



中鼎工程股份有限公司
CTCI Corporation

2022 Annual Report

Stock Code: 9933

Taiwan Stock Exchange Market

Observation Post System:

<http://mops.twse.com.tw>

Printed on April 2, 2023

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.

n Spokesperson

Name: Todd Chen
Title: President
Tel: 886-2-2833-9999 ext. 10095
E-mail: ir@ctci.com

n Deputy Spokesperson

Name: T.C. Li
Title: Senior Vice President
Tel: 886-2-2833-9999 ext. 10099
E-mail: ir@ctci.com

n Headquarters

Address: No. 89, Sec. 6, Zhongshan North Rd., Taipei, Taiwan
Tel: 886-2-2833-9999

n Branches

CTCI Corporation Abu Dhabi Branch
Address: Shaikh Sultan Bin Srouf Al Dhaheri Building, Al Salam Street, Abu Dhabi
Tel: 971-2671-1572

CTCI Corporation Qatar Branch
Address: Office No.6, 1st Floor, Al-Emadi Business Centre, C-Ring Road, Doha City, State of Qatar P.O. Box: 30261
Tel: 974-4451-7383

CTCI Corporation Italy Branch

Address: Piazza Tre Torri n.2, 20145 Milano, Italy

Tel: 39-02-9160-5382

n **Stock Transfer Agent**

KGI Securities Co. Ltd.

Address: 5th Fl., No.2, Sec. 1, Chung Ching South Rd., Taipei, Taiwan

Website: <http://www.kgiworld.com.tw>

Tel: 886-2-2389-2999

n **Auditors**

PriceWaterHouseCoopers

Auditors: Shih-Jung Weng, Yi-Fan Lin

Address: 27th Fl., No.333, Sec. 1, Keelung Rd., Taipei, Taiwan

Website: <http://www.pwc.tw>

Tel: 886-2-2729-6666

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

None.

n **Corporate Website**

<http://www.ctci.com>

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I. Letter to Shareholders

Being an inseparable part of the human civilization, engineering construction is a driving force behind the progress we see in every epoch. It brings people's lives more convenient, and leads us towards sustainable development. Different periods of engineering construction have their own significance and CTCI Group is honored to play a key role in promoting Taiwan's economic growth and contributing to global construction development.

In recent years, the world has faced immense impact and challenges in terms of economic growth and sustainable business operations due to numerous black swan events, such as climate change, the Covid pandemic, rising inflation, and the war in Ukraine. Yet such events have also brought many new inspirations and business opportunities. In 2022, CTCI Group successfully seized the trend, actively expanded its business, continued to build various engineering projects worldwide. Thanks to the efforts from CTCI global staff, we have again delivered outstanding results. Consolidated Group revenue and Group backlog unprecedentedly reached TWD 95.1 billion and TWD 328.9 billion, respectively. Group contract value remained at a high level of TWD 102.5 billion. At the same time, CTCI received recognitions from key business rankings, including: Remained No.1 in the contractor category among the top 650 enterprises in Taiwan's service sector, ranked by *CommonWealth Magazine*; and jumping to the 60th place in the International Contractor rankings by *Engineering News-Record*.

Going forward, CTCI will strategically expand its business fields, keep developing technologies, actively strive for zero emission business opportunities, and accelerate our vision to become "the Most Reliable Global Engineering Services Provider." Below is a summary of our recent operational performance and prospects.

I. Businesses layout and performance

- **Hydrocarbon and petrochemical:** CTCI has over four decades experience in the hydrocarbon and petrochemical EPC (engineering, procurement, and construction) industry, having completed numerous major projects globally. Our recent success includes: 1.1 million KTA mono-ethylene glycol plant EPC project for US Gulf Coast Growth Ventures; record-breaking 77 million safe man-hours in Oman's LPIC EPC 1 project; and the world's largest ethylene plant EPC project (ongoing), part of Qatar Ras Laffan Petrochemicals Project.
- **Energy with low-carbon emissions:** As an enterprise attentive to the business opportunities from global energy transition, CTCI remains the only firm in Taiwan capable of handling "gas-fired power plants" and "LNG receiving terminal" EPC projects. With a 74% market share in gas-fired power plants in Taiwan, CTCI helps generate cleaner electricity with lower carbon emissions by applying green technology. Recent success includes Taichung, Hsingta, and Senba Phase II gas-fired power plants, and the Taoyuan Guantang LNG Third Receiving Terminal (all ongoing projects).
- **Renewable energy:** CTCI Group takes part in the construction and investment of renewable energy infrastructures to help reduce carbon emissions and reach net zero emissions. Currently, CTCI Group owns more than one hundred solar power farms, all with 100% stake ownership and rights of operation, in Taiwan and New Jersey, USA. Total invested and developed capacity reaches 154MW. Meanwhile, CTCI helps maintain and operate 476MW capacity of solar farms. CTCI is keeping a close eye on the business opportunities that may arise from a liberalized power market, such as becoming an electricity seller. CTCI has also made a contribution to the localization of offshore wind foundations industry by undertaking numerous pin pile and transition pieces fabrication projects, which have a total of 1,140MW installed capacity.
- **Water resources:** CTCI helps clients meet their growing water demands by offering wastewater treatment and reuse solutions ranging from industrial wastewater, urban sewage, and wastewater from the high-tech electronics industry. Recent success includes the TSMC Southern Taiwan Science Park Water Reclamation Plant, which is the world's first wastewater reclamation plant that regenerates industrial wastewater and reuses it for the semiconductor process. CTCI is responsible for the plant's investment, design, construction, and 20-year operation. Being a milestone in terms of water reuse and circulation, the plant adopts innovative technologies and advanced bio treatment procedures to reduce pollution loading, lower energy attrition and the amount of sludge. Additional benefits include saving energy, lowering carbon emissions, and reducing secondary pollution. Other CTCI successes in this field include Taoyuan North District Water Resource Center, the first water reclamation plant in northern Taiwan, as well as Chungli sewerage system in Taoyuan.

- **Waste management:** Over two-thirds of energy-from-waste (EfW) plants in current operation across Taiwan have seen some degree of CTCI contribution. Today, CTCI operates nine large-scale and urban EfW plants in Taiwan and two in Macau, effectively helping local governments and clients tackle waste issues. Recent success includes: Hsichou and Gangshan EfW plant upgrades, Taoyuan Biomass Energy Center; and Changbin Resource Treatment Center (ongoing project). Once Changbin Resource Treatment Center begins commercial operation, CTCI Group will be able to extend its waste management business downstream to final disposal, becoming the only company in Taiwan capable of offering one-stop services in waste treatment, ranging from investment, development, EPC, operation and maintenance, waste management, waste collection, waste transportation, to final waste disposal.
- **Transportation:** CTCI has assisted in the construction of the green transportation system Mass Rapid Transit (MRT), with expertise in mechanical and electrical systems and rail engineering technology. CTCI has been involved in Taiwan's MRT projects since the very beginning, the Muzha Line. Subsequently, CTCI has undertaken works for the Nangang Banqiao Line, Tucheng Extension Line, Xinzhuang Luzhou Line, Xinyi Songshan Line, Taichung MRT, and Kaohsiung Orange lines. Currently, CTCI is constructing Taipei MRT's Wanda Line and Circular Line. CTCI has also expanded its business overseas, participating in and completing Singapore's Downtown Line Stage 3, Thomson-East Coast Line Stages 1-3, and the Gali Batu Depot Expansion. Having brought a safe and comfortable transportation for local residents, CTCI was commended by the Singapore government.
- **Advanced technologies:** In 2020, CTCI established its Advanced Technology Facility Business Operations, or ATFBO, to serve the advanced technology industry. As of 2022, more than NT\$60 billion in contract value has come from the advanced technology sector. Recent achievements include: EPC projects in Arizona, USA for a leading Taiwanese semiconductor company and its supply chain manufacturers; EPC project for a major DRAM company; and EPC project for a major data center company.
- **Power storage:** CTCI has set its track record in energy storage, a field that is associated with electric vehicle opportunities and ESG (environment, social, and governance), by successfully completing solid-state battery life cycle assessment for ProLogium Technology; a battery factory for Molie Quantum Energy, which is part of Taiwan Cement's business portfolio; and a lithium battery factory in Kaohsiung's Hefa Industrial Park.

II. Technology development and refinement

As technologies such as internet of things (IoT), AI, and robotics have matured in recent years, CTCI continuously enhances advantages in intelligent and digital development, upgrading technologies and strengthening its capabilities. Recent achievements are summarized below.

1. From iEPC to digital twin

CTCI has long been developing an intelligent EPC (iEPC) platform and technologies for “digital twin” applications. Not only does it incorporate cloud-native thinking, which allows users to log in and use it anytime, anywhere, but it also leverages the advantages of engineering-native thinking. While constructing physical factories, 3D virtual factories are simultaneously built, and data is collected in sync with project execution. When delivering the physical factory upon completion, the “Digital Handover” virtual factory is also synchronized, which is intuitive and easy to operate without the need for setup or installation, enabling customers to quickly access relevant engineering information. In the future, existing intelligent systems will be integrated to provide customers with value-added “Digital O&M” services, making data collection, analysis, as well as factory operation and maintenance more convenient.

2. Development and application for robotics and new technologies

- RPA (Robotic Process Automation): CTCI applies RPA in data digitalization during project implementations, thus enabling staff to focus productivity on creative tasks, freed from dull, repetitive work elements. The advanced data digitalization helped CTCI to create more values. Additionally, CTCI promotes smart management tools with an aim to further strengthen the advantages brought by intelligent, digital solutions. Benefitted from automation, digitalization, and connection of systems, repetitive labor works will be minimized to bring room for those that require creativity and with more values. The Group has thus to go one step ahead for providing value-added services.
- Robots: CTCI is making constant efforts to develop new robotics technologies and applications; one recent example being the “pipeline cleaning robot” that has been successfully applied on-site in project sites. Currently, we are working on the version 2.0 of the pipeline cleaning robot, with functions further refined. Another prime example is the “piping flange management robot” which is now in the testing phase. The piping flange management robot is able to perform quick pipe flange connecting, and make digital marks.

- **Modular technology:** The concept of modularization is to bring systematic integration to the work items which are originally intended to be installed at job sites by design, categorize them as module components—as building blocks— and have them fabricated separately. This shortens project duration, as fabrication, assembly, and testing of process modules can be performed in parallel with on-site activities. Other benefits include better quality control, more efficient use of materials, reduced safety risks, fewer field crew, and reduced susceptibility to harsh weather conditions. This technology helps to enhance the competitive edge for CTCI in terms of contracting different types of projects.

III. Striving for net zero opportunities and ensuring the Earth's sustainability

As the world is making efforts to achieve net zero emissions, CTCI is staying on top of the trend and actively dedicating to the development in environmental, social, and governance (ESG) with its engineering competency as a "Guardian of the Earth's Sustainability." Through making investments in developing green engineering projects, company-wide ESG concept internalization, and net-zero EPC engineering services, we made bright business records, and hope to make continued progress during the process of achieving a transition towards net zero emissions.

1. Creating green projects

Actively realizing the vision of "net-zero EPC," CTCI utilizes green engineering that covers the three aspects: green technologies, green contracting, and green investment. Green technologies refer to technical solutions to energy conservation and carbon reduction needs of our client in the process of EPC projects. Green contracting refers to the execution of eco-friendly engineering projects. Take backlog of contracts as an example, the proportion of our low-carbon and green engineering projects has made a substantial increase of 396% from 2015 to 2022. Green investment refers to eco-friendly investment in the form of BOO or BOT. Our total green investment is now over TWD 40 billion, while green loans received from banks have reached TWD 7 billion.

2. Internalization of ESG Sustainability for All Employees

Under the global sustainability trends, industries are no longer merely committed to EPS performance, they also make active investment in ESG. As a leading engineering company in Taiwan, CTCI takes responsibility for driving the industry towards sustainability. Internally, CTCI promotes ESG to all employees. We link business operations with sustainable goals, strengthen employees' identification with sustainable concepts, and internalize ESG into daily work to become part of CTCI's DNA. Externally, CTCI participates in the "Taiwan Alliance for Net Zero Emission" and the "Taiwan Net Zero Emissions Association. By joining the "Science-Based Targets Initiative" (SBTi), we set carbon reduction targets, and plan a "Sustainable Zero Emissions Strategy Blueprint" to steadily achieve the goal of zero emissions for offices by 2030 and project sites by 2050.

3. Providing "net-zero EPC" value-added engineering services

CTCI's innovative sustainability-dedicated engineering technologies help our clients to achieve digital transformation; it's ultimate goal is to provide value-added "net-zero EPC" engineering services, to further our actions towards net zero emission. With "net-zero EPC" projects, we at CTCI hope to put green engineering technologies to good use in delivering engineering, procurement, and construction (EPC) projects and join hands with global supply chain partners to offer energy saving and carbon reducing solutions to clients. For this aim, CTCI holds "net-zero EPC excellence meeting" every month to invite for proposals that will contribute to net-zero EPC project services; the proposed solutions have been applied in projects we implemented worldwide.

4. Recognitions and honors for ESG performance

CTCI's efforts in ESG has not only been recognized by colleagues, but also achieved a high level of ESG recognition of 78% in an employee engagement survey commissioned by a third-party organization, achieving top score. This demonstrates the effectiveness of internalizing sustainability. The top recognitions that CTCI has received from institutions in Taiwan and abroad for its ESG performances include: scoring Top 1% in the *Sustainability Yearbook 2023* according to S&P Global's ESG score information; being selected as a constituent stock of Dow Jones Sustainability Index in Emerging Markets category for eight consecutive years (with the highest score among global peers in the construction & engineering industry in recent two years);

listed by MSCI ESG Indexes; ranked among top 5% of the Corporate Governance Evaluation by the Financial Supervisory Commission for seven times; partook in CDP (carbon disclosure project); selected as the Top 10 Domestic Companies Sustainability Model Award of Taiwan Corporate Sustainability Awards (TCSA) for 6 consecutive years; listed by TWSI (Taiwan Sustainability Index) as a component; obtained the Excellence in Corporate Social Responsibility Award by the *CommonWealth Magazine*; CSR & ESG Award by *Global Views Monthly*; clinches Taiwan Circular Economy Hero Award; and recognized with the "Diversity for Better Tomorrow Awards" for superior performance in diversity, equity, and inclusion (DEI).

Looking to the future, CTCI Group promises to continue to provide faster, better, and more sustainable engineering services to global customers with the brand spirit of "Most Reliable." On the road to sustainable development, CTCI will work with the industry as the "guardian of the Earth's sustainability" to strive for a more eco-friendly Earth and guard the world!

We wish you good health and prosperity.

Sincerely,

A handwritten signature in black ink that reads "Michael Yang". The script is fluid and cursive, with the first letters of "Michael" and "Yang" being capitalized and prominent.

Michael Yang
Chairman

II. Company Profile

2.1 Date of Incorporation: April 6, 1979

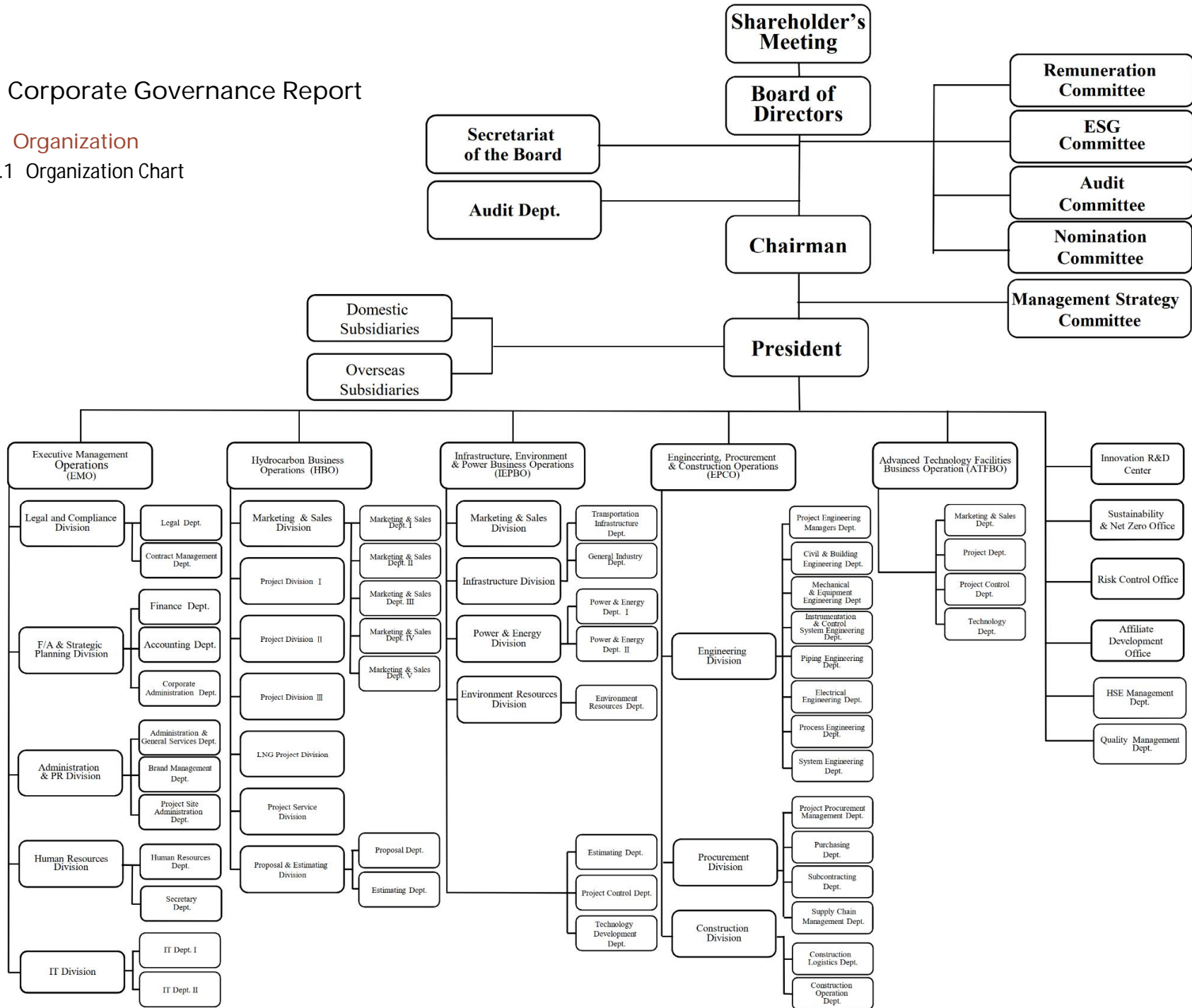
2.2 Company History

2022.05	CTCI, CTCI Advanced Systems and ECOVE Environment finished as Top 5% in the "2021 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.
2022.05	In terms of the overall ranking in the Top 650 Service Enterprises by Common Wealth Magazine in 2022, CTCI ranked as 32 nd and retained Top 1 spot in the contractor sector for years in a row.
2022.09	CTCI group ranked the 76 th among "The International Design Firms", the 60 th among "The International Contractors" and the 139 th among "The Global Contractors" in the 2022 Engineering News-Record (ENR) Rankings. These three rankings have significantly improved.
2022.09	CTCI ranked the 22 nd in the large enterprise category in "Top 100 Performing Companies for Excellence in Corporate Social Responsibility" by Common Wealth Magazine in 2022.
2022.10	CTCI's 2 nd HQ Building Project won the highest honors in both "Planning and Design" and "Construction Quality" categories of the 24 th "National Golden Award for Architecture".
2022.11	CTCI bags Top 10 Domestic Companies Sustainability Model Award, Climate Leadership Awards, Supply Chain Management Awards, Growth Through Innovation Leadership Award and CTCI Advanced Systems wins the Top 100 Sustainability Model Award respectively in the 2022 Taiwan Corporate Sustainability Awards (TCSA), and continues to be the top winner in the engineering industry category. CTCI even won the Best Practice Award in Global Corporate Sustainability Awards (GCSA) this year.
2022.12	CTCI has been selected as Top 100 Companies with a "Carbon Competitive Edge" by Business Weekly in 2022.
2022.12	CTCI selected as a member of the Dow Jones Sustainability Index (DJSI) component for 8 years in a row, ranks the top place in the Engineering & Construction Industry category, sustaining its position as an industry leader in Taiwan.

III. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Tasks of principal divisions

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 assisting the board of directors and the management in inspecting and reviewing the operating effectiveness of the internal control system, providing timely improvement recommendations, and following up the results.
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.
	Sustainability & Net Zero Office	Responsible for the formulation of overall and long-term sustainability and net zero strategies. ESG Task Force has set up three groups, namely the Social Participation Group, the Environmental Protection Group, and the Operation & Governance Group. It makes overall planning on the control and accountability of five major fields: policy, system, engagement, disclosure, and progress. It keeps track of the progress and effectiveness through Group meetings, and reports them annually to the Board of Directors.
	Risk Control Office	Responsible for coordinating and promoting risk management and control operations, including the establishment of risk management mechanisms and cultures, supervising regularly risk management operations and conducting risk audits, participating in the treatment and prevention of emergency risk events, etc.; and supervising risk management and control operations of affiliate.
	Affiliate Development Office	Responsible for counseling affiliates to assist in formulating development strategies, routinely reviewing their operating conditions, establishing a systematic management mechanism, and reviewing and identifying abnormal or lagging indicators and difficulties found in daily operations through the professional guidance of functional departments at the headquarters Improve direction.

Department		Operations & Functions
	Research and Innovation Center	Responsible for applying innovative technology, developing intelligent platform and researching new operating technology.
Engineering Procurement Construction Operations (EPCO)	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.
	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.
Executive Management Operations (EMO)	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 and 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.

Department		Operations & Functions
	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.
	Brand Management Dept.	Responsible for establishing a structure for branding management of the Group, developing/promoting brand management strategies, and organizing external brand marketing related campaigns.
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.

Department		Operations & Functions
	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.
	Environment Resources Division	Responsible for executing the projects about coal-fired power plants, desulfuration and De-NOx.
Advanced Technology Facilities Business Operation (ATFBO)	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

April 2nd, 2023

Title	Nationality	Name	Gender Age	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 51-60	May 28, 2020	3	Feb. 8, 2002 (Mar. 7, 2016)	912,170	0.11	912,170 (1,036,467)	0.11 (0.13)	407,200	0.05	0	0	Note 1	Note 2	None	None	None
Director	R.O.C.	John T. Yu (Rep. of CTCI Development Corporation)	Male 71-80	May 28, 2020	3	Feb. 8, 2002 (Feb. 9, 1999)	912,170	0.11	912,170 (851,521)	0.11 (0.11)	1,792,724	0.22	0	0	Note 3	Note 4	None	None	None
Director	R.O.C.	Quintin Wu	Male 71-80	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 71-80	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. USA	Yancey Hai	Male 71-80	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 61-70	May 28, 2020	3	May 28, 2020 (Jun. 28, 2017)	9,054,350	1.13	9,054,350 (0)	1.13 (0)	0	0	0	0	Note 12	Note 13	None	None	None
Director	R.O.C.	Paul Chen (Rep. of CTCI Foundation)	Male 61-70	May 28, 2020	3	Apr. 6, 1979 (Feb. 1, 2020)	60,862,051	7.59	60,862,051 (0)	7.59 (0)	140,000	0.02	0	0	Note 14	Note 15	None	None	None
Director	R.O.C.	Wenent Pan	Male 71-80	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

Title	Nationality	Name	Gender Age	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
Independent Director	R.O.C.	Yen-Shiang Shih	Male 71-80	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 71-80	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 71-80	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 61-70	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. / Chairman, CTCI USA Holding, Inc. / Director, MIE Industrial Sdn. Bhd. / Chairman, CTCI Engineering & Construction Sdn. Bhd. / Director, CTCI Foundation

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, 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, CEO and Chairperson of Strategy Steering Committee, Delta Electronics, Inc.

Note 11:

Chairman and Chairman of Delta ESG Committee, Delta Electronics, Inc. / Independent Director, Convener of Compensation Committee, Audit Committee Member and ESG Committee Member, USI Corporation / Independent Director, Audit and Risk Committee Member, Compensation and People Development Committee member and Nominating, Corporate Governance and Sustainability Committee Member, Taiwan Semiconductor Manufacturing Co., Ltd. / Director, Delta Electronics (Shanghai) Co., Ltd. / Director, Cyntec Co., Ltd. / Director, Delta Networks, Inc. / Director, Delta Electronics Capital Company / Senior Strategy consultant, Cloud Computing & IoT Association in Taiwan / Director, Taiwan Business Council for Sustainable Development / Director, Delta Electronic Foundation / Director, Felix Chang Foundation / Director and Finance Committee Member, Chiang Ching-kuo Foundation for International Scholarly Exchange / Chairman, Taiwan Climate Partnership

Note 12:

MBA, New York University, U.S.A / Vice Chairman, Taiwan Cement Corporation / Chairman, Chia Hsin Cement Corporation / Chairman, International CSRC Investment Holdings Co., Ltd. / Independent Director, Synnex Technology International Corporation / Managing Director, O-Bank Co., Ltd.

Note 13:

Chairman, Taiwan Cement Corporation (TCC) /Chairman, TCC International Holdings Ltd. / Chairman, Hong Kong Cement Manufacturing Co., Ltd. / Executive Chairman, NHOA S.A. / Innkeeper, L'Hotel de Chine Corporation / Director, Taiwan Stock Exchange Corporation

Note 14:

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

Note 15:

CEO, CTCI Foundation / Director, 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 / Honorable Chairman, Sustainable Circulation Economy Development Association / 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 / Vice 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:

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, DELTA Electronics, Inc. / Director, Yulon Motor Co., Ltd. / Director, Taiwan Capital Buffalo Fund Co., Ltd. / Director, Taiwan Capital Biotechnology Corporation

Major shareholders of the juristic-person director

April 02nd, 2023

Name of Juridical-Person Director	Major Shareholders of the Juristic-Person Director
CTCI Development Corporation	CTCI Corporation(100%)
Taiwan Cement Corporation (As of Jul. 27 th , 2022)	Chia Hsin Cement Corporation(3.56%)、Chinatrust Investment Co., Ltd.(3.13%)、Old Labor Pension Scheme Fund(1.80%)、Yuanta/P-shares Taiwan Dividend Plus ETF(1.78%)、Tong Yang Chia Hsin International Corporation(1.74%)、Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF(1.70%)、International CSRC Investment Holdings Co., Ltd.(1.69%)、Heng Qiang Investment Co., Ltd.(1.67%)、Taiwan Life Insurance Co., Ltd.(1.64%)、Department of Government Employees Insurance, Bank of Taiwan(1.46%)
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

April 02nd, 2023

Name of Juridical-Person Director	Major Juridical Shareholders of Juridical-Person Director	Major Shareholders of the Juridical Shareholders of the Juristic-Person Director
CTCI Development Corporation	CTCI Corporation	CTCI Foundation (7.59%)、Fubon Life Insurance Co., Ltd. (7.25%)、CTBC BANK Co., Ltd. (CTCI Corporation Employee Stock Ownership Trust) (6.28%)、CTBC BANK Co., Ltd. (Sustainability Employee Stock Ownership Trust)(5.84%)、BANK SINOPAC Co, Ltd. (Reliable Employee Stock Ownership Trust)(2.90%)、USI Corporation(1.89%)、Asia Polymer Corporation(1.80%)、Union Cement Traders Inc.(1.67%)、Norges Bank(1.51%)、Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds(1.24%)

Name of Juridical-Person Director	Major Juridical Shareholders of Juridical-Person Director	Major Shareholders of the Juridical Shareholders of the Juristic-Person Director
Taiwan Cement Corporation	Chia Hsin Cement Corporation (As of Jul. 27 th , 2022)	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.(2.23%)、Chai Hsin Foundation(1.92%)、International Chia Hsin Corporation(1.89%)、Guo-Huei Gu(1.74%)、Chia Hsin ReadyMixed Concrete Corporation(1.70%)
	Chinatrust Investment Co., Ltd. (As of Jul. 27 th , 2022)	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.(2.95%)、Chung Ho Textile Co., Ltd.(2.31%)、Ta-Ho Maritime Corporation(2.09%)
	Old Labor Pension Scheme Fund	N/A
	Yuanta/P-shares Taiwan Dividend Plus ETF	N/A
	Tong Yang Chia Hsin International Corporation (As of Jul. 27 th , 2022)	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%)
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	N/A

Name of Juridical-Person Director	Major Juridical Shareholders of Juridical-Person Director	Major Shareholders of the Juridical Shareholders of the Juristic-Person Director
Taiwan Cement Corporation	International CSRC Investment Holdings Co., Ltd. (As of Jul. 27 th , 2022)	Taiwan Cement Corporation(15.59%)、Chinatrust Investment Co., Ltd.(6.89%)、TCC Investment Co., Ltd.(2.23%)、CS Development & Investment Co. (1.50%)、Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds (1.20%)、JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Fund (1.17%)、Union Cement Traders Inc. (1.16%)、Citibank (Taiwan) Ltd. in custody for Norges Bank(1.11%)、TransGlobe Life Insurance Inc.(1.02%)、Citi Bank (Taiwan) Ltd. in custody for the investment account of Poluning Development National Fund Co., Ltd.(0.82%)
	Heng Qiang Investment Co., Ltd. (As of Jul. 27 th , 2022)	Tian-Yi Huo、(49.50%)、Gung-Kai Koo(24.90%)、Hsuan-Hui Koo(25.5995%)、Fu Pin Investment Co., Ltd. (0.0005%)
	Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd.(100%)
	Department of Government Employees Insurance, Bank of Taiwan	N/A
CTCI Foundation	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%)

Name of Juridical-Person Director	Major Juridical Shareholders of Juridical-Person Director	Major Shareholders of the Juridical Shareholders of the Juristic-Person Director
CTCI Foundation	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%) 、 Taiwan Cooperative Bank(4.00%) 、 Chunghwa Post Co., Ltd.(2.07%) 、 China Life Insurance Co., Ltd.(1.54%) 、 Paolyta Co., Ltd.(1.34%) 、 Bao Cang Da Investment Co., Ltd.(1.33%) 、 Hai Yang Investment Co., Ltd.(1.28%) 、 Financial Department, General Administration Division, Mega International Commercial Bank Co., Ltd.(1.26%) 、 Wei Chang Investment Co., Ltd.(1.16%) 、 Nanshan Life Insurance Co., Ltd.(1.13%)
	BES Engineering Corporation (Note)	China Petrochemical Development Corporation(10.74%) 、 Core Pacific Co., Ltd(2.24%) 、 Wen-Yang Lin(1.72%) 、 JP Morgan Securities PLC(1.43%) 、 Tony Development Industrials Co., Ltd.(1.39%) 、 Kuo Ching Investment Co., Ltd.(1.37%) 、 Vanguard Emerging Market Stock Index Fund Dedicated Account, managed by Vanguard Group, under custody of JP Morgan, Taipei Branch.(1.27%) 、 Chase Custody Advanced Starlight Advanced Aggregate International Stock Index(1.18%) 、 iShares Core MSCI Emerging Markets ETF(0.97%) 、 Sheen Chuen-Chi Culture & Educational Foundation(0.84%)
	Tatung Company (Note)	Rhode Investment Co., Ltd.(6.58%) 、 Tatung University(5.84%) 、 San Ya Investment Co., Ltd.(4.27%) 、 Capital Securities Corporation Broking Capital Securities /Futures(HK) Ltd- A/C Clients(3.66%) 、 Ou Chi Investment Co., Ltd.(3.48%) 、 Zhen-Long Wu(3.38%) 、 Wen-Yi Zheng(3.26%) 、 Xin-Tatung Investment Consulting Ltd.(2.23%) 、 Tong-Jyun Jiang(2.06%) 、 Bei Ji Investment Co., Ltd.(2.00%)

Name of Juridical-Person Director	Major Juridical Shareholders of Juridical-Person Director	Major Shareholders of the Juridical Shareholders of the Juristic-Person Director
CTCI Foundation	Taiwan Cement Corporation (As of Jul. 27 th , 2022)	Chia Hsin Cement Corporation(3.56%)、Chinatrust Investment Co., Ltd.(3.13%)、Old Labor Pension Scheme Fund(1.80%)、Yuanta/P-shares Taiwan Dividend Plus ETF(1.78%)、Tong Yang Chia Hsin International Corporation(1.74%)、Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF(1.70%)、International CSRC Investment Holdings Co., Ltd.(1.69)、Heng Qiang Investment Co., Ltd.(1.67)、Taiwan Life Insurance Co., Ltd.(1.64)、Department of Government Employees Insurance, Bank of Taiwan(1.46)
	Yulon Motor Co., Ltd. (Note)	Tai Yuen Textile Co., Ltd.(18.11%)、China Motor Corporation(16.67%)、Li-Lien Yen Chen(3.42%)、Li-Lien Yen Chen's daughter(3.39%)、Li-Lien Yen Chen's son(3.39%)、Fande Investment Co., Ltd.(1.72%)、Yen Ching-Ling's Foundation(1.09%)、New labor pension fund(0.92%)、J.P. Morgan Custodian Van Garde Emerging Markets Equity Index Fund Account(0.78%)、Citi Commercial Bank's investment account with the Central Bank of Norway(0.77%)
	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(1.50%)、Ming Chi University of Technology(1.43%)、New Labor Pension Fund(1.25%)
	China Man-Made Fiber Corporation (Note)	Pan Asia Chemical Corporation(15.51%)、Sheng Jen Knitted Textiles 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 Morgan Chase Taipei branch as a custodian for Vanguard Emerging Markets Stock Index Fund Investor Shares managed by the Vanguard Group(1.19%)、JP Morgan Chase Taipei branch as a custodian for Vanguard Emerging Markets Stock Index Fund Investor Shares managed by the Vanguard Group(1.04%)、Yu Hwei Technology Co., Ltd.(0.98%)、iShares Core MSCI Emerging Markets ETF(0.82%)、Deh Hsing Investment Co., Ltd.(0.69%)

Name of Juridical-Person Director	Major Juridical Shareholders of Juridical-Person Director	Major Shareholders of the Juridical Shareholders of the Juristic-Person Director
CTCI Foundation	Asia Cement Corporation (Note)	Far Eastern New Century Corporation(21.17%)、Far Eastern Medical Foundation(5.12%)、Yuanta/P-shares Taiwan Dividend Plus ETF(3.75%)、China Life Insurance Co., Ltd.(2.38%)、Mega International Commercial Bank Co., Ltd. Treasury Department(1.68%)、Labor Pension Fund Committee of Far Eastern New Century Corporation(1.63%)、Yuan Ding Investment Company(1.53%)、Far Eastern Department Stores Co., Ltd.(1.41%)、Yuan-Ze University(1.34%)、Far Eastern Memorial Foundation(1.24%)
	SESODA Corporation (Note)	Zhengbang Investment Co., Ltd.(6.46%)、Ying-Piao Chu (5.08%)、Zhifu Investment Co., Ltd.(4.74%)、Forbson International Co., Ltd.(3.10%)、CTBC Bank in custody for Masterlink Securities (Hong Kong) Co., Ltd. special account(2.41%)、San De International Investment Co., Ltd.(2.17%)、J.P. Morgan Securities Ltd.(2.03%)、Yalan Investment Consulting Co., Ltd.(1.76%)、Chung-Li Wu(1.72%)、Mr. Zhong-Yae Wu Education Charity Foundation(1.66%)
	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, 2023.

A. Professional qualifications and independence analysis of directors

Criteria Name	Professional Qualifications and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Michael Yang	<p>1.Mr. Yang joined CTCI in 1991 and has held various domestic and foreign positions in construction, business, market development and projects. He served as the president in 2014 and the chairman since 2020. He has the professional ability of turnkey engineering in Hydrocarbon, Infrastructure, Environment, and Power industries and the leadership ability to lead the Company to be intelligent, internationalized and diversified.</p> <p>2.Not been a person of any conditions defined in Article 30 of the Company Law.</p>	NA	0
John T. Yu	<p>1.Mr. Yu joined CTCI as an engineer in 1979 and has been rising through the ranks ever since. He served as the president in 1998, the chairman in 2001, and the group chairman since 2016. He has served as the top leader of CTCI Group for more than 20 years, which is the period when the group has the fastest growth, the most difficult decision-making and the most complicated period. He led CTCI from a local engineering company to become the No.1 international turnkey engineering company in Taiwan. His all-round and successful leadership is self-evident.</p> <p>2.Not been a person of any conditions defined in Article 30 of the Company Law.</p>	NA	0

Criteria Name	Professional Qualifications and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Quintin Wu	<p>1.Mr. Wu has led USI Group for more than 40 years and is currently the chairman of the five listed companies in the petrochemical plastics and electronics industries of USI Group. Mr. Wu has a wealth of petrochemical plastics, semiconductors and electronics and other industries, and excellent leadership skills.</p> <p>2.Not been a person of any conditions defined in Article 30 of the Company Law.</p>	NA	0
Johnny Shih	<p>1.Mr. Shih joined the Far Eastern Group in 1974 and has held important positions in many companies under the Far Eastern Group. He is currently the vice chairman of Far Eastern New Century Corporation and Oriental Union Chemical Corporation, and the chairman of Everest Textile Company Limited. He has extensive experience in managing the Petrochemical and Energy, Polyester and Synthetic Fiber, Cement and Building Material, Retail and Department Store, Financial Service, and Communications and Internet.</p> <p>2.Not been a person of any conditions defined in Article 30 of the Company Act.</p>	NA	0

Criteria Name	Professional Qualifications and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yancey Hai	<p>1. Mr. Hai was the Country Manager of G.E. Capital in Taiwan and held important positions in many world-renowned international financial institutions. In 1999, with the background of a professional manager, he joined Delta Electronics, Inc. from the financial industry and entered the technology industry. He served as the Vice Chairman and CEO in 2004, and was elected as the Chairman in 2012. In addition to his financial expertise, his outstanding leadership skills have also been recognized internationally. He is the first Taiwanese business leader to receive the CNBC Asia Business Leader Award twice. In 2022, Mr. Yancey Hai was appointed Chairman of the Taiwan Climate Partnership to guide the ICT industry supply chain towards a net-zero carbon emissions future. Also in 2022, Mr. Yancey Hai was honored as a Laureate of the Industrial Technology Research Institute (ITRI).</p> <p>2. Not been a person of any conditions defined in Article 30 of the Company Act.</p>	NA	2
An-Ping Chang	<p>1. Mr. Chang has founded many companies such as EDS, CTBC Securities, LDC Hotels & Resorts, etc., and is currently the chairman of Taiwan Cement Corporation. The business map spans cement, software, Internet, securities, media, tourist hotels, environmental protection and energy industries, and the market is all over the world, accumulating more than 40 years of diversified and international industry experience.</p> <p>2. Not been a person of any conditions defined in Article 30 of the Company Act.</p>	NA	0

Criteria Name	Professional Qualifications and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Paul Chen	<p>1. Mr. Chen joined CPC in 1981 and served in various positions for 36 years. During this period, he served as the chairman of CAPCO, and as the president of CPC from 2013 to 2017. Later he served as the chairman of Kuo Kuang Power Co. and he is CEO of CTCI Foundation now. In addition to being a professional in energy and petrochemical fields, he also has rich planning experience, good cost control execution and excellent corporate management talents.</p> <p>2. Not been a person of any conditions defined in Article 30 of the Company Act.</p>	NA	0
Wenent Pan	<p>1. Dr. Pan earned his Ph.D. degree in Chemical Engineering in U.S. and worked at Monsanto Company. He returned from the United States in 1982 and joined CPC. He has held various positions. He served as president from 1996 to 2004, and chairman from 2006 to 2009. He also served as chairman of Gintech Energy Corporation and Kuo Kuang Power Co., Ltd. Now he is Chairman of CTCI Foundation. In addition to majors in petroleum engineering, chemical engineering, process, chemical thermodynamics and petrochemical, etc., he also has unique insights in planning conception, strategy formulation, research and development, executive control, and leadership.</p> <p>2. Not been a person of any conditions defined in Article 30 of the Company Act.</p>	NA	3

Criteria Name	Professional Qualifications and Experiences	Independence Criteria		Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yen-Shiang Shih	<p>1.Mr. Shih joined the Ministry of Economic Affairs(MOEA) in 1986 and held various positions in the MOEA. He served as Minister of MOEA from 2009 to 2013. His long-term experience in serving in the public sector provides valuable advice on industrial development and policies, international finance and other aspects. Mr. Shih also served as a Professor and Chief of Chemical Engineering at National Taiwan University of Science and Technology from 1979 to 1986, and as a Chair Professor at Chung Yuan Christian University since 2013.</p> <p>2.Not been a person of any conditions defined in Article 30 of the Company Act.</p>	1.Whether the person, his/her spouse or relative within the second degree of kinship serve as a director/ a supervisor/ an employee of the Company or any of its affiliates?	No	1
		2.The number and proportion of the Company's share held by the person, his/her spouse or relative within the second degree of kinship (or in the name of others)?	0	
		3.Whether to serve as a director/ a supervisor/ an employee of a company that has a specific relationship with the Company?	No	
Frank Fan	<p>1.Mr. Fan served successively as Deputy General Manager of Taipei Rapid Transit Company, Commissioner of Department of Rapid Transit Systems of Taipei City Government, Deputy General Secretary of Taipei City Government, and Deputy County Magistrate of Taoyuan County Government. From 2008 to 2011, he served as Chairperson of Public Construction Commission. He has been committed to national infrastructure construction for a long time and has very rich experience in public construction.</p> <p>2.Not been a person of any conditions defined in Article 30 of the Company Act.</p>	4.The compensations received for providing the commercial, legal, financial, accounting or related services to the Company or any of its affiliates in the past 2 years?	0	0

Criteria Name	Professional Qualifications and Experiences	Independence Criteria		Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Evon Chen	<p>1. Ms. Chen has been a CPA since 1985, served as senior partner of PwC from 1988 to 2006, served as vice chairman from 1993 to 2006, and served as a lecturer in the Accounting Department of Soochow University from 1975 to 1998. Ms. Chen has more than 30 years' experience in financial accounting and expertise in corporate sustainability and risk management. She could provide valuable advice on company audit, financial and business analysis.</p> <p>2. Not been a person of any conditions defined in Article 30 of the Company Act.</p>	1. Whether the person, his/her spouse or relative within the second degree of kinship serve as a director/ a supervisor/ an employee of the Company or any of its affiliates?	No	0
		2. The number and proportion of the Company's share held by the person, his/her spouse or relative within the second degree of kinship (or in the name of others)?	0	
Jack Huang	<p>1. Mr. Huang is qualified as a lawyer in Taiwan and the United States. He was Partner/Attorney-at-Law of Jones Day Taipei Office from 1990 to 2019. He specializes in international investments, mergers and acquisitions, capital markets, joint ventures, technology licensing, technology enterprise representations, private equity and venture capital investments, infrastructure projects, and other corporate transactions. He is Special Advisor to the CEO of Yulon Group since 2020.</p> <p>2. Not been a person of any conditions defined in Article 30 of the Company Act.</p>	3. Whether to serve as a director/ a supervisor/ an employee of a company that has a specific relationship with the Company?	No	2
		4. The compensations received for providing the commercial, legal, financial, accounting or related services to the Company or any of its affiliates in the past 2 years?	0	

B. The diversity and independence of the Board of Directors:

(1) Diversity

a. The Company has established the diversification policy in article 20 of "Corporate Governance Principles" demands that the Board composition should be diverse, and that appropriate policies should be formed with regard to the Board's operations, operating dynamics and development needs, which includes but is not limited to the following two major aspects.

- I. Basic profile and value: Gender, age, nationality and culture.
- II. Professionalism and skills: Professional background (law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

All members of the Board should possess necessary knowledge, skills, and experience to perform their duties. To achieve the ideal goal of corporate governance, the following eight types of abilities are what we expect the Board of Directors to have:

- I. Ability to make operational judgments.
- II. Ability to perform accounting and financial analysis.
- III. Ability to conduct management administration.
- IV. Ability to conduct crisis management.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Ability to lead.
- VIII. Ability to make policy decisions.

b. The Company has established Nominating Committee, and its major job include establishing and developing the organizational structure of the board and each functional committee, laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the board, and nominating candidates for directors based on such standards.

c. According to corporate principles, among the 12 directors of CTCI's 15th board of directors, Chairman Michael Yang, Director John T. Yu, Director Quintin Wu, Director Johnny Shih, Director Yancey Hai, Director An-Ping Chang, Director Paul Chen and Director Wenet Pan are all corporate managers of listed companies from different industries. These industries include engineering consultants, plastics, textiles, electronics, optoelectronics, and cement. These members not only excel at leadership, management, decision-making, and execution; they are also prominent leaders in their respective industries. As for the independent directors, we have former Minister of Economic Affairs Yen-Shiang Shih, former Public Construction Committee Chairperson Frank Fan, qualified accountant Yi-Fang Chen and attorney's experience Jack Huang. These four members are iconic figures from their respective industries, government, the legal field, or academia. This allows CTCI to attain its goals of diversity and demonstrates. 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. In addition, the Company has 1 director with employee status, accounting for 8% of the total; 4 independent directors, accounting for 33%, of which 1 independent director has a term of fewer than three years, 1 independent director has a term of three to six years, and 2 independent directors have a term of six to nine years; 1 director is under 60 years old, 3 directors are between 61- 70 years old, and 8 directors are above 71 years old. The implementation about diversity policy of each Director is below.

Diversity Name	Nationality	Gender	Employee	Age			Independent Director's tenure			Operation Management	Industry Knowledge	Law	Finance/ Accounting/ Economics	International Market Perspective	Leadership	Decision- making Skill
				Under 60	61- 70	71 and above	Under 3 years	3-6 years	6-9 years							
Michael Yang	R.O.C.	Male	√	√						√	Construction consultant			√	√	√
John T. Yu	R.O.C.	Male				√				√	Construction consultant			√	√	√
Quintin Wu	R.O.C.	Male				√				√	Plastics Industry / Petrochemical Industry			√	√	√
Johnny Shih	R.O.C.	Male				√				√	Textile / Banking Industry		√	√	√	√
Yancey Hai	R.O.C. / USA	Male				√				√	Electronics / Banking Industry		√	√	√	√
An-Ping Chang	R.O.C.	Male			√					√	Cement Industry / Investment M&A		√	√	√	√
Paul Chen	R.O.C.	Male			√					√	Petrochemical Industry			√	√	√
Wenent Pan	R.O.C.	Male				√				√	Petrochemical industry / Optoelectronics industry			√	√	√
Yen-Shiang Shih	R.O.C.	Male				√		√		√	Engineering Consultant / Industrial Economics		√	√	√	√
Frank Fan	R.O.C.	Male				√			√		Construction consultant			√	√	√
Yi-Fang Chen	R.O.C.	Female				√	√				Manufacturing Industry		√	√	√	√
Jack Huang	R.O.C.	Male			√				√	√	Investment and M&A	√		√	√	√



(2) Independence

There are 4 independent directors, accounting for 33% of all 12 directors, of which 1 independent director has a term of fewer than three years, 1 independent director has a term of three to six years, and 2 independent directors have a term of six to nine years, all independent directors' terms do not exceed over nine years.

All independent directors, as required, have submitted the declaration of Independence guiding by "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" when they was nominated as candidates of independent directors, which makes sure the independence within the person and related kinship.

There are two directors who are also managerial officers. 10 others directors with non-managerial officers (including independent directors) do not serve any positions in CTCI Groups, that will be independence on the business judgment of the board of directors.

The board of directors keep to avoid any conflict of interest. The Company will remind directors of all interested parties on notice of board meetings. If any director, or his/her spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, or a juristic person represented by a director, who is an interested party with respect to any agenda item and the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

12 directors of the Company do not have the relationships between their spouses and relatives within the second degree of kinship.

3.2.2 Management Team

April 2nd, 2023

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.	Michael Yang	Male	May 28, 2020	1,036,467	0.13	407,200	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 -Chairman, CTCI Engineering & Construction Sdn. Bhd. -Chairman, CTCI USA Holding, Inc. -Director, CTCI Americas, Inc. -Chairman, Crown Asia 2 Investment Limited -Director, MIE Industrial Sdn. Bhd. -Director, CTCI Education Foundation -Director, CTCI Foundation	-	-	-
President	R.O.C.	Todd Chen	Male	May 28, 2020	308,856	0.04	0	0	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 -Director, CTCI Chemicals Corporation -Director, CTCI Beijing Co., Ltd. - Director, CTCI (Thailand) Co., Ltd. -Chairman, CTCI Vietnam Company Limited -Chairman, CINDA Engineering & Construction Private Limited -Director, CTCI USA Holding Inc. -Director, CTCI Americas, Inc. -Chairman, CTCI Arabia Ltd. -Director, CTCI Overseas Corporation Limited -President Director, PT CTCI International Indonesia -Chairman, 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
Executive Vice President & Financial Officer & Chief Corporate Governance Officer	R.O.C.	Ming-Cheng Hsiao (Note 1)	Male	Jan. 1, 2016	228,516	0.03	609,000	0.08	0	0	-MBA, EMBA Program in Accounting, National Taiwan University -Ph.D., Chemical Engineering, National Tsin Hua University -M.S., Chemical Engineering, National Tsin 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	None	-	-	-
Executive Vice President	R.O.C.	Ting-Kuo Li (Note 2)	Male	Jan. 1, 2021	385,938	0.05	0	0	0	0	-B.S., Mechanical engineering, Tatung University -Senior Vice President, CTCI Corporation	None	-	-	-
Senior Vice President	R.O.C.	Shih-Wei Chung	Male	Jan. 1, 2021	92,244	0.01	483,000	0.06	0	0	-Mechanical Engineering, National Kaohsiung Industrial of Institute -Vice President, CTCI Corporation	-Chairman, CTCI Overseas (BVI) Corporation -Director, CTCI Americas, Inc. -Director, CTCI Development Corporation -Director, CCJV P1 Engineering & Construction Sdn. Bhd.	-	-	-
Senior Vice President	R.O.C.	Min-Lin Lee	Male	Jan. 1, 2022	175,422	0.02	79,000	0.01	0	0	-M.S., Chemical Engineering, National Central University -B.S., Chemical Engineering, Chung-Yuan Christian University -Vice President, CTCI Corporation	-Director, CTCI Chemicals Corporation	-	-	-
Senior Vice President	R.O.C.	Ming-Shyan Lee	Male	Jan. 1, 2022	138,783	0.02	5,000	0.00	0	0	-MBA, EMBA Program, National Sun Yat-sen University -B.S., Marine Engineering, Tamkang University -Vice President, CTCI Corporation	-Chairman, CTCI-HDEC (Chungli) Corporation -Director, HDEC-CTCI (Linghai) Corporation -Director, EVER ECOVE Corporation -Director, Bao Ding Reclaimed Water Co., Ltd. -Director, Jing Ding Green Energy Technology, Co., Ltd. -Director, CINDA Engineering & Construction Private Limited -Director, PT CTCI International Indonesia -Director, CTCI CMCE JV Sdn. Bhd. -Director, Metro Consulting Service Corporation	-	-	-

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	R.O.C.	T.C. Li	Male	Jan. 1, 2023	24,365	0.00	203,182	0.03	0	0	-Associate Bachelor of Architecture, China Junior College of Industrial and Commercial Management -Vice President, CTCI Corporation	-Directors and President, CTCI Investment Corporation -Chairman, CIPEC Construction Inc. -Director, CTCI Americas, Inc. -Director, CTCI Engineering & Construction Sdn. Bhd. -Director, ECOVE Solar Energy Corporation -Director, Crown Asia 2 Investment Limited -Chairman, Universal Engineering (BVI) Corporation -Chairman, Accuracy International Inc.	-	-	-
Vice President	R.O.C.	Steve Jean (Note 3)	Male	Jan. 1, 2011	30,050	0.00	232,000	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, CTCI Vietnam Company Limited	None	-	-	-
Vice President	R.O.C.	Connie Lin (Note 4)	Female	May 12, 2017	160,750	0.02	0	0	0	0	-MBA, EMBA of National Central University -B.S., International Business and Trade, Chinese Culture University -HR Consultant, Delta Research Institute Delta Electronics, Inc. -Senior HR Manager, Corp. HR, Delta Electronics, Inc.	None	-	-	-
Vice President	R.O.C.	I-Kang Ho (Note 5)	Male	Apr. 1, 2019	145,675	0.02	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 -Senior General Manager, CTCI Corporation	None	-	-	-
Vice President	R.O.C.	Paul Wu	Male	Apr. 1, 2019	240,498	0.03	0	0	0	0	-M.S., Electrical Engineering, National Taipei University of Technology -Associate Bachelor of Electrical Engineering, Taipei Institute of Technology -Senior General Manager, CTCI Corporation	-Director, 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.	Y.S. Kuan (Note 6)	Male	Apr. 1, 2019	203,315	0.03	0	0	0	0	-Bachelor of Industrial Management, National Taiwan university of Science and Technology -Senior General Manager, CTCI Corporation	None	-	-	-
Vice President	R.O.C.	Gino Tsai	Male	Apr. 1, 2019	349,814	0.04	0	0	0	0	-MBA, EMBA Advanced Management Master's Program, National Taiwan University -MBA, EMBA Business management, Ming Chuan University -M.S., Information management, Ming Chuan University -Associate Bachelor of Electronic Engineering, Taipei Institute of Technology -Senior General Manager, CTCI Corporation	-Supervisor, CTCI Resources Engineering Inc. -Supervisor, ECOVE Wujih Energy Corporation	-	-	-
Vice President & Chief Corporate Governance Officer	R.O.C.	Vincent Liu	Male	Dec. 11, 2019	229,000	0.03	0	0	0	0	-M.S., Chemical Engineering, National Taiwan University -B.S., Chemical Engineering, National Central University -President, CTCI Advanced Systems Inc.	-Director, CIPEC Construction, Inc. -Director, Accuracy International, Inc.	-	-	-
Vice President & Accounting Officer	R.O.C.	Ai-Cheng Ho	Male	Apr. 1, 2020	103,225	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, CTCI Machinery Corporation -Supervisor, CTCI Beijing Co., Ltd. -Supervisor, EVER ECOVE Corporation -Supervisor, Jing Ding Green Energy Technology Co., Ltd. -Supervisor, ECOVE Solvent Recycling Corporation -Supervisor, Bao Ding Reclaimed Water Co., Ltd. -Director, Century Ahead Ltd. -Supervisor, CTCI Advanced Systems Shanghai Inc. -Director, Pan Asia Corporation	-	-	-
Vice President	R.O.C.	Wen-Pin Lo	Male	Apr. 1, 2020	61,723	0.01	0	0	0	0	-B.S., Mechanical Engineering, National Cheng Kung University -Chief Engineer, CTCI Corporation	-Director, CTCI Development Corporation	-	-	-

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.	Ella Tsai (Note 7)	Female	Nov. 4, 2020	41,000	0.00	15,000	0.00	0	0	-B.S., Electrical Engineering, National Kaohsiung University of Science and Technology -Corning Glass Technology Globe Expansion Program Director Glass Technology Division, Corning Inc.	None	-	-	-
Vice President	R.O.C.	James Wang	Male	Jan. 1, 2021	80,684	0.01	2,000	0.00	0	0	- M.S., Civil Engineering, Chung Yuang University - B.S., Civil Engineering, Chung Yuang University - Senior General Manager, CTCI Corporation	-Director, CTCI Vietnam Company Limited	-	-	-
Vice President	R.O.C.	Sharon Chiang	Female	Jan. 1, 2021	250,145	0.03	0	0	0	0	-M.S., Civil and Construction Engineering, National Taiwan University of Science and Technology -B.S., Civil and Construction Engineering, National Taiwan University of Science and Technology -Senior General Manager, CTCI Corporation	-Supervisor, CTCI Shanghai, Co., Ltd.	-	-	-
Vice President	R.O.C.	Jack Hung (Note 8)	Male	Jan. 1, 2021	170,326	0.02	0	0	0	0	- B.S., Naval Architecture Engineering, National Cheng Kung University -Senior General Manager, CTCI Corporation	None	-	-	-
Vice President	R.O.C.	Jeff Hsu	Male	Jan. 1, 2021	174,402	0.02	0	0	0	0	-M.S., Civil Engineering, National Chung Hsing University -B.S., Civil Engineering, National Chung Hsing University -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	21,000	0.00	169,603	0.02	0	0	-M.S., Chemical Engineering, National Taipei University of Technology -B.S., Chemical Engineering, Chung Yuang University -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	34,032	0.00	205,282	0.03	0	0	-M.S., Naval Architecture, National Taiwan University -B.S., Naval Architecture Engineering, National Cheng Kung University -Chief Engineer, CTCI Corporation	-Director, CTCI Malaysia Sdn. Bhd. -Director, CTCI Engineering & Construction Sdn. Bhd.	-	-	-

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.	Evan Chen	Male	Nov. 3, 2021	127,519	0.02	0	0	0	0	-MBA, EMBA Program in International Business Management, National Taiwan University -M.S., Mechanical Engineering, National Central University -President of CTCI Advanced Systems Inc.	-Director, CTCI Investment Corporation	-	-	-
Vice President	R.O.C.	Forest Lin	Male	Jan. 1, 2022	163,808	0.02	0	0	0	0	-M.S., Mechanical Engineering, Northwestern University, USA -B.S., Mechanical Engineering, National Taiwan Institute of Technology -Chief Engineer, CTCI Corporation	-Director, CTCI Beijing Co., Ltd.	-	-	-
Vice President	R.O.C.	Rhino Fu	Male	Jan. 1, 2022	290,453	0.04	0	0	0	0	-B.S., Mechanical Engineering, National Chiao Tung University -Chief Engineer, CTCI Corporation	-Director, CINDA Engineering & Construction Private Limited	-	-	-
Vice President	R.O.C.	Fendi Chiu (Note 9)	Female	May 4, 2022	0	0	0	0	0	0	-EMBA, M.Sc., Marketing, City University of New York, U.S.A -HR Director, AMEA, General Mills	None	-	-	-
Vice President	R.O.C.	William Pung	Male	Jan. 1, 2023	99,573	0.01	0	0	0	0	-B.S., Civil Engineering, Chung Yuan University -Chief Engineer, CTCI Corporation	None	-	-	-
Vice President	R.O.C.	C.L. Yen	Male	Jan. 1, 2023	232,579	0.03	387	0.00	0	0	-M.S., Chemical Engineering, National Taiwan Institute of Technology -Chief Engineer, CTCI Corporation	-Supervisor, ECOVE Environment Services Corporation	-	-	-
Vice President	R.O.C.	John Hsu	Male	Mar. 7, 2023	0	0	0	0	0	0	-B.S., Mechanical engineering, Tatung University -Chief Engineer, CTCI Corporation	-Director, CTCI Shanghai Co., Ltd.	-	-	-
Vice President	R.O.C.	Sam Kao	Male	Mar. 7, 2023	29,319	0.00	0	0	0	0	-M.S. Civil and Construction Engineering, National Taiwan University of Science and Technology -Chief Engineer, CTCI Corporation	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
Financial Officer	R.O.C.	Melissa Liu	Female	Dec. 20, 2022	42,391	0.01	25	0.00	0	0	- Bachelor of International Business, National Taiwan University - General Manager, CTCI Corporation	- Supervisor, CTCI Smart Engineering Corporation - Director, CTCI Overseas (BVI) Corporation - Commissioner, PT CTCI International Indonesia - Supervisor, ECOVE Solar Energy Corporation - Director, SINO GAL-Waste Services Co., Ltd. - Supervisor, CDIB&Partners Investment Holding Corp.	-	-	-

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

Note 1: EVP & Financial Officer & Chief Corporate Governance Officer Ming-Cheng Hsiao is dismissed on Jan. 4, 2023, and disclose the information during his tenure of office only.

Note 2: EVP Ting-Kuo Li is dismissed on Jul. 1, 2022, and disclose the information during his tenure of office only.

Note 3: VP Steve Jean is dismissed on Oct. 28, 2022, and disclose the information during his tenure of office only.

Note 4: VP Connie Lin is dismissed on Apr. 16, 2022, and disclose the information during her tenure of office only.

Note 5: VP I-Kang Ho is dismissed on Jun. 20, 2022, and disclose the information during his tenure of office only.

Note 6: VP Y.S. Kuan is dismissed on Apr. 23, 2022, and disclose the information during his tenure of office only.

Note 7: VP Ella Tsai is dismissed on Feb. 1, 2022, and disclose the information during her tenure of office only.

Note 8: VP Jack Hung is dismissed on Mar. 27, 2023, and disclose the information during his tenure of office only.

Note 9: VP Fendi Chiu is on board on May 4, 2022 and dismissed on Jul. 1, 2022, and disclose the information during her tenure of office only.

3.3 Remuneration of Directors and Management Team

3.3.1 Remuneration of Directors

December 31st, 2022; Unit: TWD thousands; thousand shares

Title			Name	Compensation						Total remuneration (A+B+C+D) and ratio of them to net income (%)		Relevant remuneration received by directors who are also employees								Total compensation (A+B+C+D+E+F+G) and ratio of them 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	Cash	Stock	Cash	Stock		CTCI	All Consolidated Entities
Director			John T. Yu (Note1)	19,125	20,853	0	0	0	0	1,428	1,572	20,553 0.86%	22,425 0.94%	0	0	0	0	0	0	0	0	20,553 0.86%	22,425 0.94%	0
Chairman/ Director	Juristic-person Director	CTCI Development Corporation	14,600	14,600	0	0	18,000	18,000	1,210	1,678	33,810 1.42%	34,278 1.44%	15,477	16,917	182	182	161	0	161	0	49,630 2.09%	51,538 2.17%	0	
	Juristic-person Director	CTCI Foundation																						
	Juristic-person Director	Taiwan Cement Corporation																						
	Chairman	Michael Yang (Note1)																						
	Director	Quintin Wu																						
	Director	Johnny Shih																						
	Director	Yancey Hai																						
	Director	An-Ping Chang (Note 2)																						
	Director	Paul Chen (Note 3)																						
Director	Wenent Pan																							
Independent Director		Yen-Shiang Shih	10,859	10,859	0	0	0	0	1,060	1,060	11,919 0.50%	11,919 0.50%	0	0	0	0	0	0	0	11,919 0.50%	11,919 0.50%	0		
		Frank Fan																						
		Evon Chen																						
		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 of parent company/all consolidated entities/invested company) in the 2022 financial statements: None.

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

Note 2: Mr. An-Ping Chang is representative of Taiwan Cement Corporation.

Note 3: Mr. Paul Chen is representative of CTCI Foundation.

Note 4: That salary, bonuses, and allowances include the estimation of Employee Stock Options and Restricted Stock Awards.

Note 5: TWD 182 thousand are allocated to the pension plan in 2022.

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	-	-	-	-
TWD1,000,000 ~ TWD2,000,000	-	-	-	-
TWD2,000,000 ~ TWD3,500,000	Michael Yang / Jack Huang / Frank Fan / Yen-Shiang Shih / Evon Chen / Quintin Wu / Wenent Pan / Yancey Hai / Johnny Shih / An-Ping Chang / Paul Chen	Michael Yang / Jack Huang / Frank Fan / Yen-Shiang Shih / Evon Chen / Quintin Wu / Wenent Pan / Yancey Hai / Johnny Shih / An-Ping Chang / Paul Chen	Jack Huang / Frank Fan / Yen-Shiang Shih / Evon Chen / Quintin Wu / Wenent Pan / Yancey Hai / Johnny Shih / An-Ping Chang / Paul Chen	Jack Huang / Frank Fan / Yen-Shiang Shih / Evon Chen / Quintin Wu / Wenent Pan / Yancey Hai / Johnny Shih / An-Ping Chang / Paul Chen
TWD3,500,000 ~ TWD5,000,000	CTCI Foundation / Taiwan Cement Corporation	CTCI Foundation / Taiwan Cement Corporation	CTCI Foundation / Taiwan Cement Corporation	CTCI Foundation / Taiwan Cement Corporation /
TWD5,000,000 ~ TWD10,000,000	-	-	-	-
TWD10,000,000 ~ TWD15,000,000	CTCI Development Corporation	CTCI Development Corporation	CTCI Development Corporation	CTCI Development Corporation
TWD15,000,000 ~ TWD30,000,000	John T. Yu	John T. Yu	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, 2022; Unit: TWD thousands; thousand shares

Title	Name	Salary(A)		Pension Fund (B)(Note1)		Bonuses and Allowances (C)(Note2)		Employees' Compensation (D)				Total compensation (A+B+C+D) and ratio of them 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	Michael Yang	15,090	19,611	517	517	31,847	31,847	262	0	262	0	47,716 2.01%	52,237 2.20%	0
President	Todd Chen													
Executive Vice President	Ming-Cheng Hsiao(Note 3)													
Executive Vice President	Ting-Kuo Li (Note 4)													

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 and Restricted Stock Awards.

Note 3: EVP Ming-Cheng Hsiao has been dismissed on Jan. 04, 2023.

Note 4: EVP Ting-Kuo Li has been dismissed on July 1, 2022, and disclose the information during his tenure of office only.

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	Ming-Cheng Hsiao / Ting-Kuo Li	Ming-Cheng Hsiao / Ting-Kuo Li
TWD10,000,000 ~ TWD15,000,000	Todd Chen	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	1,389	1,389	0.06
	President	Todd Chen				
	Senior Vice President	Shih-Wei Chung				
	Senior Vice President	Min-Lin Lee				
	Senior Vice President	Ming-Shyan Lee				
	Vice President	Paul Wu				
	Vice President	T.C. Li				
	Vice President	Gino Tsai				
	Vice President	Vincent Liu				
	Vice President	Wen-Pin Lo				
	Vice President	Tiger Tsai				
	Vice President	Sharon Chiang				
	Vice President	Jack Hung(Note 2)				
	Vice President	Jenq-Shyong Chung				
	Vice President	Jeff Hsu				
	Vice President	James Wang				
	Vice President	Evan Chen				
	Vice President	Ai-Cheng Ho				
	Vice President	Forest Lin				
	Vice President	Rhino Fu				

Note 1: The distributed amount is based on the total amount (TWD 71,379 thousand) approved by Board of Directors in 2023 and calculated accordingly to each executive officers' on-job days in the previous year.

Note 2: VP Jack Hung has been dismissed on Mar. 27, 2023.

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 (%)
2021	96,584	5.88	103,176	6.28
2022	111,508	4.69	117,901	4.96

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, Employee Stock Options and Restricted Stock Awards, 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. The grant of RSA is based on overall contribution and work performance. The number of shares granted shall be approved by the Chairman and submitted to the Remuneration Committee and Board of Directors for approval.
- (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 6 meetings of the board of directors were held in the previous period, Directors' attendance was as follow: (As of March 31st, 2023)

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
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	5	1	83	
Director	Johnny Shih	5	1	83	
Director	Yancey Hai	5	1	83	
Director	An-Ping Chang (Rep. of Taiwan Cement Corporation)	6	0	100	
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	5	1	83	

B. Independent Directors' attendance of each meeting of board of directors was as follows:

(As of March 31st, 2023)

◎ : Attendance in Person ; ☆ By Proxy ; ● : Absent with apologies

Name	the 12 th Meeting of the 15 th Term Board of Directors (2022.03.08)	the 13 th Meeting of the 15 th Term Board of Directors (2022.05.04)	the 14 th Meeting of the 15 th Term Board of Directors (2022.08.03)	the 15 th Meeting of the 15 th Term Board of Directors (2022.11.02)	the 16 th Meeting of the 15 th Term Board of Directors (2022.12.20)	the 17 th Meeting of the 15 th Term Board of Directors (2023.03.07)
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

Contents of motion

The 16th meeting of the 15th term Board of Directors (2022.12.20): Approval of issuance of Restricted Stock Awards and share distributable list (including the management officers) and related matters.

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.

(2) Directors' Names: Michael Yang

Contents of motion

The 16th meeting of the 15th term Board of Directors (2022.12.20): Approval of the average salary increase rate of 2023.

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.

(3) Directors' Names: Michael Yang

Contents of motion

The 16th meeting of the 15th term Board of Directors (2022.12.20): 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.

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

Contents of motion

The 16th meeting of the 15th term Board of Directors (2022.12.20): 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.

