Stock Code: 8926

TAIWAN COGENERATION CORP.

Annual Report 2022

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Market Observation Post System Website: http://mops.twse.com.tw

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V. Overseas Listings and Access to the Listing Information: None.

VI. Company Website: http://www.cogen.com.tw

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I. Letter to Shareholders

Dear Shareholders:

Thanks for your support over the years, the assistance of directors, and the concerted effort of all employees, Taiwan Cogeneration Corporation can maintain steady growth and development. Please accept my deepest gratitude for your support and assistance on behalf of Taiwan Cogeneration Corporation.

1. 2022 Business Report

(1) Business performance

The 2022 consolidated net income after tax increased by NT$11,626 thousand to NT917,015 thousand over NT$905,389 thousand in 2021. The profit of the core business reduced over last year mainly because of the net influence of the increased cost of operations of Guantian Plant caused by the soaring coal price, the loss regardless of the increased co-generation feed-in tariff from August of Taiwan Power Company (TPC), the reduced profit recognized by project undertaking when most projects were about to complete, and the sales profit from Miaoli Wind Co., Ltd., Star Wind Co., Ltd. (星寶), and Star Solar Co., Ltd. (星暐). The profit in re-investment increased mainly because of net influence including the increased natural gas price of the four IPPs, the increased dispatch and guaranteed generation hours of TPC, and the recognized income from insurance claim of Star Buck Power Corporation (星元) deducting the administrative fines of the Fair Trade Commission and no-return renewable funds. Based on the ending number of shares at 589,049 thousand shares, the EPS was NT$1.54.

The table below shows our business performance over the past two years.

Unit: NT$1,000

Item	2022	2021
Operating revenues	4,668,881	6,406,996
Profit from operations	235,865	440,225
Non-operating revenues	770,013	586,176
Profit before income tax	1,005,878	1,026,401
Income tax expense	88,863	121,012
Net profit	917,015	905,389
Net profit attributed to the owner of the parent company	906,774	897,884
EPS	1.54	1.52

(2) Revenue and expenditure and profitability analysis

The rate of consolidated financial structure, solvency, and profitability analysis is tabulated below:

Item		2022	2021
Financial structure analysis	Debt to total assets (%)	53	50
	Long-term capital to property, plant& equipment (%)	565	631
Solvency	Current ratio (%)	99	121
	Quick ratio (%)	67	66
Profitability analysis	Return on assets (%)	4	4
	Return on equity (%)	8	7
	Profit margin (%)	20	14

(3) Status of research and development

The focus of research included:

1) Research of the policies and operations of independent power plants, cogeneration, and the renewable energy.
2) Improvement in O&M and equipment of power plants and cogeneration plants.

3) Research on the technology and investment strategy of renewable energy (photovoltaics (PV), onshore and offshore wind power, geothermal power, biomass energy, etc.), energy storage system, and related ancillary service market.

2. 2023 Business Plan Overview

(1) 2023 business policy

The 2023 business plan below has been established in accordance with the present macro environment and conditions.

1) Actively expanding the investment in onshore wind farms and PV plants, increasing the sales of renewable energy, optimize the overall added value of renewable energy, and progressively accumulating engineering experience and performance. Major targets of development include:

A. Onshore wind power: Apart from developing onshore wind farms in Hanbao, Fangyuan Township, Changhua County, and making preparation for power plant operations including environmental impact assessment (EIA) and grid connection review, pilot preparations including EIA and power plant establishment planning will also be made for the system upgrade and expansion of Miaoli Wind. Overall, the application for the following projects will be made in this year (2023): establishment of the onshore wind farm in Fangyuan and Yongxing (currently under EIA, and the application installed capacity is 100.8MW); building permit for Haobao Onshore Wind Farm (currently, the planned approved installed capacity is 42MW); establishment of Zhunan Wind Farm under Miaoli Wind Farm Co., Ltd. (currently under EIA, and the application installed capacity is 16.8MW); and EIA for Dapeng Wind Farm under Miaoli Wind Farm Co., Ltd. (application for EIA in progress, and the application installed capacity is 88.2MW). We will continue to actively increase investments in and expand the development of onshore wind power to drive the subsequent EPC projects, operations and maintenance, and renewable-energy-based electricity retailing business.

B. PV systems: Constantly develop rooftop PV, floating PV, and surface PV sites; draw up development strategies for capturing investment opportunities from grid connection feeder capacity, shared booster stations, and large EPC projects; engage in fishery and electricity symbiosis on pilot sites outside of onshore wind farms in Yongxing, Fangyuan Township, Changhua, in support of the government's fishery and electricity symbiosis policy. Apart from filing the application for establishment and construction permit of the fishery and electricity symbiosis farm in Yongxing with a minimum of 30MW, we will also participate in the tendering of the Wushantou PV Site Phase II (estimated capacity 13MW) and strive for the surface site lease (including fishery and electricity symbiosis) in Changhua, Tainan, Chiayi and Kaohsiung to increase capacity by 20MW for the above projects.

C. Renewal energy retailing: The 2022 green power wheeling volume already 174GWh. We will continue to develop indicative users and internal and external projects to increase the volume of electricity retailing and expand our territory in the renewable energy market. The projected scale of operation and retailing within the group's sites in 2023 will be 155GWh, and the scale of operation and retailing outside the group's sites will be 36GWh, with a total of 191GWh.

2) Expanding the investment in and construction of domestic IPPs

A. The construction permit for Sun Ba phase II was granted in 2022. The construction will be on schedule and the commercial operation will begin in June 2023.

B. The Kuokuang Power Plant Phase II has been included in the IPP development taskforce. We will closely track the progress and provide necessary assistance, actively participate in the TPC procurement project to win the bid, and assist Kuokuang Power Corporation in handling subsequent application for establishment.

3) RP Energy We will initiate the withdrawal from the RP Energy (RPE) project, clarify the effect of the JV agreement, and the procedures for divestment or claim of liquidation to draw up the possible withdrawal methods from the legal point of view.

4) Ancillary service trade: We will consult and strive for resources and energy storage systems

within and outside the group to participate in the Energy Trading Platform (ETP). Apart from expecting to obtain a commissioned operation contract capacity of 7MW, we will participate in the price competition within one month after the client's site completion to enter the electricity ancillary service market.

5) Providing various technical support and labor services for three IPP investees: Star Energy Power Corporation, Sun Ba Power Corporation, and Star Buck Power Corporation.
6) Supervising investee Star Energy Corporation and TCC Green Energy Corporation to actively expand the business scale.
7) Optimizing corporate financial structure and credit.
8) Timely adjusting the mode of operations of Guan-Tian Cogeneration Plant and cultivating more new energy subscribers to improve overall operational performance.

(2) Business objectives

1) Projected 2023 production and sales

Major Project / Year			2023 (projected)
Electricity	(1,000kWh)	Production	231,001
		Sales	192,198
Steam	Tons	Production	341,418
		Sales	341,418

Note: Production and sales volumes include electricity from ancillary services.

2) Basis of 2023 production and sales prediction
The annual production and sales of electricity and steam have been estimated based on the status of operations over the years, the assessment of subscriber energy demand, and consideration of the sale of surplus electricity to Taiwan Power Company.

(3) Important production and marketing policies

1) Marketing strategies
   A. Providing integrated services, including fund arrangements, technical support, plant construction, and operation and maintenance, guided by investments and supported with engineering in order to demonstrate our advantages and ensure long-term benefits.
   B. Search for and carefully select energy subscribers with the appeal to provision of reliable and stable electricity and energy in order to strive for cooperation partners with a win-win strategy between the company and subscribers.
   C. Offering flexible options for cooperation (e.g. BOT, BOO, and JV) to meet the needs of individual customers.
   D. Continuously expanding the scale of IPPs and the scope of business with reference to the government's power industry liberalization policy.
   E. Developing renewable energy markets.
   F. Developing related energy technologies and services including energy conservation, energy storage, and ancillary services.
   G. Keeping track on the power plant construction projects in emerging countries to cultivate the overseas electricity market.
2) Production strategies
   A. Optimizing steady operation of generation sets, improving the response ability of on-duty staff, and reducing failure frequency to ensure good production and sales performance.
   B. Based on the principle of keeping steady operation of generation sets, reducing operating cost with economical operation, participating in the "Procurement of Qualified Cogeneration Power Measures" to increase revenues, including SRF in the circular economy to assist the government in achieving the goal of waste reduction.
   C. Cultivating cogeneration customers and promoting cogeneration technical service

solutions to increase income.

D. By complying with environmental and OH&S regulatory requirements, in 2019, we implemented ISO 45001 to establish a well-planned occupational health and safety management system (OH&SMS) to reduce operational risk and enhance corporate image. By combining with the ISO 14001 environmental management system (EMS), we revised the environmental policy into the HSE policy, with the chairman signing and announcing the HSE policy and implementing external verification of ISO 45001 and ISO 14001 every year to maintain certificate validity. We also constantly implemented activities relating to the healthy workplace to build a friendly workplace environment.

E. Diversifying unimpeded grievance channels, enhancing customer service efficiency and improving customer satisfaction to fulfill customer demands in all aspects.

F. Accumulating and collating maintenance and repair data over the years and promoting domestic production of key equipment and parts to lower purchasing cost and control supply delay time; planning improvement measures based on the plant use and maintenance and repair experience to ensure smooth operation and extend the lifespan of equipment and parts.

G. The Tainan City Government (TNCG) actively promotes the establishment of the OH&S family to optimize occupational safety management with the coattail effect. The cogeneration plant OH&S family was established in 2019 with our Guantian Plant as the core business to provide periodic OH&S education/training and onsite guidance for family members.

3. Future Development Strategy

(1) Enhancing operational performance: Supervise and assist investees in optimizing management systems to lower the operational risk of investee power plants; reduce the operating cost, increase the operating gross profit, and enhance the equipment efficiency of Guantian Power Plant; enhance the risk control and assessment and cost control of project undertaking to enhance the operational performance of the project undertaking service.

(2) Proactive business expansion: Combining the technical capacity of all subsidiaries to actively expand the scope of services, including developing cogeneration plants and gas-fired power plants, and renewable projects, booster stations, energy storage and ancillary services systems to help the government supplement the supply insufficiency based on energy policies; and provide multifaceted technical service including investment and development, project undertaking, operation and maintenance, and electricity retailing.

(3) Innovating business model: Actively participating in the business model emerging electricity markets in response to energy transformation and business model diversification of the power market, including entering the ancillary service market, building energy storage system, and increase green power sales to raise the market share in green power wheeling.

(4) Implementing digital transformation: Empower human resources, promote digital talents management, and apply statistics and data analysis to different aspects of operations and management; promote procurement optimization and the document management system; and digitize operation and management to progressively promote digital transformation.

(5) Furthering sustainable operations: Enhancing corporate governance, optimize customer relationship management and HR management, enhance data disclosure and stakeholder communication, and practice environmental sustainability and promote sustainable development.

4. Influences of Market Competitions, Legal environment, and Macro Environment

(1) Market competitions: The government engages in energy transformation to increase the proportion of renewables and opens renewables retailing to increase green energy business opportunities. As both domestic and overseas businesses strive for the market, market competitions become keener. With an excellent and professional management team, we offer high-quality electricity-related technical services and constantly expand the scope of services to enhance corporate value and competitiveness.

(2) Legal environment: The government announces the “Taiwan Net Zero 2050” national goal. In

energy transformation, renewables maximization and zero-carbon thermal power generation are emphasized to achieve the goal of building a net-zero energy system. In response to the massive renewables grid connection, energy storage systems are built to enhance grid resilience for the continual improvement of energy system resilience. The amendment to the "Renewable Energy Development Act" promulgated on May 1, 2019 protects the right to switch between retailing and wheeling and rate for renewables suppliers. Additionally, the *Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity* request heavy electricity users to build or use renewables and energy storage systems, favoring the development of the green power exchange and energy storage systems. After TCC Green Energy Corporation, our subsidiary, acquired the license for renewable-energy-based electricity retailing enterprise in October 2019, we have proactively expanded the electricity retailing business. Currently, we are the largest supplier of green energy operation and supply in Taiwan. In addition, we will continue to keep track on the impacts on business operations as a result of amendments to related bylaws and timely adjust the directions and strategies of business development to protect the rights and interests of the company and shareholders and make preparations for electricity market competitions in the future.

(3) Macro environment: In response to the global climate change, we proactively implement energy transformation. As the government has planned net zero emissions by 2050, and renewable energy, energy conservation, energy storage, and green power planning will be the mainstreamed energy services in the future, the government's promotion of the electricity market trading platform will be favorable for us to implement new business models such as ancillary service and demand response service. We will continue to invest in the development of cogeneration plants and IPPs, proactively develop various types of renewables, expand the scale of green power retailing, build a steady, innovative, and competitive electricity business engaging in multifaceted services.

Please comment and looking forward to your continuous support.

Chairman: Shun-I Huang   President: I-Tong Chen   CAO: Jay Hsu

II. Company Profile

1. Date of Establishment: 7 May 1992

2. Corporate History

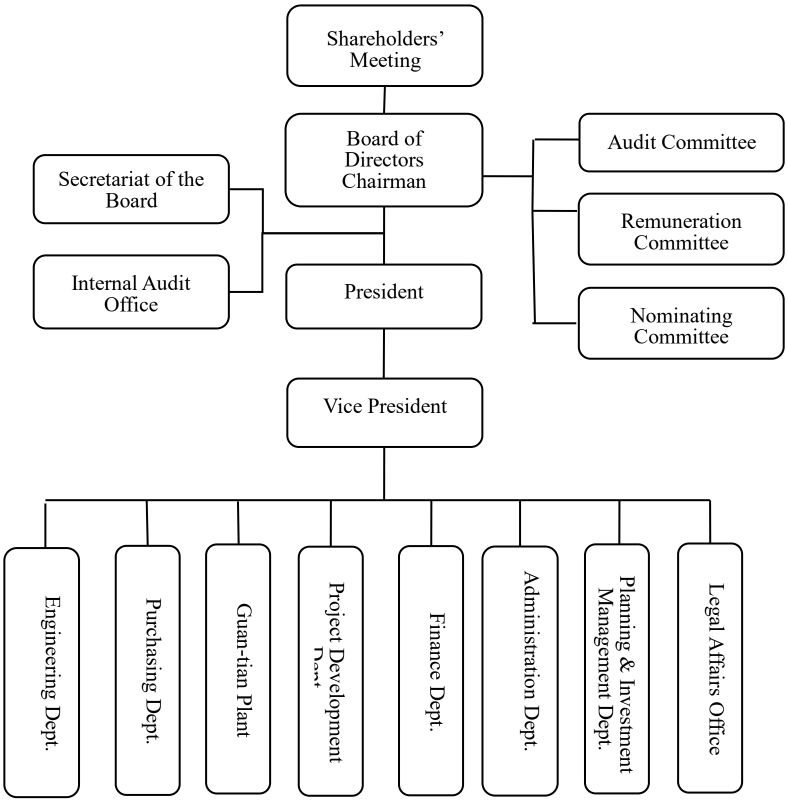
1992	Established as a professional cogeneration power plant by Taiwan Power Company, Mega Bank, China Development Industrial Bank, and a number of domestic E&M manufacturers with NT$1 billion under the direction of the Ministry of Economic Affairs.
1996	• Commercial operation of Ta-Yuan Cogeneration Plant I of joint-venture Ta-Yuan Cogeneration Corporation • Invested in Star Energy Corporation
1997	• Commercial operation Imei Cogeneration Plant I in Nankang and President Cogeneration Plant in Yangmei on a BOT basis. • Public offering and capital increase with cash by issuing new shares at NT$263 million on April 24. Authorized capital increased to NT$1.263 billion after capital increase.
1998	• Commercial operation of Achem Technology Cogeneration Plant in Yangmei and Universal Textile Cogeneration Plant on a BOT basis. • Independent investments in Guan-tian Cogeneration Plant.
1999	• Commercial operation Imei Cogeneration Plant II in Nankang on a BOT basis. • Capital increase with earnings at NT$63 million. Authorized capital to NT$1.326 billion after capital increase.
2000	• Commercial operation of Ta-Yuan Cogeneration Plant II built through joint venture in January. • IPO on the OTC market on May 8, the first IPP to go public in Taiwan. • Approved to establish Fong Der Gas-Fired Power Plant of Sun Ba Power Corporation and Chang Bin Gas-Fired Power Plant of Star Energy Power Corporation on July 5 to officially enter the electricity market. • Capital increase with earnings at NT$55 million in October. Authorized capital increased to NT$1.381 billion after capital increase. • Completion of Guan-tian Cogeneration Plant in December.
2001	• Capital increase with cash at NT$900 million in April. Authorized capital increased to NT$2.281 billion after capital increase. • Capital increase with earnings at NT$256 million in October. Authorized capital increased to NT$2.537 billion after capital increase. • Established Taiwan Cogeneration International Corporation through investments.
2002	• Issued convertible corporate bonds at NT$900 million in July. • Capital increase with earnings at NT$313 million in August. Authorized capital increased to NT$2.85 billion after capital increase. • Capital increase with cash from issuing new shares at NT$300 million in September. Authorized capital increased to NT$3.15 billion after capital increase.
2003	Listed on Taiwan Stock Exchange on August 25.
2004	• Commercial operation of Fong Der Gas-Fired Power Plant of Sun Ba Power Corporation and Chang Bin Gas-Fired Power Plant of Star Energy Power Corporation • Converted corporate bonds to equity at NT$70 million. • Capital increase with earnings at NT$262 million in October. Authorized capital increased to NT$3.481 billion after capital increase.
2005	• Established Sun Ba International Power Corporation through investments. • Converted corporate bonds to equity at NT$507 million.
2006	• Invested in Star Buck Power Corporation. • Converted corporate bonds to equity at NT$87 million.
2007	• Maturity of convertible corporate bonds at NT$900 million in July. • Converted corporate bonds to equity at NT$209 million. • Capital increase with earnings at NT$225 million in September. Authorized capital

	increased to NT$4.509 billion after capital increase.
2008	• Established Redondo Peninsula Energy, Inc. in the Philippines through Taiwan Cogeneration International Corporation under joint venture. • Capital increase with earnings and capital surplus at NT$284 million in July. Authorized capital increased to NT$4.793 billion after capital increase. • Capital increase with cash from issuing new shares at NT$500 million in September. Authorized capital increased to NT$5.293 billion after capital increase.
2009	Commercial operation of Star Buck Gas-Fired Power Plant invested and built on an EPC contract by Taiwan Cogeneration Corporation at the end of June as scheduled. Taiwan Cogeneration Corporation became Taiwan's only company with an EPC record for building gas-fired power plants.
2010	Capital increase with earnings at NT$212 million in September. Authorized capital increased to NT$5.505 billion after capital increase.
2011	• Acquired 35% of stake of Kuo Kuang Power Co., Ltd. in January. • MPGC, a wholly-owned subsidiary of the largest power distribution company Meralco in the Philippines, invested in July; 50% of stake held by Redondo Peninsula Energy, Inc. Invested by Taiwan Cogeneration Corporation. The stake of original shareholders Taiwan Cogeneration Corporation and Therma Power Inc. reduced from 50% to 25%. • Capital increase with earnings at NT$385 million in September. Authorized capital increased to NT$5.89 billion after capital increase.
2013	Four IPPs Invested by Taiwan Cogeneration Corporation amended the electrical sales agreement with Taiwan Power Company. Star Energy, Sun Ba, and Kuo Kuang Power Corp. completed the amendment procedure in January, and Star Buck completed the procedure in March.
2014	• Increased Acquisition5.5% of stake of Sun Ba Power Corporation, 5.5% of stake of Star Energy Power Corporation, and 4.6% of stake of Star Buck Power Corporation in March. • Increased Acquisition3% of stake of Star Buck Power Corporation in August. • Increased Acquired 5% of stake of Sun Ba Power Corporation in October.
2017	Established Yi Yuan Corporation in June, 2017 through investment.
2018	Established TCC Green Energy Corporation in November, 2018 through investment.
2020	Acquired 100% of Miaoli Wind Co., Ltd. in June 2020.
2021	Acquired 100% of Hamaguri Co., Ltd. in March 2021. Investee Sun Ba Power Corporation acquired the permit for establishment of the phase II gas-fired combined cycle power plant on May 24, 2021.
2022	Reinvested in Sun Ba Power Corporation through capitalization of statutory surplus reserves and capital increase out of earnings to meet the need for the combined-cycle gas turbine (CCGT) power plant project. The authorized capital after capitalization is NT$10 billion, with TCC holding 43% of the shares.

III. Governance

1. Organization

(1) Organization



(2) Functions and duties of departments

Department	Functions and Duties
Secretariat of the Board	1. Affairs of meetings of shareholders: (1) Affairs relating to the meetings of shareholders. (2) Production of the annual report and AGM handbook. 2. BOD affairs: (1) Affairs relating to the BOD and functional committees. (2) Assistance for directors in affairs relating to continuing education and legal compliance. (3) Provision of the data required for business operations for directors and affairs relating to communication and contact. 3. Establishment and amendment of stock-related regulations and affairs relating to stock, such as stock reporting by law and application for the company license (changes). 4. Governance-related affairs (1) Affairs relating to the "Corporate Governance Evaluation". (2) Establishment and amendment of the "Corporate Governance Best Practice Principles" and "Ethical Corporate Management Best Practice Principles".
Internal Audit Office	1. Assist the Board of Directors and management to inspect and review defects in the internal control system and measure the effectiveness and efficiency of operations. 2. Make timely recommendations for improvement to ensure the internal control system is continuing effective and for the reference of reviewing and correcting the internal control system.
Planning & Investment Management Department	1. Business planning: (1) Drawing up short-term, medium-term, and long-term business development plans and directions. (2) Planning the overall operation system, operation organization, and operation improvements. (3) Promoting sustainable development-related work and producing the Sustainability report. (4) Establishing and amending risk management policies and promoting the risk management plan. 2. Investment management: (1) Supervising the routine operations of investees. (2) Establishing/amending relevant regulations associated with management of investees. (3) Establishing/amending of the performance evaluation system and following up and reviewing the performance of investees. (4) Assisting investees in establishing various regulations and systems.
Engineering Department	1. Project undertaking: (1) Cultivating project undertaking business. (2) Analyzing project costs and writing service proposals. (3) Tendering and signing contracts of projects. (4) Implementing projects. 2. Engineering technology support: (1) Engineering technology support for projects invested by this Company. (2) Engineering technology support for investees. (3) Engineering technology support for Guantian Plant. 3. Workforce services such as technical consultation or consulting services.

Purchasing Department	1. Duty: Professional service, procurement of related equipment and instruments, engineering design, project construction, labor (service), and other items relating to procurement and construction for companies within the group. 2. Optimization and management of the e-procurement management system. 3. Scope of procurement and contracting (1) Setting the base price. (2) Price and contract negotiations. (3) Contract signed (4) Supplier/contractor management and evaluation. (5) Handling performance disputes. (6) Market information gathering.
Project Development Department	1. Development of investment projects (1) Cogeneration investment projects (2) IPP investment projects (3) Renewable energy and new energy investment projects (4) Other investment projects 2. Feasibility study of investment projects and drafting investment projects 3. Execution of joint-venture agreements and investment-related contracts. 4. Development and implementation of renewable energy retailing.
Administration Department	1. General affairs (1) Management and maintenance of organizational property, equipment, and offices, including property insurance. Dispatch and maintenance of company cars. (2) Procurement, management, and registration of OA items and gifts, operator service, and access management. (3) Management of documents and contracts by DCC, mail room management, company seal management. (4) Office revolving capital management; organization of the family day, year-end party, and New Year reunion, and other general affairs. 2. Human resources management: Human resources planning, recruitment and hiring, wage management, training and development, performance management, benefit plans, employee relationship management, and establishment of related regulations and systems. 3. Information: Construction and maintenance of IT systems, construction of network and telecommunication infrastructures, protection of information security and system management, and provision of IT services and equipment.
Guan-tian Plant	1. Operation: Routine plant operation, equipment trouble shooting, improvement and assessment of equipment operation, performance of cogeneration subscriber agreement, settlement of customer grievances and assistance for customer service, visits on new subscribers, and cultivation of new business. 2. Maintenance: Periodic and non-periodic maintenance, preventive maintenance, and planning and implementation of equipment process improvement of the plant. 3. Overhaul: Purchase requisition of parts for the annual overhaul, project contracting, and implementation of the plant. 4. ESH: Gathering of information on cases regarding environmental protection, occupational safety, and fire; control and implementation of countermeasures, preventive measures, reporting, and improvement

	assessment; and coordination with the audits by industrial safety and environmental authorities.
Finance Department	1. Financing and fund-raising: Planning financing and raising funds for projects; execution and management of financing agreements; planning and placement of capital increase; planning and placement of capital increase with earnings and issuing corporate bonds; and project financial assessment. 2. Capital dispatch and cashier: Capital dispatch and control; principal repayment and interest payment, transactions with banks, planning capital collection and payment; and custody of cash and securities. 3. Risk control: Planning and implementing hedging for foreign exchange rates and interest rates; L/C issuance and redemption; and gathering and analysis of forex and interest rates and financial market information. 4. Budget and account review: Planning and supervision of budget, review and approval of certificates of payment; analysis and assessment of operational performance; and establishment of related systems. 5. Accounting and taxation: Preparation of financial statements and statement of accounts; declaration of business tax and income tax; planning and management of accounting and taxation; management of contracts in progress; and disclosure and reporting of organizational information.
Legal Affairs Office	1. Legal consultation for the board of directors and the general meeting of shareholders. 2. Consultation for the establishment and amendment of the articles of incorporation. 3. Reviewing and expressing opinions for contracts of the company and settling disputes. 4. Other affairs relating to the research of legal and regulatory requirements.

