.40%
0	CTCI Corp.	CTCI Machinery Corp.	1	Other receivables	600,515	Negotiated by both parties	0.85%
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	1	Other receivables	1,644,271	Negotiated by both parties	2.32%
0	CTCI Corp.	CTCI Smart Engineering Corp.	1	Other receivables	500,303	Negotiated by both parties	0.71%
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	1	Other receivables	892,525	Negotiated by both parties	1.26%
7	CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	3	Other receivables	509,820	Negotiated by both parties	0.72%
8	CTCI Development Corp.	CIPEC Construction Inc.	3	Other receivables	289,399	Negotiated by both parties	0.41%
9	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	3	Other receivables	204,511	Negotiated by both parties	0.29%
0	CTCI Corp.	CTCI Overseas (BVI) Corp.	1	Advance construction receipt	2,208,948	Negotiated by both parties	3.12%
3	CTCI Machinery Corp.	CTCI Corp.	2	Advance construction receipt	1,867,567	Negotiated by both parties	2.64%
5	CTCI Resources Engineering Inc.	CTCI Corp.	2	Advance construction receipt	328,655	Negotiated by both parties	0.46%
10	CTCI (Thailand) Co., Ltd.	CTCI Corp.	2	Advance construction receipt	640,264	Negotiated by both parties	0.90%
0	CTCI Corp.	CTCI Development Corp.	1	Refundable deposits	121,371	Negotiated by both parties	0.17%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	CTCI Corp.	CTCI Americas, Inc.	1	Guarantee	\$ 1,563,121	Not applicable	Not applicable
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	1	Guarantee	1,348,656	Not applicable	Not applicable
0	CTCI Corp.	CINDA Engineering & Construction Pvt. Ltd.	1	Guarantee	3,765,314	Not applicable	Not applicable
0	CTCI Corp.	CTCI Arabia Ltd.	1	Guarantee	2,486,585	Not applicable	Not applicable
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	1	Guarantee	3,231,206	Not applicable	Not applicable
0	CTCI Corp.	CTCI Overseas Co., Ltd.	1	Guarantee	4,440,312	Not applicable	Not applicable
0	CTCI Corp.	CTCI Machinery Corp.	1	Guarantee	15,797,041	Not applicable	Not applicable
0	CTCI Corp.	CTCI Shanghai Co., Ltd.	1	Guarantee	638,880	Not applicable	Not applicable
0	CTCI Corp.	CTCI Beijing Co., Ltd.	1	Guarantee	1,381,417	Not applicable	Not applicable
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	1	Guarantee	196,679	Not applicable	Not applicable
0	CTCI Corp.	CTCI Smart Engineering Corp.	1	Guarantee	1,956,341	Not applicable	Not applicable
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	1	Guarantee	2,790,672	Not applicable	Not applicable
0	CTCI Corp.	CTCI-HDEC (Chungli) Corp.	1	Guarantee	102,000	Not applicable	Not applicable
0	CTCI Corp.	CIPEC Construction Inc.	1	Guarantee	542,895	Not applicable	Not applicable
0	CTCI Corp.	CTCI Malaysia Sdn. Bhd.	1	Guarantee	547,892	Not applicable	Not applicable
6	CTCI Chemical Corp.	CTCI Machinery Corp.	3	Guarantee	532,830	Not applicable	Not applicable
9	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	3	Guarantee	150,000	Not applicable	Not applicable
9	ECOVE Environment Corp.	ECOVE Solar Power Corp.	3	Guarantee	683,000	Not applicable	Not applicable
9	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	3	Guarantee	2,249,108	Not applicable	Not applicable
9	ECOVE Environment Corp.	ECOVE Solvent Recycling Corp.	3	Guarantee	157,600	Not applicable	Not applicable
11	ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	3	Guarantee	757,076	Not applicable	Not applicable

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is ‘0’.
- (2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

CTCI Corporation and its subsidiaries
Information on investees (not including investees in Mainland China)
For the year ended December 31, 2020

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
CTCI Corp.	CTCI Smart Engineering Corp.	Taiwan	Design, management, and building of nuclear power, thermal power, fire pumped storage power generation and others related to engineering	\$ 456,251	\$ 456,251	59,098,624	97.09	(\$ 427,095)	(\$ 265,258)	(\$ 257,539)	A subsidiary
CTCI Corp.	CTCI Resources Engineering Inc.	Taiwan	Engineering technical service	-	262,649	-	-	-	102,337	18,243	A second-tier subsidiary
CTCI Corp.	CTCI Advanced Systems Inc.	Taiwan	Systems planning, design, integration, and engineering for various IT systems, etc.	107,470	44,409	12,454,461	46.02	221,238	135,361	53,817	A subsidiary
CTCI Corp.	CTCI Development Corp.	Taiwan	Real estate and leasing business	2,625,000	1,870,000	284,399,176	100.00	3,733,304	127,286	134,472	A subsidiary
CTCI Corp.	CTCI Investment Corp.	Taiwan	General investment	2,072,000	2,072,000	207,200,000	100.00	812,404	(77,645)	(75,222)	A subsidiary
CTCI Corp.	ECOVE Environment Corp.	Taiwan	General investment	938,889	938,889	38,457,105	55.75	2,891,843	847,843	483,474	A subsidiary
CTCI Corp.	CTCI (Thailand) Co., Ltd.	Thailand	Design and building of petrochemical plant	116,894	116,894	1,249,500	49.00	(274,462)	248,270	121,652	A subsidiary
CTCI Corp.	CTCI Machinery Corp.	Taiwan	Secondary processing of steel, piping, heat treatment, manufacture of pollution control equipment and nondestructive testing, etc.	293,800	293,800	20,000,000	100.00	668,526	114,886	114,886	A subsidiary
CTCI Corp.	CTCI Arabia Ltd.	Arabia	Construction and maintenance of refinery, storage tanks and chemical plant	23,312	23,312	500	50.00	(601,265)	(143,145)	(71,573)	A subsidiary
CTCI Corp.	Sinogal-Waste Services Corp.	Macao	Management of waste recycling site and maintenance of related mechanical and equipment, etc.	4,958	4,958	-	30.00	67,247	212,860	63,858	A subsidiary
CTCI Corp.	CTCI Singapore Pte. Ltd.	Singapore	Investment and planning of related engineering	152,254	152,254	5,100,000	100.00	(1,112,369)	(64,160)	(64,160)	A subsidiary
CTCI Corp.	CTCI Overseas (BVI) Corp.	BVI	Investment and planning of related engineering	308,554	308,554	6,740,000	100.00	2,229,091	210,229	210,229	A subsidiary
CTCI Corp.	CTCI Engineering & Construction Sdn.Bhd.	Malaysia	Investment and planning of related engineering	4,118	4,118	450,000	60.00	(75,773)	(333,920)	(200,352)	A subsidiary
CTCI Corp.	CTCI CMCE JV Sdn. Bhd	Malaysia	Construction planning	2,759	2,759	382,500	51.00	(47,741)	(4,078)	(2,080)	A subsidiary

				Initial investment amount		Shares held as at December 31, 2020					
	Investee			Balance as at	Balance as at				Net profit (loss)	Investment income	
Investor	(Notes 1 and 2)	Location	Main business activities	December 31, 2020	December 31, 2019	Number of shares	Ownership (%)	Book value	of the investee for the year ended December 31, 2020 (Note 2(2))	(loss) recognized by the Company for the year ended December 31, 2020 (Note 2(3))	Footnote
CTCI Corp.	CTCI Americas, Inc.	USA	To extend foreign business, the Group strengthen the collaborative relationship with local business owner and supplier, developing adequate potential supplier, and help them to operate projects, purchase and other related businesses	\$ 3,217	\$ 3,217	100,000	100.00	(\$ 64,724)	(\$ 57,082)	(\$ 57,082)	A subsidiary
CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Malaysia	Construction planning	2,259	2,259	247,500	99.00	(692,435)	(247,077)	(244,607)	A subsidiary
CTCI Corp.	CTCI-HDEC (Chungli) Corp.	Taiwan	Sewerage System BOT Project	255,000	255,000	25,500,000	51.00	241,836	(621)	317)	A subsidiary
CTCI Corp.	PT CTCI International Indonesia	Indonesia	Engineering planning as well as procurement and construction	73,984	-	341,700,000	67.00	67,320	(1,520)	(1,017)	A subsidiary
CTCI Corp.	Blue Whale Water Technology Co., Ltd.	Taiwan	Wastewater Reclamation Unit BTO Project	347,900	347,900	36,260,000	49.00	426,428	104,118	51,018	An investee under equity method
CTCI Corp.	Pan Asia Corp.	Taiwan	Output of foreign labor and technologies, technical cooperation with foreign construction business, and construction of engineering construction, etc.	35,826	35,826	19,639,509	17.16	271,069	141,463	24,275	An investee under equity method
CTCI Corp.	EVER ECOVE Corp.	Taiwan	Waste service, waste clear and steam power cogeneration	394,000	250,000	39,400,000	24.63	383,969	(12,698)	(3,126)	An investee under equity method
CTCI Corp.	HDEC-CTCI (Linhai) Corp.	Taiwan	Reclaimed water operators	337,500	202,500	34,499,250	45.00	384,585	86,097	38,743	An investee under equity method
CTCI Development Corp.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	\$ 13,522	\$ 13,522	480,661	6.77	\$ 9,102,996 16,514	\$ 56,472	\$ 337,592 3,823	A second-tier subsidiary
CTCI Development Corp.	ECOVE Environment Corp.	Taiwan	General investment	11,270	11,270	243,918	0.35	18,109	847,843	3,198	A subsidiary
CTCI Development Corp.	CTCI Resources Engineering Inc.	Taiwan	Engineering technical service	23	23	1,388	0.01	21	102,337	6	A second-tier subsidiary
CTCI Development Corp.	Crown Asia-2 Investment Limited	Taiwan	General investment	2,531	2,531	25,000	100.00	470	(86)	(86)	A second-tier subsidiary
CTCI Investment Corp.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	32,153	32,153	1,657,207	23.34	58,971	56,472	13,181	A second-tier subsidiary
CTCI Investment Corp.	ECOVE Environment Corp.	Taiwan	General investment	1,374	1,374	32,175	0.05	2,420	847,843	403	A subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020					Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2020 (Note 2(3))	
CTCI Investment Corp.	CTCI Smart Engineering Corp.	Taiwan	Design, management, and building of nuclear power, thermal power, fire pumped storage power generation and others related to engineering	\$ 11	\$ 11	1,000	0.002	(\$ 7)	(\$ 265,258)	(\$ 4)	A subsidiary
CTCI Investment Corp.	MIE Industrial Sdn. Bhd.	Malaysia	Equipment & Instrument, Procurement & Construction & Panel	139,885	139,885	21,000,000	21.00	138,785 (	560,808) (	112,292)	An investee under equity method
CTCI Machinery Corp.	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	Share holding and investment	154,744	154,744	6,666,667	10.00	165,607	181,513	16,253	An investee under equity method
ECOVE Environment Corp.	ECOVE Waste Management Corp.	Taiwan	International trade and environmental service of waste disposal, equipment installation and mechanical installation, etc.	20,000	20,000	2,000,000	100.00	108,423	53,858	53,858	A second-tier subsidiary
ECOVE Environment Corp.	ECOVE Wujih Energy Corp.	Taiwan	Environmental service of waste disposal device installation, steam power cogeneration. etc.	450,435	450,435	30,000,000	100.00	881,405	255,553	255,553	A second-tier subsidiary
ECOVE Environment Corp.	ECOVE Environmental Services Corp.	Taiwan	Management of waste recycling site and maintenance of related mechanical and equipment, etc.	356,518	339,921	15,100,000	100.00	873,300	358,197	332,102	A second-tier subsidiary
ECOVE Environment Corp.	ECOVE Mioali Energy Corp.	Taiwan	Environmental service of waste disposal device installation, steam power cogeneration, etc.	899,985	1,012,483	44,999,200	74.999	910,014	126,817	95,111	A second-tier subsidiary
ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Taiwan	Energy technology service	1,312,348	1,062,348	104,621,082	100.00	1,412,064	74,513	74,513	A second-tier subsidiary
ECOVE Environment Corp.	Yuan Ding Resources Management Corp.	Taiwan	Waste service, waste clear other environmental service, and environmental pollution service, etc.	42,696	42,696	4,500,000	100.00	39,388	53	53	A second-tier subsidiary
ECOVE Environment Corp.	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	Share holding and investment	309,489	309,489	13,333,333	20.00	331,214	181,513	42,445	An investee under equity method
ECOVE Environment Corp.	ECOVE Solvent Recycling Corp.	Taiwan	Operating basic chemical industry and manufacture of other chemical products	86,480	86,480	8,099,000	89.99	93,470	14,358	12,921	A second-tier subsidiary
ECOVE Environment Corp.	EVER ECOVE Corp.	Taiwan	Waste service, waste clear and steam power cogeneration	80,000	50,000	8,000,000	5.00	77,826 (	15,752) (	788)	An investee under equity method
ECOVE Environment Services Corp.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	24,851	24,851	1,910,241	26.90	67,975	56,472	15,194	A second-tier subsidiary

				Initial investment amount		Shares held as at December 31, 2020					
	Investee			Balance as at	Balance as at				Net profit (loss)	Investment income	
Investor	(Notes 1 and 2)	Location	Main business activities	December 31, 2020	December 31, 2019	Number of shares	Ownership (%)	Book value	of the investee for the year ended December 31, 2020 (Note 2(2))	(loss) recognized by the Company for the year ended December 31, 2020 (Note 2(3))	Footnote
ECOVE Environment Services Corp.	Sinogal-Waste Services Corp.	Macao	Management of waste recycling site and maintenance of related mechanical equipment, etc.	\$ 4,964	\$ 4,964	-	30.00	\$ 67,247	\$ 212,860	\$ 63,927	A second-tier subsidiary
ECOVE Environment Services Corp.	ECOVE Mioali Energy Corp.	Taiwan	Environmental service of waste disposal device installation, steam power cogeneration, etc.	11	13	800	0.001	16	126,282	2	A second-tier subsidiary
ECOVE Environment Services Corp.	ECOVE Solvent Recycling Corp.	Taiwan	Operating basic chemical industry and manufacture of other chemical products	10	10	1,000	0.01	10	14,358	1	A second-tier subsidiary
ECOVE Environment Services Corp.	Jing Ding Green Energy Technology Co., Ltd.	Taiwan	Execution of BOT	6,000	-	600,000	30.00	5,838	(541)	(162)	An investee under equity method
ECOVE Waste Management Corp.	ECOVE Environment Services Corp.	Taiwan	Management of waste recycling site and maintenance of related mechanical equipment, etc.	-	53	-	-	-	358,197	22	A second-tier subsidiary
ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	Taiwan	Energy technology service	306,000	230,000	30,600,000	100.00	359,210	44,060	44,060	A second-tier subsidiary
ECOVE Solar Energy Corp.	ECOVE South Corp. Ltd.	Taiwan	Energy technology service	30,500	30,500	3,050,000	100.00	34,504	3,185	3,185	A second-tier subsidiary
ECOVE Solar Energy Corp.	G.D. International, LLC.	USA	Energy technology service	189,197	189,197	-	100.00	368,319	15,572	15,572	A second-tier subsidiary
G.D International, LLC.	Lumberton Solar W2-090, LLC	USA	Energy technology service	189,197	189,197	-	100.00	367,770	15,751	15,751	A second-tier subsidiary
CTCI Overseas (BVI) Corp.	CTCI Overseas Co., Ltd.	Hong Kong	Investment and planning of related engineering	276,815	276,815	6,740,000	100.00	2,108,357	210,540	210,540	A second-tier subsidiary
CTCI Overseas Co., Ltd.	CTCI Arabia Ltd.	Arabia	Construction and maintenance of refinery, storage tanks and chemical plant	22,610	22,610	500	50.00	(601,206)	(143,145)	(71,577)	A subsidiary
CTCI Overseas Co., Ltd.	Universal Engineering (BVI) Corporation	BVI	Investment and planning of related engineering	1,694	1,694	50,000	100.00	(332,768)	125,999	125,999	A second-tier subsidiary
CTCI Overseas Co., Ltd.	CIPEC Construction Inc.	Philippines	Construction and maintenance of refinery, storage tanks and chemical plant	19,590	19,590	327,445	39.93	(6,688)	(73,519)	(29,418)	A second-tier subsidiary
CTCI Overseas Co., Ltd.	CIMAS Engineering Company	Vietnam	Chemical, petrochemical, feasibility atudy & planning, engineering design, procurement & fabrication, erection, construction & commissioning	95,168	65,079	-	100.00	94,838	7,238	7,238	A second-tier subsidiary
CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Malaysia	Investment and planning of related engineering	2,879	2,879	300,000	40.00	(50,513)	(333,920)	(133,634)	A subsidiary

				Initial investment amount		Shares held as at December 31, 2020					
	Investee			Balance as at	Balance as at				Net profit (loss)	Investment income	
Investor	(Notes 1 and 2)	Location	Main business activities	December 31, 2020	December 31, 2019	Number of shares	Ownership (%)	Book value	of the investee for the year ended December 31, 2020 (Note 2(2))	(loss) recognized by the Company for the year ended December 31, 2020 (Note 2(3))	Footnote
CTCI Overseas Co., Ltd.	CINDA Engineering & Construction Pvt. Ltd.	India	Chemical, petrochemical, feasibility atudy & planning, engineering design, procurement & fabrication, erection, construction & commissioning	\$ 31,022	\$ 31,022	8,000,000	100.00	(\$ 191,973)	(\$ 97,667)	(\$ 97,667)	A second-tier subsidiary
CTCI Overseas Co., Ltd.	Sumber Mampu Sdn. Bhd.	Malaysia	Building of related engineering	95	95	10,000	10.00	64,847	(122,343)	(122,343)	A second-tier subsidiary
Universal Engineering (BVI) Corporation	Superiority (Thailand) Co., Ltd.	Thailand	Investment and planning of related engineering	151	151	2,156	49.00	(453,399)	125,289	125,289	A second-tier subsidiary
Superiority (Thailand) Co., Ltd.	CTCI (Thailand) Co., Ltd.	Thailand	Design and building of petrochemical plant	12,628	12,628	1,300,500	51.00	(364,555)	248,270	126,618	A subsidiary
CTCI Advanced Systems Inc.	Century Ahead Ltd.	Samoa	Professional investment company	25,097	25,097	750,000	100.00	46,242	5,235	5,235	A second-tier subsidiary
CTCI Advanced Systems Inc.	CTCI Resources Engineering Inc.	Taiwan	Engineering technical service	742,866	-	24,762,252	99.05	414,927	103,116	101,299	A second-tier subsidiary
CTCI Smart Engineering Corp.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	7,354	7,354	656,360	9.24	23,345	56,472	5,218	A second-tier subsidiary
CTCI Resources Engineering Inc.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	7,354	7,354	656,360	9.24	22,613	56,472	5,220	A second-tier subsidiary
CTCI Singapore Pte. Ltd.	CTCI Netherlands B.V.	Netherlands	Engineers and other technical design and consultancy	11,274	11,274	300,000	100.00	30,693	(19,102)	(19,102)	A second-tier subsidiary
CTCI Engineering & Construction Sdn.Bhd.	CTCI Malaysia Sdn. Bhd.	Malaysia	Investment and planning of related engineering	1,357	1,357	150,000	20.00	32,948	(152,716)	(30,543)	A second-tier subsidiary
CTCI Malaysia Sdn. Bhd.	MIE Industrial Sdn. Bhd.	Malaysia	Equipment & Instrument, Procurement & Construction, Panel	185,537	185,537	28,000,000	28.00	172,364	(560,808)	(150,162)	An investee under equity method
Sumber Mampu Sdn. Bhd.	CTCI Malaysia Sdn. Bhd.	Malaysia	Investment and planning of related engineering	5,428	5,428	600,000	80.00	131,794	(152,716)	(122,173)	A second-tier subsidiary

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2020' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2020' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognized by the Company for the year ended December 31, 2020' column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

Table 10

CTCI Corporation and its subsidiaries
Information on investees (in Mainland China)
For the year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the yaer ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee for the yaer ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2020 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
				as of January 1, 2020	Remitted to Mainland China	Remitted back to Taiwan							
CTCI Beijing Co., Ltd.	Design, survey, construction and inspection of various engineering and construction projects, plants, machinery and equipment, and environmental protection projects	\$ 433,473	2	\$ 313,998	\$ -	\$ -	\$ 313,998	\$ 547,658	100.00	\$ 547,658	\$ 2,470,263	\$ 534,482	Note3
CTCI Shanghai Co., Ltd.	Design, survey, construction and inspection of various engineering and construction projects	592,787	2	-	-	-	-	25,135	100.00	25,135	543,317	23,530	Note7
CTCI Advanced Systems Shanghai Inc.	Computer technology services	21,863	2	21,863	-	-	21,863	5,339	48.72	2,601	45,203	-	Note4
ECOVE Environment Consulting Corp.	Technical development, advisory and service in environmental field;environmental pollution control equipment and related parts wholesale, import and export, etc.	4,147	1	4,147	-	-	4,147	6,616	55.75	9,807	12,705	33,286	-
FuJian Gulie Petrochemical Co., Ltd.	Operating in manufacturing and selling of ethylene and others	30,344,536	2	408,108	504,206	-	912,314	-	4.37	-	912,314	-	Note5
CTCI Trading Shanghai Co., Ltd.	General trade	23,748	2	-	-	-	- (	3,342)	100.00 (	3,342)	24,834	-	Note6

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	
CTCI Corp.	\$ 1,252,322	\$	1,627,287	\$	9,496,534

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: In the Investment income (loss) recognized by the Company for the year ended December 31, 2020 column:

- (1) FuJian Galie Petrochemical Co., Ltd. did not accrue investment income or loss since it was still in preparation.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A.The financial statements were audited and attested by international accounting firms which are in collaborative relationships with accounting firms in R.O.C.
 - B.The financial statements were audited and attested by R.O.C. parent company's CPA.
 - C.Others.

Note 3: Invested by CTCI Overseas Co., Ltd.

Note 4: Invested by Century Ahead Ltd.

Note 5: Invested in Dynamic Ever Investments Limited through Ever Victory Global Limited.

Note 6: Invested by CTCI Shanghai Co., Ltd.

Note 7: Invested by CTCI Beijing Co., Ltd.