(5) Directors' Names: John T. Yu

The 16th meeting of the 15th term Board of Directors (2022.12.20): Approval of the 2023 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 for internal evaluation of the board	2022/01/01 to 2022/12/31	1. Whole board of directors. 2. Individual board members. 3. Functional committees. (include Audit Committee, Remuneration Committee, Nominating Committee and ESG & Net Zero 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 Secretariat of the Board is in charge of the board performance evaluation, the methods of evaluation is running by self-evaluation. The Company has completed evaluation of the board on January, 2023 and reported to Nominating Committee and the Board of Director on March 7, 2023. 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.	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 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.
At least once every three years by an external independent professional institution or a panel of external experts and scholars conducted	2020/04/01 to 2021/03/31	Whole board of directors	The Company had commissioned the 2021 external board performance evaluation by Taiwan Corporate Governance Association and report to Nominating Committee and the Board of directors on November 3, 2021. The report result has been disclosed on official website.	The external board performance evaluation should involve eight aspects: composition, guidance, authorization, supervision and communication of the board of directors, internal control and risk management, self-discipline of the board of directors, and others (e.g. Board meetings, support systems).

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 twice on-site course for directors of CTCI group's listed company on May 4 and Aug. 3, 2022 respectively. Moreover, the Company held " Case analysis in management right and focus issues of directors' election in 2023" for Group's Directors, Supervisors and management officers by professional lawyer on Dec. 28, 2022. 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, 2023)

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Independent Director	Jack Huang	5	1	83	
Independent Director	Yen-Shiang Shih	6	0	100	
Independent Director	Frank Fan	6	0	100	
Independent Director	Evon Chen	6	0	100	



2. Professional qualifications and experiences of the Audit Committee

March 31st, 2023

Member	Professional qualifications and experiences
Jack Huang (Convener)	Please refer to 3.2.1 Directors \ A. Professional qualifications and independence analysis of directors
Yen-Shiang Shih	
Frank Fan	
Evon Chen	

3. 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 2022 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.

□ CPAs assessment

The Audit Committee is responsible for supervising the independence of the accounting firm to ensure the impartiality of financial statements. In general, the accounting firm shall not provide non-assurance services to the company, except for tax services or services that have been approved by the Audit Committee.

To ensure the independence of the accounting firm, the Audit Committee has created an independent evaluation form that assesses the independence, professionalism, and competence of CPAs, with reference to Article 47 of the Accountant Law and Code No. 10 of the Accountant's Code of Ethics. During the 10th meeting of the 3rd term Audit Committee and the 12th meeting of the 15th term Board of Directors on Mar. 8, 2022, it was reviewed and approved that Shin-Jung Weng and Yi-Fan Lin, both CPAs from PricewaterhouseCoopers, meet the independent evaluation standards and are qualified to serve as audit and tax CPAs for the Company.

□ Since 2021, the CPAs individually present audit results and other matters required to members of the Audit Committee before the meetings of the Audit Committee in every reporting year and second quarter of financial statements. Also, the execution situations, results and suggestions have been fully communicated.

4. Other mentionable items

(1) If there are the matter referred to as below in the Audit Committee, the dates of Audit Committee, sessions, contents of motions, a objection, reservation or material suguesstions by an independent director, 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 12 th meeting of the 15 th term Board of Directors (2022.03.08)	Approval of the distribution plan of the 2021 directors' and employees' remuneration.	V	None
	Approval of the Fiscal 2021 business report, financial reports and consolidated reports.	V	None
	Approval of the distribution plan of Fiscal 2021 earnings.	V	None
	Approval of "Statement of Internal Control System for the Year 2021".	V	None
	Approval of the amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets" and "Regulations Governing Making of Endorsements / Guarantees".	V	None
	Approval of the issuance of Restricted Stock Awards for 2022.	V	None
	Approval of ESOP issuance of the Company's paid-in capital registration.	V	None
	Approval on funds lending the subsidiaries for working capital requirement by the Company.	V	None
	Resolutions of the Audit Committee (2022.03.08): 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.		
The 13 th meeting of the 15 th term Board of Directors (2022.05.04)	Approval of consolidated financial reports as of March 31 st , 2022.	V	None
	Approval of the investment of Bao Ding Reclaimed Water Co., Ltd.	V	None
	Approval on funds lending the subsidiaries for working capital requirement by the Company.	V	None
	Approval of RSA reduction of the Company's paid-in capital registration.	V	None
	Approval of ESOP issuance of the Company's paid-in capital registration.	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 change of the Internal Audit officer.	V	None
	Resolutions of the Audit Committee (2022.05.04): 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 14 th meeting of the 15 th term Board of Directors (2022.08.03)	Approval of consolidated financial reports as of June 30 th , 2022.	V	None
	Approval of the capital injection of CTCI Singapore Pte. Ltd.	V	None
	Approval on funds lending the subsidiaries for working capital requirement by the Company.	V	None
	Approval of set-up of a branch in the Netherlands.	V	None
	Approval of set-up of a branch in the Korea.	V	None
	Approval of the amendment to the Company's Internal Audit Systems.	V	None
	Approval of RSA reduction of the Company's paid-in capital registration.	V	None
	Approval of ESOP issuance of the Company's paid-in capital registration.	V	None
	Resolutions of the Audit Committee (2022.08.03): 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 15 th meeting of the 15 th term Board of Directors (2022.11.02)	Approval of consolidated financial reports as of September 30 th , 2022.	V	None
	Approval on funds lending the subsidiaries for working capital requirement and adjustment of loan limit by the Company.	V	None
	Approval of the issuance of unsecured ordinary corporate bonds.	V	None
	Approval of set-up of a subsidiary in Mexico.	V	None
	Approval of set-up of a subsidiary in Hsinchu.	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 set-up of a subsidiary in Tainan.	V	None
	Approval of the amendment to the Company's Internal Audit Systems.	V	None
	Approval of RSA reduction of the Company's paid-in capital registration.	V	None
	Approval of ESOP issuance of the Company's paid-in capital registration.	V	None
	Resolutions of the Audit Committee (2022.11.02): 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 16 th meeting of the 15 th term Board of Directors (2022.12.20)	Approval of the budget of 2023.	V	None
	Approval of the Year 2023 Audit Plan.	V	None
	Approval of set-up of a subsidiary in Malaysia.	V	None
	Approval of the amendment to the Company's Internal Audit Systems.	V	None
	Approval of change of the financial officer.	V	None
	Approval of issuance of Restricted Stock Awards and share distributable list and related matters.	V	None
	Approval of donation to CTCI Education Foundation.	V	None
	Resolutions of the Audit Committee (2022.12.20): 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 17 th meeting of the 15 th term Board of Directors (2023.03.07)	Approval of the distribution plan of the 2022 directors' and employees' remuneration.	V	None
	Approval of the Fiscal 2022 business report, financial reports and consolidated reports.	V	None
	Approval of the distribution plan of Fiscal 2022 earnings.	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 2022".	V	None
	Approval of the amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets".	V	None
	Approval on funds lending the subsidiaries for working capital requirement and adjustment of loan limit by the Company.	V	None
	Approval of set-up of a branch in Thailand.	V	None
	Approval of the amendment to the Company's Internal Audit Systems.	V	None
	Approval of the establishment to the Company's "Risk Management Regulations".	V	None
	Approval of change of independent auditors of the Company.	V	None
	Approval of RSA reduction of the Company's paid-in capital registration.	V	None
	Approval of ESOP issuance of the Company's paid-in capital registration.	V	None
	Resolutions of the Audit Committee (2023.03.07): 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, the Chief Audit Executive and CPAs

- A. After having presented the audit and follow-up reports to the Chairman, the Chief Audit Executive submitted the same reports via e-mail to the Independent Directors for review on a monthly basis. In addition, the Chief Audit Executive communicates individually on internal control and audit-related matters and responds to the independent Directors' inquiries at least quarterly. After communication, the Independent Directors had no opinion in 2022.

The Chief Audit Executive presents 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 2022, the communication channel between Independent Directors and the Chief Audit Executive functioned well.

- B. The CPAs present audit results and other communication matters required by relevant laws and regulations to the Independent Directors in person every half year before the Audit Committee meeting begins. If the Independent Directors have any questions, they can immediately raise and receive answers. During 2022, 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/TPEX 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 14 th meeting of the 15 th term board of directors on Aug. 3, 2022 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 shareholders who have the ultimate control over the Company?	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 the total shares) in accordance with the 25 th article of the Securities and Exchange Act.	None.

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
(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 CTCL Group like "Group Authorization Regulations", "Group Project Cooperation Regulations", etc., which are inspected by departments like the Audit Department and Quality Management Department 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 "CTCL 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 (1) Is there establishment of the diversity policy, specific management goals and thorough implementation about the composition of board of directors?	V		(1) A. The diversity policy of the board of directors, specific management goals and executive implementation, please refer to 3.2.1 Board \ B. The diversity and independence of the Board of Directors \ (1) Diversity. B. The implementation about diversity policy of Board members has disclosed on the Company website (www.ctci.com) and the Market Observation Post System.	None.

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
(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 (renamed "ESG & Net Zero Committee on December 15, 2021). The major jobs of ESG & Net Zero Committee include Formulating the sustainability & net zero policy; setting sustainability governance, ethical management, environmental and social aspect, strategies, and execution plans; reviewing, tracking, and modifying progress and results of sustainability & net zero emissions 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 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>	None.

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
(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 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 	None.

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
			<p>f. Others.</p> <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; 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>The criteria for evaluating the performance of functional committees include the following five aspects:</p> <ul style="list-style-type: none"> 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; e. Internal control; and f. Others. <p>The 2022 board performance evaluation is carried out by the Secretariat of the Board (STB) in early 2023. 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-</p>	

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
			evaluation. The evaluation period is from Jan. 1 to Dec. 31, 2022, the evaluation scope includes whole board of directors, individual board members, and 4 functional committees: Audit Committee, Remuneration Committee, Nominating Committee and ESG & Net Zero 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 9 th meeting of the 3 rd term Nominating Committee and the 17 th meeting of the 15 th term Board of Directors on Mar. 7, 2023. The operation of CTCI's Board of Directors is evaluated well base on the result of the 2022 board performance evaluation.	
(4) Is there regular assessment of the independence of the certified public accountant every year?	V		(4) To fulfill Corporate Governance, the Company has established "Evaluation of engaged Certified Public Accountant Regulation" in the 11 th meeting of the 12 th term board of director on Dec. 20, 2012. According to this regulation, and also refer to Audit Quality Indicators(AQI), the Company exams and evaluates CPA's independence and competency annually, and submit a report to the Audit Committee and Board meeting. The report was acknowledged by the 15 th meeting of the 3 rd term Audit Committee on Mar. 7, 2023 and the 17 th meeting of the 15 th term Board of Directors on Mar. 7, 2023, the evaluation items please refer to the 【Note 1】 . After assessed, CPAs Fu-Ming, Liao and Shih-Jung Weng from PricewaterhouseCoopers were qualified. Both CPAs do not have any direct or indirect interest relationship with either Board of Directors or the Company, and believed to have more than sufficient capabilities on auditing, taxation and time cost efficiency.	None.

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
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). On Mar. 8, 2019, it is appointed Mr. Ming-Cheng Hsiao, who was then the Executive Vice President of Executive Management Operations (EMO) and the head of STB, as the corporation governance officer. 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>For personnel changes, Mr. Vincent Liu take over this position by the 16th meeting of the 15th term Board of Directors on Dec. 20, 2022. Mr. Vincent Liu has been in a managerial position for at least three years in a public company in handling legal department.</p> <p>The head of corporate governance officer is the chief for matters related to corporate governance. His major job includes as following: 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 2022 are as following: A. Handling matters relating to board meetings and shareholders' meetings according to laws, producing minutes of board meetings and shareholders' meetings and assisting directors with legal compliance.</p>	None.

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
			<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 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 CTCI group's listed company in May and August respectively and assist new Director join</p>	

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
			<p>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 in management right and focus issues of directors' election in 2023" for Group's Directors, Supervisors and management officers on Dec. 28, 2022. 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> <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 from these years to the report printed date is as 【Note 2】.</p>	
5.Does the Company establish communication channel for stakeholders which including but not limited to shareholders, employees, customers and	V		The Company establishes "Sustainable Management" and "Investor Relations" sections in its corporate website to explain to stakeholders the conducts for fulfilling sustainability development & net zero emission may be contacted via its corporate website when needed.	None.

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
suppliers, set up a dedicated section in its corporate website for stakeholders, and properly respond to CSR-related issues concerned by stakeholders?			According to the GRI Standards and the AA 1000 Stakeholder Engagement Standard (SES), CTCI follows the four principles of identification, analysis, confirmation and impact to develop a materiality analysis framework, and identifies the material sustainable issues of CTCI. The Company will give proper feedback to any reasonable concerns raised by the stakeholders.	
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.
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		(1) 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. B. The Company has disclosed information regarding the organization and function of Internal Audit 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.	None.
(2) Is there any other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information	V		(2) A. The Company has set up a Chinese/English website and has appointed Brand Management Dept. to handle information collection and disclosure.	None.

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
collection and disclosure, appointing spokespersons, webcasting investors conference)?			<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 business information revealed in inventor conference on the Company website and the Market Observation Post System pursuant to regulations of Taiwan Stock Exchange.</p>	
(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 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	V		Please refer to the 【Note 3】.	None.

Evaluation Item	Operation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
the employees, investor relations, relation with the suppliers, rights of 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		<p>Improved priorities and steps:</p> <ol style="list-style-type: none"> 1. Upload the changes in the number of shares held by insiders to MOPS before the 10th of each month. 2. The shareholders' meeting will be a live stream online or uploaded non-stop video recording after the shareholders' meeting. 	None.

【Note 1】 Assessment of the CPA's independence and competency

No.	Audit Quality Indicators(AQI)	Meet the indicators
1	Audit Quality Indicator dimension (1) Profession	Yes
2	Audit Quality Indicator dimension (2) Quality Control	Yes
3	Audit Quality Indicator dimension (3) Independence	Yes
4	Audit Quality Indicator dimension (4) Monitoring	Yes
5	Audit Quality Indicator dimension (5) Innovation	Yes

No.	Evaluation Item	Qualify for Independence	Remarks
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	
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	
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	
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	
5	If the independence of an auditor isn't impaired by self-interest, self-review advocacy, familiarity, and intimidation.	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. (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.	Yes	
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.	Yes	

No.	Evaluation Item	Qualify for Independence	Remarks
	(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.		
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	
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 engagement. (3)Accepting gifts or preferential treatment from our directors, managers, or us.	Yes	
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	
11	An accounting firm and the members of the audit team have a responsibility to maintain independence. When maintaining independence, it should be considered whether the content of the work performed has an impact on independence, and measures should be taken to eliminate the aforementioned impact or reduce it to an acceptable level.	Yes	
12	If the impact on independence is determined to be material, the company, accounting firm, and members of the audit team should adopt appropriate measures to eliminate the effect or reduce it to an acceptable level, and record their conclusion.		Matters independent of any influence
13	If the company, accounting firm, and members of the audit team have not taken any measures, or if the measures adopted cannot effectively eliminate the impact on independence or reduce it to an acceptable level, the auditor should be changed to maintain their independence.		Matters independent of any influence

【Note 2】 Training program of Corporate Governance Officer

Name	Date	Sponsoring Organization	Course	Hours
Ming-Cheng Hsiao	2022/05/04	Taiwan Corporate Governance Association	How to Prevent Corporate Misconduct: A Manual to Corporate Internal Investigation	3.0
	2022/07/27	Held by TWSE and TPEx	Industry Seminar of Sustainable Development's Road Map	2.0
	2022/08/03	Taiwan Corporate Governance Association	MJIB-Enterprise anti-corruption thinking, investigation experience and case sharing	3.0
	2022/09/13	Securities and Futures Institute	Foundry, Advanced Packaging Technology and Supply Chain Business Opportunities	3.0
	2022/10/12	Securities and Futures Institute	2022 Legal Compliance Seminar of Insider Equity Transaction	3.0
Vincent Liu	2023/02/15	Taipei Foundation of Finance	Trends of Sustainable Development and Sustainable Governance	3.0
	2023/02/18	Taipei Foundation of Finance	Information Security Course of Financial Services Industry	3.0
	2023/03/25	Taipei Foundation of Finance	Low-Carbon Transformation Path Planning - Carbon Inventory	3.0

【Note 3】

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 not only published the minutes of the shareholder meeting on the Taiwan Stock Exchange and the Company's website, but also takes the initiative to release matrial information in a timely



manner when events that have a significant impact on shareholders' rights and interests occur in the Company; Moreover, the Company holds the investor conference regularly and uploads the video of the conference to the Taiwan Stock Exchange and the Company's website to enhance investors' understanding of the Company's status and further implement the protection of shareholders' rights and interests accordingly. All public information is released simultaneously in Chinese and English, in order to ensure the fairness of the information disclosure and take into account the rights and interests of domestic and foreign investors.

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. CTCI has always been committed to sustainable business development, and we expect suppliers to share these values. Therefore, we have established the CTCI Vendor Code of Conduct. We not only require all vendors (including new suppliers) to follow the aforementioned Code, but also encourage our suppliers to ask their own suppliers to follow the same standards. We look forward to enhancing the sustainable development of the overall value chain through these successive influence. 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, supplier ESG assessment criteria that touch on employees' working conditions, human rights, and societal impacts 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 corporate 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: CTCI Corporation has established a sound risk management and control system to systematically respond, treat and control various risks, and continue to review and revise the risk management mechanism to improve the effectiveness of risk management and control so as to achieve the goal of continuous and stable growth and 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:

- I Establish enterprise risk management system consistent with company strategy;
- I Define the roles and responsibilities of all employees in enterprise risk management, and communicate with all employees;
- I Prepare systematized enterprise risk assessment method to ensure that risks significantly affecting the Company can be identified effectively;
- I Ensure that information related to enterprise risk can be passed through explicit and effective channel;
- I 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. The Risk Management Executive Committee review, supervise and control accordingly, as well as submits a risk management report to the Board of Directors every year, and when discovering the risk to have significant impact on Company's operation and compliance, it needs to take an appropriate measure promptly.

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.

3.4.4 The Remunerate committee's composition, responsibilities and operation

A. Remuneration Committee members' information

March 31st, 2023

Identity	Name	Criteria	Professional Qualifications and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a remuneration Committee members
Indepent Director (convener)	Frank Fan	Please refer to 3.2.1 Directors \ A. Professional qualifications and independence analysis of directors			0
Indepent Director	Yen-Shiang Shih				2
Indepent Director	Evon Chen				0
Indepent Director	Jack Huang				3

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 3 meetings of the Remuneration Committee were held during the most recent fiscal year: (As of March 31st, 2023)

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Convener	Frank Fan	3	0	100	
Member	Yen-Shiang Shih	3	0	100	
Member	Evon Chen	3	0	100	
Member	Jack Huang	3	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's 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 6 th Meeting of the 4 th Term (2022.03.08)	<ol style="list-style-type: none"> 1. The distribution plan of the 2021 directors' and employees' remuneration. 2. The issuance of Restricted Stock Awards for 2022. 	Unanimously approved by all present Remuneration Committee members.	Unanimously approved by all present Board Directors.
the 7 th Meeting of the 4 th Term (2022.12.20)	<ol style="list-style-type: none"> 1. The average salary increase rate of 2023. 2. The issuance of Restricted Stock Awards and share distributable list (including the management officers) and related matters. 3. The remuneration of the management officers. 4. The remuneration of the Chairperson of Management Strategy Committee in 2023. 	Unanimously approved by all present Remuneration Committee members.	Unanimously approved by all present Board Directors.
the 8 th Meeting of the 4 th Term (2023.03.07)	<ol style="list-style-type: none"> 1. The distribution plan of the 2022 directors' and employees' remuneration. 2. The amendment to the Company's "Procedure for Performance Assessment and Remuneration Standard of the Directors and Management Officers". 	Unanimously approved by all present Remuneration Committee members.	Unanimously approved by all present Board Directors.



C. The state of operations of the Nominating Committee

(A) Nominating Committee members' eligibility requirement and duties:

- a. This committee shall be composed of at least 3 directors selected by the board of directors, a majority of committee members shall be independent directors.
- b. With authorization from the board of directors, the Committee shall exercise the due care of a good administrator to faithfully perform the following duties and shall submit its proposals to the board for discussion:
 - (a) Laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the board and managerial officers, and nominating candidates for directors and reviewing candidates for managerial officers based on such standards.
 - (b) Establishing and developing the organizational structure of the board and each committee, and evaluating the performance of the board and the independence of the independent directors.
 - (c) Establishing and reviewing on a regular basis programs for director continuing education and the succession plans of directors and senior executives.

(B) Nominating Committee members' professional qualifications, experiences and implements:

- a. This committee is composed of 4 members, 3 independent directors and 1 director. Mr. Yen-Shiang Shih, Mr. Jack Huang and Mr. Frank Fan respectively have professional experiences, like industrial economy, experiences of attorney, knowledge of the industry, ability to lead and so on; Mr. John T. Yu serves as the chairman of the Company near 20 years. All 4 members are qualified for corporate governance practice management capability, they all fit professional requirements of this committee.
- b. The term of current committee members is from May 28, 2020 to May 27, 2023.

A total of 4 meetings of the Nominating Committee were held during the most recent fiscal year, members' professional requirements, attendance status and discuss issues are following : (As of March 31st, 2023)

Title	Name	Professional Qualifications and Experiences	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Convener	Yen-Shiang Shih	Please refer to 3.2.1 Directors \	4	0	100	

Title	Name	Professional Qualifications and Experiences	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Member	John T. Yu	A. Professional qualifications and independence analysis of directors	4	0	100	
Member	Frank Fan		4	0	100	
Member	Jack Huang		3	1	75	

(C) Other mentionable items

Describe Nominating Committee's major issues - the dates of meetings, sessions, contents of motions, suggestions or objections of Nominating Committee members, resolutions of Nominating Committee and the Company's response to Nominating Committee' opinion should be specified:

Nominating Committee	Contents of Motions and the Response	Resolution	The Company's response to the Nominating Committee's opinion
the 6 th Meeting of the 3 rd Term (2022.03.08)	1.Report for Board of Directors Performance Assessments.	Unanimously acknowledged by all present Nominating Committee members.	Unanimously acknowledged by all present Board Directors.
the 7 th Meeting of the 3 rd Term (2022.05.04)	1.Approval of the appointment of the managerial officer (HR Division) of the Company. 2.Approval of the removing the non-competition restrictions on managerial officers.	Unanimously approved by all present Nominating Committee members.	Unanimously approved by all present Board Directors.
the 8 th Meeting of the 3 rd Term (2022.12.20)	1.Approval of the adjustment of the managerial officer of the Company. 2.Approval of the removing the non-competition restrictions on managerial officers.	Unanimously approved by all present Nominating Committee members.	Unanimously approved by all present Board Directors.
the 9 th Meeting of the 3 rd Term (2023.03.07)	1.Report for Board of Directors Performance Assessments. 2.Approval of nomination of director candidates for the 16 th term. 3.Approval of the adjustment of the managerial officer of the Company. 4.Approval of the removing the non-competition restrictions on managerial officers.	Unanimously acknowledged and approved by all present Nominating Committee members.	Unanimously acknowledged and approved by all present Board Directors.

3.4.5 The state of the Company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Promotion Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
1. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	V		<p>We have established a CSR Committee as early as 2008 and have defined our corporate social responsibilities (CSR) policies, which is dedicated to strengthen the Company's operations, realize the green engineering vision, and fulfill our duties as a social citizen. In 2014, the Board of Directors also approved the "CTCI Corporate Social Responsibility Best Practice Principles", which has been renamed as "CTCI Sustainable Development Best Practice Principles" in 2022, as the fundamental principles to promote sustainable development and to continue to improve the results in every aspect. In order to continue to promote sustainable development, CTCI established a functional committee called the "ESG Committee" (renamed as ESG& Net Zero Committee in 2021) under the Board of Directors in 2020, which is responsible for (1) formulating sustainable development policies, sustainable development goals and strategies, and implementation plans; (2) reviewing, tracking and revising the implementation and effectiveness of sustainable development; and 3) reporting to the Board of Directors on a regular basis.</p> <p>In order to strengthen the promotion of sustainability and net zero emission, a corporate group-level Sustainability and Net Zero Office was set up. The CSO (Chief Sustainability Officer) is responsible for the formulation of overall and long-term sustainability and net zero strategies. ESG Task Force has set up three groups, namely the Social Participation Group, the Environmental Protection Group, and the Operation & Governance Group. It makes overall planning on the control and</p>	None

Promotion Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
			<p>accountability of five major fields: policy, system, engagement, disclosure, and progress.</p> <p>The Sustainability and Net Zero Office conducted an ESG progress report in the ESG & Net Zero Committee on Dec. 16, 2022. The office reported to the Board of Directors on the overall development strategy and implementation results of sustainable development on Dec. 20, 2022, and the revision of the "CTCI Corporate Social Responsibility Best Practice Principles" titled "CTCI Sustainable Development Best Practice Principles" was approved. In addition, the office not only reports to the board of directors on a quarterly basis for the disclosure schedule and implementation progress of the greenhouse gas inventory, but also report separately on key international sustainable issues such as the response measures of climate change risk and sustainable supply chain management. After hearing the report, the board of directors reviews the progress of the implementation and provides necessary guidance and urges adjustments as necessary to ensure compliance with the company's sustainable development strategy(Sustainable supply chain management is included in the annual report topic from 2023).</p>	
2. 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	V		<p>The timeframe of the information disclosed covers CTCI Corporation's various operations and statistical performance from Jan. 1 to Dec. 31, 2022, in areas ranging from operational management, environmental protection, to social participation. The scope mainly includes CTCI Corporation and engineering bases at home and abroad. External scope of disclosure includes supply chain/contractors, clients, community, investors, and the government.</p>	None


Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons								
	Yes	No	Summary Statement									
risk management policies or strategies?			<p>According to the GRI Standards and the AA 1000 Stakeholder Engagement Standard (SES), CTCI follows the four principles of identification, analysis, confirmation, and impact to develop a materiality analysis framework, and identifies the material sustainable issues of CTCI.</p> <p>CTCI recovered a total of valid questionnaires (23 supervisors, 348 from 7 types of stakeholders), and identified 11 material issues through the materiality matrix, which were confirmed in the meeting on Feb. 1, 2023 by the general manager, and reported to the chairman president for confirmation in the group's sustainability and net zero meeting on Feb. 7, 2023.</p> <table><tr><th>Aspect</th><th>Materiality issue</th><th>Strategies</th></tr><tr><td rowspan="2">Governance</td><td>Innovative technology and services</td><td>Enhance design quality and precision, and strengthen project execution efficiency and capabilities through innovative and sophisticated professional technologies, thereby gaining customer confidence and reducing project risks.</td></tr><tr><td>Integrity management</td><td>The corporate culture of integrity management helps improve sound business operations and risk management, and lay the foundation of sustainable business.</td></tr></table>	Aspect	Materiality issue	Strategies	Governance	Innovative technology and services	Enhance design quality and precision, and strengthen project execution efficiency and capabilities through innovative and sophisticated professional technologies, thereby gaining customer confidence and reducing project risks.	Integrity management	The corporate culture of integrity management helps improve sound business operations and risk management, and lay the foundation of sustainable business.	
Aspect	Materiality issue	Strategies										
Governance	Innovative technology and services	Enhance design quality and precision, and strengthen project execution efficiency and capabilities through innovative and sophisticated professional technologies, thereby gaining customer confidence and reducing project risks.										
	Integrity management	The corporate culture of integrity management helps improve sound business operations and risk management, and lay the foundation of sustainable business.										

Promotion Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
			Supply chain sustainability management	CTCI set up a four step supply chain management framework which was included sustainability regulations/ requirements, sustainability risk survey, sustainability onsite auditing and follow-up improvement measures and continuing management and ability implementation. Strengthen and enhance the sustainable management performance of manufacturers through their signing of the letters of commitment to Sustainability and Net Zero as well as audits on their Sustainability performance to form a positive cycle and expand the sustainable influence of manufacturers.
			Brand management	Through brand management, we will create the "Most Reliable" brand image and enhance brand recognition around the globe. We will strengthen customer adhesion and help expand business into new markets.
			Customer service management	In line with the corporate mission of "to satisfy our customers with optimized engineering services," constantly breaking through and challenging ourselves, and making CTCI more international, providing customers with the best and most reliable services.

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
			Environment	Climate change and Net Zero Emission
				As global climate change and energy consumption intensify, CTCI will transform into a low- carbon operation mode to save energy consumption and reduce operating costs through energy-saving measures in the headquarters building and construction sites, as well as the pplication of renewable energy.
				Net Zero EPC and Green Engineering
				Innovate the development of net-zero EPC technology, introduce carbon capture and energy cycle conversion technology, and enhance the business expansion of low-carbon green engineering.
			Social	Safe and healthy work environment
				Provide a safe and secure workplace, promote various health promotion activities, reduce occupational disaster rate and construction risks, create a healthy workplace, and improve cohesion among employees.
				Career development and training
				According to different organizational structures and hierarchies, plan a comprehensive training blueprint and give systematic and planned career development path, in order to achieve the goal of recruiting talents, cultivating talents, and discovering talents for CTCI.

Promotion Item	Implementation Status			Summary Statement	Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No			
				<p>Recruitment and retention</p> <p>With the help of new technologies and behavioral-structured interviews, improve the talent recruitment and retention rate, and provide a perfect and competitive compensation plan and a friendly and healthy workplace for perfect learning and development in order to achieve the goal of talent retention.</p>	
				<p>Social involvement</p> <p>With its own professional core competencies, CTCI is committed to giving back to the society, promoting green friendly technology application and talent cultivation for sustainable engineering, enhancing the Company's brand image, and continuing the green business innovation and development.</p>	
<p>3. Environmental Issues</p> <p>(1) Does the Company set up an environmental management system that suits the nature of industry?</p>	V			<p>(1) CTCI has introduced the ISO 14001:2015 Environmental Management System. To facilitate its effectiveness and help us identify risks comprehensively, we took an integrated approach by combining it with the ISO 45001:2018 Occupational Health and Safety Management System into one HSE management system. This HSE system scope includes engineering, procurement, construction, commissioning, and service at CTCI domestic and abroad construction sites. Moreover, the system has been validated by a third-party validation company. The certificate valid from 10 June 2020 until 10 June 2023. To ensure the effectiveness of our environmental management system, not only do we carry</p>	None

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>out regular and non-regular internal auditing, we also invite third-party validators to conduct external audits on CTCI headquarters and randomly-selected construction sites. Over the past five years, CTCI had no record of major environmental pollution and has no record of major environmental fines (a major environmental fine is defined as a single fine exceeding USD 10,000), and we believe this achievement validates our efforts in this regard. 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 local environmental protection regulations.</p> <p>In addition, CTCI HSE policy also commits to “environmental protection and sustainable development”, and requests our vendors to share the same commitment. We also communicate with our suppliers and partners on our commitment, looking forward to influencing them, so that we can together head towards sustainable development.</p>	

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX 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		 <p>(2) As a member of the society, CTCI shall spare no pain to save energy and reduce carbon emissions. In terms of engineering expertise, CTCI has been making continuous innovation of engineering technologies to reduce energy consumption and reduce pollution. For routine affairs, CTCI 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. Plant construction materials such as steel pipes and cement also purchase products containing recycled materials.</p>	

Promotion Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
(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		<p>In 2022, the total electricity consumption of the headquarters building and the construction sites combined was 10,841,713 KWh, while total consumption of gasoline and diesel combined was 2,052,507 liters. The total energy consumption of the headquarters building and the construction sites reached 1.11×10^8 million joules, and EUI of the Headquater Building reached 111.1 kWh/m², and the intensity of construction site 243,946 kWh/million MH. The electricity consumption and energy use intensity (EUI) at the headquarters building both have declined over the past four years, and EUI was 4.5% lesser in 2022 compared to that in 2021, and the EUI cumulated reduction is 8.6% in the four years. We keep on monitoring various energy consumption and performance indicators to improve management on energy performance.</p> <p>(3) The board of directors is CTCI's highest-level climate issue management unit. The Chief Sustainability Officer regularly reports to the board of directors and the ESG & Net Zero Committee under the board of directors the results of greenhouse gas management, as well as the implementation effects results of risks and opportunities related to climate change.</p> <p>To institutionalize the evaluation process, CTCI adopts the TCFD framework structure, and incorporates climate change risk assessment into "Risk Management Regulations", and specifies management methods - "Climate Change Risk Management Regulations", which are regularly reviewed.</p>	

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons															
	Yes	No	Summary Statement																
(4) Does the Company count the GHG emissions, water consumption and waste volume over the past two years, and establish the policies for the reduction of the GHG emissions and water consumption or other waste management strategies?	V		<p>According to the TCFD framework structure, the company identified 6 major climate risks such as "carbon tax/carbon fee" and 7 opportunities such as "Expand green engineering, operation diversity" via matrices through the scenario analysis (RCP 8.5 for physical risks, NDC, NZE, SSPs for transition risks). CTCI conduct to assess the possible financial impact from the perspective of value chain (organization, upstream, downstream) respectively.</p> <p>CTCI has formulated various management methods to reduce potential risks and grasp possible business opportunities. In terms of climate change mitigation, the company develops projects based on green operations, energy management, carbon information disclosure, and green buildings. In terms of climate change adaptation, CTCI has implemented measures to strengthen infrastructure, and built sustainable operating capabilities.</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>2021</th><th>2022</th></tr><tr><td>GHG emissions (Scope 1)</td><td>4,477 tons of CO₂e</td><td>5,501 tons of CO₂e</td></tr><tr><td>GHG emission (Scope 2)</td><td>5,122 tons of CO₂e</td><td>5,486 tons of CO₂e</td></tr><tr><td>Water consumption</td><td>192,542 m³</td><td>183,698 m³</td></tr><tr><td>Waste</td><td>1,776 tons</td><td>1,899 tons</td></tr></table>	Item	2021	2022	GHG emissions (Scope 1)	4,477 tons of CO ₂ e	5,501 tons of CO ₂ e	GHG emission (Scope 2)	5,122 tons of CO ₂ e	5,486 tons of CO ₂ e	Water consumption	192,542 m ³	183,698 m ³	Waste	1,776 tons	1,899 tons	
Item	2021	2022																	
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Waste	1,776 tons	1,899 tons																	

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>The base year data, target of reduction, promotion strategy and status of achievement are summarized below: the GHG emission intensity of the headquarter and the construction sites were registered as the outstanding managing issues of CTCI, with 2018 as base year, and 2025 as the target year, 2.2% annual reduction as the goal. The Scope 1 + Scope 2 GHG emission of the headquarter in the base year is 3,036 Tons CO₂e, and 12,141 Tons CO₂e for the construction sites. In both 2021 & 2022, CTCI Scope 1 + Scope 2 GHG emission reduction goals were all reached, however In 2022, due to the rush of foreign construction sites and the second headquarters building was opened, resulting in an increase in emissions.</p> <p>In addition, CTCI joined the SBTi in 2022. In the future, 2022 will be used as the base year to formulate reduction targets for scope 1 + scope 2. In order to achieve 1.5°C target of SBTi, GHG emission of scope 1 + scope 2 will reduce 4.2%/year. The GHG emissions It is expected to achieve net zero for offices in 2030 and net zero for offices and production bases in 2050.</p> <p>As to the water consumption, the reduction goal is to be the same as the base year in 2018. In 2018, the water consumption was 19,145 cubic meters in the headquarter, and 465,979 cubic meters in the construction sites. In both 2021 & 2022, CTCI total water consumption reduction goals were all reached.</p>	

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>As to the waste production, the reduction goal is to be the same as the base year in 2018. In 2018, the regular waste production was 54,943 kgs in the headquarter, and 2,960,372 kgs in the construction sites, total 3,015,315 kgs. In both 2021 and 2022, the total waste production reduction goals were all reached.</p> <p>CTCI initiated 6 power saving measures as the carbon reduction strategies with the below credits:</p> <p>A. Lighting: Office lighting is turned off by central control at 12:30 during the lunch break; sensor switches are installed above the photocopying room and filing cabinets, and sensor lighting is added in the restrooms on each floor.</p> <p>B. Air conditioner: preset temperature control for each floor and area, 25 degrees for office area, 27 degrees for elevator hall, 30 degrees for toilet, and 25 degrees for public area in conference area; turn off cooling and change to air supply mode during lunch break every day; turn off the air conditioning system uniformly at 17:00.</p> <p>C. Elevators: 17:00-06:45 on working days and all day on holidays, No. 1 and No. 2 elevators are not in operation, and the rest of the elevators are in normal operation. Interlayer docking mode enabled during peak hours.</p> <p>D. Water dispenser: One hour in advance every day to turn off, one water dispenser on each floor will be turned off at 17:00, and only one water dispenser will be kept for use.</p>	

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>E. Business machine: Enter energy-saving mode if not used for ten minutes.</p> <p>F. Outdoor landscape lights: 6/1-8/31 (summer) 18:45 on-21:00 off; 9/1-5/31 (others) 18:00 on-21:00 off.</p> <p>Overall benefits: 363,004 kWh of electricity saved and 184.77 tons of CO₂e reduced</p> <p>CTCI got ISO 14001:2015 Environmental Management System certification, covering the domestic and foreign construction sites in engineering, procurement, construction and commissioning stages, valid 10 June 2020 until 10 June 2023.</p>	
<p>4. Social issues</p> <p>(1) Does the Company formulate management policies and procedures in accordance with relevant regulations as well as International Covenant on Human Rights?</p>	V		<p>(1) In order to respect and protect basic human rights, CTCI recognizes and supports Universal Declaration of Human Rights (UDHR), UN Global Compact, United Nations Guiding Principles on Business and Human Rights, International Labor Organization-Declaration on Fundamental and Rights at work, Equal Remuneration Convention and local laws and regulations, 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.</p>	None

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
(2) Does the Company establish and deliver reasonable employee welfare programs (including salary, compensated absences, and other benefits) and adjust employee compensation in relation to business performance?	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 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. At the same time, the Company also adjusts the overall bonus budget according to the annual earnings per share, so that employees can share the Company's operating results. 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 shareholding 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.	None

Promotion Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
(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		<p>(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 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>CTCI has acquired ISO 45001:2018 Occupational Health & Safety Management System, the scope includes engineering, procurement, construction, commissioning, and service at CTCI domestic and abroad construction sites. The certificate valid from 10 June 2020 until 10 June 2023.</p> <p>The number of employee occupational disasters in 2022 is 0, so there are no related improvement measures. However, in order to strengthen colleagues' awareness of safety and health, CTCI promotes a series of HSE activities every year, such as Senior executive open letters, Construction site/ plant communications, HSE "Spot the hazard" fun contests, and HSE lectures. In addition to responding to the "National Workplace Safety and Health Week" activities by the OSHA in Taiwan, we also attempt to show the corporate culture</p>	None

Promotion Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
(4) Does the Company draw up workable plans of vocational skills development for employees?	V		<p>in our activities. Allow colleagues to understand various actions with corporate culture through the HSE protection activities and gradually deepen colleagues' thinking about safety. We also conduct Total HSE Evaluation annually, evaluation questions are divided into HSE policy commitment, HSE basic concept, and HSE practice. The evaluation is designed based on the target audience, to understand the correct cognition of colleagues on HSE management. The results also serve as the basis for future HSE promotional campaigns.</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 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. CTCI started promoting Individual Development Plan (IDP) for all employees. 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. According to each position, plan the professional courses required for the position, plan the management training courses for managers at all levels, and provide recommended applications for special topics, research institutes, and</p>	None

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX 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 or client protection policies and complaint procedures?	Y		<p>EMBA. 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 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 “Group Intellectual Property Management Regulations”, “Confidential Document Management Regulations” and “Project Intellectual Property Protection Management Procedure” to ensure information of our products and services will not be misused, disclosed, lost, or damaged, fulfilling</p>	None

Promotion Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	
			<p>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 Project Management, HSE Management, Quality Management, Engineering, Procurement, Construction, E-Documentation Management and IT Application, Intellectual Property(IP) Protection and Control, and ESG Performance for products and services offered through our Customer Satisfaction Survey, providing feedback and giving their satisfaction level.</p> <p>In addition to customer satisfaction questionnaires, Projects and Sales representatives maintain relationships with customers, and customers can always express their opinions. In case our customer provides a feedback is categorized internally as a complaint case, we will assign colleagues dedicated to analyzing reasons, proposing solutions, 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; Brand Management Dept. is the point of contact of external emails and forwards emails received to relevant units for handling.</p>

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX 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, and labor rights and request their reporting on the implementation of such issues?	V		<p>(6)</p> <p>A. 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 which included labor and human rights, Safety and Health, environmental, ethics and management. ISO 14001 and ISO 45001 certification are part of items for audit. 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 standard, in the hope of enhancing the sustainable development of the whole value chain through the power of mutual influence. We have also requested all our vendors to sign the “Vendor’s Commitments to Corporate Sustainable Management and net zero” to enhance their awareness to sustainability.</p> <p>B. We would then ask suppliers to self-evaluate through our questionnaire surveys, so that we have a preliminary idea of where our suppliers' sustainability risks lie. For suppliers that have been determined as high-risk, we would conduct further on-site audits, communicate with our suppliers, and understand deeper about the risks. Finally, we would propose our recommendations to help them improve performances. CTCI's 2022 supply-chain risk investigation outcomes show that 7 suppliers are considered as having higher risks, on-site audits will be conducted in 2023.</p>	None

Promotion Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
5. Does the Company publish its sustainability 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 Sustainability 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 engineering company in Taiwan to have our Sustainability Report verified by a neutral third party. The latest Sustainability Report was released in June 2022, assured by SGS Taiwan LTD. The assurance standard is AA1000ASv3 Type 2, and the level of assurance is high.	None
6. If the Company has established sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the principles and their implementation:				
The Board of Directors approved the "CTCI Sustainability Development Best Practice Principles" as the fundamental principles to promote sustainable development. Actual practice is no difference with the principle.				
7. Other important information to facilitate better understanding of the Company's Sustainability Development practices:				
Please refer to CTCI's Sustainability Development website for more details https://www.ctci.com/csr/				

3.4.6 The Ethical Corporate Management

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX 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 business scope, and establish appropriate precautions against high-potential unethical conducts</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 "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
<p>or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(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?</p>				
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the Company establish an ethical management dedicated unit supervised by the Board to be in charge of corporate integrity</p>	V		<p>(1) The Company concluded the commerce contracts based on mutual trust and good faith management principles.</p> <p>(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. 20, 2022.</p>	None

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
and regularly (at least once a year) report to the board of directors?				
(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 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?			(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 reports the audit results related to ethical corporate management to the ethical management dedicated unit on a quarterly basis, so as to facilitate the effectiveness of ethical.	

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
(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 3 related seminars to 161 employees and training courses to our employees, accumulated to 4,107 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? (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?	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. (3) Regularly report the received accusation materials and responses to independent directors.	None

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary Statement	
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 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	2022/05/04	2022/05/04	Taiwan Corporate Governance Association	How to Prevent Corporate Misconduct: A Manual to Corporate Internal Investigation	3.0
		2022/08/03	2022/08/03	Taiwan Corporate Governance Association	MJIB-Enterprise anti-corruption thinking, investigation experience and case sharing	3.0
Director	John T. Yu	2022/05/04	2022/05/04	Taiwan Corporate Governance Association	How to Prevent Corporate Misconduct: A Manual to Corporate Internal Investigation	3.0
		2022/08/03	2022/08/03	Taiwan Corporate Governance Association	MJIB-Enterprise anti-corruption thinking, investigation experience and case sharing	3.0
Director	Quintin Wu	2022/07/14	2022/07/14	Securities and Futures Institute	Risks and opportunities of business operations under climate change and net zero emissions policies	3.0
		2022/10/13	2022/10/13	Securities and Futures Institute	Battle for corporate management rights and introductions to the Law on trial of commercial events	3.0
Director	Johnny Shih	2022/08/03	2022/08/03	Taiwan Corporate Governance Association	MJIB-Enterprise anti-corruption thinking, investigation experience and case sharing	3.0
		2022/08/17	2022/08/17	Taiwan Academy of Banking and Finance	Corporate governance forum - Enlightenments of Russia-Ukraine war to Taiwan	3.0
Director	Yancey Hai	2022/02/24	2022/02/24	Taiwan Corporate Governance Association	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	2022/07/28	Taiwan Corporate Governance Association	Net-zero emissions, carbon neutrality and corporate compliance	3.0

Title	Name	Study period		Sponsoring Organization	Course	Training hours
		From	To			
Director	An-Ping Chang	2022/03/16	2022/03/16	Taiwan Corporate Governance Association	Integrity management and fair treatments	2.0
		2022/09/28	2022/09/28	Taiwan Institute for Sustainable Energy	Corporate net zero sustainable planning and outlook (water resources, carbon rights, energy)	6.0
Director	Paul Chen	2022/05/04	2022/05/04	Taiwan Corporate Governance Association	How to Prevent Corporate Misconduct: A Manual to Corporate Internal Investigation	3.0
		2022/08/03	2022/08/03	Taiwan Corporate Governance Association	MJIB-Enterprise anti-corruption thinking, investigation experience and case sharing	3.0
Director	Wenent Pan	2022/05/04	2022/05/04	Taiwan Corporate Governance Association	How to Prevent Corporate Misconduct: A Manual to Corporate Internal Investigation	3.0
		2022/06/29	2022/06/29	Taiwan Corporate Governance Association	Personal response part I - Face CFC : Know both yourself and the enemy	3.0
Independent Director	Yen-Shiang Shih	2022/05/04	2022/05/04	Taiwan Corporate Governance Association	How to Prevent Corporate Misconduct: A Manual to Corporate Internal Investigation	3.0
		2022/08/03	2022/08/03	Taiwan Corporate Governance Association	MJIB-Enterprise anti-corruption thinking, investigation experience and case sharing	3.0
Independent Director	Frank Fan	2022/05/04	2022/05/04	Taiwan Corporate Governance Association	How to Prevent Corporate Misconduct: A Manual to Corporate Internal Investigation	3.0
		2022/08/03	2022/08/03	Taiwan Corporate Governance Association	MJIB-Enterprise anti-corruption thinking, investigation experience and case sharing	3.0

Title	Name	Study period		Sponsoring Organization	Course	Training hours
		From	To			
Independent Director	Evon Chen	2022/05/04	2022/05/04	Taiwan Corporate Governance Association	How to Prevent Corporate Misconduct: A Manual to Corporate Internal Investigation	3.0
		2022/08/03	2022/08/03	Taiwan Corporate Governance Association	MJIB-Enterprise anti-corruption thinking, investigation experience and case sharing	3.0
Independent Director	Jack Huang	2022/02/24	2022/02/24	Taiwan Corporate Governance Association	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/08/09	2022/08/09	Taiwan Institute of Directors	How a business react to U.S.-China trade and geopolitical conflicts	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 Management is the code of conduct for Directors, 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 16th meeting of the 15th term board of director on Dec. 20, 2022. The "Management" has been announced at Enterprise Information Portal (EIP) and official website (<http://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) All directors have received the latest "Management" and "Questions and Answers, monitoring about Insiders' Share Transactions" published by Taiwan Stock Exchange Corporation on Nov. 11, 2022.
- (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 Oct. 2022. They should pass the exam after the course and get the full scores; all managerial officers have completed.
- (d) The Company adds related training materials in the orientation for new colleagues. Moreover, to strengthen the beliefs of all employees, 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.
- (f) There is training course 362 hours / 3,151 persons to directors, managerial officers and employees in 2022.
- (g) The "Management", which is amended on Aug. 3, 2022, stipulated all directors do not allowed to trade their shares of CTCL in following period:
 - I 30 days before the announcement of the annual financial report;
 - I 15 days before the announcement of the quarterly financial report.

To follow above regulations, the Company had sent locking notices to all directors on Oct. 11, 2022 and Jan. 18, 2023 for 3rd and annual financial report of 2022.

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 TWD100,000 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 7, 2023

Based on the findings of self-assessment, CTCI CORPORATION (CTCI) states the following with regard to its internal control system during fiscal year 2022:

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 aiming 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 norms and 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 objectives mentioned above. Furthermore, the effectiveness of an internal control system may be subject to changes due to environment or circumstances. Nevertheless, the internal control system of CTCI contains self-monitoring mechanisms, and CTCI takes immediate remedial actions in response to any identified deficiencies.
3. CTCI evaluates 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 identify five key components 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 component also includes several items. Please refer to the Regulations for details.
4. CTCI has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, CTCI believes that, as of December 31, 2022, its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for (1) operational effectiveness and efficiency, (2) reliability timeliness, transparency, and regulatory compliance of reporting, and (3) compliance with applicable norms and 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 7, 2023, the twelve attending directors all affirmed the content of this Statement.

CTCI CORPORATION

Chairman :

Yang Tsung-Hong

(signature)

President :

Jen 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: None.

3.4.11 Major Resolutions of Shareholders' Meeting and Board Meetings

A. Major resolutions of Shareholders' Meeting of Year 2022(2022.05.26)

Date	Resolutions of Shareholders' Meeting	Action Arisen
2022.05.26	1. Adoption of the Company's 2021 Business Report, Financial Statements and Consolidated Financial Statements.	The resolution has been made and implemented.
	2. Adoption of the Company's distribution plan of 2021 earnings. (Distribute cash dividend TWD 2.30 per share)	The ex-dividend record date was on Jul. 9, 2022, and paid on Jul. 29, 2022.
	3. Amendment to the Company's "Articles of Incorporation".	It has been registered by Ministry of Economic Affairs on Jun. 24, 2022 and announced at official website.
	4. Amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets".	The lasted regulations have been announced at MOPS and official website on Jun. 02, 2022.
	5. Amendment to the Company's "Regulations Governing Making of Endorsements / Guarantees".	The lasted regulations have been announced at MOPS and official website on Jun. 07, 2022.
	6. Approval of the issuance of Restricted Stock Awards.	Approved and effected by Financial Supervisory Commission on Jul. 11, 2022 and full issued on Jan. 01, 2023.

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

- 2022.03.08 2021 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 2021 directors' and employees' remuneration.
 Approval of the Fiscal 2021 business report, financial reports and consolidated reports.
 Approval of the distribution plan of Fiscal 2021 earnings.
 Approval of "Statement of Internal Control System for the Year 2021".
 Approval of the amendment to the Company's "Articles of Incorporation".
 Approval of the amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets" and "Regulations Governing Making of Endorsements / Guarantees".
 Approval of the issuance of Restricted Stock Awards for 2022.
 Approval of the convening of the 2022 Annual General Meeting.
 Approval of the place and the period of time for shareholders to submit proposals of the 2022 Annual General Meeting.
 Approval of ESOP issuance of the Company's paid-in capital registration.
 Approval on funds lending the subsidiaries for working capital requirement by the Company.
- 2022.05.04 Report for the Ability of Financial Statement Preparation.
 Report for schedule and implementation progress of greenhouse gas inventory.
 Report for 2022 Q1 HSE key tasks.
 Approval of Consolidated financial reports as of March 31st, 2022.
 Approval of the investment of Bao Ding Reclaimed Water Co., Ltd.
 Approval on funds lending the subsidiaries for working capital requirement by the Company.
 Approval of RSA reduction of the Company's paid-in capital registration.
 Approval of ESOP issuance of the Company's paid-in capital registration.

- Approval of change of the Internal Audit officer.
 - Approval of the adjustment of the managerial officer of the Company.
 - Approval of the removing the non-competition restrictions on managerial officers.
 - Approval of appointing the incharge of designated seals of the Company.
- 2022.08.03
- Report for the Ability of Financial Statement Preparation.
 - Report for the schedule and implementation progress of greenhouse gas inventory.
 - Report for 2022 Q2 HSE key tasks.
 - Approval of Consolidated financial reports as of June 30th, 2022.
 - Approval of the capital injection of CTCI Singapore Pte. Ltd.
 - Approval on funds lending the subsidiaries for working capital requirement by the Company.
 - Approval of set-up of a branch in the Netherlands.
 - Approval of set-up of a branch in the Korea.
 - Approval of the amendment to the Company's "Corporate Governance Principles".
 - Approval of the amendment to the Company's Internal Audit Systems.
 - Approval of RSA reduction of the Company's paid-in capital registration.
 - Approval of ESOP issuance of the Company's paid-in capital registration.
 - Approval of change the incharge of designated seals of the Company.
- 2022.11.02
- Report for the Ability of Financial Statement Preparation.
 - Report for the schedule and implementation progress of greenhouse gas inventory.
 - Report for 2022 Q3 HSE key tasks.
 - Report on the management of Intellectual property protection.
 - Report on the practice of risk management.
 - Report on Directors' and Officers' Liability Insurance.
 - Approval of Consolidated financial reports as of September 30th, 2022.
 - Approval on funds lending the subsidiaries for working capital requirement and adjustment of loan limit by the Company.

	Approval of the issuance of 2022 unsecured corporate bond.
	Approval of set-up of a subsidiary in Mexico.
	Approval of set-up of a subsidiary in Hsinchu.
	Approval of set-up of a subsidiary in Tainan.
	Approval of the amendment to the Company's " Rules Governing Procedure for Board of Directors' Meetings".
	Approval of the amendment to the Company's Internal Audit Systems.
	Approval of RSA reduction of the Company's paid-in capital registration.
	Approval of ESOP issuance of the Company's paid-in capital registration.
2022.12.20	Report on the implementation of ethical corporate management in 2022.
	Report on the ESG.
	Approval of the budget of 2023.
	Approval of the Year 2023 Audit Plan.
	Approval of set-up of a subsidiary in Malaysia.
	Approval of the amendment to the Company's Internal Audit Systems.
	Approval of change of the financial officer.
	Approval of change of the Deputy Spokesperson.
	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 amendment to the Company's "Code of Practice on Corporate Social Responsibility".
	Approval of issuance of Restricted Stock Awards and share distributable list (including the management officers) and related matters.
	Approval of the average salary increase rate of 2023.
	Approval of the remuneration of the management officers of the Company.
	Approval of donation to CTCI Education Foundation.
	Approval of the adoption to the 2023 remuneration of the Chairperson of the Management Strategy Committee.

2023.03.07	<p>Report for the schedule and implementation progress of greenhouse gas inventory.</p> <p>Report for 2022 Q4 HSE key tasks.</p> <p>Report for Board of Directors Performance Assessments.</p> <p>Evaluation Report for the Independence and Capability of Independent Auditor.</p> <p>Approval of the distribution plan of the 2022 directors' and employees' remuneration.</p> <p>Approval of the Fiscal 2022 business report, financial reports and consolidated reports.</p> <p>Approval of the distribution plan of Fiscal 2022 earnings.</p> <p>Approval of "Statement of Internal Control System for the Year 2022".</p> <p>Approval of the amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets".</p> <p>Approval of submitting to the AGM to elect of board directors for the 16th term.</p> <p>Approval of nomination of director candidates for the 16th term.</p> <p>Approval of submitting to the AGM for removing the non-competition restrictions on 16th board directors.</p> <p>Approval of the convening of the 2023 Annual General Meeting.</p> <p>Approval of the place and the period of time for shareholders to submit proposals and the roster of director candidates of the 2023 Annual General Meeting.</p> <p>Approval on funds lending the subsidiaries for working capital requirement and adjustment of loan limit by the Company.</p> <p>Approval of set-up of a branch in Thailand.</p> <p>Approval of the amendment to the Company's Internal Audit Systems.</p> <p>Approval of the establishment to the Company's "Risk Management Regulations".</p> <p>Approval of change of independent auditors of the Company.</p> <p>Approval of RSA reduction of the Company's paid-in capital registration.</p> <p>Approval of ESOP issuance of the Company's paid-in capital registration.</p> <p>Approval of the adjustment of the managerial officer of the Company.</p> <p>Approval of the removing the non-competition restrictions on managerial officers.</p> <p>Approval of the amendment to the Company's "Procedure for Performance Assessment and Remuneration Standard of the Directors and Management Officers".</p>
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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, Corporate Governance and R&D

March 31st, 2023

Title	Name	On Board Date	Leave Date	Reason for Resignation or Dismissal
Corporate Governance Officer	Ming-Cheng Hsiao	Apr. 01, 2019	Dec. 20, 2022	Retirement
Financial Officer		Mar. 09, 2021		
Internal Audit	Helen Hsu	Aug. 12, 2014	May 05, 2022	Retirement

3.5 Information on Attesting CPA' s Fees

Unit: TWD thousands

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Note
PriceWater HouseCoopers	Shih-Jung Weng	2022.01.01-2022.12.31	6,510	5,699	12,209	Note 1
	Yi-Fan Lin					

Note 1: The professional fees except audit fee include: system design TWD4,658 thousand, registration TWD211 thousand, transfer-pricing report TWD680 thousand and opinion of review employee stock options TWD150 thousand.

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	2022		As of March 31 st , 2023	
		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	628,178	0	366,289	0
Director	CTCI Development Corporation	0	0	0	0
	Representative: John T. Yu	(64,000)	0	(57,950)	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	0	0	0	0
Director	CTCI Foundation	0	0	0	0
	Representative: Paul Chen	0	0	0	0
Director	Wenent Pan	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	0	0	0	0
Independent Director	Jack Huang	0	0	0	0
Managerial Officers	John T. Yu	(64,000)	0	(57,950)	0
Managerial Officers	Michael Yang	628,178	0	366,289	0
Managerial Officers	Todd Chen	240,856	0	68,000	0
Managerial Officers	Ming-Cheng Hsiao (Note 1)	214,516	0	0	0

Title	Name	2022		As of March 31 st , 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Managerial Officers	Ting-Kuo Li (Note 2)	221,187	0	0	0
Managerial Officers	Shih-Wei Chung	17,001	0	39,210	0
Managerial Officers	Min-Lin Lee	20,000	0	60,266	0
Managerial Officers	Ming-Shyan Lee	43,436	0	10,127	0
Managerial Officers	T.C. Li	0	0	23,765	0
Managerial Officers	Steve Jean (Note 3)	28,050	0	0	0
Managerial Officers	Connie Lin (Note 4)	74,750	0	0	0
Managerial Officers	I-Kang Ho (Note 5)	37,132	0	0	0
Managerial Officers	Paul Wu	17,370	0	30,032	0
Managerial Officers	Y.S. Kuan (Note 6)	46,285	0	0	0
Managerial Officers	Gino Tsai	7,000	0	62,508	0
Managerial Officers	Vincent Liu	110,259	0	20,000	0
Managerial Officers	Ai-Cheng Ho	18,000	0	27,000	0
Managerial Officers	Wen-Pin Lo	0	0	0	0
Managerial Officers	Ella Tsai (Note 7)	0	0	0	0
Managerial Officers	James Wang	14,001	0	20,684	0
Managerial Officers	Sharon Chiang	22,613	0	17,526	0
Managerial Officers	Jack Hung (Note 8)	60,266	0	0	0
Managerial Officers	Jeff Hsu	23,515	0	20,014	0
Managerial Officers	Tiger Tsai	17,000	0	4,000	0
Managerial Officers	Jenq-Shyong Chung	(147,250)	0	0	0

Title	Name	2022		As of March 31 st , 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Managerial Officers	Evan Chen	110,635	0	0	0
Managerial Officers	Forest Lin	114,030	0	29,073	0
Managerial Officers	Rhino Fu	287,453	0	2,000	0
Managerial Officers	Fendi Chiu (Note 9)	0	0	0	0
Managerial Officers	William Pung (Note 10)	0	0	99,493	0
Managerial Officers	C.L. Yen (Note 10)	0	0	205,362	0
Managerial Officers	John Hsu (Note 11)	0	0	0	0
Managerial Officers	Sam Kao (Note 11)	0	0	0	0
Managerial Officers	Melissa Liu (Note 12)	0	0	42,391	0

Note 1: Be dismissed on Jan. 4, 2023, and disclose the information during his tenure of office only.

Note 2: Be dismissed on Jul. 1, 2022, and disclose the information during his tenure of office only.

Note 3: Be dismissed on Oct. 28, 2022, and disclose the information during his tenure of office only.

Note 4: Be dismissed on Apr. 16, 2022, and disclose the information during her tenure of office only.

Note 5: Be dismissed on Jun. 20, 2022, and disclose the information during his tenure of office only.

Note 6: Be dismissed on Apr. 23, 2022, and disclose the information during his tenure of office only.

Note 7: Be dismissed on Feb. 1, 2022, and disclose the information during her tenure of office only.

Note 8: Be dismissed on Mar. 27, 2023, and disclose the information during his tenure of office only.

Note 9: On board on May 4, 2022 and dismissed on Jul. 1, 2022, and disclose the information during her tenure of office only.

Note 10: On Board on Jan. 1, 2023, and disclose the information during his tenure of office only.

Note 11: On Board on Mar. 7, 2023, and disclose the information during his tenure of office only.

Note 12: On Board on Dec. 20, 2022, 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	2022.01.10	Bing-Sian Yu	Son	64,000	NA
Jenq-Shyong Chung	Donation	2022.04.01	Chiu-Yueh Chen	Spouse	200,282	NA
Ming-Cheng Hsiao	Donation	2022.06.27	Hsing-Liang Hsieh	Spouse	450,000	NA
John T. Yu	Donation	2023.01.04	Bing-Sian Yu	Son	57,950	NA

3.8.3 Shares Pledge with Related Parties

None.

3.9 Relationship among the Top Ten Shareholders

April 2nd, 2023

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	
CTCI Foundation	60,862,051	7.59	0	0	0	0	None	None	
Fubon Life Insurance Co., Ltd.	58,154,000	7.25	0	0	0	0	None	None	
Representative: Richard M. Tsai	0	0	0	0	0	0	None	None	
CTBC BANK CO., LTD. (CTCI Corporation Employee Stock Ownership Trust)	50,359,588	6.28	0	0	0	0	None	None	
CTBC BANK CO., LTD. (Sustainability Employee Stock Ownership Trust)	46,834,025	5.84	0	0	0	0	None	None	
BANK SINOPAC CO. LTD. (Reliable Employee Stock Ownership Trust)	23,271,683	2.90	0	0	0	0	None	None	
USI Corporation	15,130,656	1.89	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	1.80	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	1.67	0	0	0	0	None	None	
Representative: An-Ping Chang	0	0	0	0	0	0	None	None	
Norges Bank	12,104,756	1.51	0	0	0	0	None	None	
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	9,932,510	1.24	0	0	0	0	None	None	

3.10 Ownership of Shares in Affiliated Enterprises

As of March 31st, 2023

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	0.002	59,099,624	97.09
CTCI Advanced Systems Inc.	12,454,461	43.46	1,325,980	4.63	13,780,441	48.09
CTCI Development Corporation	361,454,727	100.00	0	0.00	361,454,727	100.00
CTCI Investment Corporation	207,200,000	100.00	0	0.00	207,200,000	100.00
ECOVE Environment Corporation	38,457,105	54.29	278,553	0.39	38,735,658	54.68
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 Singapore Pte. Ltd.	33,300,000	100.00	0	0.00	33,300,000	100.00
CCJV P1 Engineering & Construction Sdn. Bhd.	203,197,500	99.00	0	0.00	203,197,500	99.00
CTCI CMCE JV Sdn. Bhd.	382,500	51.00	0	0.00	382,500	51.00
CTCI-HDEC (Chungli) Corporation	78,948,000	51.00	0	0.00	78,948,000	51.00
PT CTCI International Indonesia	341,700,000	67.00	61,200,000	12.00	402,900,000	79.00
CTCI USA Holding Inc.	10	100.00	0	0.00	10	100.00

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

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

A. Issued Shares

As of March 31st, 2023

Year/Month	Issue 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 ~ 2021.12	10	900,000,000	9,000,000,000	763,858,674	7,638,586,740	ESOP	None	-
2022.01	0	1,200,000,000	12,000,000,000	769,358,674	7,693,586,740	RSA	None	Note 1
2022.03	10	1,200,000,000	12,000,000,000	769,363,674	7,693,636,740	ESOP	None	Note 2
2022.06	10	1,200,000,000	12,000,000,000	782,573,826	7,825,738,260	ESOP & RSA reduction	None	Note 3
2022.09	10	1,200,000,000	12,000,000,000	785,777,524	7,857,775,240		None	Note 4

Year/Month	Issue 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
2022.11	10	1,200,000,000	12,000,000,000	789,777,309	7,897,773,090		None	Note 5
2023.01	0	1,200,000,000	12,000,000,000	793,927,309	7,939,273,090	RSA	None	Note 6
2023.03	10	1,200,000,000	12,000,000,000	794,658,314	7,946,583,140	ESOP & RSA reduction	None	Note 7

Note 1: 2022.01.18 MOEA Ruling Ref.No. 11101010310.

Note 2: 2022.03.29 MOEA Ruling Ref.No. 11101050930.

Note 3: 2022.06.15 MOEA Ruling Ref.No. 11101088590.

Note 4: 2022.09.02 MOEA Ruling Ref.No. 11101165290.

Note 5: 2022.11.29 MOEA Ruling Ref.No. 11101224030.

Note 6: 2023.01.17 MOEA Ruling Ref.No. 11230008450.

Note 7: 2023.03.29 MOEA Ruling Ref.No. 11230053940.

B. Type of Stock

Share Type	Authorized Capital			Remark
	Issued Shares	Un-issued Shares	Total Shares	
Common Share	794,658,314	405,341,686	1,200,000,000	Listed stock

4.1.2 Status of Shareholders

As of April 2nd, 2023

Item	Government Agencies	Financial Institutions	Other Juridical Person	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	47	186	40,778	241	41,252
Shareholding (shares)	0	247,162,487	163,253,001	259,298,196	132,155,702	801,869,386
Percentage (%)	0.00	30.82	20.36	32.34	16.48	100.00

4.1.3 Shareholding Distribution Status

As of April 2nd, 2023
Common Shares (The par value for each share is TWD10)

Class of Shareholding (Unit : Share)	Number of Shareholders	Shareholding (Shares)	Percentage (%)
1 ~ 999	9,856	2,185,079	0.27
1,000 ~ 5,000	22,812	48,227,801	6.01
5,001 ~ 10,000	4,042	31,796,734	3.97
10,001 ~ 15,000	1,317	16,626,207	2.07
15,001 ~ 20,000	808	14,715,574	1.84
20,001 ~ 30,000	792	20,085,400	2.50
30,001 ~ 40,000	348	12,281,475	1.53
40,001 ~ 50,000	269	12,309,101	1.54
50,001 ~ 100,000	514	36,231,506	4.52
100,001 ~ 200,000	253	35,635,949	4.44
200,001 ~ 400,000	110	29,709,987	3.71
400,001 ~ 600,000	42	20,405,135	2.54
600,001 ~ 800,000	17	12,126,720	1.51
800,001 ~ 1,000,000	13	11,665,806	1.45
1,000,001 or over	59	497,866,912	62.10
Total	41,252	801,869,386	100.00

4.1.4 List of Major Shareholders

As of April 2nd, 2023

Shareholder's Name	Shareholding	
	Shares	Percentage (%)
CTCI Foundation	60,862,051	7.59
Fubon Life Insurance Co., Ltd.	58,154,000	7.25
CTBC Bank Co., Ltd. (CTCI Corporation Employee Stock Ownership Trust)	50,359,588	6.28
CTBC Bank Co., Ltd. (Sustainability Employee Stock Ownership Trust)	46,834,025	5.84
Bank SINOPAC Co., Ltd. (Reliable Employee Stock Ownership Trust)	23,271,683	2.90
USI Corporation	15,130,656	1.89
Asia Polymer Corporation	14,446,107	1.80
Union Cement Traders Inc.	13,365,318	1.67
Norges Bank	12,104,756	1.51
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	9,932,510	1.24

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

Item	2021	2022	As of March 31 st , 2023
Market Price per Share			
Highest Market Price	41.55	50.40	45.85
Lowest Market Price	34.90	37.00	45.10
Average Market Price	37.16	43.82	45.60
Net Worth per Share			
Before Distribution	21.75	22.45	N/A
After Distribution	19.42	20.49	N/A
Earnings per Share			
Weighted Average Shares	762,316	776,193	N/A

Item	2021	2022	As of March 31 st , 2023
Diluted Earnings Per Share	2.15	3.07	N/A
Dividends per Share			
Cash Dividends	2.30	1.91	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	17.28	14.27	N/A
Price / Dividend Ratio	16.16	22.94	N/A
Cash Dividend Yield Rate	6.19%	4.36%	N/A

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 2022 distribution of earnings of shareholders' dividends is set to be distributed as an all cash dividend of TWD 1.91 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 2022 Approved in Board of Directors Meeting for Employee and Directors' Remuneration

- a. Recommended Distribution of Directors' Remuneration is TWD 18 million, and Employees' Remuneration in cash is TWD71.379 million.
- b. Ratio of Recommended Employee Stock Bonus to Capitalization of Earnings: None.