2. Profile of directors, president, vice presidents, assistant managers, department heads, and branch heads

(1) Profiles of directors

Profiles of Directors (1)

2 April 2022

Title[1]	Nationality/ Registration	Name	Gender and age[2]	Elected (inaugurated) date	Tenure	Date of initial elected office[3]	Shareholdings at the time of elected office		Current shareholdings		Current shareholdings of spouse/minor children		Shareholdings in the name of a third party		Education and experience[4]	Concurrent positions in this and other companies	Other officers, directors, or supervisors of the company who is a spouse or relative within the 2nd degree under the Civil Code		
							Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship
Directors	ROC	Taiwan Power Company	–	2020.6.30	3 years	1992.4.14	162,954,279	27.66%	162,954,279	27.66%	–	–	–	–	–	–	–	–	–
	ROC	Representative: Shun-I Huang (chairman)	Male 61-70 years	2020.6.30	3 years	Elected chairman on 2021.04.01	0	0.00%	0	0.00%	–	–	–	–	MS in Electrical Engineering, Cornell University, New York, USA. Director, Sales Department, TPC. Chairperson, Taiwan Electric Research & Testing Center.	–	–	–	–
	ROC	Representative: Jenn-Yeong Wang	Male 51-60	2020.6.30	3 years	Director, 2012.07.30-2018.08.31 Director, 2022.07.26	-	-	-	-	-	-	-	-	MS, Department of Civil Engineering, National Chiao Tung University. EMBA, Accounting and Management Decision Group, National Taiwan University. Executive Secretary, Committee for Power Development Promotion and Operational Assistance Fund Review, Taiwan Power Company. Director, Power Source Cultivation Division, Taiwan Power Company. Professional General Engineer, Taiwan Power Company.	Vice President of Taiwan Power Company	-	-	-
	ROC	Representative: Tsao-Hua Hsu	Male 51-60 years	2020.6.30	3 years	2015.5.19	–	–	–	–	–	–	–	–	PhD in Civil Engineering, National Chung Hsing University Special Assistant to Chairman and Chief Secretary of Board of Directors, Director, Department of Corporate Planning, Taiwan Power Company Chief Administrator, Taiwan Power Company	Vice President of Taiwan Power Company	–	–	–
	ROC	Representative: Ming-De Jiang	Male 61-70 years	2020.6.30	3 years	2017.6.30	–	–	–	–	–	–	–	–	MS, National Taipei University of Technology. Director, Department of Nuclear and Fossil Power Projects, TPC.	Vice President of Taiwan Power Company	–	–	–
	ROC	Representative: Tien-He Kuo	Male 61-70 years	2020.6.30	3 years	2021.9.2	–	–	–	–	–	–	–	–	MS, National Taipei University of Technology. Director, Department of Nuclear and Fossil Power Projects, TPC.	Vice President and Director of the Power Generation Division of Taiwan Power Company	–	–	–
	ROC	Representative: Yuh-Ming Li	Male 51-60 years	2020.6.30	3 years	2017.6.30	–	–	–	–	–	–	–	–	PhD in Geography and Environmental Engineering, John Hopkins University, USA	Professor, Graduate Institute of Natural Resources and Environmental Management, National Taipei University.	–	–	–
Director	ROC	Ta Ya Electric Wire and Cable Co., Ltd.	–	2020.6.30	3 years	1992.4.14	14,0,093	2.20%	14,079,093	2.39%	–	–	–	–	–	–	–	–	–
	ROC	Representative: Wen-Bin Li	Male 61-70 year	2020.6.30	3 years	Supervisor during 2008.06.30-2011.06.29 Director during 2013.06.21-2017.06.29	0	0.00%	0	0.00%	–	–	–	–	BS in Electrical Engineering, National Taiwan University. MBA, National Chengchi University.	President, New Business Development Group, Ta Ya Electric Wire and Cable Co., Ltd. President, Taya Venture Capital Co., Ltd. Supervisor, Ta Ya Green Energy Technology Co., Ltd. Supervisor, Sun Ba Power Corporation	–	–	–

Director	ROC	Yuanjun Investment Limited	–	2020.6.30	3 years	2017.6.30	345,000	0.06%	345,000	0.06%	–	–	–	–	–	–	–	–	–
	ROC	Representative: Sen-chun Wang	Male 31-40 years	2020.6.30	3 years	2017.6.30	2,417,337	0.00%	2,417,337	0.41%	–	–	–	–	MA, Department of Management, Boston University, USA	Chairman, Yuanjun Investment Limited	–	–	–
Director	ROC	Jiansheng Investment Co., Ltd.	–	2020.6.30	3 years	2020.6.30	15,029,000	1.77%	15,719,000	2.67%	–	–	–	–	–	–	–	–	–
	ROC	Representative: Fu-Cin Hong	Male 71-80 years	2020.6.30	3 years	2020.6.30	36,000	0.0061%	36,000	0.0061%	–	–	–	–	MA, Department of Law, Central Police University. MA, John Jay College of Criminal Justice, City University of New York, USA. Director, Department of Public Affairs Management, Taiwan Provincial Government Chairperson, China Textile Co., Ltd.	–	–	–	–
Director	ROC	Bohan Investment Limited	–	2020.6.30	3 years	2020.6.30	9,117,000	1.54%	9,036,000	1.53%	–	–	–	–	–	–	–	–	–
	ROC	Representative: Yi-Sian Chen	Male 51-60 years	2020.6.30	3 years	Director during 2015.1.29-2016.1.25	33,000	0.0056%	33,000	0.0056%					BA, Department of International Business, Tunghai University	Chairperson, Bohan Investment Limited			
Independent director	ROC	Yao-Wen Lin	Male 41-50 years	2020.6.30	3 years	2017.7.27	0	0.00%	0	0.00%	–	–	–	–	MA, Executive Master of Public Policy Program (EMPP) National Sun Yat-sen University Research Fellow, Public Policy Management, Harvard Kennedy School, Harvard University	Chairperson, New Culture Foundation. Director, Kaohsiung Organizing Committee Chairperson, New Galaxy Investment Co., Ltd.	–	–	–
Independent director	ROC	Han-Shen Li	Male 71-80 years	2020.6.30	3 years	2020.6.30	0	0.00%	0	0.00%	–	–	–	–	BA, Department of Business Administration, Tamkang University. President, TPC.		–	–	–
Independent director	ROC	Ji-Sheng Ye	Male 41-50 years	2020.6.30	3 years	2020.6.30	0	0.00%	0	0.00%	–	–	–	–	LLB, Department of Law, National Taiwan University	Responsible Person, JSY Law Firm. Independent Director, Taiwan Tobacco & Liquor Corporation.	–	–	–

[1] The name and representative(s) of institutional shareholders shall be listed individually (the name of institutional shareholders shall be indicated for representatives of institutional shareholders). Information shall be disclosed in Table 1 below.
[2] List the actual age in ranges, such as 40-50 years or 50-60 years.
[3] Indicate the first time of being a director or supervisor and specify disruptions, if any.
[4] Experience relating to current positions, such as a position in the CPA firm or its affiliates certifying this report in the said period. Specify both the title and duties.
[5] If the chairperson and the president or equivalent role is the same person, its spouse, or the kindred at the first tier, state related information, including reasons, reasonability, necessity, and countermeasures (e.g., increase the number of independent directors, and at least half of them must not be the company’s employees or managers).

Table 1 Major Shareholders of Institutional shareholders

By 2 April 2022

Institutional shareholder[1]	Major Shareholders of Institutional shareholder[2]
Taiwan Power Company	Ministry of Economic Affairs: 94.04% Bank of Taiwan Co., Ltd. Co., Ltd. :2.62% First Commercial Bank, Ltd.: 0.84% Chang Hwa Commercial Bank, Ltd.: 0.71% Hua Nan Commercial Bank, Ltd.: 0.45% Taiwan Cooperative Bank Co., Ltd.: 0.24% Land Bank of Taiwan Co., Ltd.: 0.16% Taiwan Provincial Education Association: 0.11% Taipei City Government: 0.10% TRA Employee Welfare Committee: 0.08%
Jiansheng Investment Co., Ltd.	Zi-Rong Chen 31% Zi-Lin Chen 31% Guan-Tao Chen 31% Xiu-Lan Yan 2% Cheng-Xing Xiao 2% Jian-Cheng Yan 2% Ji-Fei Wu 1%
Ta Ya Electric Wire and Cable Co., Ltd.	Shang-Yi Shen (2.55%) Jia-Xi Investment Co., Ltd. (2.12%) Shang-Hui Shen (1.70 %) Wen-Hua Wang (1.66 %) Shang-Bang Shen (1.49%) Vanguard Stock Index Account, Taipei Branch, JPMorgan Chase Bank (1.27%) Vanguard Total International Stock Index Fund, JPMorgan Chase Bank (1.13%) CUPRIME Material Co., Ltd. (1.11%) Jia-Shang Investment Co., Ltd. (1.08%) Yao-Kun Hong (1.05 %)
Yuanjun Investment Limited	Sheng-Chun Wang 90% Wen-Rong Liu 10%
Bohan Investment Limited	Yi-Sian Chen 100%

[1]When a major shareholder in Table 1 is an institutional shareholder, specify the name of such institutional shareholders.

[2]Fill in the name of the major shareholders (top ten shareholdings) and their shareholdings of such institutional shareholders

3The name and stake of non-company institutional shareholders shall be stated as mentioned above, i.e., the name and investment amount/donation ratio of investors or donors (please refer to the announcement of the Judicial Yuan) and indicate “deceased” for those who passed away.

Table 2 Major Shareholders of Institutional shareholders in Table 1

By 2 April 2022

Institutional shareholder[1]	Major Shareholders of Institutional shareholder[2]
Bank of Taiwan Co., Ltd.	Taiwan Financial Holdings Co., Ltd.: 100%
First Commercial Bank, Ltd.	First Financial Holding Co., Ltd.: 100%
Chang Hwa Commercial Bank, Ltd.	Taishin Financial Holding Co., Ltd.: 22.55% Ministry of Finance: 12.19% Chunghwa Post Co., Ltd. 6.0% First Commercial Bank, Ltd. 3.86% Excel Chemical Corporation 2.76% National Development Fund, Executive Yuan 2.75% Taiwan Tobacco & Liquor Corporation 2.27% Mega International Commercial Bank Co., Ltd. 1.93% Taiwan Cooperative Bank Co., Ltd. 1.45% Hua Nan Commercial Bank, Ltd. 1.45%
Hua Nan Commercial Bank, Ltd.	Hua Nan Financial Holdings Co., Ltd.: 100%
Taiwan Cooperative Bank Co., Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.:100%
Land Bank of Taiwan Co., Ltd.	Ministry of Finance: 100%
Jia-Xi Investment Corporation	Jia-Mao Investment Corporation 26.50% Wen-Hua Wang 28.45 % Man-Erh Guo 28.48 % Ting-Kui Wang 14.56 % Hong Qun Investment Co., Ltd. (1.98%)
Jia-Shang Investment Corporation	Wen-Hua Wang 28.58 % Man-Erh Guo 28.58 % Hong Qun Investment Corporation 28.58% Ting-Kui Wang 14.25 %
Cuprime Material Co., Ltd.	Ta Ya Electric Wire and Cable Co., Ltd. 54.01% Jia-Rong Shen 3.12% Shang-Hui Shen 3.02% Wen-Hua Wang 3.01% Shang-Yi Shen 2.99% Shang-Bang Shen 2.15% Shang-Hong Shen 1.54% Yu-Jiu CAI (1.47%) Jia-Mao Investment Corporation 1.34% Su-Xiang Shen 1.21%

[1]When a major shareholder in Table 1 is an institutional shareholder, specify the name of such institutional shareholders.
[2]Fill in the name of the major shareholders (top ten shareholdings) and their shareholdings of such institutional shareholders.
[3]The name and stake of non-company institutional shareholders shall be stated as mentioned above, i.e., the name and investment amount/donation ratio of investors or donors (please refer to the announcement of the Judicial Yuan) and indicate “deceased” for those who passed away.

Profiles of Directors (2)

1) Professional Qualifications of Directors and Independency of Independent Directors

The Board shall be formed with members of different expertise. The current Board (11th) has 13 directors (including 3 independent directors, accounting for 23%; two of them are in their first term, while one is in the second term), and each has expertise to help operating the Company. Directors specializing in operational management or leadership decision include Shun-I Huang, Jenn-Yeong Wang, Tsao-Hua Hsu, Ming-De Jiang, Tien-He Kuo, Wen-bin Li, and Fu-Cin Hong; and independent directors Yao-Wen Lin and Han-Shen Li. Directors specializing in industry knowledge include Shun-I Huang, Jenn-Yeong Wang, Tsao-Hua Hsu, Ming-De Jiang, Tien-He Kuo, Yuh-Ming Li, Wen-Bin Li, Sheng-Chun Wang, and Yi-Sian Chen; and independent directors Yao-Wen Lin and Han-Shen Li. Directors specializing in finance and accounting include Jenn-Yeong Wang and Sheng-Chun Wang; and independent director Han-Shen Li. Independent Director Ji-Sheng Ye specializes in legal affairs. Director Yuh-Ming Li is also a professional environmentalist who give great advice for the Company sustainable development. Members of the current Board have different expertise to meet the corporate goal of board diversity. None of the three independent directors is also a director or employee of the Company or affiliates. They all comply with the Article 3, paragraph 1, subparagraphs 5-8, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, thus fulfilling the requirement for independency.

Condition / Name	Professional Qualifications and Experience[1]	Under any of the categories stated in Article 30 of the Company Act	Fulfillment of Independence[2]	Number of public companies holding independent directorship concurrently.
Shun-I Huang	Chairman, Board Meeting Chairman, Convener of Nomination Committee, Taiwan Cogeneration Corporation Director of Sales Department, Taiwan Power Company Chairperson, Taiwan Electric Research & Testing Center. MS in Electrical Engineering, Cornell University, New York, USA. Expertise: Operations and management, leadership and decision-making, industrial knowledge	Yes	-	No
Jenn-Yeong Wang	VP, Taiwan Power Company. MS, Department of Civil Engineering, National Chiao Tung University. EMBA, Accounting and Management Decision Group, National Taiwan University. Expertise: Operational management, industry knowledge, finance, and accounting.	Yes	-	No
Tsao-Hua Hsu	Vice President of Taiwan Power Company Special Assistant to Chairman and Chief Secretary of Board of Directors, Director, Department of Corporate Planning, Chief Administrator, Taiwan Power Company PhD in Civil Engineering, National Chung Hsing University Expertise: Operations and management, industrial knowledge	Yes	-	No
Ming-De Jiang	VP, Taiwan Power Company. Director, Department of Nuclear and Fossil Power Projects, Taiwan Power Company. MS, National Taipei University of Technology Expertise: Operational management, industry knowledge	Yes		

Tien-He Kuo	VP, Taiwan Power Company. Director, Department of the Power Generation Division, Taiwan Power Company. Plant Director, Datan Power Plant, Taiwan Power Company. Plant Director, Dalin Power Plant, Taiwan Power Company. Director, Power Generation Division, Graduate Institute of Mechanical Engineering, National Cheng Kung University. Expertise: Operational management, industry knowledge	Yes	-	No
Yuh-Ming Li	Professor, Institute of Natural Resource Management, National Taipei University PhD, Department of Geography & Environmental Engineering, John Hopkins University, USA. Expertise: Industry knowledge, environmental protection	Yes	-	No
Wen-Bin Li	President, New Business Development Group, Ta Ya Electric Wire and Cable Co., Ltd. President, Taya Venture Capital Co., Ltd. Supervisor, Ta Ya Green Energy Technology Co., Ltd. Supervisor, Sun Ba Power Corporation BS in Electrical Engineering, National Taiwan University. MBA, National Chengchi University. Expertise: Operations and management, leadership and decision-making, industrial knowledge	Yes	-	No
Sheng-Chun Wang	Chairman, Yuanjun Investment Limited Director, Hunya Foods Co., Ltd. MBA, Boston University, USA Expertise: Operations and management, leadership and decision-making, industrial knowledge	Yes	-	No
Fu-Cin Hong	Director, Department of Public Affairs Management, Taiwan Provincial Government Chairperson, China Textile Co., Ltd. MA, Department of Law, Central Police University. MA, John Jay College of Criminal Justice, City University of New York, USA. Expertise: Operations and management, leadership and decision-making, industrial knowledge	Yes	-	No
Yi-Sian Chen	Chairperson, Bohan Investment Corporation BA, Department of International Business, Tunghai University Expertise: Industrial knowledge	Yes	-	No
Yao-Wen Lin (independent director)	Convener of Remuneration Committee Chairperson, New Culture Foundation. Director, Kaohsiung Organizing Committee Chairperson, New Galaxy Investment Co., Ltd. MA, Executive Master of Public Policy Program, National Sun Yat-sen University Research Fellow, Public Policy Management, Harvard Kennedy School, Harvard University Expertise: Operations and management, industrial knowledge	Yes	Independent	No
Han-Shen Li (independent director)	Convener of Audit Committee President, Taiwan Power Company. BA, Department of Business Administration, Tamkang University. Expertise: Operations and management, leadership and decision-making, industrial knowledge, finance and accounting	Yes	Independent	No
Ji-Sheng Ye (independent director)	Responsible Person, JSY Law Firm. Independent Director, Taiwan Tobacco & Liquor Corporation. LLB, Department of Law, National Taiwan University Expertise: Legal affairs	Yes	Independent	No

2) Board diversity and independency

A. Board diversity: Policies, goals, and achievements of board diversity. The diversity policy includes, but not limited to, the criteria for director selection and the special qualifications, experience, gender, age, nationality, culture, and proportion of directors. The specific goals and achievements of the said policies are as follows:

The board diversity policy has been established in the Corporate Governance Best Practice Principles, stipulating that board member diversity should be considered, and diversification policies shall be established appropriate to the operations, business model, and development needs of the company. Diversity shall include two aspects: (1) diversification of fundamental conditions and (2) professional knowledge and skills.

Management targets and achievements of the board diversity policy: Board composition shall conform to gender and age diversities, with members including different genders to lower the proportion of gender difference. The current Board has 13 members. The percentage is low because we are a energy and power business with lesser female employees in the related fields. In the future, we will continue to lower the gender difference of board members by recruiting one more female director. In age diversity, one member of the current Board is aged 31-40 years, two members are aged 41-50 years, three members are aged 51-60 years, seven over 60 years.

B. Board independency: Number, proportion, and fulfillment of independence of independent directors, and noncompliance with Article 26-3, paragraphs 3 and 4, Securities and Exchange Act, including a spousal relationship or relative within the second degree of kinship between directors, between supervisors, and between directors and supervisor: The Company has three independent directors, accounting for 23% of all directors. The Board fulfills independency because no noncompliance with Article 26-3, paragraphs 3 and 4, Securities and Exchange Act, was reported.

[1]Professional qualifications and experience: State the professional qualifications and experience of individual directors and supervisors. State the accounting and financial background and work experience of members of the audit committee specializing in accounting or finance. Also state if there is noncompliance with Article 30 of the Company Act.

[2]Fulfillment of independence of independent directors: Including, but not limited to the person, spouse, relatives within the second degree of kinship, whether or not they are a director, supervisor, or employee of the company or its affiliates; the number and proportion of shares held by person, spouse, relatives within the second degree of kinship (or in the name of others); whether or not they are a director, supervisor, or employee of companies having a specific relationship with the company (cf. Article 3, paragraph 1, subparagraphs 5-8, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration for providing business, legal, financial, accounting services for the company or its affiliates in the last two years.

[3]Please refer to the Codes of Corporate Governance Best-Practice section of the Corporate Governance Center website of the Taiwan Stock Exchange for disclosure methods.

(2) Profiles of president, vice presidents, assistant managers, department and branch heads

By 2 April 2022

Title[1]	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings of spouse and minor children		Shareholdings in the name of a third party		Education and experience[2]	Positions in other Company	Manager who is a spouse or relative at the 2nd degree under the Civil Code			Remarks (Note 3)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
President, also VP	ROC	Yi-Tong Chen	Male	2023.01	-	-	-	-	-	-	MA in Energy Planning and Economics, Asian Institute of Technology BSc. in Mechanical Engineering, National Taiwan Institute of Technology Chief, Planning Section, New Business Development Office, Taiwan Power Company. VP, Taiwan Cogeneration Corporation	Director, Kuo Kuang Power Co., Ltd. Director,Taiwan Cogeneration International Corporation Chairman, Miaoli Wind Co., Ltd.	N/A	N/A	N/A	N/A
Vice President	ROC	Shu-Shen Lin	Male	2016.06	-	-	13,000	0.002%	-	-	PhD in Mechanical Engineering, Technische Universität München, Deutschland TA of Thermal Power Equipment Seminar, Mechanical Engineering, Technische Universität München, Deutschland	Chairman ,Chingshuei Geothermal Power Corporation President, Star Energy Power Corporation Chairman, Yi Yuan Corporation	N/A	N/A	N/A	N/A
Manager, Business Development Department	ROC	Shi-Yi Ho	Male	2022.01	-	-	-	-	-	-	MS in Civil Engineering BS in Civil Engineering, National Taiwan University. Deputy Manager, Business Development Department, Chief, Planning & Investment Management Department Taiwan Cogeneration	Director, Star Buck Power Corporation Director, SUN BA Power Corporation Chairperson and CEO, TCC Green Energy Corporation Director, Synergy Co., Ltd. Director, RP Energy	N/A	N/A	N/A	N/A
Manager, Purchasing Department	ROC	Yi-Liang Ou	Male	2016.08	-	-	-	-	-	-	BSc., Department of Industrial Engineering, Tung Hai University	Director, Kuo Kuang Power Corporation	N/A	N/A	N/A	N/A
Manager, Planning & Investment Management Department	ROC	Shih-Yang Hsu	Male	2023.01			-	-	-	-	BS, Department of Mechanical Engineering, National Taiwan University of Science and Technology. VP, Planning and Re-Investment Management Department	Director, Kuo Kuang Power Co., Ltd\ Director, Ta-Yuan Cogen Co.,LTD Director, Chingshuei Geothermal Power Corporation Director, Yi-Yuan Co., Ltd Director, RP ENERGY	N/A	N/A	N/A	N/A
Manager, Administration Department. Director, Office of Legal Affairs	ROC	Chia-Pin Chang	Male	2020.08	-	-	-	-	-	-	LLB, Soochow University Lawyer, K&L Gates LLP Director, Legal Office, Taiwan Cogeneration	Director, Star Buck Power Corporation Director, Star Energy Corporation	N/A	N/A	N/A	N/A
Manager, Finance Department	ROC	Jay Hsu	Male	2013.07	-	-	-	-	-	-	BA, Department of Accounting, Soochow University Deputy Manager, Financial Department, Sun Ba Power Corporation	Manager, Financial Department, Sun Ba Power Corporation Supervisor, Star Energy Power Corporation	N/A	N/A	N/A	N/A
Manager (acting), Engineering Department	ROC	Teh-Shen, Hsu	Male	2022.07	**6,614**	**0.001%**	-	-	-	-	Department of Mechanical Engineering, Lee-Ming College of Technology. Director and VP, Star Energy Corporation.	Manager, Department of Mechanical Engineering, Star Energy Corporation. Director, Miaoli Wind Power. Chairperson, Hamaguri Co., Ltd. Director, Star Wind Co., Ltd. Director, Star Solar Co., Ltd.	N/A	N/A	N/A	N/A
Plant Manager, Guan-tian Plant	ROC	Guo-liang Hsu	Male	2020.07							BSc., Department of Mechanical Engineering, Oriental Institute of Technology	Director, KHH Arena Corporation	N/A	N/A	N/A	N/A
Chief Governance Officer	ROC	Wan-Jane Chen	Female	2022.07	-		-	-	-	-	LLM, University of Notre Dame, USA. Manager, Planning and Reinvestment Management Department, Taiwan Cogeneration Corporation.		N/A	N/A	N/A	N/A
Director, Audit Office	ROC	Sheng-Yuan Cheng	Male	2022.01							MBA, Institute of Management, Tunghai University. Assist Manager, Deloitte Taiwan. Financial Specialist, Taiwan Cogeneration Corporation.		N/A	N/A	N/A	N/A

[1]Data shall include president, vice presidents, assistant managers, and department and branch heads and those, regardless of titles, in a position equivalent to president, vice presidents, or assistant managers.

[2]Experience relating to the current position(s), such as a position in the CPA firm or its affiliates certifying the financial statements of the company, shall be specified, including title(s) and duties.

[3]If the president or equivalent role (CEO) and the chairperson is the same person, its spouse, or the kindred at the first tier, state related information, including reasons, reasonability, necessity, and countermeasures (such as increasing the number of independent directors, and over one-half of non-staff directors or manager).

3. Remuneration for directors (including independent directors), president, and vice presidents in last year

(1) Remuneration for directors (including independent directors)(in NT$ thousand)

Remuneration for ordinary and independent directors
(disclose the name and form of remuneration individually)

Title	Name(*1)	Director Remuneration								Percent of the total A to D in the net profit after tax (*10)		Pay for director who is concurrently an employee								Percent of the total A to G in the net profit after tax (*10)		Related remuneration from investees or the parent other than the subsidiaries (*11)
		Remuneration (A) (*2)		Retirement Allowance (B)		Remuneration for directors (*3)		Business execution expenses (D) (*4)				Salaries, bonuses, and special expenses, etc. (E) (*5)		Retirement Allowance (F)		Employee compensation (G) (*6)						
																Taiwan Cogeneration		All firms disclosed in the consolidated financial statements (*7)				
		Taiwan Cogeneration	All firms disclosed in the consolidated financial statements (*7)	Taiwan Cogeneration	All firms disclosed in the consolidated financial statements (*7)	Taiwan Cogeneration	All firms disclosed in the consolidated financial statements (*7)	Taiwan Cogeneration	All firms disclosed in the consolidated financial statements (*7)	Taiwan Cogeneration	All firms disclosed in the consolidated financial statements (*7)	Taiwan Cogeneration	All firms disclosed in the consolidated financial statements (*7)	Taiwan Cogeneration	All firms disclosed in the consolidated financial statements (*7)	Cash	Stock	Cash	Stock	Taiwan Cogeneration	All firms disclosed in the consolidated financial statements (*7)	
Corporate Shareholder	Taiwan Power Company	2,566	2,566	-	-	4,395	4,395	718	718	7,679/0.85%	7,679/0.85%	-	-	-	-	-	-	-	-	7,679/0.85%	7,679/0.85%	-
Chairman	Representative: Shun-I Huang	2,911	2,911	-	-	-	-	50	50	2,961/0.33%	2,961/0.33%	-	-	-	-	-	-	-	-	2,961/0.33%	2,961/0.33%	-
Director	Representative: Jenn-Yeong Wang	-	-	-	-	-	-	46	46	46/0.01%	46/0.01%	-	-	-	-	-	-	-	-	46/0.01%	46/0.01%	-
Director	Representative: Tien-He Kuo	-	-	-	-	-	-	102	102	102/0.01%	102/0.01%	-	-	-	-	-	-	-	-	102/0.01%	102/0.01%	-
Director	Representative: Tsao-Hua Hsu	-	-	-	-	-	-	102	102	102/0.01%	102/0.01%	-	-	-	-	-	-	-	-	102/0.01%	102/0.01%	-
Director	Representative: Ming-De Jiang	-	-	-	-	-	-	102	102	102/0.01%	102/0.01%	-	-	-	-	-	-	-	-	102/0.01%	102/0.01%	-
Former Director	Representative: Li-zhen Chen	-	-	-	-	-	-	60	60	60/0.01%	60/0.01%	-	-	-	-	-	-	-	-	60/0.01%	60/0.01%	-
Director	Representative: Yuh-Ming Li	-	-	-	-	-	-	280	280	280/0.03%	280/0.03%	-	-	-	-	-	-	-	-	280/0.03%	280/0.03%	-
Corporate Shareholder	Ta Ya Electric Wire and Cable Co., Ltd.	-	-	-	-	732	732	-	-	732/0.08%	732/0.08%	-	-	-	-	-	-	-	-	732/0.08%	732/0.08%	-
Director	Representative: Wen-Bin Li		-	-	-	-	-	280	280	280/0.03%	280/0.03%	-	-	-	-	-	-	-	-	280/0.03%	280/0.03%	120
Corporate Shareholder	Yuanjun Investment Limited	-	-	-	-			-	-	0.00%	0.00%	-	-	-	-	-	-	-	-	0.00%	0.00%	-
Director	Representative: Sheng-Chun Wang	-	-	-	-	732	732	280	280	1,012/0.11%	1,012/0.11%	-	-	-	-	-	-	-	-	1,012/0.11%	1,012/0.11%	-
Corporate Shareholder	Jiansheng Investment Corporation	-	-	-	-	-	-	-	-	0.00%	0.00%	-	-	-	-	-	-	-	-	0.00%	0.00%	-
Director	Representative: Fu-Cin Hong		-	-	-	732	732	280	280	1,012/0.11%	1,012/0.11%	-	-	-	-	-	-	-	-	1,012/0.11%	1,012/0.11%	-
Corporate Shareholder	Bohan Investment Limited	-	-	-	-	732	732	240	240	972/0.11%	972/0.11%	-	-	-	-	-	-	-	-	972/0.11%	972/0.11%	-
Director	Representative: Yi-Sian Chen	-	-	-	-			40	40	40/0.00%	40/0.00%	-	-	-	-	-	-	-	-	40/0.00%	40/0.00%	-
Independent Director	Yao-Wen Lin	360	360	-	-	732	732	370	370	1,462/0.16%	1,462/0.16%	-	-	-	-	-	-	-	-	1,462/0.16%	1,462/0.16%	-
Independent Director	Han-Shen Li	360	360	-	-	732	732	370	370	1,462/0.16%	1,462/0.16%	-	-	-	-	-	-	-	-	1,462/0.16%	1,462/0.16%	-
Independent Director	Ji-Sheng Ye	360	360	-	-	732	732	370	370	1,462/0.16%	1,462/0.16%	-	-	-	-	-	-	-	-	1,462/0.16%	1,462/0.16%	-

1. State the policy, system, standard, and structure of remuneration for independent directors and the relevance to the amount of remuneration in terms of their duty, risk, and time of involvement: The payments to the directors of the Company include remuneration, rewards, travel expenses, and attendance allowance. With respect to the Company's Articles of Incorporation, if there is profit in the year, not more than 1% will be appropriated as the profit sharing (remuneration) for directors, and this rate shall not be higher than that of the profit sharing for employees. If there is accumulated deficit, however, the amount for compensation shall be retained before calculating the profit sharing for directors and employees based on the balance. With respect to Articles of Incorporation, the BOD is authorized to determine the reward for directors with respect to their involvement in and contribution to the corporate operations and in consideration with the general standards in the industry. Directors may claim the travel expense at an amount approved by the BOD. For ordinary directors, only the fixed rewards including travel expense and attendance allowance will be distributed, and no variable rewards are distributed. In addition, as independent directors are concurrently members of the remuneration, audit, nomination, and other functional committees with higher workload, more risk, and longer working hours, it is approved by the board of directors on April 1, 2021 that they are salaried (rewarded) and adjusted from NT$21,000 each month to NT$30,000 per month, while ordinary directors are unsalaried. Directors are remunerated in accordance with the company's financial performance and director performance (covering six aspects: alignment with the corporate goals and missions, awareness of directorial duties, involvement in corporate organization, internal relationship maintenance and communication, expertise and continuing education, and internal control). Compared to the salary for independent directors of other listed companies, this amount is fair and reasonable. 2. Pay for services (such as non-employee consultant of the parent/all companies listed in the financial statements/investees) specified in the financial statements provided by directors in the previous year not specified above: 0.