CTCI Corporation and its subsidiaries
Major shareholders information
For the year ended December 31, 2020

Table 11

Name of major shareholders	Shares		
	Total shares owned (common shares)	Total shares owned (preference shares)	Ownership percentage
CTBC BANK CO., LTD. (CTCI Corporation Employee Stock Ownership Trust)	63,315,958	-	8.29%
CTCI Foundation	60,862,051	-	7.97%
Fubon Life Insurance Co., Ltd.	60,129,000	-	7.87%

Note 1: (1) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.

(2) If the aforementioned data contains shares which were held in trust by the shareholders, the data was disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio include the self-owned shares and shares held in trust, at the same time, the shareholder who has the power to decide how to allocate the trust assets. For the information on reported share equity of insider, please refer to Market Observation Post System.

CTCI CORPORATION
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2020 AND 2019

For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

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, 2020 and 2019, 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 (please refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2020 and 2019, and its parent company only financial performance and its parent company only 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 generally accepted auditing standards in 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 (please refer to the Other matter), 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 2020 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 2020 parent company only financial statements are stated as follows:

Valuation of work completed

Description

Refer to Note 4(26) for accounting policy on revenue recognition, Note 5(2) for significant accounting estimates and assumptions, and Note 6(23) 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 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 one of 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 is approved by the project management department, including current supplementary (subtractive) construction and the related supporting documents of significant constructions added during the year.
3. Obtained the details of current costs and expenses, performed related statistical procedures, including selecting current incurred cost and tracing them to related vouchers and confirming whether the current input costs have been accounted 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 (\$273,050) thousand and \$222,974 thousand, constituting (0.57%) and 0.50% of the consolidated total assets as at December 31, 2020 and 2019, respectively, and the comprehensive loss recognized from associates and joint ventures accounted for under the equity method amounted to (\$880,268) thousand and (\$1,325,201) thousand, constituting (103.72%) and (568.55%) of the consolidated total comprehensive loss 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.



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Auditor's 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 generally accepted auditing standards in 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 generally accepted auditing standards in the Republic of China, we exercise professional judgement and maintain 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.



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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.

Lin, Yi-Fan

Chang, Shu-Chiung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 9, 2021

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 report of independent accountants 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, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 6,098,040	13	\$ 12,528,298	28
1110	Financial assets at fair value through profit or loss - current	6(2)	2,124,417	4	6,678	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	219,283	1	298,898	1
1136	Financial assets at amortised cost - current	6(4)	669,600	1	-	-
1140	Contract assets - current	6(23) and 7	11,724,313	25	11,771,743	26
1170	Accounts receivable, net	6(5)	2,345,660	5	1,103,465	2
1180	Accounts receivable - related parties	7	122,424	-	224,555	1
1200	Other receivables		29,628	-	43,251	-
1210	Other receivables - related parties	7	3,945,977	8	1,870,640	4
1220	Current income tax assets		74,212	-	55,749	-
1410	Prepayments	6(6)	1,280,611	3	785,209	2
1460	Non-current assets or disposal groups classified as held for sale, net	6(12)	163,742	-	-	-
1470	Other current assets	6(15)	912,357	2	-	-
11XX	Total current Assets		29,710,264	62	28,688,486	64
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	1,328,178	3	854,706	2
1550	Investments accounted for under equity method	6(7)	12,398,860	26	11,292,586	25
1600	Property, plant and equipment	6(8)	1,192,313	2	292,125	1
1755	Right-of-use assets	6(10)	2,300,521	5	2,612,540	6
1760	Investment property, net	6(9) and 7	-	-	150,908	-
1780	Intangible assets		32,046	-	42,114	-
1840	Deferred income tax assets	6(26)	283,893	1	365,359	1
1900	Other non-current assets	6(11) and 8	543,309	1	354,988	1
15XX	Total non-current assets		18,079,120	38	15,965,326	36
1XXX	Total assets		\$ 47,789,384	100	\$ 44,653,812	100

(Continued)

CTCI CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2020		December 31, 2019			
			AMOUNT	%	AMOUNT	%		
Current liabilities								
2100	Short-term borrowings		\$	-	-	\$	115,000	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)		107,405	-		52,659	-
2130	Contract liabilities - current	6(23) and 7		9,250,901	19		7,098,380	16
2150	Notes payable			392	-		9,819	-
2170	Accounts payable	6(13)		5,168,408	11		5,090,159	11
2180	Accounts payable - related parties	7		410,930	1		460,229	1
2200	Other payables	6(14)		1,170,306	2		1,111,540	3
2220	Other payables - related parties	7		3,094	-		1,751	-
2230	Current income tax liabilities			-	-		44,133	-
2280	Current lease liabilities			308,785	1		326,339	1
2300	Other current liabilities	6(15)		13,174	-		1,707,631	4
21XX	Total current Liabilities			16,433,395	34		16,017,640	36
Non-current liabilities								
2530	Bonds payable	6(16)		8,986,139	19		5,989,529	14
2570	Deferred income tax liabilities	6(26)		7,884	-		7,732	-
2580	Non-current lease liabilities			2,009,006	4		2,293,160	5
2600	Other non-current liabilities	6(7)(17)		4,525,403	10		4,189,308	9
25XX	Total non-current liabilities			15,528,432	33		12,479,729	28
2XXX	Total liabilities			31,961,827	67		28,497,369	64
Equity								
	Share capital	6(20)						
3110	Common stock	6(21)		7,633,599	16		7,633,182	17
	Capital surplus	6(21)						
3200	Capital surplus			4,077,689	9		3,730,448	9
	Retained earnings	6(22)						
3310	Legal reserve			3,278,010	7		3,741,648	8
3320	Special reserve			1,180,439	2		762,377	2
3350	Unappropriated retained earnings			733,054	2		1,481,062	3
	Other equity interest							
3400	Other equity interest		(	1,063,399)	(3)	(	1,180,439)	(3)
3500	Treasury stocks	6(20)	(	11,835)	-	(	11,835)	-
3XXX	Total equity			15,827,557	33		16,156,443	36
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$	47,789,384	100	\$	44,653,812	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, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Year ended December 31			
			2020		2019	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(23) and 7		\$ 25,873,770	100	\$ 28,430,333	100
5000 Operating costs	6(24)(25) and 7		(24,339,781)	(94)	(25,601,276)	(90)
5900 Net operating margin			1,533,989	6	2,829,057	10
5910 Unrealized profit from sales			(1,973)	-	(2,330)	-
5920 Realized profit on sales			1,980	-	1,980	-
5950 Gross profit			1,533,996	6	2,828,707	10
Operating expenses	6(24)(25) and 7					
6200 General and administrative expenses			(776,554)	(3)	(887,129)	(3)
6300 Research and development expenses			(100,437)	-	(112,049)	-
6000 Total operating expenses			(876,991)	(3)	(999,178)	(3)
6900 Operating profit			657,005	3	1,829,529	7
Non-operating income and expenses						
7100 Interest income			83,916	-	254,134	1
7010 Other income	7		72,481	-	83,860	-
7020 Other gains and losses			(150,359)	-	(153,646)	(1)
7050 Finance costs			(90,159)	-	(89,551)	-
7070 Share of profit (loss) of associates and joint ventures accounted for under equity method	6(7)		337,592	1	(564,096)	(2)
7000 Total non-operating income and expenses			253,471	1	(469,299)	(2)
7900 Profit before income tax			910,476	4	1,360,230	5
7950 Income tax expense	6(26)		(143,928)	(1)	(183,219)	(1)
8200 Profit for the year			\$ 766,548	3	\$ 1,177,011	4
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 Actuarial losses on defined benefit plans	6(18)		(\$ 49,082)	-	(\$ 15,896)	-
8316 Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)		(54,480)	-	(42,955)	-
8330 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method			64,430	-	(794,937)	(3)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)		9,816	-	3,179	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Cumulative translation differences of foreign operations			111,436	-	(93,316)	-
8300 Total other comprehensive income (loss) for the year			\$ 82,120	-	(\$ 943,925)	(3)
8500 Total comprehensive income for the year			\$ 848,668	3	\$ 233,086	1
Earnings per share						
9750 Basic earnings per share	6(27)		\$ 1.01		\$ 1.54	
9850 Diluted earnings per share	6(27)		\$ 1.00		\$ 1.54	

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

CTCI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Retained Earnings					Other Equity Interest				
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Cumulative translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Treasury stocks	Total equity
Year ended December 31, 2019											
Balance at January 1, 2019		\$ 7,632,738	\$ 3,545,053	\$ 3,558,894	\$ 763,794	\$ 2,217,619	(\$ 290,028)	\$ 42,494	\$ -	(\$11,835)	\$ 17,458,729
Profit for the year		-	-	-	-	1,177,011	-	-	-	-	1,177,011
Other comprehensive loss		-	-	-	-	(11,863)	(93,316)	(838,746)	-	-	(943,925)
Total comprehensive income (loss)		-	-	-	-	1,165,148	(93,316)	(838,746)	-	-	233,086
Appropriations of 2018 earnings	6(23)										
Legal service		-	-	182,754	-	(182,754)	-	-	-	-	-
Special reserve		-	-	-	(1,417)	1,417	-	-	-	-	-
Cash dividends		-	-	-	-	(1,721,211)	-	-	-	-	(1,721,211)
Employee stock options exercised	6(21)	444	1,597	-	-	-	-	-	-	-	2,041
Share-based payment transactions	6(22)	-	183,798	-	-	-	-	-	-	-	183,798
Disposal of investment equity instruments designated at fair value through other comprehensive income		-	-	-	-	843	-	(843)	-	-	-
Balance at December 31, 2019		\$ 7,633,182	\$ 3,730,448	\$ 3,741,648	\$ 762,377	\$ 1,481,062	(\$ 383,344)	(\$ 797,095)	\$ -	(\$11,835)	\$ 16,156,443
Year ended December 31, 2020											
Balance at January 1, 2020		\$ 7,633,182	\$ 3,730,448	\$ 3,741,648	\$ 762,377	\$ 1,481,062	(\$ 383,344)	(\$ 797,095)	\$ -	(\$11,835)	\$ 16,156,443
Profit for the year		-	-	-	-	766,548	-	-	-	-	766,548
Other comprehensive income (loss)		-	-	-	-	(41,902)	111,436	(38,595)	51,181	-	82,120
Total comprehensive income(loss)		-	-	-	-	724,646	111,436	(38,595)	51,181	-	848,668
Appropriations of 2019 earnings	6(23)										
Legal service		-	-	116,599	-	(116,599)	-	-	-	-	-
Special reserve		-	-	-	418,062	(418,062)	-	-	-	-	-
Cash dividends		-	-	(580,237)	-	(946,402)	-	-	-	-	(1,526,639)
Employee stock options exercised	6(21)	417	1,237	-	-	-	-	-	-	-	1,654
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(22)	-	12,286	-	-	-	-	-	-	-	12,286
Share-based payment transactions	6(22)	-	160,155	-	-	-	-	-	-	-	160,155
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	8,409	-	(8,409)	-	-	-
Reorganization		-	187,351	-	-	-	591	836	-	-	188,778
Non-controlling interests		-	(13,788)	-	-	-	-	-	-	-	(13,788)
Balance at December 31, 2020		\$ 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

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, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 910,476	\$ 1,360,230
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	377,733	363,429
Amortization	6(24)	125,839	124,690
Reversal of provision for allowance for doubtful accounts		-	(143)
(Gain) loss on valuation of financial assets	6(2)	(76,539)	4,124
Gain on disposal of investments	6(7)	-	(5,158)
Gain on disposal of property, plant and equipment		(642)	(27)
Compensation costs for employee stock options	6(25)	117,523	134,608
Share in (profit) loss of associates and joint ventures	6(7)		
accounted for using the equity method		(337,592)	564,096
Realized gain from intercompany transactions		(1,980)	(1,980)
Unrealized profit from sales		1,973	2,330
Interest income		(83,916)	(254,133)
Dividend income		(24,881)	(27,050)
Gain on lease modification		(115)	-
Interest expense		90,159	89,551
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss – current		(2,015,764)	121,090
Contract assets - current		47,430	7,942,124
Notes receivable (including related parties)		-	2,730
Accounts receivable (including related parties)		(1,140,064)	3,799,765
Other receivables		8,072	18,313
Other receivables - related parties		7,523	146,460
Prepayments		(495,402)	1,224,099
Other current assets		(912,357)	-
Other non-current assets		8,744	176,390
Changes in operating liabilities			
Contract liabilities - current		2,152,521	(2,372,413)
Notes payable		(9,427)	9,819
Accounts payable		78,249	186,290
Accounts payable - related parties		(49,299)	18,137
Other payables		(173,239)	(192,258)
Other payables - related parties		1,343	(1,949)
Accured pension liabilities		(248,292)	(465,479)
Other current liabilities		(1,694,457)	(5,797,365)
Cash (outflow) inflow generated from operations		(3,336,381)	7,170,320
Interest received		45,701	160,231
Interest paid		(79,080)	(75,121)
Dividends received		591,139	653,774
Income tax paid		(89,150)	(431,263)
Net cash flows (used in) from operating activities		(2,867,771)	7,477,941

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CTCI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost - current		(\$ 669,600)	\$ -
Increase in other receivables - related parties		(2,081,573)	(957,165)
Interest received-related parties		42,482	88,509
Increase in financial assets at fair value through other comprehensive income - non-current		(504,206)	(115,883)
Decrease in financial assets at fair value through other comprehensive income - current		55,870	26,521
Acquisition of property, plant and equipment		(729,088)	(26,536)
Proceeds from disposal of property, plant and equipment		1,314	39
Increase in long-term investment - subsidiaries	6(7)(11)	(1,361,950)	-
Proceeds from disposal of long-term investments - subsidiaries		740,639	224,494
Increase in computer software cost		(16,178)	(39,747)
Increase in other non-current assets		(86,403)	(91,610)
(Increase) decrease in refundable deposits (shown in other non-current assets)		(19,351)	873
Net cash flows used in investing activities		(4,628,044)	(890,505)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings		(115,000)	(6,215,000)
Decrease in lease liabilities		(347,582)	(329,815)
Issuance of bonds payable		2,993,839	5,989,489
Increase (decrease) in deposits received		59,285	(11,194)
Cash dividends paid		(1,526,639)	(1,721,211)
Proceeds from employee stock options exercised		1,654	-
Net cash flows from (used in) financing activities		1,065,557	(2,287,731)
Net (decrease) increase in cash and cash equivalents		(6,430,258)	4,299,705
Cash and cash equivalents at beginning of year		12,528,298	8,228,593
Cash and cash equivalents at end of year		\$ 6,098,040	\$ 12,528,298

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

CTCI CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

CTCI Corporation (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China on April 6, 1979 and commenced its operations on May 1, 1979. The main business activities of the Company are the design, survey, construction and inspection of various engineering and construction projects, plants, machinery and equipment and environmental protection projects. The Company’s shares have been listed and traded on the Taiwan Stock Exchange since May 1993.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized by the Board of Directors on March 9, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	January 1, 2020 (Note)
Note : Earlier application from January 1, 2020 is allowed by FSC.	

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non- current'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment:proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When a foreign operation partially disposed of or sold is an associate or joint arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.

(4) Classification of current and non-current items

- A. As the operating cycle for construction contracts usually exceeds one year, the Company uses the operating cycle (typically 3~4 years) as its criteria for classifying current and non-current assets and liabilities related to construction contracts. For other assets and liabilities, the criterion is one year.
- B. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

- C. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be paid off within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs.

The Group subsequently measures the financial assets at fair value:

- (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
- (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(8) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(10) Investments accounted for using the equity method-subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealized gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognize in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize the losses in proportion to the ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- F. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- H. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- I. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- J. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- K. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(11) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	35 ~ 50 years
Machinery	3 ~ 5 years
Transportation equipment	3 ~ 10 years
Office equipment	2 ~ 7 years
Other equipment	3 ~ 20 years

(12) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost. The cost is the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(13) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(14) Intangible assets

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

(15) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss.

(16) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(17) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(19) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognized at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortized to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(20) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For the defined contribution plan, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurement arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation, directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(22) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(23) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. Current tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures, to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(24) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(26) Revenue recognition

- A. The Company provides engineering construction related services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs incurred relative to the total expected costs. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.
- B. Some contracts include sales and installation services of equipment. The equipment and the installation services provided by the Company are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customization and modification. The Company recognizes revenue on the basis of costs incurred relative to the total expected costs of that performance obligation.
- C. The Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Revenue recognition

The Company relies on the project condition and objective factors to estimate total cost. The revenue is recognized based on the percentage of input cost to the estimated cost, and the reasonableness of estimates is reviewed regularly. The estimated total cost will be affected by industry environment transition and construction status to adjust the revenue recognition amount.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand and revolving funds	\$ 13,151	\$ 13,101
Checking accounts and demand deposits	4,273,689	7,523,956
Time deposits	1,811,200	4,991,241
	<u>\$ 6,098,040</u>	<u>\$ 12,528,298</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Details of the Company's cash and cash equivalents pledged to others as collateral are provided in Note 8.

(2) Financial assets and liabilities at fair value through profit or loss – current

Items	December 31, 2020	December 31, 2019
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 1,983,038	\$ 6,800
Derivatives	99,464	-
	2,082,502	6,800
Valuation adjustment	41,915	(122)
	<u>\$ 2,124,417</u>	<u>\$ 6,678</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives	<u>\$ 107,405</u>	<u>\$ 52,659</u>

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the year ended December 31,	
	2020	2019
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 54,346	\$ 1,946
Derivatives	22,193	(6,070)
	<u>\$ 76,539</u>	<u>(\$ 4,124)</u>

B. The Company entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2020		
	Contract Amount (notional principal)		Contract Period
Non-delivery foreign exchange contract-buy (15 items)	USD	95,000	2020.07.22~2021.04.15
Non-delivery foreign exchange contract-sell (5 items)	USD	35,000	2020.11.27~2021.01.11
Foreign exchange swap contract (4 items)	USD	33,500	2020.10.22~2021.02.26
Foreign exchange swap contract (2 items)	THB	950,000	2020.03.20~2021.08.16
Foreign exchange contract-buy (7 items)	USD	56,598	2020.10.16~2021.10.29
Merchandise exchange contract (10 items)	USD	24,244	2020.10.02~2021.12.15
	December 31, 2019		
	Contract Amount (notional principal)		Contract Period
Non-delivery foreign exchange contract-buy (7 items)	USD	33,000	2019.05.02~2020.07.10
Foreign exchange swap contract (8 items)	USD	80,000	2019.12.12~2020.01.09

The Company entered into contracts relating to derivative financial products to hedge exchange rate risk of import or export proceeds and price fluctuation risk of materials. However, these contracts are not accounted for under hedge accounting.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2)

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2020	December 31, 2019
Current items:		
Equity instruments		
Listed stocks	\$ 117,702	\$ 162,430
Valuation adjustment	101,581	136,468
	<u>\$ 219,283</u>	<u>\$ 298,898</u>
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 1,528,314	\$ 1,024,108
Valuation adjustment	(200,136)	(169,402)
	<u>\$ 1,328,178</u>	<u>\$ 854,706</u>

A. The Company has elected to classify investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income.

B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the year ended December 31,	
	2020	2019
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 54,480)	(\$ 42,955)
Cumulative gains (losses) reclassified to retained earnings due to derecognition	\$ 11,142	(\$ 2,546)
Dividend income recognized in profit or loss		
Held at end of year	\$ 21,803	\$ 17,668
Derecognized during the period	2,866	8,967
	<u>\$ 24,669</u>	<u>\$ 26,635</u>

C. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets measured at cost

Items	December 31, 2020	December 31, 2019
Current items:		
Time deposits with maturity over three months	\$ 669,600	\$ -

(5) Accounts receivable

	December 31, 2020	December 31, 2019
Accounts receivable	\$ 2,345,961	\$ 1,103,532
Less: Allowance for bad debts	(301)	(67)
	<u>\$ 2,345,660</u>	<u>\$ 1,103,465</u>

A. The ageing analysis of accounts receivable is as follows:

	December 31, 2020	December 31, 2019
Up to 30 days	\$ 2,113,479	1,015,454
31 to 90 days	182,770	76,288
91 to 180 days	15,117	4,938
Over 181 days	34,595	6,852
	<u>\$ 2,345,961</u>	<u>\$ 1,103,532</u>

The above ageing analysis was based on booking date.