D. Information of 2021 Earnings Set Aside to Employees' and Directors' and Supervisors' Remuneration

Unit: TWD

	Actual Distribution A	Recognized Estimated Amount B	Variance C=A-B
Remuneration for Employees (Cash)	49,265,245	49,265,245	0
Remuneration for Directors (Cash)	15,111,000	15,111,000	0

The 2021 Employees' and Directors' remuneration are based on the net profit after tax current year. After taking into legal reserve and other factors, it is estimated on the basis of the percentage stipulated in the Articles of Incorporation.

The Estimation for 2021 Employees' 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 2021 Employee's and Directors' Remuneration distributed according to the resolution of the shareholders' meeting and the Estimated Amount.

E. The Information of Top Ten Recipients of Employee Bonuses in 2021:

Name	Title	Amount(TWD)
Michael Yang	Vice Chairperson of Management Strategy Committee	736,168
Todd Chen	President	
Ming-Cheng Hsiao	Executive Vice President	
Ting-Kuo Li	Executive Vice President	
Min-Lin Lee	Senior Vice President	
Gino Tsai	Vice President	
Jack Hung	Vice President	
Vincent Liu	Vice President	
Steve Jean	Vice President	
Wen-Pin Lo	Vice President	

4.1.9 Buyback of Treasury Stock: None.

4.2 Corporate Bonds

Type	2019	2020	2023
Item	First Unsecured Corporate Bond	First Unsecured Corporate Bond	First Unsecured Corporate Bond
Issuance (Process) Date	December 25, 2019	June 22, 2020	January 11, 2023
Face value	TWD 1,000,000	TWD 1,000,000	TWD 1,000,000
Locate of Issuance and Exchange	NA	NA	NA
Price of Issuance	TWD 100 (100% of face value)	TWD 100 (100% of face value)	TWD 100 (100% of face value)
Total Amount	TWD 6,000,000,000	TWD 3,000,000,000	TWD 1,700,000,000
Rate	Fixed annual rate of 0.9%	Fixed annual rate of 0.77%	Fixed annual rate of 2.40%
Tenor	Five years. Maturity Date: December 25, 2024	Five years. Maturity Date: June 22, 2025	Three years. Maturity Date: January 11, 2026
Guarantor	NA	NA	NA
Trustee	Taipei Fubon Commercial Bank Co., Ltd.	KGI Bank Co., Ltd.	BANK SinoPac Co., Ltd.
Underwriter	Yuanta Securities Co., Ltd.	Yuanta Securities Co., Ltd.	Fubon Securities Co., Ltd.
Appointed Attorney of Law	Hui-Chi Kuo	Hui-Chi Kuo	Hui-Chi Kuo
Appointed CPAs	Yi-Fan Lin	Yi-Fan Lin	Shih-Jung Weng
Repayment Method	On due date, the bonds will be redeemed in whole	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	TWD 1,700,000,000
Terms of redemption or early repayment	NA	NA	NA
Restrictive terms	NA	NA	NA
Name of the credit rating agency, date, and outcome of the rating of the corporate bond	Credit Rating Agency: Taiwan Ratings Corporation Rating subject: CTCI Corporation Credit Ratings: twA Date of rating: October 16, 2019	Credit Rating Agency: Taiwan Ratings Corporation Rating subject: CTCI Corporation Credit Ratings: twA Date of rating: March 26, 2020	Credit Rating Agency: Taiwan Ratings Corporation Rating subject: CTCI Corporation Credit Ratings: twA Date of rating: April 25, 2022

Type		2019	2020	2023
Item		First Unsecured Corporate Bond	First Unsecured Corporate Bond	First Unsecured Corporate Bond
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	NA
	Guidelines of issuance or conversion (exchange or subscription)	NA	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	NA
	Delegated custodian of the underlying exchange	NA	NA	NA

4.3 Preferred Shares: None.

4.4 Global Depositary Receipts: None.

4.5 Employee Stock Options

4.5.1 Issuance of Employee Stock Options

As of March 31 st , 2023				
Type of Stock Option	2017 ESOP	2018 ESOP	2019 ESOP	2020 ESOP
Effective Date by Regulatory Agency and Total Units	2017/04/05 20,000 units	2018/01/09 20,000 units	2019/01/09 20,000 units	2020/01/08 20,000 units
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
Units unissued	0 units	0 units	0 units	0 units
Option shares to be issued as a percentage of outstanding shares (%)	2.49	2.49	2.49	2.49
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)		
		<u>Regular</u>	<u>Reward</u>	
	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%	
Number of share exercised	9,582,390 Shares	9,278,744 Shares	3,978,699 Shares	6,604,035 Shares
Amount of share exercised	TWD 369,807,589	TWD 337,054,789	TWD 161,950,295	TWD 215,598,128
Number of shares yet to be exercised	10,417,610 Shares	10,721,256 Shares	16,021,301 Shares	13,395,965 Shares
Exercise price for unexercised shares	TWD37.7	TWD34.9	TWD39.8	TWD31.6
Ratio of unexercised shares to the total issued shares (%)	1.30	1.34	2.00	1.67
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, 2023

	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	5,939	0.74	2,054	2017 ESOP: TWD 37.7-41.8 2018 ESOP: TWD 34.9-38.7 2019 ESOP: TWD 39.8-44.1 2020 ESOP: TWD 31.6-35.0	74,341	0.26	3,885	2017 ESOP: TWD 37.7 2018 ESOP: TWD 34.9 2019 ESOP: TWD 39.8 2020 ESOP: TWD 31.6	139,115	0.48
	President	Todd Chen										
	Senior Vice President	Shih-Wei Chung										
	Senior Vice President	Min-Lin Lee										
	Senior Vice President	Ming-Shyan Lee										
	Senior Vice President	T.C. Li										
	Vice President	Paul Wu										
	Vice President	Gino Tsai										
	Vice President	Vincent Liu										
	Vice President	Ai-Cheng Ho										
	Vice President	Wen-Pin Lo										
	Vice President	James Wang										
	Vice President	Sharon Chiang										
	Vice President	Jeff Hsu										
	Vice President	Tiger Tsai										
	Vice President	Jenq-Shyong Chung										
	Vice President	Forest Lin										

	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 (%)							
	Vice President	Rhino Fu																	
	Vice President	William Pung																	
	Vice President	C.L. Yen																	
	Vice President	John Hsu																	
	Vice President	Sam Kao																	
	Financial Officer	Melissa Liu																	
Employees	Chief Engineer	Hope Sun	1,257	0.16	552	2017 ESOP: TWD 37.7-41.8	20,362	0.07	705	2017 ESOP: TWD37.7	25,413	0.09							
	Chief Engineer	Jin-Wen Chang				2018 ESOP: TWD 34.9-38.7				2018 ESOP: TWD34.9									
	Chief Engineer	Mike Shih								2019 ESOP: TWD39.8									
	Chief Engineer	Michael C. Chang								2020 ESOP: TWD31.6									
	Chief Engineer	Hung-Liang Hsieh				2020 ESOP: TWD 31.6-35.0													
	Chief Engineer	Y.W. Yeh																	
	Chief Engineer	Tzer-Ling Chou																	
	Chief Engineer	BB Lu																	
	Chief Engineer	Chi-Wen Wu																	
	Chief Engineer	Paul Yang																	

4.6 Employee Restricted Stock

4.6.1 Issuance of New Restricted Employee Shares

March 31st, 2023

Type of New Restricted Employee Shares		2021 RSA	2022 RSA
Date of Effective Registration and total shares		Sep. 17, 2021 / 5,500,000 shares	Jul. 1, 2022 / 4,150,000 shares
Issue Date		Jan. 1, 2022	Jan. 1, 2023
Number of New Restricted Employee Shares	Issued	5,500,000 shares	4,150,000 shares
	Unissued	0 share	0 share
New Restricted Employee Shares as a Percentage of Shares Issued(%)		0.69	0.52
Vesting Conditions of New Restricted Employee Shares		Note 1	Note2
Restricted Rights of New Restricted Employee Shares		1) Except for inheritance, the RSA shall not be sold, pledged, transferred, gifted to others, used to create any encumbrance, or otherwise disposed of. 2) The rights to attend, propose, speak, vote and nomination in the shareholders' meeting shall be the same as the ordinary shares issued by the Company, and shall be implemented in accordance with the trust agreement. 3) Other rights include but are not limited to: dividends, statutory surplus reserve and capital reserve and the right to subscribe the new shares are the same as the rights of the ordinary shares issued by the Company Relevant operation methods shall be implemented in accordance with the trust agreement. 4) During the vesting period, if the Company conducts cash capital reduction and other capital reduction that are not related to statutory capital reductions, the new shares of the RSA shall be cancelled according to the proportion of capital reduction. In case of cash capital reduction, the returned cash shall be delivered to the trust. I shall not be entitled to receive the cash until the vesting conditions are met, otherwise the Company shall recover the cash.	
Custody Status of New Restricted Employee Shares		Trust custody	

Type of New Restricted Employee Shares	2021 RSA	2022 RSA
Measures to be Taken When Vesting Conditions are not Meet	1) Where an employee has failed to meet the vested conditions such as non-employment on the vested day, violation of the circumstances listed in the above 3.4, and failure to achieve the above 3.3, the granted shares to the employee will be recovered and canceled by the Company without compensation. 2) During the vested period, if an employee voluntarily resigns, retires, or is dismissed, the granted shares are deemed to have not met the vested conditions, and the shares will be recovered and canceled by the Company without compensation.	
Number of New Restricted Employee Shares that have been Redeemed or Bought Back	554,516 shares	23,621 share
Number of Released New Restricted Employee Shares	1,119 share	72 share
Number of Unreleased New Restricted Shares	4,944,365 shares	4,126,307 shares
Ratio of Unreleased New Restricted Shares to Total Issued Shares (%)	0.62	0.51
Impact on Possible Dilution of Shareholdings	The dilution of the Company's EPS is limited, so there is no significant impact on the interest of shareholders.	

Note 1 :

1) Divided into two categories, A and B: Category A: Senior management executives · Category B: General employees

2) Fulfillment of performance indicators

- a. Company performance goals: The most recent earnings per share (EPS) is not less than 50% of the average earnings per share for the previous three years. And the net profit attributable to the common shareholders of the parent company in the consolidated financial statements of the most recent year is greater than the average net profit attributable to the common shareholders of the parent company in the consolidated financial statements of the previous three years.

Earnings per share refers to the basic earnings per share disclosed in the consolidated statement of comprehensive income in the consolidated financial report verified by a certified public accountant.

- b. Category A:

Reach the most recent company's performance goals and achieve the most recent performance goals of the business units.

Category B:

Achieve the most recent company performance goals and the most recent average individual annual performance A, B score of no less than 73 points.

The "most recent" mentioned above is based on specific vested date.

- c. The number of shares available to all employees will be calculated according to the following formula three years after the issuance date:

(the net profit attributable to the common shareholders of the parent company in the consolidated financial statements of the latest year - the average net profit attributable to the common shareholders of the parent company in the consolidated financial statements of the previous three years) x 40% / the closing price of ordinary shares of the Company on the issuance date of RSA, the total number of shares

issued this time is still the upper limit.

- 3) For employees who remain on the job on the vesting date and meet the vesting conditions, proportions of the shares to be granted for such employees on the vesting date each year is as follows: (Rounding to the nearest stock)
 - On the job for 3 years after granting: $x (\text{number of shares available to all employees} / \text{total number of shares issued this time}) \times 30\%$
 - On the job for 4 years after granting: $x (\text{number of shares available to all employees} / \text{total number of shares issued this time}) \times 30\%$
 - On the job for 5 years after granting: $x (\text{number of shares available to all employees} / \text{total number of shares issued this time}) \times 40\%$
- 4) For employees who remain on the job on the vesting date, and the Company has determined that there has been no violation of the Company's labor contract, employee handbook, trust agreement, confidentiality and intellectual property commitment or written agreement with the Company during the period.

Note 2 :

- 1) Divided into two categories, A and B:
 - a. Category A: Senior management executives
 - b. Category B: General employees
- 2) Company performance goals: On each vested date specified in paragraph 4 of this article, calculate the average growth rate of the following three indicators of the company in the most recent year compared with the previous three years, accounting for 1 / 3 of each, with a total of more than 3%:
 - a. Operating revenue: The operating revenue disclosed in the consolidated statements of comprehensive income audited and certified by a certificated public accountant.
 - b. Return on Shareholders' Equity (ROE): The profit for the year attributable to owners of the parent company disclosed in the consolidated statements of comprehensive income / the average of the equity attributable to owners of the parent company disclosed in the consolidated balance sheets. The above financial statements must be audited and certified by a certificated public accountant.
 - c. Earnings per share (EPS): Basic earnings per share disclosed in the consolidated statements of comprehensive income audited and certified by a certificated public accountant.

The "most recent year" mentioned above is based on each vested date.
- 3) Individual performance goals:
 - a. Category A: Reach the most recent company's performance goals and achieve the most recent performance goals of the business units.
 - b. Category B: Achieve the most recent company performance goals and the most recent average individual annual performance A, B score of no less than 73 points.

The "most recent year" mentioned above is based on specific vested date.
4. Before the achievement of the company's performance indicators in paragraph 2 of this article, if the employee is still in office on the following time schedule days (i.e. each vested day) after being allocated RSA, and meets paragraph 5 of this article and the personal performance indicators in the preceding paragraph, the vested proportion of each vested day is as follows (rounded to one share):
 - a. On the job for 3 years after issuance: 30%
 - b. On the job for 4 years after issuance: 30%
 - c. On the job for 5 years after issuance: 40%
5. During the period from the issuance of new RSA to each acquired date (i.e. each acquired period), the company has determined that the employee has no violation of the company's labor contract, employee manual, work rules, trust custody contract, confidentiality and intellectual property commitment, this measures, consent to receive RSA, or other written agreements with the company.

4.6.2 Status of New Shares Issuance in Connection with Mergers and Acquisitions

March 31st, 2023

	Title	Name	Number of new restricted shares acquired as an employee (Thousand shares)	New Restricted Shares as a Percentage of Shares Issued(%)	Restrictions removed				Restrictions intact			
					Number of restricted shares with restrictions removed (Thousand shares)	Issuance Price (TWD)	Issuance Amount (Thousand TWD)	Number of restricted shares with restrictions removed as a percentage of total outstanding shares (%)	Number of restricted shares with restrictions intact (Thousand shares)	Issuance Price (TWD)	Issuance Amount (Thousand TWD)	Number of restricted shares with restrictions intact as a percentage of total outstanding shares (%)
Manager	Vice Chairperson of Management Strategy Committee	Michael Yang	1,265.9	0.16	0	0	0	0	1,265.9	0	0	0.16
	President	Todd Chen										
	Senior Vice President	Shih-Wei Chung										
	Vice President	T.C. Li										
	Senior Vice President	Min-Lin Lee										
	Senior Vice President	Ming-Shyan Lee										
	Vice President	Vincent Liu										
	Vice President	Gino Tsai										
	Vice President	Evan Chen										
	Vice President	Paul Wu										
	Vice President	Ai-Cheng Ho										
	Vice President	Sharon Chiang										
	Vice President	Wen-Pin Lo										
	Vice President	Jenq-Shyong Chung										
	Vice President	Jack Hung										
	Vice President	James Wang										
	Vice President	Jeff Hsu										
	Vice President	Tiger Tsai										
	Vice President	Rhino Fu										
	Vice President	Forest Lin										

	Title	Name	Number of new restricted shares acquired as an employee (Thousand shares)	New Restricted Shares as a Percentage of Shares Issued(%)	Restrictions removed				Restrictions intact			
					Number of restricted shares with restrictions removed (Thousand shares)	Issuance Price (TWD)	Issuance Amount (Thousand TWD)	Number of restricted shares with restrictions removed as a percentage of total outstanding shares (%)	Number of restricted shares with restrictions intact (Thousand shares)	Issuance Price (TWD)	Issuance Amount (Thousand TWD)	Number of restricted shares with restrictions intact as a percentage of total outstanding shares (%)
	Vice President	C.L. Yen										
	Vice President	William Pung										
	Vice President	John Hsu										
	Vice President	Sam Kao										
	Financial Officer	Melissa Liu										
Employee	Please refer to the following note		384.4	0.05	0	0	0	0	384.4	0	0	0.05

Note: Chief Engineer : BB Lu 、 Vincent Chuang 、 Mike Shih 、 Joanne Ho 、 Jin-Wen Chang 、 Frank Chao 、 Mark HC Jen 、 Kuang-Ming Feng 、 Felix Tsai 、 Chi-Wen Wu 、 Alan C Huang 、 Charley Lin 、 Hope Sun 、 YW Cheng 、 Hung-Liang Hsieh 、 Tzer-Ling Chou 、 Tian-Shyh Lee 、 Cheng-Chung Tsai 、 Kevin Chuang 、 Jackie Chen 、 Jyh-Jain Wu 、 Jason Chen 、 David J Hwang 、 David Wang 、 Frank Wu 、 Michael C Chang 、 Bruce Lee 、 Paul Yang 、 Rick Wu 、 Hank Chou 、 Yu-Hung Su

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 , 2023	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: TWD 3,000,000,000.

D. Source of funds: issuing unsecured common corporate bonds for TWD 3,000,000,000.

E. Items of the plan and the executions:

(Unit: TWD thousands)

Items of the plan	The executions		As of March 31 st , 2023	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%	



(3) The placement and issuance of 2023 first unsecured corporate Bond:

A. Capital utilization plan: To repay the debt.

B. Approved date and document No.: Dated January 4, 2023. Zheng-Guei-Zai-Zhi No. 11100135961.

C. Amount needed for this plan: TWD1,700,000,000.

D. Source of funds: issuing unsecured common corporate bonds for TWD1,700,000,000

E. Items of the plan and the executions:

(Unit: TWD thousands)

Items of the plan	The executions		As of March 31 st , 2023	Reason of being early or late and the improvement plan
Repay the debt	Amount to be used	Estimated	1,700,000	It is expected to be fully executed in the second quarter in 2023
		Actual	1,700,000	
	Progress of execution (%)	Estimated	100%	
		Actual	75.58%	

V. 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 2022	Unit ; TWD thousands
		(%) of total sales
Engineering	86,829,509	91.30
Environment	6,960,128	7.32
General Trade	813,348	0.86
Others	497,583	0.52
Total	95,100,568	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's (IMF) World Economic Outlook update released in January 2023, the global economic outlook has turned positive, with the global economic growth rate revised upward to 2.9% in 2023, 0.2 percentage points higher than last October's report, and expected to increase slightly to 3.1% in 2024, mainly due to reduced inflationary pressures and increased household spending, but also warned that rising interest rates and the war in Russia and Ukraine could still put pressure on overall economic activity.

Global economic growth is expected to decline from 3.4% in 2022 to 2.9% in 2023. For individual economies, the U.S. economy is expected to grow at 1.4% in 2023 and 1.0% in 2024, while the Eurozone economy is expected to grow at 0.7% in 2023 and 1.6% in 2024. In Asia, Japan is expected to grow at 1.8% and 0.9% in 2023 and 2024, while China is expected to grow at 5.2% and 4.5%.

Factors such as interest rate hikes in major countries, geopolitical risks, energy crisis in Europe, epidemic development in China, trade disputes between the U.S. and China, and climate change will add more variables to the economic growth outlook in 2023.

Due to the nature of the industry, our engineering consulting services sector is closely related to the overall economic conditions of our target markets, and most of the business opportunities come from local government investments. The following table shows the IMF economic growth rate forecast, and we will continue to take a prudent and proactive approach in participating in bidding opportunities.

Overview of the World Forecast of Economic Growth Rate(%)

	2022	2023
World Output	3.4	2.9
Advanced Economies	2.7	1.2
United States	2.0	1.4
Euro Area	3.5	0.7
Germany	1.9	0.1
France	2.6	0.7
Italy	3.9	0.6
Spain	5.2	1.1
Japan	1.4	1.8
United Kingdom	4.1	-0.6
Canada	3.5	1.5

	2022	2023
Other Advanced Economies	2.8	2.0
Emerging Market and Developing Economies	3.9	4.0
Emerging and Developing Asia	4.3	5.3
China	3.0	5.2
India	6.8	6.1
Emerging and Developing Europe	0.7	1.5
Russia	-2.2	0.3
Latin America and the Caribbean	3.9	1.8
Brazil	3.1	1.2
Mexico	3.1	1.7
Middle East and Central Asia	5.3	3.2
Saudi Arabia	8.7	2.6
Sub-Saharan Africa	3.8	3.8
Nigeria	3.0	3.2
South Africa	2.6	1.2
Low-Income Developing Countries	4.9	4.9

Sources: IMF, World Economic Outlook Update, January 2023.

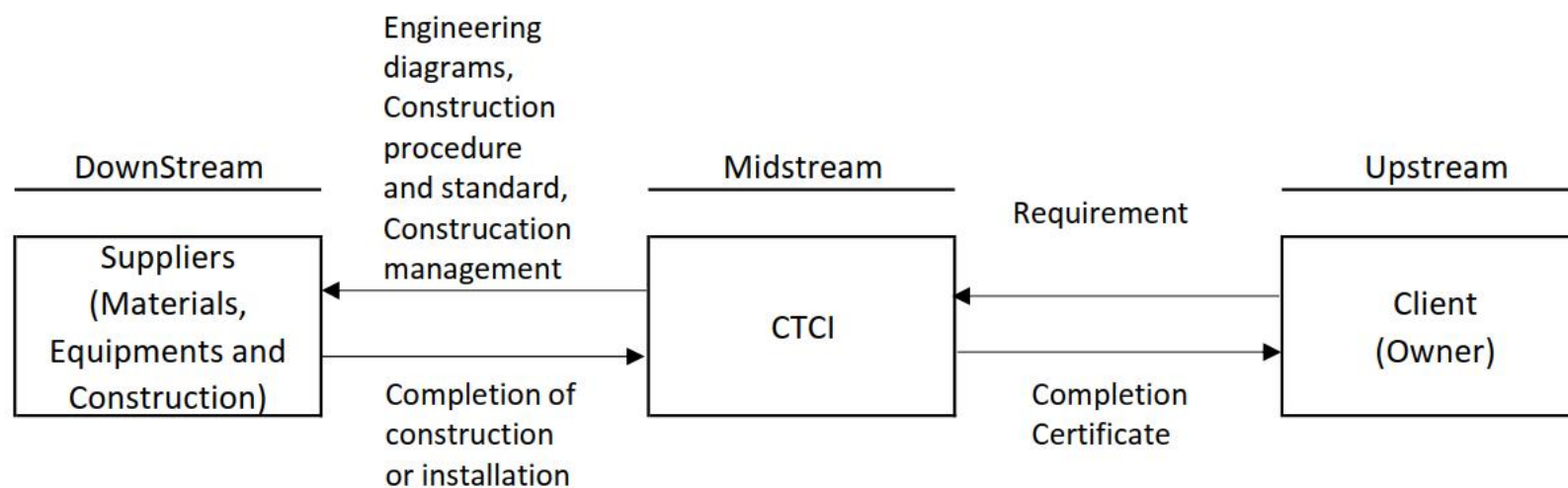
B. Market Overview

The Company is mainly engaged in the field of engineering , procurement and construction ("EPC"). As a professional EPC lump sum turn-key provider, enjoying a leading position out of more than 530 companies registered in 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. With over 40 years of global experiences in the oil & gas field (including refineries, petrochemical, LNG and green energy related businesses), the Company further enhanced itself with multi-national operations, integrating the advance technologies and local resources, to provide the most reliable and competitive engineering services to all clients across the globe. Currently, the Company is capable to bid project with single contract amount over USD 2 billion.

C. The EPC Industry

Major clients of the Company cover in areas of high-tech, 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. Through the design of various professional engineers, we convert the owner's plant construction needs into engineering drawings (including design and construction drawings), and then further combine with the support of third party manufacturers to complete the construction according to the engineering drawings. The EPC projects are 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 nowadays request not only engineering design, procurement and construction, but also advance planning, project financing, operation management, etc. To complete the project with low cost, high quality and timely are preferred by the clients. It is 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 relieve the government fiscal burden and encourage private sector to get involve with government's projects, it is 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 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 process know-how, but the key successful factor to be awarded a project usually comes from the Company's extensive track records and the ability to control executing cost. The Company has over 40 affiliates spanning across more than 10 countries worldwide and has divided its global and domestic resources into three major business operations according to the uniqueness of respective fields: Group Engineering Business (GEB), Group Intelligent Solution Business (GISB) and Group Resource Cycling Business (GRCB). There is also the Group Shared Services (GSS) providing the resource integration and synergy for the Group, for example providing the labor force synergy for several domestic construction sites as well as the joint bargaining of suppliers globally. Moreover, the Company enjoys a competitive advantage with many years of experience in local subsidiaries in various countries. There are only about dozen EPC competitors globally, mainly from South Korea, Japan and Europe. For example, in the Middle East market, the primary battleground for the international market of petrochemical industry, fierce price competition still comes from Korean companies, and in recent years, European companies are also actively participating in the trend. In domestic market, the company is the leading player with limited local competitors and 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	2020	2021	2022
Operating Revenue	25,873,770	30,782,149	31,714,598
R&D Expense	100,437	111,392	121,667
R&D Expense as percentage of Operating Revenue (%)	0.39	0.36	0.38

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	2021 Projects	2022 Projects
1	Development for Engineering Data Extraction Technology (Phase III)	iCost-EAC Automation
2	iConstruction - Construction Site Management Solution	iConstruction - Construction Site Assistance Management
3	Digital Transformation of EPC	EPC Twin
4	Development and application for CTCI digitalization and AI technology	Development and application for CTCI RPA and intelligent solutions
5	iProcurement Application System Development-2021	Development for Engineering Data Extraction Technology
6	Research for Intelligent technology of construction site management	Research for Carbon Capture, Storage and Utilization
7	Process Engineering - Intelligent Design System (iEPS) upgrade	Process Engineering - iEPC Intelligent Design System Development
8	Research of Seawater Desalination System	Research of Seawater Desalination System-2022
9	Research of Cooling Storage	Application of PILOT achievements in wastewater reclamation
10	Civil Engineering- iEPC Intelligent Design System Development-2021	Civil Engineering- iEPC Intelligent Design System Development-2022
11	Equipment Engineering- iEPC Intelligent Design System Development-2021	Equipment Engineering- iEPC Intelligent Design System Development-2022
12	Introduction and maintenance for Engineering design data exchange system	Introduction and maintenance for Engineering design data exchange system
13	Package Equipment Capability Improvement-2021	Instrument Engineering- iEPC Intelligent Design System Development-2022
14	Instrument Engineering- iEPC Intelligent Design System Development-2021	Maintenance and Development for Instrument Applications
15	Piping Engineering- iEPC Intelligent Design System Development-2021	Piping Engineering- iEPC Intelligent Design System Development-2022
16	Electrical Engineering- iEPC Intelligent Design System Development-2021	Electrical Engineering- iEPC Intelligent Design System Development-2022
17	Maintenance and Development for Electrical Applications	Maintenance and Development for Electrical Applications
18	Constructing system simulation modular	Electromagnetic transient analysis in Power system
19	i-Procurement 2021	i-Procurement 2022
20	Construction 2021 R&D Topics	Construction 2022 R&D Topics
21	E/M management system maintenance, user interface promotion and application extension	E/M management system maintenance, CTCI Group promotion and application extension
22	SPF system maintenance, customized modules, working area application extension	SPF system maintenanceand project document controll application extension
23	RD Service	RD Service-2022

(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
2021	<ol style="list-style-type: none"> 1. Development for Engineering Data Extraction Technology (Phase III) 2. Digital Transformation of EPC 3. Development and application for CTCI digitalization and AI technology 4. Research for Intelligent technology of construction site management 5. iEPC Intelligent Design System Development-2021 6. Research of Seawater Desalination System 7. Research of Cooling Storage 8. Package Equipment Capability Improvement-2021 9. i-Procurement 2021 10. Construction 2021 R&D Topics
2022	<ol style="list-style-type: none"> 1. iCost-EAC Automation 2. iConstruction - Construction Site Assistance Management 3. EPC Twin 4. Development and application for CTCI RPA and intelligent solutions 5. iEPC Intelligent Design System Development-2022 6. Research of Seawater Desalination System-2022 7. Application of PILOT achievements in wastewater reclamation 8. Introduction and maintenance for Engineering design data exchange system 9. i-Procurement 2022 10. Construction 2022 R&D Topics

C. 2023 RD Direction and Major Technology Development

(A) 2023 RD Direction is to

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

(B) Major Technology developments are as follows:

- a. Continue to develop Design Chips and enhance the proportion of design output automation.
- b. Using new technologies to strengthen construction site digitization and efficiency.
- c. Applying Cloud and RPA to integrate vendor entrance platform and optimize the procurement process.
- d. Developing workfront management system and 3D presentation to display the working progress.
- e. Digitalization of DND/NCR and management information for test body.
- f. Provide PSM services value-added for digital handover.
- g. Provide value to owner from Digital Handover to Digital O&M.
- h. Improving design expertise in response to design expertise gaps
- i. 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 in recent years has successfully crossed over to the United States and will further expand to Mexico and actively explore emerging countries such as India. 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.

(C) Energy Transition and Carbon Zero

In sync with the Government's energy policies, the Company has continued to focus on the potential business opportunities with the large demand of new LNG receiving terminals and LNG storage tanks, as well as the gas-fired power plants. Meanwhile, the government continues to develop renewable energy. In addition to the solar market and consolidating the niche market of offshore wind turbine submerged pile and adapter ring manufacturing, CTCI has entered into an alliance with Van Oord, an international professional manufacturer, to enter the offshore wind power turnkey project.

With the aging incinerators approaching de-commissioning, the Company is offering eco-friendly incinerating technologies to help replacing the old incinerator power plants, contributing to the renewable energy and environmental protection.

(D) Circular Economy

With the continuous and vigorous development of the high-tech and semiconductor industries, the demand for water consumption has greatly increased. It is expected that the industry will maintain the demand for process reclaimed water plants. CTCI will learn and apply the experience of reclaimed water plants and continue to expand the business related to reclaimed water and seawater desalination. The concept of zero waste is gradually being promoted in various industries, and many science parks are actively building zero waste centers, and CTCI will also actively pursue related business opportunities.

(E) Semiconductor and Advanced Technology

In addition to the semiconductor, memory, and panel industries, which have been steadily growing in Taiwan, CTD will continue to explore opportunities for the construction of new plants in the data center, battery, and biomedical industries.

With the development of AI and 5G communication, the demand for high-speed computing continues to increase, and the perfect infrastructure, critical geographic location and emphasis on information security have attracted the attention of data center owners around the world to invest in Taiwan; In addition, the urgent demand for electric vehicles and energy storage technology under the goal of sustainable net-zero, many domestic production leaders are aware of the trend and are investing in the development of battery industry. With over 40 years of experience in large scale project management, international safety standards and the integration of the Group's one-stop solutions, CTCI is extending its existing engineering capabilities and actively expanding into the high-tech industry.

B. Long Term Goals

(A) Mastering ESG opportunities, deepening green engineering, and practicing sustainability with our core business

CTCI Group has not only internalized ESG promotion into its corporate DNA, but also strives to link its engineering industry with ESG and actively expand the ESG effect.

- Expanded participation in green, low-carbon, environmental projects

Extending the global net-zero trend and the huge business opportunities arising from Taiwan's energy transformation policy, CTCI Group has a well-developed presence in the field of green and low-carbon projects, such as natural gas receiving stations, natural gas power plants, incineration power generation and water resources, etc., and is already a leading company in terms of market share in Taiwan. These projects represent CTCI Group's core competency in keeping pace with the times and customers' needs, and its foresight in closely observing and studying new technologies related to green energy, low-carbon and environmental protection, such as hydrogen energy and carbon capture, in the hope of taking the lead in the next battlefield.

- Enhance green investment to build long-term stable profit part

CTCI Group is actively involved in investment and operation work from plant construction, expanding upstream and downstream, and providing total solution of investment/development/construction/operation in the whole life cycle.

- Development of green engineering technologies

CTCI designs and builds plants for owners while incorporating "green technology" into the entire life cycle of the project, striving to reduce the environmental impact and optimize technology to reduce the carbon footprint of the plant construction process. Through the application of green technologies, CTCI's projects for clients from 2019 to 2021 will save 11.7 million metric tons of CO₂, which is equivalent to the carbon adsorption capacity of 30,000 Daan Forest Park for one year, as well as save waste emissions and recycling. These excellent results not only save costs, but also give us an advantage over our competitors and create a win-win situation with our owners in ESG promotion.

(B) Technology and service upgrade

In recent years, the international political and economic situation has been changing rapidly, with geopolitical tensions and the outbreak of the U.S.-China confrontation, coupled with the outbreak of the Ukrainian-Russian war, exacerbating this trend. The systemic risk of supply chain reengineering, through digital and AI intelligence, can shorten the process time and stabilize quality management, effectively solving the challenge of limited resources to meet the rapidly growing demand for resources.

CTCI has innovated and developed iEPC technology, from traditional EPC to iEPC, constructing big data analysis and prediction capability, and moving towards intelligent turnkey; then from iEPC intelligent turnkey to Digital Twins technology, moving engineering execution from intelligence to the goal of virtual-real integration, and continues to develop iManagement to promote intelligent logistics. With the application of RPA process robots and physical robots, we expect to upgrade engineering services to an intelligent era.

In addition, we will continue to develop new technologies, such as modular technology, to create a competitive niche in the market with innovative technologies and services.

Overall, we continue to actively expand our business and enhance our execution capabilities to expand our revenue streams and strengthen our operational performance, in order to become one of the top 30 world-renowned engineering companies and to create an international brand for Taiwan's engineering industry, which is our long-term goal.

5.2 Market and Sales Overview

5.2.1 Market Analysis

The Company signed contracts amounted TWD 34.2 billion, while CTCI Group signed of TWD 102.5 billion totally in 2022. The sales revenues of the Company amounted TWD 31.7 billion, while the CTCI Group consolidated sales revenues amounted TWD 95.1 billion totally in 2022.

A. Sales Analysis by Major Services:

(A) By Area

Area	Group New Contracts	Consolidated Sales Revenues
Taiwan	43%	45%
Middle East	32%	0%
China	14%	15%
United States	5%	27%
India	4%	3%
South East Asia	2%	10%
Total	100%	100%

(B) By Industry

Industry	Group New Contracts	Consolidated Sales Revenues
Hydrocarbon	66%	30%
Advanced Technology	20%	24%
Power	4%	20%
Environment	4%	3%
LNG	3%	6%
General Industry	1%	7%
Incinerator	1%	6%
Others	1%	3%
Transportation	0%	1%
Total	100%	100%



B. Market Share

The company is a leader in the domestic turnkey engineering services industry, having been ranked No. 1 in the service industry by Common Wealth Magazine since 1994 and ranked No. 76 in the Top 225 International Design Firms, No. 60 in the Top 250 International Contractors, and No. 139 in the Top 250 Global Contractors in 2022 by Engineering News-Record, demonstrating our presence in the global turnkey industry.

C. Industry Trend Overview

In 2022, the world has entered the post-epidemic era, and the impact of the war in Russia and Ukraine has also weakened, and market vitality has gradually emerged. CTCI Group will not only continue to cultivate the Taiwan market, but also regain the momentum in overseas markets.

a. Taiwan

The CTCI Group has been focusing on large-scale projects and forward-looking infrastructure projects in line with government public policies. The main business opportunities include natural gas receiving stations, gas-fired power plants, energy storage systems, water resources (wastewater treatment, recycled water and desalination), waste treatment and rail construction.

With the rise of global ESG awareness, gas-fired power plants are gradually replacing traditional coal-fired and oil-fired power plants in accordance with Taiwan's long-term power development plan, capacity enhancement policy and energy transformation policy; In response to the increasing demand for natural gas, business opportunities related to natural gas receiving stations will also be a key focus of CTCI Group's efforts.

Following the global trend, Taipower is also actively developing renewable energy sources, including offshore wind power, geothermal power and energy storage; In addition, in line with the policy of Kaohsiung City Government, the major investment project of Kaohsiung Port Intercontinental Container Phase II Dahlin Oil Storage and Transportation Center is also a key business opportunity, and CTCI Group has been approved by the owner to obtain the relevant storage tank and utility system turnkey project.

In terms of forward-looking infrastructure projects, in response to the uneven distribution of rainwater in Taiwan due to climate change, the government is actively promoting water resources improvement projects, recycled water development, and desalination-related development projects, which are also the targets of our business. In addition, in response to the government's multifaceted waste treatment plan and the tightening of environmental regulations and the adoption of total volume control to reduce the emission requirements of primary PM2.5 and derivative PM2.5 precursors in the territory, there will continue to be business opportunities for the construction of new or complete municipal waste and business waste combustion power plants. In addition to the above business opportunities, the forward-looking infrastructure track construction projects have been completed in the preliminary planning stage, and there has been significant progress in promoting the nationalization policy of track construction. CTCI Group will continue to track the specifications of the track systems planned for each project and seek for the best partners in order to join hands with each other to strive for track construction business opportunities.

In the high-tech field, CTCI Group will continue to explore high-tech business opportunities in the semiconductor, memory, and panel industries. With the development of AI and 5G communication, the demand for high-speed computing continues to increase, and the perfect infrastructure, key geographical location, and emphasis on information security have attracted the attention of data center owners worldwide to invest in Taiwan, creating a new wave of data center factory opportunities. CTCI Group has accumulated over 40 years of experience in large scale project management, international safety standards and integration of the Group's one-stop solutions, extending its existing engineering capabilities and actively expanding into the high-tech industry.

b. China

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

In recent years, the Chinese government has proposed a number of fiscal and tax support policies to encourage foreign investors to continue to expand their investments in China. In response to the growth of domestic demand in China with the lifting of the epidemic and the relaxation of the Chinese government's conditions for foreign investment, BASF has invested in a new integrated petrochemical production site in Zhanjiang, SABIC has signed a joint venture agreement with Fuhai Chuang Pet. & Chem. Co., Ltd. Saudi Arabian Oil Co. (Aramco) is also considering to restart its investment in Liaoning.

At the same time, in order to continue the development of the enterprise, coupled with the huge domestic market and the advantage of the ASEAN sales distribution in China, Taiwan petrochemical industry such as Formosa Plastics, Chi Mei, grand pacific petrochemical, Taita Chemical, LCY chemical corp. and others have been promoting their expansion plans in China, making China the preferred choice for petrochemical plants to move into overseas operations. CTCI Group has been closely following up on these investment projects.

c. Southeast Asia and India

In addition to the markets we are already targeting in Asia, including Thailand, Malaysia, Vietnam and India, we will continue to develop and track other potential markets such as Myanmar, Indonesia, Philippines and Bangladesh. Southeast Asia and India are high population bonus regions with strong demand for petrochemical raw materials for people's livelihoods, and recent fluctuations in international oil prices and the U.S.-China trade war have led to conservative investment by national oil companies. However, Thailand's oil refining and petrochemical industry has been highly developed and constructed, and in recent years, it will focus on the improvement of oil products and the expansion of downstream chemical products, and actively develop the application of liquefied natural gas and the construction of natural gas receiving stations; Malaysia will develop high-value

fossil products; The Indonesian Association of Olefins, Aromatics and Plastics Industry (INApas) estimates that new petrochemical plants and ongoing expansion projects will increase Indonesia's petrochemical production capacity by 30-40% over the next 3 to 5 years; Vietnam has recently focused on the development of gas-fired power plants and the corresponding natural gas receiving stations and gasification facilities, so there are plans for the construction of related projects to be released. Meanwhile, major countries are also accelerating the expansion and development of infrastructure, such as providing sufficient power supply in the region, and promoting private power plants and co-generation plants in addition to the existing government-promoted large-scale power plant projects; In addition, under the pressure of improving the quality of life and environmental protection, waste treatment plants have also become a key project that countries are actively evaluating, and there are bound to be a lot of potential business opportunities. In response to the government's new southward policy, Taiwanese companies are actively setting up factories in Indonesia, India, Thailand, Vietnam, Malaysia, etc. CTCI Group, with its years of experience in Southeast Asian countries and the resources of its local subsidiaries, is expected to be the best partner for Taiwanese companies' southward strategy.

In the high-tech sector, Taiwan's OEM assembly plants in mainland China have been requested by European and American brands to build another production base and supply chain in countries other than China in order to avoid the impact of the US boycott of mainland China, the so-called "China Plus One"; In recent years, due to geopolitical considerations, European and U.S. manufacturers have requested Taiwan companies to find another production base for their high-tech plants in Taiwan, and the trend of "Taiwan plus one" is gradually emerging. CTCI Group continues to pay attention to the opportunities in the semiconductor and data center industry chain in the Singapore and Malaysia region, which is already relatively mature, and also recognizes the potential opportunities in Vietnam and India, where the government is supporting the development of semiconductor-related industries from the back-end of the packaging and testing process to the front-end of the wafer fab.

d. Middle East

In 2022, oil prices will benefit from a reduction in European imports of Russian crude due to the Russia-Ukraine conflict and the ban on maritime transportation of Russian crude, which will also benefit Gulf countries. It is widely believed that Middle East petrochemical producers may take advantage of this crisis to boost petrochemical sales to Europe amid the global economic downturn. At the GPCA forum, Middle East petrochemical producers announced that they will continue to develop downstream petrochemical products by taking advantage of low feedstock costs, economies of scale and large cash reserves.

Compared to the previous weakness, oil prices have gradually climbed to a two-year high, which has improved the financial position of state-owned refineries and petrochemical companies in the Middle East with abundant oil and natural gas resources, leading them to initiate renovation projects for existing refineries and petrochemical plants, or large petrochemical park projects already planned. As long as raw material and energy prices in the Middle East remain below international standards, Middle East petrochemical producers will continue to maintain a competitive advantage over their global counterparts, with downstream petrochemical products and natural gas production expansion being the two major development priorities.

e. North America

After the trade war between the United States and China in recent years, the epidemic that blocked the city and port, and the war between Russia and Ukraine that affected the supply of raw materials, it has become a global consensus to consider chips as a strategic asset, and the United States, the economic powerhouse, attaches particular importance to them. In order to protect and strengthen the U.S.'s ability to produce high-tech products on its own, President Biden took the initiative to finalize the "America's Chip Act" in the second half of 2022. The U.S. memory makers and wafer design manufacturers benefiting from this Act have proposed long-term investment plans in Idaho, New York, and other regions of the U.S. The momentum of U.S. semiconductor fab construction has become stronger. For example, in Arizona, TSMC and Intel's investments are driving upstream and downstream industries to set up plants in Arizona, such as Taiwan's chemical supply chain, which will be a business opportunity for plant construction in the near future. The demand for utility facilities, such as wastewater treatment, reclaimed water, and gas separation plants, arising from the investment of high-tech companies in the U.S. is also a highlight of CTCI Group's deployment in the U.S.

In addition to gasoline and diesel fuel, the U.S. renewable energy market has been heating up in the near future as major airlines have plans to gradually increase the proportion of renewable aviation fuel, which will be a business opportunity for plant construction in the medium to long term.

In addition, with the booming electric vehicle industry in the U.S., neighboring supply chains such as automotive panel manufacturers and battery manufacturers are planning to build factories in the U.S. and North Mexico close to vehicle factories to achieve a convenient location.

These are potential business opportunities for the high-tech industry in North America. CTCI Group's Taiwan headquarters will cooperate with its U.S. subsidiary to pursue the relevant work based on its past experience in building plants in the U.S. and the Arizona high-tech plant.

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 equipment 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. Opportunities in the domestic market are increasing and the supply chain of high-tech chemicals is booming

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. Several general planning reports of metro projects listed in forward-looking infrastructure development plan has been completed and will launch bidding procedure subsequently. Waste to energy projects keep proceeding step by step. Wastewater reclamation and seawater desalination business opportunities are increasing to ensure the water resources. Since the company's ability to grasp local resources is better than that of foreign manufacturers, the opportunities for domestic projects to be obtained are relatively high. Moreover, TSMC has decided to set up new fabs in Kaohsiung and Central Taiwan Science Park and many domestic and international semiconductor suppliers of TSMC are also planning to increase their investment in Taiwan to serve TSMC.

b. Bidding for mega projects with professional capabilities

The company has accumulated sufficient reputation and achievements in the domestic oil refining, petrochemical, power plant, infrastructure transportation construction, incinerator, steel mill and environmental engineering industries for many years, and can be regarded as is the tier one EPC Company in Taiwan. At the same time, with the accumulated strength, it has been recognized by the owner as a qualified large-scale project turnkey manufacturer, enjoying an oligopolistic competitive advantage in the high-end market. The company has given priority to designated cooperation partners for foreign company to enter the domestic market, so it has an absolute advantage in the fight for large-scale domestic projects. In recent years, the Company has entered the international market with outstanding achievements in project execution, its visibility has doubled, and it has been recognized by international owners. It stands out from other internationally renowned engineering companies and successfully won many international large-scale projects.

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 the U.S., China, Thailand, Vietnam, India, Singapore, Malaysia, Indonesia and the Middle East. The Company will integrate all the available resources to expand globally.

d. Strengthening Competitiveness through Global Resources Management

Overseas affiliates such as subsidiaries in the U.S., China (Beijing, Shanghai), Thailand, India, Vietnam, etc. 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. In recent years, the company has further integrated the resources of overseas affiliated companies and domestic affiliated companies to the greatest extent, taking advantage of the synergistic advantages of localization and specialization of subsidiaries, differentiated competitors, and provided customers with more diversified services.

(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 project management capabilities and cost control to reduce the chance of repeated revisions. • Technical Improvement: Innovative R&D Center process transformation and innovation to develop processes and technologies that enhance execution efficiency and cost savings to improve competitiveness. • Talent Cultivation: By expanding our global presence and combining local resources, we are actively moving toward cultivating global and diverse talent.
Fluctuations in commodity prices	<p>The Company controls its risks through enhanced control mechanisms:</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 plants, gas power plants, oil/coal power plants, steam/electricity co-generation, renewable energy.
- (C) Infrastructure: MRT system, high speed railway, etc.
- (D) Environmental: construction and operation of waste incinerators, waste treatment, water treatment, air pollution prevention, environmental impact assessment, river training works.
- (E) General Industry: Steel manufacturing plant, storage and docking facilities.
- (F) High tech and bio-related: electronic plant, battery plant, pharmaceutical plant, electronic grade chemical manufacturing 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: Most of the professional equipment such as reaction furnaces, tanks, heat exchangers and heating furnaces are 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	2021				2022			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	Company N	7,973,077	11	None	Company N	18,614,117	20	None
2	Company T	4,766,536	7	None	Company T	13,026,121	14	None
3	Company G	2,186,957	3	None	Company G	8,647,837	9	None
4	Company O	6,112,838	9	None	Company O	6,637,300	7	None
5	Others	49,501,006	70	None	Others	48,175,193	50	None
	Total	70,540,414	100		Total	95,100,568	100	

B. Major Suppliers Information for the Last Two Calendar Years: Not Applicable.

5.2.5 Production over the Last Two Years

Unit : TWD thousands

	2021	2022
Engineering	60,889,995	83,267,421
Environment	4,500,632	5,357,355
General Trade	623,905	714,530
Others	523,975	381,038
Total	66,538,507	89,720,344

5.2.6 Shipments and Sales over the Last Two Years

Unit : TWD thousands

	2021		2022	
	Local	Export	Local	Export
Engineering	36,171,499	27,147,983	41,770,436	45,059,073
Environment	4,895,626	1,056,436	5,922,620	1,037,508
General Trade	719,358	0	813,348	0
Others	549,512	0	497,583	0
Total	42,335,995	28,204,419	49,003,987	46,096,581

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		2021	2022	As of March 31 st , 2023
Number of Employees	Permanent employee	2,252	2,356	2,388
	Contract employee	265	405	545
	Total	2,517	2,761	2,933
Average Age		43.4	42.4	41.9
Average service seniority		13.5	12.2	11.34
Number of employees at each level of educational degree	Doctor	21	15	16
	Master	1,201	1,294	1,413
	Bachelor	1,215	1,383	1,435
	Senior High School	73	62	62
	Senior High School below	7	7	7

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	3
Certified Public Accountant (ROC)	5
Certified Public Accountant (USA)	2

5.3.2 Work Environment and Occupational Safety and Health

A. HSE Policy Statement

Adhering to the company's values, principles, and mission statements, the chairman of the board and the head of each business unit personally sign the policy statement, requiring all employees and subcontractors to abide by the following commitments. The policy statement also applies in the merger & acquisition process. And this policy statement is 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.



- ISO 14001 Environmental Management System certificate, the validity period is from 10 June, 2020 until 10 June, 2023.
- ISO 45001 Occupational Safety and Health Management Systems certificate, the validity period is from 10 June, 2020 until 10 June, 2023.
- CNS 45001 Taiwan Occupational Safety and Health Management Systems, the validity period is from 13 May, 2020 until 12 May, 2023.

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 the first 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 quarterly HSE performance and audit review meeting was chaired by each business units' heads, to review the achievement of HSE performance and the results of quarterly audits. In addition, they propose specific and feasible improvement plans for various defects and problems as well as required to be implemented by relevant units to reduce potential HSE risks and provide the best working environment for all workers. The HSE management department also reports the implementation results, critical tasks, and improvement actions of HSE on the board of CTCI quarterly to ensure that the overall HSE management is implemented in the correct direction.

E. HSE Training

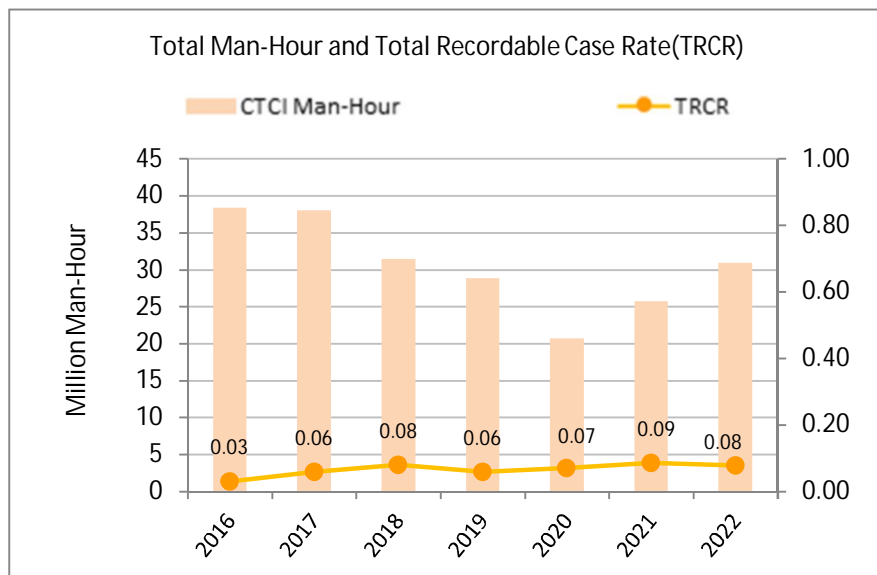
To decrease the occurrence of occupational hazards, all relevant personnel need to receive educational training for work-related hazard prevention and regulations from local government. The training courses must be completed prior to being stationed at a project site. In order to widely promote CTCI employees and the subcontractors to obtain occupational safety card, CTCI has planned to conduct occupational safety card training on the construction site and has applied for the training unit of the "Taiwan occupational safety card." According to statistics, in 2022, domestic project sites conducted 49 occupational safety card training. The participants reached 1,248, including CTCI employees, subcontractors, and the workers on-site. In 2022, external units also were invited to conduct construction risk assessment courses. The course content includes risk assessment specifications, engineering operation steps dismantling, risk assessment methods, improvement countermeasures, and group case drills to strengthen the construction risk assessment capabilities of colleagues. Also increases the number of personnel who qualified for the "construction risk assessment" certificate, trained as seed trainees, and promotes the implementation of risk assessment in each project.

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 & General Services Department and HSE contact personnel of respective departments would participate in the HSE risk assessment at the first 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.

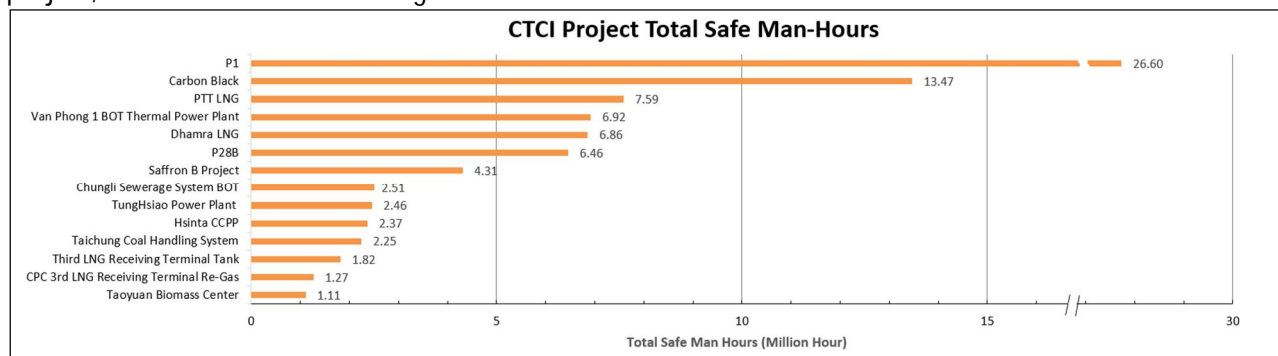


Note 1: Total recordable case rate, $TRCR = \frac{\text{Total recordable cases}}{\text{Total hours worked}} \times 200,000$

H. HSE Specific Effectiveness

In 2022, CTCI continued to work hard in HSE. The outstanding results are summarized as follows:

- (A) There is a total of 14 Domestic and foreign projects in progress that have more than one million hours without any work-related injury in 2022 project, as detailed in the following table:



- (B) From January 18, 2007, to December 31, 2022, the CTCI first headquarters building has accumulated 60,503,986 Total Safe Man-Hours.
- (C) CTCI Corporation has served as a cadre of the TOSHMS North District Promotion Association and was awarded a certificate of appreciation by the Occupational Safety and Healthy Administration in 2022.
- (D) CTCI Corporation enthusiastically participated in the Annual Expanded Emergency Response Drill of the CPC Engineering Office and was awarded a certificate of appreciation by CPC in 2022.
- (E) Taichung Power Plant Coal Handling System Improvement Project was awarded the Green and Environmental Excellent Construction Site Award by the Client in 2022.
- (F) TPC Hsinta CAPP Project was awarded the second and first place respectively in the first half and second half of 2022 as a contractor for Implementing Excellent Safety and Health by the Client.
- (G) TPC Hsinta CAPP Project was awarded the Kaohsiung Excellent Construction Site Award by the Environmental Protection Bureau Kaohsiung City Government in 2022.
- (H) India Dhamra LNG Receiving Terminal Regas Facilities Project was awarded the World Environment Day- as a winner for "House Keeping Contest of SRFA Zones" Award by the Client DLTP.
- (I) Vietnam Van Phong 1 BOT Thermal Power Plant Project was awarded by the Client VPCL (Van Phong Power Company Limited) for achieving 20 million Total Safe Man-Hours.
- (J) Singapore Saffron B Project was awarded by the Client SABIC for achieving 2 million Total Safe Man-Hours.

5.4 Environmental Protection Expenditure

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

- A. The first headquarters building: We regularly promote and announce within the Company to remind colleagues to develop energy-saving habits and establish an energy-saving corporate culture. We inspect and record energy consumption status every night, regular maintenance of building equipment, and immediate replacement of faulty parts. The power-saving measure in 2022 are as follows:
 - (1) Turn off the lighting in the office area at 12:30 noon, so that colleagues can rest and save electricity.
 - (2) Turn off one of the water dispensers at 17:00, maintain one on each floor for colleagues' use, and security would turn off on the night patrol.
 - (3) The printing room and toilet lights are changed to sensor lights, and the lights will be automatically turned off when no one is using.
- 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. Each project site has fully communicated with local stakeholder about the approach and improvement matters in advance, with the most significant appeal not to affect the daily life of residents, and proper handling has occurred so far.

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
Senior Vice President	Ming-Shyan Lee	EMBA Program, National Sun Yat-sen University, Taiwan	Graduated in Jan. 2012
Vice President	Ai-Chen Ho	EMBA Program in Finance, National Taiwan University, Taiwan	Graduated in Jun. 2010
Vice President	Gino Tsai	EMBA Program, National Sun Yat-sen University, Taiwan	Graduated in May 2012
Vice President	Evan Chen	EMBA Program, National Taiwan University, Taiwan	Graduated in Mar. 2020

(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
Senior Vice President	Shih-Wei Chung	Executive Management Training Program, National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
Senior 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
Senior Vice President	Min-Lin 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

Title	Name	Course Name	Status
Vice President	Paul Wu	Executive Management Training Program, National Taiwan University, Taiwan	During the period of Mar. to June 2013
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	Ai-Chen Ho	Top Management Training Course by National Taiwan University, Taiwan	During the period of Apr. to Jul. 2013
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
Vice President	Evan Chen	Participated in Advanced Seminar on General Management of National Taiwan University, Taiwan	During the period of Feb. 2009 to June. 2009
		Participated in Advanced Executive Program for Senior Manager of National Taiwan University, Taiwan	During the period of Dec. 2009 to July 2010
Vice President	Forest Lin	Participated in Advanced Executive Program for Senior Manager of National Taiwan University, Taiwan	During the period of May 2009 to Jan. 2010

(C) Training program about Corporate Governance

Name	Date	Sponsoring Organization	Course	Hours
Todd Chen / Ming-Cheng Hsiao / Shih-Wei Chung / Min-Lin Lee / T.C. Li / I-Kang Ho / Paul Wu / Ai-Cheng Ho / Fendi Chiu / Tiger Tsai / Evan Chen / Forest Lin	2022/05/04	Taiwan Corporate Governance Association	How to Prevent Corporate Misconduct: A Manual to Corporate Internal Investigation	3
Ming-Cheng Hsiao / Min-Lin Lee / T.C. Li / Paul Wu / Ai-Cheng Ho / Evan Chen / William Pung	2022/08/03	Taiwan Corporate Governance Association	MJIB-Enterprise anti-corruption thinking, investigation experience and case sharing	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 TWD10.55 million approximately per year. The average training hours will be more than 66.99 hours per person/year (184,950 hours/2,761 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	71	1,792	14,690	60,880
Competence training	1,328	39,879	135,860	4,628,366
Management training	58	893	16,885	3,890,350
General knowledge training	51	13,927	15,815	470,640
Self-development training	4	4	1,700	1,500,555
Total	1,512	56,495	184,950	10,550,791

- (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 CTCL 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 CTCI, 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, CTCI employee has reported to the supervisor (*Notes) and been approved in advance.

* Notes: the supervisor of CTCI 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 CTCI 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 CTCI 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

CTCI 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 CTCI, which may further affect the loyalty of such employee:

5.2.1 Avoid personal gain during business operations:

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

B. CTCI 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 CTCI:

A. CTCI 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, CTCI's clients or vendors, CTCI's competitors and its supplier.

C. Effects on CTCI clients and/or vendors lead to disadvantage of CTCI 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 Cyber security management

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:

- I Fraudulent groups use Business Email Compromise (BEC) to trick employees into remittances or transactions.
- I Commercial spy or competitors use hacking technology to continuously infiltrate internal hosts and steal internal corporate data.
- I 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.
- I Hackers use the Internet to launch a large number of connection requests to block the Company's normal network operations.
- I Internal employees use illegal software or copy company confidential information to their portable storage devices, resulting in the loss of data.
- I 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 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.

- I Continue to conduct social engineering attack simulation exercises and provide training on security education to enhance employees' awareness of email security.
- I 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.
- I 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.
- I Protect file confidentiality through a sensitive file management system and disk encryption technology.
- I 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.

- I Regular internal and external audits to improve the operation of the information security system.
- I 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 computer. These devices cannot connect to personal AP (usually shared by mobile phones) within the office building.
- I Implement email filtering and auditing system to reduce the risk of email use.
- I Import face recognition system to meet the needs of epidemic prevention and physical security.
- I Import external experts to perform cyber security evaluation. Through the integrated security assessments to identify the weakness in information architecture and enhance the protection.

In 2022, in order to secure information technology and strengthen cyber security, we deploy the protection for the employees' computers while working outside the office. This deployment greatly increases the security of employees' computers use.

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.

For better understanding of the Company's information security policy, please refer to CTCI's Policy Statement website for more details:

<https://www.ctci.com/www/ctci2022/upload/page/PG45-F11.pdf>

5.7 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
EPC	Ras Laffan Petrochemicals	2022/12/15 2026/08/15	QE/CPCChem - Petrochemical Complex Project, EPC, Qatar	According to contract content stipulation
EPC	CPC Corporation	2022/11/01 2025/09/15	CPC Talin Tank Farm 2 Cryogenic Tanks and Receiving Facilities Project (PKG-VIII), EPC	According to contract content stipulation
EPC	CHIMEI Corporation	2022/06/01 2024/06/30	CHIMEI Tainan Revamping Work, EPC	According to contract content stipulation
Procurement	Formosa Industries (Ningbo) Co., Ltd.	2022/05/16 2023/12/31	FPC Ningbo Ethylene Tank Overseas Equipment Procurement Contract	According to contract content stipulation
Engineering	LCY Electronic Materials Inc.	2021/11/10 2022/09/13	LCY LCY Electronic Grade IPA DDE Project, USA	According to contract content stipulation
EPC	Department of Rapid Transit Systems Taipei City Government, SEMPO	2021/11/01 2031/12/31	DORTS, Taipei Circular Line North and South Section E&M System, AFC and Trackwork Project, EPCK	According to contract content stipulation
EPC	Molie Quantum Energy Corporation	2021/10/20 2023/05/31	Molie Quantum Energy Kaohsiung Hi-Tech Battery Plant MEP Project	According to contract content stipulation
Engineering	Chang Chun (Arizona) LLC	2021/10/01 2022/09/30	CCPG Project Discovery, Phase 1A, DDE, USA	According to contract content stipulation
EPC	PT Chiyoda International Indonesia	2021/08/12 2024/08/15	PTFI MS Project, EPsCm	According to contract content stipulation
EPC	SUN BA Power Corporation	2021/07/01 2024/06/30	Sun Ba Power Combined Cycle Power Plant Project, Phase II, EPCC	According to contract content stipulation
Engineering	Tecnicas Reunidas, S.A.	2021/03/08 2023/02/10	SASA PTA EPs Project, Turkey	According to contract content stipulation
Procurement & Construction	Futsu Construction Co., Ltd.	2021/03/01 2026/12/12	Taoyuan Metro Green Line GC03 MEP Project	According to contract content stipulation
EPC	QGPC	2021/02/04 2022/09/30	QGPC PDH/PP EPC Project, China	According to contract content stipulation
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	Hengyi Brunei Industry	2020/09/23 2022/05/30	Hengyi(Brunei) PTA Project, BDE+DDE	According to contract content stipulation

Agreement	Counterparty	Period	Major Contents	Restrictions
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
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	CPC Corporation	2020/02/08 2024/04/30	CPC 3 rd LNG Receiving Terminal Regas Project, EPC	According to contract content stipulation
EPC	China General Terminal & Distribution Corporation	2019/10/07 2022/03/31	CGTDC Petrochemical Tank Farm Project, EPC	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
BTO	Kaohsiung City Government	2018/10/31 2035/10/30	Taiwan KCG 33,000 CMD Linhai WWRU BTO 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 PTT LNG Nong Fab LNG Receiving Terminal Project, EPCC	According to contract content stipulation
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	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
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

VI. 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				
			2018	2019	2020	2021	2022
Current Assets			56,534,559	49,174,593	47,518,372	61,324,660	65,442,352
Property, Plant and Equipment			10,432,036	11,788,472	14,123,460	16,127,549	16,783,393
Intangible Assets			191,198	191,971	180,948	1,078,217	1,079,984
Other Assets			9,339,540	8,339,475	8,965,183	8,894,279	10,253,626
Total Assets			76,497,333	69,494,511	70,787,963	87,424,705	93,559,355
Current Liabilities	Before distribution		51,420,086	36,184,472	34,849,103	48,579,666	53,822,907
	After distribution		53,141,297	37,711,111	36,375,823	50,355,744	55,343,383
Non-current Liabilities			4,451,088	13,963,042	16,904,623	18,284,174	17,904,401
Total Liabilities	Before distribution		55,871,174	50,147,514	51,753,726	66,863,840	71,727,308
	After distribution		57,592,385	51,674,153	53,280,446	68,639,918	73,247,784
Equity Attributable to Shareholders of The Parent			17,458,729	16,156,443	15,827,557	16,580,555	17,426,505
Capital Stock			7,632,738	7,633,182	7,633,599	7,638,637	7,905,083
Capital Surplus			3,545,053	3,730,448	4,077,689	4,225,401	5,058,003
	Before distribution		6,540,307	5,985,087	5,191,503	5,169,971	5,862,334

Year		Five-Year Financial Summary				
		2018	2019	2020	2021	2022
Retained Earnings	After distribution	4,819,096	4,458,448	3,664,783	3,393,893	4,341,858
Other Equities		(247,534)	(1,180,439)	(1,063,399)	(441,601)	(1,387,062)
Treasury Stocks		(11,835)	(11,835)	(11,835)	(11,853)	(11,853)
Non-controlling Interests		3,167,430	3,190,554	3,206,680	3,980,310	4,405,542
Total Equity	Before distribution	20,626,159	19,346,997	19,034,237	20,560,865	21,832,047
	After distribution	18,904,948	17,820,358	17,507,517	18,784,787	20,311,571

Condensed Balance Sheet - International Financial Reporting Standards

Unit: TWD thousands

Year		Five-Year Financial Summary				
		2018	2019	2020	2021	2022
Current Assets		36,642,462	28,688,486	29,710,264	32,029,559	31,973,976
Property, Plant and Equipment		300,724	292,125	1,192,313	2,318,802	2,802,771
Intangible Assets		40,343	42,114	32,046	47,247	97,902
Other Assets		13,919,371	15,631,087	16,854,761	21,141,075	20,444,893
Total Assets		50,902,900	44,653,812	47,789,384	55,536,683	55,319,542
Current Liabilities	Before distribution	30,146,321	16,017,640	16,433,395	22,446,617	23,143,011
	After distribution	31,867,532	17,544,279	17,960,115	24,222,695	24,663,487
Non-current Liabilities		3,297,850	12,479,729	15,528,432	16,509,511	14,750,026

Item \ Year		Five-Year Financial Summary				
		2018	2019	2020	2021	2022
Total Liabilities	Before distribution	33,444,171	28,497,369	31,961,827	38,956,128	37,893,037
	After distribution	35,165,382	30,024,008	33,488,547	40,732,206	39,413,513
Equity Attributable to Shareholders of The Parent		17,458,729	16,156,443	15,827,557	16,580,555	17,426,505
Capital Stock		7,632,738	7,633,182	7,633,599	7,638,637	7,905,083
Capital Surplus		3,545,053	3,730,448	4,077,689	4,225,401	5,058,003
Retained Earnings	Before distribution	6,540,307	5,985,087	5,191,503	5,169,971	5,862,334
	After distribution	4,819,096	4,458,448	3,664,783	3,393,893	4,341,858
Other Equities		(247,534)	(1,180,439)	(1,063,399)	(441,601)	(1,387,062)
Treasury Stocks		(11,835)	(11,835)	(11,835)	(11,853)	(11,853)
Non-controlling Interests		0	0	0	0	0
Total Equity	Before distribution	17,458,729	16,156,443	15,827,557	16,580,555	17,426,505
	After distribution	15,737,518	14,629,804	14,300,837	14,804,477	15,906,029

6.1.2 Condensed Consolidated Income Statement - International Financial Reporting Standards

Unit: TWD thousands; EPS: TWD

Item	Year	Five-Year Financial Summary				
		2018	2019	2020	2021	2022
Operating Revenues		64,069,542	58,211,022	55,558,409	70,540,414	95,100,568
Gross Profit		4,599,753	3,991,695	3,643,650	4,001,907	5,380,224
Operating Income		2,715,778	2,168,150	2,057,279	2,175,247	3,545,033
Non-Operating Income & Expenses		349,495	62,165	(293,259)	858,281	422,410
Income Before Income Tax		3,065,273	2,230,315	1,764,020	3,033,528	3,967,443
Net Income from continuing operations		2,300,063	1,674,325	1,305,146	2,403,011	3,270,077
Net Income(Loss)		2,300,063	1,674,325	1,305,146	2,403,011	3,270,077
Other Comprehensive Income (Income after tax)		(51,170)	(898,008)	176,021	484,493	(645,340)
Total Comprehensive Income		2,248,893	776,317	1,481,167	2,887,504	2,624,737
Net Income Attributable to Shareholders of The Parent		1,827,537	1,177,011	766,548	1,642,175	2,379,298
Net Income Attributable to Non-controlling Interests		472,526	497,314	538,598	760,836	890,779
Total Comprehensive Income (Loss) Attributable to Shareholders of the Parent		1,762,037	233,086	848,668	2,126,986	1,665,505
Total Comprehensive Income (Loss) Attributable to Non-controlling Interests		486,856	543,231	632,499	760,518	959,232
Earnings Per Share (TWD)		2.40	1.54	1.01	2.15	3.07

Condensed Income Statement - International Financial Reporting Standards

Unit: TWD thousands; EPS: TWD

Item	Year	Five-Year Financial Summary				
		2018	2019	2020	2021	2022
Operating Revenues		35,684,680	28,430,333	25,873,770	30,782,149	31,714,598
Gross Profit		3,203,459	2,828,707	1,533,996	1,646,604	1,669,539
Operating Income		2,154,906	1,829,529	657,005	785,878	756,323
Non-Operating Income & Expenses		20,226	(469,299)	253,471	1,059,975	1,509,158
Income Before Income Tax		2,175,132	1,360,230	910,476	1,845,853	2,265,481
Net Income from continuing operations		1,827,537	1,177,011	766,548	1,642,175	2,379,298
Net Income(Loss)		1,827,537	1,177,011	766,548	1,642,175	2,379,298
Other Comprehensive Income (Income after tax)		(65,500)	(943,925)	82,120	484,811	(713,793)
Total Comprehensive Income		1,762,037	233,086	848,668	2,126,986	1,665,505
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)		2.40	1.54	1.01	2.15	3.07

Auditors' Opinions in Past Five Years

CPA Firm/Year	2018	2019	2020	2021	2022
PriceWaterhouseCoopers	Yi-Fan Lin	Yi-Fan Lin	Yi-Fan Lin	Shin-Jung Weng	Shin-Jung Weng
	Shu-Chiung Chang	Shu-Chiung Chang	Shu-Chiung Chang	Yi-Fan Lin	Yi-Fan Lin
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				
			2018	2019	2020	2021	2022
Financial Structure (%)	Debt to Asset Ratio		73.04	72.16	73.11	76.48	76.67
	Long-term Funds to Properties, Plants and Equipment Ratio		240.39	282.56	254.46	240.86	236.76
Liquidity (%)	Current ratio		109.95	135.90	136.35	126.24	121.59
	Quick ratio		101.35	127.88	128.55	118.65	113.86
	Interest Coverage Ratio		2,041.18	1,045.78	720.11	1,193.27	1,328.36
Operating Performance	Accounts Receivable Turnover (times)		8.26	7.54	10.04	9.13	8.31
	Average Collection Period (days)		44.18	48.40	36.35	39.97	43.92
	Inventory Turnover (times)		N/A	N/A	N/A	N/A	N/A
	Accounts Payable Turnover (times)		4.92	4.56	4.36	4.90	5.14
	Average Inventory Turnover Period (Days)		N/A	N/A	N/A	N/A	N/A
	Properties, Plant and Equipment Turnover (times)		7.50	5.24	4.29	4.66	5.78
	Total Assets Turnover (times)		0.87	0.80	0.79	0.89	1.05
Profitability	Return on Assets (%)		2.67	1.87	1.42	2.36	2.91
	Return on Equity (%)		10.32	7.00	4.79	10.13	13.99

Item \ Year		Five-Year Financial Summary				
		2018	2019	2020	2021	2022
	Income before tax to Capital Ratio (%)	40.16	29.22	23.11	39.71	50.18
	Net Margin (%)	2.85	2.02	1.38	2.33	2.50
	Earnings per share (TWD)	2.40	1.54	1.01	2.15	3.07
Cash flow	Cash flow Ratio (%)	(8.61)	24.58	(8.06)	29.98	0.15
	Cash flow adequacy Ratio (%)	103.49	103.91	105.46	92.76	68.03
	Cash reinvestment Ratio (%)	(27.66)	19.25	(13.09)	31.73	(5.64)
Leverage	Operating leverage	4.84	5.85	5.79	5.95	4.40
	Financial leverage	1.06	1.12	1.16	1.15	1.10

Analysis of deviation of 2022 vs. 2021 over 20%:

1. The change in properties, plant and equipment turnover, return on assets, return on equity, income before tax to capital ratio and operating leverage due to operating revenue and gross profit increased.
2. The change in earnings per share due to net income increased.
3. The change in cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio due to cash outflow from operating activities increased.