*List the related information of directors (ordinary directors who are not independent directors) and independent directors individually.

Note 1: Fill in the name of each director individually (the name of institutional shareholders and their representatives shall also be listed individually), and ordinary directors and independent directors shall be listed separately to disclose the amount of remuneration to each in aggregate. A director who is concurrently the president or a vice president of the company shall be stated in this table and the tables below (3-1) or (3-2-1) and (3-2-2).

Note 2: Refer to the remuneration (including salary, duty allowances, redundancy pay, bonuses, awards, etc.) of directors in the previous year.

Note 3: Fill in the amount of remuneration for directors approved by the board of directors in the latest fiscal year.

Note 4: Refer to the remuneration for related Business execution expenses (including attendance fee, special disbursement, all types of allowances, accommodation, company car, and other subsidies in kind). If the company provides housing, company car and other means of transportation or the spending is exclusive to a particular person, disclose the nature and the cost of the asset, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments. When drivers are assigned to directors, please specify the pay of such drivers. Such pay shall not be included in the remuneration to directors.

Note 5: When a director is concurrently an employee (including serving as the president, vice president, other managers, and regular employees)of the company, this refers to the salaries, duty allowances, pensions, bonuses, awards, attendance fee, special disbursements, all types of allowances, housing, company car, and other subsidies in kind. If the company provides housing, company car and other means of transportation or the spending is exclusive to a particular person, disclose the nature and the cost of the asset, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments. When drivers are assigned to directors, please specify the pay of such drivers. Such pay shall not be included in the remuneration to directors. In addition, the salary payment adopted under IFRS 2 "Share-based Payment" includes employee stock option certificates, restricted stock awards, and subscription of common stocks issued for cash. They shall be included in the remuneration for directors.

Note 6: When a director is concurrently an employee (including serving as the manager, vice presidents, other managers, and regular employees) and receive employee compensation (including stock and cash) in the previous year, the company shall disclose the amount of employee compensation approved by the board of directors in the previous year. If the compensation cannot be estimated, the company shall calculate the proposed distribution balance this year based on the amount of actual distribution in the previous year. The company shall also fill in Schedule 1-3.

Note 7: The company shall disclose the total amount of all types of remunerations paid to directors by all firms (including this company) in the consolidated financial statements.

Note 8: The name of each director shall be disclosed in the increment appropriate to the total amount of remunerations for each director.

Note 9: The name of each director shall be disclosed in the increment appropriate to the total amount of remunerations for each director received from all firms (including this company) disclosed in the consolidated financial statements.

Note 10: "Net earnings after tax" refers to the net profit after tax in the previous year. When IFRS is applied, this shall refer to the net profit after tax in the individual financial statement or consolidated financial statement of the previous year.

Note 11a: The amount of remuneration a director receives from investees other than subsidiaries or the parent shall be specified in this column (fill in "NA" for none).

Note 11b: When a director receives remunerations from an investee other than a subsidiary or the parent, the amount of such remunerations shall be combined in column I of the Increments of Remuneration table, and the column shall be renamed "Parent and All Investees".

Note 11c: Remuneration here refers to the remuneration and pay (including the pay for an employee, a director, and a supervisor) and pay for professional practice that a director receives from an investee other than a subsidiary or the parent as its director, supervisor, or manager.

*The concept of remuneration disclosed in the above table is different from that of the Income Tax Act. All information disclosed is informative and does not serve as evidence for taxation.

(2) Remuneration for the president and vice presidents

Remuneration for the President and Vice Presidents
(on the same increment and disclosed collectively)
(expressed in NT$ Thousand)

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A) (Note 2)</th><th colspan="2">Severance Pay/ Retirement Allowance (B)</th><th colspan="2">Bonuses & Special expenses (C) (Note 3)</th><th colspan="4">Amount of Employee profit sharing from earnings distribution (D) (Note 4)</th><th colspan="2">Sum of the First Four Types of Remuneration (A+B+C+D) (Note 8)</th><th rowspan="3">Related remuneration from investees other than the subsidiaries or the parent (Note 9)</th></tr>
<tr><th rowspan="2">TCC</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*5)</th><th rowspan="2">TCC</th><th rowspan="2">All firms disclosed in the consolidate d financial statements (*5)</th><th rowspan="2">TCC</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*5)</th><th colspan="2">Taiwan Cogeneration</th><th colspan="2">All firms disclosed in the consolidated financial statements (*5)</th><th rowspan="2">Taiwan Cogeneration</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*5)</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>Former President</td><td>Chin-Fa Cai</td><td rowspan="3">6,914</td><td rowspan="3">7,739</td><td rowspan="3">0</td><td rowspan="3">1,414</td><td rowspan="3">2,515</td><td rowspan="3">2,905</td><td rowspan="3">1,408</td><td rowspan="3"></td><td rowspan="3">1,408</td><td rowspan="3"></td><td rowspan="3">10,837
1.2%</td><td rowspan="3">13,466
1.5%</td><td rowspan="3">50</td></tr>
<tr><td>President & Vice President</td><td>Yi-tong Chen</td></tr>
<tr><td>Vice President</td><td>Shu-shen Lin</td></tr>
</table>

*Regardless of titles, positions equivalent to a president or a vice president (e.g., general manager, CEO, director, etc.) shall all be disclosed.

Range of Remuneration

Range of remuneration to Taiwan Cogeneration Corp. Presidents and Vice Presidents	Name of Presidents and Vice Presidents	
	The Company (Note 6)	Mother company and all investees (Note 7) E
Below NT$1,000,000		
NT$1,000,000 (included) - 2,000,000 (excluded)		
2,000,000 (included) - 3,500,000 (excluded)	Chin-Fa Tsai	
3,500,000 (included) - 5,000,000 (excluded)	Yi-tong Chen, Shu-shen Lin	Yi-tong Chen, Shu-shen Lin
5,000,000 (included) - 10,000,000 (excluded)		Chin-Fa Cai
10,000,000 (included) - 15,000,000 (excluded)		
15,000,000 (included) - 30,000,000 (excluded)		
30,000,000 (included) - 50,000,000 (excluded)		
50,000,000 (included) - 100,000,000 (excluded)		
100,000,000 and above		
Total	3 persons	3 persons

Note 1: Fill in the name of each president or vice president individually (the name of institutional shareholders and their representatives shall also be listed individually) and the amount of remuneration to each shall be disclosed in aggregate. A director who is concurrently the president or a vice president of the company shall be stated in this table and the above table below (1-1).

Note 2: Refer to the salary, duty allowances, and severance pay of presidents and vice presidents in the previous year.

Note 3: Refer to the amount of bonuses, awards, attendance fees, special disbursements, duty allowances, housing, company car, other subsidies in kind, and other remunerations paid to a president or vice president in the previous year. If the company provides housing, company car and other means of transportation or the spending is exclusive to a particular person, disclose the nature and the cost of the asset, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments. When drivers are assigned to supervisors, please specify the pay of such drivers. Such pay shall not be included in the remuneration to supervisors. In addition, the salary payment adopted under IFRS 2 "Share-based Payment" includes employee stock option certificates, restricted stock awards, and subscription of common stocks issued for cash. They shall be included in the remuneration for presidents and vice presidents.

Note 4: Refers to the compensation for employees (including stock and cash) distributed to presidents and vice presidents approved by the board of directors in the previous year. If the compensation cannot be estimated, the company shall calculate the proposed distribution balance this year based on the amount of actual distribution in the previous year. The company shall also fill in Schedule 1-3. Where IFRS is applied, "net earnings after tax" refers to the net profit after tax in the previous year. When IFRS is applied, this shall refer to the net profit after tax in the individual financial statement or consolidated financial statement of the previous year.

Note 5: The total amount of all types of remunerations paid to each president and vice president by all firms (including this company) disclosed in the consolidated financial statement.

Note 6: The name of each president and vice president shall be disclosed in the increment appropriate to the total amount of remunerations for each president and vice president.

Note 7: The name of each president and vice president shall be disclosed in the increment appropriate to the total amount of remunerations for each president and vice president received from all firms (including this company) disclosed in the consolidated financial statements.

Note 8: "Net earnings after tax" refers to the net profit after tax in the previous year. When IFRS is applied, this shall refer to the net profit after tax in the individual financial statement or consolidated financial statement of the previous year.

Note 9a: The amount of remunerations the president and vice presidents receive from investees other than subsidiaries or the parent shall be specified in this column (fill in "NA" for none).

Note 9b: When the president and vice presidents receive remunerations from an investee other than a subsidiary or the parent, the amount of such remunerations shall be combined in column I of the Increments of Remuneration table, and the column shall be renamed "Parent and All Investees".

Note 9c: Remuneration here refers to the remuneration and pay (including the pay for an employee, a director, and a supervisor) and pay for professional practice that a director receives from an investee other than a subsidiary or the parent as its director, supervisor, or manager.

*The concept of remuneration disclosed in the above table is different from that of the Income Tax Act. All information disclosed is informative and does not serve as evidence for taxation.

(3) Compensation for Managers (expressed in NT$1,000)

28 April 2023

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Ratio in net earnings after tax (%)
Managers	Former President	Chin-Fa Tsai	0	1,785	1,785	0.20%
	President & Vice President	Yi-tong Chen				
	Vice President	Shu-shen Lin				
	Manager	Jay Hsu				

Note 1: The name and title of managers shall be disclosed individually. However, the distribution of profit can be disclosed in aggregate.

Note 2: Refers to the compensation for employees (including stock and cash) approved by the board of directors in the previous year. If the compensation cannot be estimated, the company shall calculate the proposed distribution balance this year based on the amount of actual distribution in the previous year. The company shall also fill in Schedule 1-3. Where IFRS is applied, “net earnings after tax” refers to the net profit after tax in the previous year. When IFRS is applied, this shall refer to the net profit after tax in the individual financial statement or consolidated financial statement of the previous year.

Note 3: Referring to Letter Tai-Cai-Zheng-San-Zi No. 0920001301 (Taiwan-Finance-Securities-III-0920001301) of the Financial Supervisory Commission dated 27 March 2003, the scope of managers is as follows:

(1) President and equivalent level;
(2) Vice president and equivalent level;
(3) Assistant manager and equivalent level;
(4) Financial supervisor;
(5) Accounting supervisor;
(6) Other managers and authorized personnel.

Note 4: In addition to Table 1-2, directors, presidents, and vice presidents receiving compensation for employees (including stock and cash) shall be disclosed in this table.

(4) A comparative description with analysis on the ratio taken by the gross total of remuneration paid by this company and all firms disclosed in the consolidated financial statements to the directors, presidents and vice presidents of this company to the net earnings after tax over the past two years.

Title	The ratio taken by the gross total of remuneration paid by this company to the directors, presidents and vice presidents of this company to the net earnings after tax		The ratio taken by the gross total of remuneration paid by all firms disclosed in the consolidated financial statements to the directors, presidents and vice presidents of this company to the net earnings after tax	
	In 2021	In 2022	In 2021	In 2022
Directors	2.30%	2.18%	2.30%	2.18%
Presidents and Vice Presidents	2.26%	1.20%	2.48%	1.49%

Note 1: Former chairman Min-chieh Chang resigned from the office in April of 2021. Former President Kuang-Hsun Yu retired in March of 2021. Their resignation/retirement payments are included in the above list and is the main reason for ratio increasing in 2021.

Note 2: The payment policy to directors, standards, compositions, procedure, relation to operation performance: The payments to the directors of the Company include remuneration, rewards, travel expenses, and attendance allowance. With respect to the Company's Articles of Incorporation, if there is profit in the year, not more than 1% will be appropriated as the profit sharing (remuneration) for directors, and this rate shall not be higher than that of the profit sharing for employees. With respect to Articles of Incorporation, the BOD is authorized to determine the reward for directors with respect to their involvement in and contribution to the corporate operations and in consideration with the general standards in the industry. Directors may claim the travel expense at an amount approved by the BOD. Only the fixed rewards including travel expense and attendance fee allowance will be distributed, and no variable rewards are distributed. In addition, as independent directors are concurrently members of the remuneration, audit, nomination, and other functional committees with higher workload, more risk, and longer working hours, it is approved by the board of directors on April 1, 2021 that they are salaried (rewarded) and adjusted from NT$21,000 each month (adjusted to NT$30,000 per month), while ordinary directors are unsalaried. Directors are remunerated in accordance with the company's financial performance and director performance (covering six aspects: alignment with the corporate goals and missions, awareness of directorial duties, involvement in corporate organization, internal relationship maintenance and communication, expertise and continuing education, and internal control).

Note 3: The payment policy to Presidents and vice Presidents, standards, compositions, procedure, relation to operation performance: The composition of the salary of presidents and vice presidents includes base salary, duty allowances, and food allowance. A president or vice president is salaried based on his/her educational attainments, work experience, work performance, and service length. We have established the performance evaluation regulations and employee remuneration system (including managers). According to Article 36 of the company charter, if there is profit in the year, a minimum of 0.5% should be appropriated as remuneration for employees and a maximum of 1% as remuneration for directors, and the latter must not be higher than the former. In addition, the "Bonus Distribution Regulations" stipulate that the performance bonus in the employee's pay includes profit sharing and performance evaluation. Every year, we include corporate governance, operational performance, energy conservation & carbon reduction, renewable energy development, and ESG-related items in the Company's general goal and KPIs. The performance of officers and employees are evaluated based on the achievement of the departmental KPIs, and bonuses are calculated according to the formulas to link the results of performance evaluation and the performance bonus and employee pay.

Note 4: Interrelationship with future risks: None.

4. Status of Governance

(1) The operation of the board of director (BOD)

A. In 2022, BOD held eight meetings (A), the attendance of directors is as follows.

Title	Name (Note 1)	Attendance in person (B)	Attendances through proxy	Actual attendance rate (%) [B/A] (Note 2)	Remarks
Chairman (TPC)	Shun-I Huang	8	0	100%	Inaugurated 2021/4/1
Director (TPC)	Jenn-Yeong Wang	4	1	80%	Inaugurated on 2022/7/26
Director (TPC)	Tsao-Hua Hsu	8	0	100%	
Director (TPC)	Yuh-Ming Li	8	0	100%	
Director (TPC)	Ming-De Jiang	7	1	88%	
Director (TPC)	Tien-He Kuo	5	3	63%	
Former Director	Li-zhen Chen	3	0	100%	Relieved 2022/7/26
Director (Taya)	Wen-Bin Li	8	0	100%	
Director (Yuanjun Investment)	Sheng-Chun Wang	8	0	100%	
Director (Jiansheng Investment)	Fu-Cin Hong	8	0	100%	
Director (Bohan Investment)	Yi-Sian Chen	8	0	100%	
Independent Director	Yao-Wen Lin	8	0	100%	
Independent Director	Han-Shen Li	8	0	100%	
Independent Director	Ji-Sheng Ye	7	1	88%	

Other information required for disclosure:

1. The date, session, proposal content, and resolution specified and the opinion expressed by independent directors shall be specified under any one of the following circumstances: Please refer to 4-(1)-B and C.
   (1) Matters specified in Article 14-3 of the Securities and Exchange Act.
   (2) Other board resolutions to which objections or qualified opinions for the record or in writing are expressed by independent directors.
2. When there is avoidance of conflicts of interest by a director, specify the name of that director, the involved proposal(s), the cause(s) of the avoidance of conflicts of interest, and the participation in voting of that director. Please refer to 4-(1)-D.
3. Listed companies shall disclose the information regarding the cycle and duration, scope, method, and contents of self-assessment (peer assessment) of the board of directors and fill in board performance evaluation. Please refer to 4-(5).
4. Enhancements to the functionality of the board of directors in the current and the most recent year (e.g., establishment of an audit committee, improvement of information transparency etc.), and the progress of such enhancements. Please refer to 4-(1)-E.

Note 1: For corporate directors and supervisors, disclose their names and the name of their representatives.

Note 2: (1) If a director or supervisor resigns before the end of a fiscal year, the service termination date should be stated in the remarks section. The actual attendance rate (%) is calculated with the number of BOT meetings when they are on BOD and the actual number of BOT meetings attended by a member (including as a guest).
(2) When there is a BOD re-election before the end of a fiscal year, the name of former and current BOD members should both be listed, including the status of a director: former, new, or re-elected, and the re-election date. The actual attendance rate (%) is calculated with the number of BOT meetings in the term and the actual number of BOT meetings attended by a member (including as a guest).

B. When BOD is under any one of the following circumstances as specified in Article 14-3 of the Securities and Exchange Act, the date, session, and proposal of BOD meeting; the opinion of independent directors; and the BOD's response to such opinions shall be specified:

Board Meeting Date/Session	Proposal Content	Opinion of Independent Directors	Company's Response to the Opinion of Independent Directors
2022.03.16 11th term, 15th meeting	1. Collection of remuneration for directors for 2021.	Same as the opinion of the Remuneration Committee.	Same as the opinion of the Remuneration Committee for future reference.
	2. Business report and financial statements of 2021.	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee and referred to ratification by 2022 AGM
	3. Earnings distribution of 2021.	None	Passed as per the deliberation result of the Audit Committee and referred to ratification by 2022 AGM
	4. Statement of Internal Control System on December 31, 2021.	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee and issued the Statement of Internal Control System on December 31, 2021.
	5. Approval for re-investment in Star Energy for the "Tainan City Cigu District Common Booster Station Investment Project" and "Chiayi County Yizhu Township Common Booster Station Investment Project"	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee.
	6. Amendment to part of the articles of the "Procedures for Acquisition and Disposition of Assets"	None	Passed as per the deliberation result of the Audit Committee and referred to discussion at AGM 2022.
	7. Total amount of distribution of remuneration for employees and directors in 2021.	None	Passed as per the deliberation result of the Remuneration Committee and included in the presentation for 2022 AGM.
	8. Abolition of non-compete restrictions on directors.	None	Passed as proposed by all directors present in the meeting and referred to discussion at AGM 2022.
2022.05.12 11th term, 16th meeting	1. Replacement of the CPAs of financial statements.	None	Passed as per the deliberation result of the Audit Committee.
	2. Consolidated financial statement of 2022Q1.	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee.
	3. Control table of the internal control follow-up report.	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee.
	4. Sales of the shares of Jhao Feng Solar Energy to Wang Tien Woolen Textile for share exchange.	None	Ratified as per the deliberation result of the Audit Committee.
2022.06.28 11th term, 17th meeting	1. GHG Inventory and Verification Planning Report.	None	Same as the deliberation result of the Audit Committee for future reference.

	2. Distribution of remuneration for directors for 2021.	None	Passed as proposed as per the deliberation result of the Remuneration Committee.
2022.08.01 11th term, 18th meeting	1. Acquisition of Jinqiyi for the "Yunlin County Douliu Towe Grid Connection Energy Storage Investment Project".	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee.
	2. Onshore Substation EPC Contract with Ørsted Taiwan for offshore wind farms (Greater Changhua Northwestern, Southwestern Phase II, Ørsted Wind 2, Ørsted Wind 3, Greater Changhua Northeastern).	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee.
2022.08.11 11th term, 19th meeting	1. Consolidated financial statement of 2022Q2.	None	Passed as per the deliberation result of the Audit Committee.
	2. Amendment to the 2022 budget.	None	Passed as per the deliberation result of the Audit Committee. Asked the management department to reconfirm the budget losses and gains with the investees. If the difference was small, the chairperson was authorized to determine the need for amendment and report to the next Board meeting.
	3. Amendment to the items and contents of the 2022 Internal Control System.	None	Passed as per the deliberation result of the Audit Committee.
2022.10.11 11th term, 20th meeting	1. Due to macroeconomic reasons, termination of the "Yunlin County Douliu Towe Grid Connection Energy Storage Investment Project" after re-assessment.	Same as the opinion of the Audit Committee.	Passed as per the opinion of the Audit Committee, reserved.
2022.11.10 11th term, 21st meeting	1. Consolidated financial statement of 2022Q3.	None	Passed as proposed as per the deliberation results of the Audit Committee.
	2. Cash capital increase and issuance of new shares in 2022.	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee and authorized the chairperson with full delegation to handle matters relating to cash capital increase.
	3. Termination of the "Yunlin County Douliu Towe Grid Connection Energy Storage Investment Project".	None	Passed as proposed as per the deliberation results of the Audit Committee.
	4. Control table of the internal control follow-up report.	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee.
2022.12.23 11th term, 22nd meeting	1. 2023 Sales Plan and Budget.	None	Passed as proposed as per the deliberation results of the Audit Committee.
	2. Assessment and appointment of CPAs and auditing fee of the "Audit and Certification of Financial Statements and Tax".	None	Passed as proposed as per the deliberation results of the Audit Committee.

	3. 2023 Periodic Audit Program.	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee.
	4. Termination of the re-investment in Star Energy's "Chiayi County Yizhu Township Common Booster Station Investment Project".	None	Passed as proposed as per the deliberation results of the Audit Committee.
	5. Subscription of shares at NT$33.5 million from Hamaguri's cash capital increase.	Same as the opinion of the Audit Committee.	Passed as per the deliberation opinion of the Audit Committee.
	6. 2023 chairperson evaluation and raise and 2022 chairperson operation and performance bonus.	None	Passed as proposed as per the deliberation results of the Remuneration Committee.

C. Other board resolutions for the records or written statements regarding the objection or qualified opinion of independent directors: None

D. When there is avoidance of conflicts of interest by a director, the name of that director, the involved proposal(s), the cause(s) of the avoidance of conflicts of interest, and the participation in voting of that director shall be specified.
Chairman Hsin-I Huang avoided from the Proposal of Salary for the New Chairman, 2023 Chairman Evaluation and Salary Raise and Full-scale Salary Raise and Proposal of 2022 Chairman Operations and Performance Bonuses without voting.

E. Targets for BOD competency improvement in the present and previous years (such as establishing an audit committee and enhancing information transparency) and performance evaluation:

1) We have established the Rules of Procedure for Board Meetings in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. After the meeting, directors present in the meeting disclosed the director attendance on MOPS after the meeting accordingly.
2) In 2015 we already established the Corporate Governance Best Practice Principles, Insider Trading Prevention Regulations, Code of Ethics, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Corporate Sustainability Best Practice Principles to strengthen BOD competency, and the implementation outcomes are reported to BOD for recordation. These regulations, guidelines and principles are established to provide a dependable reference for BOD to determine the strategy for business operations, practice CSR, supervise organizational operations and management in order to pursue sustainable development and increase long-term value for shareholders.
3) We established the "Board Performance Assessment Regulations" in November 2016 for directors to measure board performance in terms of five aspects: participation in the company's operations; improvement of the decision quality of the board of directors; composition and structure of the board of directors; selection and continuing education of directors; and internal control through self-assessment. In addition to evaluate the overall performance of Board by self-assessment, directors are requested to evaluate their performance in terms of six aspects: understanding of corporate goals and missions; understanding of their duties and responsibilities; participation in the company's operations; internal relation maintenance and communication; expertise and continuing education; and internal control. The performance evaluation of functional committees covers five aspects: participation in the company's operations; understanding of the duties and responsibilities of the functional committee; improvement of the decision-making quality of the functional committee; composition and member selection of the functional committee; and internal control. The results of evaluation are reported to Board for inspection and reference. According to the "Board Performance Assessment Regulations", external assessment shall be carried out every three years. We hired the Taiwan Corporate Governance Association to conduct the 2022 external board performance assessment on October 5, 2022, and an

assessment report was also published. Based on the 2022 overall evaluation results, the achievement rate of performance indicators has been achieved, suggesting that the performance of Board in the internal performance evaluation, performance of board member in the self-assessment, and the performance of functional committees in the performance evaluation were all "good."

4) The Remuneration Committee is established by this company to review the annual and long-term performance indicators, and the policy, system, standard, and structure of salary/remuneration for directors according to the Remuneration Committee Charter. The Remuneration Committee held 4 meetings in 2022. Please refer to the Operation of Remuneration Committee for details of the proposal passed.
5) We established the first Audit Committee on July 27, 2017 to supervise: the fair expression of financial statements; CPA appointment (dismissal), independence, and performance; the effectiveness of implementation of the internal control system; compliance performance; and the control of inherent or potential risks. A total of eight committee meetings were held in 2022. Please refer to "Operation of Audit Committee" for information of the proposals passed by the committee.
6) To optimize Board functions and strengthen the management mechanism, on December 20, 2019 we formed the Nomination Committee and established the Nomination Committee Charter with reference to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies promulgated by the competent authority. Two committee meetings were held in 2022. Please refer to the performance of Nomination Committee for the proposals passed.

(2) Board Evaluation

A. Board Performance Evaluation

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Evaluation method (Note 4)	Evaluation items (Note 5)
Once a year	January 1-December 31, 2022	The overall performance of BOD and individual directors	Internal self-evaluation by the Board of Directors, self-assessment by directors	for directors to measure board performance in terms of five aspects: participation in the company's operations; improvement of the decision quality of the board of directors; composition and structure of the board of directors; selection and continuing education of directors; and internal control through self-assessment. In addition to evaluate the overall performance of BOD by self-assessment, directors are requested to evaluate their performance in terms of six aspects: understanding of corporate goals and missions; understanding of their duties and responsibilities; participation in the company's operations; internal relation maintenance and communication; expertise and continuing education; and internal control. The results of the 2022 overall BOD evaluation and director self-evaluation are over 80 marks, suggesting the performance was "good." These results were reported to BOD for recordation on March 10, 2023.
Once a year	January 1-December 31, 2022	The performance evaluation of functional committees	Internal self-evaluation by committee members	The performance evaluation of functional committees covers five aspects: participation in the company's operations; understanding of the duties and responsibilities of the functional committee; improvement of the decision-making quality of the functional committee; composition and member selection of the functional committee; and internal control. The results of the 2022 overall evaluation of the Audit Committee, Remuneration Committee, and Nomination Committee are over 80 marks, suggesting the performance was "good." These results were reported to BOD for recordation on March 10, 2023.

Note 1: Refers to the cycle of Board evaluations, such as: Once a year.
Note 2: Refers to the period covered by the Board evaluation, such as: evaluation of Board performance between January 1, 2022 and December 31, 2022.
Note 3: The scope of performance evaluations includes the Board of Directors, individual directors, and functional committees.
Note 4: The evaluation method includes internal self-evaluation by the Board of Directors, self-assessment by directors, peer evaluation, and entrusting external professional institutions and experts or using other appropriate methods for performance evaluation.

Note 5: According to the scope of evaluation, evaluation items must at least include the following items:

(1) Board performance evaluation: At least includes level of participation in company operations, the quality of Board decisions, Board composition and structure, appointment of directors and their continued development, and internal controls.

(2) Individual director performance evaluation: At least includes grasp of company targets and missions, understanding of the director's role and responsibilities, level of participation in company operations, internal relationship management and communication, director's specialty and continued development, and internal controls.

(3) Functional committee performance evaluation: Participation in company operations, understanding of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, composition of functional committees, and member selection and internal control.

B. External board performance evaluation

1) Period and date of evaluation, name of professional external organization, methods and criteria (contents and items) of evaluation

a. Period and date of evaluation: The evaluation period was from September 1, 2021 to August 31, 2022; and the evaluation date was October 5, 2022.

b. Professional external organization: Taiwan Corporate Governance Association (TCGA).

c. Methods of evaluation: Questionnaire and onsite visit

d. Criteria (contents and items) of evaluation: (1) board composition; (2) board instruction; (3) board delegation; (4) board supervision; (5) board communication; (6) internal control and risk management; (7) board self-discipline; (8) others (e.g., board meeting, support system, and others).

2) Results of evaluation and date of board meeting presentation

a. Results of evaluation:

i. TCC emphasizes board member diversity. However, increase in the seats for female directors and independent directors are recommended for the next term of the board in addition to choosing members based on operational needs to extend the scope of board diversity.

Our response:

- Directors are elected by all shareholders. We will communicate this suggestion to the Board and at the AGM for the reference of candidate nominations and selections for the terms of the board.
- Regarding the seats for female directors, we have amended the “Ethical Corporate Governance Best-Practice Principles” to stipulate that one third of the seats shall be seated by female directors. The amendment will be implemented after the passage of the Board.

b. TCC has established the regulations for report of unethical behavior (whistleblower mechanism), with the chief auditor taking charge of the relevant grievances, and grievances involving senior officers will be referred to independent directors. As a direct link to the board (particularly independent directors) is the emphasis of a whistleblower mechanism, it is recommended TCC establish a channel for report to independent director or Audit Committee, further improving your whistleblower mechanism.