B. As of December 31, 2020 and 2019, the balances of receivables are from contracts with customers.

(6) Prepayments

	December 31, 2020	December 31, 2019
Prepayments for materials	\$ 621,139	\$ 175,515
Prepayments for construction in progress	478,834	493,776
Others	180,638	115,918
	<u>\$ 1,280,611</u>	<u>\$ 785,209</u>

(7) Investments accounted for under the equity method

	2020	2019
At January 1	\$ 8,472,748	\$ 10,553,599
Addition of investments accounted for using equity method	1,171,045	180,000
Disposal of investments accounted for using equity method	(374,741)	(219,336)
Share of profit or loss of investments accounted for under equity method	337,592	(564,096)
Earnings distribution of investments accounted for under equity method	(566,258)	(626,724)
Changes in capital surplus	(136,411)	49,190
Changes in other equity items	199,021	(899,885)
At December 31	<u>\$ 9,102,996</u>	<u>\$ 8,472,748</u>

	December 31, 2020	December 31, 2019
<u>Investments under equity method</u>		
<u>Subsidiaries</u>		
CTCI Resources Engineering Inc.	\$ -	\$ 356,498
CTCI Advanced Systems Inc.	221,238	275,823
CTCI Development Corporation	3,733,304	2,833,287
CTCI Investment Corporation	812,404	897,614
ECOVE Environment Corp.	2,891,843	2,858,213
CTCI Machinery Corp.	668,526	541,534
Sinogal-waste Services Co., Ltd.	67,247	87,180
CTCI Overseas (BVI) Co., Ltd.	2,229,091	2,007,098
CTCI Engineering & Construction Sdn. Bhd.	-	130,523
CTCI - HDEC (Chungli) Corporation	241,836	242,153
PT CTCI International Indonesia	67,320	-
<u>Associates</u>		
Blue Whale Water Technology Co., Ltd.	426,428	411,670
Pan Asia Corp.	271,069	197,079
EVER ECOVE Corp.	383,969	243,071
HDEC-CTCI (Linhai) Corporation	384,585	210,843
	<u>\$ 12,398,860</u>	<u>\$ 11,292,586</u>
<u>Other non-current liabilities</u>		
<u>Subsidiaries</u>		
CTCI Arabia Ltd.	(\$ 601,265)	(\$ 571,812)
CTCI Singapore Pte. Ltd.	(1,112,369)	(1,108,475)
CTCI Engineering & Construction Sdn. Bhd.	(75,773)	-
CCJV P1 Engineering & Construction Sdn. Bhd.	(692,435)	(473,548)
CTCI Smart Engineering Corporation	(427,095)	(180,734)
CTCI (Thailand) Co. Ltd.	(274,462)	(426,042)
CTCI CMCE JV SDN. BHD.	(47,741)	(48,181)
CTCI Americas, Inc.	(64,724)	(11,046)
	<u>(\$ 3,295,864)</u>	<u>(\$ 2,819,838)</u>

A. Subsidiary

(a) The basic information of the significant subsidiaries that are material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2020	December 31, 2019		
CTCI Development Corporation	Taiwan	100.00%	100.00%	Subsidiaries	Equity method
CTCI Investment Corporation	"	100.00%	100.00%	"	"
CTCI Machinery Corporation	"	100.00%	100.00%	"	"
ECOVE Environment Corp.	"	55.75%	57.31%	"	"
CTCI Overseas (BVI) Co., Ltd.	BVI	100.00%	100.00%	"	"
CTCI Arabia Ltd.	Saudi Arabia	50.00%	50.00%	"	"
CTCI Singapore Pte. Ltd.	Singapore	100.00%	100.00%	"	"
CCJV P1 Engineering & Construction Sdn. Bhd.	Malaysia	99.00%	99.00%	"	"

- (b) The summarized financial information of the subsidiaries that are material to the Company is as follows:

CTCI Development Corporation		
	December 31, 2020	December 31, 2019
Current assets	\$ 490,176	\$ 15,459
Non-current assets	7,434,365	6,982,918
Current liabilities	(77,868)	(43,286)
Non-current liabilities	(4,109,601)	(4,109,631)
Total net assets	<u>\$ 3,737,072</u>	<u>\$ 2,845,460</u>
Share in associate's net assets	<u>\$ 3,737,072</u>	<u>\$ 2,845,460</u>
Carrying amount of the associate (Note)	<u>\$ 3,733,304</u>	<u>\$ 2,833,287</u>

CTCI Investment Corporation		
	December 31, 2020	December 31, 2019
Current assets	\$ 245,180	\$ 231,273
Non-current assets	580,794	700,452
Current liabilities	(2,167)	(198)
Non-current liabilities	(5,670)	(28,179)
Total net assets	<u>\$ 818,137</u>	<u>\$ 903,348</u>
Share in associate's net assets	<u>\$ 818,137</u>	<u>\$ 903,348</u>
Carrying amount of the associate	<u>\$ 812,404</u>	<u>\$ 897,614</u>

CTCI Machinery Corporation		
	December 31, 2020	December 31, 2019
Current assets	\$ 3,335,125	\$ 2,297,774
Non-current assets	1,609,958	890,122
Current liabilities	(4,069,490)	(2,497,834)
Non-current liabilities	(207,067)	(148,528)
Total net assets	<u>\$ 668,526</u>	<u>\$ 541,534</u>
Share in associate's net assets	<u>\$ 668,526</u>	<u>\$ 541,534</u>
Carrying amount of the associate	<u>\$ 668,526</u>	<u>\$ 541,534</u>

	ECOVE Environment Corp.	
	December 31, 2020	December 31, 2019
Current assets	\$ 499,996	\$ 554,866
Non-current assets	4,722,417	4,463,846
Current liabilities	(30,618)	(27,519)
Non-current liabilities	(4,607)	(3,910)
Total net assets	<u>\$ 5,187,188</u>	<u>\$ 4,987,283</u>
Share in associate's net assets	<u>\$ 2,891,857</u>	<u>\$ 2,858,213</u>
Carrying amount of the associate	<u>\$ 2,891,843</u>	<u>\$ 2,858,213</u>
	CTCI Overseas (BVI) Co., Ltd.	
	December 31, 2020	December 31, 2019
Current assets	\$ 21,198	\$ 23,129
Non-current assets	2,120,788	1,896,931
Current liabilities	(32)	(99)
Total net assets	<u>\$ 2,141,954</u>	<u>\$ 1,919,961</u>
Share in associate's net assets	<u>\$ 2,141,954</u>	<u>\$ 1,919,961</u>
Carrying amount of the associate	<u>\$ 2,229,091</u>	<u>\$ 2,007,098</u>
	CTCI Arabia Ltd.	
	December 31, 2020	December 31, 2019
Current assets	\$ 155,657	\$ 287,949
Non-current assets	824	1,281
Current liabilities	(1,357,363)	(1,430,771)
Non-current liabilities	(1,648)	(2,084)
Total net assets	<u>(\$ 1,202,530)</u>	<u>(\$ 1,143,625)</u>
Share in associate's net assets	<u>(\$ 601,265)</u>	<u>(\$ 571,812)</u>
Carrying amount of the associate	<u>(\$ 601,265)</u>	<u>(\$ 571,812)</u>

CTCI Singapore Pte. Ltd.		
	December 31, 2020	December 31, 2019
Current assets	\$ 497,247	\$ 447,851
Non-current assets	110,280	91,197
Current liabilities	(1,704,552)	(1,639,633)
Non-current liabilities	(15,344)	(7,890)
Total net assets	<u>(\$ 1,112,369)</u>	<u>(\$ 1,108,475)</u>
Share in associate's net assets	<u>(\$ 1,112,369)</u>	<u>(\$ 1,108,475)</u>
Carrying amount of the associate	<u>(\$ 1,112,369)</u>	<u>(\$ 1,108,475)</u>

CCJV P1 Engineering & Construction Sdn. Bhd.		
	December 31, 2020	December 31, 2019
Current assets	\$ 1,458,269	\$ 1,287,608
Non-current assets	1,541	4,617
Current liabilities	(2,159,239)	(1,770,557)
Total net assets	<u>(\$ 699,429)</u>	<u>(\$ 478,332)</u>
Share in associate's net assets	<u>(\$ 692,435)</u>	<u>(\$ 473,548)</u>
Carrying amount of the associate	<u>(\$ 692,435)</u>	<u>(\$ 473,548)</u>

Statement of comprehensive income

CTCI Development Corporation		
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 329,049	\$ 334,484
Profit for the year from continuing operations	\$ 127,286	\$ 118,459
Other comprehensive loss, net of tax	(10,799)	(1,750)
Total comprehensive income	<u>\$ 116,487</u>	<u>\$ 116,709</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

CTCI Investment Corporation		
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	(\$ 98,028)	(\$ 9,204)
Profit for the year from continuing operations	(\$ 77,645)	(\$ 13,377)
Other comprehensive loss, net of tax	(9,583)	(818,379)
Total comprehensive loss	(\$ 87,228)	(\$ 831,756)

CTCI Machinery Corporation		
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 3,313,110	\$ 2,831,032
Profit for the year from continuing operations	\$ 114,886	\$ 99,779
Other comprehensive (loss) income, net of tax	(1,012)	2,548
Total comprehensive income	\$ 113,874	\$ 102,327

Dividends received from associates	\$ -	\$ 56,125
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ECOVE Environment Corp.		
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 865,768	\$ 814,178
Profit for the year from continuing operations	\$ 847,843	\$ 812,231
Other comprehensive (loss) income, net of tax	(42,472)	8,333
Total comprehensive income	\$ 805,371	\$ 820,564

Dividends received from associates	\$ 416,490	\$ 416,106
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CTCI Overseas (BVI) Co., Ltd.		
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ -	\$ -
Total comprehensive income	\$ 210,229	\$ 229,028
Dividends received from associates	\$ -	\$ -

	CTCI Arabia Ltd.	
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 27,338	\$ 94,486
Total comprehensive loss	(\$ 143,145)	(\$ 40,305)
	CTCI Singapore Pte. Ltd.	
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 567,377	\$ 1,040,250
Total comprehensive loss	(\$ 64,160)	(\$ 459,314)
	CCJV P1 Engineering & Construction Sdn. Bhd.	
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 988,314	\$ 1,669,029
Total comprehensive loss	(\$ 247,077)	(\$ 403,462)
Dividends received from associates	\$ -	\$ -

B. Associate

The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarized below:

As of December 31, 2020 and 2019, the carrying amount of the Company's individually immaterial associates amounted to \$1,173,897 and \$1,062,662, respectively.

	December 31, 2020	December 31, 2019
Total comprehensive income (loss)	\$ 580,981	(\$ 63,225)

C. For information on the Company's subsidiaries, please refer to Note 4 (3) in the Company's consolidated financial statements for the year ended December 31, 2020.

D. The total investment profit or loss and other comprehensive income accounted for under equity method in Pan Asia Corp., Blue Whale Water Technology Co., Ltd., EVER ECOVE Corporation, HDEC-CTCI (Linhai) Corporation, CTCI CMCE JV SDN. BHD., CTCI Singapore Pte. Ltd., CTCI Engineering & Construction Sdn. Bhd., PT CTCI International Indonesia, CCJV P1 Engineering & Construction Sdn. Bhd., Jing Ding Green Energy Technology Co., Ltd. indirectly invested by ECOVE Environment Corp. and certain subsidiaries indirectly invested by CTCI Overseas (BVI) Corp. was (\$880,268) for the year ended December 31, 2020, which was recognized based solely on the audit reports of other independent auditors.

- E. The total investment profit or loss and other comprehensive income accounted for under equity method in Pan Asia Corp., Blue Whale Water Technology Co., Ltd., EVER ECOVE Corporation, HDEC-CTCI (Linhai) Corporation, CTCI CMCE JV SDN. BHD., CTCI Singapore Pte. Ltd., CTCI Engineering & Construction Sdn. Bhd., CCJV P1 Engineering & Construction Sdn. Bhd., and certain subsidiaries indirectly invested by CTCI Overseas (BVI) Corp. was (\$1,325,201) for the year ended December 31, 2019, which was recognized based solely on the audit reports of other independent auditors.
- F. The Company jointly established PT CTCI International Indonesia with PT Eptco Dian Persada and obtained 67% equity interest in January 2020. The Company increased its investments in HDEC-CTCI (Linhai) Corporation and CTCI Development Corporation for 13,500 thousand shares and 755,000 thousand shares, respectively, in November 2020, and increased its investments in EVER ECOVE Corp. and CTCI Advanced Systems Inc. for 14,400 thousand shares and 1,009,619 thousand shares, respectively, in December 2020. The total amount of the above new investments was \$1,171,045.
- G. On November 1, 2019, the Board of Directors during its meeting resolved to sell its 99.05% equity interest in CTCI Resources Engineering Inc., equivalent to 24,762,252 shares at a price of \$30 (in dollars) per shares totaling \$742,866, to the subsidiary - CTCI Advanced Systems Inc. The transaction was accounted for using the book value method since it was considered a reorganization. The difference between the proceeds from disposal of CTCI Resources Engineering Inc. and net equity interest was adjusted in 'capital surplus, additional paid-in capital' in the amount of \$368,125.
- H. In May 2019, the Board of Directors during its meeting resolved to dispose 19,580,000 shares of Pan Asia Corp. totaling \$224,494, of which \$5,158 was recognized as gain on disposal of investments (shown as other gains and losses).

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Unfinished construction	Others	Total
<u>At January 1, 2020</u>								
Cost	\$ 127,228	\$ 124,799	\$ 373,535	\$ 38,704	\$ 55,201	\$ -	\$ 150,668	\$ 870,135
Accumulated depreciation	-	(72,829)	(318,072)	(37,263)	(54,770)	-	(95,076)	(578,010)
	<u>\$ 127,228</u>	<u>\$ 51,970</u>	<u>\$ 55,463</u>	<u>\$ 1,441</u>	<u>\$ 431</u>	<u>\$ -</u>	<u>\$ 55,592</u>	<u>\$ 292,125</u>
<u>2020</u>								
Opening net book amount	\$ 127,228	\$ 51,970	\$ 55,463	\$ 1,441	\$ 431	\$ -	\$ 55,592	\$ 292,125
Additions	-	-	30,669	-	-	919,344	-	950,013
Disposals	-	-	(53)	(619)	-	-	-	(672)
Depreciation charge	-	(2,363)	(24,036)	(822)	(211)	-	(7,765)	(35,197)
Transfers to non-current assets held for sale	(10,998)	(2,958)	-	-	-	-	-	(13,956)
Closing net book amount	<u>\$ 116,230</u>	<u>\$ 46,649</u>	<u>\$ 62,043</u>	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 919,344</u>	<u>\$ 47,827</u>	<u>\$ 1,192,313</u>
<u>At December 31, 2020</u>								
Cost	\$ 116,230	\$ 121,841	\$ 404,151	\$ 38,085	\$ 55,201	\$ 919,344	\$ 150,668	\$ 1,805,520
Accumulated depreciation	-	(75,192)	(342,108)	(38,085)	(54,981)	-	(102,841)	(613,207)
	<u>\$ 116,230</u>	<u>\$ 46,649</u>	<u>\$ 62,043</u>	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 919,344</u>	<u>\$ 47,827</u>	<u>\$ 1,192,313</u>

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Others	Total
<u>At January 1, 2019</u>							
Cost	\$ 127,228	\$ 124,799	\$ 365,715	\$ 38,704	\$ 54,974	\$ 150,668	\$ 862,088
Accumulated depreciation	-	(70,443)	(314,446)	(35,412)	(54,280)	(86,783)	(561,364)
	<u>\$ 127,228</u>	<u>\$ 54,356</u>	<u>\$ 51,269</u>	<u>\$ 3,292</u>	<u>\$ 694</u>	<u>\$ 63,885</u>	<u>\$ 300,724</u>
<u>2019</u>							
Opening net book amount	\$ 127,228	\$ 54,356	\$ 51,269	\$ 3,292	\$ 694	\$ 63,885	\$ 300,724
Additions	-	-	26,309	-	227	-	26,536
Disposals	-	-	(12)	-	-	-	(12)
Depreciation charge	-	(2,386)	(22,103)	(1,851)	(490)	(8,293)	(35,123)
Closing net book amount	<u>\$ 127,228</u>	<u>\$ 51,970</u>	<u>\$ 55,463</u>	<u>\$ 1,441</u>	<u>\$ 431</u>	<u>\$ 55,592</u>	<u>\$ 292,125</u>
<u>At December 31, 2019</u>							
Cost	\$ 127,228	\$ 124,799	\$ 373,535	\$ 38,704	\$ 55,201	\$ 150,668	\$ 870,135
Accumulated depreciation	-	(72,829)	(318,072)	(37,263)	(54,770)	(95,076)	(578,010)
	<u>\$ 127,228</u>	<u>\$ 51,970</u>	<u>\$ 55,463</u>	<u>\$ 1,441</u>	<u>\$ 431</u>	<u>\$ 55,592</u>	<u>\$ 292,125</u>

1. No borrowing costs attributable to property, plant and equipment was capitalized for the years ended December 31, 2020 and 2019.
2. No property, plant and equipment was pledged to others as collaterals for the years ended December 31, 2020 and 2019.

(9) Investment property

	Land	Buildings and structures	Total
<u>At January 1, 2020</u>			
Cost	\$ 115,692	\$ 76,683	\$ 192,375
Accumulated depreciation	-	(41,467)	(41,467)
	<u>\$ 115,692</u>	<u>\$ 35,216</u>	<u>\$ 150,908</u>
<u>2020</u>			
Opening net book amount	\$ 115,692	\$ 35,216	\$ 150,908
Depreciation charge	-	(1,122)	(1,122)
Transfers to non-current assets held for sale	(115,692)	(34,094)	(149,786)
Closing net book amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>At December 31, 2020</u>			
Cost	\$ -	\$ -	\$ -
Accumulated depreciation	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Land	Buildings and structures	Total
<u>At January 1, 2019</u>			
Cost	\$ 115,692	\$ 76,683	\$ 192,375
Accumulated depreciation	-	(40,121)	(40,121)
	<u>\$ 115,692</u>	<u>\$ 36,562</u>	<u>\$ 152,254</u>
<u>2019</u>			
Opening net book amount	\$ 115,692	\$ 36,562	\$ 152,254
Depreciation charge	-	(1,346)	(1,346)
Closing net book amount	<u>\$ 115,692</u>	<u>\$ 35,216</u>	<u>\$ 150,908</u>
<u>At December 31, 2019</u>			
Cost	\$ 115,692	\$ 76,683	\$ 192,375
Accumulated depreciation	-	(41,467)	(41,467)
	<u>\$ 115,692</u>	<u>\$ 35,216</u>	<u>\$ 150,908</u>

- A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	For the year ended December 31,	
	2020	2019
Rental revenue from the lease of the investment property	\$ <u>6,811</u>	\$ <u>6,862</u>
Direct operating expenses arising from the investment property that generated rental income during the year	\$ <u>1,358</u>	\$ <u>1,643</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	\$ <u>-</u>	\$ <u>-</u>

- B. The fair value of the investment property held by the Company as of December 31, 2019 was \$402,990. The above fair values are based on the valuation of market trading prices of similar property belonging to close proximities.

(10) Leasing arrangements-lessee

- A. The Company leases various assets including land, buildings, machinery and equipment, business vehicles, multifunction printers, etc. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise land, construction site dormitory, and business vehicles. On December 31, 2020 and 2019, payments of lease commitments for short-term leases amounted to \$81,652 and \$92,633, respectively.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2020	December 31, 2019
	Carrying amount	Carrying amount
Land	\$ 126,858	\$ 163,121
Buildings	2,154,471	2,421,994
Machinery and equipment	340	30
Transportation equipment (Business vehicles)	12,335	17,195
Office equipment (Photocopiers)	6,218	10,200
Others	299	-
	<u>\$ 2,300,521</u>	<u>\$ 2,612,540</u>

	For the year ended December 31,	
	2020	2019
	Depreciation charge	Depreciation charge
Land	\$ 56,572	\$ 46,313
Buildings	268,546	267,437
Machinery and equipment	182	6
Transportation equipment (Business vehicles)	11,635	8,880
Office equipment (Photocopiers)	4,466	4,324
Others	13	-
	<u>\$ 341,414</u>	<u>\$ 326,960</u>

D. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$30,217 \$86,956 respectively.

E. The information on income and expense accounts relating to lease contracts is as follows:

	For the year ended December 31,	
	2020	2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 16,595	\$ 18,381
Expense on short-term lease contracts	81,652	92,633
Gain on lease modification	115	-

F. For the year ended December 31, 2020 and 2019, the Company's total cash outflow for leases were \$429,090 and \$422,448, respectively.

(11) Other non-current assets

	December 31, 2020	December 31, 2019
Long-term receivables	\$ 748	\$ 1,017
Restricted bank deposits	703	9,179
Refundable deposits	207,847	188,496
Prepayments for long-term investments	190,905	-
Others	143,106	156,296
	<u>\$ 543,309</u>	<u>\$ 354,988</u>

NOTE: Prepayments for long-term investments refer to the capital increase of US\$13,200,000 and US\$ 28,819,000 in Ever Victory Global Limited. as resolved by the Board of Directors in August 2016 and December 2018, respectively. As of December 31, 2020, a total amount of \$1,103,219 (US\$36,405,000) was remitted. However, the capital increase amounting to \$190,905 (US\$6,600,000) in 2020 has not yet been registered. Thus, it was shown as prepayments for long-term investments under other non-current assets.

(12) Non-current assets held for sale

The Company's Board of Directors resolved to sell investment property and certain property, plant and equipment on November 4, 2020 and reclassified related assets as assets held for sale. The completion date for the transaction is expected by December 31, 2021. Disposal assets held for sale amounted to \$163,742 on December 31, 2020.

	December 31, 2020	December 31, 2019
Property, plant and equipment	\$ 13,956	\$ -
Investment property	149,786	-
	<u>\$ 163,742</u>	<u>\$ -</u>

(13) Accounts payable

	December 31, 2020	December 31, 2019
Materials payable	\$ 3,329,497	\$ 3,372,629
Sub-contract costs payable	1,838,911	1,717,530
	<u>\$ 5,168,408</u>	<u>\$ 5,090,159</u>

(14) Other payables

	December 31, 2020	December 31, 2019
Accrued payroll	\$ 685,378	\$ 771,966
Accrued employee bonuses, directors' and supervisors' remuneration	36,151	47,322
Accrued insurance	44,801	43,308
Accrued pension	22,106	21,715
Accrued equipment	220,925	-
Others	160,945	227,229
	<u>\$ 1,170,306</u>	<u>\$ 1,111,540</u>

(15) Other current assets and liabilities

	December 31, 2020	December 31, 2019
Other current assets		
Joint venture	\$ 912,357	\$ -
Other current liabilities		
Joint venture	\$ -	\$ 1,649,025
Receipts under custody	13,174	55,429
Others	-	3,177
	<u>\$ 13,174</u>	<u>\$ 1,707,631</u>

Other current assets (liabilities) - joint venture represents an accumulated cost over (under) the accumulated capital injection and bills.

(16) Bonds payable

	December 31, 2020	December 31, 2019
Bonds payable	\$ 9,000,000	\$ 6,000,000
Less: Discount on bonds payable	(13,861)	(10,471)
	<u>\$ 8,986,139</u>	<u>\$ 5,989,529</u>

The terms of the domestic unsecured bonds issued by the Company are as follows:

In 2019 and 2020, the Company issued \$6,000,000 and \$3,000,000, annual fixed interest rate of 0.9% and 0.77%, domestic unsecured bonds, as approved by the regulatory authority, respectively. The bonds mature 5 years from the issue date (December 25, 2019 ~ December 25, 2024 and June 22, 2020 ~ June 22, 2025) and will be redeemed at the maturity date. The bonds were approved to be issued on the Taipei Exchange on December 16, 2019 and June 11, 2020, respectively.