6.2.2 Financial Ratio Analysis -International Financial Reporting Standards

Item \ Year		Five-Year Financial Summary				
		2018	2019	2020	2021	2022
Financial Structure (%)	Debt to Asset Ratio	65.70	63.82	66.88	70.14	68.50
	Long-term Funds to Properties, Plants and Equipment Ratio	6,902.20	9,802.71	2,629.85	1,427.03	1,148.03
Liquidity (%)	Current ratio	121.55	179.11	180.79	142.69	138.16
	Quick ratio	114.88	174.20	172.00	134.79	127.34
	Interest Coverage Ratio	5,096.63	1,618.94	1,109.86	2,004.12	2,361.84
Operating Performance	Accounts Receivable Turnover (times)	11.69	8.80	13.63	12.30	13.69
	Average Collection Period (days)	31.22	41.47	26.77	29.67	26.66

Year		Five-Year Financial Summary				
		2018	2019	2020	2021	2022
Item						
	Inventory Turnover (times)	N/A	N/A	N/A	N/A	N/A
	Accounts Payable Turnover (times)	5.25	4.69	4.37	4.24	3.48
	Average Inventory Turnover Period (Days)	N/A	N/A	N/A	N/A	N/A
	Properties, Plant and Equipment Turnover (times)	118.47	95.91	34.86	17.53	12.38
	Total Assets Turnover (times)	0.73	0.60	0.56	0.60	0.57
Profitability	Return on Assets (%)	3.84	2.61	1.81	3.33	4.44
	Return on Equity (%)	10.32	7.00	4.79	10.13	13.99
	Income before tax to Capital Ratio (%)	28.50	17.82	11.93	24.16	28.65
	Net Margin (%)	5.12	4.14	2.96	5.33	7.50
	Earnings per share (TWD)	2.40	1.54	1.01	2.15	3.07
Cash flow	Cash flow Ratio (%)	(2.77)	46.69	(17.45)	30.31	0.27
	Cash flow adequacy Ratio (%)	92.49	151.90	152.94	135.06	85.05
	Cash reinvestment Ratio (%)	(21.04)	22.85	(15.68)	18.22	(5.96)
Leverage	Operating leverage	3.33	3.38	7.11	6.54	7.24
	Financial leverage	1.02	1.05	1.16	1.14	1.15

Analysis of deviation of 2022 vs. 2021 over 20%:

1. The change in properties, plant and equipment turnover due to properties, plant and equipment increased.
2. The change in return on assets, return on equity, net margin and earnings per share due to net income increased.
3. The change in cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio due to cash outflow from operating activities increased.

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

The Audit Committee of CTCI Corporation

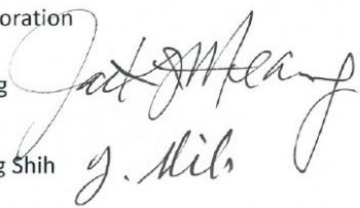
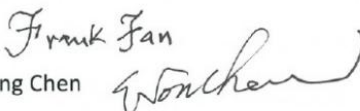
Independent Director : Jack Huang

Independent Director : Yen-Shiang Shih

Independent Director : Frank Fan

Independent Director : Evon Yi-Fang Chen

Dated March 7th, 2023

Handwritten signatures of Jack Huang and Yen-Shiang Shih. Jack Huang's signature is in cursive and appears to be 'Jack Huang'. Yen-Shiang Shih's signature is also in cursive and appears to be 'Y. Shih'.Handwritten signatures of Frank Fan and Evon Yi-Fang Chen. Frank Fan's signature is in cursive and appears to be 'Frank Fan'. Evon Yi-Fang Chen's signature is in cursive and appears to be 'Evon Chen'.



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.

VII. 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	2022	2021	Difference		Remark
				Amount	%	
Current Assets		65,442,352	61,324,660	4,117,692	6.71	
Properties, Plants and Equipment		16,783,393	16,127,549	655,844	4.07	
Intangible Assets		1,079,984	1,078,217	1,767	0.16	
Other Assets		10,253,626	8,894,279	1,359,347	15.28	
Total Assets		93,559,355	87,424,705	6,134,650	7.02	
Current Liabilities		53,822,907	48,579,666	5,243,241	10.79	
Non-current Liabilities		17,904,401	18,284,174	(379,773)	(2.08)	
Total Liabilities		71,727,308	66,863,840	4,863,468	7.27	
Equity attributable to owners of the parent		17,426,505	16,580,555	845,950	5.10	
Capital stock		7,905,083	7,638,637	266,446	3.49	
Capital surplus		5,058,003	4,225,401	832,602	19.70	
Retained Earnings		5,862,334	5,169,971	692,363	13.39	
Other equity interest		(1,387,062)	(441,601)	(945,461)	214.10	Note 1

Item	Year	2022	2021	Difference		Remark
				Amount	%	
Treasury stocks		(11,853)	(11,853)	0	0.00	
Non-controlling interest		4,405,542	3,980,310	425,232	10.68	
Total Equity		21,832,047	20,560,865	1,271,182	6.18	

Note 1: Other equity interest increased, due to unrealized losses from financial assets measured at fair value through other comprehensive income.

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	<p>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.</p> <p>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.</p>
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	2022	2021	Difference		Remark
			Amount	%	
Operating Revenue	95,100,568	70,540,414	24,560,154	34.82	Note 1
Operating Costs	(89,720,344)	(66,538,507)	(23,181,837)	34.84	Note 1
Gross Profit	5,380,224	4,001,907	1,378,317	34.44	Note 1
Operating Expenses	(1,835,191)	(1,826,660)	(8,531)	0.47	
Operating Income	3,545,033	2,175,247	1,369,786	62.97	Note 1
Non-operating Income and expenses	422,410	858,281	(435,871)	(50.78)	Note 2
Profit before Income Tax	3,967,443	3,033,528	933,915	30.79	Note 1 Note 2
Income Tax Expense	(697,366)	(630,517)	(66,849)	10.60	
Non-controlling Interest	(890,779)	(760,836)	(129,943)	17.08	
Income attributable to owners of the parent	2,379,298	1,642,175	737,123	44.89	Note 3

The analysis of the differences:

Note1: Operating revenue and operating costs increased, due to the increase in new contracts, and start gradually in construction.

Note2: Compared to 2021, the consolidated non-operating income and expense for 2022 decreased is mainly due to loss on disposal of non-current assets held for sale increased, and loss on valuation of financial assets increased.

Note3: Income attributable to owners of the parent increased, due to gross profit 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, 2023 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	2022	2021	Difference ratio (%)
Cash Flow Ratio (%)	0.15	29.98	(99.50)
Fund Flow Adequacy Ratio (%)	68.03	92.76	(26.66)
Cash Re-investment Ratio (%)	(5.64)	31.73	(117.77)

Explanation to changes:

1. Cash flow ratio decreased due to cash outflow from operating activities increased.
2. Fund flow adequacy ratio decreased due to cash outflow from operating activities increased.
3. Cash re-investment ratio decreased due to cash outflow from operating activities increased.

7.3.2 Analysis of Cash Liquidity

The cash outflow of Year 2022 is TWD 190.353 million. The cash balance in the end of the year is TWD 21,209.4 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
21,209,400	3,959,411	2,693,993	23,903,393	-	-

1. Analysis of change in cash flow in Year 2023:

(1) Operating activities: Backlog leads to cash inflow.

(2) Investing activities: The expected cash outflow is mainly due to more investments in current businesses.

(3) Financing activities: The expected cash outflow is mainly due to cash dividends to investors.

2. Liquidity analysis and remedial measures against cash deficit: None.

7.4 Major Capital Expenditure Items

The Company constructs water recycling facility in the Southern Taiwan Science Park and total expense for construction is approximately TWD 2.593 billion.

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	2022	2021
Interest Income	150,914	99,986
Interest Expense	322,988	277,472
Investment gain on money market fund	32,057	19,990
Sales	95,100,568	70,540,414
Net Income before Tax	3,967,443	3,033,528

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 raise the interest rate and the devaluation of TWD in 2022, the funds originally deposited in USD and money market funds denominated in TWD, which cause the interest income increase by TWD50,928 thousand over 2021.

The consolidated interest expense of 2022 increase by TWD45,516 thousand over 2021, which is because the loan increase in bank borrowings of the Company. 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	2022	2021
Net Foreign Exchange Gain/Loss(A)	75,756	(273,762)
Sales (B)	95,100,568	70,540,414
Net Income before Tax (C)	3,967,443	3,033,528
A/B(%)	0.08	(0.39)
A/C(%)	1.91	(9.02)

The business line of CTCI 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	2022	2021
CPI	102.95	100.00
Annual Change of CPI(%)	2.95	1.97
Construction Cost Indices	107.36	100.00
Annual Change of Construction Cost Indices(%)	7.36	10.94
Profit margin(%)	5.66	5.67

Source : Directorate General of Budget, Accounting and Statistics, Executive Yuan (DGBAS)/ Base year 2021.

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 2022, the CPI was 102.95 with an annual growth rate of 2.95%, a new high in 14 years. Looking back at the price trend in 2022, after the outbreak of the Russia-Ukraine War, the prices of international agricultural and industrial raw materials soared, and the whole world faced severe inflationary pressure, Taiwan's CPI has also soared above 3% for 5 consecutive months since March 2022, but as major countries vigorously implement tightening monetary policies to combat inflation, raw material prices gradually fell, and the rise only in the second half of the year tends to ease. DGBAS estimates that the annual growth rate of the CPI in 2023 will be 1.86%, and the annual growth rate will still be greater than 2% in the first quarter, but it is expected to slow down quarter by quarter after the second quarter.

The Taiwan Institute of Economic Research pointed out that under the influence of mutant viruses, the Russia-Ukraine War, high inflation and climate change, major economies have launched a cycle of interest rate hikes to combat inflation. High interest rates have affected the willingness of companies to invest, and manufacturing activities in various countries have slowed down significantly, and the slowdown will continue until 2023. Major international forecasting agencies believe that the growth rate of global economy and trade in 2023 will be slower than that in 2022. In recent years, the government has expanded the promotion of public construction, coupled with the return of Taiwanese businessmen to build factories and the expansion of investment in the semiconductor industry, the construction project demands have grown significantly, pushing up the domestic demand for materials and labors, coupled with the high price of international related materials. The Construction Cost index in 2022 continued to rise by 7.36%, but the increase has slowed down compared with 2021.

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 CTCI enhance our core competitiveness by self-research development, introduce new technologies and techniques, strengthen the professional skill and form a competitive advantages in order to achieve one of the future business strategies. The Future Research & Development Projects and Corresponding Budget are as follows:

A. Current Project Progress (as of end of March, 2023), Budget and Estimated Time to Finish

Item	Project Name	Current Progress(%)	Budget	Estimated Time to Finish
1	iSchedule & Digital Twin	15	10,560,000	2023.12.31
2	The new technology for assisting in the construction site management	17	5,940,000	2023.12.31
3	Development for Engineering Data Extraction Technology	10	5,940,000	2023.12.31
4	Research and development for process automation and hybrid cloud solution	16	13,200,000	2023.12.31
5	Research of Seawater Desalination System	20	990,000	2023.12.31
6	Application of PILOT achievements in wastewater reclamation	45	792,000	2023.12.31
7	Research for BioEnergy system	12	1,056,000	2023.12.31
8	Systematic simulation study for Carbon Capture, Storage and Utilization	10	1,320,000	2023.12.31
9	Civil Engineering –QTO operation automatic development	17	4,653,000	2023.12.31
10	Research on BIM collaborative operation	17	3,828,000	2023.12.31
11	Digital Equipment data and access optimization	10	1,980,000	2023.12.31
12	Introduction and maintenance for engineering design data exchange system	12	2,508,000	2023.12.31
13	Development for building automation and control system design capability	16	1,056,000	2023.12.31
14	Research for Instrument cross-system information integration	16	3,828,000	2023.12.31
15	Development for turnkey 3D design automation	17	11,890,000	2023.12.31
16	Piping design guideline for semiconductor plot plan	18	528,000	2023.12.31
17	Piping design guideline for lithium battery plot plan	10	528,000	2023.12.31
18	Digital design integration plan for Electrical Engineering	17	4,884,000	2023.12.31
19	Electrical Professional Capacity Enhancement Plan	16	1,914,000	2023.12.31
20	Integrated vendor portal and procurement system optimization	21	1,874,400	2023.12.31

Item	Project Name	Current Progress(%)	Budget	Estimated Time to Finish
21	Development of Construction Integration and Automation	12	2,165,000	2023.12.31
22	Customized development and maintenance for E/M management system program	17	4,290,000	2023.12.31
23	SPF system introduction and application extension	25	6,606,000	2023.12.31

B. Risk Management of RD

There are various risks in the RD process, and the only way to minimize RD risks throughout the RD life cycle is to understand the relevant RD risks in advance and improve the ability to manage risk prevention. CTCI conducts risk management in terms of technology, talent and intellectual property rights to avoid operational risk factors that may arise from the RD process.

- a. Technology risk management – Conduct annual professional capabilities and technology inventories, develop the next year's RD plan to cultivate professional skill, and always pay attention to market dynamics and technological advances in order to avoid insufficient innovation due to market or technological factors.
- b. Talent risk management – the RD director and RD engineers work out an individual development (IDP) to encourage self-learning and self-improvement every year, and to avoid problems such as brain drain, talent shortage and talent training, which may affect the progress and quality of RD projects and lead to poor RD efficiency.
- c. Intellectual property risk management – follow the company's intellectual property rights management guidelines and confidentiality agreement management guidelines to instill the concept of intellectual property rights in RD personnel to avoid intellectual property rights infringement and failure to protect intellectual property rights, which may affect the RD investment and sustainable business development of the enterprise.

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 (including Information Security Risk) and in Industry Relating to Corporate Finance and Sales: Losses due to major information security incidents in 2022 and up to the date of publication of the annual report: 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 (expressed in thousands of New Taiwan dollars)

- A. On March 31, 2014, CTCI has entered into the building construction undertaking agreement with Oriental Petrochemical (Taiwan) Co., Ltd. and Dayu Mechanical Engineering Co., Ltd. (hereinafter referred as "Dayu") 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 which was owned and undertaken by Oriental Petrochemical (Taiwan) Co., Ltd. CTCI generally assumed all rights and obligations of Oriental Petrochemical (Taiwan) Co., Ltd. arising from the agreement. Due to the adjustment in the details of the work, CTCI has entered into a supplement to the agreement with Dayu on November 18, 2014 to extend the construction period to December 31, 2015. Subsequently, due to Dayu's manpower shortage seriously, CTCI sent a legal warning letter to Dayu on May 9, 2016 to terminate the agreement. On May 20, 2019, Dayu filed a civil complaint against CTCI, asserted that it suffered the damage caused by CTCI's delay in starting the construction for 5 months and failure in fulfilling contractual obligations such as not completing the infrastructure on schedule, and therefore claimed for the amount of TWD 120,771 thousand 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 CTCI, and Dayu has changed the claimed amount to TWD 117,176 thousand. CTCI asserted that the prescription of Dayu's claims had expired and if the court considers the claims had not expired, then CTCI is also entitled to offset the claims with its damages due to Dayu's reason to re-subcontract causing additional amount of TWD 75,007 thousand and Dayu's delay penalty amounting to TWD 22,520 thousand. The judge summoned the witnesses of both parties to clarify whether CTCI committed that it was in debt to Dayu when Dayu went to CTCI to negotiate the project payment of the disputed construction in 2017, and also to clarify the reasons for the overdue completion of the disputed construction and the amount Dayu is entitled to claim in accordance with the progress of the project. This case is currently under trial in Taipei District Court.
- B. The plaintiff, Pao An Fire Equipment Co., Ltd. (hereinafter referred as "Pao An"), a subcontractor of CTCI mainly undertaking the "fire protection engineering of Taipower Talin Power Plant's main plant", made a claim by filing payment order against CTCI on February 2020. Pao An asserted that there were an outstanding final payment and an additional construction payment in a total of TWD 82,411 thousand. After CTCI filed the objection, this case is currently under trial in Taipei District Court. During the trial, Pao An further extended the statement of the claim and requested CTCI to pay a total of TWD 96,559 thousand. CTCI asserted that since the construction is not completely accepted by the owner and therefore the final payment hasn't met the requirements. As for the additional construction cost Pao An demanded, the amount has been confirmed by both parties' engineers shall be a few million dollars only. Since Pao An needs to pay the penalty for delayed completion, and Pao An also needs to pay the loss arising from the uncompleted works which it shall performed and CTCI handled it by itself finally after CTCI's notification, CTCI has no obligation to pay Pao An after

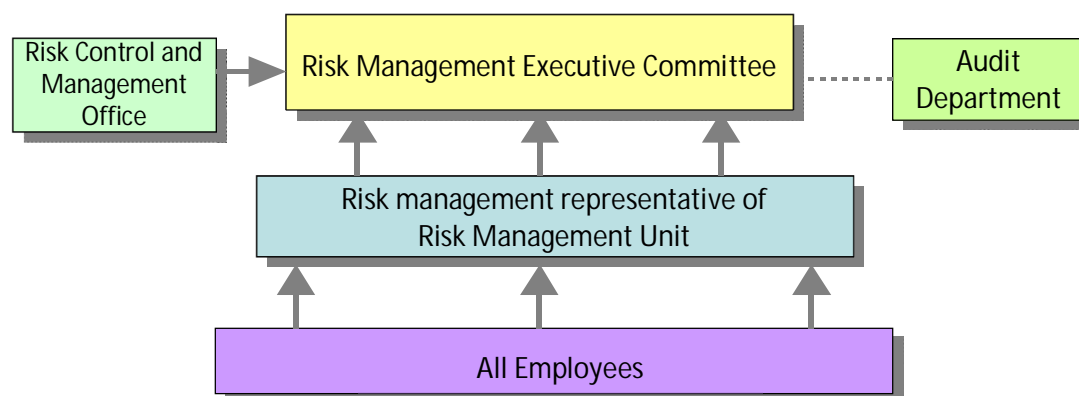
offsetting the penalty and CTCI's damage. With respect to Pao An's claim for a third additional construction cost, CTCI has provided the relevant supporting evidences to the court, stating that the relevant items have been verified by both parties on-site and there are corresponding unit price in the original contract. Thus, the amount verified by CTCI shall prevail, and other items for which Pao An has proposed for additional construction cost are within the scope of the original contract, Pao An is not entitled to claim for additional construction cost. As for the extension of time for completion claimed by Pao An, CTCI asserted that the application should be submitted to CTCI within the deadline in accordance with the stipulation of the contract, otherwise, Pao An is not entitled to claim for additional construction cost and extension of time for completion. CTCI claimed that the additional contract price shall be deducted by 5% of the total contract price in accordance with the disputed construction contract, therefore CTCI is entitled to claim offset by 5% of the total contract price (TWD 7,050 thousand) due to the additional contract price claimed by Pao An that had not been deducted before. This case is currently under trial in Taipei District Court.

C. On May 11, 2012, the plaintiff, Ling Rong Enterprise Co., Ltd. (hereinafter referred as "Ling Rong"), entered into a construction contract with CTCI for the 60KTA isoprene unit construction project which was owned by Formosa Petrochemical Corporation, Ltd. (hereinafter referred as "Formosa Petrochemical"). Due to the change of materials by Formosa Petrochemical, Ling Rong and CTCI had a dispute over the unit price and could not complete the project settlement of the contract. Thus, Ling Rong filed a lawsuit against CTCI for construction payment, the cost of acceleration and additional payment in a total of TWD 89,164 thousand. The appraisal report has been sent to Taipei District Court from Research Development Center of Construction Law of Tamkang University and is currently under trial in Taipei District Court.

7.6.13 Risk management organization framework

To stabilize the company's operation and development, and to grasp and respond to various internal and external risks, a new unit "Risk Control and Management Office" was established on November 1, 2022, responsible for promoting and supervising risk management and control related businesses, as well as establishing a risk management culture, aiming to enhance the risk awareness of managers at all levels and colleagues, and gradually deepen the risk culture.

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, Business Operations and EPC Operations, President is the Chairman of committee, and the convener is Chief Risk Officer (CRO).

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 Control and Management Office

To ensure continuous effectiveness of risk management mechanism.

Major responsibilities are as follows:

- Establish and promote CTCI Group risk control management mechanism and culture;
- Regularly risk detection and control;
- Promote and coordinate risk management related activities;
- Summarize and submit the risk management report, real time report and other works related to risk management;
- 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.

7.6.14 Other Major Risks

- (A) CTCI attaches importance to the risk of Information Security, HSE, Quality, a Brain Drain and Climate Change, it also continues to supervise the execution of risk control measure and improvement plan.

Risk Description	Actions Planning
Information Security	<ul style="list-style-type: none"> – CTCI is the first in the domestic engineering industry to leading-in ISO 27001 successfully, and continue to inspect and maintain the certificate every year. In 2022, it has passed SGS's surveillance audit. – To carry out the external inspection of information security regularly. – Conducting e-mail social engineering exercises quarterly and having training classes of information security to enhance the cognition of information security for staffs. – To cooperate with external companies of Chunhwa Telecom, Trend Micro and Microsoft Taiwan to strengthen the protection and monitoring of network. Also make the technique to be alliance.
Brain Drain	<ul style="list-style-type: none"> – To implement the talent management plan and potential personnel training continuously for keeping potential talent. – To implement the job rotating within department regularly, in order to let staffs are familiar with affairs of department; hence it could not effect the affairs of department due to staff's resignation. – Through diversified talent recruitment channels, Employee Referral Program, etc., we will continue to actively recruit outstanding new blood and accelerate the filling of manpower gaps. – Expand the professional manpower of overseas affiliated enterprises to realize the synergy and resilience of talent appointment.
HSE	<ul style="list-style-type: none"> – Review key HSE mechanisms and strengthen HSE campaign training (such as mobile crane and spreader inspection key points, and stop work authority). – Strengthen weekday/holiday audits and the BU head will hold a nonconformities finding review meeting quarterly to supervise the improvement. – For contractors and workers who repeatedly violate the regulations, increase the frequency of rolling HSE safety training to improve awareness of hazards.
Quality	<ul style="list-style-type: none"> – To enhance the SOP Updates Seminar: emphasizing the main control points in training materials, expanding the attendees, focusing the feedback from colleagues. – Recording the video training materials of quality regulation requirements of Public Construction Work, awareness of project management procedures, and Lesson Learned, etc. to enhance the awareness of colleagues.

Risk Description	Actions Planning
Climate Change	<ul style="list-style-type: none"> – Sustainability and net zero refinement meeting hosted by the president monthly. Accumulate new ideas from each business group as green technical improvement plans, and propose to the owner when quoting, in order to move towards the goal of net-zero EPC. – Regularly review climate change risks and opportunities with reference to the TCFD framework, and formulate measures to manage major risks and opportunities. – Pledge to achieve zero carbon emissions for the office by 2030, office and project sites by 2050. Join the SBTi in 2022, and promise to complete net zero in 2050 in accordance with the 1.5°C schedule. – Completed the greenhouse gas inventory and obtained the verification statement after passing the third-party external verification.

(B) Sensitivity analysis and stress testing

The Company values internal and external issues and the risks and opportunities they may present to the Company's ongoing operations. The responsible unit regularly collects new information and submits it to the responsible authority for identification and discussion of important issues. Critical issues are evaluated to determine connections and impacts to important risk items. The Company conducts sensitivity analysis and stress testing to assess how critical issues' key attributes and variables impact its operations, providing helpful information for decision-making. The Company carefully analyzed and evaluated the risks associated with various financial and non-financial material issues. The Company's risk-bearing capacity remained strong in the face of internal and external environmental changes, as demonstrated by the positive results of the sensitivity analysis and stress tests.

Risk Description	Sensitivity Analysis and Stress Test Summary	Test Results
Exchange Rate	The impact of fluctuations in the exchange rates of significant currencies on the Company's revenue and profitability.	Pass
Market	The impact of increased project execution costs due to labor shortage and inflation on gross profit.	Pass
Operational	The impact of the CHIPS bill and reduced capital expenditures in the semiconductor industry on the overall contracted volume.	Pass
Compliance	The impact of compliance with environmental laws and regulations on the company's financial aspect.	Pass

(C) Emerging 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
<p>After the start of the Russia-Ukraine war, the prices of crude oil and related energy sources as well as bulk materials have increased significantly, intensifying global inflation and causing the construction price index to continue to rise. This has also triggered geopolitical changes around the world, leading countries to adopt various geopolitical geoeconomic policies to confrontat.</p> <p>Taiwan has been further impacted by the situation in the Taiwan Strait and the ongoing trade war between China and the United States. The signing of the "CHIPS and Science Act" by the United States on Aug. 9, 2022, has also led to domestic and foreign technology giants to cancel construction plans or reduce investments in Taiwan.</p>	<p>The distribution of high-tech business opportunities that can be pursued in both domestic and overseas projects is as follows: Although there were more domestic opportunities in 2022 than in 2021, customers from three projects have notified us of delayed investment on construction plans and bidding after the United States signed the "CHIPS and Science Act." The monetary amount accounts for about 50% of the annual business opportunities.</p> <p>Percentage of high-tech business domestic and abroad:</p> <ul style="list-style-type: none"> – 2021: domestic 62%, overseas 38% – 2022: domestic 86%, overseas 14% – 2023 (grasped): domestic 43%, overseas 57% <p>In 2023, domestic high-tech business opportunities have significantly declined. If measured in monetary terms, domestic business opportunities in 2023 have fallen to 40% of 2022.</p> <p>It is speculated that Taiwan's high-tech business opportunities will continue to decline, requiring overseas expansion to compete for business. There will be more competitors to face, making it more difficult to acquire business opportunities.</p>	<ul style="list-style-type: none"> – Set up an office in Phoenix, Arizona, United States to provide turnkey engineering services to the semiconductor companies from Taiwan; and then establish relationships with well-known domestic and foreign clients as well as provide factory engineering construction services to graspe the business opportunities from the high-tech industry supply chains. – Establish dedicated Core Teams based on business attributes, adopt a strategy of signing Frame Agreements with customers, and understand customers' construction plans early on to secure business opportunities. So far, four customers have signed long-term and cross-border Frame Agreements. – Plan to establish a new office in Mexico in respond to the clustering effect in the North American electric vehicle market, to capture business opportunities.

Risk Description	Potential impact	Mitigating actions								
U.S. inflation rate in 2022 hit a 40-year high, affecting economies worldwide and leading to central banks raising interest rates in response. The global economic climate has led to higher costs of manpower, materials, and equipment due to high inflation. This has made it challenging to the procurement and sub-contracting of project as well as impacting project schedule and profit. As a result, affecting the company’s overall operation costs.	The rise in labor, materials, and equipment costs has resulted in Vendors increasing their quotation prices, which often greatly exceed the Company's project budget. Therefore, procurement and subcontracting plans need to be readjusted, resulting in lengthy procurement processes for inquiries, bidding, and negotiation, which further increases the procurement MH and affects the progress of projects.	<ul style="list-style-type: none">– Adjustment of subcontracting strategy: Some bulk materials are to be procured centrally by the company, and the price should be based on quantity. By signing long-term cooperation agreements with vendors, we can reduce project costs and improve progress by eliminating the need for inquiry, bidding, and negotiation.– We plan to set up a Construction Company to alleviate the difficulties in subcontracting for domestic subcontractors and to increase the number of self-employed workers for project construction work to ensure the project's progress and profitability.– We are actively investing in innovative R&D and developing iEPC 2.0 to strengthen our engineering information management system, enhance engineering integration and execution, and ensure engineering progress and cost.– Set up Risk Control and Management Office to control and manage the impact of operating costs for various internal and external risks.								
	<table><tr><th>Year</th><th>Average Procurement & Outsourcing Time</th></tr><tr><td>2020</td><td>67.43 days</td></tr><tr><td>2021</td><td>66.39 days</td></tr><tr><td>2022</td><td>126.58 days</td></tr></table>		Year	Average Procurement & Outsourcing Time	2020	67.43 days	2021	66.39 days	2022	126.58 days
	Year		Average Procurement & Outsourcing Time							
	2020		67.43 days							
	2021		66.39 days							
2022	126.58 days									
The increase in interest (e.g., interest on capital borrowings such as funds and margins) results in the increase in operating costs.										
<table><tr><th>Year</th><th>Interest Expense (Unit : TWD thousands)</th></tr><tr><td>2020</td><td>284,469</td></tr><tr><td>2021</td><td>277,472</td></tr><tr><td>2022</td><td>322,988</td></tr></table>	Year	Interest Expense (Unit : TWD thousands)	2020	284,469	2021	277,472	2022	322,988		
Year	Interest Expense (Unit : TWD thousands)									
2020	284,469									
2021	277,472									
2022	322,988									
In summary, the strong interest rate increase in the U.S. and the global economic climate are expected to have a continued potential impact on the Company's operating costs.										

7.7 Other Important Information: None.

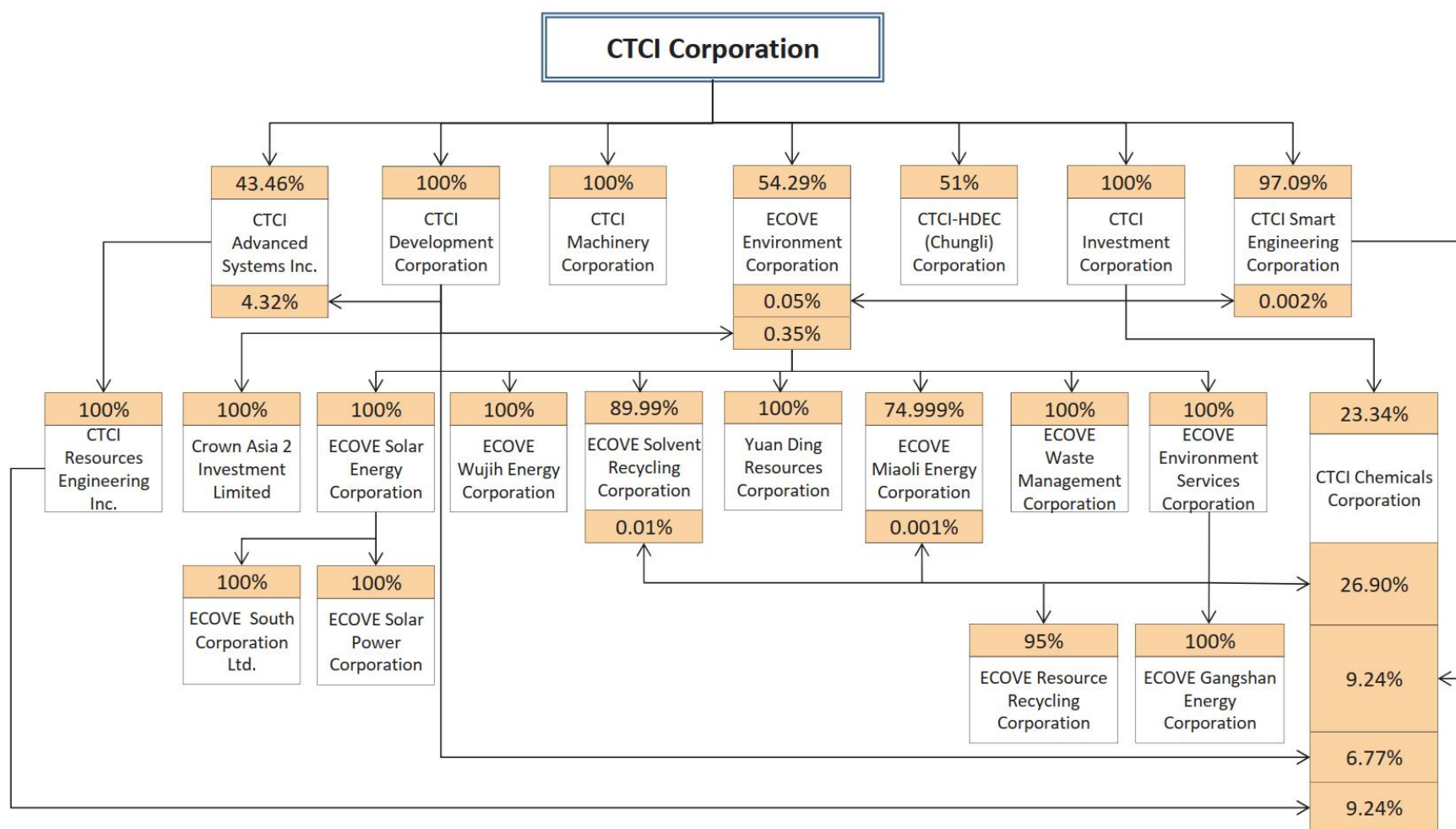
VIII. Special Disclosure

8.1 Summary of Affiliated Companies

8.1.1 Consolidated Business Report of Affiliates

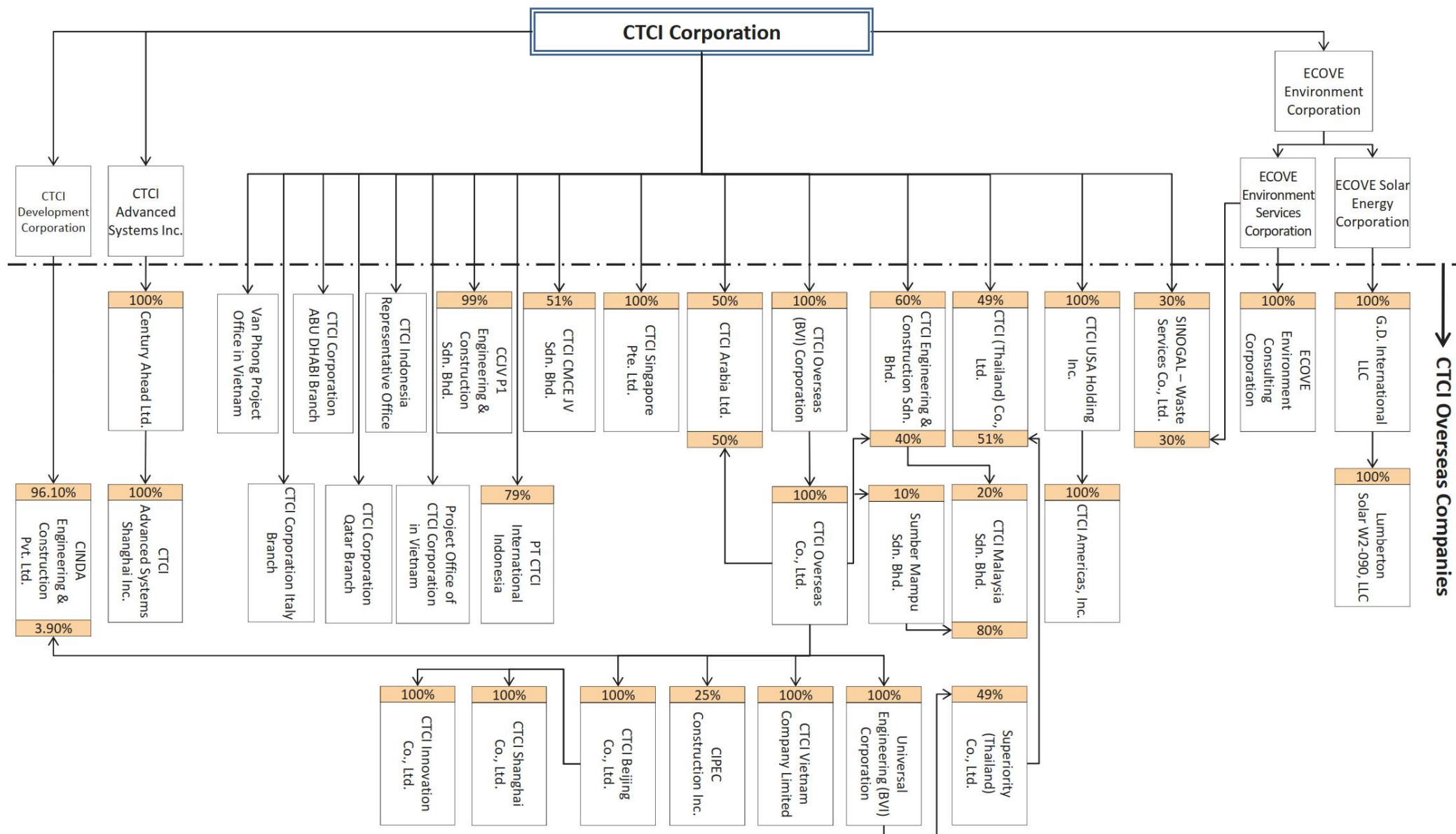
(1) Organizational chart of the affiliates **CTCI Group Companies Organization (Domestic)**

March 31, 2023



CTCI Group Companies Organization (Overseas)

March 31, 2023



(2) General information of the affiliates:

March 31st, 2023; Unit: TWD thousands

Company	Date of Incorporation	Address	Paid-up Capital	Major Business Activities
CTCI Smart Engineering Corporation	1980.05.27	7F., No. 16, Fushan Rd., Taipei City, Taiwan	TWD 608,720	Planning and design of construction projects
CTCI Resources Engineering Inc.	1984.05.29	10F., No. 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 596,739	Planning, design and supervision of mechanical and electrical engineering projects
CTCI Advanced Systems Inc.	1987.08.03	11F., No. 16, Fushan Rd., Taipei City, Taiwan	TWD 277,878	Design and installation of software
ECOVE Environmental Service Corporation	1994.05.24	10F., No. 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 151,000	Environmental engineering
CTCI Development Corporation	1999.02.24	10F., No. 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 3,614,547	Real estate and leasing business
CTCI Investment Corporation	1999.02.05	10F., No. 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 2,072,000	Investments
ECOVE Environment Corporation	1999.12.13	12F., No. 16, Fushan Rd., Taipei City, Taiwan	TWD 706,913	Investments
CTCI Chemicals Corporation	1999.08.04	10F., No. 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 71,000	Manufacturing of chemical products
ECOVE Wujih Energy Corporation	2000.05.19	12F., No. 16, Fushan 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	12F., No. 16, Fushan Rd., Taipei City, Taiwan	TWD 600,000	Environmental engineering
CTCI Machinery Corporation	2007.04.02	No. 5, Xinggong Rd., Dashe Dist., Kaohsiung City, Taiwan	TWD 200,000	Planning and design of construction projects
CTCI (Thailand) Co., Ltd.	1987.08.15	19F., Phairojkijsa 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, 8F., 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	6F., 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	6F., Charmvit Building 117 Tran Duy Hung Cau 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	19F., Phairojkijja 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, 7F., No. 26, Lane 168, Daduhe Road, Putuo District, Shanghai, China	USD 750	Computer skills services
CTCI Malaysia Sdn. Bhd.	2002.06.04	6F., 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	6F., 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 131,000	Planning and design of construction projects
SINO GAL - Waste Services Co., Ltd.	2009.06.16	Rua de Foshan No.51, Edf. Centro Comercial San Kin Ip, 8° andar Salas I, J, K, em Macau	MOP 4,000	Environmental engineering
CINDA Engineering & Construction Pvt. Ltd.	2008.08.08	P-24, Green Park Extension, New Delhi, South East Delhi, D Delhi, 110016	INR 2,050,000	Planning and design of construction projects
CTCI Americas, Inc.	2009.10.02	15721 Park Row, Suite 300, Houston, Texas 77084, U.S.A.	USD 100	Business development and related engineering services and planning
Universal Engineering(BVI) Corporation	2003.03.06	Craigmuir Chambers, Road Town, Tortola, VG1110, British Virgin Islands	USD 50	Planning and design of construction projects
CTCI Singapore Pte. Ltd.	2011.01.10	80 Robinson Road #02-00 Singapore(068896)	USD 33,300	Planning and design of construction projects
Yuan Ding Resources Corporation	2013.12.13	10F., No. 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	6F., Wisma MIE, No. 2, Jalan Industri PBP 2, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan, Malaysia	MYR 205,250	Planning of construction projects
Crown Asia 2 Investment Limited	2011.04.21	10F., No. 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 250	Investments
CTCI-HDEC (Chungli) Corporation	2016.08.15	16F., No. 65, Sec. 2, Daxing W. Rd., Taoyuan Dist., Taoyuan City, Taiwan	TWD 1,548,000	Environmental engineering with BOT

Company	Date of Incorporation	Address	Paid-up Capital	Major Business Activities
CTCI CMCE JV Sdn. Bhd.	2017.07.10	6F., 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	2011.06.02	13F., No. 366, Bo' ai 1 st Rd., Sanmin Dist., Kaohsiung City 807, Taiwan	TWD 1,183,385	Energy technology service
ECOVE Solar Power Corporation	2013.08.09	13F., No. 366, Bo' ai 1 st Rd., Sanmin Dist., Kaohsiung City 807, Taiwan	TWD 306,000	Energy technology service
ECOVE South Corporation Ltd.	2013.02.06	13F., No. 366, Bo' ai 1 st Rd., Sanmin Dist., Kaohsiung City 807, Taiwan	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	2013.07.15	No. 7-1, Guojian 3 rd Rd., Guanyin Dist., Taoyuan City 328, Taiwan	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
CTCI USA Holding Inc.	2021.09.07	8 The Green STE A Dover, Kent, Delaware 19901, U.S.A.	USD 1,000	Planning and design of construction projects
ECOVE Gangshan Energy Corporation	2021.10.14	13F., No. 366, Bo' ai 1 st Rd., Sanmin Dist., Kaohsiung City, Taiwan	TWD 251,000	Management of waste recycling site and maintenance of related mechanical and equipment, etc.
ECOVE Resource Recycling Corporation	2023.01.16	10F., No. 89, Sec. 6, Zhongshan North Rd., Taipei City, Taiwan	TWD 65,000	Environmental engineering

Company	Date of Incorporation	Address	Paid-up Capital	Major Business Activities
CTCI Innovation Co., Ltd.	2023.02.23	Room 1115, 11F., Building 53, No. 14, Jiuxianqiao Road, Chaoyang District, Beijing	CNY 0 (Note)	Technical service, technical development, technical consultation, technical exchange, technology transfer, technology promotion, Software development; engineering management services, retailing of computer software and auxiliary equipment.

Note : The capital injection is expected to be completed in the second quarter of 2023.

(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, 2023

Company	Title	Name of Representative	Shareholding	
			Shares	%
CTCI Smart Engineering Corporation	Chairman	CTCI Corporation Representative: Walker Wang	59,098,624	97.09
	Director	CTCI Corporation Representative: An-Cheng Kuo		
	Director	CTCI Corporation Representative: Kuo-Ann Wu		
	Director	CTCI Corporation Representative: Yang-Ting Chen		
	Director	CTCI Corporation Representative: John Fann		
	Supervisor	CTCI Investment Corporation Representative: Melissa Liu	1,000	0.00
	President	An-Cheng Kuo	0	0
CTCI Resources Engineering Inc.	Chairman	CTCI Advanced Systems Inc. Representative: DingGo Ku	59,673,880	100.00
	Director	CTCI Advanced Systems Inc. Representative: Kuo-Ann Wu		

Company	Title	Name of Representative	Shareholding	
			Shares	%
	Director	CTCI Advanced Systems Inc. Representative: Fortune Chen		
	Director	CTCI Advanced Systems Inc. Representative: Ching-Ho Lai		
	Director	CTCI Advanced Systems Inc. Representative: Benjamin Tsai		
	Supervisor	CTCI Advanced Systems Inc. Representative: Gino Tsai		
	President	Fortune Chen	0	0
CTCI Advanced Systems Inc.	Chairman	CTCI Corporation Representative: Kuo-Ann Wu	12,454,461	43.46
	Director	CTCI Corporation Representative: Neil Chen		
	Director	Shyue-Ching Lu	0	0
	Director	Bao-Lang Chen	0	0
	Director	Hou-Sheng Chan	0	0
	Director	Hung-I Chen	587,033	2.05
	Independent Director	Ray Chang	0	0
	Independent Director	Victor Tsan	0	0
	Independent Director	Amy Lee	0	0
	President	Neil Chen	0	0
ECOVE Environment Services Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	15,100,000	100.00
	Director	ECOVE Environment Corporation Representative: J.J. Liao		
	Director	ECOVE Environment Corporation Representative: Eric Tiao		
	Director	ECOVE Environment Corporation Representative: Yu-Cyun Chen		
	Director	ECOVE Environment Corporation Representative: Mike Shih		

Company	Title	Name of Representative	Shareholding	
			Shares	%
	Supervisor	ECOVE Environment Corporation Representative: C.L. Yen		
	President	Eric Tiao	0	0
CTCI Development Corporation	Chairman	CTCI Corporation Representative: John T. Yu	361,454,727	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: T.C. Li		
	Director	CTCI Corporation Representative: Evan Chen		
	Supervisor	CTCI Corporation Representative: Hope Sun		
	President	T.C. Li	0	0
ECOVE Environment Corporation	Chairman	CTCI Corporation Representative: J.J. Liao	38,457,105	54.29
	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

Company	Title	Name of Representative	Shareholding	
			Shares	%
	Independent Director	James Tsai	0	0
	President	Yun-Peng Shih	64,474	0.09
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: Min-Lin Lee		
	Director	CTCI Investment Corporation Representative: Jeff Chou		
	Director	Shirley Chou	576,910	8.13
	Supervisor	CTCI Development Corporation Representative: Caren Soong	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: Gino Tsai		
	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: Chaoching Cho		
	President	Hsiu-Yu Mike Kuo	0	0
ECOVE Miaoli Energy Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	44,999,200	75.00

Company	Title	Name of Representative	Shareholding	
			Shares	%
	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: Kuang-Ming Feng	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: Charles Mai		
	Director	CTCI Corporation Representative: Y.W. Cheng		
	Supervisor	CTCI Corporation Representative: I-Kang Ho		
	President	Charles Mai	0	0
CTCI (Thailand) Co., Ltd.	Chairman	Frank Chao	1	0.00
	Director	Todd Chen	0	0
	Director	Rungthip Chin	0	0
	Managing Director	Thanakorn Malarat	1	0.00
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: Jin-Wen Chang		

Company	Title	Name of Representative	Shareholding	
			Shares	%
	Director	CTCI Overseas Corporation Limited Representative: Tiger Tsai		
	Director	CTCI Overseas Corporation Limited Representative: Forest Lin		
	Supervisor	CTCI Overseas Corporation Limited Representative: Ai-Cheng Ho		
	President	Jin-Wen Chang	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: Jin-Wen Chang		
	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	Jin-Wen Chang	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	Michael Yang	0	0
	Director	Jenq-Shyong Chung	0	0
	Director	T.C. Li	0	0
	Managing Director	Terence Wu	0	0
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

Company	Title	Name of Representative	Shareholding	
			Shares	%
	Managing Director	CTCI Overseas Corporation Limited Representative: Joe Pan		
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: Hao-Chen Huang		
	General Director	Hao-Chen Huang		
			0	0
Century Ahead Ltd.	Director	Neil Chen	0	0
	Director	Benjamin Tsai	0	0
	Director	Ai-Cheng Ho	0	0
Superiority (Thailand) Co., Ltd.	Chairman	Todd Chen	0	0
	Director	Frank Chao	0	0
	Director	Rungthip Chin	1	0
CTCI Advanced Systems Shanghai Inc.	Chairman	Century Ahead Ltd. Representative: Neil 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

Company	Title	Name of Representative	Shareholding	
			Shares	%
	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
	Director	Eric Tiao	0	0
	Director	Melissa Liu	0	0
	President	Peter Wang	0	0
CIPEC Construction Inc.	Chairman	T.C. Li	1	0.00
	Director	Vincent Liu	1	0.00
	Director	Romuel Consunji	1	0.00
	Director	Lilian Marquez	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	Rhino Fu	0	0
	Managing Director	Chung-Hsing Wang	0	0
CTCI Americas, Inc.	Chairman	Todd Chen	0	0
	Director	Michael Yang	0	0
	Director	T.C. Li	0	0

Company	Title	Name of Representative	Shareholding	
			Shares	%
	Director	Shih-Wei Chung	0	0
	President	Patrick Jameson	0	0
Universal Engineering (BVI) Corporation	Chairman	T.C. Li	0	0
CTCI Singapore Pte. Ltd.	Chairman	Ai-Cheng Ho	0	0
	Director	Johnny Chuang	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
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
Crown Asia 2 Investment Limited	Chairman	CTCI Development Corporation Representative: Michael Yang	TWD250,000	100.00
	Director	CTCI Development Corporation Representative: T.C. Li		
CTCI-HDEC (Chungli) Corporation	Chairman	CTCI Corporation Representative: Ming-Shyan Lee	78,948,000	51.00
	Director	CTCI Corporation Representative: Tiger Tsai		

Company	Title	Name of Representative	Shareholding	
			Shares	%
	Director	CTCI Corporation Representative: Jeff Hsu		
	Director	HSIN DAR Environment Corporation Representative: De-Chuan Chen	75,852,000	49.00
	Director	HSIN DAR Environment Corporation Representative: Li-Ming Zhou		
	Supervisor	Shu-Ru Yang	0	0
	President	Chih-Chun Liu	0	0
Sumber Mampu Sdn. Bhd.	Director	Frank Wu	0	0
	Director	Terence Wu	0	0
	Director	Mohamed nor bin abu bakar	30,000	29.40
	Director	Kamaruddin Bin Anuer	30,000	29.40
	Director	Muhammad Anas Bin Marjunit	30,000	29.40
CTCI CMCE JV Sdn. Bhd.	Director	Ming-Shyan Lee	0	0
	Director	Johnny Chuang	0	0
	Director	Hazwan Alif Bin Abdul Rahman	0	0
	Director	Nazatul Najla Binti Abdul Rahman	0	0
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: Ai-Cheng Ho	1,000	0.01
	President	Cheng-Lung Su	0	0

Company	Title	Name of Representative	Shareholding	
			Shares	%
ECOVE Solar Energy Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	118,338,502	100.00
	Director	ECOVE Environment Corporation Representative: J. J. Liao		
	Director	ECOVE Environment Corporation Representative: T.C. Li		
	Supervisor	ECOVE Environment Corporation Representative: Melissa Liu		
	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 Director	Todd Chen	0	0
	Director	Ming-Shyan Lee	0	0
	Managing Director	Eric Lin	0	0
	Director	Ronald Wibisono Lie	0	0
	Director	Solichin	0	0
	Commissioner	Melisa Liu	0	0
CTCI USA Holding Inc.	Chairman	Michael Yang	0	0
	President	Todd Chen	0	0

Company	Title	Name of Representative	Shareholding	
			Shares	%
ECOVE Gangshan Energy Corporation	Chairman	ECOVE Environment Services Corporation Representative: Eric Tiao	25,100,000	100.00
	President	Eric Tiao	0	0
ECOVE Resource Recycling Corporation	Chairman	ECOVE Environment Corporation Representative: Yun-Peng Shih	6,175,000	95.00
	Supervisor	Ai-Cheng Ho	0	0
	President	Eric Tiao	0	0
CTCI Innovation Co., Ltd.	Executive Director	CTCI Beijing Co., Ltd. Representative: Tieh-Shih Chang	CNY 5,000,000	100.00
	Supervisor	CTCI Beijing Co., Ltd. Representative: Ai-Cheng Ho		

8.1.2 Operation overview of the Company and affiliates

December 31st, 2022; 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	2,225,990	2,341,103	(115,113)	2,921,136	167,613	197,110	3.24
CTCI Resources Engineering Inc.	420,000	2,588,627	1,852,090	736,537	3,113,094	252,739	216,636	6.07
CTCI Advanced Systems Inc.	277,628	1,654,475	956,547	697,928	865,245	12,370	242,986	8.78
ECOVE Environmental Service Corporation	151,000	2,900,875	1,866,177	1,034,698	4,355,923	367,746	451,484	29.90
CTCI Development Corporation	3,614,547	8,818,165	5,277,512	3,540,653	481,303	234,791	(714,249)	(1.98)
CTCI Investment Corporation	2,072,000	865,805	1,034	864,771	18,742	17,431	(30,053)	(0.15)
ECOVE Environment Corporation	704,579	7,972,572	2,046,177	5,926,395	1,044,850	996,923	1,045,026	14.91
ECOVE Wujih Energy Corporation	300,000	1,132,618	333,865	798,753	815,446	338,841	274,790	9.16
ECOVE Miaoli Energy Corporation	600,000	1,194,543	133,158	1,061,385	318,568	138,028	110,986	1.85
CTCI Chemicals Corporation	71,000	689,597	402,906	286,691	634,200	90,904	74,910	10.55
ECOVE Waste Management Corporation	20,000	236,557	117,742	118,815	398,306	78,199	63,500	31.75
CTCI (Thailand) Co., Ltd.	225,803	824,921	514,508	310,413	1,236,966	337,474	349,039	136.88
CTCI Overseas (BVI) Corporation	265,440	3,739,688	36	3,739,652	0	(653)	629,964	93.61
CTCI Overseas Corporation Limited	265,440	5,198,821	1,481,359	3,717,462	25,353	(181,876)	630,228	93.61
CTCI Beijing Co., Ltd.	430,002	6,906,526	4,755,832	2,150,694	12,549,185	1,117,927	1,111,635	-
CTCI Engineering & Construction Sdn. Bhd.	5,187	663,969	1,495,501	(831,532)	62,180	(232,332)	(259,521)	(346.03)
CTCI Vietnam Company Limited	88,353	227,880	92,005	135,875	279,895	46,021	37,645	-
Century Ahead Ltd.	23,678	34,767	0	34,767	0	69	7,187	-
CTCI Arabia Ltd.	40,833	160,872	1,515,479	(1,354,607)	(9)	(1,654)	(33,724)	(67.45)
CTCI Shanghai Co., Ltd.	543,175	1,049,269	417,609	631,660	1,470,666	54,263	74,898	-
CTCI Advanced Systems Shanghai Inc.	23,434	39,117	5,293	33,824	49,383	6,994	6,985	-
CTCI Machinery Corporation	200,000	4,771,605	3,521,493	1,250,112	6,267,499	552,657	468,225	23.41
Superiority (Thailand) Co., Ltd.	310	85,636	67,445	18,191	0	(159)	177,184	-
Universal Engineering(BVI) Corporation	1,535	210,561	37	210,524	0	(4,153)	174,000	-
CIPEC Construction Inc.	71,670	159,768	476,726	(316,958)	(5,192)	(44,630)	(148,750)	(11.36)
CINDA Engineering & Construction Pvt. Ltd.	759,525	1,593,146	2,196,986	(603,840)	2,486,200	(1,051,274)	(1,051,274)	(5.13)

Company	Paid-up Capital	Total Assets	Total Liabilities	Total Stockholders' Equity	Total Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Earnings Per Share (TWD)
Sumber Mampu Sdn. Bhd.	692	137,806	5,123	132,683	0	(116)	(17,395)	(173.96)
CTCI Malaysia Sdn.Bhd.	5,187	195,914	23,213	172,701	519	(3,916)	(21,598)	(28.78)
SINO GAL-Waste Services Co., Ltd.	15,269	636,364	337,323	299,041	850,852	265,684	266,973	-
CTCI Trading Shanghai Co., Ltd.	0	0	0	0	0	236	244	-
CTCI Americas, Inc.	3,070	14,111,852	15,268,812	(1,156,960)	25,021,753	(590,814)	(627,030)	(6,270.38)
CTCI Singapore Pte. Ltd.	1,031,853	141,432	425,655	(284,223)	1,452,738	(10,882)	1,575	-
Yuan Ding Resources Corporation	45,000	39,440	58	39,382	0	(155)	5	-
ECOVE Environment Consulting Corporation	3,784	5,425	0	5,425	0	(592)	(252)	-
CCJV P1 Engineering and Construction Sdn. Bhd.	1,419,427	381,401	526,805	(145,404)	169,902	(35,296)	(42,601)	(0.20)
Crown Asia 2 Investment Limited	250	504	342	162	1	(122)	(123)	-
CTCI-HDEC (Chungli) Corporation	1,548,000	1,788,558	173,620	1,614,938	913,127	75,557	61,567	0.40
CTCI CMCE JV Sdn. Bhd.	5,187	5,466	104	5,362	0	11,430	10,258	2.71
ECOVE Solar Energy Corporation	1,183,385	3,595,532	1,877,046	1,718,486	310,913	69,534	96,442	0.81
ECOVE Solar Power Corporation	306,000	1,337,359	932,117	405,242	146,880	32,307	18,959	0.62
ECOVE South Corporation Ltd.	30,500	140,907	107,759	33,148	11,293	2,418	1,226	0.40
G.D. International ,LLC	339,300	461,624	137	461,487	0	(194)	34,907	-
Lumberton Solar W2-090, LLC	335,895	644,490	183,188	461,302	100,542	30,886	35,100	-
ECOVE Solvent Recycling Corporation	90,000	194,507	77,463	117,044	161,704	31,465	24,917	2.77
PT CTCI International Indonesia	102,000	848,467	257,456	591,011	1,148,256	407,667	419,338	0.82
CTCI USA Holding Inc.	30,698	27,475	1,156,960	(1,129,485)	0	(148)	(627,177)	(62,717,679)
ECOVE Gangshan Energy Corporation	251,000	1,361,836	1,048,961	312,875	910,568	75,949	61,757	2.46

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, 2023)

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 , 2023	Assets pledged for guarantee	Ratio of the accumulated guarantee to the net asset value of the Company as of December 31 st , 2022	Ceiling on total guarantee amount (Note 3)
		Name	Relationship with the Company (Note 2)						
1	CTCI Advanced Systems Inc.	Century Ahead Ltd.	2	300% of the net worth from the latest audited financial statements of CTCI Advanced Systems Inc.	15,235	15,168	-	2.17%	The ceiling for total guarantee is TWD 4,187,568, 600% 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	300% of the net worth from the latest audited financial statements of CTCI Advanced Systems Inc.	22,233	22,049	-	3.16%	The ceiling for total guarantee is TWD 4,187,568, 600% of the net worth from the latest audited financial statements of CTCI Advanced Systems Inc.
1	CTCI Advanced Systems Inc.	CTCI Resources Engineering Inc.	2	300% of the net worth from the latest audited financial statements of CTCI Advanced Systems Inc.	475,599	475,599	-	68.14%	The ceiling for total guarantee is TWD 4,187,568, 600% of the net worth from the latest audited financial statements of CTCI Advanced Systems Inc.
2	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	-	3.62%	The ceiling for total guarantee is TWD 4,419,221, 600% of the net worth from the latest audited financial statements of CTCI Resources Engineering Inc.
3	ECOVE Environment Corporation	ECOVE South Corporation Ltd.	2	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	100,000	100,000	-	1.69%	The ceiling for total guarantee is TWD 17,779,185, 300% of the net worth from the latest audited financial statements of ECOVE Environment Corporation
3	ECOVE Environment Corporation	ECOVE Solar Energy Corporation	2	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	2,370,000	2,370,000	-	39.99%	The ceiling for total guarantee is TWD 17,779,185, 300% of the net worth from the latest audited financial statements of ECOVE Environment Corporation
3	ECOVE Environment Corporation	ECOVE Solar Power Corporation	2	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	1,210,000	1,210,000	-	20.42%	The ceiling for total guarantee is TWD 17,779,185, 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 ,2023	Assets pledged for guarantee	Ratio of the accumulated guarantee to the net asset value of the Company as of December 31 st ,2022	Ceiling on total guarantee amount (Note 3)
		Name	Relationship with the Company (Note 2)						
3	ECOVE Environment Corporation	EVER ECOVE Corporation	6	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	203,000	203,000	-	3.43%	The ceiling for total guarantee is TWD 17,779,185, 300% of the net worth from the latest audited financial statements of ECOVE Environment Corporation
3	ECOVE Environment Corporation	ECOVE Solvent Recycling Corporation	2	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	160,000	160,000	-	2.70%	The ceiling for total guarantee is TWD 17,779,185, 300% of the net worth from the latest audited financial statements of ECOVE Environment Corporation
3	ECOVE Environment Corporation	ECOVE Gangshan Energy Corporation	2	200% of the net worth from the latest audited financial statements of ECOVE Environment Corporation	900,000	900,000	-	15.19%	The ceiling for total guarantee is TWD 17,779,185, 300% of the net worth from the latest audited financial statements of ECOVE Environment Corporation
4	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	30,006	30,006	-	7.40%	The ceiling for total guarantee is TWD 2,431,452, 600% of the net worth from the latest audited financial statements of ECOVE Solar Power Corporation
5	ECOVE Environment Services Corporation	Bao Ding Reclaimed Water Co., Ltd.	6	400% of the net worth from the latest audited financial statements of ECOVE Environment Services Corporation	333,000	293,000	-	28.32%	The ceiling for total guarantee is TWD 6,208,186, 600% of the net worth from the latest audited financial statements of ECOVE Environment Services Corporation
5	ECOVE Environment Services Corporation	Jing Ding Green Energy Technology Co., Ltd.	6	400% of the net worth from the latest audited financial statements of ECOVE Environment Services Corporation	1,733,100	1,733,100	-	167.50%	The ceiling for total guarantee is TWD 6,208,186, 600% of the net worth from the latest audited financial statements of ECOVE Environment Services 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, 2023.

B. Lending to others (as of March 31st, 2023)

No. (Note1)	Lender	Borrower	Account item (Note2)	The highest balance during period (Note3)	Ending balance as of March 31 st ,2023 (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	1,715,000	1,415,000	1.08%~1.45%	2	0	For operational needs	0	NA	0	2,370,558	2,370,558
1	ECOVE Environment Corporation	ECOVE Solar Power Corporation	Accounts receivable-related parties	450,000	450,000	1.08%	2	0	For operational needs	0	NA	0	2,370,558	2,370,558
1	ECOVE Environment Corporation	ECOVE South Corporation Ltd.	Accounts receivable-related parties	100,000	100,000	1.08%	2	0	For operational needs	0	NA	0	2,370,558	2,370,558
2	CTCI Investment Corporation	CTCI Development Corporation	Accounts receivable-related parties	124,000	0	0	2	0	For operational needs	0	NA	0	345,908	345,908
2	CTCI Investment Corporation	CIPEC Construction Inc.	Accounts receivable-related parties	99	0	0	2	0	For operational needs	0	NA	0	345,908	345,908
2	CTCI Investment Corporation	CTCI-HDEC (Chungli) Corporation	Accounts receivable-related parties	100,000	100,000	0	2	0	For operational needs	0	NA	0	345,908	345,908
2	CTCI Investment Corporation	Lumberton Solar W2-090, LLC.	Accounts receivable-related parties	109,692	109,210	0	2	0	For operational needs	0	NA	0	345,908	345,908

No. (Note1)	Lender	Borrower	Account item (Note2)	The highest balance during period (Note3)	Ending balance as of March 31 st , 2023 (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		
2	CTCI Investment Corporation	Superiority(Thailand) Co., Ltd.	Accounts receivable-related parties	68,114	68,114	0	2	0	For operational needs	0	NA	0	345,908	345,908
3	CTCI Advanced Systems Inc.	CTCI Development Corporation	Accounts receivable-related parties	40,000	0	0	2	0	For operational needs	0	NA	0	279,171	279,171
4	CTCI Resources Engineering Inc.	ECOVE Solar Power Corporation	Accounts receivable-related parties	260,000	260,000	1.325%~1.45%	2	0	For operational needs	0	NA	0	294,615	294,615
5	PT CTCI International Indonesia	PT Gudang Gajah Lestari	Accounts receivable-related parties	12,997	12,997	6%	2	0	For operational needs	0	Pledge of Stock Rights	12,240	236,404	236,404
6	CTCI Overseas Corp. Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Accounts receivable-related parties	243,760	242,688	3.27%~4.8%	2	0	For operational needs	0	NA	0	1,469,450	3,673,625
6	CTCI Overseas Corp. Ltd.	CCJV P1 Engineering & Construction Sdn. Bhd.	Accounts receivable-related parties	76,175	75,840	2.54%	2	0	For operational needs	0	NA	0	1,469,450	3,673,625
6	CTCI Overseas Corp. Ltd.	CTCI Americas Inc.	Accounts receivable-related parties	1,668,480	1,668,480	3.29%~4.8%	2	0	For operational needs	0	NA	0	3,673,625	3,673,625
6	CTCI Overseas Corp. Ltd.	Superiority (Thailand) Co., Ltd.	Accounts receivable-related parties	69,662	67,230	1%	2	0	For operational needs	0	NA	0	1,469,450	3,673,625
6	CTCI Overseas Corp. Ltd.	CTCI Arabia Ltd.	Accounts receivable-related parties	700,810	697,728	2.45%~2.54%	2	0	For operational needs	0	NA	0	3,673,625	3,673,625
6	CTCI Overseas Corp. Ltd.	CTCI Malaysia Sdn. Bhd.	Accounts receivable-related parties	30,470	30,336	3.27%	2	0	For operational needs	0	NA	0	1,469,450	3,673,625
7	CTCI Development Corporation	CIPEC Construction Inc.	Accounts receivable-related parties	332,123	330,662	3.28%	2	0	For operational needs	0	NA	0	1,416,261	1,416,261

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 Dec. 31, 2022

- a. This year, up to Dec. 31, 2022, CTCI Corporation engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD4,840,715 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid forward contracts is TWD141,596 thousand, listed in non-operating income.
- b. This year, up to Dec. 31, 2022, CTCI Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD5,816,997 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid SWAP contracts is TWD63,656 thousand, listed in non-operating expense.
- c. This year, up to Dec. 31, 2022, CTCI Corporation engaged in Commodity SWAP transactions to hedge the risks from fluctuation in raw material prices. Total contract amount is TWD6,581,143 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid SWAP contracts is TWD189,415 thousand, listed in non-operating expense.
- d. This year, up to Dec. 31, 2022, CTCI Smart Engineering Corp. engaged in Commodity Swap transactions to hedge the risks from fluctuation in raw material prices. Total contract amount is TWD1,004,266 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid Swap contracts is TWD8,976 thousand, listed in non-operating expense.