Our response:

We recommend that after the assessment and review by the relevant units, the relevant regulations should be amended, and the report channels should be adjusted to optimize the whistleblower mechanism.

c. You publish the corporate sustainability report periodically and have it verified and assured by external independent certification bodies. We recommend that you should report the important matters or metrics in the corporate sustainability report to the board before publication to facilitate the board to supervise the company’s sustainability performance, improvement made according to and the performance of such metrics.

Our response:

- We publish the sustainability report each year. The report is prepared and discloses the relevant issues in accordance with the GRI Standards. We also report to the board about the performance in implementation of sustainable development, including stakeholder identification, annual performance and planning for implementing sustainable development, report verification and status of publication. Our sustainable development strategy and ESG-related metrics are reported to the board for deliberation when we plan the 5-year operational strategy and general development goals each year.

- Regarding this recommendation, in consideration of time required for report preparation and verification, we will report the report outline and result of material issues to the board before report publication for the board to supervise the company's promotion and implementation of issues relating to sustainable development.

3) Date of report of evaluation results to the Board: December 23, 2022.

(3) Operation of Audit Committee

A. The Audit Committee is composed of three independent directors. It aims to assist the BOD in supervising the Company's accounting, audit, and financial reporting processes and the quality and integrity in financial control. In 2022, the Audit Committee held eight committee meetings to audit the following matters:

1) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2) Assessment of the effectiveness of the internal control system.
3) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures 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.
4) A matter bearing on the personal interest of a director.
5) A material asset or derivatives transaction.
6) A material monetary loan, endorsement, or provision of guarantee.
7) The offering, issuance, or private placement of any equity-type securities.
8) The hiring or dismissal of an attesting CPA, or the compensation given thereto.
9) The appointment or discharge of a financial, accounting, or internal auditing officer.
10) Annual financial statements and second-quarter financial statements that must be audited and certified by a CPA.
11) Other material matters as required by the Company or the competent authority.

a. Review of financial statements

The Board of Directors has prepared the business report, financial statements and proposal for profit distribution of 2022. After auditing the financial statements, Deloitte Taiwan has issued an audit report. After reviewing the business report, financial statements and proposal for profit distribution, this Audit Committee found no nonconformity.

b. Assessment of the effectiveness of the internal control system.

The Audit Committee assesses the effectiveness of the policies and procedures (including the measures for controlling finance, operations, risk management, information security, outsourcing, and legal compliance) of the internal control, and reviews the Company's audit department and CPAs, and the management's periodic reports, including risk assessment and legal compliance. With respect to the Internal Control—Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, the Audit Committee found that the design and implementation of the Company's internal control is effective.

c. Appointment of CPA

The Audit Committee is assigned to supervise the independence of CPA firms to ensure the impartiality of financial statements. In general, a CPA firm shall not provide other services than tax-related services or specifically approved items. All services provided by a CPA firm shall be approved by the Audit Committee. To ensure the independency of a CPA firm, with respect to the independency assessment sheet designed according to Article 47 of the Certified Public Accountant Act and CPA Code of Professional Ethics Bulletin 10 "Audit and Review Independency", the Audit Committee assesses the expertise and independence of and suitability of remuneration for CPAs; and if the CPAs are related parties or having business or financial interests with this Company. At the 20th meeting of the 2nd Audit Committee on December 21, 2022 and the 22th meeting of the 11th Board of Directors on December 23, 2022, the Audit Committee and Board reviewed and approved that CPAs Chao-Mei Chen and Cheng-Chun Yu of Deloitte Taiwan pass the independence assessment and are thus qualified for being the CPAs of this Company's financial and tax affairs.

B. We established the Audit Committee on July 27, 2017. Eight committee meetings were held in 2021 (A), and the attendance record of independent directors is tabulated below:

Title	Name	Attendance in Person (B)	Attendance through Proxy	Attendance Rate in Person (B/A) (%)[1,2]	Note
Independent Director	Yao-Wen Lin	8	0	100%	
Independent Director	Han-Shen Li	8	0	100%	
Independent Director	Ji-Sheng Ye	8	0	100%	

[1]When independent directors retire before the last day of a fiscal year, remark the retirement date on the note and calculate the actual attendance rate (%) according to the number of committee meetings held and their attendances during the tenure.

[2]When independent directors are re-elected before the last day of a fiscal year, list the names of both the former and current independent directors and remark their status and the date of re-election in the note. Calculate the actual attendance rate (%) according to the number of committee meetings held and their attendances during the tenure.

C. Annotations:

1) Should the Audit Committee be operated under any one of the following circumstances, the date and session of the committee meeting, the proposal content, the opinion of independent directors with objections, reservations, or material recommendations, and the committee's response to such opinions shall be specified:

a. Matters specified in Article 14-5 of the Securities and Exchange Act

Audit Committee Meeting Date/Session	Proposal Contents and Resolutions	Opinion & Qualified Opinion or Important Recommendations of Independent Directors	Company's Response to the Opinion of Audit Committee
2022.03.16 2nd Term, 13th meeting	1. 2021 business report and financial statements Resolution: Passed as proposed.	The management department was requested to report the following two proposals in the May board meeting: 1. Guantian Plant's Counteractions for the coal soaring coal price and the government's coal reduction policy. 2. The original estimated ROI and actual ROI of the long-term investment plan starting commercial operations in 2016.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Audit Committee and referred it to the 2022 AGM for ratification.
	2. 2021 earnings distribution Resolution: Passed as	None	All directors present in the meeting passed the proposal as proposed as per the

	proposed.		deliberation results of the Audit Committee and referred it to the 2022 AGM for ratification.
	3. Statement of Internal Control System on December 31, 2021. Resolution: Passed as proposed.	1. Star Energy's efforts to make significant progress after the self-assessment of the internal control system should be encouraged. 2. The Audit Office was requested to prepare a summary report on the internal control system self-assessment for 2021/2020 for the reference.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Audit Committee and issued the Statement of Internal Control System of December 31, 2021.
	4. Re-investment in Star Energy for the "Tainan City Cigu District Common Booster Station Investment Project" and "Chiayi County Yizhu Township Common Booster Station Investment Project" Resolution: All members present in the meeting agreed to pass the proposal after amendment.	1. The group should make overall financial planning to cope with the company's capital demand for future investments. 2. Keep track the progress of the MOE's legal amendment on investees to make proper response accordingly.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Audit Committee.
	5. Amendment to part of the articles of the "Procedures for Acquisition and Disposition of Assets" Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Audit Committee and referred it to the 2022 AGM for discussion.
2022.05.12 2nd Term, 14th meeting	1. Replacement of the CPAs of financial statements. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as proposed as per the deliberation opinion of the Audit Committee.
	2. Consolidated financial statement of 2022Q1. Resolution: Approved for correction of items 2 and 3 of the "Control table of the internal control follow-up report" as "case not closed" before passage.	The management department was requested to submit the GHG inventory plan to the June Audit Committee and the Board.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Audit Committee.
	3. Control table of the internal control follow-up report. Resolution: Passed as proposed.	Passed after the correction of items 2 and 3 of "Control table of the internal control follow-up report" as "case not closed".	All directors present in the meeting passed the proposal as per the deliberation opinion of the Audit Committee.
	4. Sales of the shares of Jhao Feng Solar Energy to Wang Tien Woolen Textile for share exchange. Resolution: Approved for ratification.	None	All directors present in the meeting ratified the proposal as per the deliberation results of the Audit Committee.
2022.08.01 2nd Term, 16th meeting	1. Acquisition of Jinqiyi and the "Yunlin County Douliu Towe Grid	1. The capital expenditure for energy storage battery/equipment is about	All directors present in the meeting passed the proposal as per the deliberation opinion

	Connection Energy Storage Investment Project". Resolution: The management department revised the development plan as per the resolution of the previous meeting. Based on its description and assessment, this project has developmental benefits, and risks are controllable. The total investment is about NT$5.83 billion, our own capital is NT$30%, the expected investment will not exceed NT$1.75 billion. As financial investors will be solicited, the actual investment will not exceed NT$0.7 billion. The estimated project IRR over a 15-year period is 11.17%. Passed by all members present in the meeting after discussion and deliberation.	NT$4 billion. Relevant specifications of energy storage battery, the terms for equipment procurement and warranty, and risks should be carefully specified in the procurement contract. 2. To guarantee TCC's rights and interests, prevent landlords from selling their land during the lease term. The lease should be notarized. 3. Jinqiyi is currently a limited company. Its service, capital, and shareholder changes must be approved by all shareholders. It is recommended to change it into a limited company by share after acquisition to facilitate business promotion.	of the Audit Committee.
	2. Onshore Substation EPC Contract with Ørsted Taiwan for offshore wind farms (Greater Changhua Northwestern, Southwestern Phase II, Ørsted Wind 2, Ørsted Wind 3, Greater Changhua Northeastern). Resolution: The management department already revised the proposal and presentation contents as shown in the annexes according to the recommendations of the Audit Committee. Passed as proposed by all members present in the meeting.	The management department was reminded to keep track on the construction period effectively to prevent damages for delay.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Audit Committee.
2022.08.11 2nd Term, 17th meeting	1. Consolidated financial statement of 2022Q2. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as proposed as per the deliberation opinion of the Audit Committee.
	2. Amendment to the 2022 budget. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Audit Committee. Additionally, the management department was requested to confirm the budget losses and gains with the investees. If the difference was small, the

			chairperson was authorized to determine the need for amendment and report to the next Board meeting.
	3. Amendment to the items and contents of the 2022 Internal Control System. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Audit Committee.
2022.10.11 2nd Term, 18th meeting	1. Due to macroeconomic reasons, termination of the "Yunlin County Douliu Towe Grid Connection Energy Storage Investment Project" after re-assessment. Resolution: Temporarily reserved.	In consideration of the influence on the project's cost and risk control due to the recent rapidly changing macroeconomic condition, the management department intended to terminate the relevant investments. Members present in the meeting respected its decision. As it is still difficult to capture the significance of impact of the project risks on the IRR, the committee recommended the management department to temporarily suspend the project and submit to the committee and the Board for deliberation again after careful assessment.	All directors present in the meeting passed the reservation of the proposal as per the deliberation results of the Audit Committee.
2022.11.10 2nd Term, 19th meeting	1. Consolidated financial statement of 2022Q3. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Audit Committee.
	2. Cash capital increase and issuance of new shares in 2022. Resolution: As per the resolution made in the pre-meeting resolution on Nov 8, the management department supplemented the data as shown in the annexes. Passed by all members present in the meeting after deliberation. The Board was requested to approve the proposal.	The management department was reminded to pay attention to the determination of the subscription base date and pricing principles. The committee respected the ESO section and resolution of the Remuneration Committee and referred them to board discussion.	All directors present in the meeting passed the proposal as per the deliberation results of the Audit Committee and authorized the chairperson with full delegation to handle matters relating to cash capital increase.
	3. Termination of the "Yunlin County Douliu Towe Grid Connection Energy Storage Investment Project". Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Audit Committee.
	4. Control table of the internal control follow-up report. Resolution: Passed as proposed.	The Audit Office was requested to follow up the following: 1. Item 1, annex to Proposal 9: The management department was requested to provide the record of the time and terms of collection of receivables of contract construction payments for the Audit Office. 2. Item 4, annex to Proposal 9: The Audit Office was	All directors present in the meeting passed the proposal as per the deliberation opinion of the Audit Committee.

		requested to follow up if the extension section was completed. 3. Item 10, annex to Proposal 9: The Audit Office was requested to continuously follow up if the extension section was completed and if the client had approved the additional jobs.	
2022.12.21 2nd Term, 20th meeting	1. 2022 Sales Plan and Budget. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Audit Committee.
	2. Assessment and appointment of CPAs and auditing fee of the "Audit and Certification of Financial Statements and Tax". Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as proposed as per the deliberation results of the Audit Committee.
	3. 2023 Periodic Audit Program. Resolution: Passed by all members present in the meeting on principle.	All members presented in the meeting approved the proposal on principle and referred it to the Board for approval. Regarding the purchase requisition, procurement, and acceptance and inspection of items 6-9, the materials management, engineering implementation and management units considered that the risks were higher, the Audit Office was requested to enhance audit on those items when labor permitted. The chairperson should determine the audit contents.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Audit Committee.
	4. Termination of the re-investment in Star Energy's "Chiayi County Yizhu Township Common Booster Station Investment Project". Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Audit Committee.
	5. Subscription of shares at NT$33.5 million from Hamaguri's cash capital increase. Resolution: The management department supplemented the project's overall status and the roadmap of future stages as shown in the annexes. To prevent Hamaguri from announcing bankruptcy at the end of the year, all members present in the meeting approved it as proposed.	The management department was also reminded to capture the schedule of all development stages of fishery and electricity symbiosis and wind power projects and keep track on the company's rights and interests (considering the difference in development area and shareholding) when soliciting other investors.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Audit Committee meeting.
	6. 2022 chief auditor	None	All directors present in the

	evaluation. Resolution: Passed as proposed.		meeting passed the proposal as proposed per the deliberation results of the Audit Committee.

b. Other matters unapproved by the Audit Committee but resolved by over two thirds of all directors: None

2) When there is avoidance of conflicts of interest by an independent director, the name of that independent director, the involved proposal(s), the cause(s) of the avoidance of conflicts of interest, and the participation in voting of that independent director shall be specified: None

3) Communication between independent directors and the internal chief auditor and accountant (shall include communication on the company's material financial and sales affairs, including the topics, methods, and results of communication):

a. Method(s) of communication between independent directors and the internal chief auditor and accountant

(a) Apart from submitting to independent directors for review each month an audit report covering the status of the annual audit program and the follow-up of recommended improvements, the chief auditor will also report to independent directors the amendments to the annual internal controls and review the results of self-assessment of the internal controls.

(b) The CPA of this company shall attend as a guest the audit committee meeting or other communication meetings at least once half-yearly to report the status and outcomes of review or audit of the financial statements and present or discuss the impacts, if any, on the presentation of financial statements of the latest amendments of laws.

b. Summary of past communication between independent directors and the chief internal auditor

Our independent directors maintain good communication with the internal chief auditor, and the material issues communicated in this year are tabulated below:

Date/Session	Focus of Communication	Result of Communication
2022.8.9	Discussion and communication of 2021 audit business.	1. Independent directors gave Positive assurance for the audit performance. 2. Independent directors requested better summary description of audit reports.
2022.12.23 Independent report meeting of internal audit	2023 Audit Program	Independent directors requested the Audit Office to enhance audit on higher-risk items if labor permitted.

c. Summary of past communication between independent directors and the CPA
Our independent directors maintain good communication with the CPA, and the material issues communicated in recent year are tabulated below:

Date/Session	Focus of Communication	Result of Communication
2022.3.14 Individual communication meeting between the governance body and CPA	Report, discussion, and communication of the audit results and key audit items of the 2021 annual consolidated and separate financial statement.	1. CPA's audit results on the 2021 annual consolidated and separate financial statements: Unmodified opinion. 2. Independent directors communicated with CPAs on the impact of exchange rate and interest rate and IRR of long-term investments.
2022.5.11 Individual communication meeting between the governance body and CPA	Report, discussion, and communication of the review results of the 2022Q1 consolidated financial statement.	1. CPA's review results on the 2022Q1 consolidated financial statements: Unmodified opinion with emphasis. 2. Independent directors communicated with CPAs on the project-related accounting estimation bases.
2022.8.9 Individual communication meeting between the governance body and CPA	Report, discussion, and communication of the review results of the 2022Q2 consolidated financial statement.	1. CPA's review results on the 2022Q2 financial statements: Unmodified opinion with emphasis. 2. Independent directors communicated with CPAs on the failure in suits against four reinvested IPPs.
2022.11.8 Individual communication meeting between the governance body and CPA	Report, discussion, and communication of the review results of the 2022Q3 consolidated financial statement.	1. CPA's review results on the 2022Q3 financial statements: Unmodified opinion with emphasis. 2. Independent directors communicated with CPAs on the matters required for attention in cash capital increase.
2022.12.21 CPAs reported to the 2nd Term, 20th meeting Audit Committee meeting	CPA reported audit planning of the 2022 annual consolidated and separate financial statement.	Acknowledgement of all attending members.

(4) Information on the Members of the Remuneration Committee

A. Information on the Members of the Remuneration Committee

Status[1] \ Condition	Name	Professional Qualifications and Experience[2]	Fulfillment of Independence[3]	Number of public companies holding independent directorship concurrently.
Independent Director Convener	Yao-Wen Lin	Cf. 2-(1) Profile of Directors	Independent	NA
Independent Director	Han-Shen Li	Cf. 2-(1) Profile of Directors	Independent	NA
Independent Director	Ji-sheng Ye	Cf. 2-(1) Profile of Directors	Independent	NA
Other	Su-qin Zhuang	Member of the National Standard Review Committee and Technical Member, Bureau of Standards, Metrology and Inspection, MOEA Deputy Director, Bureau of Standards, Metrology and Inspection, MOEA Deputy Section Chief, Taiwan Intellectual Property Office Senior Executive Officer, Bureau of Standards, Metrology and Inspection, MOEA MBA, Winthrop University, USA	Independent	NA
Other	Fan-Chou Hsu	Director, Department of Human Resources, TPC Executive Secretary, Taiwan Electrical Contractors Association MA, Public Administration, University of Southern California, USA. MA, Public Administration, National Chengchi University	Independent	NA

[1]State in the table the seniority, professional qualifications, and fulfillment of independence of individual members of the remuneration committee. If they are independent directors, remark the reference to Table 1 Profiles of Directors and Supervisors (1). State if they are independent directors or others (e.g., remark the convener) in the status.

[2]**Professional qualifications and experience**: State the professional qualifications and experience of individual members of the remuneration committee.

[3]**Fulfillment of independence**: State the fulfillment of independent directors, including, but not limited to the person, spouse, relatives within the second degree of kinship, whether or not they are a director, supervisor, or employee of the company or its affiliates; the number and proportion of shares held by person, spouse, relatives within the second degree of kinship (or in the name of others); whether or not they are a director, supervisor, or employee of companies having a specific relationship with the company (cf. Article 6, paragraph 1, subparagraphs 5-8, Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount of remuneration for providing business, legal, financial, accounting services for the company or its affiliates in the last two years.

[4]Please refer to the Codes of Corporate Governance Best-Practice section of the Corporate Governance Center website of the Taiwan Stock Exchange for disclosure methods

B. Information on the Operation of the Remuneration Committee

1) The Remuneration Committee consists of five members.
2) The term of the current (fourth) committee is between June 30, 2020 and June 29, 2023. Four committee meetings were held in the previous year (A), and the qualification and the attendance record of members is tabulated below:

Title	Name	Attendance in Person (B)	Attendance Through Proxy	Actual Attendance Rate (%) (B/A) (Note)	Note
Convener	Yao-Wen Lin	4	0	100%	
Member	Han-Shen Li	4	0	100%	
Member	Ji-sheng Ye	4	0	100%	
Member	Su-qin Zhuang	4	0	100%	
Member	Fan-Chou Hsu	4	0	100%	

Annotations

1. When BOD ignores or modifies recommendations made by the Remuneration Committee, the date and session of the BOD meeting, the proposal contents, BOD resolutions, and response to the recommendations of the Remuneration Committee (e.g. the compensation approved by BOD is higher than that recommended by the Remuneration Committee, the difference and reasons shall be specified): None
2. When members object to or hold opinions against a committee resolution for the record or in writing, the date and session of the committee meeting, the proposal content, the opinions of all members, and the response to such opinions shall be specified: None.

Note

1. Should a member resign before the end of an accounting year, the service termination date should be stated in the remarks section. The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings held in that year and the actual number of meetings attended.
2. Should a re-election of committee members be held before the end of an accounting year, the name of the new and current members should both be listed in the remarks section and their status: current, new, or re-elected, and the date of re-election shall be specified. The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings held in that year and the actual number of meetings attended.

C. Composition, responsibility, and operation of the Remuneration Committee: The 4th Remuneration Committee is composed of five members, including three independent directors and two external members, approved by BOD on June 30, 2020. Its responsibility is to review the annual and long-term performance indicators, and the policy, system, standard, and structure of remuneration for directors and executives according to the Remuneration Committee Charter; and review the salary for directors and executives.

D. Dates, sessions, proposals, and resolutions of the Remuneration Committee meetings in the previous year and the Company's treatment of the opinions of Remuneration Committee member.

Remuneration Committee Meeting Date/Session	Proposal Contents and Resolutions	Opinions of Members	Company's Response to the Opinion of Remuneration Committee
2022.03.14 4th Term, 11th meeting	1. Distribution of remuneration for employees and directors for 2021 Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Remuneration Committee and referred it to the 2022 AGM for report.
	2. Salary for officers. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Remuneration Committee and retroactive from January 1, 2022.
	3. Amendment to the approval of employee bonuses. Resolution: Passed as	None	All directors present in the meeting agreed to revise the diction of section 6.2.5 as per the deliberation results

	proposed.		of the Remuneration Committee.
2022.06.27 4th Term, 12th meeting	1. Amendment to part of the articles of the "Regulations for Calculation of Employee Salaries". Resolution: Approved to pass after amendment.	Amendment: 1. Deleted the word "inclusive" in the articles. 2. Stated in the Remarks that employee salary raises includes the overall employee raise and the individual employee raise based on personal performance, and an individual employee raise is further divided into a raise or a pay grade raise. The management department was reminded: 1. Gather information regarding the salary standard in the industry for comparison to maintain the competitiveness of our pay. 2. Elimination of the weak should also be considered while rewarding the excellent, and relevant policies should be properly planned.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Remuneration Committee.
	2. Amendment to part of the articles of the "Regulations for Allocation of Remuneration of Employees". Resolution: Approved to pass after amendment as annex.	After the amendment, the management department was requested to review comprehensively other rules and regulations and made necessary revision accordingly.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Remuneration Committee meeting.
	3. Amendment to part of the articles of the "Regulations for Board Performance Evaluation". Resolution: Approved to pass after amendment as annex.	The management department was requested to investigate the distribution of remuneration for directors in the industry.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Remuneration Committee.
	4. Distribution of remuneration for directors for 2021. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Remuneration Committee meeting.
	5. Distribution of remuneration for employees to officers for 2021. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Remuneration Committee.
2022.11.08 4th Term, 13th meeting	1. Establishment of the "Regulations for Employee Stock Option (ESO) of Seasoned Equity Offering (SEO)". Resolution: Approved to pass after the management department revised the content of items 1 and added the table in item 3 (annex) to the proposal.	Recommendations for the management department: 1. ESO for affiliates wholly owned by the company was not included in the articles of incorporation. When consulting subscription of insufficient amount from specific persons, the chairperson should consider employees of Star Energy joining ESO for the first time. 2. For this SEO project, Article 267, paragraph 7, of the	All directors present in the meeting passed the proposal as per the deliberation opinion of the Remuneration Committee.

		Company Act should be considered: Employees of the parent or affiliates meeting the requirements may enroll on ESO. Amendment to the articles of incorporation was recommended to include employees of affiliates in ESO to maintain fairness.	
2022.12.21 4th Term, 14th meeting	1. "2022 General Targets and Performance" and "2023 General Targets (draft)" Resolution: All members agreed with Plan B for the "2022 General Target and Performance".	The weight of organizational management and HR in the leaning and growth of the "2023 General Targets and Performance (draft)" were adjusted to 7 marks and 3 marks respectively, and the rest remained unchanged.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Remuneration Committee.
	2. Allocation of shares for ESO in the 2022 SEO Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Remuneration Committee, and the shares for ESO is 6,169,334 shares.
	3. Total amount of performance bonuses for employees and the total amount of operations and performance bonuses for department heads and above officers and the chairperson. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Remuneration Committee.
	4. Evaluation of salary raise for employees, officers, and chairperson for 2023. Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Remuneration Committee.
	5. Appointment of new president. Resolution: VP Yi-Tong Chen was promoted to the president from January 1, 2023.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Remuneration Committee, effective on January 1, 2023.
	6. Appointment of the manager to the Planning and Reinvestment management Department. Resolution: AM Shi-Yang Hsu of the Planning and Reinvestment management Department was promoted to manager of the department from January 1, 2023.	None	All directors present in the meeting passed the proposal as per the deliberation results of the Remuneration Committee, effective on January 1, 2023.

(5) Information on the members and operation of the Nomination Committee

A. State the qualifications and duties of members of the nomination committee

To strengthen the functions of BOD and enhance the management mechanism, BOD approved the establishment of the Nomination Committee and its charter on December 20, 2019 with reference to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies promulgated by the competent authorities. The Committee is chaired by Chairperson Shun-I Huang (also the convener), with members including three independent directors Yao-Wen Lin, Han-Shen Li, and Ji-Sheng Ye and Director Tsao-Hua Hsu, five members in total. Each member specializes in operations, management, leadership, decision-making, and finance. TCC is an organization specializing in cogeneration, electricity enterprise investment, and engineering services related to electricity generation. Three members of the current Committee (second) are experts in corporate governance and electricity business with the expertise to nominate talents required by electricity business. The Committee can help find eligible directorial candidates to improve corporate governance and BOD operations. Besides carrying the duties below, the Committee also make recommendations to BOD for discussion.

(a) Set standards for the professional knowledge, skills, experience, gender diversity, expertise diversity, and independence required BOD for the reference to seek, review, and nominate directorial candidates.

(b) Establish and develop the organizational framework of BOD and various functional committees and evaluate the performance of BOD and various functional committees.

(c) Establish and periodically review directorial continuing education plans.

(d) Periodically assess and review the Corporate Governance Best Practice Principles of the Company.

B. Professional qualifications and experience of members and status of committee operations

(a) The Committee is seated by five members.

(b) The current term is from 2020.06.30 to 2023.06.29. In the most recent year the Committee held two committee meetings (A). The professional qualifications and experience, meeting attendances, and proposal discussions of members are as follows:

Title	Name	Professional qualifications and experience	Attendance in Person (B)	Attendance Through Proxy	Actual Attendance Rate (%) (B/A)*	Note
Convener	Shun-I Huang	Cf. 2-(1) Profiles of Directors	2	0	100%	
Member	Yao-Wen Lin	Cf. 2-(1) Profiles of Directors	2	0	100%	
Member	Han-Shen Li	Cf. 2-(1) Profiles of Directors	2	0	100%	
Member	Ji-Sheng Ye	Cf. 2-(1) Profiles of Directors	2	0	100%	
Member	Tsao-Hua Hsu	Cf. 2-(1) Profiles of Directors	2	0	100%	
Other information required for disclosure State the date, session, and proposal content discussed at major committee meetings, recommendations and objections made by committee members, resolutions of the committee meeting, and the company’s response to the opinions of members: Please refer to next page.						

(1) When members resign before the end of a fiscal year, remark the retirement date on the note and calculate the actual attendance rate (%) according to the number of committee meetings held and their attendances during the tenure.

(2) When members are re-elected before the end of a fiscal year, list the names of both the former and current independent directors and remark their status and the date of re-election in the note. Calculate the actual attendance rate (%) according to the number of committee meetings held and their attendances during the tenure.

C. Date, session, and proposal content discussed at major committee meetings, recommendations and objections made by committee members, resolutions of the committee meeting, and the company's response to the opinions of member

Nomination Committee Meeting Date/Session	Proposal Contents and Resolutions	Recommendations or Objections of Members	Company's Response to the Opinion of Nomination Committee
2022.03.16 2nd Term, 3rd meeting	1. 2021 Board Performance Evaluation Report Resolution: Agreed for future reference.	None	All directors present in the meeting agreed for future reference as per the deliberation results of the Nomination Committee,
	2. 2021 Functional Committee Performance Evaluation Report Resolution: Agreed for future reference.	None	All directors present in the meeting agreed for future reference as per the deliberation results of the Nomination Committee,
	3. Establishment of the "Guidelines for Continuation Education of Directors" Resolution: Passed as proposed.	None	All directors present in the meeting passed the proposal as proposed as per the deliberation results of the Nomination Committee and announced and implement the guidelines.
2022.11.10 2nd Term, 4th meeting	Amendment to part of the articles of the "Rules for Corporate Governance". Resolution: Approved to pass after revising part of the articles and explanations (Articles 6 and 24) as in the annex.	Update the relevant schemes and SOPs after the amendment.	All directors present in the meeting passed the proposal as per the deliberation opinion of the Nomination Committee.