(17) Other non-current liabilities

	December 31, 2020	December 31, 2019
Net defined benefit liabilities	\$ 1,047,534	\$ 1,246,744
Guarantee deposits received	102,788	43,503
Investment accounted for under the equity method (credit balance)	3,295,864	2,819,838
Others	79,217	79,223
	<u>\$ 4,525,403</u>	<u>\$ 4,189,308</u>

(18) Pensions

A. Defined benefit pension plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 6.5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

(b) The amounts recognized in the balance sheet are as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	\$ 2,561,409	\$ 3,178,994
Fair value of plan assets	(1,513,875)	(1,932,250)
Net defined benefit liability	<u>\$ 1,047,534</u>	<u>\$ 1,246,744</u>

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2020			
At January 1	\$ 3,178,994	(\$ 1,932,250)	\$ 1,246,744
Current service cost	8,153	-	8,153
Interest expense (income)	<u>22,253</u>	<u>(13,526)</u>	<u>8,727</u>
	<u>3,209,400</u>	<u>(1,945,776)</u>	<u>1,263,624</u>
Remeasurements:			
Change in financial assumptions	77,287	-	77,287
Experience adjustments	<u>35,116</u>	<u>(63,321)</u>	<u>(28,205)</u>
	<u>112,403</u>	<u>(63,321)</u>	<u>49,082</u>
Pension fund contribution	-	(257,973)	(257,973)
Paid pension	<u>(760,394)</u>	<u>753,195</u>	<u>(7,199)</u>
At December 31	<u>\$ 2,561,409</u>	<u>(\$ 1,513,875)</u>	<u>\$ 1,047,534</u>
Year ended December 31, 2019			
At January 1	\$ 3,328,547	(\$ 1,632,220)	\$ 1,696,327
Current service cost	12,520	-	12,520
Interest expense (income)	<u>26,628</u>	<u>(13,058)</u>	<u>13,570</u>
	<u>3,367,695</u>	<u>(1,645,278)</u>	<u>1,722,417</u>
Remeasurements:			
Change in financial assumptions	24,708	-	24,708
Experience adjustments	<u>54,926</u>	<u>(63,738)</u>	<u>(8,812)</u>
	<u>79,634</u>	<u>(63,738)</u>	<u>15,896</u>
Pension fund contribution	-	(490,196)	(490,196)
Paid pension	<u>(268,335)</u>	<u>266,962</u>	<u>(1,373)</u>
At December 31	<u>\$ 3,178,994</u>	<u>(\$ 1,932,250)</u>	<u>\$ 1,246,744</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2020	2019
Discount rate	0.30%	0.70%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
December 31, 2020				
Effect on present value of defined benefit obligation	(\$ 48,713)	\$ 50,121	\$ 42,349	(\$ 41,451)
December 31, 2019				
Effect on present value of defined benefit obligation	(\$ 63,629)	\$ 65,510	\$ 55,692	(\$ 54,468)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2021 amount to \$52,754

(g) As of December 31, 2020, the weighted average duration of the retirement plan is eight years.

B. Defined contribution pension plan

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2020 and 2019 were \$117,289 and \$120,918, respectively.

(19) Share-based payment-employee compensation

A. As of December 31, 2020 and 2019, the Company’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Fifth plan of employee stock options	2017.04.11	20,000 units	6 years	Service of 2 to 4 years
Sixth plan of employee stock options	2018.03.09	20,000 units	6 years	Service of 2 to 4 years
Seventh plan of employee stock options	2019.03.08	20,000 units	6 years	Service of 2 to 4 years
Eighth plan of employee stock options	2020.01.08	20,001 units	6 years	Service of 2 to 4 years

B. The above employee stock options are set forth below:

i. Details of the fifth plan of employee stock options outstanding as of December 31, 2020 and 2019 are set forth below:

	For the years ended December 31,			
	2020		2019	
Stock options	No. of units (shares in thousands)	Weighted-average exercise price (in dollars)	No. of units (shares in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	17,264.94	NT\$44.10	18,328.55	NT\$46.40
Options waived	(2,540.34)	-	(1,019.22)	-
Options exercised	(3.67)	NT\$44.10	(44.39)	NT\$45.97
Options outstanding at end of year	<u>14,720.93</u>	NT\$41.80	<u>17,264.94</u>	NT\$44.10
Options exercisable at end of year	<u>9,720.01</u>	NT\$41.80	<u>7,450.54</u>	NT\$44.10

- ii. Details of the sixth plan of employee stock options outstanding as of December 31, 2020 and 2019 are set forth below:

	For the years ended December 31,			
	2020		2019	
Stock options	No. of units (shares in thousands)	Weighted-average exercise price (in dollars)	No. of units (shares in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	18,167.07	NT\$40.80	19,294.54	NT\$42.90
Options waived	(1,192.64)	-	(1,127.47)	-
Options exercised	(37.98)	NT\$39.30	-	-
Options outstanding at end of year	<u>16,936.45</u>	NT\$38.70	<u>18,167.07</u>	NT\$40.80
Options exercisable at end of year	<u>7,637.01</u>	NT\$38.70	<u>-</u>	-

- iii. Details of the seventh plan of employee stock options outstanding as of December 31, 2020 and 2019 are set forth below:

	For the years ended December 31,			
	2020		2019	
Stock options	No. of units (shares in thousands)	Weighted-average exercise price (in dollars)	No. of units (shares in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	18,886.10	NT\$46.50	-	-
Options granted	-	-	20,000.00	NT\$48.90
Options waived	(1,258.89)	-	(1,113.90)	-
Options exercised	-	-	-	-
Options outstanding at end of year	<u>17,627.21</u>	NT\$44.10	<u>18,886.10</u>	NT\$46.50
Options exercisable at end of year	<u>-</u>	-	<u>-</u>	-

iv. Details of the eight plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31, 2020	
	No. of units (shares in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	-	-
Options granted	20,000	NT\$36.90
Options waived	(1,342.30)	-
Options outstanding at end of year	18,657.70	NT\$35.00
Options exercisable at end of year	-	-

C. The weighted-average stock price of stock options at exercise dates for the years ended December 31, 2020 and 2019 were NT\$36.35 and NT\$44.55, respectively.

D. As of December 31, 2020 and 2019, the range of exercise prices of stock options outstanding were NT\$36.90~NT\$52.20 and NT\$40.80~NT\$46.50, respectively; the weighted-average remaining contractual period was as follows:

Type of arrangement	December 31, 2020	December 31, 2019
Fifth plan of employee stock options	2.5 years	3.5 years
Sixth plan of employee stock options	3.5 years	4.5 years
Seventh plan of employee stock options	4.5 years	5.5 years
Eighth plan of employee stock options	5.5 years	-

E. The fair value of stock options is measured using the Black-Scholes option-pricing model or other. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividend	Risk free interest rate	Fair value per unit
Fifth plan of employee stock options	2017.4.11	NT\$52.2	NT\$52.2	28.06%~29.05%	4~5 years	0%	0.80%~0.89%	NT\$ 12.19~NT\$ 14.17
Sixth plan of employee stock options	2018.3.9	NT\$45.9	NT\$45.9	24.96%~26.37%	4~5 years	0%	0.63%~0.72%	NT\$ 9.56~NT\$ 11.29
Seventh plan of employee stock options	2019.3.8	NT\$48.9	NT\$48.9	22.88%~23.56%	4~5 years	0%	0.64%~0.67%	NT\$ 9.38~NT\$ 10.82
Eighth plan of employee stock options	2020.1.8	NT\$36.9	NT\$36.9	19.14%~21.50%	4~5 years	0%	0.55%~0.57%	NT\$ 5.95~NT\$ 7.44

F. For the years ended December 31, 2020 and 2019, expense recognized arising from share-based payment amounted to \$117,523 and \$134,608, respectively.

(20) Share capital

- A. As of December 31, 2020 and 2019, the Company's authorized capital was \$9,000,000 (including 800,000 thousand shares reserved for employee stock options), the paid-in capital were \$7,633,599 and \$7,633,182, consisting of 763,359,891 and 763,318,240 shares with a par value of NT\$10 per share, respectively.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	For the years ended December 31,	
	2020	2019
At January 1	763,318,240	763,273,848
Employee stock options exercised	41,651	44,392
At December 31	763,359,891	763,318,240

B. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

<u>Name of company holding the shares</u>	Reason for reacquisition	December 31, 2020	
		Number of shares (shares in thousands)	Carrying amount
Subsidiary-ECOVE Environmental Services Corp.	To maintain stockholders' equity	1	\$ 10
Subsidiary-CTCI Investment Corp.	"	344	3,241
Subsidiary-CTCI Development Corp.	"	912	8,584
		1,257	\$ 11,835
<u>Name of company holding the shares</u>	Reason for reacquisition	December 31, 2019	
		Number of shares (shares in thousands)	Carrying amount
Subsidiary-ECOVE Environmental Services Corp.	To maintain stockholders' equity	1	\$ 10
Subsidiary-CTCI Investment Corp.	"	344	3,241
Subsidiary-CTCI Development Corp.	"	912	8,584
		1,257	\$ 11,835

- (b) Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.

(21) Capital surplus

- A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- B. The details and movements of capital surplus are provided as follows:

	Share premium	Treasury share transactions	Difference between proceeds on acquisition or disposal of equity interest in a subsidiary and its carrying amount	Employee stock options	Others	Total
At January 1, 2020	\$ 2,867,566	\$ 5,043	\$ 211,172	\$ 637,425	\$ 9,242	\$ 3,730,448
Employee stock options exercised	1,237	-	-	-	-	1,237
Share-based payment transaction	-	-	-	160,155	-	160,155
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	12,286	-	-	12,286
Reorganization	187,351	-	-	-	-	187,351
Non-controlling interests	-	-	(13,788)	-	-	(13,788)
At December 31, 2020	<u>\$ 3,056,154</u>	<u>\$ 5,043</u>	<u>\$ 209,670</u>	<u>\$ 797,580</u>	<u>\$ 9,242</u>	<u>\$ 4,077,689</u>

	Share premium	Treasury share transactions	Difference between proceeds on acquisition or disposal of equity interest in a subsidiary and its carrying amount	Employee stock options	Others	Total
At January 1, 2019	\$ 2,865,969	\$ 5,043	\$ 211,172	\$ 453,627	\$ 9,242	\$ 3,545,053
Employee stock options exercised by subsidiary	1,597	-	-	-	-	1,597
Share-based payment transaction	-	-	-	183,798	-	183,798
At December 31, 2019	<u>\$ 2,867,566</u>	<u>\$ 5,043</u>	<u>\$ 211,172</u>	<u>\$ 637,425</u>	<u>\$ 9,242</u>	<u>\$ 3,730,448</u>

- C. Please refer to Note 6 (19) for details about the capital surplus - employee stock options.

(22) Retained earnings

- A. When the company generates net profit 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% to 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 in the form of 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 stockholders during their meeting.
- B. 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 10% of such profits as 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 accumulated distributable earnings, which shall be distributed as dividends to shareholders according to shareholders' resolutions.

The Company's dividend policy takes into consideration the requirements for business expansion and industry growth, future operating needs and stability of financial structure. Thus, the distribution of the accumulated distributable earnings is in accordance with the shareholders' resolutions. Also, the amount of shareholders' bonus shall not be less than 50% of accumulated distributable earnings of the Company, and in particular, cash dividends shall not be less than 20% of total dividends distributed.

- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. Special reserve
- (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- E. The appropriations of 2019 and 2018 earnings had been resolved at the stockholders' meeting on May 28, 2020 and May 29, 2019, respectively. Details are summarized below:

	2020		2019	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Set aside as legal reserve	\$ 116,599	\$ -	\$ 182,754	\$ -
Set aside as (reversal of) special reserve	418,062	-	(1,417)	-
Distribution of cash dividends from legal reserve	580,237	0.76	-	-
Distribution of cash dividends from earnings	946,402	1.24	1,721,211	2.255
	<u>\$ 2,061,300</u>	<u>\$ 2.00</u>	<u>\$ 1,902,548</u>	<u>\$ 2.255</u>

F. Details of the appropriation of 2020 earnings as proposed by the Board of Directors on March 9, 2021 are as follows:

	Year ended December 31, 2020	
	Amount	Dividends per share (in NT dollars)
Set aside as legal reserve	\$ 73,305	\$ -
Reversal of special reserve	(1,755)	-
Distribution of cash dividends from legal reserve	865,216	1.13
Distribution of cash dividends from earnings	<u>661,504</u>	<u>0.87</u>
	<u>\$ 1,598,270</u>	<u>\$ 2.00</u>

As of March 9, 2021, the appropriations of 2020 earnings has not yet been resolved by the shareholders.

(23) Operating revenue

	For the years ended December 31,	
	2020	2019
Revenue from contracts with customer contracts	<u>\$ 25,873,770</u>	<u>\$ 28,430,333</u>

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

For the year ended December 31, 2020	Construction Engineering Revenue	Other Operating Revenue	Total
Segment revenue	\$ 25,762,126	\$ 111,644	\$ 25,873,770
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 25,762,126</u>	<u>\$ 111,644</u>	<u>\$ 25,873,770</u>
Revenue from external customer contracts			
Timing of revenue recognition			
At a point time	\$ -	\$ 111,644	\$ 111,644
Over time	<u>25,762,126</u>	<u>-</u>	<u>25,762,126</u>
	<u>\$ 25,762,126</u>	<u>\$ 111,644</u>	<u>\$ 25,873,770</u>

For the year ended December 31, 2019	Construction Engineering Revenue	Other Operating Revenue	Total
Segment revenue	\$ 28,293,141	\$ 137,192	\$ 28,430,333
Inter-segment revenue	-	-	-
	<u>\$ 28,293,141</u>	<u>\$ 137,192</u>	<u>\$ 28,430,333</u>
Revenue from external customer contracts			
Timing of revenue recognition			
At a point time	\$ -	\$ 137,192	\$ 137,192
Over time	<u>28,293,141</u>	<u>-</u>	<u>28,293,141</u>
	<u>\$ 28,293,141</u>	<u>\$ 137,192</u>	<u>\$ 28,430,333</u>

B. Contract assets and liabilities

The Company has recognized the following revenue-related contract assets and liabilities:

	December 31, 2020	December 31, 2019
Contract assets-		
construction contract revenue	\$ 11,724,313	\$ 11,771,743
Contract liabilities-		
construction contract revenue	(9,250,901)	(7,098,380)
	<u>\$ 2,473,412</u>	<u>\$ 4,673,363</u>

(24) Expenses by nature

	For the years ended December 31,	
	2020	2019
Materials	\$ 9,519,609	\$ 11,031,387
Subcontract costs	11,026,232	8,816,105
Employee benefit expense	3,509,472	3,866,929
Temporary equipment	1,000	1,605
Rental expenses	81,652	92,633
Insurance expenses	78,163	95,248
Travel expenses	184,970	285,699
Depreciation	377,733	363,429
Amortization	125,839	124,690
Others	312,102	1,922,729
	<u>\$ 25,216,772</u>	<u>\$ 26,600,454</u>

(25) Employee benefit expense

	For the year ended December 31, 2020		
	Operating costs	Operating expenses	Total
Salaries and wages	\$ 2,460,402	\$ 418,310	\$ 2,878,712
Employee stock options	97,626	19,897	117,523
Labor and health insurance fees	184,821	33,580	218,401
Pension costs	113,700	20,469	134,169
Directors' remuneration	-	43,606	43,606
Other personnel expenses	104,484	12,577	117,061
	<u>\$ 2,961,033</u>	<u>\$ 548,439</u>	<u>\$ 3,509,472</u>

	For the year ended December 31, 2019		
	Operating costs	Operating expenses	Total
Salaries and wages	\$ 2,658,112	\$ 519,265	\$ 3,177,377
Employee stock options	112,894	21,714	134,608
Labor and health insurance fees	192,313	41,258	233,571
Pension costs	121,174	25,834	147,008
Directors' remuneration	-	43,606	43,606
Other personnel expenses	111,251	19,508	130,759
	<u>\$ 3,195,744</u>	<u>\$ 671,185</u>	<u>\$ 3,866,929</u>

A. As of December 31, 2020 and 2019, the Company had 2,436 and 2,615 employees, excluding 11 and 11 directors, respectively.

(a) The Company's average employee benefit expenses for the years ended December 31, 2020 and 2019 were \$1,429 and \$1,468, respectively.

(b) The Company's average employee salaries and wages for the years ended December 31, 2020 and 2019 were \$1,236 and \$1,272, respectively.

(c) The change in the average employee salaries and wages adjustment is (2.83%).

- (d) Since the Company has set up the audit committee, it has no supervisors' remuneration for the years ended December 31, 2020 and 2019.
- (e) In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 1.5% ~ 5% for employees' compensation and shall not be higher than 1.5% for directors' remuneration.

The Company's overall salary positioning is set at better than the market level to attract the outstanding talents in the market. The Company refers to market salary surveys and pay levels in the same industry to ensure a highly competitive salary structure in order to motivate and retain high performing employees. In addition to strictly complying with the local labor laws and related salary regulations, the Company also pays special attention to the correlation and design rationalization of the Company's operating performance and employee salaries.

Directors' remunerations are determined by the Board of Directors by reference to the pay levels of listed companies in the same industry and their contribution to the Company. Independent directors' remunerations are determined based on the Company's operational performance (consolidated operating revenue, earnings per share and return on equity). Management's salaries are highly correlated with the outcome and performance of the Company's operations, and are determined based on their performance indicators every year by reference to the pay levels in the same industry.

Employees' compensation includes monthly salaries, bonuses, employees' compensation and employee stock options. The employees' salary levels are decided based on their positions, education and experience, professional expertise and market value, which will not differ because of gender, religion, political stance, marital status, etc. Annual budget for salary increases is 3~5%, and the salaries are adjusted in line with market levels based on the principle of fairness. Employees' bonuses are determined based on their positions, contribution and performance to encourage employees' long-term commitment to the Company for mutual benefits and common prosperity.

- B. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees and pay remuneration to the directors that should be 1.5% to 5% and not be higher than 1.5%, respectively, of the total distributed amount.
- C. For the years ended December 31, 2020 and 2019, employees' compensation was accrued at \$22,996 and \$35,310, respectively; directors' remuneration was accrued at \$12,000 and \$12,000, respectively. The aforementioned amounts were recognized in salary expenses and other expenses, respectively.

The employees' compensation and directors' remuneration were estimated and accrued based on an amount of 1.5% to 5% and not higher than 1.5% of distributable profit of current period for the year ended December 31, 2020.

Employees' compensation and directors' remuneration for 2019 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2019 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Components of income tax expense:

	For the years ended December 31,	
	2020	2019
Current tax :		
Current tax on profits for the year	\$ 3,109	\$ 304,355
Prior year income tax under (over) estimation	49,385	(11,492)
Total current tax	52,494	292,863
Deferred tax :		
Origination and reversal of temporary differences	91,434	(109,644)
Income tax expense	<u>\$ 143,928</u>	<u>\$ 183,219</u>

B. Reconciliation of differences between financial income and taxable income:

	For the years ended December 31,	
	2020	2019
Income tax calculated by applying statutory rate to the profit before tax (Note)	\$ 182,095	\$ 272,046
Tax exempt income by tax regulation	(76,851)	(66,091)
Prior year income tax under (over) estimation	49,385	(11,492)
Effect from investment tax credits	(10,767)	(11,501)
Others	66	257
Income tax expense	<u>\$ 143,928</u>	<u>\$ 183,219</u>

Note: The basis of applicable tax rate is calculated by the rate applicable to the Company.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

		2020			
		Recognized in other comprehensive income			December 31
January 1		Recognized in profit or loss			
Temporary differences:					
Deferred tax assets					
Unrealized loss on					
unfinished construction	\$	22,292	(\$	16,426)	\$ - \$ 5,866
Unrealized losses on					
doubtful debts		20,200		-	- 20,200
Unrealized compensated					
absences		28,111	(	10,624)	- 17,487
Unrealized exchange loss		18,948	(	18,948)	- -
Unrealized loss on					
financial assets		600		-	- 600
Unrealized golf card					
annual fee		1,080		-	- 1,080
Unrealized pension		211,123	(	48,192)	9,816 172,747
Unrealized loss on					
foreign investment		36,542		11,853	- 48,395
Others		26,463	(	8,945)	- 17,518
	\$	365,359	(\$	91,282)	\$ 9,816 \$ 283,893
Deferred tax liabilities					
Unrealized exchange gain		-	(	152)	- (152)
Others		(7,732)		-	- (7,732)
	(\$	7,732)	(\$	152)	\$ - (\$ 7,884)
	\$	357,627	(\$	91,434)	\$ 9,816 \$ 276,009

2019				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
Deferred tax assets				
Unrealized loss on unfinished construction	\$ 48,033	(\$ 25,741)	\$ -	\$ 22,292
Unrealized losses on doubtful debts	20,200	-	-	20,200
Unrealized compensated absences	27,321	790	-	28,111
Unrealized exchange loss	-	18,948	-	18,948
Unrealized loss on financial assets	600	-	-	600
Unrealized golf card annual fee	1,080	-	-	1,080
Unrealized pension	300,814	(92,870)	3,179	211,123
Unrealized loss on foreign investment	-	36,542	-	36,542
Others	16,787	9,676	-	26,463
	<u>\$ 414,835</u>	<u>(\$ 52,655)</u>	<u>\$ 3,179</u>	<u>\$ 365,359</u>
Deferred tax liabilities				
Unrealized gain on foreign investment	(\$ 150,482)	\$ 150,482	\$ -	\$ -
Unrealized exchange gain	(1,287)	1,287	-	-
Others	(18,262)	10,530	-	(7,732)
	<u>(\$ 170,031)</u>	<u>\$ 162,299</u>	<u>\$ -</u>	<u>(\$ 7,732)</u>
	<u>\$ 244,804</u>	<u>\$ 109,644</u>	<u>\$ 3,179</u>	<u>\$ 357,627</u>

D. The Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

E. The Company disagreed with the result of the 2017 income tax return assessed by the Tax Authority and filed for further assessment on November 25, 2019.