- e. This year, up to Dec. 31, 2022, CTCI Advanced Systems Inc. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD163,534 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD18,419 thousand, listed in non-operating income.
- f. This year, up to Dec. 31, 2022, CTCI Machinery Corporation engaged in Commodity Swap transactions to hedge the risks from fluctuation in raw material prices. Total contract amount is TWD78,815 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid Swap contracts is TWD4 thousand, listed in non-operating expense.
- g. This year, up to Dec. 31, 2022, CTCI Investment Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD65,404 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid SWAP contracts is TWD 2,205 thousand, listed in non-operating expense.
- h. This year, up to Dec. 31, 2022, CTCI Chemicals Corporation engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD72,681 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD6,245 thousand, listed in non-operating income.
- i. This year, up to Dec. 31, 2022, CTCI Development Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD2,581,265 thousand. As the counter-party has good credit, the financial risk is limited. The exchange loss of aforesaid SWAP contracts is TWD40,473 thousand, listed in non-operating expense.
- j. This year, up to Dec. 31, 2022, CTCI Overseas Co., LTD engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD129,819 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD1,712 thousand, listed in non-operating income.
- k. This year, up to Dec. 31, 2022, CINDA Engineering & Construction Pvt. Ltd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD264,342 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange loss of aforesaid forward contracts is TWD468 thousand, listed in non-operating expense.
- l. This year, up to Dec. 31, 2022, CIPEC Construction Inc. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD451,017 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD3,218 thousand, listed in non-operating income.
- m. This year, up to Dec. 31, 2022, CTCI Malaysia SDN. BHD. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD20,983 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange loss of aforesaid forward contracts is TWD202 thousand, listed in non-operating expense.
- n. This year, up to Dec. 31, 2022, CTCI Engineering & Construction Sdn. Bhd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD2,470,271 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD21,044 thousand, listed in non-operating income.

- o. This year, up to Dec. 31, 2022, CTCI Engineering & Construction Sdn. Bhd. engaged in FX Swap transactions to hedge the risks from FX commitment. Total contract amount is TWD2,147,282 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD23,535 thousand, listed in non-operating income.
- p. This year, up to Dec. 31, 2022, CCJV P1 Engineering & Construction Sdn. Bhd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD1,693,733 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD16,502 thousand, listed in non-operating income.
- q. This year, up to Dec. 31, 2022, CCJV P1 Engineering & Construction Sdn. Bhd. engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD1,034,227 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD4,356 thousand, listed in non-operating income.

(B) Derivatives transactions by Mar. 31, 2023

- a. This year, up to Mar. 31, 2023, CTCI Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD7,992,374 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD3,739 thousand, listed in non-operating income.
- b. This year, up to Mar. 31, 2023, CTCI Corporation engaged in Commodity SWAP transactions to hedge the risks from fluctuation in raw material prices. Total contract amount is TWD1,946,963 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD61,424 thousand, listed in non-operating income.
- c. This year, up to Mar. 31, 2023, CTCI Smart Engineering Corp. engaged in Commodity Swap transactions to hedge the risks from fluctuation in raw material prices. Total contract amount is TWD255,983 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid Swap contracts is TWD4,899 thousand, listed in non-operating income.
- d. This year, up to Mar. 31, 2023, CTCI Advanced Systems Inc. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD267,966 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD2,248 thousand, listed in non-operating income.
- e. This year, up to Mar. 31, 2023, CTCI Chemicals Corporation engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD60,592 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange loss of aforesaid forward contracts is TWD54 thousand, listed in non-operating expense.
- f. This year, up to Mar. 31, 2023, CTCI Development Corporation engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD335,148 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD311 thousand, listed in non-operating income.
- g. This year, up to Mar. 31, 2023, CTCI Overseas Co., LTD engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD64,554 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD295 thousand, listed in non-operating income.

- h. This year, up to Mar. 31, 2023, CINDA Engineering & Construction Pvt. Ltd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD71,258 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange loss of aforesaid forward contracts is TWD293 thousand, listed in non-operating expense.
- i. This year, up to Mar. 31, 2023, CIPEC Construction Inc. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD310,259 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange loss of aforesaid forward contracts is TWD5,486 thousand, listed in non-operating expense.
- j. This year, up to Mar. 31, 2023, CTCI Malaysia SDN. BHD. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD42,069 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD75 thousand, listed in non-operating income.
- k. This year, up to Mar.31, 2023, CTCI Engineering & Construction Sdn. Bhd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD1,353,226 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange gain of aforesaid forward contracts is TWD1,124 thousand, listed in non-operating income.
- l. This year, up to Mar. 31, 2023, CTCI Engineering & Construction Sdn. Bhd. engaged in FX Swap transactions to hedge the risks from FX commitment. Total contract amount is TWD1,333,670 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD1,358 thousand, listed in non-operating income.
- m. This year, up to Mar. 31, 2023, CCJV P1 Engineering & Construction Sdn. Bhd. engaged in FX forward transactions to hedge the risks from FX commitment. Total contract amount is TWD349,407 thousand. As the counter-party has good credit, the financial risk is limited. The total exchange loss of aforesaid forward contracts is TWD6,078 thousand, listed in non-operating expense.
- n. This year, up to Mar. 31, 2023, CCJV P1 Engineering & Construction Sdn. Bhd. engaged in FX SWAP transactions to hedge the risks from FX commitment. Total contract amount is TWD78,858 thousand. As the counter-party has good credit, the financial risk is limited. The exchange gain of aforesaid SWAP contracts is TWD283 thousand, listed in non-operating income.

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	TWD 151,000	own reserves	54.29	1997.08	50,000 TWD1,764			1,028 TWD43	None	None	None
				1997.10		50,000 TWD 2,021	TWD 258				
				1997.10	50,000 TWD1,893						
				1997.12	50,000 TWD1,780						
				1997.12		100,000 TWD 3,673	TWD 185				
				1998.08	50,000 TWD3,092						
				1998.12 Stock dividend	11,500						
				1998.12		61,000 TWD 3,112	TWD 45				
				1999.12	971,160 TWD31,475						
				1999.12		831,560 TWD 26,951	TWD 721				
				2001.12	505,871 TWD 13,256						
				2002.12		645,000					
				2004.08 Stock dividend	9						
				2005.10 Stock dividend	9						

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 Development Corporation	TWD 3,614,547	own reserves	100	2006.10 Stock dividend	7			912,170 TWD 38,220	None	None	None
				2007.10 Stock dividend	20						
				2008.09 Stock dividend	12						
				1999.03	550,000 TWD 21,878						
				1999.03		200,000 TWD 8,104	TWD 303				
				1999.04	450,000 TWD 19,056						
				1999.04		450,000 TWD 18,791	TWD 586				
				1999.05	350,000 TWD 14,677						
				1999.05		620,000 TWD 27,053	TWD 831				
				1999.06	776,000 TWD 28,919						
				1999.07 Stock dividend	168,200						
				1999.07		15,000 TWD 584	TWD 18				
				1999.08	100,000 TWD 3,044						
				2000.02		427,000 TWD 14,663	TWD 1,274				

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
				2000.07 Stock dividend	68,220						
				2001.07 Stock dividend	108,060						
				2004.08 Stock dividend	8,710						
				2005.10 Stock dividend	8,671						
				2006.10 Stock dividend	6,954						
				2007.10 Stock dividend	18,539						
				2008.09 Stock dividend	10,816						
CTCI Investment Corporation	TWD 2,072,000	own reserves	100	1999.04	328,000 TWD 14,198			344,436 TWD 14,432	None	None	None
				1999.04		105,000 TWD 4,582	TWD 108				
				1999.05	350,000 TWD 14,826						
				1999.05		400,000 TWD 17,881	TWD 769				
				1999.06	250,000 TWD 9,659						
				1999.07 Stock dividend	84,600						
				2000.02		308,840 TWD 8,841	TWD 420				

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
				2000.07 Stock dividend	84,600						
				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)	TWD 250	Donation	100	2011.04	500 TWD 18			500 TWD 21	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 is the only one and has been selected for inclusion in Dow Jones Sustainability Emerging Markets Index. The achievement is a recognition on CTCI's rigorous, long-term effort in improving its corporate performance related to the environmental, social, and governance (ESG) aspects. It obtains a great affirmation from international investment organization.
- B. In terms of environment, CTCI creates the win-win Green Engineering to look after both sides of economy and environment through green technologies, green contracting, and green investment. As well as. CTCI cooperates with global suppliers to advance the "Net Zero Plant" to help owners achieving energy conservation and carbon reduction goals, and continue to focus on carbon capture and hydrogen energy. There are 7.46 million kWh in power saving, an equivalent of 3,972 metric tons CO₂e greenhouse gases reduction, and 350,000 cubic meters of water saving per years to commit to environmental sustainability by CTCI's green building .
- C. In terms of social, CTCI plays an active role in corporate citizenship. Through the educational foundation— CTCI Education Foundation— that it has founded, CTCI holds regular educative programs that benefit the public, such as little engineers summer camp, CTCI ESG Award, industry-academia ESG exchange programs, and free engineering course platform "CTCI Learning". These are aligned to UN's sustainable development goals and help engage the public in sustainability. Notably, with over 250 courses in collection, CTCI Learning helps pass down four decades of CTCI engineering expertise.
- D. In terms of governance, 100% of new suppliers and critical suppliers have signed a Statement of Commitment to Corporate Sustainability & Net Zero and achieved 100% improvement for their deficiency in sustainability conducts. Local procurement from Taiwan accounted to 89.01%.

8.4.2 Material Event Impact on Shareholders' Equity or Share Price in Recent Years until the Annual Report being published: None.

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2022 AND 2021

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 TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of CTCI Corporation

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

~2~



Valuation of work completed

Description

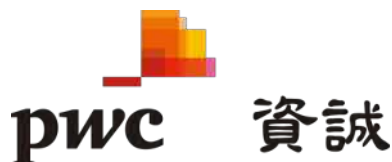
Refer to Note 4(34) for accounting policy on revenue recognition, Note 5(2) for significant accounting estimates and assumptions, and Note 6(27) for details of construction revenue.

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

How our audit addressed the matter

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

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

***Other matter – Reference to the audits of other auditors***

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

Other matter – Parent company only financial reports

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

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

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

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

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



Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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



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

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

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



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

Weng, Shih-Jung

Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 7, 2023

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

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

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

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

(Continued)

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

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

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

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

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

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

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

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

(Continued)

CTCI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

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

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

CTCI CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

(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 for issuance by the Board of Directors on March 7, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 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 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.

(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 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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 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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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 that came into effect 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, 2022	December 31, 2021	
CTCI Corp. CTCI Development Corp.	CTCI Advanced Systems Inc.	Design and installation of software	49.18	50.07	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 Development Corp. CTCI Advanced Systems Inc.	CTCI Resources Engineering Inc.	Engineering technology service	100.00	99.05	Note 5
CTCI Corp.	CTCI Americas, Inc.	Business development and related engineering services and planning	-	-	Note 4
CTCI Corp.	CTCI USA Holding Inc.	Investments	100.00	100.00	"
CTCI USA Holding Inc.	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, 2022	December 31, 2021	
CTCI Investment Corp. CTCI Development Corp. ECOVE Environment Services Corp. CTCI Smart Engineering Corp. CTCI Resources Engineering Inc.	CTCI Chemical Corp.	Wholesale, manufacturing and retail of chemical products	75.49	75.49	
CTCI Corp. CTCI Investment Corp. CTCI Development Corp.	ECOVE Environment Corp.	Investments	54.80	55.65	
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	100.00	
ECOVE Environment Corp. ECOVE Environment Services Corp.	ECOVE Miaoli Energy Corp.	Environmental engineering	75.00	75.00	
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	
ECOVE Environment Services Corp.	ECOVE Environment Services Gangshan Corp.	Environmental engineering	100.00	100.00	Note 3
CTCI Corp. ECOVE Environment Services Corp.	SINO GAL-Waste Services Co., Ltd.	Environmental engineering	60.00	60.00	
CTCI Corp.	CTCI Overseas (BVI) Corp.	Investments	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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.	CTCI Vietnam Company Limited	Planning and design of construction projects	100.00	100.00	
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	25.00	25.00	Note 1
CTCI Overseas Co., Ltd. CTCI Development Corp.	CINDA Engineering & Construction Pvt. Ltd.	Planning and design of construction projects	100.00	100.00	Note 2
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	Note 6
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	
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	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Universal Engineering (BVI) Corporation	Superiority (Thailand) Co., Ltd	Planning and design of construction projects	49.00	49.00	Note 1
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 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	79.00	79.00	
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: Since the Company had control over these entities' finance, business and personnel, these subsidiaries that were less than 50% owned by the Company directly or indirectly were included in the consolidated financial statements.

Note 2: In March 2021 and August 2021, the subsidiary, CTCI Development Corp., increased its capital in the second-tier subsidiary, CINDA Engineering & Construction Pvt. Ltd., in the amount of \$279,698 and \$468,441 in cash, respectively. Including the equity interest held

by CTCI Overseas Co., Ltd., the Group held 100% equity interest in the subsidiary.

Note 3: The Board of Directors of the second-tier subsidiary, ECOVE Environment Services Corp., during its meeting in October, 2021, resolved to invest and establish ECOVE Environment Services Gangshan Corporation in the amount of \$251,000.

Note 4: In December 2021, the Company established CTCI USA Holding Inc. in the amount of \$27,750 for a 100% equity interest and sold CTCI Americas Inc. to CTCI USA Holding Inc.

Note 5: The subsidiary, CTCI Advanced Systems Inc., formerly held 99.05% equity interest in the second-tier subsidiary, CTCI Resources Engineering Inc. On April 22, 2022, CTCI Advanced Systems Inc. acquired 0.95% equity interest in CTCI Resources Engineering Inc. which then became a wholly-owned second-tier subsidiary of the subsidiary, CTCI Advanced Systems Inc.

Note 6: The subsidiary - CTCI Trading Shanghai Co., Ltd. was deregistered on August 24, 2022, and all capital contribution has been returned.

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, 2022 and 2021, the non-controlling interest amounted to \$4,405,542 and \$3,980,310, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2022		December 31, 2021	
		Amount	Ownership (%)	Amount	Ownership (%)
ECOVE Environment Corp.	Taiwan	\$ 3,091,064	45.20%	\$ 2,792,776	44.35%

Summarized financial information of the subsidiary:

Balance sheets

	ECOVE Environment Corp.	
	December 31, 2022	December 31, 2021
Current assets	\$ 5,129,375	\$ 4,970,716
Non-current assets	8,159,132	7,314,143
Current liabilities	(2,928,204)	(2,400,201)
Non-current liabilities	(3,930,962)	(3,988,296)
Total net assets	<u>\$ 6,429,341</u>	<u>\$ 5,896,362</u>

Statements of comprehensive income

	ECOVE Environment Corp.	
	For the years ended December 31,	
	2022	2021
Revenue	\$ 7,030,160	\$ 5,955,250
Profit before income tax	1,518,093	1,352,822
Income tax expense	(239,931)	(275,075)
Profit for the year	1,278,162	1,077,747
Other comprehensive income, net of tax	50,644	11,669
Total comprehensive income for the year	<u>\$ 1,328,806</u>	<u>\$ 1,089,416</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 247,696</u>	<u>\$ 163,488</u>
Dividends paid to non-controlling interest	<u>\$ 177,108</u>	<u>\$ 200,557</u>

Statements of cash flows

	ECOVE Environment Corp.	
	For the years ended December 31,	
	2022	2021
Net cash from operating activities	\$ 2,043,083	\$ 2,009,484
Net cash used in investing activities	(857,033)	(1,138,222)
Net cash used in financing activities	(790,416)	(188,781)
Increase in cash and cash equivalents for the year	395,634	682,481
Cash and cash equivalents, beginning of year	1,216,106	533,625
Cash and cash equivalents, end of year	<u>\$ 1,611,740</u>	<u>\$ 1,216,106</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 other foreign exchange gains and losses based on the nature of those transactions 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 a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

- (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.

(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) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (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 amortized cost are recognized and derecognized using settlement date accounting.

- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) 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.

(11) 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.

(12) 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.

(13) 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.

(14) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(15) Investments accounted for using 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 Group and its associates are eliminated to the extent of the Group'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 under 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.

(16) 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.

(17) 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 and equipment	2 ~ 20 years
Transportation equipment	2 ~ 10 years
Office equipment	2 ~ 8 years

(18) 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.

(19) 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 48~ 56 years.

(20) 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.

(21) 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 or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

- 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.

(22) 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.

(23) 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 notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) 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.

(25) 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'.

(26) Derecognition of financial liabilities

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

(27) Non-hedging and embedded 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.

(28) 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.

(29) 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 recognised as pension expense 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 to the terms of the 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. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, 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.

(30) 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-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.

(31) 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 expense 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 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 income 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 acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(32) 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.

(33) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(34) 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.

(35) 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 revenue in accordance with IFRS 15, 'Revenue from contracts with customers'.
- 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.

(36) 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.

(37) 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 Group's 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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 107,157	\$ 132,936
Checking accounts and demand deposits	14,015,051	11,543,945
Time deposits	7,087,192	9,722,872
	<u>\$ 21,209,400</u>	<u>\$ 21,399,753</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

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 3,773,199	\$ 4,132,453
Derivatives	123,306	59,386
	<u>3,896,505</u>	<u>4,191,839</u>
Valuation adjustment	8,895	17,849
	<u>\$ 3,905,400</u>	<u>\$ 4,209,688</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives	\$ 73,486	\$ 34,253

- 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,	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	(\$ 19,636)	\$ 32,964
Derivatives	557,469	372,434
	<u>\$ 537,833</u>	<u>\$ 405,398</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives	(\$ 625,530)	\$ 22,155

- 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, 2022		
		Contract Amount (notional principal)	Contract Period
Foreign exchange swap contract (23 items)	USD	161,280 thousand	2022.08.10~2023.06.21
Non-delivery foreign exchange contract-buy (2 items)	USD	5,000 thousand	2022.02.08~2023.02.08
Merchandise exchange contract (24 items)	USD	28,287 thousand	2022.08.15~2023.06.21
Foreign exchange contract-buy (1 item)	CNY	8,000 thousand	2022.12.21~2023.02.23
Foreign exchange contract-buy (16 items)	USD	49,030 thousand	2022.08.16~2023.08.16
Foreign exchange contract-sell (1 item)	THB	75,600 thousand	2022.10.25~2023.04.19
	December 31, 2021		
		Contract Amount (notional principal)	Contract Period
Foreign exchange swap contract (2 items)	THB	514,450 thousand	2021.03.17-2022.04.29
Foreign exchange swap contract (6 items)	USD	35,720 thousand	2021.08.25-2022.07.11
Non-delivery foreign exchange contract-buy (14 items)	USD	76,500 thousand	2021.08.04-2022.10.21
Merchandise exchange contract (32 items)	USD	63,263 thousand	2021.07.13-2022.06.15
Foreign exchange contract-buy (7 items)	USD	25,410 thousand	2021.08.25-2022.06.30
Foreign exchange contract-sell (3 items)	USD	15,000 thousand	2021.10.27-2022.03.01

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.

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

Items	December 31, 2022	December 31, 2021
Current items:		
Equity instruments		
Listed stocks	\$ 241,361	\$ 241,361
Valuation adjustment	104,658	181,683
	<u>\$ 346,019</u>	<u>\$ 423,044</u>
Non-current items:		
Equity instruments		
Unlisted shares	\$ 2,546,133	\$ 2,548,394
Valuation adjustment	(1,717,417)	(882,568)
	<u>\$ 828,716</u>	<u>\$ 1,665,826</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,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 911,874)	\$ 333,816
Cumulative gain reclassified to retained earnings due to derecognition	\$ -	(\$ 205,176)
Dividend income recognized in profit or loss		
Held at end of year	\$ 248,120	\$ 24,733
Derecognized during the year	-	-
	<u>\$ 248,120</u>	<u>\$ 24,733</u>

(4) Financial assets at amortized cost

Items	December 31, 2022	December 31, 2021
Current items:		
Time deposits with maturity over three months	\$ 418,483	\$ 3,023,582
Non-current items:		
Pledged time deposits	\$ 203,131	\$ 51,600

- A. As at December 31, 2022 and 2021, 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 \$621,614 and

\$3,075,182, respectively.

B. Details of time deposits pledged to others as collateral are provided in Note 8.

(5) Notes and accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 27,386	\$ 39,553
Accounts receivable	12,685,662	8,198,974
Long-term receivables due in one year	327,535	314,484
Less: Allowance for uncollectible accounts	(69,510)	(73,067)
	<u>\$ 12,971,073</u>	<u>\$ 8,479,944</u>

A. The ageing analysis of notes receivable and accounts receivable is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Up to 30 days	\$ 7,130,213	\$ 7,325,963
31 to 90 days	3,421,231	61,928
91 to 180 days	865,098	117,068
Over 181 days	1,296,506	733,568
	<u>\$ 12,713,048</u>	<u>\$ 8,238,527</u>

The above analysis is calculated based on booking date.

B. As of December 31, 2022, December 31, 2021 and January 1, 2021, the balances of receivables (including notes receivable) from contracts with customers amounted to \$12,713,048, \$8,238,527 and \$5,721,959, respectively.

C. As of December 31, 2022 and 2021, 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 \$12,643,538 and \$8,165,460, respectively.

D. Information relating to long-term receivables due in one year is provided in Note 6(13).

E. Information relating to credit risk is provided in Note 12(2) C(b).

(6) Prepayments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayment for materials	\$ 2,014,645	\$ 1,343,355
Prepayment for construction in progress	425,297	822,925
Others	1,516,715	1,356,733
	<u>\$ 3,956,657</u>	<u>\$ 3,523,013</u>

(7) Non-current assets held for sale

	December 31, 2022	December 31, 2021
Property, plant and equipment	\$ -	\$ 115,768
Investments accounted for using the equity method	-	362,286
Effect of exchange rate changes	-	(2,295)
	<u>\$ -</u>	<u>\$ 475,759</u>

- A. The Group's Board of Directors resolved to sell investment property and certain property, plant and equipment in the amount of \$383,076 on November 3, 2020 and reclassified relevant assets as assets held for sale. During the years ended December 31, 2022 and 2021, the Group disposed non-current assets held for sale – property, plant and equipment in the amount of \$34,778 and \$267,308, respectively, resulting to a gain on disposal of \$31,791 and \$357,531, respectively. The carrying amount of the remaining non-current assets held for sale that have not been sold amounted to \$80,990. Since the sale had not been completed for more than two years, it was reclassified as investment property.
- B. The Group's Board of Directors resolved to sell an investment accounted for using the equity method-MIE Industrial Sdn. Bhd. in July 2021 and reclassified the investment as assets held for sale. The transaction had been completed in March 2022. Loss on disposal amounted to \$70,853.

(8) Investments accounted for using the equity method

	2022	2021
At January 1	\$ 2,207,214	\$ 2,357,685
Increase in investment accounted for using equity method	330,000	112,500
Share of profit or loss of investments accounted for using the equity method	250,342	222,242
Earnings distribution of investment accounted for using equity method	(114,899)	(120,867)
Reclassified to assets held for sale	-	(362,286)
Changes in capital surplus	39,990	-
Changes in other equity items	304	(2,060)
At December 31	<u>\$ 2,712,951</u>	<u>\$ 2,207,214</u>

Associates:	December 31, 2022	December 31, 2021
Pan Asia Corp.	\$ 343,557	\$ 303,934
Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	583,998	523,558
Blue Whale Water Technology Co., Ltd.	401,221	416,803
EVER ECOVE Corp.	519,751	452,046
HDEC-CTCI (Linhai) Corporation	526,247	505,302
Jing Ding Green Energy Technology Co., Ltd.	185,180	5,571
Bao Ding Reclaimed Water Co., Ltd.	152,997	-
	<u>\$ 2,712,951</u>	<u>\$ 2,207,214</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, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to \$2,712,951 and \$2,207,214, respectively.

	For the years ended December 31,	
	2022	2021
Total comprehensive income	<u>\$ 863,128</u>	<u>\$ 670,852</u>

- B. In May 2021, the Group increased its share proportionally to its interest in HDEC-CTCI (Linhai) Corporation in the amount of \$112,500, representing 11,250,000 shares, equivalent to 45.00% equity interest.
- C. The investments accounted for using the equity method, Pan Asia Corp., Blue Whale Water Technology Co. Ltd., EVER ECOVE Corp., HDEC-CTCI (Linhai) Corporation., Jing Ding Green Energy Corp, and Bao Ding Reclaimed Water Co. Ltd., were recognized based on the financial statements which were audited by other auditors as of December 31, 2022 and 2021.
- D. The Group's Board of Directors resolved to sell an investment accounted for using the equity method-MIE Industrial Sdn. Bhd. in July 2021 and reclassified the investment as assets held for sale. Refer to Note 6(7)B.
- E. In May 2022, the Group acquired 15,000,000 shares of Bao Ding Reclaimed Water Co., Ltd. in the amount of \$150,000, representing 30% equity interest.

- F. In September 2020, the Board of Directors of the Company's second-tier subsidiary, ECOVE Environment Service Corp., resolved to invest an expected aggregate amount of \$650,000 in Jing Ding Green Energy Technology Co., Ltd. In 2022 and 2021, the second-tier subsidiary invested \$180,000 and \$6,000. As of December 31, 2022 and 2021, the second-tier subsidiary had invested \$186,000 and \$6,000, representing 30% equity interest.
- G. On September 1, 2022, Boretech Resource Recovery Engineering Co., Ltd. (Cayman) issued new shares. The Group's ownership percentage of the associate changed because the Group did not subscribe or acquire the new shares proportionately. The Group increased in 'capital surplus' and decreased 'investments accounted for using the equity method' \$39,990 and reclassified the gains previously recognized in other comprehensive income to profit or loss proportionately to the decrease in ownership percentage amounting to \$819 accordingly.

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Unfinished construction	Others	Total
<u>At January 1, 2022</u>								
Cost	\$ 5,166,742	\$ 6,944,370	\$ 5,721,456	\$ 357,352	\$ 320,492	\$ 2,064,327	\$ 1,101,184	\$ 21,675,923
Accumulated depreciation	-	(2,169,204)	(1,873,115)	(308,423)	(226,918)	-	(970,714)	(5,548,374)
	<u>\$ 5,166,742</u>	<u>\$ 4,775,166</u>	<u>\$ 3,848,341</u>	<u>\$ 48,929</u>	<u>\$ 93,574</u>	<u>\$ 2,064,327</u>	<u>\$ 130,470</u>	<u>\$ 16,127,549</u>
<u>2022</u>								
Opening net book amount	\$ 5,166,742	\$ 4,775,166	\$ 3,848,341	\$ 48,929	\$ 93,574	\$ 2,064,327	\$ 130,470	\$ 16,127,549
Additions	-	21,659	502,440	16,233	9,433	495,932	18,182	1,063,879
Transfers	-	120	212,861	2,917	-	-	-	215,898
Disposals	-	-	(19)	(88)	(47)	-	(1,011)	(1,165)
Depreciation charge	-	(222,538)	(395,929)	(18,349)	(17,117)	-	(54,692)	(708,625)
Reclassifications	-	1,271	3,996	-	-	(5,267)	-	-
Net exchange differences	14,620	15,149	52,656	789	212	-	2,431	85,857
Closing net book amount	<u>\$ 5,181,362</u>	<u>\$ 4,590,827</u>	<u>\$ 4,224,346</u>	<u>\$ 50,431</u>	<u>\$ 86,055</u>	<u>\$ 2,554,992</u>	<u>\$ 95,380</u>	<u>\$ 16,783,393</u>
<u>At December 31, 2022</u>								
Cost	\$ 5,181,362	\$ 6,982,569	\$ 6,492,390	\$ 375,203	\$ 329,090	\$ 2,554,992	\$ 1,116,786	\$ 23,032,392
Accumulated depreciation	-	(2,391,742)	(2,268,044)	(324,772)	(243,035)	-	(1,021,406)	(6,248,999)
	<u>\$ 5,181,362</u>	<u>\$ 4,590,827</u>	<u>\$ 4,224,346</u>	<u>\$ 50,431</u>	<u>\$ 86,055</u>	<u>\$ 2,554,992</u>	<u>\$ 95,380</u>	<u>\$ 16,783,393</u>

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Unfinished construction	Others	Total
At January 1, 2021								
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>
2021								
Opening net book amount	\$ 5,218,409	\$ 2,606,351	\$ 3,491,029	\$ 72,278	\$ 16,370	\$ 2,473,351	\$ 245,672	\$ 14,123,460
Additions	-	38,201	159,875	24,507	10,258	2,232,571	26,905	2,492,317
Disposals	-	-	(3,524)	(9,277)	(907)	-	(397)	(14,105)
Depreciation charge	-	(156,870)	(429,799)	(37,830)	(7,155)	-	(146,591)	(778,245)
Reclassifications	(43,035)	2,286,696	638,787	-	76,015	(2,641,595)	5,427	322,295
Net exchange differences	(8,632)	788	(8,027)	(749)	(1,007)	-	(546)	(18,173)
Closing net book amount	<u>\$ 5,166,742</u>	<u>\$ 4,775,166</u>	<u>\$ 3,848,341</u>	<u>\$ 48,929</u>	<u>\$ 93,574</u>	<u>\$ 2,064,327</u>	<u>\$ 130,470</u>	<u>\$ 16,127,549</u>
At December 31, 2021								
Cost	\$ 5,166,742	\$ 6,944,370	\$ 5,721,456	\$ 357,352	\$ 320,492	\$ 2,064,327	\$ 1,101,184	\$ 21,675,923
Accumulated depreciation	-	(2,169,204)	(1,873,115)	(308,423)	(226,918)	-	(970,714)	(5,548,374)
	<u>\$ 5,166,742</u>	<u>\$ 4,775,166</u>	<u>\$ 3,848,341</u>	<u>\$ 48,929</u>	<u>\$ 93,574</u>	<u>\$ 2,064,327</u>	<u>\$ 130,470</u>	<u>\$ 16,127,549</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	
	Decembr 31,	
	2022	2021
Amount capitalized	\$ 1,563	\$ 6,281
Range of the interest rates for capitalization	0.75%~1.15%	0.5%~1.3898%

B. 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:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Land	\$ 405,932	\$ 307,969
Buildings	166,374	60,609
Transportation equipment (Business vehicles)	49,399	47,115
Office equipment (Photocopiers)	18,355	17,261
Other equipment	2,452	7,798
	<u>\$ 642,512</u>	<u>\$ 440,752</u>
	For the years ended December 31,	
	2022	2021
	Depreciation charge	Depreciation charge
Land	\$ 156,068	\$ 133,069
Buildings	49,615	34,801
Transportation equipment (Business vehicles)	35,751	27,310
Office equipment (Photocopiers)	5,532	9,522
Other equipment	4,272	6,468
	<u>\$ 251,238</u>	<u>\$ 211,170</u>

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$484,040 and \$184,353, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,033	\$ 2,858
Loss on lease modification	(336)	(960)
Expense on short-term lease contracts	299,405	249,889
Expense on leases of low-value assets	8,525	6,473
Expense on variable lease payments	53,930	69,424

E. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$627,255 and \$542,953, 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, 2022</u>			
Cost	\$ 761,463	\$ 164,744	\$ 926,207
Accumulated depreciation	-	(50,038)	(50,038)
	<u>\$ 761,463</u>	<u>\$ 114,706</u>	<u>\$ 876,169</u>
<u>2022</u>			
Opening net book amount	\$ 761,463	\$ 114,706	\$ 876,169
Reclassifications	51,890	29,019	80,909
Depreciation charge	-	(7,579)	(7,579)
Closing net book amount	<u>\$ 813,353</u>	<u>\$ 136,146</u>	<u>\$ 949,499</u>
<u>At December 31, 2022</u>			
Cost	\$ 813,353	\$ 223,431	\$ 1,036,784
Accumulated depreciation	-	(87,285)	(87,285)
	<u>\$ 813,353</u>	<u>\$ 136,146</u>	<u>\$ 949,499</u>
	Land	Buildings and structures	Total
<u>At January 1, 2021</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>
<u>2021</u>			
Opening net book amount	\$ 718,428	\$ 81,296	\$ 799,724
Reclassifications	43,035	38,172	81,207
Depreciation charge	-	(4,762)	(4,762)
Closing net book amount	<u>\$ 761,463</u>	<u>\$ 114,706</u>	<u>\$ 876,169</u>
<u>At December 31, 2021</u>			
Cost	\$ 761,463	\$ 164,744	\$ 926,207
Accumulated depreciation	-	(50,038)	(50,038)
	<u>\$ 761,463</u>	<u>\$ 114,706</u>	<u>\$ 876,169</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,	
	2022	2021
Rental income from investment property	\$ 32,451	\$ 32,405
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 4,455	\$ 4,281
Direct operating expenses arising from the investment property that did not generate rental income during the period	\$ 937	\$ 481

- B. The fair value of the investment property held by the Group as at December 31, 2022 and 2021 were \$1,152,000 and \$1,171,000, respectively, which was valued by independent valuers. Valuations were made using the income approach with key assumptions as follows:

	December 31, 2022	December 31, 2021
Gross margin	2.10%~2.38%	2.05%~2.50%
Growth rate	1.00%~1.50%	1.00%~1.50%
Discount rate	3.77%	3.10%~3.25%

- C. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(12) Intangible assets

	Licences	Software	Goodwill	Total
<u>At January 1, 2022</u>				
Cost	\$ 895,184	\$ 422,008	\$ 136,153	\$ 1,453,345
Accumulated amortization	(9,941)	(365,187)	-	(375,128)
	<u>\$ 885,243</u>	<u>\$ 56,821</u>	<u>\$ 136,153</u>	<u>\$ 1,078,217</u>
<u>2022</u>				
Opening net book amount	\$ 885,243	\$ 56,821	\$ 136,153	\$ 1,078,217
Additions	-	38,293	-	38,293
Amortization charge	(59,141)	(41,716)	-	(100,857)
Reclassification	-	63,969	-	63,969
Net exchange differences	-	362	-	362
Closing net book amount	<u>\$ 826,102</u>	<u>\$ 117,729</u>	<u>\$ 136,153</u>	<u>\$ 1,079,984</u>
<u>At December 31, 2022</u>				
Cost	\$ 895,184	\$ 524,632	\$ 136,153	\$ 1,555,969
Accumulated amortization	(69,082)	(406,903)	-	(475,985)
	<u>\$ 826,102</u>	<u>\$ 117,729</u>	<u>\$ 136,153</u>	<u>\$ 1,079,984</u>

	Licences	Software	Goodwill	Total
At January 1, 2021				
Cost	\$ 6,598	\$ 367,128	\$ 136,153	\$ 509,879
Accumulated amortization	-	(328,931)	-	(328,931)
	<u>\$ 6,598</u>	<u>\$ 38,197</u>	<u>\$ 136,153</u>	<u>\$ 180,948</u>
2021				
Opening net book amount	\$ 6,598	\$ 38,197	\$ 136,153	\$ 180,948
Additions	888,586	54,935	-	943,521
Amortization charge	(9,941)	(36,256)	-	(46,197)
Net exchange differences	-	(55)	-	(55)
Closing net book amount	<u>\$ 885,243</u>	<u>\$ 56,821</u>	<u>\$ 136,153</u>	<u>\$ 1,078,217</u>
At December 31, 2021				
Cost	\$ 895,184	\$ 422,008	\$ 136,153	\$ 1,453,345
Accumulated amortization	(9,941)	(365,187)	-	(375,128)
	<u>\$ 885,243</u>	<u>\$ 56,821</u>	<u>\$ 136,153</u>	<u>\$ 1,078,217</u>

A. Details of amortization on intangible assets are as follows:

	For the years ended December 31,	
	2022	2021
Operating costs	\$ 93,276	\$ 39,620
Administrative expenses	7,581	6,577
	<u>\$ 100,857</u>	<u>\$ 46,197</u>

- B. Goodwill arising from a business combination accounted for by applying the acquisition method is attributable to operating segment in Taiwan which is an independent cash-generating unit.
- C. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount. The key assumptions used for value-in-use calculations are as follows:

	2022	2021
Gross margin	18.10%~22.50%	18.40%~23.93%
Gross rate	4.12%~33.40%	4.74%~39.40%
Discount rate	9.6%	8.70%

- D. The second-tier subsidiary, ECOVE Environment Services Gangshan Corporation, entered into an investment contract for the Rehabilitate-Operate-Transfer (ROT) with the Kaohsiung City Government on October 28, 2021. The second-tier subsidiary participated in the rehabilitation and operation of the refuse incineration plant in Gangshan Dist., Kaohsiung City according to

the Act for Promotion of Private Participation in Infrastructure Projects and will return the operating right, rehabilitated operating assets and land of the refuse incineration plant in Gangshan Dist., Kaohsiung City to the Kaohsiung City Government after the term of the contract period expires. The duration of the contract is 15 years after the plant began operation.

The second-tier subsidiary, ECOVE Environment Services Gangshan Corporation, should pay royalties and rebates to the Kaohsiung City Government according to the investment contract. Royalties and rebates were calculated by multiplying the tonnage of disposable waste that the second-tier subsidiary, ECOVE Environment Services Gangshan Corporation, recovered by the unit price of royalties per ton.

In accordance with the investment contract, the scope of rehabilitation and construction works stipulated in the contract must be completed during the period from the date of operation to December 31, 2025. The total cost of rehabilitation was \$888,190. In accordance with IFRIC 12, 'Service Concession Arrangements', the right to sell electricity and self-collected waste in exchange for provision of construction or performance upgrade services and the rehabilitation cost to be invested in the future were recognized as intangible assets and non-current contract liabilities, respectively. Licences of the Company are amortized on a straight-line basis over their estimated useful life of 15 years.

(13) Other non-current assets

	December 31, 2022	December 31, 2021
Long-term receivables	\$ 2,824,548	\$ 2,235,408
Less: Long-term receivables due in one year	(327,535)	(314,484)
	2,497,013	1,920,924
Refundable deposits	220,955	343,795
Prepayments for business facilities	246,291	254,959
Costs to fulfill a contract	39,964	28,413
Prepayments for land	475,380	-
Others	156,793	161,722
	<u>\$ 3,636,396</u>	<u>\$ 2,709,813</u>

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, but not to exceed 50 years. 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)The main performance obligation and rights of the BOT of the second-tier subsidiary, ECOVE Wujih Energy Corp. and ECOVE Miaoli Energy Corp., are as follows:
 - i. ECOVE Wujih Energy Corp. and ECOVE Miaoli Energy Corp. need to comply with the guarantee tonnage of waste from the government according to the contract during construction or operation.
 - ii. 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”.
- (d)The subsidiary, CTCI-HDEC (Chungli) Corp., obtained the operation for the construction of sewerage system in Zhongli Dist., Taoyuan City by build - operate - transfer (BOT) mode since June 2016. In August 2016, the ‘investment contract for promotion of private participation in build - operate - transfer (BOT) plan for construction of sewerage system in Zhongli Dist., Taoyuan City’ between CTCI-HDEC (Chungli) Corp., and Taoyuan Government had been signed. The concession period of the concession arrangement is 35 years starting from September 18, 2021 and the period before the concession period is the advance construction period of pipelines. As CTCI-HDEC (Chungli) Corp. expected that the costs incurred on satisfying the performance obligation can be recovered, revenue is recognized only to the extent of costs incurred during the construction period of pipelines.
- (e)The main performance obligation and rights of the BOT of the subsidiary, CTCI-HDEC (Chungli) Corp., are as follows :
 - i. The construction period shall be from the day after the land delivery (that is, the completion of setting superficial rights) to the day before the operation and shall not exceed four years according to the contract.
 - ii. During the operation period, the expenses paid by the Taoyuan Government can be classified as construction expense and operation expense. The items that could be classified as

construction expense, including construction cost of sewage disposal plant and its appurtenant facilities, were calculated and paid based on the monthly fixed amortization amount. The items that could be classified as operation expense, including operation and maintenance expense of sewage disposal plant and sewerage pipe, were calculated and paid based on the sewage quantity.

B. Information about the refundable deposits that were pledged to others as collateral is provided in Note 8.

C. Contract fulfillment cost refer to the initial reconstruction cost of the refuse incineration plant for the contract that the second-tier 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. The second-tier subsidiary, ECOVE Environment Services Corp., acquired land located in No. 60-21, Lunhai Section, Lukang Township, Changhua County from the Industrial Development Bureau, Ministry of Economic Affairs as resolved by the Board of Directors on July 19, 2022 for a total price of \$2,376,900. The first installment of the land amounting to \$475,380 was paid on September 6, 2022.

(14) Short-term borrowings

Type of borrowing	December 31, 2022	Interest rate range	Collateral
Unsecured borrowings	\$ 5,135,679	1.57%~7.79%	-
Secured borrowings	360,000	1.57%~2.10%	Notes 1 and 2
	<u>\$ 5,495,679</u>		

Type of borrowing	December 31, 2021	Interest rate range	Collateral
Unsecured borrowings	\$ 3,876,260	0.89%~4.6%	-
Secured borrowings	498,000	1.00%	Notes 1 and 2
	<u>\$ 4,374,260</u>		

Note 1: The borrowing facilities were 100% jointly guaranteed by the subsidiary - ECOVE Environment Corp.

Note 2: The promissory note made by the subsidiary - ECOVE Environment Corp. and its subsidiaries as of December 31, 2022 and 2021 were \$1,000,000 and \$1,100,000, respectively.

(15) Accounts payable

	December 31, 2022	December 31, 2021
Materials payable	\$ 8,236,686	\$ 8,998,222
Sub-contract costs payable	9,760,696	6,012,061
Maintenance costs payable	766,860	552,400
Incinerator equipment usage fee payable	65,851	42,446
Others	209,911	132,713
	<u>\$ 19,040,004</u>	<u>\$ 15,737,842</u>

(16) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accrued payroll	\$ 1,840,016	\$ 1,632,139
Accrued insurance	108,671	103,250
Accrued pension	47,011	40,774
Others	861,135	1,362,936
	<u>\$ 2,856,833</u>	<u>\$ 3,139,099</u>

(17) Other current assets/liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other current assets		
Joint venture	<u>\$ 793,024</u>	<u>\$ -</u>
Other current liabilities		
Joint venture	\$ -	\$ 543,926
Receipts in advance	2,061	4,533
Others	87,687	68,409
	<u>\$ 89,748</u>	<u>\$ 616,868</u>

Joint venture represents the accumulated capital injection and bills over (under) an accumulated cost.

(18) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bonds payable	\$ 10,900,000	\$ 10,900,000
Less: Discount on bonds payable	(15,818)	(21,684)
	<u>\$ 10,884,182</u>	<u>\$ 10,878,316</u>

The terms of the domestic unsecured bonds issued by the Group are as follows:

- A. 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.
- B. In 2021, the subsidiary - ECOVE Environment Corp. issued \$1,000,000 and \$1,000,000, with annual fixed interest rate of 0.65% and 0.56%, domestic unsecured bonds, as approved by the regulatory authority, respectively. The bonds mature 5 years from the issue date (from May 27, 2021 to May 27, 2026) and will be redeemed at the maturity date. The bonds were approved to be issued on the Taipei Exchange on May 19, 2021.

(19) Long-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured borrowings	\$ 4,041,508	\$ 4,255,869
Less: Current portion	(215,529)	(109,676)
	<u>\$ 3,825,979</u>	<u>\$ 4,146,193</u>
Financing amount	<u>\$ 6,002,830</u>	<u>\$ 6,016,866</u>
Interest rate range	<u>0.96%~6.12986%</u>	<u>0.96%~2.49663%</u>

- A. Information about the assets that were pledged as collateral for bank borrowings is provided in Note 8.
- B. The promissory note made by the subsidiary - ECOVE Environment Corp. and its subsidiaries as of December 31, 2022 and 2021 were \$600,000 and \$146,866, respectively.

(20) Other non-current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Net defined benefit liabilities	\$ 668,811	\$ 926,690
Deposits received	672,442	540,652
Accrued recovery costs	320,421	261,737
Deferred revenue	115,571	115,706
Others	92,221	66,154
	<u>\$ 1,869,466</u>	<u>\$ 1,910,939</u>

- A. Accrued recovery cost
- (a) It pertains to the contracts for the operation and maintenance service of refuse incineration plant between the subsidiaries, ECOVE Environment Service Corp. and SINO GAL -Waste Services Co., Ltd., and the grantors, requiring recovery of refuse incineration plant, related machinery and equipment when the contract expires. The Group has estimated the related recovery cost when the service contracts expire and amortizes it over the contract period.
- (b) It pertains to the land lease contracts among ECOVE Solar Energy Corporation, ECOVE Solar Power Corporation, ECOVE South Corporation Ltd., and the landowners, requiring demolition of solar power models and recovery of land when the contract expires. The Group has estimated the related recovery cost when the service contracts expire and amortizes it over the contract period.
- B. 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.

(21) 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 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, 2022	December 31, 2021
Present value of defined benefit obligations	\$ 2,661,328	\$ 2,911,689
Fair value of plan assets	(1,992,517)	(1,984,999)
Net defined benefit liability	<u>\$ 668,811</u>	<u>\$ 926,690</u>

(c) Movements in net defined benefit liabilities are as follows:

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 2,911,689	(\$ 1,984,999)	\$ 926,690
Current service cost	16,136	-	16,136
Interest expense (income)	19,855	(13,569)	6,286
	<u>2,947,680</u>	<u>(1,998,568)</u>	<u>949,112</u>
Remeasurements:			
Return on plan assets	-	(20,711)	(20,711)
Change in financial assumptions	(91,919)	-	(91,919)
Experience adjustments	133,478	(140,781)	(7,303)
	<u>41,559</u>	<u>(161,492)</u>	<u>(119,933)</u>
Pension fund contribution	-	(156,138)	(156,138)
Paid pension	(327,911)	323,681	(4,230)
At December 31	<u>\$ 2,661,328</u>	<u>(\$ 1,992,517)</u>	<u>\$ 668,811</u>

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 3,274,461	(\$ 2,074,085)	\$ 1,200,376
Current service cost	24,074	-	24,074
Interest expense (income)	9,655	(6,127)	3,528
	<u>3,308,190</u>	<u>(2,080,212)</u>	<u>1,227,978</u>
Remeasurements:			
Return on plan assets	-	(5,903)	(5,903)
Change in demographic assumptions	1,766	-	1,766
Change in financial assumptions	(82,121)	-	(82,121)
Experience adjustments	22,935	(29,656)	(6,721)
	<u>(57,420)</u>	<u>(35,559)</u>	<u>(92,979)</u>
Pension fund contribution	-	(208,009)	(208,009)
Paid pension	(339,081)	338,781	(300)
At December 31	<u>\$ 2,911,689</u>	<u>(\$ 1,984,999)</u>	<u>\$ 926,690</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 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 securitisation 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 authorised 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, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

- (e) The principal actuarial assumptions used were as follows:

	Year ended December 31,	
	2022	2021
Discount rate	0.60%~1.30%	0.60%~0.70%
Future salary increases	1.50%~4.00%	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 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 32,692)	\$ 33,579	\$ 27,957	(\$ 27,394)
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 49,464)	\$ 50,812	\$ 42,384	(\$ 41,538)

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, 2023 amount to \$52,020.

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 defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021 were \$217,095 and \$200,292, respectively.
- (c) Some overseas subsidiaries adopted a defined contribution pension plan, covering all regular employees. Pension cost for the years ended December 31, 2022 and 2021 amounted to \$159,795 and \$124,114, respectively.

(22) Share-based payment - employee compensation

A. The Company

- (a) For the years ended December 31, 2022 and 2021, 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,			
	2022		2021	
	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	12,632.05	NT\$39.60	14,720.93	NT\$41.80
Options waived	(299.93)	-	(2,084.39)	-
Options exercised	(6,422.45)	NT\$39.00	(4.49)	NT\$41.80
Options outstanding at end of year	<u>5,909.67</u>	NT\$37.70	<u>12,632.05</u>	NT\$39.60
Options exercisable at end of year	<u>5,874.44</u>	NT\$37.70	<u>12,514.83</u>	NT\$39.60

ii. Details of the sixth plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2022		2021	
	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	13,776.73	NT\$36.70	16,936.45	NT\$38.70
Options waived	(335.47)	-	(2,666.45)	-
Options exercised	(7,562.36)	NT\$36.40	(493.27)	NT\$38.70
Options outstanding at end of year	<u>5,878.90</u>	NT\$34.90	<u>13,776.73</u>	NT\$36.70
Options exercisable at end of year	<u>5,815.76</u>	NT\$34.90	<u>8,735.02</u>	NT\$36.70

iii. Details of the seventh plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2022		2021	
	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	16,579.43	NT\$41.80	17,627.21	NT\$44.10
Options waived	(2,194.29)	-	(1,041.76)	-
Options exercised	(2,863.10)	NT\$41.00	(6.02)	NT\$44.10
Options outstanding at end of year	<u>11,522.04</u>	NT\$39.80	<u>16,579.43</u>	NT\$41.80
Options exercisable at end of year	<u>6,443.54</u>	NT\$39.80	<u>7,183.56</u>	NT\$41.80

iv. Details of the eighth plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2022		2021	
	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	17,468.25	NT\$33.20	18,657.70	NT\$35.00
Options waived	(894.67)	-	(1,189.45)	-
Options exercised	(4,795.06)	NT\$33.00	-	-
Options outstanding at end of year	<u>11,778.52</u>	NT\$31.60	<u>17,468.25</u>	NT\$33.20
Options exercisable at end of year	<u>2,653.46</u>	NT\$31.60	<u>-</u>	-

- (c) The weighted-average stock price of stock options at exercise dates for the years ended December 31, 2022 and 2021 were NT\$43.71 and NT\$37.13, respectively.
- (d) As of December 31, 2022 and 2021, the range of exercise prices of stock options outstanding were NT\$31.60~NT\$39.80 and NT\$33.20~NT\$41.80, respectively, and the weighted-average remaining contractual period were as follows:

Type of arrangement	December 31, 2022	December 31, 2021
Fifth plan of employee stock options	0.5 years	1.5 years
Sixth plan of employee stock options	1.5 years	2.5 years
Seventh plan of employee stock options	2.5 years	3.5 years
Eighth plan of employee stock options	3 years	4 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, 2022 and 2021, expenses recognized arising from share-based payment amounted to \$33,391 and \$94,550, respectively.

B. Subsidiary – CTCI Advanced System Inc.

- (a) For the years ended December 31, 2022 and 2021, 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

- (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,			
	2022		2021	
	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	252.75	NT\$36.50	439.05	NT\$38.70
Options waived	(0.75)	-	(22.50)	-
Options exercised	(148.75)	NT\$35.80	(163.80)	NT\$38.50
Options outstanding at end of year	<u>103.25</u>	NT\$32.20	<u>252.75</u>	NT\$36.50
Options exercisable at end of year	<u>103.25</u>	NT\$32.20	<u>76.75</u>	NT\$36.50

ii. Details of the seventh plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2022		2021	
	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	359.50	NT\$35.10	523.00	NT\$37.20
Options waived	(4.25)	-	(31.25)	-
Options exercised	(120.50)	NT\$34.40	(132.25)	NT\$36.97
Options outstanding at end of year	<u>234.75</u>	NT\$31.00	<u>359.50</u>	NT\$35.10
Options exercisable at end of year	<u>63.50</u>	NT\$31.00	<u>65.00</u>	NT\$35.10

iii. Details of the eighth plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2022		2021	
	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	480.00	NT\$43.70	533.00	NT\$46.40
Options waived	(8.75)	-	(53.00)	-
Options exercised	(145.50)	NT\$43.20	-	-
Options outstanding at end of year	<u>325.75</u>	NT\$38.60	<u>480.00</u>	NT\$43.70
Options exercisable at end of year	<u>39.50</u>	NT\$38.60	<u>-</u>	-

(c) For the years ended December 31, 2022 and 2021, the weighted-average exercise price at the exercise date for those exercised stock options amounted to NT\$37.99 and NT\$37.82, respectively.

- (d) As of December 31, 2022 and 2021, the exercise prices of stock options outstanding were NT\$31.00~NT\$38.60 and NT\$35.10~NT\$43.70, respectively. The weighted-average remaining contractual period were as follows:

Type of arrangement	December 31, 2022	December 31, 2021
Sixth plan of employee stock options	1.25 years	2.25 years
Seventh plan of employee stock options	2.25 years	3.25 years
Eighth plan of employee stock options	3.00 years	4 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 rate	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

- (f) For the years ended December 31, 2022 and 2021, the expenses incurred on share-based payment transactions were \$1,100 and \$2,392, respectively.

C. Subsidiary – ECOVE Environment Corp.

- (a) For the years ended December 31, 2022 and 2021, 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 to 4 years
Seventh plan of employee stock options	2019.7.24	1,500 units	6 years	Service of 2 to 4 years
Eighth plan of employee stock options	2020.4.13	1,500 units	6 years	Service of 2 to 4 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,			
	2022		2021	
	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	748.00	NT\$140.60	1,102.00	NT\$147.40
Options waived	(19.00)	-	(14.00)	-
Options exercised	(466.00)	NT\$134.73	(340.00)	NT\$145.18
Options outstanding at end of year	<u>263.00</u>	NT\$133.80	<u>748.00</u>	NT\$140.60
Options exercisable at end of year	<u>263.00</u>	NT\$133.80	<u>414.00</u>	NT\$140.60

ii. Details of the seventh plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2022		2021	
	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	1,170.00	NT\$182.30	1,423.00	NT\$191.10
Options waived	(35.00)	-	(19.00)	-
Options exercised	(316.00)	NT\$175.84	(234.00)	NT\$186.41
Options outstanding at end of year	<u>819.00</u>	NT\$173.50	<u>1,170.00</u>	NT\$182.30
Options exercisable at end of year	<u>316.00</u>	NT\$173.50	<u>293.00</u>	NT\$182.30

iii. Details of the eighth plan of employee stock options outstanding are set forth below:

Stock options	For the years ended December 31,			
	2021		2020	
	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	1,455.00	NT\$184.01	1,473.00	NT\$193.00
Options waived	(50.00)	-	(18.00)	-
Options exercised	(307.00)	NT\$179.15	-	-
Options outstanding at end of year	<u>1,098.00</u>	NT\$175.20	<u>1,455.00</u>	NT\$184.01
Options exercisable at end of year	<u>227.00</u>	NT\$175.20	<u>-</u>	-

(c) For the years ended December 31, 2022 and 2021, the weighted-average stock price of stock options amounted to NT\$245.83 and NT\$227.25, respectively.

(d) As of December 31, 2022 and 2021, the range of exercise prices of stock options outstanding were NT\$133.80~ NT\$184.1 and NT\$140.6~NT\$191.1, respectively, and the weighted-average remaining contractual periods were as follows:

Type of arrangement	December 31, 2022	December 31, 2021
Sixth plan of employee stock options	1.5 years	2.5 years
Seventh plan of employee stock options	2.5 years	3.5 years
Eighth plan of employee stock options	3.25 years	4.25 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 rate	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, 2022 and 2021, the expenses incurred on share-based payment transactions were \$12,161 and \$23,161, respectively.

(23) Restricted stocks to employees

A. For the years ended December 31, 2022, restricted stocks to employees of the Group are as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
Restricted stocks to employees	2022.01.01	5,500 shares	3 to 5 years	3 to 5 years' service and performance conditions

(a) Issuance price: No consideration in return, issuance price was NT\$0 per share.

(b) Details of the share-based payment arrangements are as follows:

	2022
	No. of options (shares in thousands)
Options outstanding as at January 1	-
Options granted	5,500
Options retired	(498)
Options outstanding as at December 31	<u>5,002</u>

(c) Relevant information on the fair value of the share-based payment arrangements is as follows:

Type of arrangement	Grant date	Stock price	Fair value per unit
Restricted stocks to employees	2022.01.01	NT\$37.20	NT\$37.20

(d) The types of shares issued and given to employees were ordinary shares. Excluding inheritance, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of restricted stocks before their vesting conditions are met. Other rights and obligations of the ordinary shares are the same as other ordinary shares outstanding. If employees voluntarily resign, voluntarily apply for retirement, are dismissed or paid off during the vesting period, the restricted stocks that have not yet been acquired will be deemed as not meeting the vesting conditions on the date of the event. The Company will redeem the restricted stocks without consideration and the restricted stocks will be retired.

(e) The employees who are applicable to the abovementioned share-based payment arrangements are official full-time employees of the Company and its domestic subsidiaries who are in service on the grant date of restricted stocks to employees.

B. On May 26, 2022, the Company's shareholders resolved to issue 4,150,000 ordinary shares as restricted stocks to employees with a par value of NT\$10 (in dollars) per share, totaling \$41,500. The issuance has been approved in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1110348528, dated July 11, 2022, as endorsed by the Financial Supervisory Commission. In addition, the chairman was authorized by the Board of Directors to set January 1, 2023 as the

effective date for capital increase.

- C. For the year ended December 31, 2022, the expense incurred on share-based payment transactions was \$47,288.

(24) Share capital

- A. As of December 31, 2022 and 2021, the Company's authorized capital was \$12,000,000 and \$12,000,000, and the paid-in capital was \$7,906,825 and \$7,638,637, consisting of 790,682,518 shares and 763,863,674 shares, respectively, with a par value of NT\$10 per share. Movements in the number of the Company's ordinary shares outstanding (excluding treasury shares) are as follows:

	2022	2021
At January 1	762,605,540	762,102,257
Employee stock options exercised	21,642,970	503,783
Issuance of restricted stocks to employees	5,500,000	-
Reacquisition and retirement of share capital (	324,126)	-
Reacquisition of share capital awaiting retirement (	174,204)	-
Repurchase of treasury shares	-	(500)
At December 31	789,250,180	762,605,540

- B. The shareholders adopted a resolution to issue employee restricted ordinary shares on July 30, 2021 with the effective date set on January 1, 2022. The subscription price is \$0 per share. The employee restricted ordinary shares issued are subject to certain transfer restrictions before their vesting conditions are met. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares.
- C. As the employees did not meet the vesting conditions of the restricted stocks to employees, the Group redeemed 498,330 shares and recorded them as reduction of share capital and share capital awaiting retirement for the year ended December 31, 2022.
- D. The domestic subsidiaries of the Company measured the services provided by the employees by considering the equity instruments that the Company granted to their employees as equity-settled share-based payment transactions and recognized corresponding increase in equity.

E. 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, 2022	
		Number of shares	Carrying amount
Subsidiary-ECOVE Environment Services Corp.	To maintain stockholders' equity	1,028	\$ 10
Subsidiary-CTCI Investment Corp.	"	344,436	3,241
Subsidiary-CTCI Development Corp.	"	912,170	8,584
Subsidiary-Crown Asia - 2 Investment Limited	"	500	18
		<u>1,258,134</u>	<u>\$ 11,853</u>
Name of company holding the shares	Reason for reacquisition	December 31, 2021	
		Number of shares	Carrying amount
Subsidiary-ECOVE Environment Services Corp.	To maintain stockholders' equity	1,028	\$ 10
Subsidiary-CTCI Investment Corp.	"	344,436	3,241
Subsidiary-CTCI Development Corp.	"	912,170	8,584
Subsidiary-Crown Asia - 2 Investment Limited	"	500	18
		<u>1,258,134</u>	<u>\$ 11,853</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.

(25) 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	Changes in ownership interests in subsidiaries	Employee stock options	Restricted stocks to employees	Others	Total
At January 1, 2022	\$ 3,070,649	\$ 5,043	\$ 238,291	\$ 902,176	\$ -	\$ 9,242	\$ 4,225,401
Employee stock options exercised	797,298	-	-	(212,380)	-	-	584,918
Share-based payment transaction	-	-	-	38,577	-	-	38,577
Restricted stocks to employees	-	-	-	-	130,621	-	130,621
Employee stock options exercised by subsidiary	-	-	50,655	-	-	-	50,655
Recognition of change in equity of associates from not acquiring shares in proportion to the Group's ownership in subsidiaries	-	-	27,831	-	-	-	27,831
At December 31, 2022	<u>\$ 3,867,947</u>	<u>\$ 5,043</u>	<u>\$ 316,777</u>	<u>\$ 728,373</u>	<u>\$ 130,621</u>	<u>\$ 9,242</u>	<u>\$ 5,058,003</u>

	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries	Employee stock options	Others	Total
At January 1, 2021	\$ 3,056,154	\$ 5,043	\$ 209,670	\$ 797,580	\$ 9,242	\$ 4,077,689
Employee stock options exercised	14,495	-	-	-	-	14,495
Share-based payment transaction	-	-	-	104,596	-	104,596
Employee stock options exercised by subsidiary	-	-	28,621	-	-	28,621
At December 31, 2021	<u>\$ 3,070,649</u>	<u>\$ 5,043</u>	<u>\$ 238,291</u>	<u>\$ 902,176</u>	<u>\$ 9,242</u>	<u>\$ 4,225,401</u>

C. Refer to Notes 6 (22) and (23) for details about the capital surplus - employee stock options and restricted stocks to employees.

(26) 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 Board of Directors is authorized to distribute all or part of the distributable dividends, bonus, capital surplus and legal reserve in cash through a resolution by half of the two-thirds of the attendees at the Board of Directors' meeting, which shall then be reported to the shareholders during their meeting.

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. Details of the appropriations of 2021 and 2020 earnings as resolved by the shareholders during their meeting on May 26, 2022 and July 30, 2021, respectively, are as follows:

	2021		2020	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Set aside as legal reserve	\$ 150,686	\$ -	\$ 73,305	\$ -
Reversal of special reserve	(421,576)	-	(1,754)	-
Distribution of cash dividends from legal reserve	-	-	865,216	1.13
Distribution of cash dividends from earnings	1,776,078	2.30	661,504	0.87
	<u>\$ 1,505,188</u>	<u>\$ 2.30</u>	<u>\$ 1,598,271</u>	<u>\$ 2.00</u>

- F. Details of the appropriations of 2022 earnings as proposed by the Board of Directors on March 7, 2023 are as follows:

	2022	
	Amount	Dividends per share (in NT dollars)
Set aside as legal reserve	\$ 247,003	\$ -
Set aside as special reserve	490,962	-
Distribution of cash dividends from earnings	1,520,476	1.91
	<u>\$ 2,258,441</u>	<u>\$ 1.91</u>

The appropriation proposal of 2022 earnings has not yet been resolved by the stockholders as of March 7, 2023.

- G. For the year ended December 31, 2021, the total amount of the Company's share capital outstanding has been changed due to the exercise of employee stock options and the redemption of the restricted stocks not meeting the vesting conditions. In accordance with the resolution of the shareholders, the Chairman was authorized to adjust the cash dividends payout ratio. The cash dividends was adjusted from NT\$2.3 (in dollars) per share to NT\$2.26028082 (in dollars) per share. For the year ended December 31, 2020, the total amount of the Company's share capital outstanding has been changed due to the exercise of employee stock options. In accordance with the resolution of the shareholders, the Chairman was authorized to adjust the payout ratio of cash dividends distributed from earnings and from legal reserve. The cash dividends distributed from earnings was adjusted from NT\$0.87 (in dollars) per share to NT\$0.86600307 (in dollars) per share and the cash dividends distributed from legal reserve was adjusted from NT\$1.13 (in dollars) per share to NT\$1.13269097 (in dollars) per share.

H. For information relating to employees' compensation (bonuses) and directors' remuneration, refer to Note 6 (33).

(27) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers	\$ 95,100,568	\$ 70,540,414

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, 2022	Construction Engineering Revenue	Service Revenue	Other Operating Revenue	Total
Total segment revenue	\$ 86,829,509	\$ 6,960,128	\$ 1,310,931	\$ 95,100,568
Inter-segment revenue	3,940,633	70,032	761,923	4,772,588
	<u>\$ 90,770,142</u>	<u>\$ 7,030,160</u>	<u>\$ 2,072,854</u>	<u>\$ 99,873,156</u>
Revenue from external customer contracts				
Timing of revenue recognition				
At a point time	\$ -	\$ -	\$ 1,310,931	\$ 1,310,931
Over time	86,829,509	6,960,128	-	93,789,637
	<u>\$ 86,829,509</u>	<u>\$ 6,960,128</u>	<u>\$ 1,310,931</u>	<u>\$ 95,100,568</u>
For the year ended December 31, 2021	Construction Engineering Revenue	Service Revenue	Other Operating Revenue	Total
Total segment revenue	\$ 63,319,482	\$ 5,952,062	\$ 1,268,870	\$ 70,540,414
Inter-segment revenue	2,731,777	3,188	545,032	3,279,997
	<u>\$ 66,051,259</u>	<u>\$ 5,955,250</u>	<u>\$ 1,813,902</u>	<u>\$ 73,820,411</u>
Revenue from external customer contracts				
Timing of revenue recognition				
At a point time	\$ -	\$ -	\$ 1,268,870	\$ 1,268,870
Over time	63,319,482	5,952,062	-	69,271,544
	<u>\$ 63,319,482</u>	<u>\$ 5,952,062</u>	<u>\$ 1,268,870</u>	<u>\$ 70,540,414</u>

B. Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract assets- construction contract revenue	\$ 20,522,469	\$ 18,280,978	\$ 18,095,968
Contract liabilities- construction contract revenue	(25,062,158)	(23,832,631)	(14,495,734)
Contract liabilities- repairs contract revenue	(769,638)	(888,190)	-
	<u>(\$ 5,309,327)</u>	<u>(\$ 6,439,843)</u>	<u>\$ 3,600,234</u>

(28) Interest income

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	<u>\$ 150,914</u>	<u>\$ 99,986</u>

(29) Other income

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Rental revenue	\$ 9,737	\$ 8,728
Dividend income	262,276	42,584
Government grants revenue	13,534	125,094
Other income-others	96,040	63,142
	<u>\$ 381,587</u>	<u>\$ 239,548</u>

(30) Other gains and losses

	For the years ended December 31,	
	2022	2021
Gain on disposal of property, plant and equipment	\$ 21,313	\$ 84,183
Loss from lease modification	(336)	(960)
(Loss) gain on disposal of non-current asset held for sale	(39,062)	357,531
Gain on disposal of investments	819	-
Foreign exchange gain (loss)	75,756	(273,762)
(Loss) gain on financial assets at fair value through profit or loss	(87,697)	427,553
Depreciation charge on investment property	(2,187)	-
Other losses	(6,051)	(20,568)
	<u>(\$ 37,445)</u>	<u>\$ 573,977</u>

(31) Finance costs

	For the years ended December 31,	
	2022	2021
Interest expense		
Interest on loan	\$ 224,448	\$ 192,662
Interest on corporate bonds	94,507	81,952
Interest on lease liability	4,033	2,858
	<u>\$ 322,988</u>	<u>\$ 277,472</u>

(32) Expenses by nature

	For the years ended December 31,	
	2022	2021
Subcontract costs	\$ 46,957,592	\$ 34,259,140
Materials	27,812,009	21,565,912
Employee benefit expense	10,383,866	9,130,540
Amortization charges on buried equipment	503,600	486,775
Depreciation	965,255	994,177
Amortization	194,194	155,000
Others	4,739,019	1,773,623
	<u>\$ 91,555,535</u>	<u>\$ 68,365,167</u>

(33) Employee benefit expense

	For the years ended December 31,	
	2022	2021
Salaries and wages	\$ 8,920,794	\$ 7,632,726
Employee stock options	46,652	120,103
Restricted stocks to employees	47,288	-
Labor and health insurance fees	459,409	441,004
Pension costs	399,312	352,008
Other personnel expenses	510,411	584,699
	<u>\$ 10,383,866</u>	<u>\$ 9,130,540</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, 2022 and 2021, employees' compensation was accrued at \$71,379 and \$49,265, respectively; directors' remuneration was accrued at \$18,000 and \$15,111, 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, 2022.