(6) Status of governance and the variations and the cause(s) of variations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies:

Indicator	Status (Note)			Differences and the cause(s) of differences from the Corporate Governance Best Practice Best Practice Principles for TWSE/TPEx Listed Companies (Corporate Governance Best Practice)
	Yes	No	Summary Description	
1. Has the company defined and disclosed its governance best practice principles in accordance with the "Governance Best Practice"?	V		We established the Governance Best Practice Principles on August 11, 2015 and amended related articles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The new version was passed by BOD on 2022/11/10 and disclosed on MOPS and the corporate website.	No significant difference from the Corporate Governance Best Practice
2. Structure of shareholdings and shareholder's equity (1) Does the company establish and implement internal procedures for handling shareholder suggestions, questions, disputes and litigation? (2) Does the company keep an up-to-date list of its dominant shareholders and the parties with ultimate control over its dominant shareholders? (3) Does the company establish and implement a risk control mechanism and firewall between its affiliates? (4) Does the Company establish internal rules to prevent insider trading?	V V V V		(1) We have established and implemented the spokesperson mechanism and procedures or handling stakeholder opinions. (2) We report the shareholding of major shareholders every month and list all important institutional shareholders of major shareholders in the annual report. (3) We and our affiliates operate independently and abide by the internal control system. We have also established the "Rules Governing Financial and Business Operations Between this Company and Affiliates" and the "Investee Management Regulations" to exert investee management in order to achieve risk management between this company and our affiliates. (4) Besides establishing the "Insider Trading Prevention Regulations" and "Code of Ethics", we prohibit insiders such as directors, officers, and employees to make profit with information inaccessible in the market by requesting them to sign a non-disclosure agreement (NDA) according to the "Material Information Processing Procedure"; and education, training, and publicity of these Regulations and related laws and regulations are arranged for these roles at least once a year. In addition, material information is processed and disclosed according to the Company's "Material Information Processing SOP".	No significant difference from the Corporate Governance Best Practice
3. Organization and functions of the board of director (1) Does the company establish and implement a policy and defined objectives to diversify board membership?	V		(1) The board member diversification policy is defined in the Company's "Corporate Governance Best Practice Principles" to ensure the diversity of board members. Diversified policies are established appropriately with respect to the board operation and the Company's operational style and development needs, including (1) the diversity of the basic conditions and (2) the diversity of professional knowledge and skills. Management goals and achievements of board member diversification:	No significant difference from the Corporate Governance Best Practice

Indicator	Status (Note)			Differences and the cause(s) of differences from the Corporate Governance Best Practice Best Practice Principles for TWSE/TPEx Listed Companies (Corporate Governance Best Practice)
	Yes	No	Summary Description	
(2) In addition to a compensation committee and an audit committee required by law, does the company voluntarily establish other functional committees?	V		A. Diversity of the basic conditions includes gender and age diversification. The Board is formed with members of different genders to reduce the proportion of gender difference, including at least one female member. The present Board has 13 members. Although there was one female member, a male director was reassigned for business purposes. As we are a power company, most employees in the industry are male. In the future, we will endeavor to reduce the difference in the number of seats between male and female directors by appointed at least one female director. In age distribution, one member of the present Board is aged 31-40 years, two aged 41-50 years, three 51-60 years, and seven aged over 61. B. Diversity of professional knowledge and skills: The Board should be formed with members of different expertise. The present (11th) Board is formed with 13 members (including 3 independent directors, accounting for 23%; two of them are in their first term, while one is in the second term). All directors have expertise benefiting corporate operations. Directors Shun-I Huang, Jenn-Yeong Wang, Tsao-Hua Hsu, Ming-De Jiang, Tien-He Kuo, Wen-Bin Li, and Fu-Cin Hong and independent directors Yao-Wen Lin and Bing-Han Li are specialized in operational management or leadership decision; directors Shun-I Huang, Tien-He Kuo, Tsao-Hua Hsu, Yao-Wen Lin, Han-Shen Li, Ming-De Jiang, Li-zhen Chen, Jenn-Yeong Wang, Tsao-Hua Hsu, Ming-De Jiang, Tien-He Kuo, Yuh-Ming Li, Wen-Bin Li, Sheng-Chun Wang, and Yi-Sian Chen and independent directors Yao-Wen Lin and Bing-Han Li are equipped with industry-specific special knowledge; directors Jenn-Yeong Wang and Sheng-Chun Wang and independent director Yao-Wen Lin are specialized in finance and accounting; independent director Ji-Sheng Ye is specialized in legal affairs; and director Yuh-Ming Li is an environmentalist who has given much advice for the Company's sustainable development in the environmental aspect. Each member of the present Board has different special skills, meeting the goal of board member diversification. Related information is disclosed on the corporate website. (2) We established the compensation committee and audit committee by law. On December 20, 2019, we set up the nominating committee, with Chairperson Shun-I Huang as the chair and convener, and members including three independent directors: Yao-Wen Lin, Han-Shen Li, and Ji-Sheng Ye, and Director Tsao-Hua Hsu, totaling five seats. Each member is equipped with own specialty, including	

Indicator	Status (Note)			Differences and the cause(s) of differences from the Corporate Governance Best Practice Best Practice Principles for TWSE/TPEx Listed Companies (Corporate Governance Best Practice)
	Yes	No	Summary Description	
(3) Does the company establish a method to evaluate BOD performance and evaluate BOD performance every year?	V		electricity business, operational management and leadership decision, finance, and accounting. (3) We have established the Board (including functional committees) Performance Assessment Regulations. The latest version approved by Board on 2022/6/28 stipulates: External assessment shall be carried out every three years, and the performance results of individual directors will be the reference of his/her salary and remuneration. The scope of board performance evaluation covers the following five aspects: (1) participation in the company's operations; (2) improvement of the decision quality of the board of directors; (3) composition and structure of the board of directors; (4) selection and continuing education of directors; and (5) internal control. In addition, the scope of board member self-assessment covers the following six aspects: (1) understanding of corporate goals and missions; (2) understanding of their duties and responsibilities; (3) participation in the company's operations; (4) internal relation maintenance and communication; (5) expertise and continuing education; and (6) internal control. The scope of performance self-assessment of functional committees includes the following five aspects: (1) participation in the company's operations; (2) understanding of committee duties and responsibilities; (3) enhancement of the committee's decision-making quality; (4) composition and member selection of the functional committee; and (5) internal control. The assessment is implemented by the Secretariat of the Board with the internal questionnaire every January to assess board operation, the director's participation, and the director's self-assessment. The results are reported to the Board. Directors can make recommendations for improvement. Related assessment results also serve as a reference for the salary, remuneration, and selection or nomination of directors. In 2022, the score of both overall Board performance and board member performance self-assessment was over 80 marks, i.e., "good", and the results were reported to and approved by Board on 2023/3/10. The performance of the Audit Committee, Remuneration Committee, and Nominating Committee was also assessed in 2022, with a score of over 80 marks, i.e., "good", and the result was reported to Board on 2023/3/10. The relevant information was disclosed in the corporate website. Additionally, the first triennial external board performance evaluation was completed on October 5, 2022. Please refer to (II) Board Performance Evaluation and our corporate website for details.	

Indicator	Status (Note)			Differences and the cause(s) of differences from the Corporate Governance Best Practice Best Practice Principles for TWSE/TPEx Listed Companies (Corporate Governance Best Practice)
	Yes	No	Summary Description	
(4) Does the company regularly evaluate the independence of certified public accountants?	V		(4) We assess the independence and suitability of CPAs each year in accordance with the "Statement of Compliance with Audit Independence" issued by CPAs and the "Audit Quality Indicators (AQIs). It is confirmed that except for the certification fee and audit fees for tax services, there is no other financial interest and business relationship, and the family of CPAs also do not violate the independence requirement. It is proven in accordance with the AQIs that the audit experience and training hours of CPAs and their firm are equivalent to others in the industry, and they will continue to introduce new audit and innovative tools to improve audit quality. The assessment results in the most recent year was discussed and passed by the Audit Committee on December 21, 2022 before referring to the Board for resolution on December 23, 2022 before appointment.	

Indicator	Status (Note)			Differences and the cause(s) of differences from the Corporate Governance Best Practice Best Practice Principles for TWSE/TPEx Listed Companies (Corporate Governance Best Practice)
	Yes	No	Summary Description	
4. Does a public company establish or assign a dedicated (concurrent) governance unit or individual to take charge of company's governance affairs (including but not limited to providing directors and supervisors with the data required for business operations, handling affairs relating to holding a BOT meeting or a general meeting of shareholders, processing company registration and change registration, and producing minutes for BOT meetings and general meetings of shareholders)?	V		The Company has established the "Corporate Governance Best Practice Principles". Based on the Company's scale, status of operations, and management needs, in August 2020, we established the Secretariat of the Board with competent and a suitable number of governance personnel to take charge of the Company's corporate governance. On July 1, 2022 we also designated Ms. Wan-Zhen Chen, the head of the Secretariat of the Board, as the chief governance officer (CGO) to supervise the Company's governance-related affairs. Tsai complies with the related CGO requirements: at least 3 years of experience in governance-related work. The duties of a CGO include: (1) handling affairs in relation to holding a board meeting or a general meeting of shareholders, (2) producing the minutes for board meetings and general meetings of shareholders, (3) assisting with the inauguration and continuing education of directors; (4) providing directors with the data required for business operations, (5) assisting directors with legal compliance, and (6) other matters specified in the company charter or contracts. The 2022 performance included: (1) assistance with the procedures of the board meetings and meetings of shareholders and resolution of compliance matters; (2) provision of the meeting notice, meeting agenda, and minutes of meeting to the Board as scheduled; and reminding directors of proposals requiring avoidance of the conflict of interest; (3) implementation of the rules of procedures and announcements of the meeting of shareholders by law, and (4) promotion of matters related to corporate governance in coordination with the Company's corporate governance policy. Additionally, the CGO received 20 hours of continuing education in 2022, including Sustainable Development Roadmap: Industry Themes Seminar (2 hours); Practical Training for New Directors and Supervisors (including Independent Directors) & Corporate Governance Officer (12 hours); Global Risk Awareness: Opportunities and Challenges in Next 10 Years & 2030/2050 Net Zero Emission (3 hours); and Best-Practice Principles and Examples for Ethical Corporate Management, Corporate Governance, and Sustainable Development (3 hours), and so on.	No significant difference from the Corporate Governance Best Practice
5. Does the company establish channels for communication with stakeholder (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section in the corporate website, and respond appropriately to important CSR issues and concerns raised by shareholders?	V		The identified stakeholders in 2022 included government agencies, shareholders, customers /electricity users, employees, and suppliers/contractors/external providers. To enhance stakeholder communication, we have established the spokesperson system and set up a stakeholder section on the corporate website (https://www.cogen.com.tw/csr/Stakeholder). The material topics that concern stakeholders include: economic performance, corporate governance and sustainable development strategy, renewable energy development, risk	No significant difference from the Corporate Governance Best Practice

Indicator	Status (Note)			Differences and the cause(s) of differences from the Corporate Governance Best Practice Best Practice Principles for TWSE/TPEx Listed Companies (Corporate Governance Best Practice)
	Yes	No	Summary Description	
			management/control, assessment and countermeasures of electricity industry policies, supply stability and reliability, legal compliance and ethical corporate management, OH&S, energy conservation and carbon reduction, and the circular economy. Communication and response channels for stakeholders include: meetings of shareholders (at least once a year), investor conferences (quarterly) and participation in the seminars of related industries, periodic customer satisfaction surveys, labor-management meetings, and education and training, provision of the contact and grievance hotlines and emails for different stakeholder groups, and proper responses to the topics that concern stakeholders. Report communication with stakeholders to the Board periodically (at least once a year). This year, the report was made to the Board at the 22nd meeting of the 11th Board on 2022/12/23.	
6. Does the company appoint a transfer agency to organize meetings of shareholder?	V		We have assigned KGI Securities Co., Ltd. to organize meetings of shareholders.	No significant difference from the Corporate Governance Best Practice
7. Information disclosure (1) Does the company set up a website to disclose its financial and governance information? (2) Does the company try other means to disclose information (such as setting up an English website, designating personnel to gather and disclose organizational information, effectively implementing the spokesperson system, and posting investor conferences on the corporate website)? (3) Does the company announce and report its annual financial statements within two months after the end of a fiscal year, and announce and report in advance the financial statements of Q1, Q2, and Q3 and status of monthly operations?	 V V	 V	(1) We disclose our financial, business, and governance information on the corporate website at https://www.cogen.com.tw. (2) We have established the spokesperson system to disclose material information in both Chinese and English versions according to the regulations of the competent authority. Each year we hold investor conferences to report the status of operations to stakeholders from time to time. In 2022 we held 4 investor conferences. We also post the summary of investor conferences on the Chinese and English corporate website for retrieval by stakeholders. (3) We announce and report the annual financial statements and the financial statements of Q1, Q2, and Q3 and status of monthly operations by the respective time-limits and disclose them on the MOPS.	No significant difference from the Corporate Governance Best Practice
8. Is there any other material information that will help stakeholders to understand governance practices at the company (including but not limited to employee rights, employee care, supplier relations, stakeholder rights, further education for directors and supervisors, the status of implementation of the risk management policy and risk measurement measures, the status of implementation of the customer policy, and the purchase of liability insurance for directors and supervisors)?	V		(1) Every year we arrange further education courses for directors, officers, and employees. In 2022, we arranged courses including "Latest Practice of Insider Trading Prevention and Ways of Prevention by Enterprises", Global Risk Awareness: Opportunities and Challenges in Next 10 Years & 2030/2050 Net Zero Emission", "2022 Legal Compliance Outreach for Insider Share Transfer ", and "Best-Practice Principles and Examples for Ethical Corporate Management, Corporate Governance, and Sustainable Development" to publicize ethical corporate management, insider trading prevention, and the code of ethical conduct, and legal	No significant difference from the Corporate Governance Best Practice

Indicator	Status (Note)			Differences and the cause(s) of differences from the Corporate Governance Best Practice Best Practice Principles for TWSE/TPEx Listed Companies (Corporate Governance Best Practice)
	Yes	No	Summary Description	
			compliance. In 2022, all independent directors and directors completed training for the length stated in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies". (2) We hold labor-management meetings to maintain the rights and interests of employees and establish an employee welfare committee to care for employees in various aspects, including arranging health checkups to take care of the physical and mental health of employees and organizing employee travels for employees to relieve work stress. Due to the COVID-19 pandemic, we introduced the e-learning platform to provide channels for mobile learning and learning from home for employees to continue learning regardless of the pandemic. In addition, to enhance the competitiveness of both employees and the company, we introduced the 3-year English learning program to sharpen their command of English with listening and speaking resources. (3) We have established a stakeholder section on the corporate website for stakeholders to express their opinions and make recommendations. We also have established a contact email and service line to keep the links of communication open. (4) We have established the Board-approved risk management policy and procedures to define the scope, organizational framework, operating mechanism and procedures for risk management. We have also established the risk management implementation plan to implement risk management to prevent risks from impacting business operations. A risk management committee is also established to perform rolling review and update the risk management plan each year. In 2022, the review of the risk control measures of 2021 was completed in 2021Q1, and the 2022 risk management plan was established. Besides reviewing the performance of risk control measures, the effectiveness of the risk control mechanism, difficulties, and countermeasures, the status of risk management was reported to the Board meeting on 2022/3/16. (5) We conduct the customer satisfaction survey each year to respond to and handle their opinions properly. (6) We buy directors and officers liability insurance for all Board members. At the 16th meeting of the 11th Board on 2022/05/12, we reported the status of insurance purchase in 2022.	

Indicator	Status (Note)			Differences and the cause(s) of differences from the Corporate Governance Best Practice Best Practice Principles for TWSE/TPEx Listed Companies (Corporate Governance Best Practice)
	Yes	No	Summary Description	
9. Please specify the status of improvements and the prioritized improvements with reference to the Corporate Governance Evaluation results announced by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the previous year. (Not listed on the evaluated companies, thus no need to answer this item.)	V		In the most recent (2022) Corporate Governance Evaluation, we were ranked among the top 6-20% of evaluated listed enterprises, suggesting that our governance was outstanding. In addition to setting up a corporate website in Chinese and English versions and enhancing information disclosures on governance, finance, sales, and sustainability, we publish the Sustainability report and acquire external assurance every year to make continual improvement of governance.	No significant difference from the Corporate Governance Best Practice

Note: Please answer to all items in each indicator, regardless of a “yes” or “no” answer.

(7) Status of sustainable development promotion and status and causes of inconsistency with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

<table>
<tr><th rowspan="2">Indicator</th><th colspan="3">Implementation (Note 1)</th><th rowspan="2">Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>1. Did the company implement a governance framework and establish a full- (part-) time unit for sustainable development, with senior management authorized by the Board to handle the related matters, and what is the status of Board supervision?</td><td>V</td><td></td><td>1.
(1) The Board is the top governing body that promotes the Company's sustainable development. The "Sustainable Development Best-Practice Principles" was established and approved by the 14th Meeting of the 11th Board on 2021/12/23 for the Board to delegate senior management to handle economic, environmental, and social issues relating to operations. To optimize the management of sustainable development and ensure the inclusion of sustainable development in the operational activities and development, we have also established the "ESG Committee" to establish the strategy and objectives for sustainable development and set up the working groups to implement relevant work.
(2) Performance in sustainable development
a. On December 16, 2022, we renamed the "Corporate Social Responsibility Improvement Committee" established on August 2, 2017 the "ESG Committee", with the chairperson being the committee chair, the president being the deputy chair, and management including the VPs and the chairperson of subsidiary Star Energy being the member. Working groups were established under the committee. The planning and reinvestment management department promotes sustainable development and assists the committee in administering the relevant work on a part-time basis.
b. Under the Committee there are the corporate governance, environmental sustainability, social engagement working groups. Based on the duties of respective groups, group members implement sustainable development in terms of the environmental, social, and governance (ESG) aspects. Apart from assisting the committee in administering the establishment and review of the Company's policies, systems, and management approaches related to sustainable development; planning promoting, and implementing the annual tasks, the planning and reinvestment management department also prepares the Chinese and English sustainability report every year, ensures the timeliness and accuracy of the relevant information disclosed, and hold</td><td>No significant difference from the Sustainable Development Best Practice</td></tr>
</table>

Indicator	Implementation (Note 1)			Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
			meetings regularly to review the effectiveness of implementation. After the completion of the assurance verification in May 2022, the 2021 sustainability report was published in June 2022 and reported to MOPS. The 2022 ESG promotion meeting was held on 2022/11/29. The kickoff meeting of the ESG Committee & Sustainability Report Project was held on December 29, 2022 to plan the relevant promotion work in 2023. c. The performance is reported to the Board at least once year. The performance and achievement in sustainable development, the topics that concern stakeholders, and stakeholder communication and engagement were reported at the 22nd meeting of the 11th Board on December 23, 2022. (3) We included sustainable development in the future business strategy and update it every year through rolling review to optimize corporate governance and HR management, and enhance customer relationship management and information disclosures to enforce sustainable business operations. We established and implemented the ESG strategy and unfolded it to action plans. The business strategy for 2023-2027 was reported to the 21st meeting of the 11th Board on 2022/11/10. To enforce sustainable development, we have established sustainability-related strategies, targets, and management approaches for green procurement, GHG management, and renewables development. The ESG Committee formed with the management supervises, implements, and operates these strategies, targets, and management approaches and report to the Board for deliberation and supervision based their materiality and association. The material issues and framework of the 2022 Sustainability Report will be reported to the 24th meeting of the 11th Board on 2023/5/11.	
2. Did the company assess by materiality the risks of environmental, social, and governance issues relating to corporate operations and establish related policies or strategies for risk management?[2]	V		2. a. The risk management policy and procedures were passed by the Board on 2022/12/23. Each year, apart from identifying by materiality the issues related to business operations and concern the stakeholders, we measure the significance of the internal and external impacts of these issues on the company, perform risk assessment, and establish the relevant risk management policies and strategies, with the boundaries of risk assessment covering the company, subsidiaries, and investees. After carefully considering the potential impacts on the company of the changes in the internal	No significant difference from the Sustainable Development Best Practice

<table>
<tr><th rowspan="2">Indicator</th><th colspan="3">Implementation (Note 1)</th><th rowspan="2">Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>and external environments and identifying, assessing, and measuring the risks, we establish the risk control measures and responsive strategies.
b. Our risk scope covers investment risk, operational risk, management risk, climate risk, and unethical behavior risk. Each year we identify and assess risks in ESG aspects. We held the risk management working meeting in January 2022 and the Risk Management Committee meeting in February 2022 and completed the Annual Risk Management Plan in March 2022 to review the performance of risk control measures every six months to ensure the effectiveness of risk management. The assessment results of material ESG issues and risk management strategies are as follows:
<table>
<tr><th>Material Topic</th><th>Risk Management Strategy</th></tr>
<tr><td>Environmental
(1) Reviewable development

(2) Energy conservation and carbon reduction</td><td>We identify climate-related risks and opportunities and is committed to mitigation strategies including energy conservation, carbon reduction, environmental protection. We also develop renewables including solar PV, wind power, and geothermal generation to support the government’s energy transformation and net zero emissions policies. We also plan and implement adaptation actions to address the risks related to extreme weather events to enforce environmental protection and corporate sustainable development.
We continuously enhance generation set efficiency, update environmental protection equipment, recycle energy for reuse, and manage GHGs to mitigate the effect of climate change.</td></tr>
<tr><td>Social
(1) OH&S</td><td>We have established the ESH policy, the OH&S Committee, OH&S management measures and policy, including workplace safety maintenance, construction and operation safety occupational accident risk management, employee health management plan and health checkup. We also enhance OH&S education and training, hold periodic occupational safety</td></tr>
</table></td><td></td></tr>
</table>

Indicator	Implementation (Note 1) Yes	No	Description		Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
			(2) HRM	management meeting, and continuously improve workplace OH&S management. We have passed the certification of the ISO 45001 OH&S management systems. Apart from establishing management mechanisms for the recruitment, development, and performance evaluation of talents, we also actively develop various recruitment channels, arrange periodic education and training, implement new employee training and care, encourage employees to take internal and external training courses, assist employees in career development, optimize the talents management system, and implement organizational technology and experience sharing.	
			Governance (1) Optimizing governance	We actively engage in governance optimization, improve Board competencies, and enhance information disclosures and stakeholder communication.	
			(2) Enhancing operational performance	We engage in enhancing operational performance of existing factories, actively expand our business, carry out steady operation and maintain long-term steady profit.	
			(3) Stabilizing reliable supply	We offer high-efficiency, low-emission energy services, continuously improve equipment, and enhance generation efficiency and operation reliability to provide customers with stable steam and electricity supply.	
			(4) Building sustainable supply chain	We also actively engage in green procurement, establish the supplier management system, request suppliers to sign the CSR Commitment, and conduct onsite audit on the sustainability performance of suppliers to establish a sustainable supply chain.	

Indicator	Implementation (Note 1)			Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
3. Environmental (1) Did the company establish environmental management systems appropriate to the characteristics of its industry? (2) Did the company make efforts to enhance energy efficiency and use recycled materials to lower the impact on environmental load? (3) Did the company assess the present and future potential risks and opportunities from climate change and take the relevant countermeasures?	V V V		1. (1) The Guantian Cogeneration Plant mainly supplies electricity and steam for users. It is operated in compliance with the related laws and regulations, such as the Energy Administration Act and the *Regulations Governing Co-generation System*. Our industry-specific HSE policies include: (1) compliance with related environmental protection laws and regulations and respect for international convention; (2) pollution prevention for reducing the environmental impacts of pollutants; (3) implementation of environmental protection in day-to-day operations through total employee participation; and (4) continual improvement for sustainable development. (2) Apart from passing ISO 14001 EMS certification (validity 2020/6/2-2023/8/31), Guantian Plant is committed to enhancing production efficiency and reducing environmental impacts to enforce environmental sustainability. Additionally, subsidiary Star Energy has also passed ISO 14001 EMS certification (validity 2020/6/29-2023/6/29) 2. As an electricity supplier, Guantian Plant is operated to provide users with high-efficiency, low-pollution steam and electricity and engages in regional energy and resource integration services in Guantian Industrial Park. The plant is equipped with the circulating fluidized bed (CFB) boiler. Apart from using scrap tires as auxiliary fuels to reduce coal consumption and achieve resource reuse, we also help the government solve the scrap tire issue to lower its environmental impact. The combustion of film in 2022 is about 28,260 MT, and replace 26.9% of fuel. We also began to assess the mixed use of solid recovered fuel (SRF) in 2022 and plan to use it as alternative fuel to replace 30% of fuel in 2023. Additionally, Guantian Plant and the contractors have individually applied for resource reuse to produce the controlled low-strength material (CLSM) for construction backfilling material by adding co-fired fly/bottom ash to cement. All 21,551MT of co-fired ash produced in 2022 was recycled and reused to realize the circular economy to lower environmental impact and fulfill our corporate social responsibility. 3. Global warming is deteriorating, causing risks from climate change. To mitigate the impact of climate change, the world is making hard endeavor to control temperature rise within 1.5°C. The COP26 also passed the Glasgow Climate Pact in 2021 to urge countries in the	No significant difference from the Sustainable Development Best Practice

Indicator	Implementation (Note 1)			Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
			world to propose the schedule and roadmap for carbon reduction. In response to the international trend, our government also announced the Net Zero 2050 national goal. Apart from keeping close track on the climate change trend and capturing the market movement, we identify potential climate-related risks and opportunities, plan counteractions, and propose the relevant responsive policies in accordance with the four core elements: governance, strategy, risk management, and metrics and targets recommended for climate-related financial disclosures by the Task Force on Climate-related Financial Disclosures (TCFD) and the 11 items required for disclosure so as to mitigate the direct and indirect impacts of climate change and respond to the government policies, laws, and regulations. A. Governance a. The Board is the top governance body of risk management. b. The Risk Management Committee with the chairperson, president, and vice presidents to review the Company's annual risk management plan and the performance in risk management and report the operation and performance of the plan in the Board meeting and Audit Committee meeting each year. B. Strategy a. Gather information regarding the global trends, policies, and regulations and plan short-, medium-, and long-term climate change countermeasures to lower operational impact and timely seize the relevant opportunities. b. Take actions in terms of mitigation and adaptation at the same time and assess the possible climate-related risks and opportunities based on the IPCC and NGFS scenarios and take counteractions. C. Risk Management a. After collecting issues, gather those having impacts on TCC and plan corresponding counterstrategies for management. b. Implement the ISO 14001 and ISO 14060 standards for systematic management, continuously review our environmental performance and GHG emissions each year, and plan reduction measures. c. Implement transition risk management in suppliers and lower the influence and impact of climate change on the supply chain through the supplier evaluation mechanism, supplier corporate sustainable development commitment, and onsite audit of	

Indicator	Implementation (Note 1)			Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
			sustainability performance. d. Include climate-related risks and opportunities in the risk management policy and risk management plan, make rolling reviews and updates, and hold working meetings and Risk Management Committee meetings to discuss and identify the relevant risks across department. D. Metrics and Targets a. Set relevant energy conservation and carbon reduction KPIs and short-, medium-, and long-term targets to reduce the impacts of climate change. b. Periodically inventory and disclose the information of Scopes 1 and 2 GHGs and assess the relevant transition risks and counteractions. c. Continue to advance energy conservation and carbon reduction measures, including process improvement, electricity consumption reduction, and so on to improve operational performance and reduce energy consumption. The identified climate-related risks and opportunities in 2022 included: A. Transition Risk—Policy and Legal	

Item	Operational Impact/Financial Influence on TCC	Counterstrategy
• Renewables, Fuel/energy tax/regulations • Electricity-related regulations	• Losses on investments/ development from policy or legal changes • Increased plant operating costs after legal amendments	• Collect information of government policies and legal amendment schedule in real-time and make early assessment of related impacts and take countermeasures. • Make timely recommendations for competent authorities for external engagement.
• Total volume control and emission trading	• Increased operating costs from the limits on total GHG emissions. • Increased operating costs in response to the government's carbon pricing regulation	• Reduce internal energy consumption to reduce carbon emissions. • GHG inventory and management and power plan energy audit system • Periodic maintenance and repair and replacement of old equipment to reduce energy consumption and carbon