(27) Earnings per share

	For the year ended December 31, 2020		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in NT dollars)
<u>Basic earnings per share</u>			
Profit attributable to the ordinary shareholders of the parent	\$ 766,548	762,074	\$ <u>1.01</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	667	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>766,548</u>	<u>762,741</u>	\$ <u>1.00</u>
<u>For the year ended December 31, 2019</u>			
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in NT dollars)
<u>Basic earnings per share</u>			
Profit attributable to the ordinary shareholders of the parent	\$ 1,177,011	762,037	\$ <u>1.54</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	987	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>1,177,011</u>	<u>763,024</u>	\$ <u>1.54</u>

(28) Changes in liabilities from financing activities

	Liabilities from financing activities-gross	
	For the years ended December 31,	
	2020	2019
At January 1	\$ 8,724,028	\$ 6,330,000
Changes in cash flow from financing activities	2,531,257 (	555,326)
Discount on bonds payable	2,771	40,317
Changes in other non-cash items	45,874	2,909,037
At December 31	<u>\$ 11,303,930</u>	<u>\$ 8,724,028</u>

(29) Supplemental cash flow information

Investing activities with partial cash payments:

	For the year ended December 31, 2020
Purchase of property, plant and equipment	\$ 950,013
Add: Opening balance of payable on equipment	-
Less: Ending balance of payable on equipment	(220,925)
Cash paid during the year	<u>\$ 729,088</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
ECOVE Environment Corporation	Subsidiary
CTCI Development Corporation	Subsidiary
CTCI Smart Engineering Corporation	Subsidiary
CTCI Resources Engineering Inc.	Subsidiary
CTCI Advanced Systems Inc.	Subsidiary
ECOVE Environmental Services Corporation	Subsidiary
CTCI Chemical Corporation	Subsidiary
ECOVE Waste Management Corporation	Subsidiary
CTCI Overseas Co., Ltd.	Subsidiary
ECOVE Miaoli Energy Corporation	Subsidiary
CTCI Shanghai Co., Ltd.	Subsidiary
CTCI Beijing Co., Ltd.	Subsidiary
CTCI Machinery Corporation	Subsidiary
CTCI & HEC Water Business Co., Ltd	Subsidiary
CTCI Engineering & Construction Sdn. Bhd.	Subsidiary
CTCI CMCE JV SDN. BHD.	Subsidiary
CINDA Engineering & Construction Pvt. Ltd.	Subsidiary
CTCI Arabia Ltd.	Subsidiary
CTCI Netherlands B.V.	Subsidiary
CTCI Malaysia Sdn. Bhd.	Subsidiary
Universal Engineering (BVI) Corporation	Subsidiary
CIPEC Construction Inc.	Subsidiary
CCJV P1 Engineering & Construction Sdn. Bhd.	Subsidiary
CIMAS Engineering Company	Subsidiary
CTCI Americas, Inc.	Subsidiary
CTCI (Thailand) Co., Ltd.	Subsidiary
CTCI Singapore Pte. Ltd.	Subsidiary
Blue Whale Water Technology Corporation	Associates
Powtec ElectroChemical Corporation (formerly Powertech Energy Corporation)	It was an associate and became a non-related party starting from September, 2019
Pan Asia Corporation	Associate
Boretech Resource Recovery	Associate
MIE INDUSTRIAL SDN. BHD.	Associate
EVER ECOVE Corporation	Associate
HDEL-CTCI (Linhai) Corporation	Associate
CTCI Foundation	Other related party
CTCI Education Foundation	Other related party
Ho-Ping Power Company	Other related party

(2) Significant transactions and balances with related parties

A. Sales of services

	For the years ended December 31,	
	2020	2019
Associates	\$ 2,888,895	\$ 1,254,634
Subsidiaries	910,384	1,396,945
Other related parties	316,577	1,032
	<u>\$ 4,115,856</u>	<u>\$ 2,652,611</u>

The prices on the construction contracts entered into with related parties are set through negotiation by both parties. The collection terms were approximately the same as those with third parties.

B. Other operating revenue

	For the years ended December 31,	
	2020	2019
Subsidiaries	\$ 32,757	\$ 43,555
Associates	3,298	5,992
	<u>\$ 36,055</u>	<u>\$ 49,547</u>

The rates on the human resource support contracts entered into with related parties are set through negotiation by both parties. The collection term of 30 days was approximately the same as that with third parties.

C. Purchases of services

	For the years ended December 31,	
	2020	2019
Subsidiaries	\$ 907,804	\$ 567,481
Associates	(52,213)	525
Other related parties	191	-
	<u>\$ 855,782</u>	<u>\$ 568,006</u>

The rates on the construction contracts entered into with related parties are set through negotiation by both parties. The payment term of 30 days was approximately the same as that with third parties.

D. Other operating costs

	For the years ended December 31,	
	2020	2019
Subsidiaries	\$ 3,584	\$ 5,495

The rates on the sub-contracting projects contracts entered into with related parties are set through negotiation by both parties. The payment term of 30 days was approximately the same as that with third parties.

E. Accounts receivable

	December 31, 2020	December 31, 2019
Subsidiaries	\$ 37,440	\$ 111,684
Associates	84,284	112,346
Other related parties	700	525
	<u>\$ 122,424</u>	<u>\$ 224,555</u>

F. Other receivables-related parties

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 27,157	\$ 34,658
Associates	2	93
Other related parties	69	-
	<u>\$ 27,228</u>	<u>\$ 34,751</u>

Includes advances to related parties for engineering and business travel.

G. Loans to related parties (Shown in other receivables-related parties)

(a) Receivables from related parties

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
CTCI Machinery Corp.	\$ 600,515	\$ 300,000
CTCI (Thailand) Co., Ltd.	892,525	739,759
CTCI Smart Engineering Corp.	500,303	368,000
CCJV P1 ENGINEERING & CONSTRUCTION SDN. BHD.	1,644,271	316,575
CTCI Engineering & Construction Sdn. Bhd.	281,134	111,555
	<u>\$ 3,918,748</u>	<u>\$ 1,835,889</u>

(b) Interest income

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Subsidiaries	\$ 43,499	\$ 90,219

The loans to subsidiaries are receivable within one year and carry interest at 0.90%~1.961% per annum for the years ended December 31, 2020 and 2019, respectively.

H. Accounts payable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 410,926	\$ 371,787
Associates	4	88,442
	<u>\$ 410,930</u>	<u>\$ 460,229</u>

I. Other payables-related parties

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 3,094	\$ 1,751

Other payables-related party pertain to tariff and system upgrade expense.

J. Cumulative billings (Shown as a deduction item to contract assets and an additional item to contract liabilities)

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 3,245,901	\$ 2,407,298
Associates	4,925,939	2,423,925
Other related party	377,076	3,571
	<u>\$ 8,548,916</u>	<u>\$ 4,834,794</u>

K. Rental income

(a) Assets leased to related parties are as follows:

Leased assets	Lessee	December 31, 2020	December 31, 2019
Land and buildings	Subsidiaries	\$ -	\$ 150,908
Non-current assets classified as held for sale	Subsidiaries	163,742	-
		<u>\$ 163,742</u>	<u>\$ 150,908</u>

(b) Rental income

Lessee	Rental amount	For the years ended December 31,	
		2020	2019
Subsidiary-A	\$268/month/quarterly collection	\$ 3,238	\$ 3,217
Subsidiary-B	\$265/month/quarterly collection	3,175	3,175
Subsidiary-C	\$1,017/month/quarterly collection	11,120	12,203
		<u>\$ 17,533</u>	<u>\$ 18,595</u>

L. Leasing arrangements – lessee

(a) The Company leases buildings from CTCI Development Corporation and CTCI Foundation. Rental contracts are made for periods from 2009 to 2029 and 2010 to 2029, respectively. And payments are made in the middle of each month and at the end of each year, respectively.

(b) The Company increased ‘right-of-use asset’ by \$2,747,526 on January 1, 2019 by applying IFRS 16.

(c) Lease liability

i. Outstanding balance:

	December 31, 2020	December 31, 2019
Subsidiaries	\$ 2,150,045	\$ 2,405,207
Other related party	73,215	81,077
	<u>\$ 2,223,260</u>	<u>\$ 2,486,284</u>

ii. Interest expense

	For the year ended December 31,	
	2020	2019
Subsidiaries	\$ 15,408	\$ 17,137
Other related party	510	563
	<u>\$ 15,918</u>	<u>\$ 17,700</u>

M. Donation expense

	For the years ended December 31,	
	2020	2019
Other related party	\$ 12,000	\$ 15,000
The Group donated \$12,000 and \$15,000 to the CTCI Education Foundation in March, 2020 and 2019, respectively, for personnel training and enterprise social responsibility.		

N. Guarantees for related parties

	December 31, 2020	December 31, 2019
Associates	\$ 3,086,800	\$ 3,086,800
Subsidiaries	43,234,272	43,935,080
	<u>\$ 46,321,072</u>	<u>\$ 47,021,880</u>

As of December 31, 2020 and 2019, the Company had used guarantees in the amount of \$27,413,464 and \$31,033,951, respectively, for related parties, and guarantees under various construction contracts amounting to \$20,815,102 and \$25,685,766, respectively.

O. Key management compensation

	For the years ended December 31,	
	2020	2019
Salaries and other short-term employee benefits	\$ 81,340	\$ 88,134
Share-based payments	11,843	13,801
Post-employment benefits	282	333
Other long-term benefits	2,045	2,260
	<u>\$ 95,510</u>	<u>\$ 104,528</u>

8. PLEDGED ASSETS

Pledged assets	Book value		Purpose
	December 31, 2020	December 31, 2019	
Other non-current assets			
Pledged bank deposits	\$ 300	\$ 1,785	Guarantee for oil expense and bank guarantee
Refundable deposits	207,847	188,496	Guarantee for oil expense, rent, construction contracts
	<u>\$ 208,147</u>	<u>\$ 190,281</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to those items which have been disclosed in Notes 6(23) and 7, the significant contingent liabilities and unrecognized contract commitments of the Company as of December 31, 2020 were as follows:

A. Guarantee

- The Company had outstanding notes payable for security deposits under various construction projects amounting to \$1,519,461.
- The Company had letters of guarantee for warranty and security deposits under various construction projects amounting to \$38,542,172.

- (c) The Company had outstanding notes payable for bank financing amounting to \$93,435,046.
- B. The Company had unused and outstanding letters of credit of \$132,700.
- C. The Company had outstanding commitments for construction subcontracts and services contracts, less accounts payable that were already paid and accrued in the future, of \$31,994,878.
- D. On March 31, 2014, the Company entered into the building construction undertaking agreement with Oriental Petrochemical (Taiwan) Co., Ltd. and Dayu Mechanical Engineering Co., Ltd. for the prefabricated installation construction of the above ground piping in 19 districts of Oriental Petrochemical (Taiwan) Co., Ltd. Guanyin Second Field PTA LINE 3 plant project construction which was undertaken by Oriental Petrochemical (Taiwan) Co., Ltd.. The Company generally accepted all rights and obligations of Oriental Petrochemical (Taiwan) Co., Ltd. which were arose from this agreement. Due to the adjustment in the details of the work, the Company entered into a contract change letter with Dayu Mechanical Engineering Co., Ltd. on November 18, 2014 to extend the construction period to December 31, 2015. Subsequently, due to the insufficient number of workers from Dayu Mechanical Engineering Co., Ltd. repeatedly, the Company sent a legal attest letter to Dayu Mechanical Engineering Co., Ltd. on May 9, 2016 to terminate this contract. On May 20, 2020, Dayu Mechanical Engineering Co., Ltd. filed a complaint against the Company, claiming that it suffered the damage caused by the Company's delay in starting the construction for 5 months and failure in fulfilling contractual obligations such as not completing the infrastructure on schedule, and requested for payments of \$120,771 which were the total of retentions, unpaid construction payment, safety and health management fee, profit management fee and night entry assess fee paid on behalf the Company. However, the Company claimed that Dayu Mechanical Engineering Co., Ltd.'s claims had expired by prescription and if the court considers the claims had not expired then the Company will claim to offset the claims with its loss on recontracting amounting to \$75,007 and Dayu Mechanical Engineering Co., Ltd.'s overdue default penalty amounting to \$22,520. On November 14, 2019, the Company stated in the pleadings that this dispute shall be submitted to the arbitration under the procedures stipulated in the terms 5 of building construction undertaking agreement. The Taipei District Court ordered Dayu Mechanical Engineering Co., Ltd. to submit the arbitration for this case on July 31, 2020. Dayu Mechanical Engineering Co., Ltd. then submitted the arbitration on August 21, 2020. The Taiwan High Court later voided the original order on October 21, 2020 and determined that the case shall not be submitted to the arbitration. This case is currently under trial in the first instance.
- E. The plaintiff, Pao An Fire Equipment Co., Ltd., claimed that there were an outstanding final payment and an additional construction payment totaling \$82,411 for the "fire protection engineering of Taipower Talin Power Plant's main plant" that it entered into with the Company. The Company claimed that since the construction is pending acceptance by some owners, the conditions required for the final payment have not yet been reached. For the additional construction payment, the amount confirmed on the site by the both parties' engineers at the time shall be a few millions of dollars only. Since Pao An Fire Equipment Co., Ltd. still has to pay the penalty for delayed completion, the Company has no obligation to pay Pao An Fire Equipment Co., Ltd. after offsetting the penalty. In addition, as Pao An Fire Equipment Co., Ltd. did not provide complete evidences corresponding to the additional construction payment that it claimed, the court currently asks both parties to check the quantity.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. Details of the appropriation of earnings as proposed by the Board of Directors on March 9, 2021 are provided in Note 6 (22) F.

- B. The Board of Directors during its meeting on March 9, 2021 adopted a resolution to issue 5.5 million common shares of restricted stock with a par value of NT \$10 (in dollars) per share, totaling \$55,000.

12. OTHERS

(1) Capital risk management

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2020.

The gearing ratios as of December 31, 2020 and 2019 were as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Total borrowings	\$ 8,986,139	\$ 6,104,529
Total equity	\$ 15,827,557	\$ 16,156,443
Gearing ratio	56.78%	37.78%

(2) Financial risk of financial instruments

A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 2,124,417	\$ 6,678
Financial assets at fair value through other comprehensive income	\$ 1,547,461	\$ 1,153,604
Financial assets at amortised cost		
Cash and cash equivalents	\$ 6,098,040	\$ 12,528,298
Current financial assets at amortised cost	669,600	-
Accounts receivable	2,345,660	1,103,465
Accounts receivable due from related parties	122,424	224,555
Other receivables	29,628	43,251
Other receivables due from related parties	3,945,977	1,870,640
Refundable deposits	207,847	188,496
Long-term accounts receivable	748	1,017
Other financial assets	703	9,179
	<u>\$ 13,420,627</u>	<u>\$ 15,968,901</u>

Financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities mandatorily measured at fair value through profit or loss	\$ <u>107,405</u>	\$ <u>52,659</u>
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Financial liabilities at amortised cost

Short-term borrowings	\$ -	\$ 115,000
Notes payable	392	9,819
Accounts payable	5,168,408	5,090,159
Accounts payable due to related parties	410,930	460,229
Other payables	1,170,306	1,111,540
Other payables due to related parties	3,094	1,751
Guarantee deposits received	102,788	43,503
Bonds payable	<u>8,986,139</u>	<u>5,989,529</u>
	\$ <u>15,842,057</u>	\$ <u>12,821,530</u>
Lease liability	\$ <u>2,317,791</u>	\$ <u>2,616,499</u>

B. Risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and EUR. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Company treasury.

- iii. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2020			
(Foreign currency: functional currency)	Foreign Currency		
	Amount		
	(In Thousands)	Exchange Rate	Book Value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 96,466	28.0970	\$ 2,710,405
THB : NTD	5,139	0.9386	4,823
EUR : NTD	5,554	34.5312	191,786
JPY : NTD	489,583	0.2723	133,313
SGD : NTD	949	21.2478	20,164
RMB : NTD	74,735	4.3201	322,863
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	2,895	28.0970	81,341
EUR : NTD	674	34.5312	23,274
RMB : NTD	1,609	4.3201	6,951
JPY : NTD	657,517	0.2723	179,042

December 31, 2019

	Foreign Currency		
	Amount		
	(In Thousands)	Exchange Rate	Book Value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 238,087	30.1500	\$ 7,178,323
THB : NTD	40,386	1.0106	40,814
EUR : NTD	15,117	33.7982	510,927
JPY : NTD	744,371	0.2775	206,563
SGD : NTD	56,526	22.3989	1,266,120
SAR : NTD	107	8.0372	860
RMB : NTD	28,366	4.3294	122,808
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	13,883	30.1500	418,572
EUR : NTD	826	33.7982	27,917
THB : NTD	1,420	1.0106	1,435
RMB : NTD	2,623	4.3294	11,356
JPY : NTD	43,250	0.2775	12,002

- iv. The unrealized exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2020 and 2019 amounted to (\$40,861) and (\$80,592), respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

December 31, 2020				
Sensitivity Analysis				
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 27,104	\$	-
THB : NTD	1%	48		-
EUR : NTD	1%	1,918		-
JPY : NTD	1%	1,333		-
SGD : NTD	1%	202		-
RMB : NTD	1%	3,229		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	813		-
EUR : NTD	1%	233		-
RMB : NTD	1%	70		-
JPY : NTD	1%	1,790		-

December 31, 2019				
Sensitivity Analysis				
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 71,783	\$	-
THB : NTD	1%	408		-
EUR : NTD	1%	5,109		-
JPY : NTD	1%	2,066		-
SGD : NTD	1%	12,661		-
SAR : NTD	1%	9		-
RMB : NTD	1%	1,228		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	4,186		-
EUR : NTD	1%	279		-
THB : NTD	1%	14		-
RMB : NTD	1%	114		-
JPY : NTD	1%	120		-

Price risk

The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Cash flow and fair value interest rate risk

The Company's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2020 and 2019, the Company's borrowings at variable rate were denominated in NTD and USD.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Company's credit policy, each local entity in the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.
- ii. Individual risk limits are controlled by internal risk that assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. The Company adopts the assumption under IFRS 9, if that is, the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Company adopts the assumption under IFRS 9, that is, the default occurs when the customers' contract payments are past due over 90 days.
- v. The Company classifies customers' accounts receivable and contract assets in accordance with customer types. The Company applies the simplified approach using the provision matrix and loss rate methodology to estimate expected credit loss.
- vi. The Company used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2020 and 2019, the provision matrix is as follows:

	Excellent customers (Note 1)	General customers (Note 2)	Individual assessment customers	Total
<u>December 31, 2020</u>				
Expected loss rate	0%	0%	0.17%	
Total book value	\$ 996,658	\$ 1,309,402	\$ 39,901	\$ 2,345,961
Loss allowance	-	233	68	301
<u>December 31, 2019</u>				
Expected loss rate	0%	0%	0.09%	
Total book value	\$ 354,847	\$ 705,213	\$ 43,472	\$ 1,103,532
Loss allowance	-	29	38	67

Note 1: Government institutions, state-owned enterprises and listed companies.

Note 2: Companies that are not included in Note 1.

Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2020	2019
At January 1	\$ 67	\$ 210
Provision for impairment	234	-
Reversal of impairment	-	(143)
At December 31	<u>\$ 301</u>	<u>\$ 67</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.
- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2020	Less than 1 year	More than 1 year
Notes payable	\$ 392	\$ -
Accounts payable (including related parties)	5,579,338	-
Other payables (including related parties)	1,173,400	-
Guarantee deposits received	-	102,788
Lease liability	333,635	2,046,625
Bonds payable	77,100	9,242,850

Non-derivative financial liabilities:

December 31, 2019	Less than 1 year	More than 1 year
Short-term borrowings	\$ 115,000	\$ -
Notes payable	9,819	-
Accounts payable (including related parties)	5,550,388	-
Other payables (including related parties)	1,113,291	-
Guarantee deposits received	-	43,503
Lease liability	342,838	2,347,100
Bonds payable	54,000	6,216,000

Derivative financial liabilities:

December 31, 2020	Less than 3 months	Between 3 months and 1 year
Exchange rate swaps (net-settled)	\$ 18,399	\$ 16,859
Forward exchange contracts	61,790	8,129
Merchandise exchange contract	849	1,379

Derivative financial liabilities:

December 31, 2019	Less than 3 months	Between 3 months and 1 year
Exchange rate swaps (net-settled)	\$ 29,875	\$ -
Forward exchange contracts	-	22,784

(d) Cash flow risk from variations of rates

There is no significant cash flow risk from variations of rates since accounts payable are due less than one year.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Company's investment in listed stocks, beneficiary certificates with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in most derivative instruments is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data.

B. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 2,024,953	\$ -	\$ -	\$ 2,024,953
Derivative financial assets	-	99,464	-	99,464
Financial assets at fair value through other comprehensive income				
Equity securities -current	219,283	-	-	219,283
Equity securities -non current	-	-	1,328,178	1,328,178
Total	<u>\$ 2,244,236</u>	<u>\$ 99,464</u>	<u>\$ 1,328,178</u>	<u>\$ 3,671,878</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 107,405</u>	<u>\$ -</u>	<u>\$ 107,405</u>

<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 6,678	\$ -	\$ -	\$ 6,678
Financial assets at fair value through other comprehensive income				
Equity securities				
-current	298,898	-	-	298,898
Equity securities -non current	-	-	854,706	854,706
Total	<u>\$ 305,576</u>	<u>\$ -</u>	<u>\$ 854,706</u>	<u>\$ 1,160,282</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 52,659</u>	<u>\$ -</u>	<u>\$ 52,659</u>

- (b) The methods and assumptions the Company used to measure fair value are as follows:
- The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>
Markt quoted price	Closing price	Net asset value
ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.		
iii. When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.		
iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.		

- C. There was no transfer between Level 1 and Level 2 for the years ended December 31, 2020 and 2019.

D. Movements on Level 3 for the years ended December 31, 2020 and 2019 are as follows:

	2020
	<u>Equity securities</u>
At January 1	\$ 854,706
Gains and losses recognized in profit or loss	-
Additions	504,206
Recorded as unrealized losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	(30,734)
Sales in this year	-
At December 31	<u>\$ 1,328,178</u>

	2019
	<u>Equity securities</u>
At January 1	\$ 784,840
Gains and losses recognized in profit or loss	-
Additions	115,883
Recorded as unrealized losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	(46,017)
Sales in this year	-
At December 31	<u>\$ 854,706</u>

- E. For the years ended December 31, 2020 and 2019, there was no transfer into or out from Level 3.
- F. Company finance segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,075,178	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	Median:1.99 Average:1.86 Liquidity discount: 17.5%	The higher the multiple and control premium, the higher the fair value
Unlisted shares	253,000	Net assets value	Not applicable		- Not applicable
	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 193,598	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	Median:1.86 Average:1.91 Liquidity discount: 17.5%	The higher the multiple and control premium, the higher the fair value
Unlisted shares	661,108	Net assets value	Not applicable		- Not applicable

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

				December 31, 2020			
				Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change		Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Price to book ratio multiple, discount for lack of marketability	± 1%		\$ -	\$ -	\$ 1,629	(\$ 1,629)
				December 31, 2019			
				Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change		Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Price to book ratio multiple, discount for lack of marketability	± 1%		\$ -	\$ -	\$ 1,936	(\$ 1,936)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 7.
- I. Derivative financial instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Names, number of shares and shareholding ratio of major shareholders whose shareholding ratio more than 5%: Please refer to table 11.