Employees' compensation and directors' remuneration for 2021 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2021 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.

(34) Income tax

A. Income tax expense

Components of income tax expense:

	For the years ended December 31,	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ 1,012,066	\$ 652,104
Tax on undistributed surplus earnings	1,511	-
Prior year income tax under estimation	13,085	72,628
Total current tax	<u>1,026,662</u>	<u>724,732</u>
Deferred tax:		
Origination and reversal of temporary differences	(329,974)	(89,935)
Effect of foreign exchange	678	(4,280)
Total deferred tax	<u>(329,296)</u>	<u>(94,215)</u>
Income tax expense	<u>\$ 697,366</u>	<u>\$ 630,517</u>

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2022	2021
Income tax calculated by applying statutory rate to the profit before tax	\$ 1,399,597	\$ 1,103,481
Effects from items adjusted in accordance with tax regulation	(166,116)	(262,500)
Prior year income tax under estimation	13,085	72,628
Effect from investment tax credits	(64,138)	(84,743)
Change in assessment of realization of deferred tax assets	(393,151)	(198,349)
Use of taxable losses that have not been recognized as deferred tax assets in the past	(93,422)	-
Tax on undistributed surplus earnings	<u>1,511</u>	<u>-</u>
Income tax expense	<u>\$ 697,366</u>	<u>\$ 630,517</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2022			
	Recognized in other comprehensive income			
	At January 1	Recognized in profit or loss		At December 31
Deferred income tax assets:				
-Temporary differences:				
Unrealized loss on financial assets	\$ 376,564	(\$ 9,898)	\$ -	\$ 366,666
Unrealized exchange loss	2,903	(2,275)	-	628
Unrealized loss on foreign investments	32,216	449,364	-	481,580
Unrealized loss on unfinished construction	107,627	(51,605)	-	56,022
Unrealized losses on doubtful debts	20,200	-	-	20,200
Unrealized compensated absences	28,072	532	-	28,604
Unrealized maintenance costs	12,184	11,773	-	23,957
Unrealized loss on market value decline and obsolete and slow-moving inventories	404	(186)	-	218
Unrealized golf card annual fee	1,080	-	-	1,080
Unrealized gain on sales of fixed assets	1,296	(220)	-	1,076
Reserve for retirement plan	167,510	(26,094)	(23,619)	117,797
Tax losses	135,405	(10,616)	-	124,789
Others	57,444	360	-	57,804
Subtotal	942,905	361,135	(23,619)	1,280,421
-Deferred tax liabilities:				
Unrealized exchange gain	(\$ 1,054)	(\$ 15,537)	\$ -	(\$ 16,591)
Unrealized gain on foreign investments	(7,098)	(32,277)	-	(39,375)
Unrealized pension	(2,072)	(1,017)	(511)	(3,600)
Unrealized gain on concessions	(168,224)	27,465	-	(140,759)
Investment property	(10,382)	(11)	-	(10,393)
Unrealized gain on financial instruments	(6,966)	(1,489)	-	(8,455)
Others	(10,627)	(8,973)	-	(19,600)
Subtotal	(206,423)	(31,839)	(511)	(238,773)
Total	\$ 736,482	\$ 329,296	(\$ 24,130)	\$ 1,041,648

	2021			
	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	\$ 376,981	(\$ 417)	\$ -	\$ 376,564
Unrealized exchange loss	1,232	1,671	-	2,903
Unrealized loss on foreign investments	12,960	19,256	-	32,216
Unrealized loss on unfinished construction	96,624	11,003	-	107,627
Unrealized losses on doubtful debts	20,200	-	-	20,200
Unrealized compensated absences	28,265	(193)	-	28,072
Unrealized maintenance costs	12,184	-	-	12,184
Unrealized loss on market value decline and obsolete and slow-moving inventories	475	(71)	-	404
Unrealized golf card annual fee	1,080	-	-	1,080
Unrealized gain on sales of fixed assets	1,406	(110)	-	1,296
Unrealized pension	198,607	(12,831)	(18,266)	167,510
Tax losses	88,341	47,064	-	135,405
Others	50,297	7,147	-	57,444
Subtotal	<u>888,652</u>	<u>72,519</u>	<u>(18,266)</u>	<u>942,905</u>
-Deferred tax liabilities:				
Unrealized exchange gain	(\$ 1,147)	\$ 93	\$ -	(\$ 1,054)
Unrealized gain on foreign investments	(26,883)	19,785	-	(7,098)
Unrealized pension	(1,722)	-	(350)	(2,072)
Unrealized gain on concessions	(176,715)	8,491	-	(168,224)
Investment property	(10,800)	418	-	(10,382)
Unrealized gain on financial instruments	-	(6,966)	-	(6,966)
Others	(10,502)	(125)	-	(10,627)
Subtotal	<u>(227,769)</u>	<u>21,696</u>	<u>(350)</u>	<u>(206,423)</u>
Total	<u>\$ 660,883</u>	<u>\$ 94,215</u>	<u>(\$ 18,616)</u>	<u>\$ 736,482</u>

D. Details of the amount the Company is entitled as investment tax credit and unrecognized deferred tax assets are as follows:

Qualifying items	December 31, 2022		
	Unused tax credits	Unrecognized deferred tax assets	Expiry year
Investment credits for stockholder	\$ 8,040	\$ 8,040	2024
Investment credits for stockholder	50,000	50,000	2026

E. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are as follows:

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2016	\$ 3,110	\$ 3,110	\$ -	2026
2017	692,003	216,773	41,913	2027
2018	388,705	388,705	75,747	2028
2019	1,066,940	-	-	2024
2019	344,788	344,687	68,011	2029
2020	198,165	198,080	39,496	2030
2021	8,171	8,171	-	2031
2022	14,632	14,632	-	2032
	<u>\$ 2,716,514</u>	<u>\$ 1,174,158</u>	<u>\$ 225,167</u>	

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2016	\$ 3,110	\$ 3,110	\$ -	2026
2017	692,003	414,498	83,643	2027
2018	388,705	388,705	75,747	2028
2019	1,066,940	258,463	51,692	2024
2019	344,788	344,687	68,011	2029
2020	198,165	198,080	39,496	2030
2021	8,184	8,184	-	2031
	<u>\$ 2,701,895</u>	<u>\$ 1,615,727</u>	<u>\$ 318,589</u>	

F. The amounts of deductible temporary differences that were not recognized as deferred tax assets are as follows:

	December 31, 2022	December 31, 2021
Deductible temporary differences	<u>\$ 283,207</u>	<u>\$ 318,589</u>

G. Assessment of income tax

The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(35) Earnings per share

For the year ended December 31, 2022			
	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 ordinary shareholders of the parent	\$ 2,379,298	776,193	NT\$ <u>3.07</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	3,293	
Restricted stocks to employees	-	5,002	
Employees' compensation	-	1,783	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>2,379,298</u>	<u>786,271</u>	NT\$ <u>3.03</u>
For the year ended December 31, 2021			
	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 ordinary shareholders of the parent	\$ 1,642,175	762,316	NT\$ <u>2.15</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	101	
Employees' compensation	-	1,378	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>1,642,175</u>	<u>763,795</u>	NT\$ <u>2.15</u>

(36) Supplemental cash flow information

A. Investing activities with partial cash receipts

	For the years ended December 31,	
	2022	2021
Disposal of property, plant and equipment	\$ 1,165	\$ 14,105
Add: Gains on disposal of equipment	21,313	84,183
Opening balance of receivable on equipment	42,444	-
Less: Ending balance of receivable on equipment	-	(42,444)
Cash received during the year	<u>\$ 64,922</u>	<u>\$ 55,844</u>

B. Investing activities with partial cash payments

	For the years ended December 31,	
	2022	2021
Purchase of property, plant and equipment	\$ 1,063,879	\$ 2,492,317
Add: Opening balance of payable on equipment	267,693	289,760
Less: Ending balance of payable on equipment	(37,101)	(267,693)
Cash paid during the year	<u>\$ 1,294,471</u>	<u>\$ 2,514,384</u>

(37) Changes in liabilities from financing activities

The Group's liabilities from financing activities in 2022 and 2021 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, refer to the cash flow statement.

	Liabilities from financing activities-gross	
	2022	2021
At January 1	\$ 19,972,786	\$ 20,566,921
Changes in cash flow from financing activities	601,694	(780,297)
Changes in other non-cash items	462,915	186,162
At December 31	<u>\$ 21,037,395</u>	<u>\$ 19,972,786</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.	Previously an associate and became other related party starting from March 2022
ZheJiang Boretech Environmental Engineering Co., Ltd.	Associate
Blue Whale Water Technology Corp.	Associate
EVER ECOVE CORP.	Associate
HDEC-CTCI (Linhai) Corp.	Associate
Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Associate
Bao Ding Reclaimed Water Co., Ltd	Associate
HDEC Corp.	Other related party
CTCI Foundation	Other related party
CTCI Education Foundation	Other related party
PT Eptco Dian Persada	Other related party
PT Gudary Gajah Lestari	Other related party
Ho-Ping Power Company	Other related party
TCC (Hangzhou) Environment	Other related party
Taiwan Cement Corp. Hoping Branch	Other related party
Molie Quantum Energy Corporation	Other related party

(2) Significant transactions and balances with related parties

A. Construction revenue

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Associates	\$ 702,358	\$ 2,160,142
Other related parties	3,903,013	939,883
	<u>\$ 4,605,371</u>	<u>\$ 3,100,025</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. Contract assets and liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Contract assets:		
Associates	\$ 804,036	\$ 460,734
Other related parties	<u>694,835</u>	<u>428,997</u>
	<u>\$ 1,498,871</u>	<u>\$ 889,731</u>
Contract liabilities:		
Associates	\$ 20,553	\$ 82,568
Other related parties	<u>291,057</u>	<u>464,127</u>
	<u>\$ 311,610</u>	<u>\$ 546,695</u>

C. Cost of construction

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Associates	\$ 315,244	\$ 423,258
Other related parties	<u>423,451</u>	<u>2,334</u>
	<u>\$ 738,695</u>	<u>\$ 425,592</u>

The price on the construction subcontracts entered into with related parties are set through negotiation by both parties.

D. Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates	\$ 74,572	\$ 148,411
Other related parties	<u>472,088</u>	<u>747,436</u>
	<u>\$ 546,660</u>	<u>\$ 895,847</u>

E. Other receivables

	<u>December 31, 2022</u>	
Associates (Note)	\$ -	\$ 11,883
Other related parties	<u>39</u>	<u>53</u>
	<u>\$ 39</u>	<u>\$ 11,936</u>

Note: Mainly pertains to dividends receivable.

F. Loans to related parties (shown as other receivables due from related parties)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other related parties	<u>\$ 18,369</u>	<u>\$ 18,335</u>

Loans to related parties are repayable within one year after loans were granted, and the interest was collected at 6% and 5% per annum for the years ended December 31, 2022 and 2021, respectively.

G. Accounts payable

	December 31, 2022	December 31, 2021
Associates	\$ -	\$ 8,877
Other related parties	79,886	-
	<u>\$ 79,886</u>	<u>\$ 8,877</u>

H. Other payables

	December 31, 2022	December 31, 2021
Other related parties	<u>\$ 1,591</u>	<u>\$ 1,855</u>

I. 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) Lease liability

i. Outstanding balance:

	December 31, 2022	December 31, 2021
Other related parties	<u>\$ 57,330</u>	<u>\$ 65,299</u>

ii. Interest expense

	For the years ended December 31, 2022	2021
Other related parties	<u>\$ 403</u>	<u>\$ 457</u>

J. Provision for endorsements and guarantees

	December 31, 2022	December 31, 2021
Associates	<u>\$ 6,017,175</u>	<u>\$ 3,314,700</u>

K. The Group donated \$15,000 and \$15,000 to the CTCI Education Foundation in March 2022 and 2021, respectively, for personnel training and enterprise social responsibility.

(3) Key management compensation

	For the years ended December 31, 2022	2021
Salaries and other short-term employee benefits	\$ 240,586	\$ 204,568
Post-employment benefits	2,947	5,272
Other long-term benefits	3,173	3,276
Share-based payments	2,802	5,348
	<u>\$ 249,508</u>	<u>\$ 218,464</u>

8. PLEDGED ASSETS

Pledged assets	Book value		Purpose
	December 31, 2022	December 31, 2021	
Non-current financial assets at amortized cost			
Pledged time deposits	\$ 203,131	\$ 51,600	Guarantee for oil expense, litigation deposits and construction contracts
Other non-current assets			
Refundable deposits	220,955	343,795	Guarantee for oil expense, rent, golf certificates, tender bonds, dormitory deposit, and wages
Property, plant and equipment	6,458,736	6,599,590	Guarantee for long-term and short-term borrowings
Investment property	835,142	838,857	Guarantee for long-term and short-term borrowings
	<u>\$ 7,717,964</u>	<u>\$ 7,833,842</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to those items which have been disclosed in Notes 6 (13) and (34), the significant contingent liabilities and unrecognized contract commitments of the Group as of December 31, 2022 were as follows:

(1)Guarantee

- A. The Group had outstanding notes payable for security deposits under various construction projects amounting to \$4,921,440.
- B. The Group had letters of guarantee for warranty and security deposits under various construction projects amounting to \$76,276,409.
- C. The Group had outstanding notes payable for bank financing amounting to \$142,916,888.

(2)The Group had unused and outstanding letters of credit of \$142,587.

(3)The Group had outstanding commitments for construction subcontracts and services contracts, less accounts payable that were already paid and accrued in the future, of \$66,431,540.

(4)The Group had entered into contracts for acquisition of materials amounting to \$701,318.

(5)Chun Yuan Construction Co., Ltd. (referred herein as the Chun Yuan) and CTCI Resources Engineering Inc. jointly contracted the Dalin-Gaogang 345kV underground transmission line, sector I, shield tunneling and Dalin and Nangong cooling room turnkey project which happened a road collapse accident at Zhonglin Road on October 16, 2015, the reason is unknown. CPC Corporation (referred herein as the CPC) recognized that aforementioned accident resulted in the collapse of plant,

damage of oil pipe and fail to transport oil, thus, CPC Corporation filed a lawsuit against Chun Yuan, CTCI Resources Engineering Inc., Taiwan Power Company and Sinotech Engineering Consultants Co., Ltd. in April 2017 and claimed jointly and severally liabilities for the 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 most part of damages of CPC Corporation belonged to indirect damages. Consequently, CTCI Resources Engineering Inc. disagreed with the compensation claimed by CPC Corporation. Thus, CTCI Resources Engineering Inc. and Chun Yuan filed a counter-claim against CPC Corporation alleging that CPC Corporation shall pay \$7,107 to CTCI Resources Engineering Inc. and Chun Yuan. In addition, if the judgement is that CPC Corporation shall be compensated, owners and other joint constructors shall bear joint and several liability, the maximum loss amount is difficult to estimate. This case still under trial in the civil department of Taiwan Taipei District Court.

(6) Chun Yuan Construction Co., Ltd. (referred herein as the Chun Yuan) and CTCI Resources Engineering Inc. jointly contracted the Dalin-Gaogang 345kV underground transmission line, sector I, shield tunneling and Dalin and Nangong cooling room turnkey project which happened a road collapse accident at Zhonglin Road on October 16, 2015, the reason is unknown. China Steel Corporation (referred herein as the China Steel) recognized that aforementioned accident resulted in the pollution to the land of its plant and thus, China Steel Corporation filed a lawsuit against Chun Yuan, CTCI Resources Engineering Inc., CPC Corporation and Taiwan Power Company in March 2018 and claimed jointly and severally liabilities for the compensation amounting to \$131,249. 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. Consequently, CTCI Resources Engineering Inc. disagreed with the compensation claimed by China Steel. In addition, if the judgement is that China Steel shall be compensated, owners and other joint constructors shall bear joint and several liability, the maximum loss amount is difficult to estimate. This case still under trial in the civil department of Taiwan Kaohsiung District Court.

(7) 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 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 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. On April 11, 2021, the Supreme Court refuted the verdict by voiding the aforementioned judgement from the Taiwan High Court in the first retrial again according to the Year 2021, Tai-Shang- Zi No. 136, Civil judgement and reverted the case back to the Taiwan High Court for another retrial. On July 5, 2022, the Taiwan High Court rendered a judgement for the dismissal of the appeal of CTCI Smart Engineering Corp. (that is, maintaining the judgement in the first retrial). CTCI Smart Engineering Corp. disagreed and filed an appeal with the Supreme Court within the prescribed time. According to the Company's appointed lawyers, the case is under trial of the Supreme Court, and the

original case number is Taiwan High Court, Year 2021, Chong-Shang-Geng-Er-Zi No. 102.

- (8) 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. (referred herein as the Dayu Corporation) 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 \$117,177 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. This case is under trial of Taiwan Taipei District Court.
- (9) The plaintiff, Pao An Fire Equipment Co., Ltd. which is the subcontractor of the Company undertakes "fire protection engineering of Taipower Talin Power Plant's main plant" and request to the Court for issuance of a payment order against the Company, 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 declared the opposition, the case is under trial of Taiwan Taipei District Court. Pao An Fire Equipment Co. expanded its claim to request a payment of \$96,559. 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) For the requirement of construction payment of Formosa Petrochemical Corp. 60KTA Isoprene unit construction, LING RONG ENTERPRISE CO., LTD. required the Company for expediting expenses and additional construction payment in the total amount of \$89,164 in March 2018. Research

Development Center of Construction Law filed an assessment report on December 26, 2022. The case is under trial of Taiwan Taipei District Court.

- (11) The second-tier company, CTCI Americas, Inc., undertook 57.5% of the joint contract, GCGV MEG Project. The vendor, Turner Industries Group, L.L.C. (hereafter referred to as “Turner”) has applied with the American Arbitration Association for arbitration in March 2022 alleging that, from the start of the project construction, additional expenses were incurred as a result of an incomplete design chart, delays in the transfer of equipment and instruments, and an increase in manpower due to additional work outside of the construction range. Turner asked the joint contract group which included CTCI Americas, Inc. and McDermott Inc. for US\$60,269 thousand. As of December 31, 2022, the CMI joint contract had recognized construction costs in the amount of US\$25,762 thousand, and the remaining amount of US\$34,507 thousand was difficult to estimate because Turner lacked substantial evidence on the claimed amount. As of the report date, the case was in the arbitration procedure with the American Arbitration Association and the arbitration has just begun.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

- (1) Details of the appropriation of earnings as proposed by the Board of Directors on March 7, 2023 are provided in Note 6(26)F.
- (2) Details of the issuance of restricted shares on January 1, 2023 are provided in Note 6(23)B.
- (3) On November 2, 2022, in order to replenish the Company's medium and long-term working capital, repay bank borrowings, and strengthen the Company's financial structure, the Board of Directors of the Company approved to issue unsecured ordinary corporate bonds with a total amount of \$1,700,000. On January 11, 2023, the public offering and issuance of the bonds have been completed.
- (4) In January 2023, the Board of Directors resolved for the Company's subsidiary, ECOVE Environment Services Corp., to jointly invest and establish ECOVE Resource Recycling Corporation with FGD Recycling Industrial Co., Ltd., with ECOVE Resource Recycling Corporation having a paid-in capital of \$65,000. The Company's shareholding ratio in ECOVE Resource Recycling Corporation was 95% with an investment amount of \$61,750.
- (5) MIE INDUSTRIAL SDN. BHD. has applied with the Singapore International Arbitration Center for arbitration on February 22, 2023 alleging that the Company did not pay the settlement before December 31, 2022 in accordance with the ‘settlement agreement of P1/P28B project’ entered into by both parties on January 28, 2022. MIE INDUSTRIAL SDN. BHD. asked the Company for settlement amounting to MYR\$49,000 thousand, with interest at 5% per annum from January 1, 2023 until the date of repayment, losses incurred on the Company's failure of paying on time and arbitration expense. The case is currently in the arbitration procedure with the Singapore International Arbitration Center. As the arbitration has just begun, it is difficult to assess the result of the arbitration.

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, 2022 and 2021 were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total borrowings	\$ 20,421,369	\$ 19,548,414
Total equity	\$ 21,832,047	\$ 20,560,865
Gearing ratio	93.54%	95.08%

(2) Financial risk of financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets mandatorily measured at fair value through profit or loss	\$ 3,905,400	\$ 4,209,688
Designation of equity instrument	\$ 1,174,735	\$ 2,088,870
<u>Financial assets</u>		
Cash and cash equivalents	\$ 21,209,400	\$ 21,399,753
Financial assets at amortized cost	621,614	3,075,182
Notes receivable	27,383	39,546
Accounts receivable	12,943,690	8,440,398
Accounts receivable due from related parties	546,660	895,847
Other receivables	290,849	184,519
Other receivables due from related parties	18,408	30,271
Refundable deposits	220,955	343,795
Long-term receivables	2,497,013	1,920,924
	<u>\$ 38,375,972</u>	<u>\$ 36,330,235</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities mandatorily measured at fair value through profit or loss	\$ <u>73,486</u>	\$ <u>34,253</u>
Financial liabilities at amortized cost		
Short-term borrowings	\$ 5,495,679	\$ 4,374,260
Short-term notes and bills payable	-	39,969
Notes payable	9,827	5,783
Accounts payable	19,040,004	15,737,842
Accounts payable due to related parties	79,886	8,877
Other payables	2,856,833	3,139,099
Other payables due to related parties	1,591	1,855
Corporate bonds payable	10,884,182	10,878,316
Long-term borrowings (including current portion)	4,041,508	4,255,869
Deposits received	<u>672,442</u>	<u>540,652</u>
	\$ <u>43,081,952</u>	\$ <u>38,982,522</u>
Lease liability	\$ <u>616,026</u>	\$ <u>424,372</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, 2022		
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 167,984	30.6980	\$ 5,156,773
EUR : NTD	5,008	32.6535	163,529
THB : USD	75,604	0.0288	66,947
CNY : NTD	12,284	4.4013	54,066
MOP : NTD	27,595	3.8172	105,336
VND : NTD	118,554,595	0.0013	154,121
USD : VND	5,279	23,613.8462	162,055
SGD : NTD	2,566	22.7874	58,472
USD : IDR	8,113	15,349.0000	249,053
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	6,822	30.6980	209,422
USD : PHP	11,080	56.1104	340,134
USD : SGD	3,230	1.3471	133,576
USD : INR	5,663	82.8556	173,843

December 31, 2021			
	Foreign Currency Amount (In Thousands)	Exchange Rate	Book Value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 94,931	27.6740	\$ 2,627,120
EUR : NTD	7,547	31.3948	236,937
SGD : NTD	949	20.4742	19,430
THB : NTD	520,988	0.8275	431,118
CNY : NTD	14,477	4.3448	62,900
MOP : NTD	105	3.4405	361
USD : VND	2,428	23,061.6667	67,192
USD : THB	688	33.4429	19,040
USD : SGD	2,399	1.3517	49,121
USD : MYR	574	4.1707	15,885
JPY : NTD	129,527	0.2406	31,164
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	95,227	27.6740	2,635,312
JPY : NTD	1,426,893	0.2406	343,310
MOP : NTD	1,835	3.4405	6,313
USD : SAR	46,000	3.7537	1,273,004
CNY : NTD	95,116	4.3448	413,260
EUR : NTD	10,189	31.3948	319,882

- 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, 2022 and 2021 amounted to \$94,982 and (\$70,333), respectively.

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

December 31, 2022			
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%	\$ 51,568	\$ -
EUR : NTD	1%	1,635	-
THB : USD	1%	669	-
CNY : NTD	1%	541	-
MOP : NTD	1%	1,053	-
VND : NTD	1%	1,541	-
USD : VND	1%	1,621	-
SGD : NTD	1%	585	-
USD : IDR	1%	2,491	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	2,094	-
USD : PHP	1%	3,401	-
USD : SGD	1%	1,336	-
USD : INR	1%	1,738	-

December 31, 2021				
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%	\$ 26,721	\$	-
EUR : NTD	1%	2,369		-
SGD : NTD	1%	194		-
THB : NTD	1%	4,311		-
CNY : NTD	1%	629		-
MOP : NTD	1%	4		-
USD : VND	1%	672		-
USD : THB	1%	190		-
USD : SGD	1%	491		-
USD : MYR	1%	159		-
JPY : NTD	1%	312		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	26,353		-
JPY : NTD	1%	3,433		-
MOP : NTD	1%	63		-
USD : SAR	1%	12,730		-
CNY : NTD	1%	4,133		-
EUR : NTD	1%	3,199		-

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, and financial assets at fair value through profit or loss. 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, 2022 and 2021, 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, 2022 and 2021, the provision matrix is as follows:

	Excellent customers (Note 1)	General customers (Note 2)	Individual assessment customers	Total
<u>December 31, 2022</u>				
Expected loss rate	0.03%~0.2765%	0.03%~1.1617%	100%	
Total book value	\$ 5,400,649	\$ 10,620,601	\$ 63,006	\$ 16,084,256
Loss allowance	(91)	(6,413)	(63,006)	(69,510)
<u>December 31, 2021</u>				
Expected loss rate	0.03%~0.1331%	0.03%~1.6446%	100%	
Total book value	\$ 4,147,295	\$ 7,160,280	\$ 62,207	\$ 11,369,782
Loss allowance	(321)	(10,539)	(62,207)	(73,067)

Note 1: Government institutions, state-owned enterprises, listed companies and associates.

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 are as follows:

	2022
	<u>Accounts receivable</u>
At January 1	\$ 73,067
Reversal of impairment	(3,557)
At December 31	<u>\$ 69,510</u>
	<u>2021</u>
	<u>Accounts receivable</u>
At January 1	\$ 35,583
Provision for impairment	37,484
At December 31	<u>\$ 73,067</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, 2022</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 5,495,679	\$ -
Notes payable	9,827	-
Accounts payable		
(including related parties)	19,119,890	-
Other payables		
(including related parties)	2,858,424	-
Lease liabilities	247,842	421,974
Bonds payable	88,640	11,027,560
Long-term borrowings		
(including current portion)	252,339	4,555,724

Non-derivative financial liabilities

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 4,387,101	\$ -
Short-term notes and bills payable	40,027	-
Notes payable	5,783	-
Accounts payable		
(including related parties)	15,746,719	-
Other payables		
(including related parties)	3,140,954	-
Lease liabilities	170,319	259,287
Bonds payable	88,640	11,105,112
Long-term borrowings		
(including current portion)	162,860	5,302,746

Derivative financial liabilities:

December 31, 2022	Less than 3 months	Between 3 months and 1 year
Exchange rate swaps (net-settled)	\$ 19,592	\$ 11,686
Merchandise exchange contracts	585	385
Forward exchange contracts	5,659	35,579

Derivative financial liabilities:

December 31, 2021	Less than 3 months	Between 3 months and 1 year
Exchange rate swaps (net-settled)	\$ 1,341	\$ -
Merchandise exchange contracts	11,160	6,320
Forward exchange contracts	12,894	2,538

(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.

D. 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, 2022</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	\$ 3,782,094	\$ -	\$ -	\$ 3,782,094
Derivative instruments	-	123,306	-	123,306
Financial assets at fair value through other comprehensive income				
Equity securities - current	346,019	-	-	346,019
Equity securities - non-current	-	-	828,716	828,716
	<u>\$ 4,128,113</u>	<u>\$ 123,306</u>	<u>\$ 828,716</u>	<u>\$ 5,080,135</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 73,486</u>	<u>\$ -</u>	<u>\$ 73,486</u>
<u>December 31, 2021</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	\$ 4,150,302	\$ -	\$ -	\$ 4,150,302
Derivative instruments	-	59,386	-	59,386
Financial assets at fair value through other comprehensive income				
Equity securities - current	423,044	-	-	423,044
Equity securities - non-current	-	-	1,665,826	1,665,826
	<u>\$ 4,573,346</u>	<u>\$ 59,386</u>	<u>\$ 1,665,826</u>	<u>\$ 6,298,558</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 34,253</u>	<u>\$ -</u>	<u>\$ 34,253</u>

(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:

	<u>Listed shares</u>	<u>Open-end fund</u>
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 Group 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, 2022 and 2021.
- D. Movements on Level 3 for the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
	<u>Equity securities</u>	<u>Equity securities</u>
At January 1	\$ 1,665,826	\$ 1,329,059
Increase in investments in equity instruments measured at fair value through other comprehensive income	-	190,905
Recorded as unrealized losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	(834,849)	293,238
Sold during the year	(2,261)	(1,174)
Proceeds from capital reduction	-	(146,140)
Effects of changes in foreign exchange rates	-	(62)
At December 31	<u>\$ 828,716</u>	<u>\$ 1,665,826</u>

- E. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.
- F. Group finance department 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, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	\$	575,700	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	Median:0.96~1.86 Average:1.13~2.05 Liquidity discount: 17.5%~25.0%	The higher the multiple and control premium, the higher the fair value
Unlisted shares		253,016	Net assets	Not applicable		- Not applicable
		Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	\$	1,412,283	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	Median::1.11~2.02 Average:1.47~1.86 Liquidity discount: 17.5%~25.0%	The higher the multiple and control premium, the higher the fair value
Unlisted shares		253,543	Net assets	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 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, 2022			
			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%	\$ -	\$ -	\$ 5,757	(\$ 5,757)

			December 31, 2021			
			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%	\$ -	\$ -	\$ 14,123	(\$ 14,123)

(4) Others

Based on the Group's assessment, the COVID-19 pandemic had no significant impact on the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance for the years ended December 31, 2022 and 2021.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): 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: Refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: 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: Refer to table 6.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 7.
- I. Derivative financial instruments undertaken during the reporting periods: Refer to Notes 6(2) and 12(2).
- J. Significant inter-company transactions during the reporting period: Refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: 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%: 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 has classified 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, 2022				
	Construction Engineering Department	Environmental Resource Department	Sales Department	Other Operating Departments	Total
External revenues	\$ 86,829,509	\$ 6,960,128	\$ 813,348	\$ 497,583	\$ 95,100,568
Internal revenues	3,940,633	70,032	-	761,923	4,772,588
Segmental revenues	<u>\$ 90,770,142</u>	<u>\$ 7,030,160</u>	<u>\$ 813,348</u>	<u>\$ 1,259,506</u>	<u>\$ 99,873,156</u>
Segmental income	<u>\$ 1,658,863</u>	<u>\$ 1,420,022</u>	<u>\$ 17,799</u>	<u>\$ 452,218</u>	<u>\$ 3,548,902</u>
Depreciation and amortization	<u>\$ 509,420</u>	<u>\$ 434,933</u>	<u>\$ 54,914</u>	<u>\$ 160,182</u>	<u>\$ 1,159,449</u>

	For the year ended December 31, 2021				
	Construction Engineering Department	Environmental Resource Department	Sales Department	Other Operating Departments	Total
External revenues	\$ 63,319,482	\$ 5,952,062	\$ 719,358	\$ 549,512	\$ 70,540,414
Internal revenues	2,731,777	3,188	-	545,032	3,279,997
Segmental revenues	<u>\$ 66,051,259</u>	<u>\$ 5,955,250</u>	<u>\$ 719,358</u>	<u>\$ 1,094,544</u>	<u>\$ 73,820,411</u>
Segmental income	<u>\$ 568,601</u>	<u>\$ 1,270,037</u>	<u>\$ 20,369</u>	<u>\$ 290,751</u>	<u>\$ 2,149,758</u>
Depreciation and amortization	<u>\$ 664,415</u>	<u>\$ 336,927</u>	<u>\$ 37,862</u>	<u>\$ 109,973</u>	<u>\$ 1,149,177</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,	
	2022	2021
Segmental income	\$ 3,548,902	\$ 2,149,758
Adjustment and elimination	(3,869)	17,413
Share of income of associates and joint ventures accounted for using equity method	250,342	222,242
Interest income	150,914	99,986
Foreign exchange gain (loss)	75,756 (	273,762)
Finance costs	(322,988) (	277,472)
Others	268,386	1,095,363
Income from continuing operations before income tax	<u>\$ 3,967,443</u>	<u>\$ 3,033,528</u>

(5) Information on products and services

Details of revenue are as follows:

	For the years ended December 31,	
	2022	2021
Engineering service revenue	\$ 86,829,509	\$ 62,971,286
Environmental resource service revenue	6,960,128	5,952,062
Sales revenue	813,348	719,358
Other operating revenue	497,583	897,708
Total	<u>\$ 95,100,568</u>	<u>\$ 70,540,414</u>

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	For the years ended December 31,			
	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 49,003,987	\$ 21,223,869	\$ 42,335,995	\$ 19,984,624
Asia	20,974,286	1,230,858	17,548,806	636,267
America	25,122,295	637,057	10,655,613	611,609
Total	<u>\$ 95,100,568</u>	<u>\$ 23,091,784</u>	<u>\$ 70,540,414</u>	<u>\$ 21,232,500</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, 2022 and 2021 is as follows:

	For the years ended December 31,			
	2022		2021	
	Revenue	Segment	Revenue	Segment
Company N	\$ 18,614,117	Construction service segment	\$ 7,973,077	Construction service segment
Company T	13,026,121	"	4,766,536	"
Company G	8,647,837	"	2,186,957	"
Company O	6,637,300	"	6,112,838	"

Table 1

CTCI Corporation and its subsidiaries
Loans to others
For the year ended December 31, 2022

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 December 31, 2022 (Note 3)	Balance at December 31, 2022 (Note 8)	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
													Item	Value			
0	CTCI Corp.	CTCI Development Corp.	Other receivables	Yes	\$ 800,000	\$ 800,000	\$ 515,000	1.40%~1.65%	2	-	For operational need	\$ -	None	\$ -	\$ 3,485,301	\$ 6,970,602	-
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	Other receivables	Yes	643,660	-	-	-	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	CTCI Arabia Ltd.	Other receivables	Yes	643,660	613,960	24,558	4.80%	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	ECOVE Solar Energy Corp.	Other receivables	Yes	1,150,000	-	-	-	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	ECOVE Solar Power Corp.	Other receivables	Yes	450,000	-	-	-	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	ECOVE South Corp. Ltd.	Other receivables	Yes	100,000	-	-	-	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	CTCI Americas Inc.	Other receivables	Yes	2,913,060	2,885,612	2,486,538	3.28%~5.32%	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	Other receivables	Yes	1,534,005	1,212,571	1,212,571	1.05%~4.80%	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Other receivables	Yes	986,885	613,960	331,538	4.00%	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	CTCI (Thailand) Co. ,Ltd	Other receivables	Yes	800,000	-	-	-	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
1	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Other receivables	Yes	1,715,000	1,715,000	1,347,000	1.08~1.45%	2	-	For operational need	-	None	-	2,370,558	2,370,558	-
1	ECOVE Environment Corp.	ECOVE Solar Power Corp.	Other receivables	Yes	583,000	450,000	450,000	1.08%	2	-	For operational need	-	None	-	2,370,558	2,370,558	-
1	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	Other receivables	Yes	100,000	100,000	100,000	1.08%	2	-	For operational need	-	None	-	2,370,558	2,370,558	-
2	ECOVE Environment Services Corp.	CTCI Machinery Corp.	Other receivables	Yes	233,000	-	-	-	2	-	For operational need	-	None	-	413,879	413,879	-
2	ECOVE Environment Services Corp.	ECOVE South Corp. Ltd.	Other receivables	Yes	30,000	-	-	-	2	-	For operational need	-	None	-	413,879	413,879	-
2	ECOVE Environment Services Corp.	CTCI Development Corp.	Other receivables	Yes	210,000	-	-	-	2	-	For operational need	-	None	-	413,879	413,879	-
3	ECOVE Waste Management Corp.	CTCI Machinery Corp.	Other receivables	Yes	31,000	-	-	-	2	-	For operational need	-	None	-	47,526	47,526	-

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 3)	Balance at December 31, 2022 (Note 8)	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
													Item	Value			
4	CTCI Investment Corp.	Superiority (Thailand) Co., Ltd.	Other receivables	Yes	\$ 64,206	\$ -	\$ -	-	2	-	For operational need	\$ -	None	\$ -	\$ 345,908	\$ 345,908	-
4	CTCI Investment Corp.	CTCI Development Corp.	Other receivables	Yes	150,000	124,000	124,000	0.75%	2	-	For operational need	-	None	-	345,908	345,908	-
4	CTCI Investment Corp.	CIPEC Construction Inc.	Other receivables	Yes	23,172	100	-	-	2	-	For operational need	-	None	-	345,908	345,908	-
4	CTCI Investment Corp.	CTCI-HDEC (Chungli) Corp.	Other receivables	Yes	100,000	100,000	-	-	2	-	For operational need	-	None	-	345,908	345,908	-
5	CTCI Advanced System Inc.	CTCI Smart Engineering Corp.	Other receivables	Yes	145,000	-	-	-	2	-	For operational need	-	None	-	279,171	279,171	-
5	CTCI Advanced System Inc.	CTCI Development Corp.	Other receivables	Yes	250,000	40,000	-	-	2	-	For operational need	-	None	-	279,171	279,171	-
6	CTCI Resources Engineering Inc.	CTCI Development Corp.	Other receivables	Yes	170,000	-	-	-	2	-	For operational need	-	None	-	294,615	294,615	-
6	CTCI Resources Engineering Inc.	ECOVE Solar Power Corp.	Other receivables	Yes	260,000	260,000	260,000	1.325%~1.45%	2	-	For operational need	-	None	-	294,615	294,615	-
6	CTCI Resources Engineering Inc.	CTCI Smart Engineering Corp.	Other receivables	Yes	150,000	-	-	-	2	-	For operational need	-	None	-	294,615	294,615	-
7	PT CTCI International Indonesia	PT Gudang Gajah Lestari	Other receivables	Yes	18,400	18,400	18,369	6.00%	2	-	For operational need	-	Guaranteed by equity interest	17,340	236,404	236,404	-
7	PT CTCI International Indonesia	PT Eptco Dian Persada	Other receivables	Yes	1,862	-	-	-	2	-	For operational need	-	None	-	236,404	236,404	-
8	CTCI Overseas Co., Ltd.	CTCI Arabia Ltd.	Other receivables	Yes	740,209	706,054	706,054	2.45%~2.54%	2	-	For operational need	-	None	-	3,717,462	3,717,462	-
8	CTCI Overseas Co., Ltd.	Superiority (Thailand) Co., Ltd.	Other receivables	Yes	67,298	67,298	66,944	1.00%	2	-	For operational need	-	None	-	1,486,985	3,717,462	-
8	CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Other receivables	Yes	300,392	245,584	144,588	3.27%~4.80%	2	-	For operational need	-	None	-	1,486,985	3,717,462	-
8	CTCI Overseas Co., Ltd.	CIPEC Construction Inc.	Other receivables	Yes	20,213	-	-	-	2	-	For operational need	-	None	-	1,486,985	3,717,462	-
8	CTCI Overseas Co., Ltd.	CCJV P1 Engineering & Construction Sdn. Bhd.	Other receivables	Yes	148,610	76,745	76,745	2.54%	2	-	For operational need	-	None	-	1,486,985	3,717,462	-
8	CTCI Overseas Co., Ltd.	CTCI Americas Inc.	Other receivables	Yes	1,448,235	1,381,410	1,381,410	3.29%~4.80%	2	-	For operational need	-	None	-	3,717,462	3,717,462	-
8	CTCI Overseas Co., Ltd.	CTCI Malaysia Sdn. Bhd.	Other receivables	Yes	32,183	30,698	21,489	3.27%	2	-	For operational need	-	None	-	1,486,985	3,717,462	-
9	CTCI Development Corp.	CIPEC Construction Inc.	Other receivables	Yes	350,795	334,608	334,608	3.28%	2	-	For operational need	-	None	-	1,416,261	3,793,365	-

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, 2022.

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 40% and 100% of the company net assets value, respectively.
- (2) The ceiling on total loans shall not exceed 40% and 100% of the company 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, 2022														
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, 2022 (Note 4)	Outstanding endorsement/ guarantees amount at December 31, 2022 (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/g uarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/g uarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	CTCI Corp.	CINDA Engineering & Construction Pvt. Ltd.	2	\$ 104,559,030	\$ 5,155,255	\$ 4,275,966	\$ 2,156,372	\$ -	24.54%	\$ 174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Americas, Inc.	2	104,559,030	23,625,686	22,583,303	16,141,043	-	129.59%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Arabia Ltd.	2	104,559,030	2,928,653	2,333,048	735,217	-	13.39%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	2	104,559,030	1,505,214	1,258,618	741,653	-	7.22%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Overseas Co., Ltd.	2	104,559,030	4,246,979	2,852,490	771,352	-	16.37%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Beijing Co., Ltd.	2	104,559,030	5,587,176	5,498,620	4,285,558	-	31.55%	174,265,050	Y	N	Y	-
0	CTCI Corp.	CTCI Machinery Corp.	2	104,559,030	15,832,701	15,313,502	12,262,153	-	87.87%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Vietnam Company Limited	2	104,559,030	96,549	92,094	27,675	-	0.53%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	2	104,559,030	4,032,009	3,739,961	952,710	-	21.46%	174,265,050	Y	N	N	-
0	CTCI Corp.	Universal Engineering (BVI) Corporation	2	104,559,030	32,183	30,698	-	-	0.18%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Shanghai Co., Ltd.	2	104,559,030	694,635	532,224	6,132	-	3.05%	174,265,050	Y	N	Y	-
0	CTCI Corp.	CTCI Smart Engineering Corp.	2	104,559,030	7,327,789	7,324,986	5,062,365	-	42.03%	174,265,050	Y	N	N	-
0	CTCI Corp.	PT CTCI Internatioanl Indonesia	2	104,559,030	1,911,385	1,893,375	1,311,227	-	10.86%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Chemical Corp.	2	104,559,030	154,478	147,350	7,612	-	0.85%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI-HDEC (Chungli) Corp.	6	104,559,030	2,144,785	2,144,785	359,785	-	12.31%	174,265,050	Y	N	N	-
0	CTCI Corp.	CB&I-CTCI B.V.	6	104,559,030	2,273,180	2,168,290	2,168,290	-	12.44%	174,265,050	N	N	N	-
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	2	104,559,030	2,580,821	2,247,196	368,534	-	12.90%	174,265,050	Y	N	N	-
0	CTCI Corp.	Blue Whale Water Technology Co., Ltd.	6	104,559,030	867,300	867,300	261,660	-	4.98%	174,265,050	N	N	N	-
0	CTCI Corp.	HDEC-CTCI (Linhai) Corp.	6	104,559,030	1,215,000	1,215,000	688,500	-	6.97%	174,265,050	N	N	N	-
0	CTCI Corp.	Bao Ding Reclaimed Water Co., Ltd	6	104,559,030	666,000	666,000	80,000	-	3.82%	174,265,050	N	N	N	-
0	CTCI Corp.	EVER ECOVE Corp.	6	104,559,030	1,024,400	999,775	783,075	-	5.74%	174,265,050	N	N	N	-
0	CTCI Corp.	CIPEC Construction Inc.	2	104,559,030	491,291	483,849	153,849	-	2.78%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Malaysia Sdn. Bhd.	2	104,559,030	756,301	491,168	21,489	-	2.82%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Resources Engineering Inc.	2	104,559,030	535,267	535,267	535,267	-	3.07%	174,265,050	Y	N	N	-
1	CTCI Advanced System Inc.	Century Ahead Ltd.	2	2,093,784	17,238	15,349	-	-	2.20%	4,187,568	N	N	N	-
1	CTCI Advanced System Inc.	CTCI Advanced Systems Shanghai Inc.	2	2,093,784	22,535	22,007	-	-	3.15%	4,187,568	N	N	Y	-
1	CTCI Advanced System Inc.	CTCI Resources Engineering Inc.	2	2,093,784	475,599	475,599	475,599	-	68.14%	4,187,568	N	N	N	-
2	CTCI Resources Engineering Inc.	CTCI Smart Engineering Corp.	5	2,209,611	26,679	26,679	26,679	-	3.62%	4,419,221	N	N	N	-
3	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	2	11,852,790	300,000	200,000	-	-	3.37%	17,779,185	N	N	N	-
3	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	2	11,852,790	2,659,622	2,170,000	434,005	-	36.62%	17,779,185	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, 2022 (Note 4)	Outstanding endorsement/ guarantees amount at December 31, 2022 (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/g uarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/g uarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
3	ECOVE Environment Corp.	ECOVE Solar Power Corp.	2	\$ 11,852,790	\$ 1,120,000	\$ 1,120,000	\$ 183,351	\$ -	18.90%	17,779,185	N	N	N	-
3	ECOVE Environment Corp.	ECOVE Environment Services Gangshan Corp.	2	11,852,790	900,000	900,000	250,000	-	15.19%	17,779,185	N	N	N	-
3	ECOVE Environment Corp.	ECOVE Solvent Recycling Corp.	2	11,852,790	207,600	150,000	20,000	-	2.53%	17,779,185	N	N	N	-
3	ECOVE Environment Corp.	EVER ECOVE Corp.	6	11,852,790	208,000	203,000	159,000	-	3.43%	17,779,185	N	N	N	-
4	ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	2	6,873,945	181,760	100,000	-	-	5.82%	10,310,918	N	N	N	-
5	ECOVE Solar Power Corp.	ECOVE Solar Energy Corp.	3	1,620,968	30,006	30,006	30,006	-	7.40%	2,431,452	N	N	N	-
6	ECOVE Environment Services Corp.	Jing Ding Green Energy Corp.	6	4,138,791	1,773,100	1,733,100	268,200	-	167.50%	6,208,186	N	N	N	-
6	ECOVE Environment Services Corp.	Bao Ding Reclaimed Water Co., Ltd.	6	4,138,791	333,000	333,000	40,000	-	32.18%	6,208,186	N	N	N	-
7	CTCI Chemical Corp.	CTCI Machinery Corp.	5	860,075	532,830	-	-	-	0.00%	1,720,150	N	N	N	-

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 600% 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 1,000% 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 200% 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 300% 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, 2022

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, 2022				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Market value	
CTCI Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	13,931,138	191,082	-	191,745	-
CTCI Corp.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss-current	1,140,053	18,546	-	18,678	-
CTCI Corp.	Fund	Allianz Global Investors Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,105,229	26,678	-	26,809	-
						236,306		\$ 237,232	
				Adjustment		926			
						\$ 237,232			
CTCI Corp.	Common Stock	China Steel Chemical Corp.	-	Financial assets at fair value through other comprehensive income-current	1,028,000	43,279	-	109,996	-
CTCI 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	2,447,109	68,448	-	83,936	-
						111,727		\$ 193,932	
				Adjustment		82,205			
						\$ 193,932			
CTCI Corp.	Common Stock	Core Pacific City Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	147,616	\$ 3,600	1.46	\$ 3,165	-
CTCI Corp.	Common Stock	Ever Victory Global Limited	-	Financial assets at fair value through other comprehensive income-non-current	36,405,000	1,103,219	5.88	572,483	-
CTCI Corp.	Common Stock	Heng Keng Corp.	-	Financial assets at fair value through other comprehensive income-non-current	20,000	3,000	5.12	-	-
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	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	-
						1,362,819		\$ 828,648	
				Adjustment		(534,171)			
						\$ 828,648			

Securities held by	Marketable Securities (Note 1)		Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2022				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Market value	
CTCI Corp.	Unsecured Corporate Bond	B9AM02-P10 ECOVE Environment Corp. 1B	-	Amortized cost financial assets-non current	100,000,000	\$ 100,000	-	\$ 100,000	-
CTCI Investment Corp.	Fund	Yuanta ETF Umbrella Fund	-	Financial assets at fair value through profit or loss-current	1,000,000	9,950	-	9,950	-
CTCI Investment Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	344,436	14,415	0.04	14,415	-
CTCI Investment Corp.	Common Stock	Powtec ElectroChemical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	211,291,688	-	16.03	-	-
CTCI Development Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	912,170	38,311	0.12	38,311	-
CTCI Development Corp.	Common Stock	CTCI Advanced System Inc.	Subsidiary	Financial assets at fair value through other comprehensive income-non-current	1,239,124	97,147	4.45	97,147	-
Crown Asia-2 Investment Limited	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	500	21	-	21	-
CTCI Advanced System Inc.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	3,061,648	42,140	-	42,140	-
CTCI Resources Engineering Inc.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	20,375,046	280,438	-	280,438	-
CTCI Resources Engineering Inc.	Fund	Yuanta De- Li Money Market Fund	-	Financial assets at fair value through profit or loss-current	18,528,640	306,979	-	306,979	-
CTCI Resources Engineering Inc.	Fund	Yuanta De- Bao Money Market Fund	-	Financial assets at fair value through profit or loss-current	9,058,153	110,513	-	110,513	-
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	1,122,923	38,516	-	38,516	-
ECOVE Environment Corp.	Common Stock	Eastern Pacific Energy Sdn. Bhd.	-	Financial assets at fair value through other comprehensive income-non-current	10,000	68	-	68	-
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	584,287	20,041	-	20,041	-
ECOVE Environment Corp.	Fund	Yuanta De- Li Money Market Fund	-	Financial assets at fair value through profit or loss-current	39,919,485	661,378	-	661,378	-
ECOVE Environment Corp.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,446,648	40,085	-	40,085	-
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	587,686	20,158	-	20,158	-
ECOVE Wujih Energy Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	39,166,638	539,082	-	539,082	-
ECOVE Environment Services Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-current	1,028	43	-	43	-
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	1,547,328	53,073	-	53,073	-
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	591,804	20,299	-	20,299	-
ECOVE Waste Management Corp.	Common Stock	ECOVE Environment Corp.	Subsidiary	Financial assets at fair value through other comprehensive income-current	1,605	396	-	396	-
ECOVE Waste Management Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,980,827	41,028	-	41,028	-
ECOVE Mioali Energy Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	14,697,836	202,298	-	202,298	-
Yuan Ding Resources Management Corp.	Fund	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,590,966	39,044	-	39,044	-
CTCI Machinery Corp.	Fund	Yuanta De- Bao Money Market Fund	-	Financial assets at fair value through profit or loss-current	30,301,906	369,694	-	369,694	-
CTCI Machinery Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	30,611,024	421,324	-	421,324	-
CTCI Machinery Corp.	Fund	Yuanta De- Li Money Market Fund	-	Financial assets at fair value through profit or loss-current	29,026,699	480,909	-	480,909	-

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.

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, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2022		Addition (Note 3)		Disposal (Note 3)			Balance as at December 31, 2022		
					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	-	-	123,342	\$ 1,685,133	170,281	\$ 2,335,000	279,691	\$ 3,837,000	\$ 3,829,051	\$ 7,949	13,932	\$ 191,082
CTCI Corp.	Allianz Global Investors Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	2,970	37,535	48,130	609,882	48,996	623,095	620,740	2,355	2,104	26,677
CTCI Corp.	Yuanta De- Li Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	36,365	600,000	36,365	600,856	600,000	856	-	-
CTCI Corp.	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	49,364	600,000	49,364	600,462	600,000	462	-	-
CTCI Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	38,748	600,000	38,748	600,420	600,000	420	-	-
CTCI Corp.	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	50,299	720,936	17,369	250,000	67,668	972,494	970,936	1,558	-	-
ECOVE Environment Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	30,747	475,204	-	-	30,747	476,098	475,204	894	-	-
ECOVE Environment Corp.	Yuanta De- Li Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	43,843	725,000	3,924	65,000	64,869	131	39,919	660,131
ECOVE Wujih Energy Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	8,589	117,207	39,167	538,000	8,589	117,741	117,207	534	39,167	538,000
CTCI Resources Engineering Inc.	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	42,143	696,648	23,614	390,144	389,669	475	18,529	306,979
CTCI Resources Engineering Inc.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	38,651	530,438	18,276	250,126	250,000	126	20,375	280,438
CTCI Resources Engineering Inc.	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	38,237	465,343	29,178	355,029	354,830	199	9,059	110,513
CTCI Machinery Corp.	Yuanta De- Li Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	46,008	760,000	16,981	280,153	280,000	153	29,027	480,000
CTCI Machinery Corp.	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	72,415	880,000	42,113	513,000	511,751	1,249	30,302	368,249
CTCI Machinery Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	43,022	590,000	12,411	170,078	169,909	169	30,611	420,091

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

<div>CTCI Corporation and its subsidiaries</div> <div>Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more</div> <div>For the year ended December 31, 2022</div>													
												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:				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 Corp.	Unfinished construction	2020/7/14	\$ 371,685	\$ 371,685	HUA FENG Build Co., Ltd.	-	-	-	-	\$ -	According to the contract signed by both parties	The requirements in business	None
ECOVE Environment Services Corp.	Land	2022/7/19	2,376,900	475,380	Industrial Development Bureau, Ministry of Economic Affairs	-	-	-	-	-	Bid price	Acquisition of environmental land	Note4

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.

Note 4: If ECOVE Environment Services Corp. doesn't obtain the approval documents for waste collection and complete the land use based on the approved plan within 3 years after the approval of the environmental impact statements or the assessment reports, the completion deposits would not be refunded and shall be turned over to the industrial park development and management fund, Ministry of Economic Affairs. In addition, the Industrial Development Bureau shall repurchase the land mandatorily at the original price with no interest bearing.

ECOVE Environment Services Corp. assumes the consideration for land used from the turn over completion day of the bid land to the day before the return of the land to the Industrial Development Bureau (calculated by multiplying the total area of the bid land by 12% of the present value of land).

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, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party 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 Environment Services Corp.	ECOVE Environment Services Gangshan Corp.	Second-tier subsidiary	(Sales)	(\$ 508,849)	(0.54%)	30 days after monthly billings	Negotiated by both parties	No significant difference	\$ 60,373	0.45%	-
ECOVE Environment Services Corp.	ECOVE Wujih Energy Corp.	Second-tier subsidiary	(Sales)	(263,168)	(0.28%)	30 days after monthly billings	Negotiated by both parties	No significant difference	23,166	0.17%	-
ECOVE Environment Services Corp.	ECOVE Mioali Energy Corp.	Second-tier subsidiary	(Sales)	(162,299)	(0.17%)	30 days after monthly billings	Negotiated by both parties	No significant difference	31,859	0.24%	-
CTCI Machinery Corp.	PT CTCI International Indonesia	Subsidiary	(Sales)	(760,893)	(0.80%)	30 days after monthly billings	Negotiated by both parties	No significant difference	34,089	0.25%	-
CTCI Beijing Co., Ltd.	CINDA Engineering & Construction Private Limited	Subsidiary	(Sales)	(129,248)	(0.14%)	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Corp.	CTCI Machinery Corp.	Subsidiary	(Sales)	(572,903)	(0.60%)	30 days after monthly billings	Negotiated by both parties	No significant difference	40,945	0.30%	-
CTCI Corp.	CTCI-HDEC (Chungli) Corp.	Subsidiary	(Sales)	(308,149)	(0.32%)	30 days after monthly billings	Negotiated by both parties	No significant difference	145,304	1.07%	-
CTCI Corp.	Ho-Ping Power Company	The Company’s other related party	(Sales)	(679,432)	(0.71%)	30 days after monthly billings	Negotiated by both parties	No significant difference	292,635	2.16%	-
CTCI Machinery Corp.	CTCI Corp.	Subsidiary	(Sales)	(429,895)	(0.45%)	30 days after monthly billings	Negotiated by both parties	No significant difference	66,653	0.49%	-
CTCI Advanced System Inc.	CTCI Corp.	Subsidiary	(Sales)	(238,324)	(0.25%)	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	73,042	0.54%	-
CTCI Resources Engineering Inc.	CTCI Corp.	Second-tier subsidiary	(Sales)	(607,088)	(0.64%)	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	111,051	0.82%	-
CTCI Resources Engineering Inc.	Taiwan Cement Corp. Hoping Branch	Second-tier subsidiary	(Sales)	(1,072,792)	(1.13%)	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	151,160	1.12%	-
CTCI Development Corp.	CTCI Corp.	Subsidiary	(Sales)	(372,257)	(0.39%)	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Chemical Corp.	CTCI Corp.	Subsidiary	(Sales)	(110,604)	(0.12%)	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Vietnam Co.,Ltd	CTCI Corp.	Subsidiary	(Sales)	(105,630)	(0.11%)	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
ECOVE Environment Services Gangshan Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	508,849	0.57%	30 days after monthly billings	Negotiated by both parties	No significant difference	(60,373)	(0.32%)	-
ECOVE Wujih Energy Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	263,168	0.29%	30 days after monthly billings	Negotiated by both parties	No significant difference	(23,166)	(0.12%)	-
ECOVE Mioali Energy Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	162,299	0.18%	30 days after monthly billings	Negotiated by both parties	No significant difference	(31,859)	(0.17%)	-
PT CTCI International Indonesia	CTCI Machinery Corp.	Subsidiary	Purchases	760,893	0.85%	30 days after monthly billings	Negotiated by both parties	No significant difference	(34,089)	(0.18%)	-
CINDA Engineering & Construction Private Limited	CTCI Beijing Co., Ltd.	Subsidiary	Purchases	129,248	0.14%	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Machinery Corp.	CTCI Corp.	Subsidiary	Purchases	572,903	0.64%	30 days after monthly billings	Negotiated by both parties	No significant difference	(40,945)	(0.30%)	-

			Transaction			Differences in transaction terms compared to third party 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
CTCI-HDEC (Chungli) Corp.	CTCI Corp.	Subsidiary	Purchases	\$ 308,149	0.34%	30 days after monthly billings	Negotiated by both parties	No significant difference	(\$ 145,304)	(1.07%)	-
Ho-Ping Power Company	CTCI Corp.	The Company's other related party	Purchases	679,432	0.76%	30 days after monthly billings	Negotiated by both parties	No significant difference	(292,635)	(2.16%)	-
CTCI Corp.	CTCI Machinery Corp.	Subsidiary	Purchases	429,895	0.48%	30 days after monthly billings	Negotiated by both parties	No significant difference	(66,653)	(0.35%)	-
CTCI Corp.	CTCI Advanced System Inc.	Subsidiary	Purchases	238,324	0.27%	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	(73,042)	(0.54%)	-
CTCI Corp.	CTCI Resources Engineering Inc.	Second-tier subsidiary	Purchases	607,088	0.68%	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	(111,051)	(0.82%)	-
CTCI Corp.	CTCI Chemical Corp.	Subsidiary	Purchases	110,604	0.12%	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Corp.	CTCI Vietnam Co.,Ltd	Subsidiary	Purchases	105,630	0.12%	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
Taiwan Cement Corp. Hoping Branch	CTCI Resources Engineering Inc.	The Company's other related party	Purchases	1,072,792	1.20%	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	(151,160)	(1.12%)	-

CTCI Corporation and its subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
CTCI Corp.	CTCI Development Corp.	Subsidiary	\$ 515,000	Note 1	\$ -	-	\$ -	\$ -
CTCI Corp.	CTCI Americas Inc.	Second-tier subsidiary	2,486,538	Note 1	-	-	-	-
CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	Subsidiary	1,212,571	Note 1	-	-	-	-
CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Subsidiary	331,538	Note 1	-	-	-	-
CTCI Corp.	CTCI-HDEC (Chungli) Corp.	Subsidiary	145,304	0.11	-	-	-	-
CTCI Corp.	Ho-Ping Power Company	The Company's other related party	292,635	1.39	-	-	-	-
ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Second-tier subsidiary	1,353,365	Note 2	-	Note 2	-	-
ECOVE Environment Corp.	ECOVE Solar Power Corp.	Second-tier subsidiary	450,413	Note 2	-	Note 2	-	-
ECOVE Environment Corp.	ECOVE South Corp. Ltd.	Second-tier subsidiary	100,092	Note 2	-	Note 2	-	-
CTCI Investment Corp.	CTCI Development Corp.	Subsidiary	124,000	Note 1	-	-	-	-
CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Subsidiary	144,588	Note 1	-	-	-	-
CTCI Overseas Co., Ltd.	CTCI Americas Inc.	Second-tier subsidiary	1,381,410	Note 1	-	-	-	-
CTCI Overseas Co., Ltd.	CTCI Arabia Ltd.	Subsidiary	706,054	Note 1	-	-	-	-
CTCI Development Corp.	CIPEC Construction Inc.	Second-tier subsidiary	334,608	Note 1	-	-	-	-
CTCI Resources Engineering Inc.	CTCI Corp.	The Company	111,051	4.77	-	-	-	-
CTCI Resources Engineering Inc.	Taiwan Cement Corp. Hoping Branch	The Company's other related party	151,160	10.14	-	-	-	-
CTCI Resources Engineering Inc.	ECOVE Solar Power Corp.	Subsidiary	260,000	Note 1	-	-	-	-

Note 1 : Receivables arising from lending capital and personnel's transfer.

Note 2 : Other accounts receivable arising from lending capital , director's remuneration.