<table>
<tr><th rowspan="2">Indicator</th><th colspan="3">Implementation (Note 1)</th><th rowspan="2">Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>(4) Did the company produce statistics on GHG emissions, water consumption, and the total weight of waste and establish policies to reduce GHG emissions and water consumption or other waste management policies in the last two years?</td><td>V</td><td></td><td>
<table>
<tr><td></td><td></td><td>emissions.
• Increase alternative fuel use for co-generation to reduce fossil fuel use.</td></tr>
</table>
B. Physical Risk—Extreme Weather Events
<table>
<tr><th>Item</th><th>Impact/Influence on TCC</th><th>Countermeasure</th></tr>
<tr><td>• Extreme weather events
• Climate pattern change</td><td>Global warming results in temperature rises to increase extreme weather events, causing construction delays or operating losses.</td><td>• Purchase related insurance to reduce huge-amount losses from disasters.
• Review project progress every week and make timely responses to accidents.
• Establish a disaster emergency response system and arrange periodic drills.
• Establish management plans and counteractions for the resource risks caused by extreme weather events.</td></tr>
</table>
C. Climate-related Opportunities
<table>
<tr><th>Aspect</th><th>Challenge and Opportunity</th><th>Countermeasure</th></tr>
<tr><td>Market
• Sustainability trend</td><td>• International initiatives such as RE100, SBTi, and green supply chain boost the green energy market at home and abroad.
• Taiwan’s “heavy electricity user clause” increases the demand for renewables installations and purchase.</td><td>• Actively cultivate renewables sales and guidance service.
• Seek cooperation with renewables plants outside of the group.</td></tr>
<tr><td>Products and services
• Develop renewables</td><td>The government promotes the renewables policy to increase the domestic demand for related renewables services.</td><td>• Expand renewables business development.
• Undertake large domestic renewables projects.
• Form operation teams for various types of renewables.</td></tr>
<tr><td>Resources efficiency
• Energy and resources integration</td><td>Expand regional energy integration and enhance energy efficiency to reduce environmental impacts</td><td>Integrate regional electricity and steam demands to enhance energy efficiency.</td></tr>
</table>
4.
A. Guantian Cogeneration Plant, our operational location, inventories and registers GHG every year, with accuracy verified by third-party
</td><td></td></tr>
</table>

Indicator	Implementation (Note 1)			Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
			assurance (with respect to ISO 14064-1 and ISO 14064-3) to capture the status of GHG emissions, set effective reduction targets, and constantly implement controls based on the inventory results. Emissions in the past two years are as follows: a. GHG: The 2021 Scopes 1 and 2 emissions were 378,796 tCO2e and 3,152 tCO2e respectively; and the 2022 Scopes 1 and 2 emissions were 339,722 tCO2e and 6,098 tCO2e respectively. b. Water: The 2021 and 2022 consumptions was 963,380m^3 and 811,448m^3 respectively. c. Waste: The 2021 and 2022 production was 26,531MT and 21,577MT respectively, with a recycling rate of over 99.8%. Apart from establishing the GHG management plan and water management policy, Guantian Plant also sets the alternative fuel rate, electricity and water conservation KPIs every year to enforce energy conservation and carbon reduction. Guantian Plant has established the energy-conservation plan, with a target to reduce total electricity consumption by 5% in 5 years from 2015. The accumulated conservation rate during 2015-2019 was 5.52%, with an annual average of 1.1% and achieving 5% within 5 years. In response to the energy conservation target announced by the Bureau of Energy on October 30, 2019, which is extended to 2024 at a minimum of 1% each year on average, our verified 2021 conservation rate was 1.92%, and the estimated 2022 conservation rate was 0.83%, making the annual average during 2015-2022 to 1.36%. Purchased electricity is the main source of energy consumption at TCC headquarters. The 2022 consumption was lower than that of the 2021. In 2023, we will continue the energy conservation program at TCC headquarters and Guantian Plant to achieve the goals of energy conservation and carbon reduction. In water management, as 99% of the steam generated by the cogeneration system can all be recycled through condensation, there is no waste of water. In addition, by reclaiming the condensate from steam consumed by users in the process to the cooling tower, we can improve the quality of cooling tower water to reduce raw water consumption of about 60,000MT to achieve full water recycling. In 2022, we established the water management policy and set targets for water conservation for practice. No waste from Guantian Plant is hazardous, including inorganic sludge, household waste, coal ash, and soil thermal and fire-retardant materials. We also recycle 100% of ash as materials for making backfilling materials for construction. Non-recyclable waste is disposed of according to the Waste Disposal Act by qualified waste	

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			disposal contractors, with a recycling rate over 99.8%. We have also established policies for energy conservation, carbon reduction, and waste management to constantly enforce TCC's energy conservation, carbon reduction, and environmental sustainability goals.	
4. Social (1) Did the company establish management policies and procedures in accordance with relevant laws and International Bill of Human Rights?	V		(1) We have established the "Human Rights Policy and Management Regulations" and specific management plans for matters related to human rights, including human rights risk mitigation measures and the relevant effectiveness assessment and education and training. Apart from developing various management systems in accordance with the labor laws and regulations, we are committed to complying with international human rights conventions, such as the "Universal Declaration of Human Rights", "UN Guiding Principles on Business and Human Rights", "International Covenant on Civil and Political Rights", and "International Covenant on Economic Social and Cultural Rights", to protect the rights and interests of employees and eliminate differential treatment in employment. Apart from integrating the human right policy into various management systems, we have also established the "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment" and the "Personnel Review Committee Regulations", as well as mechanisms and channels for employee grievances, including the human rights protection hotline and email and unethical behavior reporting hotline and email to protect human right. Please refer to V. Operational Highlights for details.	No significant difference from the Sustainable Development Best Practice
(2) Did the company establish and implement reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflect business performance and achievements in the remuneration for employees?	V		(2) A. We have established and implemented reasonable employee benefits, including the menstrual leave, maternity leave, paternity leave, and parental leave as stipulated by law. We have also established a pension system better than that of the *Labor Standards Act* and offer health checkup funding, baby bonus, and marriage allowance and announced that couples of same-sex marriage are also entitled to such benefits to promote workplace diversity and quality. (By the end of 2022, TCC had 41 female employees and 89 male employees. There were 11 department heads, including one female and 10 males, accounting for about 8.5% of all employees). B. We have established the performance evaluation regulations and employee remuneration system (including managers). In accordance with Article 36 of the company charter, if there is profit in the year,	

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			a minimum of 0.5% should be appropriated as remuneration for employees and a maximum of 1% as remuneration for directors, and the latter must not be higher than the former. Additionally, the "Bonus Approval Regulations" stipulates that the performance bonus in the employee's renumeration includes profit sharing and performance evaluation. Every year, we include ESG-related items, such as corporate governance, operational performance, energy conservation & carbon reduction, renewables development, and others in the Company's general goal. The performance of officers and employees are evaluated based on the achievement of the departmental KPIs, and bonuses are calculated according to the formulas to link the results of performance evaluation and the performance bonus and employee salary. The outstanding or improper performance of employees will be administered in accordance with the "Reward and Punishment Regulations". Please refer to section (V) in V. Operational Highlights for details.	
(3) Did the company provide employees with a safe and healthy work environment and arrange regular safety and health education for employees?	V		(3) A. We provide employees with a safe and healthy workplace environment and periodically arrange education and training relating to OH&S and employee health. We care about the health and safety protection of the workplace environment through the following specific measures: ※ Taipei Office: i 24-hour access control and security service, and CCTV surveillance in common area such as stairs and parking in the building. ii Public safety check and environmental monitoring by professional public safety contractors two times a year; and fire safety inspection, fire drills, fire equipment check, and environmental safety inspection every year. Self-inspection of fire equipment certified and reported by professional fire protection engineers every quarter. iii Building carpet cleaning and building disinfection two times a year, and actual frequency will increase according to actual needs. iv General OH&S education and training for new employees during pre-service training and OH&S in-service awareness education once a year. v Health checkups for employees each year, factory nurses at the health center, health education courses every year, and health education and consultation services for employees. vi Cleaning and waste sorting on each floor and in common areas.	

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	Yes	No	Description	
			vii Irregular office environment improvement as necessary, such as installing carbon filters. viii Installation of additional air filters in all areas to maintain employee health. ix Environmental monitoring by external monitoring units every six months. ※ Guantian Plant i Workplace environment monitoring by external monitoring units every six months, including sulfuric acid tank area, dust, noise dose, and ammonia tank area tests. ii Building safety inspection and report by professional institutions every year; fire and related disaster drills and education and training two times a year; self-inspection of public hazardous substances safety and monitoring every month; and report the results to local fire authorities for reference. iii Continuous review and improvement of the onsite environment and periodically industrial safety meetings and the relevant OH&S education and training to ensure labor safety. iv Epidemic control measures and full-scale environmental disinfection in the plant. v Onsite contracted nurse services; graded health management for employees with abnormal health checkup results and factory physician health education and job accommodation assessment as necessary. B. Status and scope of OH&S verification a. Guantian Plant passed the certification of the ISO 45001 OH&S management systems in 2019 and completed certificate renewal verification in 2022 (validity 2022/10/28-2025/10/27), and the certificate renewal verification of the ISO 14001 environmental management system in 2020 (validity 2020/6/2-2023/8/31). b. Subsidiary Star Energy has established the OH&S Committee and ESH Management Office; implemented zero industrial accident management; and passed the certification of the ISO 14001 environmental management system (2020/6/29-2023/6/29). In 2020 it also passed the version change verification from the OHSAS 18001 into the ISO 45001 OH&S management systems (validity 2020/6/29-2023/6/29). C. The 2022 rate of fatalities as a result of work-related injury, rate of high-consequence work-related injuries, and rate of recordable work-related injuries were all zero. In the future, we will continue to	

Indicator	Implementation (Note 1)			Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
(4) Did the company establish effective career development and training plans for employees?	V		work for the goal of zero occupational accident. (4) A. Improving English proficiency for core personnel: In 2020 we began to implement the core personnel training program (3-Year English Optimization Program). In 2022, we continued the program by proving employees with learning resources and encouraging them to take the TOEIC to improve English proficiency. B. Continuous cultivation of intermediate and senior supervisors: In 2020 we started the intermediate and senior supervisor cultivation program to strengthen corporate workforces. In 2022, we arranged e-learning and classroom courses at the same time due to the pandemic. Additionally, to equip employees with the competencies required for achieving the job targets and in consideration of the pandemic, we extended collaboration with e-learning platforms and set learning targets for each employee to improve their professional competencies. Due to the COVID-19 outbreak in the middle of 2022, training was offered through e-learning in response to the access control for pandemic and clustering prevention. Besides offering a wider range of courses and more convenient access, e-learning also protect the health of employees. Hence, we will continue with e-learning in the future. C. We have established the senior management succession program. Apart from the professional competencies required for succession, successor candidates should comply with the Company's integrity culture in the value. We also timely promote excellent talents for succession. The senior management succession program includes professionals from fields including management, engineering, and finance to achieve the corporate goals and maximize value for the company by abundant management know-how. The current president and vice president of the company have passed different levels of training before being promoted to the present positions. In the future, job rotation will be applied to develop the senior management competencies and experience required for operational management in different areas, such as project planning, engineering management, maintenance and operations, and financial analysis. In addition to competence training, we send officers to participate intermediate and senior officer development program to provide them with physical and e-	

Indicator	Implementation (Note 1) Yes	No	Description	Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
			learning education and training and encourage them to engage in self-learning and self-growth in areas including forward-looking trends, leadership strategies, and communication and coordination skills to support the constant enrichment of professional competencies, operational management, cultural nurturing, and volunteer services of officers so as to build an excellent succession team and develop candidates for the Board and senior management. In 2022 we established the Talents Cultivation and Development Advisory Committee to discuss the key talents required for future organizational development and propose talents cultivation and development planning and detailed training plans based on the future organizational development strategies and goals to cultivate and share with the Company's future outstanding management team. D. The 2022 cultivation program extended to chiefs and above supervisors to develop more excellent talents for the group and so to facilitate management succession planning. The total hours of competence training for intermediate and senior officers were 590 hours.	
(5) Did the company handle customer health and safety, customer privacy, marketing and labeling issues relating to products and services in compliance with the relevant laws and regulations and international standards and establish policies and grievance procedures to protect the rights and interests of consumers or customers?	V		(5) Investment and development of energy and electricity and project undertaking and operation are our major services, which do not need marketing and labeling. However, we handle customer health, safety, and privacy in products and services in accordance with the relevant legal requirements and have also passed the ISO 9001 QMS certification. We value privacy and intellectual property rights of customers and sign non-disclosure agreements (NDA) with customers as necessary to protect their confidential information and ensure employees engaging in the related services observe the NDA. Apart from surveying customer satisfaction every year, we have established the customer complaint handling procedures and arranged reporting hotlines and emails to ensure unfettered communication and grievance channels for customers.	
(6) Did the company establish a supplier management policy to request suppliers to comply with the relevant standards in environmental protection, occupational safety and health, and labor human rights? And what is the status of policy implementation?	V		(6) A. We have established the supplier management policy and the supplier management and evaluation mechanisms to request suppliers to comply with related laws and regulations in environmental protection, OH&S, or labor human rights. In the contracts, we request suppliers to abide by the "Labor Standards Act", "Occupational Safety and Health Act", "Labor Inspection Act", "Hazardous Workplace Review and Inspection Regulations", and their enforcement rules. In equipment procurement and project	

<table>
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<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>outsourcing, we carefully select suppliers complying with laws and regulations in the social aspects, such as integrity and ethics, product quality, supply cooperation, environmental protection, and occupational safety. We also request suppliers having contracts with us to sign the "Supplier Corporate Social Responsibility Commitment Statement" to ensure their compliance with requirements covering service responsibility, human rights maintenance, integrity and ethics, and environmental protection. We will terminate contracts of suppliers breaching CSR-related requirements.
B. Additionally, apart from implementing the supplier CSR self-assessment for the reference of supplier management improvement in the future, we have also established a supplier evaluation mechanism to evaluate suppliers in terms of four aspects: reliability, price, quality, and delivery. Based on the evaluation results, suppliers are divided into 5 grades: A, B, C, D, and E. Suppliers with grades D and E are unqualified. For significant suppliers, we will further arrange onsite inspection periodically to verify their CSR performance. Suppliers unqualified by the said evaluation will be requested to make immediate improvement and submit a solution. In 2022, there were 399 qualified suppliers, and 11 unqualified suppliers were disqualified.</td><td></td></tr>
<tr><td>5. Did the company prepare and publish such reports as the sustainability report in accordance with the internationally accepted reporting standards or guidelines to disclose the company's non-financial information? Did the company apply for third-party verification and assurance to a third-party certification body for the above report?</td><td>V</td><td></td><td>1. The 2021 Sustainability Report published in 2022 was prepared in accordance with the Core disclosure principle of the GRI Standards.
2. The above report has been audited for limited assurance by Ernst & Young in accordance with SAES No. 1 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (established with reference to ISAE 3000 Revised) released by the Accounting Research and Development Foundation. Our report is assured to have complied with the Core disclosure principle of the GRI Standards.</td><td></td></tr>
<tr><td colspan="5">6. If the company has established its own Sustainable Development Best Practice Principles with reference to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please state the differences from the CSR best-practice principles it establishes and operates:
We have established and implemented our own "Sustainable Development Best Practice Principles" without no variation from the "Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies".</td></tr>
<tr><td colspan="5">7. Other important information that helps understand the promotion of sustainable development:
(1) Each year we publish the Sustainability Report and fully disclose related information in the report available for downloading from MOPS or our corporate website (https://www.cogen.com.tw/csr/csr_report).
(2) In both the Chinese and English corporate website, we have established the Sustainable Development section to disclose information relating to the issues that concern or interest</td></tr>
</table>

Indicator	Implementation (Note 1)			Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
stakeholders, ESG performance, and employee benefits. We also provide the sustainability (ESG) reports published over the years for reference. (3) The 2022 ESG foci included: a. the operation of the ESG and the working groups; b. awards for constant participation in enterprise and environmental sustainability awards; c. engagement in employee care, culture and education cooperation, sports promotion, and social participation. The 2022 ESG performance is as follows: a. Governance (G): Ranked the top 6-20% of listed companies at the 9th (2022) Corporate Governance Evaluation; won the "Top 100 Sustainability Exemplary Awards" and "Corporate Sustainability Report Awards" of Taiwan Corporate Social Responsibility Awards (TCSA); ranked the 12th in the Medium-sized Enterprises category of the "Excellence in Corporate Social Responsibility 2022" by *CommonWealth Magazine*. b. Environmental (E): Constant promotion of various renewables: solar energy, wind power, and geothermal energy to realize low-emission generation for emissions reduction. We also formed a renewables O&M team, promoted green power retailing and ancillary services, and extend to the green power value chain to enforce sustainable development. In 2022, we were rated an Outstanding Green Purchase Enterprise in Taipei City. Additionally, apart from using scrap tire chips as alternative fuel, Guantian Plant completed the SRF trial in 2022 and started operation in 2023 to continuously implement the circular economy. c. Social (S): Participated in the "Power Grid School and Talent Development Alliance" to offer NT$100,000 a year as scholarships; implemented the volunteerism leave system, encouraged employees to engage in volunteerism, constantly promoted various social engagement activities (Vegetarian Day once a month for health and carbon reduction, TAYA Marathon, Tianzhong. (4) ESG tasks for 2023: a. Complete the 2022 Sustainability Report and pass third-party assurance by June 2023; and publish the English Sustainability Report to enhance information disclosure and stakeholder communication. b. Meet the ESG-related KPIs, including green procurement performance, solar PV development, onshore wind power development, renewables operation and maintenance, renewable retailing, customer satisfaction, GHG inventory, governance optimization, and HRM and cybersecurity management enhancement. c. Continue to operate the ESG Sustainable Development Committee and working groups and rolling review and planning of ESG implementation tasks.				

Note 1: If "yes" is selected for the performance, please state the important policies, strategies, and measures adopted and their effectiveness. If "no" is selected, state the differences and causes of differences and the future plans to adopt related policies, strategies, and measures in the Differences and the cause(s) of differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies column.

Note 2: The Materiality Principles refer to the ESG issues with significant impacts on the Company's investors and other stakeholders.

Note 3: Please refer to the Codes of Corporate Governance Best-Practice section of the Corporate Governance Center website of the Taiwan Stock Exchange for disclosure methods.

Climate-Related Information of Listed Companies

Climate-related Performance

Item	Performance
1. Describe the Board and management's oversight and governance of climate-related risks and opportunities. 2. Describe the impact of identified climate-related risks and opportunities on the organization's businesses, strategy, and finance over the short, medium, and long term. 3. Describe the financial impact of extreme weather events and transition actions. 4. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. 5. When accessing the resilience against climate risk through scenario analysis, state the scenario, parameter, assumption, analysis factors, and major financial impacts. 6. When transition plans relating to management of climate-related risks are in place, state their contents and the metrics and targets used for identifying and management physical risks and transition risks. 7. When internal carbon pricing is used as the planning tool, state the basis of pricing. 8. If climate-related metrics are in place, state the activities, the scopes of GHG emissions, planning schedule, and the annual targets. When carbon offset or renewable energy certificates (RECs) are used to achieve the relevant targets, state the sources of carbon credit for offset or the quantity of RECs. 9. GHG inventory and verification.	1. The Board is the highest government body of risks. Members of the Risk Management Committee include the chairperson, president, and vice presidents. They review the Company's annual risk management plan and risk management performance and report the operation and performance to the Board and the Audit Committee periodically each year. 2. Legal change and natural disasters may increase operating costs and cause investment losses over the short term. In response to the domestic and overseas trends and policy promotion, the demand for our renewable-related business will increase. Due to the significant change in the likelihood of extreme weather events and policies, we will adjust the counteractions and future operational strategies accordingly over the medium and long terms. 3. Extreme weather events (typhoons, floods, droughts) may result in delayed project schedules or power plant operational losses. Responses to the current transition risks, such as tightening regulations and carbon tax, may lead to increased operating costs. 4. In our "Risk Management Policy and Procedures", we include the risks from investment, operations, management, climate change, and unethical behavior in the scope of risk management. We also include the identification, assessment, and management of climate-related risks and opportunities in the annual risk management plan. The Risk Management Committee review and supervise plan implementation and report the performance to the Board and Audit Committee periodically each year. 5. In consideration of the scenarios specified by IPCC and NGFS, the TCCIP analysis report, and the estimated future climate trends of Taiwan, we assess the potential climate-related risks and opportunities. However, we did not assess the financial impacts of climate-related risks with the assumptions and parameters of different scenarios. 6. We are committed to developing high-efficiency, low-emission generation models, expanding the scope of renewable services, and setting the short-, medium-, and long-term goals of investments in

	renewable installed capacity and the relevant KPIs for energy conservation and carbon reduction. We also draw up management plans and plan counteractions for the resource risks caused by extreme climate events to address and manage climate-related physical risks and transition risks. 7. We engage in electricity-related services and have no carbon pricing planning for the moment. 8. Based on the issues related to the impacts of climate-related risks and opportunities on the Company, we set the relevant KPIs for energy conservation and carbon reduction, including energy conservation performance, water conservation performance, fuel replacement rate, and GHG management. Apart from developing renewables, we have also established TCC Green Energy Corporation to retail green electricity to provide wheeling service and REC exchange services for businesses. 9. Results of GHG inventory of TCC Guantian Plant: We hire third-party certification body to run external verification in accordance with the ISO14064-1 and ISO14064-3 standards and disclose the results in the section III-4-7, Corporate Governance Report. TCC Taipei Office and subsidiaries have completed the GHG inventory and verification planning in accordance with the "Sustainable Development Roadmap for Listed Companies".

(8) Performance of ethical corporate management and the differences and cause(s) of differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies (Ethical Corporate Management Best Practice):

Indicator	Operation(Note 1)			Differences and the cause(s) of differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
1. Establishment of ethical management policies and plans (1) Does the company establish policies for ethical corporate management approved by the board of directors and state such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?	V		(1) After the partial amendment made with respect to the amendment to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” promulgated by the TWSE on 2019/5/23, the amendment to Company’s “Ethical Corporate Management Best Practice Principles” were approved by the 14th meeting of the 10th Board on 2019/8/12. In addition, we have established, and review and amend regularly, the “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Ethical Conduct” to state our strategy and practice of ethical corporate management. Related regulations stipulate that employees shall not offer or accept undue advantage of any type in any form when conducting business in related laws and regulations; and directors, officers, and employees shall comply with the Company’s ethical corporate management policy to enforce our commitment on ethical corporate management. Related information is disclosed on our corporate website and in our sustainability report.	No significant difference from the Ethical Corporate Management Best Practice
(2) Does the company establish an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Article 7, paragraph 2, the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies”?	V		(2) Every year we assess the risk of unethical behavior, analyze and assess business activities of higher risk of involvement in unethical behavior, and draw up audit programs for the reference of unethical behavior audit. The scope of audit covers the precautionary actions of various unethical behaviors stated in Article 7 of the “Ethical Corporate Management Best Practice Principles”. We have also established the “Procedures for Ethical Management and Guidelines for Conduct”, “Code of Ethical Conduct”, “Unethical Behavior Reporting Regulations”, “Internal Material Information Handing SOP”, and “Personnel Management Rules” for preventing unethical behavior.	
(3) Does the company establish in the preventive programs the	V		(3) In our “Ethical Corporate Management Best Practice	

Indicator	Operation(Note 1)			Differences and the cause(s) of differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
operating procedures to prevent unethical behavior, penalties and grievance systems of breaching the guidelines for conduct, and implement and periodically review and revise them?			Principles", we have stated the Company's ethical corporate management policy and practices. Apart from establishing the "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", and "Internal Material Information Handing SOP", we arrange related education and training for directors, officers, and employees regularly. In addition, we have established the "Unethical Behavior Reporting Regulations" to provide a mechanism and channel for reporting unethical behavior anonymously. Those who violate related regulations will be punished with reference to the "Reward and Punishment Regulations". We periodically review the programs and SOPs for preventing unethical behavior and amend them in response to the amendment to related laws and regulations.	
2. Implementation of ethical management (1) Does the company evaluate the ethical record of its transaction parties and explicitly include clauses on ethical conduct in contracts? (2) Does the company establish a unit specializing in implementing ethical corporate management under the Board of Directors and report regularly (at least once a year) to the board of directors the status of implementation and supervision of the ethical corporate management policy and preventive programs of unethical behavior?	V V		(1) We have established a well-planned Supplier Management and Evaluation Mechanism. We have also specified in the contracts signed with suppliers that we may terminate the contract with any suppliers involved with unethical behaviors at any time. Any commissions, kickbacks, or other undue advantages received should be reported immediately, related evidence should be provided, and investigations should be cooperated. We have also set up reporting mechanisms and channels. (2) We have established the "Ethical Corporate Management Best Practice Principles" approved by the Board. Accordingly, the legal affairs office is the unit specializing in implementing ethical corporate management with sufficient resources and competent personnel. At least once a year it reports to the Board the status of implementation and supervision of the ethical corporate management policy and programs for preventing unethical behavior. At the 23rd meeting of the 11th Board on 2023.3.10, the legal affairs office reported that 2022 ethical corporate management was implemented in compliance with the "Ethical Corporate Management Best Practice Principles". The status of implementation of ethical corporate management in 2022 is as follows:	No significant difference from the Ethical Corporate Management Best Practice

Indicator	Operation(Note 1)			Differences and the cause(s) of differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
			A. Education and training: Cf. 2-(5). B. Compliance communication: To communicate ethical corporate management, at the executive meetings, we regularly request department heads to communicate to employees related laws and regulations, such as the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct", and "Insider Trading Prevention Regulations". Department heads also verify if employees understand related regulations through the departmental meetings. All directors and officers of the Company have made the Statement of Compliance with Ethical Corporate Management. When new directors or officers report to duty, we will provide them with the "Insider Regulations Handbook", with information including the reporting duty and no insider trading of insiders. We also email legal compliance materials to them every month. In our employment contract, employees are requested to abide by the ethical corporate management policy. We also include regulations and standards relating to ethnical corporate management in the education and training for new employees and the relevant statements to require new employees to read and understand these instructions. In the employment requirements, we request employees to uphold the ethical corporate management policy and include rules and regulations relating to ethical corporate management in the education and training for new employees and the statement required for reading and acknowledgment by new employees. C. Periodic check: Every year we assess the internal control system to assess the risk of involvement in unethical behavior in business activities. The audit unit shall conduct independent audits and report the results to the BOD to ensure the effective operation of the overall mechanism. D. Whistleblower system: We have established the reporting (whistleblower) regulations of unethical behavior. This substantial whistleblower system includes channels like hotlines and emails, acceptance	

Indicator	Operation(Note 1)			Differences and the cause(s) of differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
			of anonymous reports, protection of whistleblower identity, and proper handling of reports to realize ethical corporate management within the organization. In 2022 no unethical behavior was reported.	
(3) Does the company establish and implement a policy to prevent conflicts of interest and provide suitable channels for reporting such conflicts?	V		(3) Apart from establishing the policy to prevent the conflict of interest, we state the regulations for avoidance and prevention of the conflict of interest in the "Ethical Corporate Management Best Practice Principles", "Regulations Governing the Procedure for BOD Meetings", and "Personnel management Rules". We also establish the reporting (whistleblower) regulations, designate the units and personnel specializing in accepting related reports, provide reporting channels like hotlines and emails, and accept anonymous reporting for the reference of implementation.	
(4) Does the company establish an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit?	V		(4) We have established an effective accounting system and internal control system. Based on the results of unethical behavior risk assessment, the internal audit unit draws up the audit programs every year for departments to identify the impact of risk according to work items of the internal controls and implement self-assessment of internal controls, and then the audit unit conducts the audit and reports to the BOD. The results of the ethics and integrity audit in 2022 were reported to the 23th meeting of the 11th BOD on 2023/3/10.	
(5) Does the company regularly organize internal and external education and training activities for ethical management?	V		(5) We organize education and training on ethical corporate management periodically. In 2022, we arranged courses including "Introduction to Law: Latest Practice and Development of Insider Trading Prevention and Ways of Prevention by Enterprises", "Global Risk Awareness: Opportunities and Challenges in Next 10 Years & 2030/2050 Net Zero Emission", and "Best-Practice Principles and Examples for Ethical Corporate Management, Corporate Governance, and Sustainable Development". We also invited experts, lawyers, etc. (external and internal instructors) to provide a total of 10 hours of education, training, and publicity on insider trading prevention, legal compliance, and Code of Conduct for a total of 115 directors, officers, and employees.	