CTCI Corporation and its subsidiaries

Loans to others

For the year ended December 31, 2020

Table 1 Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
					December 31, 2020 (Note 3)	December 31, 2020 (Note 8)							Item	Value			
0	CTCI Corp.	CTCI Arabia Ltd.	Other receivables	Yes	\$ 907,620	\$ -	\$ -	-	2	-	For operational need	\$ -	None	\$ -	\$ 3,165,511	\$ 6,331,023	-
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	Other receivables	Yes	576,480	280,970	280,970	0.971%	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	Other receivables	Yes	605,080	-	-	-	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI Machinery Corp.	Other receivables	Yes	600,000	600,000	600,000	1.01%	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Other receivables	Yes	2,686,866	2,542,779	1,643,113	0.967%~1.352%	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI Smart Engineering Corp.	Other receivables	Yes	500,000	500,000	500,000	0.90%	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	Other receivables	Yes	1,000,000	1,000,000	891,670	1%~1.25%	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI Americas Inc.	Other receivables	Yes	280,970	280,970	-	-	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CTCI Development Corp.	Other receivables	Yes	300,000	300,000	-	-	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
0	CTCI Corp.	CIPEC Construction Inc.	Other receivables	Yes	280,970	280,970	-	-	2	-	For operational need	-	None	-	3,165,511	6,331,023	-
1	CTCI Overseas Co., Ltd.	Superiority (Thailand) Co., Ltd.	Other receivables	Yes	71,853	-	-	-	2	-	For operational need	-	None	-	848,315	848,315	-
1	CTCI Overseas Co., Ltd.	CCJV P1 Engineering & Construction Sdn. Bhd.	Other receivables	Yes	432,218	-	-	-	2	-	For operational need	-	None	-	848,315	848,315	-
1	CTCI Overseas Co., Ltd.	CIPEC Construction Inc.	Other receivables	Yes	20,988	-	-	-	2	-	For operational need	-	None	-	848,315	848,315	-
1	CTCI Overseas Co., Ltd.	CTCI Americas Inc.	Other receivables	Yes	124,353	-	-	-	2	-	For operational need	-	None	-	848,315	848,315	-
1	CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Other receivables	Yes	590,520	561,940	509,820	1.064%~1.121%	2	-	For operational need	-	None	-	848,315	848,315	-
2	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Other receivables	Yes	400,000	200,000	200,000	0.93%	2	-	For operational need	-	None	-	518,119	2,072,475	-
3	ECOVE Environment Services Corp.	ECOVE Solvent Recycling Corp.	Other receivables	Yes	36,000	30,000	-	-	2	-	For operational need	-	None	-	84,493	337,971	-

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
					December 31, 2020 (Note 3)	(Note 8)							Item	Value			
3	ECOVE Environment Services Corp.	CTCI Smart Engineering Corp.	Other receivables	Yes	\$ 30,000	\$ 30,000	\$ -	-	2	-	For operational need	\$ -	None	\$ -	\$ 84,493	\$ 337,971	-
3	ECOVE Environment Services Corp.	CTCI Machinery Corp.	Other receivables	Yes	30,000	30,000	30,000	1.01%	2	-	For operational need	-	None	-	84,493	337,971	-
3	ECOVE Environment Services Corp.	CTCI Corp.	Other receivables	Yes	30,000	-	-	-	2	-	For operational need	-	None	-	84,493	337,971	-
4	ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	Other receivables	Yes	90,000	80,000	-	-	2	-	For operational need	-	None	-	515,350	515,350	-
4	ECOVE Solar Energy Corp.	ECOVE South Corp. Ltd.	Other receivables	Yes	94,000	80,000	23,000	1.48%	2	-	For operational need	-	None	-	515,350	515,350	-
5	ECOVE Waste Management Corp.	CTCI Machinery Corp.	Other receivables	Yes	5,000	-	-	-	2	-	For operational need	-	None	-	10,877	43,510	-
5	ECOVE Waste Management Corp.	CTCI Smart Engineering Corp.	Other receivables	Yes	5,000	-	-	-	2	-	For operational need	-	None	-	10,877	43,510	-
6	CTCI Investment Corp.	CIPEC Construction Inc.	Other receivables	Yes	21,480	19,949	19,841	0.841%~0.889%	2	-	For operational need	-	None	-	81,814	327,255	-
6	CTCI Investment Corp.	Superiority (Thailand) Co., Ltd.	Other receivables	Yes	70,261	68,659	68,659	1.25%	2	-	For operational need	-	None	-	81,814	327,255	-
6	CTCI Investment Corp.	CTCI Advanced System Inc.	Other receivables	Yes	100,000	-	-	-	2	-	For operational need	-	None	-	81,814	327,255	-
7	PT CTCI International Indonesia	PT Eptco Dian Persada	Other receivables	Yes	37,026	33,660	33,660	6%	2	-	For operational need	-	Guaranteed by equity interest	33,660	40,192	40,192	-
8	CTCI Advanced System Inc.	CTCI Corp.	Other receivables	Yes	45,000	-	-	-	2	-	For operational need	-	None	-	50,310	201,239	-
9	CTCI Resources Engineering Inc.	CTCI Advanced System Inc.	Other receivables	Yes	25,000	25,000	-	-	2	-	For operational need	-	None	-	41,891	167,564	-
10	CTCI Development Corp.	CIPEC Construction Inc.	Other receivables	Yes	300,245	289,399	289,399	1.35%	2	-	For operational need	-	None	-	1,495,317	1,495,317	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognized, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2020

Note 4: The numbers filled in for the nature of loans are as follows:

(1) Business association is labeled as '1'.

(2) Short-term financing is labeled as '2'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan belongs to short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: The calculation and amount on ceiling of loans are as follows:

[The company]

(1) The limit on loans granted to a single party shall not exceed 20% of the Company's net assets value.

(2) The ceiling on total loans shall not exceed 40% of the Company's net assets value.

[Domestic subsidiaries and overseas subsidiaries]

(1) The limit on loans granted to a single party by domestic subsidiaries and overseas subsidiaries shall not exceed 10% and 40% of the Company's net assets value, respectively.

(2) The ceiling on total loans shall not exceed 40% of the Company's net assets value.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should excluded the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorised the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Table 2

CTCI Corporation and its subsidiaries
Provision of endorsements and guarantees to others
For the year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/ guarantees amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsement s/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	CTCI Corp.	Universal Engineering (BVI) Corporation	2	\$ 47,482,671	\$ 30,330	\$ 28,097	\$ -	\$ -	0.18%	\$ 94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Americas, Inc.	2	47,482,671	1,603,566	1,563,121	589,603	-	9.88%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	2	47,482,671	2,042,448	1,348,656	1,391,715	-	8.52%	94,965,342	Y	N	N	-
0	CTCI Corp.	CINDA Engineering & Construction Pvt. Ltd.	2	47,482,671	4,305,830	3,765,314	2,082,320	-	23.79%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Arabia Ltd.	2	47,482,671	3,503,115	2,486,585	1,449,802	-	15.71%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	2	47,482,671	3,546,195	3,231,206	1,464,612	-	20.42%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Overseas Co., Ltd.	2	47,482,671	4,553,473	4,440,312	1,279,734	-	28.05%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Machinery Corp.	2	47,482,671	15,797,041	15,797,041	13,015,715	-	99.81%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Trading Shanghai Co., Ltd.	2	47,482,671	84,924	-	-	-	0.00%	94,965,342	Y	N	Y	-
0	CTCI Corp.	CTCI Shanghai Co., Ltd.	2	47,482,671	994,035	638,880	15,471	-	4.04%	94,965,342	Y	N	Y	-
0	CTCI Corp.	CTCI Beijing Co., Ltd.	2	47,482,671	1,402,479	1,381,417	460,548	-	8.73%	94,965,342	Y	N	Y	-
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	2	47,482,671	894,735	196,679	-	-	1.24%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Smart Engineering Corp.	2	47,482,671	1,957,023	1,956,341	783,706	-	12.36%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	2	47,482,671	2,953,343	2,790,672	673,247	-	17.63%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI Chemical Corp.	2	47,482,671	19,335	17,912	4,805	-	0.11%	94,965,342	Y	N	N	-
0	CTCI Corp.	CTCI-HDEC (Chungli) Corp.	6	47,482,671	102,000	102,000	102,000	-	0.64%	94,965,342	Y	N	N	-
0	CTCI Corp.	CB&I-CTCI B.V.	6	47,482,671	6,426,891	2,399,252	2,089,304	-	15.16%	94,965,342	N	N	N	-

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/ guarantees amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsement s/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	CTCI Corp.	Blue Whale Water Technology Co., Ltd.	6	\$ 47,482,671	\$ 769,300	\$ 769,300	\$ 526,260	\$ -	4.86%	\$ 94,965,342	N	N	N	-
0	CTCI Corp.	HDEC-CTCI (Linhai) Corp.	6	47,482,671	1,215,000	1,215,000	810,000	-	7.68%	94,965,342	N	N	N	-
0	CTCI Corp.	CIPEC Construction Inc.	2	47,482,671	549,404	542,895	216,468	-	3.43%	94,965,342	Y	N	N	-
0	CTCI Corp.	EVER ECOVE Corp.	6	47,482,671	1,102,500	1,102,500	440,000	-	6.97%	94,965,342	N	N	N	-
0	CTCI Corp.	CTCI Malaysia Sdn. Bhd.	2	47,482,671	1,000,890	547,892	18,154	-	3.46%	94,965,342	Y	N	N	-
1	CTCI Advanced System Inc.	Century Ahead Ltd.	2	503,099	18,198	16,858	-	-	3.35%	1,006,198	N	N	N	-
1	CTCI Advanced System Inc.	CTCI Advanced Systems Shanghai Inc.	2	503,099	21,910	21,601	-	-	4.29%	1,006,198	N	N	Y	-
2	CTCI Chemical Corp.	CTCI Machinery Corp.	5	757,946	532,830	532,830	532,830	-	210.90%	1,515,892	N	N	N	-
3	CTCI Resources Engineering Inc.	CTCI Smart Engineering Corp.	5	1,256,730	267,102	26,679	26,679	-	6.37%	2,513,460	N	N	N	-
4	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	2	10,362,376	150,000	150,000	66,700	-	2.90%	15,543,564	N	N	N	-
4	ECOVE Environment Corp.	ECOVE Solar Power Corp.	2	10,362,376	683,000	683,000	345,319	-	13.18%	15,543,564	N	N	N	-
4	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	2	10,362,376	2,258,971	2,249,108	1,153,665	-	43.41%	15,543,564	N	N	N	-
4	ECOVE Environment Corp.	ECOVE Solvent Recycling Corp.	2	10,362,376	213,400	157,600	100,523	-	3.04%	15,543,564	N	N	N	-
4	ECOVE Environment Corp.	EVER ECOVE Corp.	6	10,362,376	220,500	220,500	88,000	-	4.26%	15,543,564	N	N	N	-
5	ECOVE Solar Energy Corp.	ECOVE South Corp. Ltd.	2	5,153,495	14,000	14,000	11,200	-	1.09%	7,730,243	N	N	N	-
5	ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	2	5,153,495	757,076	757,076	447,727	-	58.76%	7,730,243	N	N	N	-
6	ECOVE Solar Power Corp.	ECOVE Solar Energy Corp.	3	1,436,840	12,420	12,420	12,420	-	3.46%	2,155,261	N	N	N	-
7	CTCI Beijing Co., Ltd.	CTCI Shanghai Co., Ltd.	2	7,408,700	876	864	864	-	0.03%	14,817,400	N	N	Y	-

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is ‘0’.
- (2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed company.
- (3) The endorsed/guaranteed company owns directly or indirectly more than 50% voting shares of the endorser/guarantor company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) The performance guarantees for the sale of pre-sales contracts under the Consumer Protection Law are jointly guaranteed.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company’s

“Procedures for Provision of Endorsements and Guarantees”, and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

[The company]

- (1) The limit on endorsements and guarantees granted to a single party shall not exceed 300% of the Company’s net assets value in last financial statements which was audited by accountant.
- (2) The ceiling on total endorsements and guarantees shall not exceed 600% of the Company’s net assets value in last financial statements which was audited by accountant.

[Domestic subsidiaries and overseas subsidiaries]

- (1) The limit on endorsements and guarantees granted to a single party shall not exceed 100% to 400% of the Company's net assets value in last financial statements which was audited by accountant.
- (2) The ceiling on total endorsements and guarantees shall not exceed 200% to 600% of the Company's net assets value in last financial statements which was audited by accountant.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided.

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities. And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

CTCI Corporation and its subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

For the year ended December 31, 2020

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable Securities (Note 1)		Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2020				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Market value	
CTCI Corp.	Fund	Fuh Hwa Heirloom No. 2 Balance Fund	-	Financial assets at fair value through profit or loss-current	1,919,662	\$ 80,000	-	\$ 84,212	-
CTCI Corp.	Fund	Allianz Global Investors Income and Growth Fund	-	Financial assets at fair value through profit or loss-current	4,939,076	60,000	-	64,751	-
CTCI Corp.	Fund	Allianz Global Investors Taiwan Intelligence Trends Fund	-	Financial assets at fair value through profit or loss-current	876,653	50,000	-	53,502	-
CTCI Corp.	Fund	Fuh Hwa Global Thematic	-	Financial assets at fair value through profit or loss-current	2,937,746	90,000	-	99,560	-
CTCI Corp.	Fund	Allianz Global Investors Taiwan Technology Fund	-	Financial assets at fair value through profit or loss-current	511,236	40,000	-	44,876	-
CTCI Corp.	Fund	Fuh Hwa Global IoT and Tech Fund	-	Financial assets at fair value through profit or loss-current	3,469,417	70,000	-	77,958	-
CTCI Corp.	Fund	Fuh Hwa China New Economy A Shares Eq	-	Financial assets at fair value through profit or loss-current	6,623,946	90,000	-	96,842	-
CTCI Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	51,307,828	700,000	-	700,142	-
CTCI Corp.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss-current	49,375,354	<u>803,038</u>	-	<u>803,110</u>	-
						1,983,038		<u>\$ 2,024,953</u>	
				Adjustment		<u>41,915</u>			
						<u>\$ 2,024,953</u>			
CTCI Corp.	Common Stock	China Steel Chemical Corp.	-	Financial asset at fair value through other comprehensive income-current	1,118,706	\$ 49,254	-	\$ 123,617	-
CTCI Corp.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial asset at fair value through other comprehensive income-current	2,224,790	<u>68,448</u>	-	<u>95,666</u>	-
						117,702		<u>\$ 219,283</u>	
				Adjustment		<u>101,581</u>			
						<u>\$ 219,283</u>			

Securities held by	Marketable Securities (Note 1)		Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2020				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Market value	
CTCI Corp.	Common Stock	Core Pacific City Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	22,428,000	\$ 360,000	2.26	\$ 162,864	-
CTCI Corp.	Common Stock	CDIB & Partners Investment Holding Corp.	The Company is the supervisor	Financial assets at fair value through other comprehensive income-non-current	27,000,000	250,000	2.48	250,000	-
CTCI Corp.	Common Stock	Metro-consultant Co., Ltd.	The Company is the Board of director	Financial assets at fair value through other comprehensive income-non-current	300,000	3,000	6.00	3,000	-
CTCI Corp.	Common Stock	Ever Victory Global Limited.	-	Financial assets at fair value through other comprehensive income-non-current	29,805,000	912,314	5.17	912,314	-
CTCI Corp.	Common Stock	Heng Keng Corp.	-	Financial assets at fair value through other comprehensive income-non-current	20,000	<u>3,000</u>	5.12	<u>-</u>	-
						1,528,314		<u>\$ 1,328,178</u>	
				Adjustment		<u>(200,136)</u>			
						<u>\$ 1,328,178</u>			
CTCI Investment Corp.	Fund	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	10,697,392	\$ 111,557	-	\$ 111,557	-
CTCI Investment Corp.	Fund	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	726,367	10,859	-	10,859	-
CTCI Investment Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	344,436	13,450	0.05	13,450	-
CTCI Development Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	912,170	35,620	0.12	35,620	-
CTCI Development Corp.	Common Stock	CTCI Advanced System Inc.	Subsidiary	Financial assets at fair value through other comprehensive income-non-current	1,262,642	80,240	4.66	80,240	-
CTCI Development Corp.	Fund	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	9,551,348.7	147,411	-	147,411	-
CTCI Development Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,507,807	34,221	-	34,221	-
CTCI (Thailand) Co., Ltd.	Common Stock	CHIYODA(Thailand)Co.Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	3,600	338	9.00	338	-
Crown Asia-2 Investment Limited	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	500	19	-	19	-
CTCI Advanced System Inc.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial assets at fair value through other comprehensive income-current	1,020,906	43,899	-	43,899	-
CTCI Advanced System Inc.	Fund	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	1,630,267	17,001	-	17,001	-
CTCI Resources Engineering Inc.	Fund	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	8,750,993	135,058	-	135,058	-
CTCI Resources Engineering Inc.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	23,090,204	315,087	-	315,087	-
ECOVE Environment Corp.	Fund	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss-current	6,475,471	103,315	-	103,315	-
ECOVE Environment Corp.	Fund	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	5,186,230	80,042	-	80,042	-
ECOVE Environment Corp.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,030,294	33,024	-	33,024	-

Securities held by	Marketable Securities (Note 1)		Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2020				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Market value	
ECOVE Environment Corp.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial assets at fair value through other comprehensive income-current	531,205	\$ 22,842	-	\$ 22,842	-
ECOVE Environment Corp.	Common Stock	TeamWIN Opto-Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	150,000	475	2.46	475	-
ECOVE Environment Corp.	Common Stock	Eastern Pacific Energy Sdn. Bhd.	-	Financial assets at fair value through other comprehensive income-non-current	10,000	68	10.00	68	-
ECOVE Wujih Energy Corp.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial assets at fair value through other comprehensive income-current	534,295	22,975	-	22,975	-
ECOVE Wujih Energy Corp.	Fund	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	3,694,230	57,015	-	57,015	-
ECOVE Wujih Energy Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	11,656,485	159,063	-	159,063	-
ECOVE Wujih Energy Corp.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss-current	8,794,967	143,054	-	143,054	-
ECOVE Wujih Energy Corp.	Fund	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,685,577	28,006	-	28,006	-
ECOVE Environment Services Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-current	1,028	40	-	40	-
ECOVE Environment Services Corp.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial assets at fair value through other comprehensive income-current	1,406,754	60,490	-	60,490	-
ECOVE Environment Services Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	31,167,316	425,306	-	425,306	-
ECOVE Environment Services Corp.	Fund	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	5,927,679	88,619	-	88,619	-
ECOVE Waste Management Corp.	Common Stock	Taiwan Cement Corp.	Taiwan Cement Corp. is a director of the Company	Financial assets at fair value through other comprehensive income-current	538,039	23,135	-	23,135	-
ECOVE Waste Management Corp.	Fund	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss-current	376,704	6,010	-	6,010	-
ECOVE Waste Management Corp.	Fund	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	7,249,584	108,381	-	108,381	-
ECOVE Waste Management Corp.	Fund	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	8,039,900	83,844	-	83,844	-
ECOVE Mioali Energy Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	1,613,021	22,011	-	22,011	-
ECOVE Mioali Energy Corp.	Fund	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss-current	942,277	9,827	-	9,827	-
ECOVE Mioali Energy Corp.	Fund	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	1,231,751	19,010	-	19,010	-
Yuan Ding Resources Management Corp.	Fund	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,624,764	39,240	-	39,240	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities in accordance with IFRS 9, ‘Financial instruments’.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Note 5: The fair value of Bond and Common Stock is expressed in RMB.