CTCI Corporation and its subsidiaries
Significant inter-company transactions during the reporting period
For the year ended December 31, 2022

Table 8

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	CTCI Corp.	CTCI-HDEC (Chungli) Corp.	1	Accounts receivable	\$ 145,304	Negotiated by both parties	0.15%
1	CTCI Resources Engineering Inc.	CTCI Corp.	2	Accounts receivable	111,051	Negotiated by both parties	0.12%
0	CTCI Corp.	CTCI Development Corp.	1	Other receivables	515,000	Negotiated by both parties	0.55%
0	CTCI Corp.	CTCI Americas Inc.	1	Other receivables	2,486,538	Negotiated by both parties	2.65%
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	1	Other receivables	1,212,571	Negotiated by both parties	1.29%
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	1	Other receivables	331,538	Negotiated by both parties	0.35%
2	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	3	Other receivables	1,353,365	Negotiated by both parties	1.44%
2	ECOVE Environment Corp.	ECOVE Solar Power Corp.	3	Other receivables	450,413	Negotiated by both parties	0.48%
2	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	3	Other receivables	100,092	Negotiated by both parties	0.11%
3	CTCI Investment Corp.	CTCI Development Corp.	3	Other receivables	124,000	Negotiated by both parties	0.13%
4	CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	3	Other receivables	144,588	Negotiated by both parties	0.15%
4	CTCI Overseas Co., Ltd.	CTCI Americas Inc.	3	Other receivables	1,381,410	Negotiated by both parties	1.47%
4	CTCI Overseas Co., Ltd.	CTCI Arabia Ltd.	3	Other receivables	706,054	Negotiated by both parties	0.75%
5	CTCI Development Corp.	CIPEC Construction Inc.	3	Other receivables	334,608	Negotiated by both parties	0.36%
1	CTCI Resources Engineering Inc.	ECOVE Solar Power Corp.	3	Other receivables	260,000	Negotiated by both parties	0.28%
6	ECOVE Environment Services Corp.	ECOVE Environment Services Gangshan Corp.	3	Sales revenue	508,849	Negotiated by both parties	0.54%
6	ECOVE Environment Services Corp.	ECOVE Wujih Energy Corp.	3	Sales revenue	263,168	Negotiated by both parties	0.28%
6	ECOVE Environment Services Corp.	ECOVE Mioali Energy Corp.	3	Sales revenue	162,299	Negotiated by both parties	0.17%
7	CTCI Machinery Corp.	PT CTCI International Indonesia	3	Sales revenue	760,893	Negotiated by both parties	0.80%
8	CTCI Beijing Co., Ltd.	CINDA Engineering & Construction Private Limited	3	Sales revenue	129,248	Negotiated by both parties	0.14%
7	CTCI Machinery Corp.	CTCI Corp.	2	Sales revenue	429,895	Negotiated by both parties	0.45%
9	CTCI Advanced System Inc.	CTCI Corp.	2	Sales revenue	238,324	Negotiated by both parties	0.25%
1	CTCI Resources Engineering Inc.	CTCI Corp.	2	Sales revenue	607,088	Negotiated by both parties	0.64%
5	CTCI Development Corp.	CTCI Corp.	2	Sales revenue	372,257	Negotiated by both parties	0.39%

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 Machinery Corp.	1	Sales revenue	\$ 572,903	Negotiated by both parties	0.60%
12	CTCI Chemical Corp.	CTCI Corp.	2	Sales revenue	110,604	Negotiated by both parties	0.12%
13	CTCI Vietnam Co.,Ltd	CTCI Corp.	2	Sales revenue	105,630	Negotiated by both parties	0.11%
0	CTCI Corp.	CTCI Overseas (BVI) Corp. and subsidiaries	1	Advance construction receipt	4,982,835	Negotiated by both parties	5.31%
7	CTCI Machinery Corp.	CTCI Corp.	2	Advance construction receipt	3,055,471	Negotiated by both parties	3.26%
10	CTCI (Thailand) Co., Ltd.	CTCI Corp.	2	Advance construction receipt	960,678	Negotiated by both parties	1.02%
0	CTCI Corp.	CTCI Development Corp.	1	Refundable deposits	137,700	Negotiated by both parties	0.15%
0	CTCI Corp.	CINDA Engineering & Construction Pvt. Ltd.	1	Guarantee	4,275,966	Not applicable	Not applicable
0	CTCI Corp.	CTCI Americas Inc.	1	Guarantee	22,583,303	Not applicable	Not applicable
0	CTCI Corp.	CTCI Arabia Ltd.	1	Guarantee	2,333,048	Not applicable	Not applicable
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	1	Guarantee	1,258,618	Not applicable	Not applicable
0	CTCI Corp.	CTCI Overseas Co., Ltd.	1	Guarantee	2,852,490	Not applicable	Not applicable
0	CTCI Corp.	CTCI Beijing Co., Ltd.	1	Guarantee	5,498,620	Not applicable	Not applicable
0	CTCI Corp.	CTCI Machinery Corp.	1	Guarantee	15,313,502	Not applicable	Not applicable
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	1	Guarantee	3,739,961	Not applicable	Not applicable
0	CTCI Corp.	CTCI Shanghai Co., Ltd.	1	Guarantee	532,224	Not applicable	Not applicable
0	CTCI Corp.	CTCI Smart Engineering Corp.	1	Guarantee	7,324,986	Not applicable	Not applicable
0	CTCI Corp.	PT CTCI International Indonesia	1	Guarantee	1,893,375	Not applicable	Not applicable
0	CTCI Corp.	CTCI Chemical Corp.	1	Guarantee	147,350	Not applicable	Not applicable
0	CTCI Corp.	CTCI-HDEC (Chungli) Corp.	1	Guarantee	2,144,785	Not applicable	Not applicable
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	1	Guarantee	2,247,196	Not applicable	Not applicable
0	CTCI Corp.	CIPEC Construction Inc.	1	Guarantee	483,849	Not applicable	Not applicable
0	CTCI Corp.	CTCI Malaysia Sdn. Bhd.	1	Guarantee	491,168	Not applicable	Not applicable
0	CTCI Corp.	CTCI Resources Engineering Inc.	1	Guarantee	535,267	Not applicable	Not applicable
9	CTCI Advanced System Inc.	CTCI Resources Engineering Inc.	3	Guarantee	475,599	Not applicable	Not applicable
2	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	3	Guarantee	200,000	Not applicable	Not applicable
2	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	3	Guarantee	2,170,000	Not applicable	Not applicable
2	ECOVE Environment Corp.	ECOVE Solar Power Corp.	3	Guarantee	1,120,000	Not applicable	Not applicable
2	ECOVE Environment Corp.	ECOVE Environment Services Gangshan Corp.	3	Guarantee	900,000	Not applicable	Not applicable
2	ECOVE Environment Corp.	ECOVE Solvent Recycling Corp.	3	Guarantee	150,000	Not applicable	Not applicable
11	ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	3	Guarantee	100,000	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.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

CTCI Corporation and its subsidiaries
Information on investees (not including investees in Mainland China)
For the year ended December 31, 2022

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, 2022			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	of the investee for the year	recognized by the Company	
									ended December 31, 2022 (Note 2(2))	for the year ended December 31, 2022 (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	(\$ 110,645)	\$ 197,123	\$ 191,386	A subsidiary
CTCI Corp.	CTCI Advanced Systems Inc.	Taiwan	Systems planning, design, integration, and engineering for various IT systems, etc.	107,470	107,470	12,454,461	44.73	286,868	242,986	110,899	A subsidiary
CTCI Corp.	CTCI Development Corp.	Taiwan	Real estate and leasing business	3,281,008	3,281,008	361,454,727	100.00	3,411,173	(714,249)	(709,220)	A subsidiary
CTCI Corp.	CTCI Investment Corp.	Taiwan	General investment	2,072,000	2,072,000	207,200,000	100.00	847,863	(30,053)	(30,053)	A subsidiary
CTCI Corp.	ECOVE Environment Corp.	Taiwan	General investment	938,889	938,889	38,457,105	54.40	3,223,926	1,045,026	573,738	A subsidiary
CTCI Corp.	CTCI (Thailand) Co., Ltd.	Thailand	Design and building of petrochemical plant	116,894	116,894	1,249,500	49.00	152,071	349,790	171,397	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	1,250,111	468,225	468,225	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	(677,462)	(33,724)	(16,862)	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	96,812	289,854	86,956	A second-tier subsidiary
CTCI Corp.	CTCI Singapore Pte. Ltd.	Singapore	Investment and planning of related engineering	996,788	152,254	33,300,000	100.00	(284,223)	1,575	1,575	A subsidiary
CTCI Corp.	CTCI Overseas (BVI) Corp.	BVI	Investment and planning of related engineering	308,554	308,554	6,740,000	100.00	3,815,555	629,964	629,964	A subsidiary
CTCI Corp.	CTCI Engineering & Construction Sdn.Bhd.	Malaysia	Investment and planning of related engineering	4,118	4,118	450,000	60.00	(498,919)	(259,521)	(155,713)	A subsidiary
CTCI Corp.	CTCI CMCE JV Sdn. Bhd	Malaysia	Construction planning	2,759	2,759	382,500	51.00	2,734	10,258	4,465	A subsidiary
CTCI Corp.	CTCI USA Holding Inc.	USA	Investment and planning of related engineering	27,750	27,750	10	100.00	(1,129,485)	(627,177)	(627,177)	A subsidiary
CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Malaysia	Construction planning	1,341,469	2,259	203,197,500	99.00	(143,949)	(42,601)	(42,197)	A subsidiary
CTCI Corp.	CTCI-HDEC (Chungli) Corp.	Taiwan	Sewerage System BOT Project	765,000	765,000	78,948,000	51.00	823,619	61,570	31,400	A subsidiary
CTCI Corp.	PT CTCI International Indonesia	Indonesia	Engineering planning as well as procurement and construction	73,984	73,984	341,700,000	79.00	466,899	419,338	338,378	A subsidiary

				Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
Investor	Investee (Notes 1 and 2)	Location	Main business activities	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
CTCI Corp.	Blue Whale Water Technology Co., Ltd.	Taiwan	Wastewater Reclamation Unit BTO Project	\$ 347,900	\$ 347,900	36,260,000	49.00	\$ 401,221	\$ 34,775	\$ 17,040	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	343,557	230,903	39,810	An investee under equity method
CTCI Corp.	EVER ECOVE Corp.	Taiwan	Waste service, waste clear and steam power cogeneration	394,000	394,000	39,400,000	24.63	432,018	228,647	56,281	An investee under equity method
CTCI Corp.	HDEC-CTCI (Linhai) Corp.	Taiwan	Reclaimed water operators	450,000	450,000	45,900,000	45.00	526,247	129,703	58,366	An investee under equity method
CTCI Corp.	Bao Ding Reclaimed Water Co., Ltd	Taiwan	Reclaimed water operators	100,000	-	10,000,000	20.00	102,997	9,991	2,997	An investee under equity method
								\$ 13,338,988		\$ 1,201,655	
CTCI Development Corp.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	13,522	13,522	480,661	6.77	19,409	74,910	5,071	A second-tier subsidiary
CTCI Development Corp.	ECOVE Environment Corp.	Taiwan	General investment	11,270	11,270	243,918	0.35	20,742	1,045,026	3,658	A subsidiary
CTCI Development Corp.	CTCI Resources Engineering Inc.	Taiwan	Engineering technical service	-	23	-	-	-	216,636	2	A second-tier subsidiary
CTCI Development Corp.	Crown Asia-2 Investment Limited	Taiwan	General investment	2,531	2,531	25,000	100.00	162 (	123) (	123)	A second-tier subsidiary
CTCI Development Corp.	CINDA Engineering & Construction Private Limited	India	Chemical, petrochemical, feasibility atudy & planning, engineering design, procurement & fabrication, erection, construction & commissioning	748,139	748,139	197,000,000	96.10 (	580,290) (	1,051,274) (	1,010,274)	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	66,917	74,910	17,485	A second-tier subsidiary
CTCI Investment Corp.	ECOVE Environment Corp.	Taiwan	General investment	1,374	1,374	32,175	0.05	2,704	1,045,026	482	A subsidiary
CTCI Investment Corp.	CTCI Smart Engineering Corp.	Taiwan	Design, management, andbuilding ofnuclear power,thermal power, fire pumpedstorage power generation andothers related to engineering	11	11	1,000	0.002 (	2)	197,123	3	A subsidiary
CTCI Investment Corp.	MIE Industrial Sdn. Bhd.	Malaysia	Equipment & Instrument, Procurement & Construction & Panel	-	139,885	-	-	-	-	-	Note 3
CTCI Machinery Corp.	Boretch Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	Share holding and investment	154,744	154,744	6,019,951	9.23	194,665	229,730	21,605	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	118,419	63,500	63,500	A second-tier subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
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	\$ 798,753	\$ 274,790	\$ 274,790	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	356,518	15,100,000	100.00	1,048,115	451,484	449,818	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	899,985	44,999,200	74.999	796,025	110,986	83,238	A second-tier subsidiary
ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Taiwan	Energy technology service	1,512,348	1,312,348	118,338,502	100.00	1,842,176	96,442	96,442	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	39,382	5	5	A second-tier subsidiary
ECOVE Environment Corp.	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	Share holding and investment	309,489	309,489	12,039,903	18.47	389,333	229,730	43,209	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	117,789	24,917	22,423	A second-tier subsidiary
ECOVE Environment Corp.	EVER ECOVE Corp.	Taiwan	Waste service, waste clear and steam power cogeneration	80,000	80,000	8,000,000	5.00	87,733	228,647	11,425	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	77,134	74,910	20,155	A second-tier subsidiary
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	96,812	289,854	86,956	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	11	800	0.001	14	110,986	1	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	13	24,917	3	A second-tier subsidiary
ECOVE Environment Services Corp.	Jing Ding Green Energy Technology Co., Ltd.	Taiwan	Execution of BOT	186,000	6,000	14,100,000	30.00	185,180 (	1,304) (	391)	An investee under equity method
ECOVE Environment Services Corp.	ECOVE Environment Services Gangshan Corp.	Taiwan	Management of waste recycling site and maintenance of related mechanical and equipment, etc	251,000	251,000	25,100,000	100.00	312,875	61,757	62,189	A second-tier subsidiary
ECOVE Environment Services Corp.	Bao Ding Reclaimed Water Co., Ltd	Taiwan	Reclaimed water operators	50,000	-	5,000,000	10.00	50,000	9,991	-	An investee under equity method
ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	Taiwan	Energy technology service	306,000	306,000	30,600,000	100.00	405,242	18,959	18,959	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	33,148	1,226	1,226	A second-tier subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	of the investee for the year	recognized by the Company	
									ended December 31, 2022 (Note 2(2))	for the year ended December 31, 2022 (Note 2(3))	
ECOVE Solar Energy Corp.	G.D. International, LLC.	USA	Energy technology service	\$ 189,197	\$ 189,197	-	100.00	\$ 461,487	\$ 34,907	\$ 34,907	A second-tier subsidiary
G.D International, LLC.	Lumberton Solar W2-090, LLC	USA	Energy technology service	189,197	189,197	-	100.00	461,302	35,100	35,100	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	3,793,365	630,228	630,228	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	(677,462)	(33,724)	(16,862)	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	286,427	174,000	174,000	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	25.00	(378,119)	(148,851)	(148,851)	A second-tier subsidiary
CTCI Overseas Co., Ltd.	CTCI Vietnam Company Limited	Vietnam	Chemical, petrochemical, feasibility atudy & planning, engineering design, procurement & fabrication, erection, construction & commissioning	95,168	95,168	-	100.00	135,665	37,435	37,435	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	(332,613)	(259,521)	(103,809)	A subsidiary
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	3.90	(23,550)	(1,051,274)	(41,000)	A second-tier subsidiary
CTCI Overseas Co., Ltd.	Sumber Mampu Sdn. Bhd.	Malaysia	Building of related engineering	95	95	10,000	10.00	(64,953)	(17,395)	(17,395)	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	94,094	177,184	177,184	A second-tier subsidiary
CTCI USA Holding Inc.	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	2,783	2,783	100,000	100.00	(1,156,960)	(627,030)	(627,030)	A second-tier subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	of the investee for the year	recognized by the Company	
									ended December 31, 2022 (Note 2(2))	for the year ended December 31, 2022 (Note 2(3))	
Superiority (Thailand) Co., Ltd.	CTCI (Thailand) Co., Ltd.	Thailand	Design and building of petrochemical plant	\$ 12,628	\$ 12,628	1,300,500	51.00	\$ 85,056	\$ 349,790	\$ 178,393	A subsidiary
CTCI Advanced Systems Inc.	Century Ahead Ltd.	Samoa	Professional investment company	25,097	25,097	750,000	100.00	34,767	7,187	7,187	A second-tier subsidiary
CTCI Advanced Systems Inc.	CTCI Resources Engineering Inc.	Taiwan	Engineering technical service	757,131	742,866	42,000,000	100.00	736,537	216,636	216,302	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	26,490	74,910	6,922	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	26,503	74,910	6,922	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	34,448 (	21,598) (	4,320)	A second-tier subsidiary
CTCI Malaysia Sdn. Bhd.	MIE Industrial Sdn. Bhd.	Malaysia	Equipment & Instrument, Procurement & Construction, Panel	-	185,537	-	-	-	-	-	Note 3
Sumber Mampu Sdn. Bhd.	CTCI Malaysia Sdn. Bhd.	Malaysia	Investment and planning of related engineering	5,428	5,428	600,000	80.00	137,792 (	21,598) (	17,278)	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, 2022’ 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, 2022’ 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, 2022’ 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.

Note 3: The Board of Directors of the Group, during its meeting in July 2021, resolved to sell the investment accounted for using equity method, MIE Industrial Sdn. Bhd. The investee had been sold in March 2022. Refer to Note 6(8) in the consolidated financial statement for the three-month period ended March 31, 2022 for the details.

CTCI Corporation and its subsidiaries
Information on investees (in Mainland China)
For the year ended December 31, 2022

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022			Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
				as of January 1, 2022	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	\$ 313,998	\$ 1,111,635	100.00	\$ 1,111,635	\$ 2,150,694	\$ 1,053,782	Note 3
CTCI Shanghai Co., Ltd.	Design, survey, construction and inspection of various engineering and construction projects	592,787	2	-	-	-	-	-	74,898	100.00	74,898	635,374	23,530	Note 7
CTCI Advanced Systems Shanghai Inc.	Computer technology services	20,753	2	20,753	-	-	20,753	20,753	7,146	49.18	3,514	33,754	-	Note 4
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	4,147	(142)	54.80	(142)	5,425	43,900	-
FuJian Gulie Petrochemical Co., Ltd.	Operating in manufacturing and selling of ethylene and others	30,344,536	2	1,103,219	-	-	1,103,219	1,103,219	-	2.50	-	572,483	-	Note 5
CTCI Trading Shanghai Co., Ltd.	General trade	-	2	-	-	-	-	-	244	0.00	244	-	-	Note 6

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	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.	\$ 1,442,117	\$ 1,627,287	\$ 13,099,228

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, 2022 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 whith 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: Previously invested by CTCI Shanghai Co., Ltd. and was deregistered on August 24, 2022. Refer to Note 4(3) Note 6 for the details.

Note 7: Invested by CTCI Beijing Co., Ltd.

CTCI Corporation and its subsidiaries
Major shareholders information
December 31, 2022

Table 11

Name of major shareholders	Shares		
	Total shares owned (common shares)	Total shares owned (preference shares)	Ownership percentage
CTCI Foundation	60,862,051	-	7.69%
Fubon Life Insurance Co., Ltd.	58,154,000	-	7.35%
CTBC BANK CO., LTD. (CTCI Corporation Employee Stock Ownership Trust)	50,038,145	-	6.32%
CTBC BANK CO., LTD. (Sustainability Employee Stock Ownership Trust)	45,059,413	-	5.69%

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 dematerialized 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, 2022 AND 2021

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

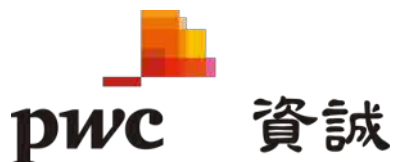
Opinion

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

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

Basis for opinion

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



Key audit matters

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

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

Valuation of work completed

Description

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

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

How our audit addressed the matter

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

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

***Other matter – Reference to the audits of other auditors***

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

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

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

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

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



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

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

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

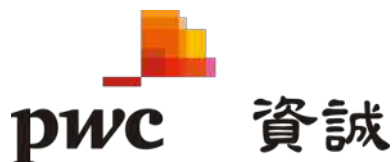
1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The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



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

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

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



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

Weng, Shih-Jung

Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 7, 2023

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

CTCI CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

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

(Continued)

CTCI CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

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

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

CTCI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

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

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

CTCI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Capital			Retained Earnings			Other Equity Interest						
								Financial statements translation differences of foreign operations	Unrealized (losses) gains from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Other equity, others	Treasury stocks	Total equity	
	Notes	Common stock	Share capital awaiting retirement	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings							
<u>Year ended December 31, 2021</u>														
Balance at January 1, 2021		\$ 7,633,599	\$ -	\$ 4,077,689	\$ 3,278,010	\$ 1,180,439	\$ 733,054	(\$ 271,317)	(\$ 843,263)	\$ 51,181	\$ -	(\$ 11,835)	\$ 15,827,557	
Profit for the year		-	-	-	-	-	1,642,175	-	-	-	-	-	1,642,175	
Other comprehensive income		-	-	-	-	-	68,189	91,702	324,920	-	-	-	484,811	
Total comprehensive income		-	-	-	-	-	1,710,364	91,702	324,920	-	-	-	2,126,986	
Appropriations of 2020 earnings	6(23)													
Legal service		-	-	-	73,305	-	(73,305)	-	-	-	-	-	-	
Special reserve		-	-	-	-	(1,754)	1,754	-	-	-	-	-	-	
Cash dividends		-	-	-	(865,216)	-	(661,504)	-	-	-	-	-	(1,526,720)	
Employee stock options exercised	6(21)(22)	5,038	-	14,495	-	-	-	-	-	-	-	-	19,533	
Employee stock options exercised by subsidiary	6(22)	-	-	28,621	-	-	-	-	-	-	-	(18)	28,603	
Share-based payment transactions	6(22)	-	-	104,596	-	-	-	-	-	-	-	-	104,596	
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	-	(205,176)	-	205,176	-	-	-	-	
Balance at December 31, 2021		\$ 7,638,637	\$ -	\$ 4,225,401	\$ 2,486,099	\$ 1,178,685	\$ 1,505,187	(\$ 179,615)	(\$ 313,167)	\$ 51,181	\$ -	(\$ 11,853)	\$ 16,580,555	
<u>Year ended December 31, 2022</u>														
Balance at January 1, 2022		\$ 7,638,637	\$ -	\$ 4,225,401	\$ 2,486,099	\$ 1,178,685	\$ 1,505,187	(\$ 179,615)	(\$ 313,167)	\$ 51,181	\$ -	(\$ 11,853)	\$ 16,580,555	
Profit for the year		-	-	-	-	-	2,379,298	-	-	-	-	-	2,379,298	
Other comprehensive income (loss)		-	-	-	-	-	92,677	137,357	(943,827)	-	-	-	(713,793)	
Total comprehensive income (loss)		-	-	-	-	-	2,471,975	137,357	(943,827)	-	-	-	1,665,505	
Appropriations of 2021 earnings	6(23)													
Legal service		-	-	-	150,686	-	(150,686)	-	-	-	-	-	-	
Special reserve		-	-	-	-	(421,576)	421,576	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	(1,776,078)	-	-	-	-	-	(1,776,078)	
Employee stock options exercised	6(21)(22)	216,429	-	584,918	-	-	-	-	-	-	-	-	801,347	
Employee stock options exercised by subsidiary	6(22)	-	-	50,655	-	-	-	-	-	-	-	-	50,655	
Share-based payment transactions	6(22)	-	-	38,577	-	-	-	-	-	-	-	-	38,577	
Restricted stock	6(22)	51,759	(1,742)	130,621	-	-	1,016	-	-	-	(138,991)	-	42,663	
Recognition of change in equity of associates from not acquiring shares in proportion to the Company's ownership	6(22)	-	-	27,831	-	-	-	-	-	-	-	-	27,831	
Non-controlling interests		-	-	-	-	-	(4,550)	-	-	-	-	-	(4,550)	
Balance at December 31, 2022		\$ 7,906,825	(\$ 1,742)	\$ 5,058,003	\$ 2,636,785	\$ 757,109	\$ 2,468,440	(\$ 42,258)	(\$ 1,256,994)	\$ 51,181	(\$ 138,991)	(\$ 11,853)	\$ 17,426,505	

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

CTCI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

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

(Continued)

CTCI CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

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

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

CTCI CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

(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 for issuance by the Board of Directors on March 7, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 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 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.

(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 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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 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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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 company 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 Company 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 Company'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 Company measures the financial assets at fair value plus transaction costs. The Company 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 Company 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.

(8) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (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 amortized cost are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) 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.

(10) 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 Company 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 Company has not retained control of the financial asset.

(11) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(12) 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.

(13) 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

(14) 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 Company 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. 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.

(15) 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.

(16) 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.

(17) 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.

(18) 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.

(19) 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.

(20) 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.

(21) 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'.

(22) 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.

(23) 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. Remeasurements arising on defined benefit plan 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. 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.

(24) 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.

(25) 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 utilized.

(26) 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.

(27) 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; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) 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 a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is assessed periodically by the management and reflected in profit or loss.

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 total 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, 2022	December 31, 2021
Cash on hand and revolving funds	\$ 28,057	\$ 22,550
Checking accounts and demand deposits	4,067,707	4,889,164
Time deposits	1,925,954	4,331,806
	<u>\$ 6,021,718</u>	<u>\$ 9,243,520</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, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 236,306	\$ 2,915,079
Derivatives	97,026	51,866
	333,332	2,966,945
Valuation adjustment	926	15,765
	<u>\$ 334,258</u>	<u>\$ 2,982,710</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives	<u>\$ 18,241</u>	<u>\$ 23,120</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,	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	(\$ 33,468)	\$ 27,183
Derivatives	340,543	350,841
	<u>\$ 307,075</u>	<u>\$ 378,024</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives	<u>(\$ 452,017)</u>	<u>(\$ 1,163)</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, 2022	
	Contract Amount (notional principal)	Contract Period
Foreign exchange swap contract (15 items)	USD 131,200	2022.08.10~2023.04.26
Merchandise exchange contract (19 items)	USD 22,737	2022.08.15~2023.06.21

	December 31, 2021		
	Contract Amount		Contract Period
	(notional principal)		
Non-delivery foreign exchange contract-buy (13 items)	USD	75,000	2021.08.04~2022.05.12
Foreign exchange swap contract (1 item)	USD	8,400	2021.12.22~2022.02.23
Foreign exchange swap contract (1 item)	THB	440,000	2021.03.17~2022.03.15
Foreign exchange contract-sell (3 items)	USD	15,000	2021.10.27~2022.03.01
Merchandise exchange contract (27 items)	USD	52,030	2021.07.13~2022.06.15

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.

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

Items	December 31, 2022	December 31, 2021
Current items:		
Equity instruments		
Listed stocks	\$ 111,727	\$ 111,727
Valuation adjustment	82,205	117,215
	<u>\$ 193,932</u>	<u>\$ 228,942</u>
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 1,362,819	\$ 1,362,819
Valuation adjustment	(534,171)	302,464
	<u>\$ 828,648</u>	<u>\$ 1,665,283</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,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 871,645)	\$ 312,159
Cumulative gains (losses) reclassified to retained earnings due to derecognition	\$ -	(\$ 206,074)
Dividend income recognized in profit or loss		
Held at end of year	\$ 244,072	\$ 21,295
Derecognized during the year	-	-
	<u>\$ 244,072</u>	<u>\$ 21,295</u>

(4) Financial assets at amortized cost

Items	December 31, 2022	December 31, 2021
Current items:		
Time deposits with maturity over three months	\$ 200,000	\$ 1,264,000
Non-current items:		
Corporate bonds	\$ 100,000	\$ 100,000
Pledged time deposits	300	300
	<u>\$ 100,300</u>	<u>\$ 100,300</u>

As at December 31, 2022 and 2021, 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 Company was \$300,300 and \$1,364,300, respectively.

(5) Accounts receivable

	December 31, 2022	December 31, 2021
Accounts receivable	\$ 1,522,978	\$ 1,650,017
Less: Allowance for uncollectible accounts	(2,130)	(1,778)
	<u>\$ 1,520,848</u>	<u>\$ 1,648,239</u>

A. The ageing analysis of accounts receivable is as follows:

	December 31, 2022	December 31, 2021
Up to 30 days	\$ 1,311,651	\$ 450,060
31 to 90 days	173,389	1,055,929
91 to 180 days	23,478	16,747
Over 181 days	14,460	127,281
	<u>\$ 1,522,978</u>	<u>\$ 1,650,017</u>

The above ageing analysis was based on booking date.

B. As of December 31, 2022 and 2021, the balances of receivables are from contracts with customers.

(6) Prepayments

	December 31, 2022	December 31, 2021
Prepayments for materials	\$ 1,529,167	\$ 883,846
Prepayments for construction in progress	607,578	589,072
Prepayments for insurance premiums	112,937	108,702
Offset against business tax payable	134,888	60,743
Others	119,772	132,095
	<u>\$ 2,504,342</u>	<u>\$ 1,774,458</u>

(7) Investments accounted for using the equity method

	2022	2021
At January 1	\$ 10,611,002	\$ 9,102,996
Addition of investments accounted for using equity method	2,283,744	1,306,258
Disposal of investments accounted for using equity method	-	(2,783)
Share of profit of investments accounted for using equity method	1,201,655	640,341
Earnings distribution of investments accounted for using equity method	(841,089)	(610,286)
Changes in capital surplus	100,769	70,611
Changes in other equity items	(17,093)	103,865
At December 31	<u>\$ 13,338,988</u>	<u>\$ 10,611,002</u>
	December 31, 2022	December 31, 2021

Investments using equity methodSubsidiaries

CTCI Advanced Systems Inc.	\$ 286,868	\$ 288,949
CTCI Development Corp.	3,411,173	4,214,925
CTCI Investment Corp.	847,863	859,387
ECOVE Environment Corp.	3,223,926	3,018,878
CTCI (Thailand) Co., Ltd.	152,071	-
CTCI Machinery Corp.	1,250,111	903,656
Sinogal-waste Services Co., Ltd.	96,812	62,825
CTCI CMCE JV SDN. BHD	2,734	-
CTCI Overseas (BVI) Co., Ltd.	3,815,555	2,951,692
CTCI - HDEC (Chungli) Corp.	823,619	792,391
PT CTCI International Indonesia	466,899	109,270

Associates

Blue Whale Water Technology Co., Ltd.	401,221	416,803
Pan Asia Corp.	343,557	303,934
EVER ECOVE Corp.	432,018	375,738
HDEC-CTCI (Linhai) Corp.	526,247	505,302
Bao Ding Reclaimed Water Co., Ltd	102,997	-
	<u>\$ 16,183,671</u>	<u>\$ 14,803,750</u>

Other non-current liabilitiesSubsidiaries

CTCI Arabia Ltd.	(\$ 677,462)	(\$ 595,921)
CTCI Singapore Pte. Ltd.	(284,223)	(1,051,500)
CTCI Engineering & Construction Sdn. Bhd.	(498,919)	(326,118)
CCJV P1 Engineering & Construction Sdn. Bhd.	(143,949)	(1,443,402)
CTCI Smart Engineering Corp.	(110,645)	(313,446)
CTCI (Thailand) Co. Ltd.	-	(24,612)
CTCI CMCE JV SDN. BHD.	-	(1,751)
CTCI USA Holding Inc.	(1,129,485)	(435,998)
	<u>(\$ 2,844,683)</u>	<u>(\$ 4,192,748)</u>

A. 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, 2022 and 2021, the carrying amount of the Company's individually immaterial associates amounted to \$1,806,040 and \$1,601,777, respectively.

	December 31, 2022	December 31, 2021
Total comprehensive income	\$ 634,019	\$ 324,562

- B. For information on the Company's subsidiaries, refer to Note 4(3) in the Company's consolidated financial statements for the year ended December 31, 2022.
- C. 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., certain joint venture of CTCI Americas, Inc., Jing Ding Green Energy Technology Co., Ltd. indirectly invested by ECOVE Environment Corp. and certain subsidiaries indirectly invested by CTCI Overseas (BVI) Corp. was (\$8,629) and (\$1,368,686) for the years ended December 31, 2022 and 2021, respectively, which was recognized based solely on the audit reports of other independent auditors.
- D. In December 2021, the Company increased its share in the subsidiary, CCJV P1 Engineering & Construction Sdn. Bhd., in the amount of \$1,339,210. However, as the capital increase has not yet been registered, it was shown as other non-current assets. In January 2022, the capital increase had been registered, and it was reclassified as investments accounted for using the equity method.
- E. The Company increased its investments in CTCI-HDEC (Chungli) Corp. for 51,000 thousand shares in January 2021, in CTCI Development Corp. for 65,601 thousand shares in March 2021 and in HDEC-CTCI (Linhai) Corporation for 11,401 thousand shares in May 2021. The total amount of the above new investments was \$1,278,508.
- F. In December 2021, the Company established CTCI USA Holding Inc. in the amount of \$27,750, obtained 100% equity interest and sold CTCI Americas Inc. to CTCI USA Holding Inc. This transaction was made in line with the intra-group reorganization. The sale price was \$2,783 and the net equity value was \$472,313 (credit balance). Accordingly, capital surplus decreased by \$475,096 resulting from the gain on sale/changes in the net equity value of CTCI USA Holding Inc.
- G. In May 2022, the Group acquired 10,000 thousand shares of Bao Ding Reclaimed Water Co., Ltd. in the amount of \$100,000, representing 20% equity interest.
- H. The Company increased its investment in CTCI Singapore Pte. Ltd. for 28,200 thousand shares in August 2022 in the amount of \$844,534.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Unfinished construction	Others	Total
<u>At January 1, 2022</u>								
Cost	\$ 116,229	\$ 117,577	\$ 382,625	\$ 38,085	\$ 54,941	\$ 2,059,987	\$ 145,474	\$ 2,914,918
Accumulated depreciation	-	(73,168)	(325,540)	(38,085)	(54,893)	-	(104,430)	(596,116)
	<u>\$ 116,229</u>	<u>\$ 44,409</u>	<u>\$ 57,085</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 2,059,987</u>	<u>\$ 41,044</u>	<u>\$ 2,318,802</u>
<u>2022</u>								
Opening net book amount	\$ 116,229	\$ 44,409	\$ 57,085	\$ -	\$ 48	\$ 2,059,987	\$ 41,044	\$ 2,318,802
Additions	-	-	27,608	-	-	491,646	-	519,254
Disposals	-	-	-	-	-	-	-	-
Depreciation charge	-	(2,242)	(26,934)	-	(48)	-	(6,061)	(35,285)
Closing net book amount	<u>\$ 116,229</u>	<u>\$ 42,167</u>	<u>\$ 57,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,551,633</u>	<u>\$ 34,983</u>	<u>\$ 2,802,771</u>
<u>At December 31, 2022</u>								
Cost	\$ 116,229	\$ 117,577	\$ 410,452	\$ 13,322	\$ 54,941	\$ 2,551,633	\$ 144,704	\$ 3,408,858
Accumulated depreciation	-	(75,410)	(352,693)	(13,322)	(54,941)	-	(109,721)	(606,087)
	<u>\$ 116,229</u>	<u>\$ 42,167</u>	<u>\$ 57,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,551,633</u>	<u>\$ 34,983</u>	<u>\$ 2,802,771</u>

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Unfinished construction	Others	Total
<u>At January 1, 2021</u>								
Cost	\$ 116,229	\$ 117,577	\$ 384,615	\$ 38,085	\$ 55,202	\$ 919,344	\$ 148,784	\$ 1,779,836
Accumulated depreciation	-	(70,927)	(322,571)	(38,085)	(54,984)	-	(100,956)	(587,523)
	<u>\$ 116,229</u>	<u>\$ 46,650</u>	<u>\$ 62,044</u>	<u>\$ -</u>	<u>\$ 218</u>	<u>\$ 919,344</u>	<u>\$ 47,828</u>	<u>\$ 1,192,313</u>
<u>2021</u>								
Opening net book amount	\$ 116,229	\$ 46,650	\$ 62,044	\$ -	\$ 218	\$ 919,344	\$ 47,828	\$ 1,192,313
Additions	-	-	19,953	-	-	1,140,643	-	1,160,596
Disposals	-	-	(20)	-	-	-	-	(20)
Depreciation charge	-	(2,241)	(24,892)	-	(170)	-	(6,784)	(34,087)
Closing net book amount	<u>\$ 116,229</u>	<u>\$ 44,409</u>	<u>\$ 57,085</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 2,059,987</u>	<u>\$ 41,044</u>	<u>\$ 2,318,802</u>
<u>At December 31, 2021</u>								
Cost	\$ 116,229	\$ 117,577	\$ 382,625	\$ 38,085	\$ 54,941	\$ 2,059,987	\$ 145,474	\$ 2,914,918
Accumulated depreciation	-	(73,168)	(325,540)	(38,085)	(54,893)	-	(104,430)	(596,116)
	<u>\$ 116,229</u>	<u>\$ 44,409</u>	<u>\$ 57,085</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ 2,059,987</u>	<u>\$ 41,044</u>	<u>\$ 2,318,802</u>

1. No borrowing costs attributable to property, plant and equipment were capitalized for the years ended December 31, 2022 and 2021.
2. No property, plant and equipment was pledged to others as collateral for the years ended December 31, 2022 and 2021.

(9) 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, 2022 and 2021, payments of lease commitments for short-term leases amounted to \$135,033 and \$62,745, respectively.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Land	\$ 225,373	\$ 122,044
Buildings	2,236,557	2,514,207
Machinery and equipment	497	164
Transportation equipment (Business vehicles)	27,447	20,481
Office equipment (Photocopiers)	4,914	3,320
Others	906	334
	<u>\$ 2,495,694</u>	<u>\$ 2,660,550</u>
	For the years ended December 31,	
	2022	2021
	Depreciation charge	Depreciation charge
Land	\$ 76,365	\$ 40,403
Buildings	351,202	297,640
Machinery and equipment	263	176
Transportation equipment (Business vehicles)	16,633	13,116
Office equipment (Photocopiers)	2,295	4,287
Others	457	234
	<u>\$ 447,215</u>	<u>\$ 355,856</u>

- D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$311,832 and \$716,667, respectively.
- E. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 17,571	\$ 16,509
Expense on short-term lease contracts	140,645	105,232
Loss on lease modification	490	21

F. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$621,691 and \$477,678, respectively.

(10) Other non-current assets

	December 31, 2022	December 31, 2021
Refundable deposits	\$ 249,180	\$ 205,351
Prepayments for long-term investments	-	1,339,210
Others	42,501	105,862
	<u>\$ 291,681</u>	<u>\$ 1,650,423</u>

(11) Non-current assets held for sale

The Company's Board of Directors resolved to sell certain property, plant and equipment on November 4, 2020 and reclassified relevant assets as assets held for sale. The disposal was completed in 2021, resulting to a gain on disposal of \$160,626.

(12) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 1,700,000</u>	1.7250%~2.1030%	-
Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ -</u>	-	-

(13) Accounts payable

	December 31, 2022	December 31, 2021
Materials payable	\$ 5,913,145	\$ 5,597,910
Sub-contract costs payable	2,666,940	2,077,386
	<u>\$ 8,580,085</u>	<u>\$ 7,675,296</u>

(14) Other payables

	December 31, 2022	December 31, 2021
Accrued payroll	\$ 932,457	\$ 773,714
Accrued insurance	59,249	55,081
Accrued pension	23,241	23,659
Accrued business tax	-	159,010
Others	313,000	303,530
	<u>\$ 1,327,947</u>	<u>\$ 1,314,994</u>

(15) Other current assets and liabilities

	December 31, 2022	December 31, 2021
Other current assets		
Joint venture	\$ 782,440	\$ -
Other current liabilities		
Joint venture	\$ -	\$ 566,032
Receipts under custody	33,950	21,461
	<u>\$ 33,950</u>	<u>\$ 587,493</u>

Other current assets (liabilities) - joint venture represents an accumulated cost over (under) the accumulated capital injection and bills.

(16) Bonds payable

	December 31, 2022	December 31, 2021
Bonds payable	\$ 9,000,000	\$ 9,000,000
Less: Discount on bonds payable	(7,199)	(10,530)
	<u>\$ 8,992,801</u>	<u>\$ 8,989,470</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, 2022	December 31, 2021
Net defined benefit liabilities	\$ 583,365	\$ 789,763
Guarantee deposits received	194,155	159,770
Investment accounted for under the equity method (credit balance)	2,844,683	4,192,748
Others	72,387	74,437
	<u>\$ 3,694,590</u>	<u>\$ 5,216,718</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, 2022	December 31, 2021
Present value of defined benefit obligations	\$ 2,009,792	\$ 2,233,223
Fair value of plan assets	(1,426,427)	(1,443,460)
Net defined benefit liability	<u>\$ 583,365</u>	<u>\$ 789,763</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, 2022			
At January 1	\$ 2,233,223	(\$ 1,443,460)	\$ 789,763
Current service cost	4,524	-	4,524
Interest expense (income)	15,633	(10,104)	5,529
	<u>2,253,380</u>	<u>(1,453,564)</u>	<u>799,816</u>
Remeasurements:			
Change in demographic assumptions	-	-	-
Change in financial assumptions	(68,079)	-	(68,079)
Experience adjustments	86,524	(118,936)	(32,412)
	<u>18,445</u>	<u>(118,936)</u>	<u>(100,491)</u>
Pension fund contribution	-	(115,960)	(115,960)
Paid pension	(262,033)	262,033	-
At December 31	<u>\$ 2,009,792</u>	<u>(\$ 1,426,427)</u>	<u>\$ 583,365</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2021			
At January 1	\$ 2,561,409	(\$ 1,513,875)	\$ 1,047,534
Current service cost	5,547	-	5,547
Interest expense (income)	<u>7,684</u>	<u>(4,542)</u>	<u>3,142</u>
	<u>2,574,640</u>	<u>(1,518,417)</u>	<u>1,056,223</u>
Remeasurements:			
Change in demographic assumptions	1,348	-	1,348
Change in financial assumptions	(64,770)	-	(64,770)
Experience adjustments	<u>9,781</u>	<u>(25,960)</u>	<u>(16,179)</u>
	<u>(53,641)</u>	<u>(25,960)</u>	<u>(79,601)</u>
Pension fund contribution	-	(186,859)	(186,859)
Paid pension	<u>(287,776)</u>	<u>287,776</u>	<u>-</u>
At December 31	<u>\$ 2,233,223</u>	<u>(\$ 1,443,460)</u>	<u>\$ 789,763</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, 2022 and 2021 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,	
	2022	2021
Discount rate	1.20%	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%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 32,692)	\$ 33,579	\$ 27,957	(\$ 27,394)
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 38,301)	\$ 39,323	\$ 32,839	(\$ 32,204)

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, 2023 amount to \$41,649
 - (g) As of December 31, 2022, the weighted average duration of the retirement plan is seven 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, 2022 and 2021 were \$125,340 and \$114,304, respectively.

(19) Share-based payment-employee compensation

A. As of December 31, 2022 and 2021, 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 as of December 31, 2022 and 2021 are set forth below:

	For the years ended December 31,			
	2022		2021	
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	12,632.05	NT\$39.60	14,720.93	NT\$41.80
Options waived	(299.93)	-	(2,084.39)	-
Options exercised	(6,422.45)	NT\$39.00	(4.49)	NT\$41.80
Options outstanding at end of year	<u>5,909.67</u>	NT\$37.70	<u>12,632.05</u>	NT\$39.60
Options exercisable at end of year	<u>5,874.44</u>	NT\$37.70	<u>12,514.83</u>	NT\$39.60

- ii. Details of the sixth plan of employee stock options outstanding as of December 31, 2022 and 2021 are set forth below:

Stock options	For the years ended December 31,			
	2022		2021	
	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	13,776.73	NT\$36.70	16,936.45	NT\$38.70
Options waived	(335.47)	-	(2,666.45)	-
Options exercised	(7,562.36)	NT\$36.40	(493.27)	NT\$38.70
Options outstanding at end of year	<u>5,878.90</u>	NT\$34.90	<u>13,776.73</u>	NT\$36.70
Options exercisable at end of year	<u>5,815.76</u>	NT\$34.90	<u>8,735.20</u>	NT\$36.70

- iii. Details of the seventh plan of employee stock options outstanding as of December 31, 2022 and 2021 are set forth below:

Stock options	For the years ended December 31,			
	2022		2021	
	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	16,579.43	NT\$41.80	17,627.21	NT\$44.10
Options waived	(2,194.29)	-	(1,041.76)	-
Options exercised	(2,863.10)	NT\$41.00	(6.02)	NT\$44.1
Options outstanding at end of year	<u>11,522.04</u>	NT\$39.80	<u>16,579.43</u>	NT\$41.8
Options exercisable at end of year	<u>6,443.54</u>	NT\$39.80	<u>7,183.56</u>	NT\$41.8

iv. Details of the eight plan of employee stock options outstanding as of December 31, 2022 and 2021 are set forth below:

Stock options	For the years ended December 31,			
	2022		2021	
	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	17,468.25	NT\$33.20	18,657.70	NT\$35.00
Options waived	(894.67)	-	(1,189.45)	-
Options exercised	(4,795.06)	NT\$33.00	-	-
Options outstanding at end of year	<u>11,778.52</u>	NT\$31.60	<u>17,468.25</u>	NT\$33.2
Options exercisable at end of year	<u>2,653.46</u>	NT\$31.60	<u>-</u>	-

C. The weighted-average stock price of stock options at exercise dates for the years ended December 31, 2022 and 2021 were NT\$43.71 and NT\$37.13, respectively.

D. As of December 31, 2022 and 2021, the range of exercise prices of stock options outstanding were NT\$31.60~NT\$39.80 and NT\$33.20~NT\$41.80, respectively; the weighted-average remaining contractual period was as follows:

Type of arrangement	December 31, 2022	December 31, 2021
Fifth plan of employee stock options	0.5 years	1.5 years
Sixth plan of employee stock options	1.5 years	2.5 years
Seventh plan of employee stock options	2.5 years	3.5 years
Eighth plan of employee stock options	3 years	4 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 dividend	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

G. For the years ended December 31, 2022 and 2021, expense recognized arising from share-based payment amounted to \$26,290 and \$72,658, respectively.

(20) Restricted stocks to employees

A. For the year ended December 31, 2022, restricted stocks to employees of the Company are as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
Restricted stocks to employees	2022.01.01	5,500 shares	3 to 5 years	3 to 5 years' service and performance conditions

(a) Issuance price: No consideration in return, issuance price was NT\$0 (in dollars) per share.

(b) Details of the share-based payment arrangements are as follows:

	2022
	No. of options (shares in thousands)
Options outstanding at January 1	\$ -
Options granted	5,500
Options retired	(498)
Options outstanding at December 31	\$ 5,002

(c) Relevant information on the fair value of the share-based payment arrangements is as follows:

Type of arrangement	Grant date	Stock price	Fair value per unit
Restricted stocks to employees	2022.01.01	NT\$37.20	NT\$37.20

(d) The types of shares issued and given to employees were ordinary shares. Excluding inheritance, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of restricted stocks before their vesting conditions are met. Other rights and obligations of the ordinary shares are the same as other ordinary shares outstanding. If employees voluntarily resign, voluntarily apply for retirement, are dismissed or paid off during the vesting period, the restricted stocks that have not yet been acquired will be deemed as not meeting the vesting conditions on the date of the event. The Company will redeem the restricted stocks without consideration and the restricted stocks will be retired.

(e) The employees who are eligible to the abovementioned share-based payment arrangements are official full-time employees of the Company and its domestic subsidiaries that were in service on the grant date of the restricted stocks to employees.

B. On May 26, 2022, the Company's shareholders resolved to issue 4,150,000 ordinary shares as restricted stocks to employees with a par value of \$10 (in dollars) per share, totaling \$41,500. The issuance has been approved in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1110348528, dated July 11, 2022, as endorsed by the Financial Supervisory Commission. In addition, the chairman was authorized by the Board of Directors to set January 1, 2023 as the effective date for capital increase.

C. For the year ended December 31, 2022, the expenses incurred on share-based payment

transactions was \$32,666.

(21) Share capital

- A. As of December 31, 2022 and 2021, the Company's authorized capital were \$12,000,000 and \$12,000,000, and the paid-in capital were \$7,906,825 and \$7,638,637, consisting of 790,682,518 and 763,863,674 shares, respectively, with a par value of NT\$10 per share.

Movements in the number of the Company's ordinary shares outstanding (excluding treasury shares) are as follows:

	For the years ended December 31,	
	2022	2021
At January 1	762,605,540	762,102,257
Employee stock options exercised	21,642,970	503,783
Issuance of restricted stocks to employees	5,500,000	-
Reacquisition and retirement of share capital (	324,126)	-
Reacquisition of share capital awaiting retirement (	174,204)	-
Repurchase of treasury shares	-	(500)
At December 31	<u>789,250,180</u>	<u>762,605,540</u>

- B. The shareholders adopted a resolution to issue employee restricted ordinary shares on July 30, 2021 with the effective date set on January 1, 2022. The subscription price is \$0 (in dollars) per share. The employee restricted ordinary shares issued are subject to certain transfer restrictions before their vesting conditions are met. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares.
- C. As the employees did not meet the vesting conditions of the restricted stocks to employees, the Company redeemed 498,330 shares and recorded them as reduction of share capital and share capital awaiting retirement for the year ended December 31, 2022.
- D. The domestic subsidiaries of the Company measured the services provided by the employees by considering the equity instruments that the Company granted to their employees as equity-settled share-based payment transactions and recognized corresponding increase in equity.
- E. 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, 2022	
		Number of shares	Carrying amount
Subsidiary-ECOVE Environmental Services Corp.	To maintain stockholders' equity	1,028	\$ 10
Subsidiary-CTCI Investment Corp.	"	344,436	3,241
Subsidiary-CTCI Development Corp.	"	912,170	8,584
Subsidiary-Crown Asia - 2 Investment Limited	"	500	18
		<u>1,258,134</u>	<u>\$ 11,853</u>

		December 31, 2021	
<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares</u>	<u>Carrying amount</u>
Subsidiary-ECOVE Environmental Services Corp.	To maintain stockholders' equity	1,028	\$ 10
Subsidiary-CTCI Investment Corp.	"	344,436	3,241
Subsidiary-CTCI Development Corp.	"	912,170	8,584
Subsidiary-Crown Asia - 2 Investment Limited	"	500	18
		<u>1,258,134</u>	<u>\$ 11,853</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.

(22) 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	Changes in ownership interests in subsidiaries	Employee stock options	Restricted stocks to employees	Others	Total
At January 1, 2022	\$ 3,070,649	\$ 5,043	\$ 238,291	\$ 902,176	\$ -	\$ 9,242	\$ 4,225,401
Employee stock options exercised	797,298	-	-	(212,380)	-	-	584,918
Share-based payment transaction	-	-	-	38,577	-	-	38,577
Restricted stocks to employees	-	-	-	-	130,621	-	130,621
Employee stock options exercised by subsidiary	-	-	50,655	-	-	-	50,655
Recognition of change in equity of associates from not acquiring shares in proportion to the Company's ownership in subsidiaries	-	-	27,831	-	-	-	27,831
At December 31, 2022	<u>\$ 3,867,947</u>	<u>\$ 5,043</u>	<u>\$ 316,777</u>	<u>\$ 728,373</u>	<u>\$ 130,621</u>	<u>\$ 9,242</u>	<u>\$ 5,058,003</u>

	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries	Employee stock options	Restricted stocks to employees	Others	Total
At January 1, 2021	\$ 3,056,154	\$ 5,043	\$ 209,670	\$ 797,580	\$ -	\$ 9,242	\$ 4,077,689
Employee stock options exercised	14,495	-	-	-	-	-	14,495
Share-based payment transaction	-	-	-	104,596	-	-	104,596
Employee stock options exercised by subsidiary	-	-	28,621	-	-	-	28,621
At December 31, 2021	\$ 3,070,649	\$ 5,043	\$ 238,291	\$ 902,176	\$ -	\$ 9,242	\$ 4,225,401

C. Refer to Notes 6 (19) and (20) for details about the capital surplus - employee stock options and restricted stocks to employees.

(23) 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 Board of Directors is authorized to distribute all or part of the distributable dividends, bonus, capital surplus and legal reserve in cash through a resolution by half of the two-thirds of the attendees at the Board of Directors' meeting, which shall then be reported to the shareholders during their meeting.

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. Details of the appropriations of 2021 and 2020 earnings as resolved by the shareholders during their meeting on May 26, 2022 and July 30, 2021, respectively, are as follows:

	2021		2020	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Set aside as legal reserve	\$ 150,686	\$ -	\$ 73,305	\$ -
Reversal of special reserve	(421,576)	-	(1,754)	-
Distribution of cash dividends from legal reserve	-	-	865,216	1.13
Distribution of cash dividends from earnings	1,776,078	2.30	661,504	0.87
	<u>\$ 1,505,188</u>	<u>\$ 2.30</u>	<u>\$ 1,598,271</u>	<u>\$ 2.00</u>

F. Details of the appropriations of 2022 earnings as proposed by the Board of Directors on March 7, 2023 are as follows:

	2022	
	Amount	Dividends per share (in NT dollars)
Set aside as legal reserve	\$ 247,003	\$ -
Set aside as special reserve	490,962	-
Distribution of cash dividends from earnings	1,520,476	1.91
	<u>\$ 2,258,441</u>	<u>\$ 1.91</u>

As of March 7, 2023, the appropriations of 2022 earnings has not yet been resolved by the shareholders.

(24) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customer contracts	<u>\$ 31,714,598</u>	<u>\$ 30,782,149</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, 2022	Construction Engineering Revenue	Other Operating Revenue	Total
Segment revenue	\$ 31,589,345	\$ 125,253	\$ 31,714,598
Inter-segment revenue	-	-	-
	<u>\$ 31,589,345</u>	<u>\$ 125,253</u>	<u>\$ 31,714,598</u>
Revenue from external customer contracts			
Timing of revenue recognition			
At a point time	\$ -	\$ -	\$ -
Over time	<u>31,589,345</u>	<u>125,253</u>	<u>31,714,598</u>
	<u>\$ 31,589,345</u>	<u>\$ 125,253</u>	<u>\$ 31,714,598</u>

For the year ended December 31, 2021	Construction Engineering Revenue	Other Operating Revenue	Total
Segment revenue	\$ 30,611,840	\$ 170,309	\$ 30,782,149
Inter-segment revenue	-	-	-
	<u>\$ 30,611,840</u>	<u>\$ 170,309</u>	<u>\$ 30,782,149</u>
Revenue from external customer contracts			
Timing of revenue recognition			
At a point time	\$ -	\$ -	\$ -
Over time	<u>30,611,840</u>	<u>170,309</u>	<u>30,782,149</u>
	<u>\$ 30,611,840</u>	<u>\$ 170,309</u>	<u>\$ 30,782,149</u>

B. Contract assets and liabilities

The Company has recognized the following revenue-related contract assets and liabilities:

	December 31, 2022	December 31, 2021
Contract assets-		
construction contract revenue	\$ 15,149,017	\$ 12,136,265
Contract liabilities-		
construction contract revenue	(10,379,249)	(11,875,433)
	<u>\$ 4,769,768</u>	<u>\$ 260,832</u>

(25) Expenses by nature

	For the years ended December 31,	
	2022	2021
Materials	\$ 11,255,131	\$ 12,283,390
Subcontract costs	13,261,494	11,891,312
Employee benefit expense	4,131,274	3,699,149
Rental expenses	140,645	105,232
Insurance expenses	112,616	90,206
Travel expenses	201,842	182,842
Depreciation	482,500	389,943
Amortization	105,609	116,875
Tax	127,851	123,902
Finance costs	183,212	212,536
Others	958,152	905,664
	<u>\$ 30,960,326</u>	<u>\$ 30,001,051</u>

(26) Employee benefit expense

	For the year ended December 31, 2022		
	Operating costs	Operating expenses	Total
Salaries and wages	\$ 3,001,545	\$ 492,249	\$ 3,493,794
Employee stock options	23,028	3,262	26,290
Restricted stocks to employees	26,998	5,668	32,666
Labor and health insurance fees	209,700	37,390	247,090
Pension costs	116,122	19,271	135,393
Directors' remuneration	-	66,282	66,282
Other personnel expenses	115,160	14,599	129,759
	<u>\$ 3,492,553</u>	<u>\$ 638,721</u>	<u>\$ 4,131,274</u>

	For the year ended December 31, 2021		
	Operating costs	Operating expenses	Total
Salaries and wages	\$ 2,599,215	\$ 497,447	\$ 3,096,662
Employee stock options	58,542	14,116	72,658
Labor and health insurance fees	191,993	38,480	230,473
Pension costs	103,075	19,918	122,993
Directors' remuneration	-	54,550	54,550
Other personnel expenses	106,575	15,238	121,813
	<u>\$ 3,059,400</u>	<u>\$ 639,749</u>	<u>\$ 3,699,149</u>

A. As of December 31, 2022 and 2021, the Company had 2,827 and 2,549 employees, excluding 11 directors, respectively.

(a) The Company's average employee benefit expenses for the years ended December 31, 2022 and 2021 were \$1,444 and \$1,436, respectively.

- (b) The Company's average employee salaries and wages for the years ended December 31, 2022 and 2021 were \$1,262 and \$1,249, respectively.
- (c) The change in the average employee salaries and wages adjustment is 1.01%.
- (d) Since the Company has set up the audit committee, it has no supervisors' remuneration for the years ended December 31, 2022 and 2021.
- (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, 2022 and 2021, employees' compensation was accrued at \$71,379 and \$49,265, respectively; directors' remuneration was accrued at \$18,000 and \$15,111, 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, 2022.

Employees' compensation and directors' remuneration for 2021 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2021 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.

(27) Income tax

A. Components of income tax expense:

	For the years ended December 31,	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ 122,135	\$ 136,794
Prior year income tax under estimation	47,085	53,155
Total current tax	169,220	189,949
Deferred tax:		
Origination and reversal of temporary differences	(283,037)	13,729
Income tax (benefit) expense	(\$ 113,817)	\$ 203,678

B. Reconciliation of differences between financial income and taxable income:

	For the years ended December 31,	
	2022	2021
Income tax calculated by applying statutory rate to the profit before tax (Note)	\$ 453,096	\$ 369,171
Tax exempt income by tax regulation	(173,371)	(157,220)
Prior year income tax under estimation	47,085	53,155
Effect from investment tax credits	(55,883)	(83,340)
Change in assessment of realization of deferred tax assets	(422,064)	-
Others	37,320	21,912
Income tax (benefit) expense	(\$ 113,817)	\$ 203,678

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:

		2022			
		January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:					
Deferred tax assets					
Unrealized loss on unfinished construction	\$	8,816	\$	3,617	\$ - \$ 12,433
Unrealized losses on doubtful debts		20,200		-	- 20,200
Unrealized compensated absences		16,945		218	- 17,163
Unrealized exchange loss		2,386	(	2,386)	- -
Unrealized loss on financial assets		600		-	- 600
Unrealized golf card annual fee		1,080		-	- 1,080
Unrealized pension		146,011	(	21,181)	(20,098) 104,732
Unrealized loss on foreign investment		48,829		324,012	- 372,841
Others		15,902	(	52)	- 15,850
	\$	260,769	\$	304,228	(\$ 20,098) \$ 544,899
Deferred tax liabilities					
Unrealized exchange gain	\$	-	(\$	13,569)	\$ - (\$ 13,569)
Others	(	14,409)	(	7,622)	- (22,031)
	(\$	14,409)	(\$	21,191)	\$ - (\$ 35,600)
	\$	246,360	\$	283,037	(\$ 20,098) \$ 509,299

2021				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
Deferred tax assets				
Unrealized loss on unfinished construction	\$ 5,866	\$ 2,950	\$ -	\$ 8,816
Unrealized losses on doubtful debts	20,200	-	-	20,200
Unrealized compensated absences	17,487	(542)	-	16,945
Unrealized exchange loss	-	2,386	-	2,386
Unrealized loss on financial assets	600	-	-	600
Unrealized golf card annual fee	1,080	-	-	1,080
Unrealized pension	172,747	(10,816)	(15,920)	146,011
Unrealized loss on foreign investment	48,395	434	-	48,829
Others	17,518	(1,616)	-	15,902
	<u>\$ 283,893</u>	<u>(\$ 7,204)</u>	<u>(\$ 15,920)</u>	<u>\$ 260,769</u>
Deferred tax liabilities				
Unrealized exchange gain	(\$ 152)	\$ 152	\$ -	\$ -
Others	(7,732)	(6,677)	-	(14,409)
	<u>(\$ 7,884)</u>	<u>(\$ 6,525)</u>	<u>\$ -</u>	<u>(\$ 14,409)</u>
	<u>\$ 276,009</u>	<u>(\$ 13,729)</u>	<u>(\$ 15,920)</u>	<u>\$ 246,360</u>

D. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	For the year ended December 31, 2022		
	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	\$ 2,379,298	776,193	<u>\$ 3.07</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	3,293	
Restricted stocks to employees	-	5,002	
Employees' compensation	-	1,783	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,379,298</u>	<u>786,271</u>	<u>\$ 3.03</u>

For the year ended December 31, 2021			
	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	\$ 1,642,175	762,316	<u>\$ 2.15</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	101	
Employees' compensation	-	1,378	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,642,175</u>	<u>763,795</u>	<u>\$ 2.15</u>
(29) <u>Changes in liabilities from financing activities</u>			

Liabilities from financing activities-gross		
For the years ended December 31,		
	2022	2021
At January 1	\$ 11,667,231	\$ 11,303,930
Changes in cash flow from financing activities	1,218,954 (	372,446)
Discount on bonds payable	3,331	3,331
Changes in other non-cash items	300,420	732,416
At December 31	<u>\$ 13,189,936</u>	<u>\$ 11,667,231</u>

(30) Supplemental cash flow information

Investing activities with partial cash payments:

	For the years ended December 31,	
	2022	2021
Purchase of property, plant and equipment	\$ 519,254	\$ 1,160,596
Add: Opening balance of payable on equipment	263,321	220,925
Less: Ending balance of payable on equipment	(34,884)	(263,321)
Cash paid during the year	<u>\$ 747,691</u>	<u>\$ 1,118,200</u>

	For the years ended December 31,	
	2022	2021
Increase in investments accounted for using the equity method	\$ 2,283,744	\$ 1,306,258
Add: Opening balance of prepayments for long-term investments	-	1,339,210
Less: Ending balance of including prepayments for long-term investments	(1,339,210)	-
Cash paid during the year	<u>\$ 944,534</u>	<u>\$ 2,645,468</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-HDEC (Chungli) Corp.	Subsidiary
CTCI Engineering & Construction Sdn. Bhd.	Subsidiary
CTCI CMCE JV SDN. BHD.	Subsidiary
CINDA Engineering & Construction Pvt. Ltd.	Subsidiary
CTCI Arabia Ltd.	Subsidiary
CTCI Malaysia Sdn. Bhd.	Subsidiary
Universal Engineering (BVI) Corporation	Subsidiary
CIPEC Construction Inc.	Subsidiary
CCJV P1 Engineering & Construction Sdn. Bhd.	Subsidiary
CTCI Vietnam Company Limited	Subsidiary
CTCI Americas, Inc.	Subsidiary
CTCI (Thailand) Co., Ltd.	Subsidiary
CTCI Singapore Pte. Ltd.	Subsidiary
ECOVE South Co., Ltd.	Subsidiary
ECOVE Solar Energy Corp.	Subsidiary
ECOVE Solar Power Corp.	Subsidiary
Blue Whale Water Technology Corporation	Associate
Pan Asia Corporation	Associate
Boretech Resource Recovery	Associate
MIE INDUSTRIAL SDN. BHD.	Previously an associate and became other related party starting from March 2022
EVER ECOVE Corporation	Associate
HDEL-CTCI (Linhai) Corporation	Associate
Bao Ding Reclaimed Water Co., Ltd	Associate
CTCI Foundation	Other related party
CTCI Education Foundation	Other related party
Ho-Ping Power Company	Other related party
Molie Quantum Energy Corporation	Other related party

(2) Significant transactions and balances with related parties

A. Sales of services

	For the years ended December 31,	
	2022	2021
Associates	\$ 694,735	\$ 2,215,885
Subsidiaries	744,437	214,368
Other related parties	804,075	831,962
	<u>\$ 2,243,247</u>	<u>\$ 3,262,215</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,	
	2022	2021
Subsidiaries	\$ 61,572	\$ 56,694
Associates	2,766	4,248
	<u>\$ 64,338</u>	<u>\$ 60,942</u>

The rates on the human resource support contracts entered into with related parties are set through negotiation by both parties. The collection terms were approximately the same as that with third parties.

C. Purchases of services

	For the years ended December 31,	
	2022	2021
Subsidiaries	\$ 1,674,619	\$ 1,025,767
Associates	18,547	4,014
Other related parties	202	1,662
	<u>\$ 1,693,368</u>	<u>\$ 1,031,443</u>

The rates on the construction contracts entered into with related parties are set through negotiation by both parties. The payment terms were approximately the same as that with third parties.

D. Other operating costs

	For the years ended December 31,	
	2022	2021
Subsidiaries	\$ 9,877	\$ -

The rates on the human resource secondment contracts entered into with related parties are set through negotiation by both parties. The payment terms were approximately the same as that with third parties.

E. Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries	\$ 245,534	\$ 81,891
Associates	34,816	122,683
Other related parties		
Ho-Ping Power Company	292,635	682,815
Other	2,707	700
	<u>\$ 575,692</u>	<u>\$ 888,089</u>

F. Other receivables-related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries	\$ 68,305	\$ 31,122

Includes advances to related parties for engineering, business travel and interest revenue.

G. Loans to related parties (Shown in other receivables-related parties)

(a) Receivables from related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
CTCI (Thailand) Co., Ltd.	-	364,100
CCJV P1 ENGINEERING & CONSTRUCTION SDN. BHD.	331,538	288,917
CTCI Engineering & Construction Sdn. Bhd.	1,212,571	516,120
CTCI Americas, Inc.	2,486,538	-
CTCI Development Corporation	515,000	556,000
Other Subsidiaries	24,558	-
	<u>\$ 4,570,205</u>	<u>\$ 1,725,137</u>

(b) Interest income

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries	\$ 46,604	\$ 38,650

The loans to subsidiaries are receivable within one year and carry interest at 0.98%~5.32% and 0.90%~1.352% per annum for the years ended December 31, 2022 and 2021, respectively.

H. Accounts payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries	\$ 539,263	\$ 486,217
Associates	4	4
	<u>\$ 539,267</u>	<u>\$ 486,221</u>

I. Other payables - related parties

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 5,969	\$ 2,463
Other related parties	-	1,745
	<u>\$ 5,969</u>	<u>\$ 4,208</u>

Includes the Company's payables on rent, administrative and cleaning expenses.

J. Cumulative billings (Shown as a deduction item to contract assets and an additional item to contract liabilities)

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 4,295,085	\$ 3,653,900
Associates	7,069,766	6,791,078
Other related party	2,197,229	1,029,281
	<u>\$ 13,562,080</u>	<u>\$ 11,474,259</u>

K. Rental income

	For the years ended December 31,	
	2022	2021
Subsidiaries	\$ 13,335	\$ 16,728
Associates	19	19
	<u>\$ 13,354</u>	<u>\$ 16,747</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 2031 and 2010 to 2029, respectively. Payments are made in the middle of each month and at the end of each half year, respectively.

(b) Lease liability

i. Outstanding balance:

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 2,181,129	\$ 2,501,421
Other related party	57,330	65,299
	<u>\$ 2,238,459</u>	<u>\$ 2,566,720</u>

ii. Interest expense

	For the years ended December 31,	
	2022	2021
Subsidiaries	\$ 15,822	\$ 15,419
Other related party	403	457
	<u>\$ 16,225</u>	<u>\$ 15,876</u>

M. Donation expense

	For the years ended December 31,	
	2022	2021
Other related party	\$ 15,000	\$ 15,000
The Group donated \$15,000 and \$15,000 to the CTCI Education Foundation in March 2022 and 2021, respectively, for personnel training and enterprise social responsibility.		

N. Guarantees for related parties

	December 31, 2022	December 31, 2021
Associates	\$ 3,748,075	\$ 3,106,700
Subsidiaries	75,946,790	67,240,221
	<u>\$ 79,694,865</u>	<u>\$ 70,346,921</u>

As of December 31, 2022 and 2021, the Company had used guarantees in the amount of \$49,881,518 and \$52,043,027, respectively, for related parties, and guarantees under various construction contracts amounting to \$45,097,712 and \$45,982,366, respectively.

O. Key management compensation

	For the years ended December 31,	
	2022	2021
Salaries and other short-term employee benefits	\$ 85,939	\$ 72,812
Share-based payments	3,879	4,834
Post-employment benefits	545	551
Other long-term benefits	3,173	3,276
	<u>\$ 93,536</u>	<u>\$ 81,473</u>

8. PLEDGED ASSETS

Pledged assets	Book value		Purpose
	December 31, 2022	December 31, 2021	
Financial assets at amortized cost - non-current			
Pledged bank deposits	\$ 300	\$ 300	Guarantee for oil expense and bank guarantee
Other non-current assets			
Refundable deposits	249,180	205,351	Guarantee for oil expense, rent, construction contracts
	<u>\$ 249,480</u>	<u>\$ 205,651</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to those items disclosed in Notes 6(24) and 7, the significant contingent liabilities and unrecognized contract commitments of the Company as of December 31, 2022 were as follows:

A. Guarantee

- (a) The Company had outstanding notes payable for security deposits under various construction projects amounting to \$2,749,535.
- (b) The Company had letters of guarantee for warranty and security deposits under various construction projects amounting to \$66,114,049.
- (c) The Company had outstanding notes payable for bank financing amounting to \$95,237,592.

B. The Company had unused and outstanding letters of credit of \$63,059.

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 \$49,807,258.

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. Currently, the case is under the assessment of the Taipei District Court.

E. The plaintiff, Pao An Fire Equipment Co., Ltd., is the Company's subcontractor, which undertook the construction "Fire Protection Engineering of Taipower Talin Power Plant's main plant" for the Company. In February 2020, Pao An Fire Equipment Co., Ltd. filed a motion with the court for the issuance of a payment order against the Company on the ground that the Company has not yet made a final payment plus an additional construction payment, totaling \$82,411. Following an objection raised by the Company, the case is pending with the Taiwan Taipei District Court. Meanwhile, Pao An Fire Equipment Co., Ltd. expanded the claims made in the original statement of appeal to request the Company to pay a total payable of \$96,559. The Company claimed that since the construction is under the acceptance by some owners, therefore, the conditions required for the final payment have not been met. For the additional construction payment, the amount confirmed on the site by both parties' engineers at the time shall be a few millions of dollars. 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.

- F. For the requirement of construction payment of Formosa Petrochemical Corp. 60KTA Isoprene unit construction, LING RONG ENTERPRISE CO., LTD. required the Company for expediting expenses and additional construction payment in the total amount of \$89,164. Research Development Center of Construction Law filed an assessment report on December 26, 2022. The case is under trial of Taiwan Taipei District Court.

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 7, 2023 are provided in Note 6 (23) F.
- B. Details of the issuance of restricted shares on January 1, 2023 are provided in Note 6(20)B.
- C. On November 2, 2022, in order to increase the Company's medium and long-term operating funds, repay bank borrowings, and strengthen the Company's financial structure, the Board of Directors of the Company resolved to issue unsecured ordinary corporate bonds with a total amount not exceeding \$1,700,000.
- D. MIE INDUSTRIAL SDN. BHD. has applied with the Singapore International Arbitration Center for arbitration on February 22, 2023 alleging that the Company did not pay the settlement before December 31, 2022 in accordance with the 'settlement agreement of P1/P28B project' entered into by both parties on January 28, 2022. MIE INDUSTRIAL SDN. BHD. asked the Company for settlement amounting to MYR\$49,000 thousand, with interest at 5% per annum from January 1, 2023 until the date of repayment, losses incurred on the Company's failure of paying on time and arbitration expense. The case is currently in the arbitration procedure with the Singapore International Arbitration Center. As the arbitration has just begun, it is difficult to assess the result of the arbitration.

12. OTHERS

(1) Capital risk management

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2022.