Indicator	Operation(Note 1)			Differences and the cause(s) of differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
3. Operation of the corporate whistleblower system (1) Does the company establish an explicit whistleblower and incentive scheme and convenient reporting channels, and assign appropriate personnel to investigate the target of the whistleblower complaint? (2) Does the company establish a standard operating procedure to investigate whistleblower complaints and related mechanisms to ensure confidentiality? (3) Does the company establish measures to protect whistleblowers against retaliation?	V V V		(1) We have established reporting regulations, a report box, a report hotline, and stakeholder grievance box, and will assign special staff to handle all whistleblower complaints. (2) We have established the reporting (whistleblower) regulations, investigation SOPs, and related non-disclosure mechanism; and accept anonymous reporting. After acceptance, reports are handled according to related regulations. In 2022, no report was received. (3) We have established reporting regulations and measures to protect whistleblowers against retaliation and accept anonymous reporting.	No significant difference from the Ethical Corporate Management Best Practice
4. Reinforcing information disclosure Does the company disclose its ethical management principles and effectiveness on the corporate website and the Market Observation Post System website?	V		We have established the "Ethical Corporate Management Best Practice Principles" and have disclosed them on the corporate website and Market Observation Post System.	No significant difference from the Ethical Corporate Management Best Practice
5. If the company has established own ethical management principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies," please specify the status of operation and variations: We have stablished and implemented the "Ethical Corporate Management Best Practice Principles", and no noncompliance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies" is found.				
6. Other material information that helps to understand the operation of the company's ethical management (such as the company review of the of its ethical management principles): (1) On 2023/3/10, the Legal Affairs Office reported to BOD that business ethics and integrity were operated faithfully according to the Ethical Corporate Management Best Practice Principles. (2) We reviewed and amended the Procedures for Ethical Management and Guidelines for Conduct in response to the amendment to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies by the competent authorities. The amendment was approved by BOD at the 14th meeting of the 11th BOD on 2021/12/13. In accordance with Article 8 of the Ethical Corporate Management Best Practice Principles, directors and officers have submitted the Statement of Compliance with the Ethical Corporate Management Policy. (3) In June 2022, we published our sixth CSR report to disclose/publicize our ethnical corporate management policy and related reporting channels. We also established the Ethical Management section on the corporate website and sound communication channels with stakeholders. Related achievements also won external recognition. (4) Since 2016, we have been rated among the top 20% of the more than 900 listed companies evaluated at the Corporate Governance Evaluation. In 2017, 2019, 2020, and 2021, we were even ranked among the top 5% and in 2022 the top 6-20% of listed companies. We also won the "Top 100 Sustainability Exemplary Awards" and "Corporate Sustainability Report Awards" of Taiwan Corporate Social Responsibility Awards (TCSA); ranked the 12th in the Medium-sized Enterprises category of the "Excellence in Corporate Social Responsibility 2022" by *CommonWealth Magazine*; and was rated the 2022 Excellence in Green Procurement by the Development of Environmental Protection, Taipei City Government and by the Environmental Protection Administration, Executive Yuan. We strive to become a benchmark enterprise for corporate governance and integrity management.				

Note 1: Please answer to all items in each indicator, regardless of a "yes" or "no" answer.

(9) Should the governance best practice principles and related regulations be established, disclose their access: Please visit related section

(Governance/Corporate Regulations) on our corporate website at https://www.cogen.com.tw/eng/manages/.

(10) Other material information that is helpful for understanding the status of implementation of governance may be disclosed together:

1) Performance in Intellectual Property Management

A. By integrating the goals and style of operations, we have established the “Intellectual Property Management Regulations” relating to trade secrets and other intellectual property rights. The regulation was approved by the BOD on December 22, 2020. From 2021, the status of intellectual property management shall be reported to the BOD at least once a year.

B. Trade secret management has been implemented in accordance with the Intellectual Property Management Regulations and stipulated in the employment contracts. Matters related to intellectual property management was reported to BOD on 2022/11/10.

(11) Information to be disclosed to support the status of implementation of the internal control system:

A. Internal Control System Statement

Taiwan Cogeneration Corporation
Statement of Internal Control System

Date: March 10, 2023

With regards to the results of the 2022 self-evaluation on the internal control system, we hereby declare as follows:

1. We acknowledge and understand that it is the responsibility of our BOD and executives to establish, implement, and maintain an internal control system, and we have established such a system. Its purpose is to fairly ensure the effectiveness and efficiency of operations (including profitability, performance and security of assets); the reliability, timeliness, and transparency of financial reporting; and the achievement of legal compliance.
2. There is limitation inherent to each internal control system, however perfect the design is. As such, an effective internal control system can only fairly ensure the achievement of the aforementioned goals. Furthermore, the effectiveness of an internal control system may variate as the macro environment and situation change. By equipping our internal control system with a self-monitoring mechanism, we can take immediate corrective actions against any defects once identified.
3. Referring to the criteria for determining the effectiveness of an internal control system as specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (the "Criteria"), we judge the effectiveness of design and implementation of our internal audit system. With regard to the management control process, the Criteria divided an internal control system into five elements: a) control environment, b) risk evaluation, c) control operation, d) information and communication, and e) monitoring. Each element in turn contains certain audit items and shall be referred to the Criteria for details.
4. We have evaluated the effectiveness of design and implementation of our internal control system with such criteria.
5. In respect of the findings from the above evaluation, we hold that the design and implementation of our internal control system (including the supervision and management of subsidiaries) by 31 December 2022 were effective to achieve the above goals in terms of the effect and efficiency of operations; the reliability, timeliness, and transparency of financial reporting; and the achievement of legal compliance.
6. This statement shall form an integral part of the annual report and the prospectus on this company and will be disclosed to the public. If there is any fraud, concealment and unlawful practice found in the above contents, we shall be liable to the legal consequences under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
7. This statement of declaration was approved unanimously by the BOD meeting held on March 10, 2023 with the presence of all directors attended the meeting.

Taiwan Cogeneration Corporation
Signature of Chairman: Shun-I Huang
Signature of President: Yi-Tong Chen

B. The company auditing its internal control system by a CPA shall disclose the CPA audit report: None.

(12) Punishments, major defects, and improvements in the previous year and by the date of report publication of the company or its personnel by the law or for violation of the regulations of the internal control system: None.

(13) Important resolutions made by the general meeting of shareholders and BOD in the previous year and by the date of report publication:

Date	Meeting	Resolution
2022.05.12	Board	1. Passed the replacement of the CPAs of financial statements. 2. Passed the consolidated financial statement of 2022Q1. 3. Passed the control table of the internal control follow-up report. 4. Passed the sales of the shares of Jhao Feng Solar Energy to Wang Tien Woolen Textile for share exchange.
2022.05.31	AGM	Important resolutions: 1. Management presentations (1) 2022 Business Report. (2) Audit Committee's Audit Report on the 2021 Final Accounts Report. (3) External Endorsement/Guarantee Report. (4) Report on Distribution of Rewards for Directors and Employees of 2021. (5) Collection of remuneration for directors of 2021. Meeting minutes and implementation: After presentation by the meeting chair and management, the above reports were reported to the meeting of shareholders for approval. 2. Ratification (1) 2021 Business report and financial statements. Meeting minutes: Resolution by voting of all attending shareholders—agreed by shareholders representing 331,883,410 votes (including 73,665,231 votes over e-voting); disagreed by shareholders representing 83,306 votes (including 83,306 votes over e-voting); waiver by shareholders representing 9,761,365votes (including 9,119,396 votes over e-voting). Ratification was approved as proposed by 97.11% of votes. Implementation: Ratification of earnings distribution. (2) 2021 earnings distribution Meeting minutes: Resolution by voting of all attending shareholders—agreed by shareholders representing 331,968,044 votes (including 73,749,865 votes over e-voting); disagreed by shareholders representing 135,405 votes (including 135,405 votes over e-voting); waiver by shareholders representing 9,624,632 votes (including 8,982,663 votes over e-voting). Ratification was approved as proposed by 97.14% of votes. Implementation: The Board set 19 July 2022 as the base day of distribution and 4 August 2022 as the date of distribution of cash dividend at NT$1,030,835,041, NT$1.75/share, by resolution. 3. Discussions (1) Abolition of the original "Rules of Procedure for Meetings of Shareholders" and establishment of a new set. Meeting minutes: Resolution by voting of all attending shareholders—agreed by shareholders representing 330,581,123 votes (including 72,313,648 votes over e-voting); disagreed by shareholders representing 137,979 votes (including 137,979 votes over e-voting); waiver by shareholders representing 11,008,979 votes (including 10,416,306 votes over e-voting). Ratification was approved as proposed by 96.73% of votes. Implementation: Announced over the corporate website and MOPS after passage for the reference of implementation. (2) Abolition of the original "Notice for Directorial Election by AGM" and establishment of the "Procedures for Directorial Election". Meeting minutes: Resolution by voting of all attending shareholders—agreed by shareholders representing 330,289,600 votes (including 72,022,125 votes over e-voting); disagreed by shareholders representing

		135,502 votes (including 135,502 votes over e-voting); waiver by shareholders representing 11,302,979 votes (including 10,710,306 votes over e-voting). Ratification was approved as proposed by 96.65% of votes. Implementation: Announced over the corporate website and MOPS after passage for the reference of implementation. (3) Amendment to the "Procedures for Acquisition and Disposition of Assets". Meeting minutes: Resolution by voting of all attending shareholders—agreed by shareholders representing 330,584,412 votes (including 72,316,937 votes over e-voting); disagreed by shareholders representing 146,000 votes (including 146,000 votes over e-voting); waiver by shareholders representing10,997,669 votes (including 10,404,996 votes over e-voting). Ratification was approved as proposed by 96.73% of votes. Implementation: Announced over the intranet after passage for the reference of implementation. 4. Others Abolition of the non-compete restriction on directors. Meeting minutes: Resolution by voting of all attending shareholders—agreed by shareholders representing 329,885,048 votes (including 71,676,869 votes over e-voting); disagreed by shareholders representing 351,680 votes (including 351,680 votes over e-voting); waiver by shareholders representing 11,491,353 votes (including 10,839,384 votes over e-voting). Ratification was approved as proposed by 96.53% of votes. Implementation: Abolished the non-compete restriction on officer Tien-He Kuo of Taiwan Power Corporation.
2022.06.28	Board	1. Passed the recordation for reference of "GHG Inventory and Verification Planning". 2. Passed the base date for ex-dividend and related matters for Cash dividend of 2021. 3. Passed the amendment to part of the articles of the "Regulations for Board Performance Evaluation". 4. Passed the allocation of renumeration for directors of 2021. 5. Passed the amendment to part of the articles of the "Regulations for Employee Salary Calculation". 6. Passed the amendment to part of the articles of the "Regulations for Allocation of Remuneration for Employees". 7. Passed the allocation of remuneration for employees to officers for 2021. 8. Passed the change of director of the secretariat of the Board.
2022.08.01	Board	1. Passed the Acquisition of Jinqiyi and the "Yunlin County Douliu Towe Grid Connection Energy Storage Investment Project". 2. Passed the Onshore Substation EPC Contract with Ørsted Taiwan for offshore wind farms (Greater Changhua Northwestern, Southwestern Phase II, Ørsted Wind 2, Ørsted Wind 3, Greater Changhua Northeastern).
2022.08.11	Board	1. Passed the Consolidated financial statement of 2022Q2. 2. Passed the Amendment to the 2022 budget. 3. Passed the Amendment to the items and contents of the 2022 Internal Control System.
2022.11.10	Board	1. Passed the Consolidated financial statement of 2022Q3. 2. Passed the SEO in 2022. 3. Passed the new contract for issuing commercial paper with a credit of NT$1 billion with Mega Bills Finance. 4. Passed the new contract for issuing commercial paper with a credit of NT$1.5 billion with Grand Bills. 5. Passed the new contract for issuing commercial paper with a credit of NT$1 billion with China Bills. 6. Passed the termination of the "Yunlin County Douliu Towe Grid Connection Energy Storage Investment Project" after re-assessment. 7. Passed the Control table of the internal control follow-up report. 8. Passed the amendment to part of the articles of the "Corporate Governance Best-Practice Principles". 9. Passed the establishment of the "Regulations for Employee Stock Option of Seasoned Equity Offering".
2022.12.23	Board	1. Passed the 2022 Sales Plan and Budget. 2. Passed the assessment and appointment of CPAs and auditing fee of the "Audit and Certification of Financial Statements and Tax". 3. Passed the 2023 Periodic Audit Program. 4. Passed the termination of re-investment in Star Energy's "Chiayi County

		Yizhu Township Common Booster Station Investment Project". 5. Passed the subscription of shares at NT$33.5 million from Hamaguri's SEO. 6. Passed the abolition of the original "Risk Management Policy" and establishment of the "Risk Management Policy and Procedures". 7. Passed the amendment to the "Internal Material Information Processing SOP". 8. Passed the "2022 General Targets and Performance" and "2023 General Targets (draft)". 9. Passed the allocation of shares for ESO in the 2022 SEO. 10. Passed the 2022 chief auditor performance evaluation. 11. Passed the total amount of performance bonuses for employees and the total amount of operations and performance bonuses for department heads and above officers and the chairperson in 2022.
112.03.10	Board	1. Passed the 2022 Business Plan and Financial Statements. 2. Passed the 2022 earnings distribution proposal: Shareholder dividend-cash NT$1.05/share, stock NT$0.7/share. 3. Passed the SEO proposal. 4. Passed the amendment to part of the articles of the "Operating Procedures for Loaning of Funds and Making of Endorsements/Guarantees". 5. Passed the "Statement of Internal Control System" dated December 31, 2022. 6. Passed the amendment to part of the articles of the "Rules of Procedure of Meetings of Shareholders". 7. Passed the directorial election proposal. 8. Passed the abolition of the non-compete restriction on new directors. 9. Passed the allocation of remuneration for employees and directors for 2022. 10. Passed the AGM-related matters: Time: 09:00 a.m., Monday, 26 June 2023. Place: International Convention Hall, 1F, No. 392, Ruiguang Road, Taipei City. Objectives (1) Management presentations • 2022 Business Report. • Audit Committee's Audit Report on the 2022 Final Accounts Report • External Endorsement/Guarantee Report. • Report on Distribution of Remuneration for Directors and Employees in 2022. • Report on the status of receipt of remuneration for directors in 2022. (2) Ratification • Business report and financial statements of 2022. • Earnings distribution proposal of 2022. (3) Discussion • Seasoned equity offering. • Amendment to the articles of incorporation. • Amendment to the "Rules of Procedure of Meetings of Shareholders". • Amendment to part of the articles of the "Operating Procedures for Loaning of Funds and Making of Endorsements/Guarantees". (4) Election • Board election (5) AOB • Abolition of the non-compete restriction on new directors. (6) Passage of the time of acceptance of shareholder proposals and director nomination: 17-26 April 2023. Proposals and nomination must be made by shareholders holding at least 1% of the total issued shares during this period and at the designated place.

(14) Contents of the objections for the records or with written statements of directors or supervisors to important BOD resolutions in the previous year and by the date of report publication: None.

(15) Resignation or relief of related personnel:

2 April 2022

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
President	Chin-Fa Cai	July 2011	Dec 2022	Retired

Note: Related personnel refer to the chairperson, president, CAO, CFO, chief internal auditor, CGO, and CRDO.

5. Certification Fee of Certified Public Accountants

Certification Fee of Certified Public Accountants
(NT$ thousands)

CPA Firm	CPA	Audit Period	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte Taiwan	Chao-Mei Chen	FY2022	3,920	1,100	5,020	
Deloitte Taiwan	Cheng-Qun Yu					

State the content of services covered by non-audit fee (e.g., tax certification, assurance, and other financial consulting services)
Details of services covered by the non-audit fee: Tax certification fee NT$540 thousands, TPC audit notice NT$240 thousands, transfer pricing compliance NT$150 thousands, non-officer salary audit NT$40 thousands, XBRL NT$50 thousands, annual report reading NT$40 thousands, and adjustment of business tax for dual-status business entities NT$40 thousands.
*After a change of CPAs or CPA firm in the year, state the audit periods of each CPA or CPA firm and the reasons for changes in the Remarks. Disclose the audit fee and non-audit fee chronologically. Also state the content of services covered by the non-audit fee.

6. Replacement of certified public accountants
After changing a CPA in the previous two years and afterwards, disclose the following information.

(1) Information of former CPAs:

<table>
<tr><td>Replacement Date</td><td colspan="4">January 1, 2022</td></tr>
<tr><td>Cause and Description of Replacement</td><td colspan="4">CPA rotation requested by law. In 2022, the lead CPA will be replaced from Jui-Hsuan Ho to Chao-Mei Chen, while Cheng-qun Yu will be the certification CPA.</td></tr>
<tr><td rowspan="3">Termination or rejection by the client or CPA</td><td colspan="2">Concerned Party
Status</td><td>CPA</td><td>Client</td></tr>
<tr><td colspan="2">Voluntary Termination</td><td>NA</td><td>NA</td></tr>
<tr><td colspan="2">Rejection</td><td>NA</td><td>NA</td></tr>
<tr><td>Opinions other than “unqualified opinion” in the reports audited in the last two years and the reasons</td><td colspan="4">NA</td></tr>
<tr><td rowspan="7">Opinions different from the issuer</td><td rowspan="5">Yes</td><td></td><td colspan="2">Principles or practice of accounting</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="2">Scope or steps of audit</td></tr>
<tr><td></td><td colspan="2">Other</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>No</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Description</td></tr>
</table>

Other items for disclosures (information required for disclosures as stated ion Article 10, subparagraph 6, items 1-4 to 1-7, of these Principles)	NA

(2) Succeeding CPAs:

Name of CPA Firm	Deloitte Taiwan
Name of CPAs	Chao-Mei Chen and Cheng-qun Yu
Date of Assignment	January 1, 2022
Consultations regarding the methods of accounting of specific transactions or the accounting principles and potential audit opinions of financial reports before assignment and the results	NA
Written report on the opinion differences between the successive CPAs and former CPAs.	NA

(3) Former CPA's reply to items 1 and item 2-3, paragraph 6, Article 10 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies": N/A

7. When the chairman, president and/or managerial officers in charge of finance or accounting served at the firm(s) or affiliate(s) of the auditing CPAs in the previous year, state their names, titles, and the periods of service at such CPA firm(s) or affiliate(s).
   An affiliate of a CPA firm shall mean a company or organization of which the firm at which the CPA serves holds over 50% of the stake or acquires over half of director seats, or such a company or organization is categorized as an affiliate in the data disclosed or published by the firm to which the CPA serves: None

8. Changes in the transfer or pledge of shares by directors, supervisors, managers, and shareholders holding over 10% of the outstanding shares in the previous year and by the date of report publication.
   When the counterparty of transfer or pledge is a related party, state the name of the transferee, and the relationship with the company, directors, supervisors, and shareholders holding over 10% of the outstanding shares, and the number of shares acquired or pledged.

(1) Changes in shareholdings of directors, supervisors, managers, and major shareholders

Title	Name	2022		By April 28, 2023	
		Increase (decrease) in shareholdings	Increase (decrease) in pledged shares	Increase (decrease) in shareholdings	Increase (decrease) in pledged shares
Main Shareholder	Taiwan Power Company	-	-	-	-
Chairperson	Representative: Shun-I Huang				
Director	Representative: Jenn-Yeong Wang				
Director	Representative: Tsao-Hua Hsu				
Director	Representative: Ming-De Jiang				
Director	Representative: Tien-He Kuo				
Director	Representative: Yuh-Ming Li				
Director	Jiansheng Investment Corporation	690,000		-	-
Director	Representative: Fu-Cin Hong				
Director	Ta Ya Electric Wire and Cable Co., Ltd.	245,000	-	-	-
Director	Representative: Wen-Bin Li				
Director	Yuanjun Investment Limited	-	-	-	-
Director	Representative: Sheng-Chun Wang				
Director	Bohan Investment Limited	-	-	-	-
Director	Representative: Yi-Sian Chen	-	-	-	-
Independent Director	Yao-Wen Lin	-	-	-	-
Independent Director	Han-Shen Li	-	-	-	-
Independent Director	Ji-Sheng Ye	-	-	-	-
President	Yi-Tong Chen	-	-	-	-
Vice President	Shu-Shen Lin	-	-	-	-
Manager	Jay Hsu	-	-	-	-

(2) Information on transfer of shares: Please refer to the table above.

(3) Information on pledge of shares: Please refer to the table above.

9. Mutual relationships among top ten shareholders

Name (Note 1)	Personal Shareholdings		Shareholdings of spouse/minor children		Shareholdings in the name of a third party		Company Name/Name of related parties, spouse, or relatives in the 2nd degree to top ten shareholders (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Company Name (or Name)	Relation ship	
Taiwan Power Company	162,954,279	27.66%	-	-	-	-	NA	NA	-
Representative: Shun-I Huang	-	-	-	-	-	-	NA	NA	-
Representative: Jenn-Yeong Wang	-	-	-	-	-	-	NA	NA	-
Representative: Tsao-Hua Hsu	-	-	-	-	-	-	NA	NA	-
Representative: Ming-De Jiang	-	-	-	-	-	-	NA	NA	-
Representative: Tien-he Kuo	-	-	-	-	-	-	NA	NA	-
Representative: Yuh-Ming Li	-	-	-	-	-	-	NA	NA	-
Jiansheng Investment Corporation	15,719,000	2.67%	-	-	-	-	NA	NA	-
Representative: Fu-Cin Hong			-	-	-	-	NA	NA	-
Ta Ya Electric Wire and Cable Co., Ltd.	14,079,093	2.39%	-	-	-	-	NA	NA	-
Representative: Wen-Bin Li	-	-	-	-	-	-	NA	NA	-
TECO Corporation	11,527,432	1.96%	-	-	-	-	NA	NA	-
Responsible person: Qun-Ji Qiu	-	-	-	-	-	-	NA	NA	-
Formosa Heavy Industries	9,060,384	1.54%	-	-	-	-	NA	NA	-
Responsible person: Jian-Nan Lin			-	-	-	-	NA	NA	-
Bohan Investment Limited	9,036,000	1.53%	-	-	-	-	NA	NA	-
Representative: Yi-Sian Chen			-	-	-	-	NA	NA	-
Ye-Yin Wang-Hong	8,579,369	1.46%					NA	NA	Spouse to Len-Yuan Huang
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard FTSE Emerging Markets ETF Special Account	5,401,850	0.92%	-	-	-	-	NA	NA	-
Responsible person: Guo-Hao Qian	-	-	-	-	-	-	NA	NA	-
Len-Yuan Wang	5,370,000	0.91%	-	-	-	-	NA	NA	Spouse to Ye-Yin Wang-Hong
Concord International Securities Co., Ltd.	5,000,000	0.85%	-	-	-	-	NA	NA	

Note 1: All of top ten shareholders should be listed. Names of institutional shareholders and their representatives should be listed individually.

Note 2: Ratio means the total number of shares held by the person, spouse and underage children, and in the name of a third party.

Note 3: The relationship between shareholders listed above, including institutional and individual shareholders, should be disclosed in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

10. The stakes and the syndicated stakes in the same investee of the company; directors, supervisors, and managers of the company; and institutions under the company's direct or indirect control.

Syndicated Shareholdings

(expressed in shares and percentage by 28 April 2023)

Investee	Shareholdings of the Company		Shareholdings of directors and supervisors, and managers or investees under direct or indirect control		Syndicated Shareholdings	
	Shares	%	Shares	%	Shares	%
Star Energy Corporation	142,708,896	100.00	-	-	142,708,896	100.00
Sun Ba Power Corporation	430,000,000	43.00	-	-	430,000,000	43.00
Star Energy Power Corporation	121,500,000	40.50	-	-	121,500,000	40.50
Star Buck Power Corporation	136,200,000	41.27	-	-	136,200,000	41.27
Ta-Yuan Cogeneration Co., Ltd.	35,833,827	29.31	-	-	34,127,455	29.31
Taiwan Cogeneration International Corporation[1]	22,260,000	100.00	-	-	22,260,000	100.00
Kuo Kuang Power Co., Ltd.	114,730,000	35.00	-	-	114,730,000	35.00
Kaohsiung Arena Development Corp.	20,000,000	8.00	-	-	20,000,000	8.00
Yi Yuan Corp.	15,300,000	51.00	-	-	15,300,000	51.00
TCC Green Energy Corporation	18,500,000	100.00			18,500,000	100.00
Chingshuei Geothermal Power Corporation			13,096,800	51.00	13,096,800	51.00
Shin Kuang Electric Energy Co. Ltd.			17,000,000	100.00	17,000,000	100.00
Star Wind Power Corporation			17,787,000	100.00	17,787,000	100.00
Star Solar Corporation	-	-	24,000,000	100.00	24,000,000	100.00
Miaoli Wind Co., Ltd.	51,400,000	100.00	-	-	51,400,000	100.00
Hamaguri Co., Ltd.	10,000,000	100.00	-	-	10,000,000	100.00
Synergy Co., Ltd.	1,911,000	19.11	-	-	1,911,000	19.11
Redondo Peninsula Energy, Inc.			8,446,047	25.00	8,446,047	25.00

[1]A subsidiary registered in the Virgin Islands.

IV. Fund Raising

1. Capitals and Shares

(1) Equity Sources

Unit: Shares/NT$ by 28 April 2023

Year/Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Equity Source	Substitution of capital stock with assets other than cash	Others
1992.5	10	100,000,000	1,000,000,000	100,000,000	1,000,000,000	Cash 1,000,000,000	None	Initial capital
1997.4	10	150,000,000	1,500,000,000	126,300,000	1,263,000,000	Cash 263,000,000	None	1997.4.24(86) Tai-Cai-Zheng (1) No. 31300
1999.10	10	150,000,000	1,500,000,000	132,615,000	1,326,150,000	Retained earnings 63,150,000	None	1999.10.14(88) Tai-Cai-Zheng (1) No. 90419
2000.10	10	400,000,000	4,000,000,000	138,078,900	1,380,789,000	Retained earnings 54,639,000	None	2000.10.25(89) Tai-Cai-Zheng (1) No. 88188
2001.4	13	400,000,000	4,000,000,000	228,078,900	2,280,789,000	Cash 900,000,000	None	2001.01.17(90) Tai-Cai-Zheng (1) No. 104641
2001.9	10	400,000,000	4,000,000,000	253,695,179	2,536,951,790	Retained earnings 256,162,790	None	2001.8.7(90) Tai-Cai-Zheng (1) No. 150363
2002.8	10	400,000,000	4,000,000,000	285,008,600	2,850,086,000	Retained earnings 313,134,210	None	2002.7.9 (91) Tai-Cai-Zheng (1) No. 0910137698
2002.9	11	400,000,000	4,000,000,000	315,008,600	3,150,086,000	Cash 300,000,000	None	2002.6.25 (91) Tai-Cai-Zheng (1) No. 0910132977
2004.5	10	400,000,000	4,000,000,000	319,750,251	3,197,502,510	Convertible bonds 47,416,510	None	2004.6.11 Tai-Zheng-Shang-Zi No. 09300137761
2004.8	10	400,000,000	4,000,000,000	321,975,242	3,219,752,420	Convertible bonds 22,249,910	None	2004.9.23 Tai-Zheng-Shang-Zi No. 0930024831
2004.10	10	400,000,000	4,000,000,000	348,127,630	3,481,276,300	Retained earnings 261,523,880	None	2004.10.12 Tai-Zheng-Shang-Zi No. 0930026376
2005.2	10	400,000,000	4,000,000,000	357,338,614	3,573,386,140	Convertible bonds 92,109,840	None	2005.3.2 Tai-Zheng-Shang-Zi No. 09400048971
2005.4	10	400,000,000	4,000,000,000	385,540,155	3,855,401,550	Convertible bonds 282,015,410	None	2005.5.9 Tai-Zheng-Shang-Zi No. 09400120171
2005.8	10	400,000,000	4,000,000,000	397,127,283	3,971,272,830	Convertible bonds 115,871,280	None	2005.8.22 Tai-Zheng-Shang-Zi No. 0940024009
2005.10	10	400,000,000	4,000,000,000	398,870,400	3,988,704,000	Convertible bonds 17,431,170	None	2005.10.25 Tai-Zheng-Shang-Zi No. 0940030922
2006.1	10	400,000,000	4,000,000,000	399,693,314	3,996,933,140	Convertible bonds 8,229,140	None	2006.1.24Tai-Zheng-Shang-Zi No. 0950001961
2006.5	10	600,000,000	6,000,000,000	401,693,304	4,016,933,040	Convertible bonds 19,999,900	None	2006.5.19Tai-Zheng-Shang-Zi No. 0950010334
2006.8	10	600,000,000	6,000,000,000	403,537,046	4,035,370,460	Convertible bonds 18,437,420	None	2006.9.1Tai-Zheng-Shang-Zi No. 0950023310
2006.9	10	600,000,000	6,000,000,000	407,526,628	4,075,266,280	Convertible bonds 39,895,820	None	2006.10.4Tai-Zheng-Shang-Zi No. 0950026197

2007.1	10	600,000,000	6,000,000,000	411,460,216	4,114,602,160	Convertible bonds 39,335,880	None	2007.1.16Tai-Zheng-Shang-Zi No. 0960001320
2007.4	10	600,000,000	6,000,000,000	420,669,490	4,206,694,900	Convertible bonds 92,092,740	None	2007.4.24Tai-Zheng-Shang-Zi No. 09600098901
2007.8	10	600,000,000	6,000,000,000	425,948,522	4,259,485,220	Convertible bonds 52,790,320	None	2007.8.14Tai-Zheng-Shang-Zi No. 09600232931
2007.9	10	600,000,000	6,000,000,000	448,488,722	4,484,887,220	Retained earnings 225,402,000	None	2007.7.12Jin-Guan-Zheng-I-Zi No. 0960036200
2007.10	10	600,000,000	6,000,000,000	450,942,208	4,509,422,080	Convertible bonds 24,534,860	None	2007.10.9Tai-Zheng-Shang-Zi No. 09600300071
2008.7	10	600,000,000	6,000,000,000	479,339,140	4,793,391,400	Retained earnings 283,969,320	None	2008.9.16Tai-Zheng-Shang-Zi No. 09700279361
2008.9	13.2	600,000,000	6,000,000,000	529,339,140	5,293,391,400	Cash 500,000,000	None	2008.10.1Tai-Zheng-Shang-Zi No. 09700292821
2010.8	10	600,000,000	6,000,000,000	550,512,706	5,505,127,060	Retained earnings 211,735,660	None	2010.7.16Jin-Guan-Zheng-Fa-Zi No. 0990036961
2011.7	10	600,000,000	6,000,000,000	589,048,595	5,890,485,950	Retained earnings 385,358,890	None	2011.7.6Jin-Guan-Zheng-Fa-Zi No. 1000031068
2019.8	10	800,000,000	8,000,000,000	589,048,595	5,890,485,950	Authorized Capital change	None	2019.8Jin-So-Sean-Zi No. 10801092620

Note 1: Fill in data of the year of the date of report publication.
Note 2: Specify the date and document of effectivity (approval) for capital increase.
Note 3: Highlight shares issued below the face value.
Note 4: Specify substitution of capital stock with currency debts/technology and the category and amount of substitution.
Note 5: Highlight shares issued by private placement.