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

<div>CTCI Corporation and its subsidiaries</div> <div>Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital</div> <div>For the year ended December 31, 2020</div>														
Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2020		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2020	
					Number of shares (thousands)	Amount	Number of shares (thousands)	Amount	Number of shares (thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (thousands)	Amount
CTCI Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	\$ -	226,886	\$ 3,090,000	175,579	\$ 2,391,756	\$ 2,390,000	\$ 1,756	51,308	\$ 700,000
CTCI Corp.	Capital Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	136,020	2,210,000	86,645	1,407,382	1,406,962	420	49,375	803,038
CTCI Corp.	Ever Victory Global Limited Common Stock	Financial assets at fair value through other comprehensive income-non-current	-	-	13,181	408,108	16,624	504,206	-	-	-	-	29,805	912,314
ECOVE Environment Services Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	79,292	1,080,000	48,124	655,557	654,930	627	31,168	425,070
ECOVE Environment Services Corp.	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	22,824	340,000	16,897	252,050	251,686	364	5,927	88,314
ECOVE Waste Management Corp.	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	22,094	329,000	14,844	221,125	220,991	134	7,250	108,009
ECOVE Waste Management Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	20,981	322,800	20,981	323,067	322,800	267	-	-
ECOVE Mioali Energy Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	28,808	392,000	27,195	370,410	369,995	415	1,613	22,005
ECOVE Wujih Energy Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	33,173	511,000	29,478	454,550	454,000	550	3,695	57,000
ECOVE Wujih Energy Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	35,408	482,000	23,752	323,410	323,000	410	11,656	159,000

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2020		Addition (Note 3)		Disposal (Note 3)			Balance as at December 31, 2020		
					Number of shares (thousands)	Amount	Number of shares (thousands)	Amount	Number of shares (thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (thousands)	Amount
CTCI Resources Engineering Inc.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	10,921	\$ 148,337	61,564	\$ 839,000	49,394	\$ 672,630	\$ 672,198	\$ 432	23,091	\$ 315,000
ECOVE Environment Corp.	Prudential Financial Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	18,859	300,000	12,383	197,132	196,805	327	6,476	103,195
ECOVE Environment Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	20,259	312,000	15,073	232,339	232,000	339	5,186	80,000
CTCI Development Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	24,361	332,000	21,853	298,000	297,818	182	2,508	34,182
CTCI Development Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	27,963	431,000	18,411	284,003	283,746	257	9,552	147,254

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Table 5

CTCI Corporation and its subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
CTCI Development Corp.	Unfinished construction	2018/11/6	\$ 1,659,649	\$ 839,231	CTCI Resources Engineering Inc.	Associate	-	-	-	\$ -	According to the contract signed by both parties	To build second office building	None
CTCI Corp.	Unfinished construction	2020/7/14	362,000	191,757	HWA FONG Construction	-	-	-	-	-	According to the contract signed by both parties	The requirements in business	None

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

CTCI Corporation and its subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the year ended December 31, 2020

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Differences in transaction terms compared to third party											
			Transaction				transaction		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
ECOVE Wujih Energy Corp.	ECOVE Waste Management Corp.	Second-tier subsidiary	(Sales)	(\$ 461,238)	(0.83%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	\$ 75,920	1.25%	-
ECOVE Environment Services Corp.	ECOVE Waste Management Corp.	Second-tier subsidiary	(Sales)	(688,788)	(1.24%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	125,044	2.06%	-
ECOVE Environment Services Corp.	ECOVE Wujih Energy Corp.	Second-tier subsidiary	(Sales)	(271,866)	(0.49%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	65,090	1.07%	-
ECOVE Environment Services Corp.	ECOVE Mioali Energy Corp.	Second-tier subsidiary	(Sales)	(155,285)	(0.28%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	24,505	0.40%	-
CTCI Chemical Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	(Sales)	(142,778)	(0.26%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	11,764	0.19%	-
CTCI Corp.	EVER ECOVE Corp.	Associate	(Sales)	(2,165,212)	(3.90%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	82,789	1.36%	-
CTCI Corp.	HDEC-CTCI (Linhai) Corp.	Associate	(Sales)	(688,585)	(1.24%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	321	0.01%	-
CTCI Corp.	CTCI Americas, Inc.	Subsidiary	(Sales)	(158,512)	(0.29%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Corp.	CTCI Singapore Pte. Ltd.	Subsidiary	(Sales)	(184,517)	(0.33%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Corp.	CTCI Overseas Co., Ltd.	Subsidiary	(Sales)	(130,791)	(0.24%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Corp.	HO-PING Power Company	Other related parties	(Sales)	(315,786)	(0.57%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Machinery Corp.	CTCI Corp.	The Company	(Sales)	(553,404)	(1.00%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	10,900	0.10%	-
CTCI Advanced System Inc.	CTCI Corp.	The Company	(Sales)	(216,800)	(0.39%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	7,320	0.06%	-
CTCI Resources Engineering Inc.	CTCI Development Corp.	Second-tier subsidiary	(Sales)	(532,977)	(0.96%)	30 days after seasonal billings	Negotiated by both parties	No significant difference	41,532	0.36%	-
ECOVE Waste Management Corp.	ECOVE Wujih Energy Corp.	Second-tier subsidiary	Purchases	461,238	0.89%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(75,920)	(0.67%)	-
ECOVE Waste Management Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	688,788	1.33%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(125,044)	(1.10%)	-
ECOVE Wujih Energy Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	271,866	0.52%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(65,090)	(0.57%)	-
ECOVE Mioali Energy Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	155,285	0.30%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(24,505)	(0.21%)	-
ECOVE Environment Services Corp.	CTCI Chemical Corp.	Second-tier subsidiary	Purchases	142,778	0.28%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(11,764)	(0.10%)	-
CTCI Americas, Inc.	CTCI Corp.	The Company	Purchases	158,512	0.31%	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Singapore Pte. Ltd.	CTCI Corp.	The Company	Purchases	184,517	0.36%	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transaction		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
CTCI Corp.	CTCI Machinery Corp.	Subsidiary	Purchases	\$ 553,404	1.07%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(\$ 10,900)	(0.10%)	-
CTCI Corp.	CTCI Advanced System Inc.	Subsidiary	Purchases	216,800	0.42%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(7,320)	(0.06%)	-
CTCI Overseas Co., Ltd.	CTCI Corp.	Subsidiary	Purchases	130,791	0.25%	30 days after seasonal billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Development Corp.	CTCI Resources Engineering Inc.	Second-tier subsidiary	Purchases	532,977	1.03%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(41,532)	(0.36%)	-
CTCI Engineering & Construction Sdn.Bhd.	MIE Industrial Sdn. Bhd.	Associate	Purchases	358,302	0.69%	30 days after seasonal billings	Negotiated by both parties	No significant difference	(94,220)	(0.83%)	-

CTCI Corporation and its subsidiaries

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

For the year ended December 31, 2020

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	Subsidiary	\$ 281,135	Note 1	\$ -	-	\$ -	\$ -
CTCI Corp.	CTCI Machinery Corp.	Subsidiary	600,515	Note 1	-	-	-	-
CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Subsidiary	1,644,271	Note 1	-	-	-	-
CTCI Corp.	CTCI Smart Engineering Corp.	Subsidiary	500,303	Note 1	-	-	-	-
CTCI Corp.	CTCI (Thailand) Co., Ltd.	Subsidiary	892,525	Note 1	-	-	-	-
CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Subsidiary	509,820	Note 1	-	-	-	-
CTCI Development Corp.	CIPEC Construction Inc.	Second-tier subsidiary	289,399	Note 1	-	-	-	-
ECOVE Environment Services Corp.	ECOVE Waste Management Corp.	Second-tier subsidiary	125,044	3.97	-	-	-	-
ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Second-tier subsidiary	204,511	Note 2	-	Note 2	-	-

Note 1 : Receivables arising from lending capital and personnel's transfer.

Note 2 : Other accounts receivable arising from lending capital and director's remuneration.

CTCI Corporation and its subsidiaries
Significant inter-company transactions during the reporting period
For the year ended December 31, 2020

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount		
0	CTCI Corp.	CTCI Americas, Inc.	1	Sales revenue	\$ 158,512	Negotiated by both parties	0.29%
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	1	Sales revenue	184,517	Negotiated by both parties	0.33%
1	ECOVE Environment Services Corp.	ECOVE Waste Management Corp.	3	Sales revenue	688,788	Negotiated by both parties	1.24%
1	ECOVE Environment Services Corp.	ECOVE Wujih Energy Corp.	3	Sales revenue	271,866	Negotiated by both parties	0.49%
1	ECOVE Environment Services Corp.	ECOVE Mioali Energy Corp.	3	Sales revenue	155,285	Negotiated by both parties	0.28%
2	ECOVE Wujih Energy Corp.	ECOVE Waste Management Corp.	3	Sales revenue	461,238	Negotiated by both parties	0.83%
3	CTCI Machinery Corp.	CTCI Corp.	2	Sales revenue	553,404	Negotiated by both parties	1.00%
4	CTCI Advanced System Inc.	CTCI Corp.	2	Sales revenue	216,800	Negotiated by both parties	0.39%
5	CTCI Resources Engineering Inc.	CTCI Development Corp.	3	Sales revenue	532,977	Negotiated by both parties	0.96%
6	CTCI Chemical Corp.	ECOVE Environment Services Corp.	3	Sales revenue	142,778	Negotiated by both parties	0.26%
0	CTCI Corp.	CTCI Overseas Co., Ltd.	1	Sales revenue	130,791	Negotiated by both parties	0.24%
1	ECOVE Environment Services Corp.	ECOVE Waste Management Corp.	3	Accounts receivable	125,044	Negotiated by both parties	0.18%
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	1	Other receivables	281,135	Negotiated by both parties	0.40%
0	CTCI Corp.	CTCI Machinery Corp.	1	Other receivables	600,515	Negotiated by both parties	0.85%
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	1	Other receivables	1,644,271	Negotiated by both parties	2.32%
0	CTCI Corp.	CTCI Smart Engineering Corp.	1	Other receivables	500,303	Negotiated by both parties	0.71%
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	1	Other receivables	892,525	Negotiated by both parties	1.26%
7	CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	3	Other receivables	509,820	Negotiated by both parties	0.72%
8	CTCI Development Corp.	CIPEC Construction Inc.	3	Other receivables	289,399	Negotiated by both parties	0.41%
9	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	3	Other receivables	204,511	Negotiated by both parties	0.29%
0	CTCI Corp.	CTCI Overseas (BVI) Corp.	1	Advance construction receipt	2,208,948	Negotiated by both parties	3.12%
3	CTCI Machinery Corp.	CTCI Corp.	2	Advance construction receipt	1,867,567	Negotiated by both parties	2.64%
5	CTCI Resources Engineering Inc.	CTCI Corp.	2	Advance construction receipt	328,655	Negotiated by both parties	0.46%
10	CTCI (Thailand) Co., Ltd.	CTCI Corp.	2	Advance construction receipt	640,264	Negotiated by both parties	0.90%
0	CTCI Corp.	CTCI Development Corp.	1	Refundable deposits	121,371	Negotiated by both parties	0.17%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	CTCI Corp.	CTCI Americas, Inc.	1	Guarantee	\$ 1,563,121	Not applicable	Not applicable
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	1	Guarantee	1,348,656	Not applicable	Not applicable
0	CTCI Corp.	CINDA Engineering & Construction Pvt. Ltd.	1	Guarantee	3,765,314	Not applicable	Not applicable
0	CTCI Corp.	CTCI Arabia Ltd.	1	Guarantee	2,486,585	Not applicable	Not applicable
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	1	Guarantee	3,231,206	Not applicable	Not applicable
0	CTCI Corp.	CTCI Overseas Co., Ltd.	1	Guarantee	4,440,312	Not applicable	Not applicable
0	CTCI Corp.	CTCI Machinery Corp.	1	Guarantee	15,797,041	Not applicable	Not applicable
0	CTCI Corp.	CTCI Shanghai Co., Ltd.	1	Guarantee	638,880	Not applicable	Not applicable
0	CTCI Corp.	CTCI Beijing Co., Ltd.	1	Guarantee	1,381,417	Not applicable	Not applicable
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	1	Guarantee	196,679	Not applicable	Not applicable
0	CTCI Corp.	CTCI Smart Engineering Corp.	1	Guarantee	1,956,341	Not applicable	Not applicable
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	1	Guarantee	2,790,672	Not applicable	Not applicable
0	CTCI Corp.	CTCI-HDEC (Chungli) Corp.	1	Guarantee	102,000	Not applicable	Not applicable
0	CTCI Corp.	CIPEC Construction Inc.	1	Guarantee	542,895	Not applicable	Not applicable
0	CTCI Corp.	CTCI Malaysia Sdn. Bhd.	1	Guarantee	547,892	Not applicable	Not applicable
6	CTCI Chemical Corp.	CTCI Machinery Corp.	3	Guarantee	532,830	Not applicable	Not applicable
9	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	3	Guarantee	150,000	Not applicable	Not applicable
9	ECOVE Environment Corp.	ECOVE Solar Power Corp.	3	Guarantee	683,000	Not applicable	Not applicable
9	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	3	Guarantee	2,249,108	Not applicable	Not applicable
9	ECOVE Environment Corp.	ECOVE Solvent Recycling Corp.	3	Guarantee	157,600	Not applicable	Not applicable
11	ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	3	Guarantee	757,076	Not applicable	Not applicable

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is ‘0’.
- (2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

CTCI Corporation and its subsidiaries
Information on investees (not including investees in Mainland China)
For the year ended December 31, 2020

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2020					
Investor	Investee (Notes 1 and 2)	Location	Main business activities	Balance as at	Balance as at	Number of shares	Ownership (%)	Book value	Net profit (loss)	Investment income	Footnote
				December 31, 2020	December 31, 2019				of the investee for the year ended December 31, 2020 (Note 2(2))	(loss) recognized by the Company for the year ended December 31, 2020 (Note 2(3))	
CTCI Corp.	CTCI Smart Engineering Corp.	Taiwan	Design, management, and building of nuclear power, thermal power, fire pumped storage power generation and others related to engineering	\$ 456,251	\$ 456,251	59,098,624	97.09	(\$ 427,095)	(\$ 265,258)	(\$ 257,539)	A subsidiary
CTCI Corp.	CTCI Resources Engineering Inc.	Taiwan	Engineering technical service	-	262,649	-	-	-	102,337	18,243	A second-tier subsidiary
CTCI Corp.	CTCI Advanced Systems Inc.	Taiwan	Systems planning, design, integration, and engineering for various IT systems, etc.	107,470	44,409	12,454,461	46.02	221,238	135,361	53,817	A subsidiary
CTCI Corp.	CTCI Development Corp.	Taiwan	Real estate and leasing business	2,625,000	1,870,000	284,399,176	100.00	3,733,304	127,286	134,472	A subsidiary
CTCI Corp.	CTCI Investment Corp.	Taiwan	General investment	2,072,000	2,072,000	207,200,000	100.00	812,404	(77,645)	(75,222)	A subsidiary
CTCI Corp.	ECOVE Environment Corp.	Taiwan	General investment	938,889	938,889	38,457,105	55.75	2,891,843	847,843	483,474	A subsidiary
CTCI Corp.	CTCI (Thailand) Co., Ltd.	Thailand	Design and building of petrochemical plant	116,894	116,894	1,249,500	49.00	(274,462)	248,270	121,652	A subsidiary
CTCI Corp.	CTCI Machinery Corp.	Taiwan	Secondary processing of steel, piping, heat treatment, manufacture of pollution control equipment and nondestructive testing, etc.	293,800	293,800	20,000,000	100.00	668,526	114,886	114,886	A subsidiary
CTCI Corp.	CTCI Arabia Ltd.	Arabia	Construction and maintenance of refinery, storage tanks and chemical plant	23,312	23,312	500	50.00	(601,265)	(143,145)	(71,573)	A subsidiary
CTCI Corp.	Sinogal-Waste Services Corp.	Macao	Management of waste recycling site and maintenance of related mechanical and equipment, etc.	4,958	4,958	-	30.00	67,247	212,860	63,858	A subsidiary
CTCI Corp.	CTCI Singapore Pte. Ltd.	Singapore	Investment and planning of related engineering	152,254	152,254	5,100,000	100.00	(1,112,369)	(64,160)	(64,160)	A subsidiary
CTCI Corp.	CTCI Overseas (BVI) Corp.	BVI	Investment and planning of related engineering	308,554	308,554	6,740,000	100.00	2,229,091	210,229	210,229	A subsidiary
CTCI Corp.	CTCI Engineering & Construction Sdn.Bhd.	Malaysia	Investment and planning of related engineering	4,118	4,118	450,000	60.00	(75,773)	(333,920)	(200,352)	A subsidiary
CTCI Corp.	CTCI CMCE JV Sdn. Bhd	Malaysia	Construction planning	2,759	2,759	382,500	51.00	(47,741)	(4,078)	(2,080)	A subsidiary

				Initial investment amount		Shares held as at December 31, 2020						
Investor	Investee (Notes 1 and 2)	Location	Main business activities	Balance as at	Balance as at	Number of shares	Ownership (%)	Book value	Net profit (loss)	Investment income	Footnote	
				December 31, 2020	December 31, 2019				of the investee for the year ended December 31, 2020 (Note 2(2))	(loss) recognized by the Company for the year ended December 31, 2020 (Note 2(3))		
CTCI Corp.	CTCI Americas, Inc.	USA	To extend foreign business, the Group strengthen the collaborative relationship with local business owner and supplier, developing adequate potential supplier, and help them to operate projects, purchase and other related businesses	\$ 3,217	\$ 3,217	100,000	100.00	(\$ 64,724)	(\$ 57,082)	(\$ 57,082)	A subsidiary	
CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Malaysia	Construction planning	2,259	2,259	247,500	99.00	(692,435)	(247,077)	(244,607)	A subsidiary	
CTCI Corp.	CTCI-HDEC (Chungli) Corp.	Taiwan	Sewerage System BOT Project	255,000	255,000	25,500,000	51.00	241,836	(621)	317)	A subsidiary	
CTCI Corp.	PT CTCI International Indonesia	Indonesia	Engineering planning as well as procurement and construction	73,984	-	341,700,000	67.00	67,320	(1,520)	(1,017)	A subsidiary	
CTCI Corp.	Blue Whale Water Technology Co., Ltd.	Taiwan	Wastewater Reclamation Unit BTO Project	347,900	347,900	36,260,000	49.00	426,428	104,118	51,018	An investee under equity method	
CTCI Corp.	Pan Asia Corp.	Taiwan	Output of foreign labor and technologies, technical cooperation with foreign construction business, and construction of engineering construction, etc.	35,826	35,826	19,639,509	17.16	271,069	141,463	24,275	An investee under equity method	
CTCI Corp.	EVER ECOVE Corp.	Taiwan	Waste service, waste clear and steam power cogeneration	394,000	250,000	39,400,000	24.63	383,969	(12,698)	(3,126)	An investee under equity method	
CTCI Corp.	HDEC-CTCI (Linhai) Corp.	Taiwan	Reclaimed water operators	337,500	202,500	34,499,250	45.00	384,585	86,097	38,743	An investee under equity method	
CTCI Development Corp.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	\$ 13,522	\$ 13,522	480,661	6.77	\$ 9,102,996 16,514	\$ 56,472	\$ 337,592 3,823	A second-tier subsidiary	
CTCI Development Corp.	ECOVE Environment Corp.	Taiwan	General investment	11,270	11,270	243,918	0.35	18,109	847,843	3,198	A subsidiary	
CTCI Development Corp.	CTCI Resources Engineering Inc.	Taiwan	Engineering technical service	23	23	1,388	0.01	21	102,337	6	A second-tier subsidiary	
CTCI Development Corp.	Crown Asia-2 Investment Limited	Taiwan	General investment	2,531	2,531	25,000	100.00	470	(86)	(86)	A second-tier subsidiary	
CTCI Investment Corp.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	32,153	32,153	1,657,207	23.34	58,971	56,472	13,181	A second-tier subsidiary	
CTCI Investment Corp.	ECOVE Environment Corp.	Taiwan	General investment	1,374	1,374	32,175	0.05	2,420	847,843	403	A subsidiary	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020					Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2020 (Note 2(3))	
CTCI Investment Corp.	CTCI Smart Engineering Corp.	Taiwan	Design, management, and building of nuclear power, thermal power, fire pumped storage power generation and others related to engineering	\$ 11	\$ 11	1,000	0.002	(\$ 7)	(\$ 265,258)	(\$ 4)	A subsidiary
CTCI Investment Corp.	MIE Industrial Sdn. Bhd.	Malaysia	Equipment & Instrument, Procurement & Construction & Panel	139,885	139,885	21,000,000	21.00	138,785 (	560,808) (	112,292)	An investee under equity method
CTCI Machinery Corp.	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	Share holding and investment	154,744	154,744	6,666,667	10.00	165,607	181,513	16,253	An investee under equity method
ECOVE Environment Corp.	ECOVE Waste Management Corp.	Taiwan	International trade and environmental service of waste disposal, equipment installation and mechanical installation, etc.	20,000	20,000	2,000,000	100.00	108,423	53,858	53,858	A second-tier subsidiary
ECOVE Environment Corp.	ECOVE Wujih Energy Corp.	Taiwan	Environmental service of waste disposal device installation, steam power cogeneration. etc.	450,435	450,435	30,000,000	100.00	881,405	255,553	255,553	A second-tier subsidiary
ECOVE Environment Corp.	ECOVE Environmental Services Corp.	Taiwan	Management of waste recycling site and maintenance of related mechanical and equipment, etc.	356,518	339,921	15,100,000	100.00	873,300	358,197	332,102	A second-tier subsidiary
ECOVE Environment Corp.	ECOVE Mioali Energy Corp.	Taiwan	Environmental service of waste disposal device installation, steam power cogeneration, etc.	899,985	1,012,483	44,999,200	74.999	910,014	126,817	95,111	A second-tier subsidiary
ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Taiwan	Energy technology service	1,312,348	1,062,348	104,621,082	100.00	1,412,064	74,513	74,513	A second-tier subsidiary
ECOVE Environment Corp.	Yuan Ding Resources Management Corp.	Taiwan	Waste service, waste clear other environmental service, and environmental pollution service, etc.	42,696	42,696	4,500,000	100.00	39,388	53	53	A second-tier subsidiary
ECOVE Environment Corp.	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	Share holding and investment	309,489	309,489	13,333,333	20.00	331,214	181,513	42,445	An investee under equity method
ECOVE Environment Corp.	ECOVE Solvent Recycling Corp.	Taiwan	Operating basic chemical industry and manufacture of other chemical products	86,480	86,480	8,099,000	89.99	93,470	14,358	12,921	A second-tier subsidiary
ECOVE Environment Corp.	EVER ECOVE Corp.	Taiwan	Waste service, waste clear and steam power cogeneration	80,000	50,000	8,000,000	5.00	77,826 (	15,752) (	788)	An investee under equity method
ECOVE Environment Services Corp.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	24,851	24,851	1,910,241	26.90	67,975	56,472	15,194	A second-tier subsidiary