The gearing ratios as of December 31, 2022 and 2021 were as follows:

	December 31, 2022	December 31, 2021
Total borrowings	\$ 10,692,801	\$ 8,989,470
Total equity	\$ 17,426,505	\$ 16,580,555
Gearing ratio	61.36%	54.22%

(2) Financial risk of financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</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	<u>\$ 334,258</u>	<u>\$ 2,982,710</u>
Financial assets at fair value through other comprehensive income	<u>\$ 1,022,580</u>	<u>\$ 1,894,225</u>
Financial assets at amortized cost		
Cash and cash equivalents	\$ 6,021,718	\$ 9,243,520
Financial assets at amortized cost - current	300,300	1,364,300
Notes receivable	227	-
Accounts receivable	1,520,848	1,648,239
Accounts receivable due from related parties	575,692	888,089
Other receivables	22,045	43,593
Other receivables due from related parties	4,638,510	1,756,259
Refundable deposits	<u>249,180</u>	<u>205,351</u>
	<u>\$ 13,328,520</u>	<u>\$ 15,149,351</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities mandatorily measured at fair value through profit or loss	<u>\$ 18,241</u>	<u>\$ 23,120</u>
Financial liabilities at amortized cost		
Short-term borrowings	\$ 1,700,000	\$ -
Notes payable	3,388	54
Accounts payable	8,580,085	7,675,296
Accounts payable due to related parties	539,267	486,221
Other payables	1,327,947	1,314,994
Other payables due to related parties	5,969	4,208
Guarantee deposits received	194,155	159,770
Bonds payable	<u>8,992,801</u>	<u>8,989,470</u>
	<u>\$ 21,343,612</u>	<u>\$ 18,630,013</u>
Lease liability	<u>\$ 2,497,135</u>	<u>\$ 2,677,761</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 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 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, 2022			
	Foreign Currency		
	Amount		
	(In Thousands)	Exchange Rate	Book Value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 159,873	30.6980	\$ 4,907,781
EUR : NTD	4,763	32.6535	155,539
JPY : NTD	22,739	0.2290	5,207
SGD : NTD	2,566	22.7874	58,479
CNY : NTD	10,113	4.4013	44,510
VND : NTD	118,554,595	0.0013	154,121
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	2,358	30.6980	72,386
EUR : NTD	841	32.6535	27,462
THB : NTD	10,606	0.8855	9,392

December 31, 2021				
(Foreign currency: functional currency)	Foreign Currency			
	Amount			
	(In Thousands)	Exchange Rate	Book Value	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	91,082	27.6740	\$ 2,520,603
THB : NTD		445,270	0.8275	368,461
EUR : NTD		7,427	31.3948	233,169
JPY : NTD		129,198	0.2406	31,085
SGD : NTD		949	20.4742	19,430
CNY : NTD		12,606	4.3448	54,771
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD		94,865	27.6740	2,625,294
EUR : NTD		10,189	31.3948	319,882
CNY : NTD		93,945	4.3448	408,172
JPY : NTD		1,426,893	0.2406	343,310

- 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, 2022 and 2021 amounted to \$67,844 and (\$12,687), respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

December 31, 2022				
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%	\$ 49,078	\$	-
EUR : NTD	1%	1,555		-
JPY : NTD	1%	52		-
SGD : NTD	1%	585		-
CNY : NTD	1%	445		-
VND : NTD	1%	1,541		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	724		-
EUR : NTD	1%	275		-
THB : NTD	1%	94		-

December 31, 2021				
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%	\$ 25,206	\$	-
THB : NTD	1%	3,685		-
EUR : NTD	1%	2,332		-
JPY : NTD	1%	311		-
SGD : NTD	1%	194		-
CNY : NTD	1%	548		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	26,253		-
EUR : NTD	1%	3,199		-
CNY : NTD	1%	4,082		-
JPY : NTD	1%	3,433		-

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, and financial assets at fair value through profit or loss. 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, 2022 and 2021, 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, 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 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, 2022 and 2021, the provision matrix is as follows:

	Excellent customers (Note 1)	General customers (Note 2)	Individual assessment customers	Total
<u>December 31, 2022</u>				
Expected loss rate	0.03%	0.21%	0.00%	
Total book value	\$ 1,061,657	\$ 1,021,249	\$ 15,764	\$ 2,098,670
Loss allowance	- (	2,130)	- (	2,130)
<u>December 31, 2021</u>				
Expected loss rate	0.03%	0.05%	1.09%	
Total book value	\$ 1,103,681	\$ 1,336,401	\$ 98,024	\$ 2,538,106
Loss allowance	- (	714)	(1,064)	(1,778)

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:

	2022	2021
At January 1	\$ 1,778	\$ 301
Provision for impairment	352	1,477
At December 31	\$ 2,130	\$ 1,778

(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, 2022	Less than 1 year	More than 1 year
Short-term borrowings	\$ 1,700,000	\$ -
Notes payable	3,388	-
Accounts payable (including related parties)	9,119,352	-
Other payables (including related parties)	1,333,916	-
Guarantee deposits received	-	194,155
Lease liability	485,587	2,099,444
Bonds payable	77,100	9,088,650

Non-derivative financial liabilities:

December 31, 2021	Less than 1 year	More than 1 year
Notes payable	\$ 54	\$ -
Accounts payable (including related parties)	8,161,517	-
Other payables (including related parties)	1,319,202	-
Guarantee deposits received	-	159,770
Lease liability	400,080	2,341,002
Bonds payable	77,100	9,165,750

Derivative financial liabilities:

December 31, 2022	Less than 3 months	Between 3 months and 1 year
Forward exchange contracts	\$ -	\$ -
Merchandise exchange contract	442	207
Foreign exchange swap contract	16,581	1,011

Derivative financial liabilities:

December 31, 2021	Less than 3 months	Between 3 months and 1 year
Forward exchange contracts	\$ 10,284	\$ 6,319
Merchandise exchange contract	4,607	1,910

(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, 2022</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	\$ 237,232	\$ -	\$ -	\$ 237,232
Derivative financial assets	-	97,026	-	97,026
Financial assets at fair value through other comprehensive income				
Equity securities -current	193,932	-	-	193,932
Equity securities -non current	-	-	828,648	828,648
Total	<u>\$ 431,164</u>	<u>\$ 97,026</u>	<u>\$ 828,648</u>	<u>\$ 1,356,838</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 18,241</u>	<u>\$ -</u>	<u>\$ 18,241</u>

<u>December 31, 2021</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	\$ 2,930,844	\$ -	\$ -	\$ 2,930,844
Derivative financial assets	-	51,866	-	51,866
Financial assets at fair value through other comprehensive income				
Equity securities -current	228,942	-	-	228,942
Equity securities -non current	-	-	1,665,283	1,665,283
Total	<u>\$ 3,159,786</u>	<u>\$ 51,866</u>	<u>\$ 1,665,283</u>	<u>\$ 4,876,935</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 23,120</u>	<u>\$ -</u>	<u>\$ 23,120</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

- i. 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>
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, 2022 and 2021.

D. Movements on Level 3 for the years ended December 31, 2022 and 2021 are as follows:

	2022
	<u>Equity securities</u>
At January 1	\$ 1,665,283
Gains and losses recognized in other comprehensive income Recorded as unrealized losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	(836,635)
Additions	-
Proceeds from capital reduction	-
At December 31	<u>\$ 828,648</u>

	2021
	<u>Equity securities</u>
At January 1	\$ 1,328,178
Gains and losses recognized in profit or loss Recorded as unrealized gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	292,340
Additions	190,905
Proceeds from capital reduction	(146,140)
At December 31	<u>\$ 1,665,283</u>

E. For the years ended December 31, 2022 and 2021, 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, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 3,165	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	Median:1.86 Average:2.05 Liquidity discount: 17.5%	The higher the multiple and control premium, the higher the fair value
Unlisted shares	572,483	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	Median:0.96 Average:1.13 Liquidity discount: 25%	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, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,412,283	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	Median:1.11~2.02 Average:1.14~1.86 Liquidity discount: 17.5%~25.00%	The higher the multiple and control premium, the higher the fair value
Unlisted shares	253,000	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, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Price to book ratio multiple, discount for lack of marketability	± 1%	\$ -	\$ -	\$ 5,756	(\$ 5,756)
			December 31, 2021			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Price to book ratio multiple, discount for lack of marketability	± 1%	\$ -	\$ -	\$ 14,123	(\$ 14,123)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): 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: Refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: 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: Refer to table 6.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 7.
- I. Derivative financial instruments undertaken during the reporting periods: Refer to Notes 6(2) and 12(2).
- J. Significant inter-company transactions during the reporting periods: Refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: 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%: Refer to table 11.

Table 1

CTCI Corporation and its subsidiaries
Loans to others
For the year ended December 31, 2022

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 December 31, 2022 (Note 3)	Balance at December 31, 2022 (Note 8)	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
													Item	Value			
0	CTCI Corp.	CTCI Development Corp.	Other receivables	Yes	\$ 800,000	\$ 800,000	\$ 515,000	1.40%~1.65%	2	-	For operational need	\$ -	None	\$ -	\$ 3,485,301	\$ 6,970,602	-
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	Other receivables	Yes	643,660	-	-	-	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	CTCI Arabia Ltd.	Other receivables	Yes	643,660	613,960	24,558	4.80%	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	ECOVE Solar Energy Corp.	Other receivables	Yes	1,150,000	-	-	-	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	ECOVE Solar Power Corp.	Other receivables	Yes	450,000	-	-	-	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	ECOVE South Corp. Ltd.	Other receivables	Yes	100,000	-	-	-	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	CTCI Americas Inc.	Other receivables	Yes	2,913,060	2,885,612	2,486,538	3.28%~5.32%	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	Other receivables	Yes	1,534,005	1,212,571	1,212,571	1.05%~4.80%	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Other receivables	Yes	986,885	613,960	331,538	4.00%	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
0	CTCI Corp.	CTCI (Thailand) Co. ,Ltd	Other receivables	Yes	800,000	-	-	-	2	-	For operational need	-	None	-	3,485,301	6,970,602	-
1	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Other receivables	Yes	1,715,000	1,715,000	1,347,000	1.08~1.45%	2	-	For operational need	-	None	-	2,370,558	2,370,558	-
1	ECOVE Environment Corp.	ECOVE Solar Power Corp.	Other receivables	Yes	583,000	450,000	450,000	1.08%	2	-	For operational need	-	None	-	2,370,558	2,370,558	-
1	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	Other receivables	Yes	100,000	100,000	100,000	1.08%	2	-	For operational need	-	None	-	2,370,558	2,370,558	-
2	ECOVE Environment Services Corp.	CTCI Machinery Corp.	Other receivables	Yes	233,000	-	-	-	2	-	For operational need	-	None	-	413,879	413,879	-
2	ECOVE Environment Services Corp.	ECOVE South Corp. Ltd.	Other receivables	Yes	30,000	-	-	-	2	-	For operational need	-	None	-	413,879	413,879	-
2	ECOVE Environment Services Corp.	CTCI Development Corp.	Other receivables	Yes	210,000	-	-	-	2	-	For operational need	-	None	-	413,879	413,879	-
3	ECOVE Waste Management Corp.	CTCI Machinery Corp.	Other receivables	Yes	31,000	-	-	-	2	-	For operational need	-	None	-	47,526	47,526	-

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 3)	Balance at December 31, 2022 (Note 8)	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
													Item	Value			
4	CTCI Investment Corp.	Superiority (Thailand) Co., Ltd.	Other receivables	Yes	\$ 64,206	\$ -	\$ -	-	2	-	For operational need	\$ -	None	\$ -	\$ 345,908	\$ 345,908	-
4	CTCI Investment Corp.	CTCI Development Corp.	Other receivables	Yes	150,000	124,000	124,000	0.75%	2	-	For operational need	-	None	-	345,908	345,908	-
4	CTCI Investment Corp.	CIPEC Construction Inc.	Other receivables	Yes	23,172	100	-	-	2	-	For operational need	-	None	-	345,908	345,908	-
4	CTCI Investment Corp.	CTCI-HDEC (Chungli) Corp.	Other receivables	Yes	100,000	100,000	-	-	2	-	For operational need	-	None	-	345,908	345,908	-
5	CTCI Advanced System Inc.	CTCI Smart Engineering Corp.	Other receivables	Yes	145,000	-	-	-	2	-	For operational need	-	None	-	279,171	279,171	-
5	CTCI Advanced System Inc.	CTCI Development Corp.	Other receivables	Yes	250,000	40,000	-	-	2	-	For operational need	-	None	-	279,171	279,171	-
6	CTCI Resources Engineering Inc.	CTCI Development Corp.	Other receivables	Yes	170,000	-	-	-	2	-	For operational need	-	None	-	294,615	294,615	-
6	CTCI Resources Engineering Inc.	ECOVE Solar Power Corp.	Other receivables	Yes	260,000	260,000	260,000	1.325%~1.45%	2	-	For operational need	-	None	-	294,615	294,615	-
6	CTCI Resources Engineering Inc.	CTCI Smart Engineering Corp.	Other receivables	Yes	150,000	-	-	-	2	-	For operational need	-	None	-	294,615	294,615	-
7	PT CTCI International Indonesia	PT Gudang Gajah Lestari	Other receivables	Yes	18,400	18,400	18,369	6.00%	2	-	For operational need	-	Guaranteed by equity interest	17,340	236,404	236,404	-
7	PT CTCI International Indonesia	PT Eptco Dian Persada	Other receivables	Yes	1,862	-	-	-	2	-	For operational need	-	None	-	236,404	236,404	-
8	CTCI Overseas Co., Ltd.	CTCI Arabia Ltd.	Other receivables	Yes	740,209	706,054	706,054	2.45%~2.54%	2	-	For operational need	-	None	-	3,717,462	3,717,462	-
8	CTCI Overseas Co., Ltd.	Superiority (Thailand) Co., Ltd.	Other receivables	Yes	67,298	67,298	66,944	1.00%	2	-	For operational need	-	None	-	1,486,985	3,717,462	-
8	CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Other receivables	Yes	300,392	245,584	144,588	3.27%~4.80%	2	-	For operational need	-	None	-	1,486,985	3,717,462	-
8	CTCI Overseas Co., Ltd.	CIPEC Construction Inc.	Other receivables	Yes	20,213	-	-	-	2	-	For operational need	-	None	-	1,486,985	3,717,462	-
8	CTCI Overseas Co., Ltd.	CCJV P1 Engineering & Construction Sdn. Bhd.	Other receivables	Yes	148,610	76,745	76,745	2.54%	2	-	For operational need	-	None	-	1,486,985	3,717,462	-
8	CTCI Overseas Co., Ltd.	CTCI Americas Inc.	Other receivables	Yes	1,448,235	1,381,410	1,381,410	3.29%~4.80%	2	-	For operational need	-	None	-	3,717,462	3,717,462	-
8	CTCI Overseas Co., Ltd.	CTCI Malaysia Sdn. Bhd.	Other receivables	Yes	32,183	30,698	21,489	3.27%	2	-	For operational need	-	None	-	1,486,985	3,717,462	-
9	CTCI Development Corp.	CIPEC Construction Inc.	Other receivables	Yes	350,795	334,608	334,608	3.28%	2	-	For operational need	-	None	-	1,416,261	3,793,365	-

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, 2022.

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 40% and 100% of the company net assets value, respectively.
- (2) The ceiling on total loans shall not exceed 40% and 100% of the company 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

Expressed in thousands of NTD
(Except as otherwise indicated)

<div>CTCI Corporation and its subsidiaries</div> <div>Provision of endorsements and guarantees to others</div> <div>For the year ended December 31, 2022</div>														
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, 2022 (Note 4)	Outstanding endorsement/ guarantees amount at December 31, 2022 (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/g uarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/g uarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	CTCI Corp.	CINDA Engineering & Construction Pvt. Ltd.	2	\$ 104,559,030	\$ 5,155,255	\$ 4,275,966	\$ 2,156,372	\$ -	24.54%	\$ 174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Americas, Inc.	2	104,559,030	23,625,686	22,583,303	16,141,043	-	129.59%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Arabia Ltd.	2	104,559,030	2,928,653	2,333,048	735,217	-	13.39%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	2	104,559,030	1,505,214	1,258,618	741,653	-	7.22%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Overseas Co., Ltd.	2	104,559,030	4,246,979	2,852,490	771,352	-	16.37%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Beijing Co., Ltd.	2	104,559,030	5,587,176	5,498,620	4,285,558	-	31.55%	174,265,050	Y	N	Y	-
0	CTCI Corp.	CTCI Machinery Corp.	2	104,559,030	15,832,701	15,313,502	12,262,153	-	87.87%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Vietnam Company Limited	2	104,559,030	96,549	92,094	27,675	-	0.53%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	2	104,559,030	4,032,009	3,739,961	952,710	-	21.46%	174,265,050	Y	N	N	-
0	CTCI Corp.	Universal Engineering (BVI) Corporation	2	104,559,030	32,183	30,698	-	-	0.18%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Shanghai Co., Ltd.	2	104,559,030	694,635	532,224	6,132	-	3.05%	174,265,050	Y	N	Y	-
0	CTCI Corp.	CTCI Smart Engineering Corp.	2	104,559,030	7,327,789	7,324,986	5,062,365	-	42.03%	174,265,050	Y	N	N	-
0	CTCI Corp.	PT CTCI Internatioanl Indonesia	2	104,559,030	1,911,385	1,893,375	1,311,227	-	10.86%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Chemical Corp.	2	104,559,030	154,478	147,350	7,612	-	0.85%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI-HDEC (Chungli) Corp.	6	104,559,030	2,144,785	2,144,785	359,785	-	12.31%	174,265,050	Y	N	N	-
0	CTCI Corp.	CB&I-CTCI B.V.	6	104,559,030	2,273,180	2,168,290	2,168,290	-	12.44%	174,265,050	N	N	N	-
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	2	104,559,030	2,580,821	2,247,196	368,534	-	12.90%	174,265,050	Y	N	N	-
0	CTCI Corp.	Blue Whale Water Technology Co., Ltd.	6	104,559,030	867,300	867,300	261,660	-	4.98%	174,265,050	N	N	N	-
0	CTCI Corp.	HDEC-CTCI (Linhai) Corp.	6	104,559,030	1,215,000	1,215,000	688,500	-	6.97%	174,265,050	N	N	N	-
0	CTCI Corp.	Bao Ding Reclaimed Water Co., Ltd	6	104,559,030	666,000	666,000	80,000	-	3.82%	174,265,050	N	N	N	-
0	CTCI Corp.	EVER ECOVE Corp.	6	104,559,030	1,024,400	999,775	783,075	-	5.74%	174,265,050	N	N	N	-
0	CTCI Corp.	CIPEC Construction Inc.	2	104,559,030	491,291	483,849	153,849	-	2.78%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Malaysia Sdn. Bhd.	2	104,559,030	756,301	491,168	21,489	-	2.82%	174,265,050	Y	N	N	-
0	CTCI Corp.	CTCI Resources Engineering Inc.	2	104,559,030	535,267	535,267	535,267	-	3.07%	174,265,050	Y	N	N	-
1	CTCI Advanced System Inc.	Century Ahead Ltd.	2	2,093,784	17,238	15,349	-	-	2.20%	4,187,568	N	N	N	-
1	CTCI Advanced System Inc.	CTCI Advanced Systems Shanghai Inc.	2	2,093,784	22,535	22,007	-	-	3.15%	4,187,568	N	N	Y	-
1	CTCI Advanced System Inc.	CTCI Resources Engineering Inc.	2	2,093,784	475,599	475,599	475,599	-	68.14%	4,187,568	N	N	N	-
2	CTCI Resources Engineering Inc.	CTCI Smart Engineering Corp.	5	2,209,611	26,679	26,679	26,679	-	3.62%	4,419,221	N	N	N	-
3	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	2	11,852,790	300,000	200,000	-	-	3.37%	17,779,185	N	N	N	-
3	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	2	11,852,790	2,659,622	2,170,000	434,005	-	36.62%	17,779,185	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, 2022 (Note 4)	Outstanding endorsement/ guarantees amount at December 31, 2022 (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/g uarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/g uarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
3	ECOVE Environment Corp.	ECOVE Solar Power Corp.	2	\$ 11,852,790	\$ 1,120,000	\$ 1,120,000	\$ 183,351	\$ -	18.90%	17,779,185	N	N	N	-
3	ECOVE Environment Corp.	ECOVE Environment Services Gangshan Corp.	2	11,852,790	900,000	900,000	250,000	-	15.19%	17,779,185	N	N	N	-
3	ECOVE Environment Corp.	ECOVE Solvent Recycling Corp.	2	11,852,790	207,600	150,000	20,000	-	2.53%	17,779,185	N	N	N	-
3	ECOVE Environment Corp.	EVER ECOVE Corp.	6	11,852,790	208,000	203,000	159,000	-	3.43%	17,779,185	N	N	N	-
4	ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	2	6,873,945	181,760	100,000	-	-	5.82%	10,310,918	N	N	N	-
5	ECOVE Solar Power Corp.	ECOVE Solar Energy Corp.	3	1,620,968	30,006	30,006	30,006	-	7.40%	2,431,452	N	N	N	-
6	ECOVE Environment Services Corp.	Jing Ding Green Energy Corp.	6	4,138,791	1,773,100	1,733,100	268,200	-	167.50%	6,208,186	N	N	N	-
6	ECOVE Environment Services Corp.	Bao Ding Reclaimed Water Co., Ltd.	6	4,138,791	333,000	333,000	40,000	-	32.18%	6,208,186	N	N	N	-
7	CTCI Chemical Corp.	CTCI Machinery Corp.	5	860,075	532,830	-	-	-	0.00%	1,720,150	N	N	N	-

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 600% 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 1,000% 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 200% 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 300% 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, 2022

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, 2022				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Market value	
CTCI Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	13,931,138	191,082	-	191,745	-
CTCI Corp.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss-current	1,140,053	18,546	-	18,678	-
CTCI Corp.	Fund	Allianz Global Investors Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,105,229	26,678	-	26,809	-
						236,306		\$ 237,232	
				Adjustment		926			
						\$ 237,232			
CTCI Corp.	Common Stock	China Steel Chemical Corp.	-	Financial assets at fair value through other comprehensive income-current	1,028,000	43,279	-	109,996	-
CTCI 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	2,447,109	68,448	-	83,936	-
						111,727		\$ 193,932	
				Adjustment		82,205			
						\$ 193,932			
CTCI Corp.	Common Stock	Core Pacific City Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	147,616	\$ 3,600	1.46	\$ 3,165	-
CTCI Corp.	Common Stock	Ever Victory Global Limited	-	Financial assets at fair value through other comprehensive income-non-current	36,405,000	1,103,219	5.88	572,483	-
CTCI Corp.	Common Stock	Heng Keng Corp.	-	Financial assets at fair value through other comprehensive income-non-current	20,000	3,000	5.12	-	-
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	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	-
						1,362,819		\$ 828,648	
				Adjustment		(534,171)			
						\$ 828,648			

Securities held by	Marketable Securities (Note 1)		Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2022				Footnote (Note 4)
	Type	Name			Number of shares/ denominations	Book value (Note 3)	Ownership (%)	Market value	
CTCI Corp.	Unsecured Corporate Bond	B9AM02-P10 ECOVE Environment Corp. 1B	-	Amortized cost financial assets-non current	100,000,000	\$ 100,000	-	\$ 100,000	-
CTCI Investment Corp.	Fund	Yuanta ETF Umbrella Fund	-	Financial assets at fair value through profit or loss-current	1,000,000	9,950	-	9,950	-
CTCI Investment Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	344,436	14,415	0.04	14,415	-
CTCI Investment Corp.	Common Stock	Powtec ElectroChemical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	211,291,688	-	16.03	-	-
CTCI Development Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	912,170	38,311	0.12	38,311	-
CTCI Development Corp.	Common Stock	CTCI Advanced System Inc.	Subsidiary	Financial assets at fair value through other comprehensive income-non-current	1,239,124	97,147	4.45	97,147	-
Crown Asia-2 Investment Limited	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-non-current	500	21	-	21	-
CTCI Advanced System Inc.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	3,061,648	42,140	-	42,140	-
CTCI Resources Engineering Inc.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	20,375,046	280,438	-	280,438	-
CTCI Resources Engineering Inc.	Fund	Yuanta De- Li Money Market Fund	-	Financial assets at fair value through profit or loss-current	18,528,640	306,979	-	306,979	-
CTCI Resources Engineering Inc.	Fund	Yuanta De- Bao Money Market Fund	-	Financial assets at fair value through profit or loss-current	9,058,153	110,513	-	110,513	-
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	1,122,923	38,516	-	38,516	-
ECOVE Environment Corp.	Common Stock	Eastern Pacific Energy Sdn. Bhd.	-	Financial assets at fair value through other comprehensive income-non-current	10,000	68	-	68	-
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	584,287	20,041	-	20,041	-
ECOVE Environment Corp.	Fund	Yuanta De- Li Money Market Fund	-	Financial assets at fair value through profit or loss-current	39,919,485	661,378	-	661,378	-
ECOVE Environment Corp.	Fund	Capital Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,446,648	40,085	-	40,085	-
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	587,686	20,158	-	20,158	-
ECOVE Wujih Energy Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	39,166,638	539,082	-	539,082	-
ECOVE Environment Services Corp.	Common Stock	CTCI Corp.	The Company	Financial assets at fair value through other comprehensive income-current	1,028	43	-	43	-
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	1,547,328	53,073	-	53,073	-
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	591,804	20,299	-	20,299	-
ECOVE Waste Management Corp.	Common Stock	ECOVE Environment Corp.	Subsidiary	Financial assets at fair value through other comprehensive income-current	1,605	396	-	396	-
ECOVE Waste Management Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,980,827	41,028	-	41,028	-
ECOVE Mioali Energy Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	14,697,836	202,298	-	202,298	-
Yuan Ding Resources Management Corp.	Fund	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss-current	2,590,966	39,044	-	39,044	-
CTCI Machinery Corp.	Fund	Yuanta De- Bao Money Market Fund	-	Financial assets at fair value through profit or loss-current	30,301,906	369,694	-	369,694	-
CTCI Machinery Corp.	Fund	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss-current	30,611,024	421,324	-	421,324	-
CTCI Machinery Corp.	Fund	Yuanta De- Li Money Market Fund	-	Financial assets at fair value through profit or loss-current	29,026,699	480,909	-	480,909	-

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.

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, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2022		Addition (Note 3)		Disposal (Note 3)			Balance as at December 31, 2022		
					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	-	-	123,342	\$ 1,685,133	170,281	\$ 2,335,000	279,691	\$ 3,837,000	\$ 3,829,051	\$ 7,949	13,932	\$ 191,082
CTCI Corp.	Allianz Global Investors Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	2,970	37,535	48,130	609,882	48,996	623,095	620,740	2,355	2,104	26,677
CTCI Corp.	Yuanta De- Li Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	36,365	600,000	36,365	600,856	600,000	856	-	-
CTCI Corp.	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	49,364	600,000	49,364	600,462	600,000	462	-	-
CTCI Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	38,748	600,000	38,748	600,420	600,000	420	-	-
CTCI Corp.	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	50,299	720,936	17,369	250,000	67,668	972,494	970,936	1,558	-	-
ECOVE Environment Corp.	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	30,747	475,204	-	-	30,747	476,098	475,204	894	-	-
ECOVE Environment Corp.	Yuanta De- Li Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	43,843	725,000	3,924	65,000	64,869	131	39,919	660,131
ECOVE Wujih Energy Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	8,589	117,207	39,167	538,000	8,589	117,741	117,207	534	39,167	538,000
CTCI Resources Engineering Inc.	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	42,143	696,648	23,614	390,144	389,669	475	18,529	306,979
CTCI Resources Engineering Inc.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	38,651	530,438	18,276	250,126	250,000	126	20,375	280,438
CTCI Resources Engineering Inc.	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	38,237	465,343	29,178	355,029	354,830	199	9,059	110,513
CTCI Machinery Corp.	Yuanta De- Li Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	46,008	760,000	16,981	280,153	280,000	153	29,027	480,000
CTCI Machinery Corp.	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	72,415	880,000	42,113	513,000	511,751	1,249	30,302	368,249
CTCI Machinery Corp.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	43,022	590,000	12,411	170,078	169,909	169	30,611	420,091

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

<div>CTCI Corporation and its subsidiaries</div> <div>Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more</div> <div>For the year ended December 31, 2022</div>													
												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 Corp.	Unfinished construction	2020/7/14	\$ 371,685	\$ 371,685	HUA FENG Build Co., Ltd.	-	-	-	-	\$ -	According to the contract signed by both parties	The requirements in business	None
ECOVE Environment Services Corp.	Land	2022/7/19	2,376,900	475,380	Industrial Development Bureau, Ministry of Economic Affairs	-	-	-	-	-	Bid price	Acquisition of environmental land	Note4

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.

Note 4: If ECOVE Environment Services Corp. doesn't obtain the approval documents for waste collection and complete the land use based on the approved plan within 3 years after the approval of the environmental impact statements or the assessment reports, the completion deposits would not be refunded and shall be turned over to the industrial park development and management fund, Ministry of Economic Affairs. In addition, the Industrial Development Bureau shall repurchase the land mandatorily at the original price with no interest bearing.

ECOVE Environment Services Corp. assumes the consideration for land used from the turn over completion day of the bid land to the day before the return of the land to the Industrial Development Bureau (calculated by multiplying the total area of the bid land by 12% of the present value of land).

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, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party 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 Environment Services Corp.	ECOVE Environment Services Gangshan Corp.	Second-tier subsidiary	(Sales)	(\$ 508,849)	(0.54%)	30 days after monthly billings	Negotiated by both parties	No significant difference	\$ 60,373	0.45%	-
ECOVE Environment Services Corp.	ECOVE Wujih Energy Corp.	Second-tier subsidiary	(Sales)	(263,168)	(0.28%)	30 days after monthly billings	Negotiated by both parties	No significant difference	23,166	0.17%	-
ECOVE Environment Services Corp.	ECOVE Mioali Energy Corp.	Second-tier subsidiary	(Sales)	(162,299)	(0.17%)	30 days after monthly billings	Negotiated by both parties	No significant difference	31,859	0.24%	-
CTCI Machinery Corp.	PT CTCI International Indonesia	Subsidiary	(Sales)	(760,893)	(0.80%)	30 days after monthly billings	Negotiated by both parties	No significant difference	34,089	0.25%	-
CTCI Beijing Co., Ltd.	CINDA Engineering & Construction Private Limited	Subsidiary	(Sales)	(129,248)	(0.14%)	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Corp.	CTCI Machinery Corp.	Subsidiary	(Sales)	(572,903)	(0.60%)	30 days after monthly billings	Negotiated by both parties	No significant difference	40,945	0.30%	-
CTCI Corp.	CTCI-HDEC (Chungli) Corp.	Subsidiary	(Sales)	(308,149)	(0.32%)	30 days after monthly billings	Negotiated by both parties	No significant difference	145,304	1.07%	-
CTCI Corp.	Ho-Ping Power Company	The Company’s other related party	(Sales)	(679,432)	(0.71%)	30 days after monthly billings	Negotiated by both parties	No significant difference	292,635	2.16%	-
CTCI Machinery Corp.	CTCI Corp.	Subsidiary	(Sales)	(429,895)	(0.45%)	30 days after monthly billings	Negotiated by both parties	No significant difference	66,653	0.49%	-
CTCI Advanced System Inc.	CTCI Corp.	Subsidiary	(Sales)	(238,324)	(0.25%)	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	73,042	0.54%	-
CTCI Resources Engineering Inc.	CTCI Corp.	Second-tier subsidiary	(Sales)	(607,088)	(0.64%)	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	111,051	0.82%	-
CTCI Resources Engineering Inc.	Taiwan Cement Corp. Hoping Branch	Second-tier subsidiary	(Sales)	(1,072,792)	(1.13%)	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	151,160	1.12%	-
CTCI Development Corp.	CTCI Corp.	Subsidiary	(Sales)	(372,257)	(0.39%)	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Chemical Corp.	CTCI Corp.	Subsidiary	(Sales)	(110,604)	(0.12%)	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Vietnam Co.,Ltd	CTCI Corp.	Subsidiary	(Sales)	(105,630)	(0.11%)	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
ECOVE Environment Services Gangshan Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	508,849	0.57%	30 days after monthly billings	Negotiated by both parties	No significant difference	(60,373)	(0.32%)	-
ECOVE Wujih Energy Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	263,168	0.29%	30 days after monthly billings	Negotiated by both parties	No significant difference	(23,166)	(0.12%)	-
ECOVE Mioali Energy Corp.	ECOVE Environment Services Corp.	Second-tier subsidiary	Purchases	162,299	0.18%	30 days after monthly billings	Negotiated by both parties	No significant difference	(31,859)	(0.17%)	-
PT CTCI International Indonesia	CTCI Machinery Corp.	Subsidiary	Purchases	760,893	0.85%	30 days after monthly billings	Negotiated by both parties	No significant difference	(34,089)	(0.18%)	-
CINDA Engineering & Construction Private Limited	CTCI Beijing Co., Ltd.	Subsidiary	Purchases	129,248	0.14%	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Machinery Corp.	CTCI Corp.	Subsidiary	Purchases	572,903	0.64%	30 days after monthly billings	Negotiated by both parties	No significant difference	(40,945)	(0.30%)	-

			Transaction		Differences in transaction terms compared to third party 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
CTCI-HDEC (Chungli) Corp.	CTCI Corp.	Subsidiary	Purchases	\$ 308,149	0.34%	30 days after monthly billings	Negotiated by both parties	No significant difference	(\$ 145,304)	(1.07%)	-
Ho-Ping Power Company	CTCI Corp.	The Company's other related party	Purchases	679,432	0.76%	30 days after monthly billings	Negotiated by both parties	No significant difference	(292,635)	(2.16%)	-
CTCI Corp.	CTCI Machinery Corp.	Subsidiary	Purchases	429,895	0.48%	30 days after monthly billings	Negotiated by both parties	No significant difference	(66,653)	(0.35%)	-
CTCI Corp.	CTCI Advanced System Inc.	Subsidiary	Purchases	238,324	0.27%	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	(73,042)	(0.54%)	-
CTCI Corp.	CTCI Resources Engineering Inc.	Second-tier subsidiary	Purchases	607,088	0.68%	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	(111,051)	(0.82%)	-
CTCI Corp.	CTCI Chemical Corp.	Subsidiary	Purchases	110,604	0.12%	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
CTCI Corp.	CTCI Vietnam Co.,Ltd	Subsidiary	Purchases	105,630	0.12%	30 days after monthly billings	Negotiated by both parties	No significant difference	-	-	-
Taiwan Cement Corp. Hoping Branch	CTCI Resources Engineering Inc.	The Company's other related party	Purchases	1,072,792	1.20%	Based on service contract 40-60 days	Negotiated by both parties	No significant difference	(151,160)	(1.12%)	-

CTCI Corporation and its subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
CTCI Corp.	CTCI Development Corp.	Subsidiary	\$ 515,000	Note 1	\$ -	-	\$ -	\$ -
CTCI Corp.	CTCI Americas Inc.	Second-tier subsidiary	2,486,538	Note 1	-	-	-	-
CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	Subsidiary	1,212,571	Note 1	-	-	-	-
CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Subsidiary	331,538	Note 1	-	-	-	-
CTCI Corp.	CTCI-HDEC (Chungli) Corp.	Subsidiary	145,304	0.11	-	-	-	-
CTCI Corp.	Ho-Ping Power Company	The Company's other related party	292,635	1.39	-	-	-	-
ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Second-tier subsidiary	1,353,365	Note 2	-	Note 2	-	-
ECOVE Environment Corp.	ECOVE Solar Power Corp.	Second-tier subsidiary	450,413	Note 2	-	Note 2	-	-
ECOVE Environment Corp.	ECOVE South Corp. Ltd.	Second-tier subsidiary	100,092	Note 2	-	Note 2	-	-
CTCI Investment Corp.	CTCI Development Corp.	Subsidiary	124,000	Note 1	-	-	-	-
CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	Subsidiary	144,588	Note 1	-	-	-	-
CTCI Overseas Co., Ltd.	CTCI Americas Inc.	Second-tier subsidiary	1,381,410	Note 1	-	-	-	-
CTCI Overseas Co., Ltd.	CTCI Arabia Ltd.	Subsidiary	706,054	Note 1	-	-	-	-
CTCI Development Corp.	CIPEC Construction Inc.	Second-tier subsidiary	334,608	Note 1	-	-	-	-
CTCI Resources Engineering Inc.	CTCI Corp.	The Company	111,051	4.77	-	-	-	-
CTCI Resources Engineering Inc.	Taiwan Cement Corp. Hoping Branch	The Company's other related party	151,160	10.14	-	-	-	-
CTCI Resources Engineering Inc.	ECOVE Solar Power Corp.	Subsidiary	260,000	Note 1	-	-	-	-

Note 1 : Receivables arising from lending capital and personnel's transfer.

Note 2 : Other accounts receivable arising from lending capital , director's remuneration.

CTCI Corporation and its subsidiaries
Significant inter-company transactions during the reporting period
For the year ended December 31, 2022

Table 8

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	CTCI Corp.	CTCI-HDEC (Chungli) Corp.	1	Accounts receivable	\$ 145,304	Negotiated by both parties	0.15%
1	CTCI Resources Engineering Inc.	CTCI Corp.	2	Accounts receivable	111,051	Negotiated by both parties	0.12%
0	CTCI Corp.	CTCI Development Corp.	1	Other receivables	515,000	Negotiated by both parties	0.55%
0	CTCI Corp.	CTCI Americas Inc.	1	Other receivables	2,486,538	Negotiated by both parties	2.65%
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	1	Other receivables	1,212,571	Negotiated by both parties	1.29%
0	CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	1	Other receivables	331,538	Negotiated by both parties	0.35%
2	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	3	Other receivables	1,353,365	Negotiated by both parties	1.44%
2	ECOVE Environment Corp.	ECOVE Solar Power Corp.	3	Other receivables	450,413	Negotiated by both parties	0.48%
2	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	3	Other receivables	100,092	Negotiated by both parties	0.11%
3	CTCI Investment Corp.	CTCI Development Corp.	3	Other receivables	124,000	Negotiated by both parties	0.13%
4	CTCI Overseas Co., Ltd.	CTCI Engineering & Construction Sdn. Bhd.	3	Other receivables	144,588	Negotiated by both parties	0.15%
4	CTCI Overseas Co., Ltd.	CTCI Americas Inc.	3	Other receivables	1,381,410	Negotiated by both parties	1.47%
4	CTCI Overseas Co., Ltd.	CTCI Arabia Ltd.	3	Other receivables	706,054	Negotiated by both parties	0.75%
5	CTCI Development Corp.	CIPEC Construction Inc.	3	Other receivables	334,608	Negotiated by both parties	0.36%
1	CTCI Resources Engineering Inc.	ECOVE Solar Power Corp.	3	Other receivables	260,000	Negotiated by both parties	0.28%
6	ECOVE Environment Services Corp.	ECOVE Environment Services Gangshan Corp.	3	Sales revenue	508,849	Negotiated by both parties	0.54%
6	ECOVE Environment Services Corp.	ECOVE Wujih Energy Corp.	3	Sales revenue	263,168	Negotiated by both parties	0.28%
6	ECOVE Environment Services Corp.	ECOVE Mioali Energy Corp.	3	Sales revenue	162,299	Negotiated by both parties	0.17%
7	CTCI Machinery Corp.	PT CTCI International Indonesia	3	Sales revenue	760,893	Negotiated by both parties	0.80%
8	CTCI Beijing Co., Ltd.	CINDA Engineering & Construction Private Limited	3	Sales revenue	129,248	Negotiated by both parties	0.14%
7	CTCI Machinery Corp.	CTCI Corp.	2	Sales revenue	429,895	Negotiated by both parties	0.45%
9	CTCI Advanced System Inc.	CTCI Corp.	2	Sales revenue	238,324	Negotiated by both parties	0.25%
1	CTCI Resources Engineering Inc.	CTCI Corp.	2	Sales revenue	607,088	Negotiated by both parties	0.64%
5	CTCI Development Corp.	CTCI Corp.	2	Sales revenue	372,257	Negotiated by both parties	0.39%

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 Machinery Corp.	1	Sales revenue	\$ 572,903	Negotiated by both parties	0.60%
12	CTCI Chemical Corp.	CTCI Corp.	2	Sales revenue	110,604	Negotiated by both parties	0.12%
13	CTCI Vietnam Co.,Ltd	CTCI Corp.	2	Sales revenue	105,630	Negotiated by both parties	0.11%
0	CTCI Corp.	CTCI Overseas (BVI) Corp. and subsidiaries	1	Advance construction receipt	4,982,835	Negotiated by both parties	5.31%
7	CTCI Machinery Corp.	CTCI Corp.	2	Advance construction receipt	3,055,471	Negotiated by both parties	3.26%
10	CTCI (Thailand) Co., Ltd.	CTCI Corp.	2	Advance construction receipt	960,678	Negotiated by both parties	1.02%
0	CTCI Corp.	CTCI Development Corp.	1	Refundable deposits	137,700	Negotiated by both parties	0.15%
0	CTCI Corp.	CINDA Engineering & Construction Pvt. Ltd.	1	Guarantee	4,275,966	Not applicable	Not applicable
0	CTCI Corp.	CTCI Americas Inc.	1	Guarantee	22,583,303	Not applicable	Not applicable
0	CTCI Corp.	CTCI Arabia Ltd.	1	Guarantee	2,333,048	Not applicable	Not applicable
0	CTCI Corp.	CTCI Engineering & Construction Sdn. Bhd.	1	Guarantee	1,258,618	Not applicable	Not applicable
0	CTCI Corp.	CTCI Overseas Co., Ltd.	1	Guarantee	2,852,490	Not applicable	Not applicable
0	CTCI Corp.	CTCI Beijing Co., Ltd.	1	Guarantee	5,498,620	Not applicable	Not applicable
0	CTCI Corp.	CTCI Machinery Corp.	1	Guarantee	15,313,502	Not applicable	Not applicable
0	CTCI Corp.	CTCI Singapore Pte. Ltd.	1	Guarantee	3,739,961	Not applicable	Not applicable
0	CTCI Corp.	CTCI Shanghai Co., Ltd.	1	Guarantee	532,224	Not applicable	Not applicable
0	CTCI Corp.	CTCI Smart Engineering Corp.	1	Guarantee	7,324,986	Not applicable	Not applicable
0	CTCI Corp.	PT CTCI International Indonesia	1	Guarantee	1,893,375	Not applicable	Not applicable
0	CTCI Corp.	CTCI Chemical Corp.	1	Guarantee	147,350	Not applicable	Not applicable
0	CTCI Corp.	CTCI-HDEC (Chungli) Corp.	1	Guarantee	2,144,785	Not applicable	Not applicable
0	CTCI Corp.	CTCI (Thailand) Co., Ltd.	1	Guarantee	2,247,196	Not applicable	Not applicable
0	CTCI Corp.	CIPEC Construction Inc.	1	Guarantee	483,849	Not applicable	Not applicable
0	CTCI Corp.	CTCI Malaysia Sdn. Bhd.	1	Guarantee	491,168	Not applicable	Not applicable
0	CTCI Corp.	CTCI Resources Engineering Inc.	1	Guarantee	535,267	Not applicable	Not applicable
9	CTCI Advanced System Inc.	CTCI Resources Engineering Inc.	3	Guarantee	475,599	Not applicable	Not applicable
2	ECOVE Environment Corp.	ECOVE South Corp. Ltd.	3	Guarantee	200,000	Not applicable	Not applicable
2	ECOVE Environment Corp.	ECOVE Solar Energy Corp.	3	Guarantee	2,170,000	Not applicable	Not applicable
2	ECOVE Environment Corp.	ECOVE Solar Power Corp.	3	Guarantee	1,120,000	Not applicable	Not applicable
2	ECOVE Environment Corp.	ECOVE Environment Services Gangshan Corp.	3	Guarantee	900,000	Not applicable	Not applicable
2	ECOVE Environment Corp.	ECOVE Solvent Recycling Corp.	3	Guarantee	150,000	Not applicable	Not applicable
11	ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	3	Guarantee	100,000	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.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

CTCI Corporation and its subsidiaries
Information on investees (not including investees in Mainland China)
For the year ended December 31, 2022

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, 2022			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	of the investee for the year	recognized by the Company	
									ended December 31, 2022 (Note 2(2))	for the year ended December 31, 2022 (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	(\$ 110,645)	\$ 197,123	\$ 191,386	A subsidiary
CTCI Corp.	CTCI Advanced Systems Inc.	Taiwan	Systems planning, design, integration, and engineering for various IT systems, etc.	107,470	107,470	12,454,461	44.73	286,868	242,986	110,899	A subsidiary
CTCI Corp.	CTCI Development Corp.	Taiwan	Real estate and leasing business	3,281,008	3,281,008	361,454,727	100.00	3,411,173	(714,249)	(709,220)	A subsidiary
CTCI Corp.	CTCI Investment Corp.	Taiwan	General investment	2,072,000	2,072,000	207,200,000	100.00	847,863	(30,053)	(30,053)	A subsidiary
CTCI Corp.	ECOVE Environment Corp.	Taiwan	General investment	938,889	938,889	38,457,105	54.40	3,223,926	1,045,026	573,738	A subsidiary
CTCI Corp.	CTCI (Thailand) Co., Ltd.	Thailand	Design and building of petrochemical plant	116,894	116,894	1,249,500	49.00	152,071	349,790	171,397	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	1,250,111	468,225	468,225	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	(677,462)	(33,724)	(16,862)	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	96,812	289,854	86,956	A second-tier subsidiary
CTCI Corp.	CTCI Singapore Pte. Ltd.	Singapore	Investment and planning of related engineering	996,788	152,254	33,300,000	100.00	(284,223)	1,575	1,575	A subsidiary
CTCI Corp.	CTCI Overseas (BVI) Corp.	BVI	Investment and planning of related engineering	308,554	308,554	6,740,000	100.00	3,815,555	629,964	629,964	A subsidiary
CTCI Corp.	CTCI Engineering & Construction Sdn.Bhd.	Malaysia	Investment and planning of related engineering	4,118	4,118	450,000	60.00	(498,919)	(259,521)	(155,713)	A subsidiary
CTCI Corp.	CTCI CMCE JV Sdn. Bhd	Malaysia	Construction planning	2,759	2,759	382,500	51.00	2,734	10,258	4,465	A subsidiary
CTCI Corp.	CTCI USA Holding Inc.	USA	Investment and planning of related engineering	27,750	27,750	10	100.00	(1,129,485)	(627,177)	(627,177)	A subsidiary
CTCI Corp.	CCJV P1 Engineering & Construction Sdn. Bhd.	Malaysia	Construction planning	1,341,469	2,259	203,197,500	99.00	(143,949)	(42,601)	(42,197)	A subsidiary
CTCI Corp.	CTCI-HDEC (Chungli) Corp.	Taiwan	Sewerage System BOT Project	765,000	765,000	78,948,000	51.00	823,619	61,570	31,400	A subsidiary
CTCI Corp.	PT CTCI International Indonesia	Indonesia	Engineering planning as well as procurement and construction	73,984	73,984	341,700,000	79.00	466,899	419,338	338,378	A subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
				\$	\$			\$	\$	\$	
CTCI Corp.	Blue Whale Water Technology Co., Ltd.	Taiwan	Wastewater Reclamation Unit BTO Project	347,900	347,900	36,260,000	49.00	401,221	34,775	17,040	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	343,557	230,903	39,810	An investee under equity method
CTCI Corp.	EVER ECOVE Corp.	Taiwan	Waste service, waste clear and steam power cogeneration	394,000	394,000	39,400,000	24.63	432,018	228,647	56,281	An investee under equity method
CTCI Corp.	HDEC-CTCI (Linhai) Corp.	Taiwan	Reclaimed water operators	450,000	450,000	45,900,000	45.00	526,247	129,703	58,366	An investee under equity method
CTCI Corp.	Bao Ding Reclaimed Water Co., Ltd	Taiwan	Reclaimed water operators	100,000	-	10,000,000	20.00	102,997	9,991	2,997	An investee under equity method
								\$ 13,338,988		\$ 1,201,655	
CTCI Development Corp.	CTCI Chemical Corp.	Taiwan	Manufacture, wholesale, and retail of industrial chemicals	13,522	13,522	480,661	6.77	19,409	74,910	5,071	A second-tier subsidiary
CTCI Development Corp.	ECOVE Environment Corp.	Taiwan	General investment	11,270	11,270	243,918	0.35	20,742	1,045,026	3,658	A subsidiary
CTCI Development Corp.	CTCI Resources Engineering Inc.	Taiwan	Engineering technical service	-	23	-	-	-	216,636	2	A second-tier subsidiary
CTCI Development Corp.	Crown Asia-2 Investment Limited	Taiwan	General investment	2,531	2,531	25,000	100.00	162 (	123) (	123)	A second-tier subsidiary
CTCI Development Corp.	CINDA Engineering & Construction Private Limited	India	Chemical, petrochemical, feasibility atudy & planning, engineering design, procurement & fabrication, erection, construction & commissioning	748,139	748,139	197,000,000	96.10 (	580,290) (	1,051,274) (	1,010,274)	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	66,917	74,910	17,485	A second-tier subsidiary
CTCI Investment Corp.	ECOVE Environment Corp.	Taiwan	General investment	1,374	1,374	32,175	0.05	2,704	1,045,026	482	A subsidiary
CTCI Investment Corp.	CTCI Smart Engineering Corp.	Taiwan	Design, management, andbuilding ofnuclear power,thermal power, fire pumpedstorage power generation andothers related to engineering	11	11	1,000	0.002 (	2)	197,123	3	A subsidiary
CTCI Investment Corp.	MIE Industrial Sdn. Bhd.	Malaysia	Equipment & Instrument, Procurement & Construction & Panel	-	139,885	-	-	-	-	-	Note 3
CTCI Machinery Corp.	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	Share holding and investment	154,744	154,744	6,019,951	9.23	194,665	229,730	21,605	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	118,419	63,500	63,500	A second-tier subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at	Balance as at	Number of shares	Ownership (%)	Book value			
				December 31, 2022	December 31, 2021						
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	\$ 798,753	\$ 274,790	\$ 274,790	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	356,518	15,100,000	100.00	1,048,115	451,484	449,818	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	899,985	44,999,200	74.999	796,025	110,986	83,238	A second-tier subsidiary
ECOVE Environment Corp.	ECOVE Solar Energy Corp.	Taiwan	Energy technology service	1,512,348	1,312,348	118,338,502	100.00	1,842,176	96,442	96,442	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	39,382	5	5	A second-tier subsidiary
ECOVE Environment Corp.	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Islands	Share holding and investment	309,489	309,489	12,039,903	18.47	389,333	229,730	43,209	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	117,789	24,917	22,423	A second-tier subsidiary
ECOVE Environment Corp.	EVER ECOVE Corp.	Taiwan	Waste service, waste clear and steam power cogeneration	80,000	80,000	8,000,000	5.00	87,733	228,647	11,425	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	77,134	74,910	20,155	A second-tier subsidiary
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	96,812	289,854	86,956	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	11	800	0.001	14	110,986	1	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	13	24,917	3	A second-tier subsidiary
ECOVE Environment Services Corp.	Jing Ding Green Energy Technology Co., Ltd.	Taiwan	Execution of BOT	186,000	6,000	14,100,000	30.00	185,180 (	1,304) (	391)	An investee under equity method
ECOVE Environment Services Corp.	ECOVE Environment Services Gangshan Corp.	Taiwan	Management of waste recycling site and maintenance of related mechanical and equipment, etc	251,000	251,000	25,100,000	100.00	312,875	61,757	62,189	A second-tier subsidiary
ECOVE Environment Services Corp.	Bao Ding Reclaimed Water Co., Ltd	Taiwan	Reclaimed water operators	50,000	-	5,000,000	10.00	50,000	9,991	-	An investee under equity method
ECOVE Solar Energy Corp.	ECOVE Solar Power Corp.	Taiwan	Energy technology service	306,000	306,000	30,600,000	100.00	405,242	18,959	18,959	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	33,148	1,226	1,226	A second-tier subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	of the investee for the year	recognized by the Company	
									ended December 31, 2022 (Note 2(2))	for the year ended December 31, 2022 (Note 2(3))	
ECOVE Solar Energy Corp.	G.D. International, LLC.	USA	Energy technology service	\$ 189,197	\$ 189,197	-	100.00	\$ 461,487	\$ 34,907	\$ 34,907	A second-tier subsidiary
G.D International, LLC.	Lumberton Solar W2-090, LLC	USA	Energy technology service	189,197	189,197	-	100.00	461,302	35,100	35,100	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	3,793,365	630,228	630,228	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	(677,462)	(33,724)	(16,862)	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	286,427	174,000	174,000	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	25.00	(378,119)	(148,851)	(148,851)	A second-tier subsidiary
CTCI Overseas Co., Ltd.	CTCI Vietnam Company Limited	Vietnam	Chemical, petrochemical, feasibility atudy & planning, engineering design, procurement & fabrication, erection, construction & commissioning	95,168	95,168	-	100.00	135,665	37,435	37,435	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	(332,613)	(259,521)	(103,809)	A subsidiary
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	3.90	(23,550)	(1,051,274)	(41,000)	A second-tier subsidiary
CTCI Overseas Co., Ltd.	Sumber Mampu Sdn. Bhd.	Malaysia	Building of related engineering	95	95	10,000	10.00	(64,953)	(17,395)	(17,395)	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	94,094	177,184	177,184	A second-tier subsidiary
CTCI USA Holding Inc.	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	2,783	2,783	100,000	100.00	(1,156,960)	(627,030)	(627,030)	A second-tier subsidiary

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at	Balance as at	Number of shares	Ownership (%)	Book value	of the investee for the year	recognized by the Company	
				December 31, 2022	December 31, 2021				ended December 31, 2022 (Note 2(2))	for the year ended December 31, 2022 (Note 2(3))	
Superiority (Thailand) Co., Ltd.	CTCI (Thailand) Co., Ltd.	Thailand	Design and building of petrochemical plant	\$ 12,628	\$ 12,628	1,300,500	51.00	\$ 85,056	\$ 349,790	\$ 178,393	A subsidiary
CTCI Advanced Systems Inc.	Century Ahead Ltd.	Samoa	Professional investment company	25,097	25,097	750,000	100.00	34,767	7,187	7,187	A second-tier subsidiary
CTCI Advanced Systems Inc.	CTCI Resources Engineering Inc.	Taiwan	Engineering technical service	757,131	742,866	42,000,000	100.00	736,537	216,636	216,302	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	26,490	74,910	6,922	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	26,503	74,910	6,922	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	34,448 (	21,598) (	4,320)	A second-tier subsidiary
CTCI Malaysia Sdn. Bhd.	MIE Industrial Sdn. Bhd.	Malaysia	Equipment & Instrument, Procurement & Construction, Panel	-	185,537	-	-	-	-	-	Note 3
Sumber Mampu Sdn. Bhd.	CTCI Malaysia Sdn. Bhd.	Malaysia	Investment and planning of related engineering	5,428	5,428	600,000	80.00	137,792 (	21,598) (	17,278)	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, 2022’ 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, 2022’ 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, 2022’ 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.

Note 3: The Board of Directors of the Group, during its meeting in July 2021, resolved to sell the investment accounted for using equity method, MIE Industrial Sdn. Bhd. The investee had been sold in March 2022. Refer to Note 6(8) in the consolidated financial statement for the three-month period ended March 31, 2022 for the details.

CTCI Corporation and its subsidiaries
Information on investees (in Mainland China)
For the year ended December 31, 2022

Table 10

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 as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2022 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					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	\$ 1,111,635	100.00	\$ 1,111,635	\$ 2,150,694	\$ 1,053,782	Note 3
CTCI Shanghai Co., Ltd.	Design, survey, construction and inspection of various engineering and construction projects	592,787	2	-	-	-	-	74,898	100.00	74,898	635,374	23,530	Note 7
CTCI Advanced Systems Shanghai Inc.	Computer technology services	20,753	2	20,753	-	-	20,753	7,146	49.18	3,514	33,754	-	Note 4
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	(142)	54.80	(142)	5,425	43,900	-
FuJian Gulie Petrochemical Co., Ltd.	Operating in manufacturing and selling of ethylene and others	30,344,536	2	1,103,219	-	-	1,103,219	-	2.50	-	572,483	-	Note 5
CTCI Trading Shanghai Co., Ltd.	General trade	-	2	-	-	-	-	244	0.00	244	-	-	Note 6

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	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.	\$ 1,442,117	\$ 1,627,287	\$ 13,099,228

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, 2022 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: Previously invested by CTCI Shanghai Co., Ltd. and was deregistered on August 24, 2022. Refer to Note 4(3) Note 6 for the details.

Note 7: Invested by CTCI Beijing Co., Ltd.

CTCI Corporation and its subsidiaries
Major shareholders information
December 31, 2022

Table 11

Name of major shareholders	Shares		
	Total shares owned (common shares)	Total shares owned (preference shares)	Ownership percentage
CTCI Foundation	60,862,051	-	7.69%
Fubon Life Insurance Co., Ltd.	58,154,000	-	7.35%
CTBC BANK CO., LTD. (CTCI Corporation Employee Stock Ownership Trust)	50,038,145	-	6.32%
CTBC BANK CO., LTD. (Sustainability Employee Stock Ownership Trust)	45,059,413	-	5.69%

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 dematerialized 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, 2022

(Expressed in thousands of New Taiwan dollars)

Sheet 1

Item	Summary				Amount
Cash on hand and petty cash					\$ 28,057
Bank deposits:					
Checking accounts					5,614
Demand deposits					
— USD	USD	\$ 23,634	rate	30.6980	725,512
— EUR	EUR	4,763	rate	32.6535	155,539
— JPY	JPY	22,739	rate	0.2290	5,207
— SGD	SGD	2,566	rate	22.7874	58,479
— CNY	CNY	2,791	rate	4.4013	12,284
— NTD					3,104,712
— Others					360
					4,062,093
Time depostis					
— USD	USD	\$ 2,800	rate	30.6980	85,954
— NTD					1,840,000
					1,925,954
					\$ 6,021,718

CTCI CORPORATION
DETAILS OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 2

Financial Commodities	Number of Shares/Units	Par value (in NT dollars)	Amount	Cost	Fair value	
					Price (in NT dollars)	Amount
Taishin 1699 Money Market Fund	13,931,138	\$ 13.72	\$ 191,082	\$ 191,082	\$ 13.76	\$ 191,746
Capital Money Market Fund	1,140,053	16.27	18,546	18,546	16.38	18,678
Allianz Global Investors Taiwan Money Market Fund	2,105,229	12.67	26,678	26,678	12.73	26,808
Subtotal				236,306		237,232
Valuation adjustment				926		-
Derivatives				97,026		97,026
Total				<u>\$ 334,258</u>		<u>\$ 334,258</u>

CTCI CORPORATION

DETAILS OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars)

Sheet 3

Client Name	Amount	Note
Client:		
CPC Corporation, Taiwan	\$ 741,847	
Ding-Sheng Green Energy Technology Co., Ltd.	276,391	
Van Phong Power Company Limited	154,121	
Microsoft Operations Taiwan Limited	101,292	
SAFC Hitech Taiwan Co., Ltd.	100,438	
Taiwan Power Company Nuclear and Fossil Power Projects	48,868	
Others	100,021	Each individual customer balance did not exceed 5% of the account balance
	1,522,978	
Less : Allowance for bad debts	(2,130)	
	\$ 1,520,848	

CTCI CORPORATION

DETAILS OF CONSTRUCTION IN PROGRESS

FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars)

Sheet 4

Project No.	Balance at January 1, 2022	Cost	Project (loss) gain	Completed and roll-out	Balance at December 31, 2022
11 0789A	\$ 41,008,500	(\$ 6,883)	\$ 7,014	\$ -	\$ 41,008,631
15 2200C	34,775,112	93,307	(107,614)	-	34,760,805
08 1305	26,169,687	-	-	-	26,169,687
12 1000A	25,802,495	(10,260)	15,114	-	25,807,349
09 0001A	23,197,228	-	-	-	23,197,228
13 1500A	20,779,291	27,437	(26,296)	-	20,780,432
14 1758E	17,742,408	30,834	(32,424)	-	17,740,818
18 3566A	10,568,792	1,388,735	(375,544)	-	11,581,983
14 1717A	10,413,865	1,764	(263)	-	10,415,366
18 3366C	10,341,063	2,056,335	(96,964)	-	12,300,434
11 0570A	10,260,730	(42,708)	(4,373)	-	10,213,649
18 3466E	6,968,260	34,161	28,713	-	7,031,134
17 3266A	5,217,780	1,566,681	279,659	-	7,064,120
18 3567A	4,574,536	946,157	(325,255)	-	5,195,438
18 3688A	4,272,692	906,115	119,125	-	5,297,932
13 1336C	4,238,823	(241,520)	216,100	-	4,213,403
12 0888A	3,901,444	780	1,597	-	3,903,821
11 0845A	3,900,732	460	60	-	3,901,252
20 4218A	3,390,660	2,092,074	324,459	-	5,807,193
13 1323B	3,115,793	238	11	-	3,116,042
Others	40,886,220	21,201,352	1,648,471	(2,820,364)	60,915,679
	<u>\$ 311,526,111</u>	<u>\$ 30,045,059</u>	<u>\$ 1,671,590</u>	<u>(\$ 2,820,364)</u>	<u>\$ 340,422,396</u>
			Shown as contract assets		<u>\$ 175,646,200</u>
			Shown as deduction item to contract liabilities		<u>\$ 164,776,196</u>

CTCI CORPORATION
DETAILS OF INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Sheet 5

Name	Balance at January 1, 2022		Additions (Reductions)		Investment income (loss)	Balance at December 31, 2022				
	Number of Shares	Amount	Number of Shares	Amount		Number of Shares	Ownership	Amount	Fair value	Collateral
CTCI Smart Engineering Corp.	59,098,624	(\$ 313,446)	-	\$ 11,415	\$ 191,386	59,098,624	97.09%	(\$ 110,645)	(\$ 110,645)	None
CTCI Advanced Systems Inc.	12,454,461	288,949	-	(112,980)	110,899	12,454,461	44.73%	286,868	978,921	"
CTCI Development Corp.	361,454,727	4,214,925	-	(94,532)	(709,220)	361,454,727	100.00%	3,411,173	3,411,173	"
CTCI Investment Corp.	207,200,000	859,387	-	18,529	(30,053)	207,200,000	100.00%	847,863	847,863	"
ECOVE Environment Corp.	38,457,105	3,018,878	-	(368,690)	573,738	38,457,105	54.40%	3,223,926	9,498,906	"
CTCI (Thailand) Co., Ltd.	1,249,500	(24,612)	-	5,286	171,397	1,249,500	49.00%	152,071	152,071	"
CTCI Machinery Corp.	20,000,000	903,656	-	(121,770)	468,225	20,000,000	100.00%	1,250,111	1,250,111	"
Sinogal-Waste Service Corp.	-	62,825	-	(52,969)	86,956	-	30.00%	96,812	96,812	"
CTCI Singapore Pte. Ltd.	5,100,000	(1,051,500)	28,200,000	765,702	1,575	33,300,000	100.00%	(284,223)	(284,223)	"
CTCI Overseas (BVI) Corp.	6,740,000	2,951,692	-	233,899	629,964	6,740,000	100.00%	3,815,555	3,815,555	"
CTCI Engineering & Construction Sdn. Bhd.	450,000	(326,118)	-	(17,088)	(155,713)	450,000	60.00%	(498,919)	(498,919)	"
CTCI CMCE JV SDN.BHD.	382,500	(1,751)		20	4,465	382,500	51.00%	2,734	2,734	"
CCJV P1 Engineering & Construction Sdn.Bhd.	247,500	(1,443,402)	202,950,000	1,341,650	(42,197)	203,197,500	99.00%	(143,949)	(143,949)	"
Pan Asia Corp.	19,639,509	303,934	-	(187)	39,810	19,639,509	17.16%	343,557	343,557	"
CTCI Arabia Ltd.	500	(595,921)	-	(64,679)	(16,862)	500	50.00%	(677,462)	(677,462)	"
CTCI & HEC Water Business Co., Ltd.	78,948,000	792,391	-	(172)	31,400	78,948,000	51.00%	823,619	823,619	"
Blue Whale Water Technology Co., Ltd.	36,260,000	416,803	-	(32,622)	17,040	36,260,000	49.00%	401,221	401,221	"
EVER ECOVE Corp.	39,400,000	375,738	-	(1)	56,281	39,400,000	24.63%	432,018	432,018	"
HDEC-CTCI (Linhai) Corp.	45,900,000	505,302	-	(37,421)	58,366	45,900,000	45.00%	526,247	526,247	"
Bao Ding Reclaimed Water Co., Ltd	-	-	10,000,000	100,000	2,997	10,000,000	20.00%	102,997	102,997	"
PT CTCI International Indonesia	341,700,000	109,270	-	19,251	338,378	341,700,000	79.00%	466,899	466,899	"
CTCI USA Holding Inc.	10	(435,998)	-	(66,310)	(627,177)	10	100.00%	(1,129,485)	(1,129,485)	"
		<u>\$ 10,611,002</u>		<u>\$ 1,526,331</u>	<u>\$ 1,201,655</u>			<u>\$ 13,338,988</u>	<u>\$ 20,306,021</u>	

CTCI CORPORATION

DETAILS OF ACCOUNTS PAYABLE

DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars)

Sheet 6

Vendor name	Amount	Note
Vendor:		
TA YA ELECTRIC WIRE & CABLE CO., LTD.	\$ 910,402	
Ecorbit Engineering Co., Ltd.	359,451	
CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORP.	284,163	
Fortune Electric Co., Ltd.	251,886	
SUEZ Eau Industrielle Taiwan Branch (France)	227,729	
KUO YU CONSTRUCTION ENGINEERING CO., LTD.	205,023	
HUAFENG BUILD CO., LTD.	199,254	
HSIN CHENG CEMENT PRODUCTS CORP.	180,026	
Nikkiso Cryo, Inc.	176,013	
ZHUANG JIE ENGINEERING CO., LTD.	174,391	
CHIA CHENG CONSTRUCTION CO., LTD.	169,343	
Siemens Energy Limited	154,790	
China Energy Longyuan Environmental Protection Co., Ltd.	136,174	
Dajisheng Construction Co., Ltd.	132,282	
HUAH RURNG CO., LTD.	131,428	
HWAN TAI cement production company	123,788	
Ru Jin Construction Co., Ltd.	121,022	
ALLIS ELECTRIC CO., LTD.	118,630	
ABB LTD.	101,988	
De Nora Water Technologies, LLC	101,916	
		Each individual vendor balance did not exceed 2% of the account balance
Others	4,320,386	
	<u>\$ 8,580,085</u>	

CTCI CORPORATION
DETAILS OF PARTIAL CONSTRUCTION BILLINGS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Sheet 7

Project No.	Balance at January 1, 2022	Additions (Reductions)	Completed and roll-out	Balance at December 31, 2022
11 0789A	\$ 40,977,467	\$ 36,883	\$ -	\$ 41,014,350
15 2200C	34,680,192	13,113	-	34,693,305
08 1305	26,169,687	-	-	26,169,687
12 1000A	25,768,120	46,609	-	25,814,729
09 0001A	23,199,120	-	-	23,199,120
13 1500A	20,445,814	330,318	-	20,776,132
14 1758E	17,701,779	-	-	17,701,779
14 1717A	10,413,381	-	-	10,413,381
11 0570A	10,290,851	-	-	10,290,851
18 3366C	8,895,515	2,429,395	-	11,324,910
18 3466E	7,049,784	697,488	-	7,747,272
20 4366A	5,659,612	939,443	-	6,599,055
18 3566A	5,615,018	299,297	-	5,914,315
17 3266A	5,067,247	2,118,976	-	7,186,223
20 4367A	4,685,374	5,517	-	4,690,891
13 1336C	4,240,347	-	-	4,240,347
18 3567A	4,120,299	274,987	-	4,395,286
11 0845A	3,907,033	-	-	3,907,033
12 0888A	3,905,310	-	-	3,905,310
18 3688A	3,396,625	849,276	-	4,245,901
20 4218A	3,360,512	2,573,616	-	5,934,128
Others	41,716,192	16,592,795	(2,820,364)	55,488,623
	<u>\$ 311,265,279</u>	<u>\$ 27,207,713</u>	<u>(\$ 2,820,364)</u>	<u>\$ 335,652,628</u>
		Shown as contract liabilities		<u>\$ 175,155,445</u>
		Shown as deduction item to contract assets		<u>\$ 160,497,183</u>

CTCI CORPORATION

STATEMENT OF OPERATING REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars)

Sheet 8

Items	Summary	Amount	Note
Refining and petrochemical project		\$ 8,283,330	
Basic construction		20,329,892	
Resources environmental		1,917,706	
Others		1,183,670	
		<u>\$ 31,714,598</u>	

CTCI CORPORATION

STATEMENT OF OPERATING COSTS

FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars)

Sheet 9

Item	Summary	Amount
Balance at January 1, 2022		\$ -
Add : Purchasing		11, 261, 438
Less : Transferred to indirect materials		(6, 307)
Balance at December 31, 2022		-
Consumption materials		11, 255, 131
Consumption indirect materials		6, 307
Direct labor		2, 507, 394
Manufacturing expenses		2, 996, 651
Subcontract costs		13, 261, 494
Input costs		30, 026, 977
Estimated project loss at January 1, 2022		(44, 081)
Estimated project loss at December 31, 2022		62, 163
Operating costs		\$ 30,045,059

CTCI CORPORATION

DETAILS OF MANUFACTURING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars)

Sheet 10

Item	Summary	Amount
Indirect labor		\$ 494,151
Life insurance		209,700
General insurance		45,362
Professional service fee		31,855
Rental expenses		139,981
Travelling expenses		185,137
Finance costs		182,905
Pension		116,122
Amortization		104,331
Taxes		127,460
Meals expenses		65,613
Employee benefits		43,355
Depreciation		426,765
Utilities expenses		119,793
Repairs and maintenance expenses		15,997
Postage expenses		13,617
Apportion of office		30,661
Photocopier expenses		11,387
Other expenses		632,459
		<u>\$ 2,996,651</u>

CTCI CORPORATION

DETAILS OF OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars)

Sheet 11

Item	General and administrative expenses	Research and development expenses	Total
Payroll expenses	\$ 417,087	\$ 84,092	\$ 501,179
Pension	15,868	3,403	19,271
Rental expenses	657	7	664
Office supplies expenses	1,637	17	1,654
Travelling expenses	16,587	118	16,705
Utilities expenses	1,744	620	2,364
Entertainment expenses	5,006	73	5,079
Donation expenses (Note)	16,731	-	16,731
Depreciation	42,998	12,737	55,735
Amortization	1,278	-	1,278
Employee benefits	3,441	1,187	4,628
Professional service fee	25,579	-	25,579
Office miscellaneous expenses	3,673	1,296	4,969
Meals expenses	4,921	1,858	6,779
Life insurance	31,312	6,078	37,390
Training fee	1,181	67	1,248
Postage expenses	1,652	89	1,741
Advertising fee	3,077	-	3,077
Miscellaneous expenses	199,171	10,025	209,196
	<u>\$ 793,600</u>	<u>\$ 121,667</u>	<u>\$ 915,267</u>

Note: In March, 2022, the Company contributed \$15,000 cash to CTCI Education Foundation.



No.89, Sec. 6, Zhongshan N. Rd., Taipei 111033, Taiwan, R.O.C.
TEL:(02)2833-9999 FAX:(02)2835-8223
WEB SITE : www.ctci.com