				Initial investment amount		Shares held as at December 31, 2020					
	Investee			Balance as at	Balance as at				Net profit (loss)	Investment income	
Investor	(Notes 1 and 2)	Location	Main business activities	December 31, 2020	December 31, 2019	Number of shares	Ownership (%)	Book value	of the investee for the year ended December 31, 2020 (Note 2(2))	(loss) recognized by the Company for the year ended December 31, 2020 (Note 2(3))	Footnote
ECOVE Environment Services Corp.	Sinogal-Waste Services Corp.	Macao	Management of waste recycling site and maintenance of related mechanical equipment, etc.	\$ 4,964	\$ 4,964	-	30.00	\$ 67,247	\$ 212,860	\$ 63,927	A second-tier subsidiary
ECOVE Environment Services Corp.	ECOVE Mioali Energy Corp.	Taiwan	Environmental service of waste disposal device installation, steam power cogeneration, etc.	11	13	800	0.001	16	126,282	2	A second-tier subsidiary
ECOVE Environment Services Corp.	ECOVE Solvent Recycling Corp.	Taiwan	Operating basic chemical industry and manufacture of other chemical products	10	10	1,000	0.01	10	14,358	1	A second-tier subsidiary
ECOVE Environment Services Corp.	Jing Ding Green Energy Technology Co., Ltd.	Taiwan	Execution of BOT	6,000	-	600,000	30.00	5,838	(541)	(162)	An investee under equity method
ECOVE Waste Management Corp.	ECOVE Environment Services Corp.	Taiwan	Management of waste recycling site and maintenance of related mechanical equipment, etc.	-	53	-	-	-	358,197	22	A second-tier subsidiary
ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	Taiwan	Energy technology service	306,000	230,000	30,600,000	100.00	359,210	44,060	44,060	A second-tier subsidiary
ECOVE Solar Energy Corp.	ECOVE South Corp. Ltd.	Taiwan	Energy technology service	30,500	30,500	3,050,000	100.00	34,504	3,185	3,185	A second-tier subsidiary
ECOVE Solar Energy Corp.	G.D. International, LLC.	USA	Energy technology service	189,197	189,197	-	100.00	368,319	15,572	15,572	A second-tier subsidiary
G.D International, LLC.	Lumberton Solar W2-090, LLC	USA	Energy technology service	189,197	189,197	-	100.00	367,770	15,751	15,751	A second-tier subsidiary
CTCI Overseas (BVI) Corp.	CTCI Overseas Co., Ltd.	Hong Kong	Investment and planning of related engineering	276,815	276,815	6,740,000	100.00	2,108,357	210,540	210,540	A second-tier subsidiary
CTCI Overseas Co., Ltd.	CTCI Arabia Ltd.	Arabia	Construction and maintenance of refinery, storage tanks and chemical plant	22,610	22,610	500	50.00	(601,206)	(143,145)	(71,577)	A subsidiary
CTCI Overseas Co., Ltd.	Universal Engineering (BVI) Corporation	BVI	Investment and planning of related engineering	1,694	1,694	50,000	100.00	(332,768)	125,999	125,999	A second-tier subsidiary
CTCI Overseas Co., Ltd.	CIPEC Construction Inc.	Philippines	Construction and maintenance of refinery, storage tanks and chemical plant	19,590	19,590	327,445	39.93	(6,688)	(73,519)	(29,418)	A second-tier subsidiary
CTCI Overseas Co., Ltd.	CIMAS Engineering Company	Vietnam	Chemical, petrochemical, feasibility atudy & planning, engineering design, procurement & fabrication, erection, construction & commissioning	95,168	65,079	-	100.00	94,838	7,238	7,238	A second-tier subsidiary
CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Malaysia	Investment and planning of related engineering	2,879	2,879	300,000	40.00	(50,513)	(333,920)	(133,634)	A subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
CTCI Overseas Co., Ltd.	CINDA Engineering & Construction Pvt. Ltd.	India	Chemical, petrochemical, feasibility study & planning, engineering design, procurement & fabrication, erection, construction & commissioning	\$ 31,022	\$ 31,022	8,000,000	100.00	(\$ 191,973)	(\$ 97,667)	(\$ 97,667)	A second-tier subsidiary
CTCI Overseas Co., Ltd.	Sumber Mampu Sdn. Bhd.	Malaysia	Building of related engineering	95	95	10,000	10.00	64,847	(122,343)	(122,343)	A second-tier subsidiary
Universal Engineering (BVI) Corporation	Superiority (Thailand) Co., Ltd.	Thailand	Investment and planning of related engineering	151	151	2,156	49.00	(453,399)	125,289	125,289	A second-tier subsidiary
Superiority (Thailand) Co., Ltd.	CTCI (Thailand) Co., Ltd.	Thailand	Design and building of petrochemical plant	12,628	12,628	1,300,500	51.00	(364,555)	248,270	126,618	A subsidiary
CTCI Advanced Systems Inc.	Century Ahead Ltd.	Samoa	Professional investment company	25,097	25,097	750,000	100.00	46,242	5,235	5,235	A second-tier subsidiary
CTCI Advanced Systems Inc.	CTCI Resources Engineering Inc.	Taiwan	Engineering technical service	742,866	-	24,762,252	99.05	414,927	103,116	101,299	A second-tier subsidiary
CTCI Smart Engineering Corp.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	7,354	7,354	656,360	9.24	23,345	56,472	5,218	A second-tier subsidiary
CTCI Resources Engineering Inc.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	7,354	7,354	656,360	9.24	22,613	56,472	5,220	A second-tier subsidiary
CTCI Singapore Pte. Ltd.	CTCI Netherlands B.V.	Netherlands	Engineers and other technical design and consultancy	11,274	11,274	300,000	100.00	30,693	(19,102)	(19,102)	A second-tier subsidiary
CTCI Engineering & Construction Sdn.Bhd.	CTCI Malaysia Sdn. Bhd.	Malaysia	Investment and planning of related engineering	1,357	1,357	150,000	20.00	32,948	(152,716)	(30,543)	A second-tier subsidiary
CTCI Malaysia Sdn. Bhd.	MIE Industrial Sdn. Bhd.	Malaysia	Equipment & Instrument, Procurement & Construction, Panel	185,537	185,537	28,000,000	28.00	172,364	(560,808)	(150,162)	An investee under equity method
Sumber Mampu Sdn. Bhd.	CTCI Malaysia Sdn. Bhd.	Malaysia	Investment and planning of related engineering	5,428	5,428	600,000	80.00	131,794	(152,716)	(122,173)	A second-tier subsidiary

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2020' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2020' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognized by the Company for the year ended December 31, 2020' column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

Table 10

CTCI Corporation and its subsidiaries
Information on investees (in Mainland China)
For the year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the yaer ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee for the yaer ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2020 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
				as of January 1, 2020	Remitted to Mainland China	Remitted back to Taiwan							
CTCI Beijing Co., Ltd.	Design, survey, construction and inspection of various engineering and construction projects, plants, machinery and equipment, and environmental protection projects	\$ 433,473	2	\$ 313,998	\$ -	\$ -	\$ 313,998	\$ 547,658	100.00	\$ 547,658	\$ 2,470,263	\$ 534,482	Note3
CTCI Shanghai Co., Ltd.	Design, survey, construction and inspection of various engineering and construction projects	592,787	2	-	-	-	-	25,135	100.00	25,135	543,317	23,530	Note7
CTCI Advanced Systems Shanghai Inc.	Computer technology services	21,863	2	21,863	-	-	21,863	5,339	48.72	2,601	45,203	-	Note4
ECOVE Environment Consulting Corp.	Technical development, advisory and service in environmental field;environmental pollution control equipment and related parts wholesale, import and export, etc.	4,147	1	4,147	-	-	4,147	6,616	55.75	9,807	12,705	33,286	-
FuJian Gulie Petrochemical Co., Ltd.	Operating in manufacturing and selling of ethylene and others	30,344,536	2	408,108	504,206	-	912,314	-	4.37	-	912,314	-	Note5
CTCI Trading Shanghai Co., Ltd.	General trade	23,748	2	-	-	-	- (	3,342)	100.00 (	3,342)	24,834	-	Note6

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	
CTCI Corp.	\$ 1,252,322	\$	1,627,287	\$	9,496,534

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: In the Investment income (loss) recognized by the Company for the year ended December 31, 2020 column:

- (1) FuJian Galie Petrochemical Co., Ltd. did not accrue investment income or loss since it was still in preparation.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A.The financial statements were audited and attested by international accounting firms which are in collaborative relationships with accounting firms in R.O.C.
 - B.The financial statements were audited and attested by R.O.C. parent company's CPA.
 - C.Others.

Note 3: Invested by CTCI Overseas Co., Ltd.

Note 4: Invested by Century Ahead Ltd.

Note 5: Invested in Dynamic Ever Investments Limited through Ever Victory Global Limited.

Note 6: Invested by CTCI Shanghai Co., Ltd.

Note 7: Invested by CTCI Beijing Co., Ltd.

CTCI Corporation and its subsidiaries
Major shareholders information
For the year ended December 31, 2020

Table 11

Name of major shareholders	Shares		
	Total shares owned (common shares)	Total shares owned (preference shares)	Ownership percentage
CTBC BANK CO., LTD. (CTCI Corporation Employee Stock Ownership Trust)	63,315,958	-	8.29%
CTCI Foundation	60,862,051	-	7.97%
Fubon Life Insurance Co., Ltd.	60,129,000	-	7.87%

Note 1: (1) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.

(2) If the aforementioned data contains shares which were held in trust by the shareholders, the data was disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio include the self-owned shares and shares held in trust, at the same time, the shareholder who has the power to decide how to allocate the trust assets. For the information on reported share equity of insider, please refer to Market Observation Post System.

CTCI CORPORATION
DETAILS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 1

Item	Summary	Amount
Cash on hand and petty cash		\$ 13,151
Bank deposits :		
Checking accounts		1,256
Demand deposits		
—USD	USD \$ 11,199 rate 28.0970	314,658
—EUR	EUR 5,339 rate 34.5312	184,370
—JPY	JPY 526,526 rate 0.2723	143,373
—SGD	SGD 949 rate 21.2478	20,164
—CNY	CNY 7,166 rate 4.3201	30,958
—THB	THB 5,139 rate 0.9386	4,823
—NTD		3,439,515
—OTHERS		134,572
		\$ 4,272,433
Time deposits		
—NTD		1,811,200
		\$ 6,098,040

CTCI CORPORATION
DETAILS OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 2

Financial Commodities	Number of Shares/Units	Par value (in dollars)	Amount	Cost	Fair Value		Note
					Price (in dollars)	Amount	
Mutual funds							
Fuh Hwa Heirloom No. 2 Balance Fund	1,919,662	\$ 41.67	\$ 80,000	\$ 80,000	\$ 43.87	\$ 84,212	
Allianz Global Investors Income and Growth Fund	4,939,076	12.15	60,000	60,000	13.11	64,751	
Allianz Global Investors Taiwan Intelligence Trends Fund	876,653	57.04	50,000	50,000	61.03	53,502	
Fuh Hwa Global Thematic	2,937,746	30.64	90,000	90,000	33.89	99,560	
Allianz Global Investors Taiwan Technology Fund	511,236	78.24	40,000	40,000	87.78	44,876	
Fuh Hwa Global IoT and Tech Fund	3,469,417	20.18	70,000	70,000	22.47	77,958	
Fuh Hwa China New Economy A Shares Eq	6,623,946	13.59	90,000	90,000	14.62	96,842	
Taishin 1699 Money Market Fund	51,307,828	13.64	700,000	700,000	13.65	700,142	
Capital Money Market Fund	49,375,354	16.26	803,038	803,038	16.27	803,110	
Subtotal				1,983,038		2,024,953	
Valuation adjustment				41,915		-	
Derivative instruments				99,464		99,464	
Total				\$ 2,124,417		\$ 2,124,417	

CTCI CORPORATION
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 3

Client Name	Amount	Note
Client:		
GCGV Asset Holding LLC	\$ 905,926	
Taiwan Power Company Nuclear & Thermal	770,018	
Hsin Dar Environment Corp.	260,921	
Van Phong Company Limited	120,787	
General Electric Global Services Gmbh, Taiwan Branch (switzerland)	98,698	
Others	189,611	Each individual customer balance did not exceed 5% of the account balance
	2,345,961	
Less : Allowance for bad debts	(301)	
	\$ 2,345,660	

CTCI CORPORATION
DETAILS OF CONSTRUCTION IN PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 4

Project No.	Balance at January 1, 2020	Cost	Project (loss) gain	Completed and roll-out	Balance at December 31, 2020
11 0789A	\$ 40,846,629	\$ 189,777	(\$ 119,471)	\$ -	\$ 40,916,935
08 1305	26,169,014	456	217	-	26,169,687
12 1000A	25,582,059	232,720	(12,724)	-	25,802,055
09 0001A	23,199,120	-	-	-	23,199,120
15 2200C	33,591,025	1,099,983	(90,120)	-	34,600,888
13 1500A	20,595,835	(5,240)	150,499	-	20,741,094
14 1758E	17,827,467	149,048	(204,641)	-	17,771,874
14 1717A	10,435,437	12,833	(47,842)	-	10,400,428
11 0570A	10,202,176	(2,272)	56,596	-	10,256,500
04VKX0088A	5,322,858	(905)	101,838	-	5,423,791
13 1336C	4,441,804	(16,082)	(162,935)	-	4,262,787
13 1515A	4,145,359	(64,628)	78,106	-	4,158,837
11 0845A	3,904,776	116	(152)	-	3,904,740
12 0888A	3,873,478	12,222	3,506	-	3,889,206
97 2262	3,208,287	-	-	-	3,208,287
10 0542A	3,006,606	46,831	10,612	-	3,064,049
06 1165	3,428,648	381,155	497	-	3,810,300
14 1788S	3,017,727	9,565	(9,565)	-	3,017,727
12 0977A	2,953,101	5	232	-	2,953,338
15 1988A	2,695,616	13,046	(6,512)	-	2,702,150
14 1787A	2,032,361	(47,484)	72,443	-	2,057,320
11 0625A	2,329,184	18,128	(12,537)	-	2,334,775
16 2727A	2,206,868	10,015	(8,635)	-	2,208,248
18 3466E	6,451,700	268,545	(120,462)	-	6,599,783
13 1323B	3,114,954	-	-	-	3,114,954
18 3566A	2,566,825	4,004,303	195,596	-	6,766,724
18 3366C	2,526,745	3,055,036	1,112	-	5,582,893
17 3080A	2,519,850	49,445	(56,738)	-	2,512,557
12 1111A	2,382,505	(11,520)	11,520	-	2,382,505
15 2200A	2,191,630	34,095	195,371	-	2,421,096
14 1718A	1,990,764	5,644	66,949	-	2,063,357
15 2200B	1,797,158	167,044	241,524	-	2,205,726
16 2660D	1,904,062	130,085	140,503	-	2,174,650
18 3567A	761,738	2,078,737	66,136	-	2,906,611
18 3688A	575,490	1,833,900	217,713	-	2,627,103
Others	4,191,077	10,685,178	775,360	(1,455,423)	14,196,192
	<u>\$ 287,989,933</u>	<u>\$ 24,339,781</u>	<u>\$ 1,533,996</u>	<u>(\$ 1,455,423)</u>	<u>\$ 312,408,287</u>
				Shown as contract assets	<u>\$ 250,120,904</u>
				Shown as deduction item to contract liabilities	<u>\$ 62,287,383</u>

CTCI CORPORATION
DETAILS OF INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 5

Name	Balance at January 1, 2020		Additions (Reductions)		Investment income (loss) gain	Balance at December 31, 2020				
	Number of Shares	Amount	Number of Shares	Amount		Number of Shares	Ownership	Amount	Fair value	Collateral
CTCI Smart Engineering Corporation	59,098,624	(\$ 180,734)	-	\$ 11,178	(\$ 257,539)	59,098,624	97.09%	(\$ 427,095)	(\$ 427,095)	None
CTCI Resources Engineering Inc.	24,762,252	356,498	(24,762,252)	(374,741)	18,243	-	0.00%	-	-	"
CTCI Advanced Systems Inc.	11,444,842	275,823	1,009,619	(108,402)	53,817	12,454,461	46.02%	221,238	814,522	"
CTCI Development Corp.	198,324,591	2,833,287	86,074,585	765,545	134,472	284,399,176	100.00%	3,733,304	3,733,304	"
CTCI Investment Corp.	207,200,000	897,614	-	(9,988)	(75,222)	207,200,000	100.00%	812,404	812,404	"
ECOVE Environment Corp.	38,457,105	2,858,213	-	(449,844)	483,474	38,457,105	55.75%	2,891,843	8,422,107	"
CTCI (Thailand) Co., Ltd.	1,249,500	(426,042)	-	29,928	121,652	1,249,500	49.00%	(274,462)	(274,462)	"
CTCI Machinery Corp.	20,000,000	541,534	-	12,106	114,886	20,000,000	100.00%	668,526	668,526	"
Sinogal-Waste Service Corp.	-	87,180	-	(83,791)	63,858	-	30.00%	67,247	67,247	"
CTCI Singapore Pte. Ltd.	5,100,000	(1,108,475)	-	60,266	(64,160)	5,100,000	100.00%	(1,112,369)	(1,112,369)	"
CTCI Overseas (BVI) Corp.	6,740,000	2,007,098	-	11,764	210,229	6,740,000	100.00%	2,229,091	2,229,091	"
CTCI Engineering & Construction Sdn. Bhd.	450,000	130,523	-	(5,944)	(200,352)	450,000	60.00%	(75,773)	(75,773)	"
CTCI CMCE JV SDN. BHD.	382,500	(48,181)	-	2,520	(2,080)	382,500	51.00%	(47,741)	(47,741)	"
CTCI Americas, Inc.	100,000	(11,046)	-	3,404	(57,082)	100,000	100.00%	(64,724)	(64,724)	"
CCJV P1 Engineering & Construction Sdn. Bhd.	247,500	(473,548)	-	25,720	(244,607)	247,500	99.00%	(692,435)	(692,435)	"
Pan Asia Corp.	19,639,509	197,079	-	49,715	24,275	19,639,509	17.16%	271,069	271,069	"
CTCI Arabia Ltd.	500	(571,812)	-	42,120	(71,573)	500	50.00%	(601,265)	(601,265)	"
CTCI - HDEC (Chungli) Corp.	25,500,000	242,153	-	-	(317)	25,500,000	51.00%	241,836	241,836	"
Blue Whale Water Technology Co., Ltd.	36,260,000	411,670	-	(36,260)	51,018	36,260,000	49.00%	426,428	426,428	"
EVER ECOVE Corp.	25,000,000	243,071	14,400,000	144,024	(3,126)	39,400,000	25.00%	383,969	383,969	"
HDEC-CTCI (Linhai) Corp.	20,250,000	210,840	14,249,250	135,002	38,743	34,499,250	24.63%	384,585	384,585	"
PT CTCI International Indonesia	-	-	341,700,000	68,337	(1,017)	341,700,000	67.00%	67,320	67,320	"
		<u>\$ 8,472,745</u>		<u>\$ 292,659</u>	<u>\$ 337,592</u>			<u>\$ 9,102,996</u>	<u>\$ 15,226,544</u>	

CTCI CORPORATION
DETAILS OF ACCOUNTS PAYABLE
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 6

Client Name	Amount	Note
Client:		
Mitsubishi Hitachi Power Systems, L	\$ 343,907	
Ru Jin Construction Co., Ltd.	226,667	
Infochamp Systems Corporation	198,925	
Organo Corporation	156,026	
Hwa Fong Constrution Co., Ltd.	147,234	
NIPPON STEEL ENGINEERING Co., Ltd.	129,449	
Hsing Sheng Engineering Co., Ltd.	126,674	
HuaDian Heavy Industries Co.,Ltd.	125,265	
Nippon Steel Chemical & Material Co., Ltd. Taipei Branch (Japan)	117,602	
Hantech Engineering Co., Ltd.	104,586	
Beijing Guodian Longyuan Environmental Engineering Co.,Ltd.	104,239	
		Each individual customer balance did not exceed 2% of the account balance
Others	3,387,834	
	<u>\$ 5,168,408</u>	

CTCI CORPORATION
DETAILS OF PARTIAL CONSTRUCTION BILLINGS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 7

Project No.	Balance at January 1, 2020	Additions (Reductions)	Completed and roll-out	Balance at December 31, 2020
11 0789A	\$ 38,983,590	\$ 1,075,361	\$ -	\$ 40,058,951
08 1305	26,169,687	-	-	26,169,687
12 1000A	23,943,830	675,059	-	24,618,889
09 0001A	23,199,120	-	-	23,199,120
15 2200C	31,353,043	3,169,433	-	34,522,476
13 1500A	19,542,707	786,280	-	20,328,987
14 1758E	17,701,779	-	-	17,701,779
14 1717A	10,346,377	67,004	-	10,413,381
11 0570A	10,290,851	-	-	10,290,851
04VKX0088A	5,323,402	100,389	-	5,423,791
13 1336C	4,488,567	(258,055)	-	4,230,512
13 1515A	4,158,837	-	-	4,158,837
11 0845A	3,907,033	-	-	3,907,033
12 0888A	3,905,310	-	-	3,905,310
97 2262	3,208,286	-	-	3,208,286
10 0542A	3,064,049	-	-	3,064,049
06 1165C	3,012,074	-	-	3,012,074
14 1788S	3,017,790	-	-	3,017,790
12 0977A	2,953,338	-	-	2,953,338
15 1988A	2,714,370	-	-	2,714,370
14 1787A	2,014,226	42,516	-	2,056,742
11 0625A	2,062,067	-	-	2,062,067
16 2727A	2,208,272	-	-	2,208,272
18 3466E	8,186,362	(423,439)	-	7,762,923
18 3366C	3,254,577	1,516,479	-	4,771,056
13 1323B	3,101,474	11,100	-	3,112,574
18 3566A	2,456,904	1,249,297	-	3,706,201
17 3080A	2,417,956	47,292	-	2,465,248
15 2200A	2,416,835	413	-	2,417,248
12 1111A	2,382,505	-	-	2,382,505
15 2200B	2,032,502	101,224	-	2,133,726
14 1718A	2,015,901	66,948	-	2,082,849
Others	7,482,949	19,846,427	(1,455,423)	25,873,953
	<u>\$ 283,316,570</u>	<u>\$ 28,073,728</u>	<u>(\$ 1,455,423)</u>	<u>\$ 309,934,875</u>
			Shown as contract liabilities	<u>\$ 71,538,284</u>
			Shown as deduction item to contract assets	<u>\$ 238,396,591</u>

CTCI CORPORATION
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 8

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Refining and petrochemical project		\$ 13,512,003	
Basic construction		8,649,782	
Resources environmental		3,556,897	
Others		155,088	
		<u>\$ 25,873,770</u>	

CTCI CORPORATION
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 9

Item	Summary	Amount
Balance at January 1, 2020		\$ -
Add : Purchasing		9,546,375
Less : Transferred to indirect materials		(2,222)
Balance at December 31, 2020		<u>-</u>
Consumption materials		9,544,153
Consumption indirect materials		2,222
Direct labor		2,014,317
Manufacturing expenses		1,834,988
Subcontract costs		<u>11,026,232</u>
Input costs		24,421,912
Estimated project loss at January 1, 2020		(111,460)
Estimated project loss at December 31, 2020		<u>29,329</u>
Operating costs		<u><u>24,339,781</u></u>

CTCI CORPORATION
DETAILS OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 10

Item	Summary	Amount
Indirect labor		\$ 543,711
Life insurance		216,365
General insurance		51,319
Professional service fee		66,465
Rental expenses		80,881
Travelling expenses		174,294
Finance costs		132,552
Pension		113,700
Amortizations		121,412
Taxes		35,963
Meals expenses		62,606
Employee benefits		36,410
Depreciation		333,294
Utilities expenses		37,604
Repairs and maintenance expenses		10,750
Postage expenses		14,871
Apportion of office		23,441
Photocopier expenses		13,239
Other expenses		(233,889)
		<u>\$ 1,834,988</u>

CTCI CORPORATION
DETAILS OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 11

Item	General and administrative expenses	Research and development expenses	Total
Payroll expenses	\$ 416,785	\$ 71,787	\$ 438,207
Pension	17,158	3,311	20,469
Rental expenses	866	(95)	771
Office supplies expenses	856	9	865
Travelling expenses	10,499	177	10,676
Utilities expenses	1,422	394	1,816
Entertainment expenses	4,192	50	4,242
Donation expenses (Note)	12,890	17	12,907
Depreciation	34,787	9,652	44,439
Amortizations	4,427	-	4,427
Employee benefits	2,914	1,018	3,932
Professional service fees	44,146	-	44,146
Office miscellaneous expenses	2,655	843	3,498
Meals expenses	4,972	1,788	6,760
Life insurance	28,292	5,287	33,579
Training fee	1,496	389	1,885
Postage expenses	1,810	54	1,864
Advertising fee	508	-	508
Miscellaneous expenses	185,879	5,756	242,000
	<u>\$ 776,554</u>	<u>\$ 100,437</u>	<u>\$ 876,991</u>

Note 1: In March, 2020, the Company contributed \$12,000 cash to CTCI Education Foundation.



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