Unit: Shares by 28 April 2023

Type of Shares	Authorized Capital			Remarks
	Shares circulated on the market (listed stocks)	Unissued shares	Total	
Common stock issued	589,048,595	210,951,405	800,000,000	None

Note: Specify the shares that are publicly offered (for example, remark shares restricted from trading in the stock and OTC markets)

Information of issuance of new shares: N/A

(2) Structure of Shareholdings

By 28 April 2023

Shareholder Structure / Quantity	Government Agencies	Financial Institutions	Other Institutions	Individuals	Foreign institutions and individuals	Total
Number of shareholders	1	6	153	41,793	145	42,098
Quantity of shareholdings	162,954,279	5,014,000	89,726,757	287,360,419	43,993,140	589,048,595
Proportion of shareholdings	27.66%	0.85%	15.22%	48.81%	7.46%	100%

Note: Listed companies and emerging stock companies shall disclose the proportion of shares held by PRC investors. PRC investors include citizens, institutions, groups, and other organizations of the PRC or their investees in a third region as specified in Article 3 of the “Measures Governing Investment Permit to the People of the Mainland Area”

(3) The Diversification of Shareholdings

By 28 April 2023

Ranking of shareholding	Number of shareholders	Quantity of shareholding	Proportion of shareholding (%)
1 to 999	8,898	1,932,544	0.33
1,000 to 5,000	24,521	50,752,702	8.62
5,001 to 10,000	4,199	33,339,288	5.66
10,001 to 15,000	1,491	18,837,669	3.20
15,001 to 20,000	856	15,776,110	2.68
20,001 to 30,000	711	17,941,074	3.05
30,001 to 40,000	365	13,012,702	2.21
40,001 to 50,000	241	11,128,957	1.89
50,001 to 100,000	444	31,436,109	5.34
100,001 to 200,000	197	27,179,208	4.61
200,001 to 400,000	75	20,471,761	3.48
400,001 to 600,000	28	13,472,901	2.29
600,001 to 800,000	20	13,782,027	2.34
800,001 to 1,000,000	11	9,854,059	1.67
1,000,001 and above (classified based on actual situation)	41	310,131,484	52.63
Total	42,098	589,048,595	100.00

(4) List of Major Shareholders

Face value: NT$10/share; by 28 April 2023

Shares / Shareholder	Shareholding	Proportion (%)
Taiwan Power Corporation	162,954,279	27.66
Jiansheng Investment Co., Ltd.	15,719,000	2.67
Ta Ya Electric Wire & Cable Co., Ltd.	1,079,093	2.39
TECO Corporation	11,527,432	1.96
Formosa Heavy Industries Corporation	9,060,384	1.54
Bo Han Investments Co., Ltd.	9,036,000	1.53
Ye-yin Hong Wang	8,579,384	1.46
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard FTSE Emerging Markets ETF Special Account	5,401,850	0.92
Len-yuan Wang	5,370,000	0.91
Concord International Securities Co., Ltd.	5,000,000	0.85

(5) Information on the market price, net value, earning, and dividend per share (financial officer)

Item \ Year			2021	2022	By 28 April 2023 (Note 8)
Market price per share (Note 1)	Highest		40.85	39.60	53.00
	Lowest		35.95	28.25	32.20
	Average		38.26	35.86	43.86
Net value per share (Note 2)	Before allocation		20.09	19.85	-
	After allocation		18.34	(Note 9)	-
EPS	Weighted average of shares		589,049	589,049	-
	EPS (Note 3)		1.52	1.54	
Dividend per share	Cash dividend		1.75	(Note 9)	-
	Stock grants		-	(Note 9)	-
			-	(Note 9)	-
	Accumulated unpaid dividends (Note 4)		-	-	-
Analysis on ROI	P/E ratio (Note 5)		25.17	23.29	-
	P/P ratio (Note 6)		21.86	(Note 9)	-
	Cash dividend yield (Note 7)		4.57%	(Note 9)	-

*After a capital increase or stock grant with retained earnings or capital reserve, disclose information regarding the reversely adjusted market price and cash dividends based on the number of shares granted.

Note 1: Disclose the highest and lowest market prices of common shares in each year and calculate the average market price based on the transaction value and transaction volume in each year.

Note 2: Disclose information based on the outstanding shares by the end of the year and the distribution plan approved by the BOD or the AGM of shareholders in the next year.

Note 3: When reverse adjustment is required for stock grants, disclose the EPS before and after the adjustment.

Note 4: When the accumulation of undistributed dividends of the year until the year when there is profit for distribution is a condition for the issue of equity securities, disclose the undistributed dividends by the year of report publication.

Note 5: P/E Ratio = Average closing price per share over the year / earnings per share.

Note 6: Price/Dividend Ratio = Average closing price per share over the year / cash dividend per share.

Note 7: Cash Dividend Yield = Cash Dividend per Share / Average closing price per share over the year.

Note 8: Fill in the net value per share and equity per share in the previous CPA-audited (certified) quarterly financial statement by the year of report publication; and data in other columns should be the data by the year of report publication.

Note 9: The proposal for 2022 profit distribution has been approved by Board. The cash dividend is NT$1.05 and stock dividend is NT$0.7 to be approved by the annual general meeting of shareholders.

(6) Dividend policy and implementation: Disclose the dividend policy specified in the articles of incorporation and the distribution policy proposed to the current AGM of shareholders. Specify any expected material changes in the dividend policy.

A. Dividend policy

Each accounting year after the annual closing of books, after deducting accumulative deficits from the net profit, this Company shall first appropriate 10% of the balance as the legal reserve before reverting the balance to special reserves according to the laws and regulations or the rules of competent authorities. If there is still a balance, it shall be combined with the beginning unappropriated retained earnings of the year for BOD to draw up the proposal of profit distribution at no less than 70% of the profit and submit the proposal to the annual meeting of shareholders for resolution.

When drawing up the dividend policy, this Company shall determine the type and amount of profit allocation according to the potential of business growth, the need for sustainable development, the consideration of capital expenditures, the Company's medium- and long-term planning and financial stability. Shareholder dividends include stock dividends and cash dividends and shall be distributed based on the dividend equalization policy. This shall include cash dividends of no less than 20% of the total number of dividends, and the remaining part shall be distributed in stock dividends. Where there are new major investment products valued NT$300 million or higher and there are no other fund sources, this Company may report to the annual meeting of shareholders to reduce the ratio of distribution of cash dividends to 0-19% and distribute the remaining part in stock dividends. When the amount of legal reserve described above has reached the paid-in capital of this Company, no profit will be allocated anymore.

B. Proposed dividend distribution to the current AGM of shareholders: Cash dividend at NT$1.05/share and stock dividend at NT$0.7.

(7) Impacts of the stock grants proposed by the current AGM of shareholder on the company's operations and EPS: N/A.

(8) Rewards for employees, directors, and supervisors

A. The percentage or range of rewards for employees, directors, and supervisors in the articles of incorporation

This company shall appropriate no less than 0.5% as compensation for employees and not more than 1% as remunerations for directors and supervisors from the net earnings before tax before deducting the remuneration for employees and directors, and the ratio of appropriation for directors and supervisors shall not be higher than that for employees.

B. Bases for estimating the compensation for employees and remuneration for directors and supervisors of the period, calculating compensation for employees in stock, and accounting solution for differences between actually distributed amount and estimated amount:

With reference to the issuance of shareholder dividends, this Company distributes dividends in cash at 3% and 1% of the balance from deducting the legal reserve and special reserve from the net profit of the period. If there is a change in the actual amount of distribution resolved by AGM, we will process in accordance with the change in accounting estimates and adjust the account of the fiscal year resolved by AGM. Changes in the actual amount of distribution in the future will be recognized as changes in accounting estimates and registered in the next fiscal year after adjustment.

C. Information on the proposal on compensation distribution made by BOD:

1) According to the Board proposal, the reward for employees in 2022 was NT$30,045,922 and the reward for directors was NT$9,521,660. Both amounts are consistent with amounts adopted in the 2022 Financial Statement.
2) The proportion of amount equivalent to the stock distributed as compensation for employees in the earnings after tax in the individual or consolidated financial statement of the period and the total amount of compensation for employees: N/A.

D. When there is variation in the actual status of remuneration (including number of shares, amount, and stock price) distributed to employees, directors, and supervisors in the previous year, state the amount, causes, and settlement of variation:
The actual distribution of the 2021 reward for employees and directors is NT$30,224,576 and NT$9,496,281 respectively. All were all paid in cash. The same amount as recognized in the 2021 financial statement.

(9) Status of stock buyback: None.

2. Status of Issuance of Corporate Bonds

Issuance of Corporate Bonds

Types of Corporate Bond[2]		Initial Unsecure Corporate Bond[5]	Initial Secure Corporate Bond[5]
Date of Issuance		2020/8/14	2020/8/14
Face Amount		NT$1 million	NT$1 million
Place of Issuance and Transaction[3]		NA	NA
Issuance price		Issued as net according to the face value	Issued as net according to the face value
Total Amount		NT$1.9 billion	NT$600 million
Interest		0.75%	1.00%
Duration		5 years until 2025/8/14	10 years until 2030/8/14
Guaranty Agency		NA	NA
Trustee		Bank SinoPac Co., Ltd.	Bank SinoPac Co., Ltd.
Underwriting Agency		KGI Securities Co., Ltd.	KGI Securities Co., Ltd.
Certifying Lawyer		I-Cheng & Associates Law Firm	I-Cheng & Associates Law Firm
CPA		Deloitte Taiwan	Deloitte Taiwan
Method of principal payback		One-time payback upon maturity date	One-time payback upon maturity date
Outstanding Principle		NT$1.9 billion	NT$600 million
Buyback or Early Settlement Conditions		NA	NA
Limitations[4]		NA	NA
Agency, items, and results of credit rating		Taiwan Ratings, 110.7.14, A-	Taiwan Ratings, 110.7.14, A-
Other Rights	Amount of converted (exchanged or subscribed) common shares, GDR, or other securities by the date of annual report publication	NA	NA
	Method of issuance (exchange or subscription)	NA	NA
Issuance and conversion, exchange, or subscription rules, possibility of dilution of equity under the terms and conditions of issuance, and effect on shareholder equity		NA	NA
Custodian agency of exchanged items		NA	NA

[1]Status of corporate bonds shall include corporate bonds pending for public offering or private placement. Corporate bonds pending for public offering refer to corporate bonds taking effect or approved by the Financial Supervisory Commission, and corporate bonds pending for private placement shall be approved by BOD.
[2]Adjust the number of columns based on actual times of issuance.
[3]For declaration of corporate bonds issued overseas.
[4]Such as limitations on cash dividends, external investments, or maintenance at a specific proportion.
[5]Corporate bonds issued through private placement shall be indicated in a conspicuous manner.
[6]Convertible bonds, exchangeable bonds, shelf registration of corporate bonds, or corporate bonds with warrants shall be listed by nature in the list's format before disclosing the data of convertible bonds, exchangeable bonds, shelf registration of corporate bonds, and corporate bonds with warrants.

3. Status of Preferred Shares

None

4. Status of Global Depositary Receipts (GDR)

None

5. Status of Employee Stock Options/Warrants：

(1) The Company shall disclose not matured employee stock warrants up to publication date, and its impact to shareholders.

(2) Cumulative to the publication date, Names and subscription status of managerial officers who have obtained employee stock warrants and of employees who rank among the top ten in terms of the number of shares through employee stock warrants acquired.

6. Status of Restricted Stock Awards (RSA)

(1) The Company shall disclose not achieved RSA up to publication date, and its impact to shareholders: None.

(2) Cumulative to the publication date, Names and subscription status of managerial officers who have obtained employee stock warrants and of employees who rank among the top ten in terms of the number of shares through employee stock warrants acquired: None.

7. Statius of new share issuance relating to mergers, acquisitions, and transfer of shares

None

8. Capital Utilization Plan:

(1) Project contents

In 2022 we applied for seasoned equity offering (SEO) of 100,000 thousand shares. The SEO was approved by the Financial Supervisory Commission on 7 March 2023 with Letter Jin-Guan-Zheng-Fa-Zi No. 1120132608.

a. Total amount required for SEO: NT$ 3,031,000 thousand.

b. Fund source: SEO of 100,000 thousand shares at a face value of NT$10 per share. The issuing price is currently set at NT$30.31 per share to raise a total of NT$3,031,000 thousand.

c. Fund utilization items

Unit: NT$ thousands

Project Item	Estimated date of completion	Total required amount	Estimated Fund Utilization Progress					
			2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
Bank loan repayment	2023Q2	2,000,000	2,000,000	-	-	-	-	-
Operating capital	2024Q3	1,031,000	-	200,000	200,000	200,000	200,000	231,000
Total	-	3,031,000	3,031,000					

d. Estimated benefits

(a) Bank loan repayment

We plan to repay bank loans with NT$2,000,000 thousand raised from this SEO project. Apart from optimizing our financial structure, this can also cut interest expenses, lower our bank dependency, and enhance fund management flexibility. Additionally, based on the amount of loans to be repaid and the weighted average loan interest at 1.6%, this can cut interest expenses by about NT$16,000 thousand in 2023 and about NT$32,000 thousand each year thereafter to prevent the increasing loan interest expenses from decreasing profit, reduce our bank dependency, and make more space for flexible fund management so as to enhance our medium to long term competitiveness. Hence, this will bring positive benefits to our overall operations and development.

(b) Operating capital

We plan to enrich operating capital with NT$1,031,000 thousand raised from this SEO project so as to optimize the financial structure and enhance the fund management flexibility to support materials procurement for future EPC projects and so to lower operational risk, enhance the stability of long-term funds, and strengthen the Company's long-term competitiveness.

(2) Status

This SEO project has not been completed by the date of report publication. After project completion, we will publish the relevant information over the MOPS each quarter.

V. Business Activities

1. Business Contents
   (1) Scope of business
      A. Major business at present
         1) Construction (project planning, design, procurement, installation, project management, and financial plan) of power plants, cogeneration plants, renewable energy plants, and power transmission/ transformation projects.
         2) Investment, operation, and management of power plants, cogeneration plants, and renewable energy plants.
         3) EPC and technical consulting services of power plants, cogeneration plants, renewable energy plants, and power transmission/transformation projects.
         4) New energy development and renewable energy retailing business and ancillary service.

      B. Income and proportion of major business items in operations

Income and Proportion of Major Business Items

Expressed in NT$ thousand/2022

Income from Major Business Items	Amount	Percentage(%)
Sales	1,690,298	36
Engineering income	2,777,596	60
Maintenance and services	200,987	4
Total	4,668,881	100

      C. Current products and services
         1) Build wholly-owned, joint-venture, or BOT cogeneration plants and sell electricity and steam to the cooperative manufacturers or neighboring users.
         2) Provide integrated services for IPPs and cogeneration plants, including project planning, financial plan, project management, fuel, environmental protection, O&M.
         3) Investment and construction of IPPs.
         4) EPC (Engineering Planning, Procurement, Construction)
         5) Development, EPC, O&M of renewable energy projects and electricity retailing.
         6) Ancillary service.

      D. New products (services) to be developed
         1) Expand overseas business contracts and investments in IPPs, cogeneration plants, power transmission/ transformation projects, and other business in the field of power and energy.
         2) Energy storage business.

   (2) Industry overview
      A. Domestic Status and development

In the energy transformation policy, apart from emphasizing the reduction of coal use, increase in natural gas use, green energy development, and no-nude homeland, the government also sets targets including stable electricity supply, air pollution prevention, and carbon reduction with a 532 portfolio by 2025 (natural gas 50%, renewables 20%, coal and others 30%). Additionally, the National Development Council (NDC) announced the Taiwan Net Zero 2050 Roadmap in 2022. It includes the targets of our 2050 energy portfolio: Renewables 60-70%, hydrogen 9-12%, thermal power generation and carbon capture, utilisation and storage (CCUS) about 20-27%, and pumped-storage hydroelectricity 1%. Based on the net-zero target, clean energy development, such as renewables and low-emission natural gas, will be the future structure of the electricity and energy system.

         1) Cogeneration

Taiwan began promoting cogeneration in 1988, and we have been on the cogeneration business since our establishment in 1992. Between 1992 and 1998, five cogeneration plants were built due to sumptuous government incentives. Today, after some traditional industries have migrated to other countries and the Ministry of Economic Affairs promulgated the "Cogeneration System Implementation Regulations" on 29 March 2006 to cancel some incentives; due to the escalation of international fuel prices, slow economic growth, industrial structure adjustment (outflow of energy-intensive industries), adjustment of off-peak electricity tariffs, and lack of incentives for residual electricity procurement, the quantity of cogeneration system installation has dropped dramatically to disfavor the development of the cogeneration industry. For these reasons, cogeneration plants must adaptively adjust the mode of operations with reference to the operating cost and energy and steam supply, in order to respond to the government's policy change.

With advantages including higher energy efficiency, energy-saving and emissions reduction, decentralization of power supply, and higher reliability of electricity supply, cogeneration is the optimal solution for regional energy integration. Although the 2005 National Energy Conference set the target installation capacity of cogeneration at 10GW. In addition, Taipower increased residual electricity procurement and emergency increased residual electricity procurement in 2015 and 2016 as a result of the electricity cost and electricity supply difficulties in recent years.

According to the draft of the Energy Transformation White Paper 2020, to ensure sufficient power supply, the competent authority shall conduct rolling review on the "emergency increased surplus electricity procurement mechanism" and develop mechanisms to incentivize existing cogeneration plants to use natural gas as fuel, in order to standardize the wholesale sources of electricity retailing utility enterprises in the future. In addition, qualified cogeneration plants located in industrial parks shall calculate the transmission fee by voltage (345kV, 161kV, 69kV) and implement the ultrahigh voltage cogeneration surplus electricity rates by voltage in the industrial park as of April 1, 2018, in order to encourage industries to promote regional energy integration.

As a result of the soaring international energy price in 2022 due to international situations and war, cogeneration plants and self-consumption power plants reduced power generation to lower the operating cost. The Ministry of Economic Affairs also amended the *Regulations for Implementation of Cogeneration Systems*. Apart from simplifying the pricing of the feed-in tariff of qualified systems, the "fuel rate" pricing was also added to allow different rates for gas-fired and coal-fired systems in response to need for national low-carbon transformation and net zero 2050 transition to increase incentives for cogeneration plans to install low-emission generation sets through more gas-fired sets but less coal-fired sets to ensure power supply stability, keep electricity purchase flexibility for public electricity retailing enterprise, and cope with the international trends of low-carbon transformation and net zero emissions.

Hence, this company will continue to cultivate the domestic cogeneration market through aggressive development and cautious assessments and become an integrated supplier of steam, electricity, and related resources and energy in order to pursue energy conservation, carbon emissions, and energy efficiency enhance, and to cooperate with government policies.

2) Independent power plants

Since the government opened the establishment of independent power plants (IPPs) in 1995, a total of nine IPPs have been built. We have progressively built and smoothly operate Star Energy Power Corporation, Sun Ba Power Corporation, and Star Buck Power Corporation. In 2011, we acquired 35% of the stake of Kuo Kuang Power Co., Ltd. Combining these four IPP, we have a total installation capacity of 2.491GW, commanding at 30% of all IPPs in Taiwan.

In response to the variables including amendment of the Electricity Act, electricity portfolio, reserve margin enhancement, and future potential electricity demand, the TPC offered for tender the gas-fired IPP combined cycle generation electricity procurement project (1000MW) in March 2021. Sun Ba Power Corporation, a TCC subsidiary, won the contract in May 2021, with commercial operations projected in June 2024. In the future, we will continue to assess the development projects of phase II for existing power plants or new power plants and actively participate in various investment projects to help the government promote energy transformation.

In response to air pollution, local governments have restricted air pollution emissions of fossil-fired generation sets. In addition, due to the government's no-nuke and emission reduction policies and electricity consumption rises, gas-fired power plants will be one of the major sources of electricity.

3) Renewable energy

In 2015, the Ministry of Economic Affairs proposed the 2025 target capacity for renewable energy at 17.25GW, including 8.7GW from solar energy and 5.2GW from wind power. After the administration began in 2016, the new government immediately expanded the scale of renewable energy to increase the generation capacity of renewable energy to 20% by 2025, which is way higher than the original targets. The new targets for solar energy include 6.5GW by 2020 and 20GW in 2025, and the new targets for other forms of energy by 2025 include: onshore wind power at 1.2GW, offshore wind power at 5.5GW, geothermal power at 200MW, biomass energy at 813GW, hydropower at 2.15GW, and fuel cell at 60MW, totaling 29.923GW. In 2022 the NDC announced the "Taiwan Net Zero 2050 Roadmap" to maximize the renewables strategy. The 2050 renewables targets include: solar PV 40-80GW, offshore wind power 40-55GW, and forward-looking energy (including marine energy and biomass energy such as non-traditional geothermal generation, wave energy, ocean power, and others) 8-14GW.

To achieve these targets, the new government has planned five principles (acceptable price impacts, technology feasibility, cost-effective oriented, balanced development by phase, and driving industrial development) to prioritize the development of renewable energy with mature technology and a lower generation cost, continue the research and development of perspective but non-commercialized technologies, and review the target and proportion of renewable energy in a rolling wave manner. The policies to promote individual types of renewable energy are as follows:

a. Photovoltaic—One Million PV Roofs Project

Based on the national spatial planning, rooftop photovoltaic (PV) systems will be prioritized at the beginning, and large-scaled development of ground-mounted PV systems will follow suit progressively.

b. Photovoltaic—Fishery and electricity symbiosis

In response to the energy transformation policy, the Bureau of Energy, MOEA, plans to screen fish farms with less doubt of ecological impact across the country through scientific screening: map overlay to plan the fishery and electricity symbiosis special zone based on the concept: fishery first with value-added green energy.

c. Solar PV: Tendering of energy storage system with solar PV generation equipment

To store the electricity generated by solar PV equipment for use in the nighttime, raise the feeder utilization rate, and increase the quantity of solar PV equipment, MOEA announced the "Directions for 2022 Tendering and Capacity Allocation for Integration of Energy Storage System and Solar PV Equipment" to encourage solar PV plants to build energy storage systems.

d. Wind power—One Thousand Onshore and Offshore Wind Turbines Project

In onshore wind power, excellent wind farms will be prioritized, and secondary wind farms will follow suit. While the market of quality onshore wind farms has been saturated, we will focus on the development of offshore wind power in this domain. Offshore wind power will be developed in a 3-stage strategy: demonstration site, potential site, and block development. At stage 1, incentivized demonstration sites will be promoted. At stage 2, potential sites with a total capacity of 5.5GW will be completed by 2025. At stage 3, block development will be targeted at a 1.5GW scale each year to release a total of 15GW by 2035 in order to fulfill the domestic demand for stable power supply and achieve the localization of offshore wind power.

e. Geothermal generation

The government establish a "geothermal generation one-stop service counter", announce the "Regulations for Rewarding Geothermal Generation Demonstration", enhance rewards, optimize incentives, lower limitations to incentivize investments to progressively promote geothermal generation growth.

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f. Biomass electricity generation

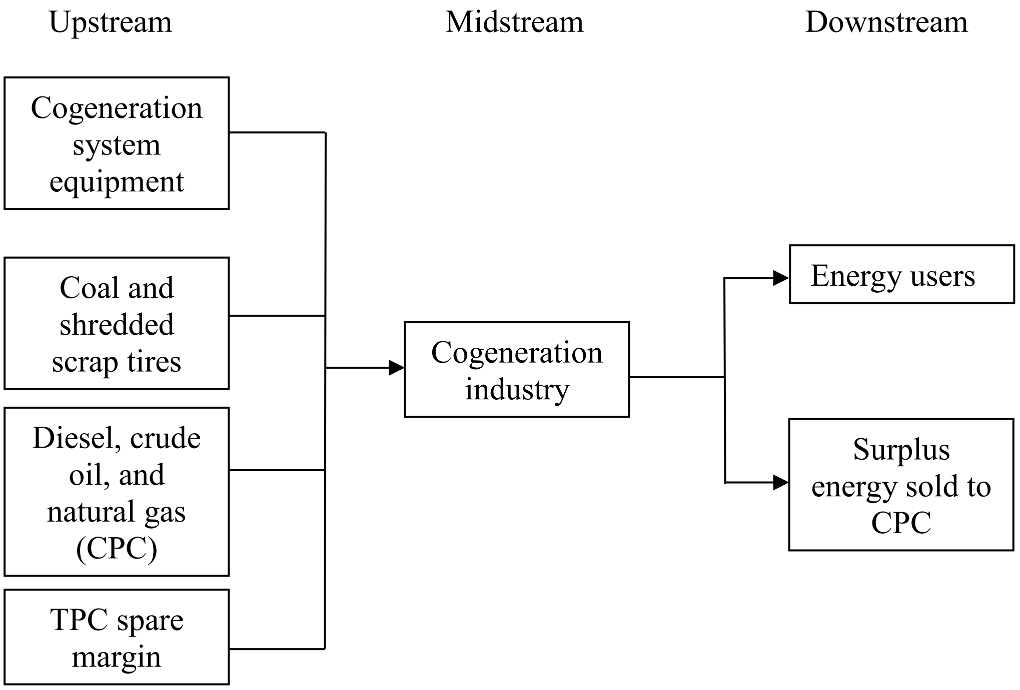
To increase the use of self-determined resources, aggressive use of domestic biomass resources (waste, agricultural and forestry materials, paddy stalks, used oil, the stool of poultry and livestock, sewage, and sludge) will be prioritized, and the domestic industry chain and supporting measures (e.g., the processing and reuse of flying ash and bottom ash after kilning) of biomass energy will be established to increase the collection and use of biomass.

4) Energy Trading Market
After TPC introduced the Energy Trading Platform in November 2021, various distributed independent power supply sources, such as traditional IPPs, self-consumption power plants, user-side demand response, and grid connection energy storage equipment providers, can provide support service through tendering over the electricity over the platform to ensure power system stability and gain from the service. By March 13, 2023 there were 43 qualified traders with a total registered capacity of 369MW, including 149.1MW of regulation reserve capacity, 79.1MW of real-time reserve capacity, and 140.8MW of supplementary reserve capacity.

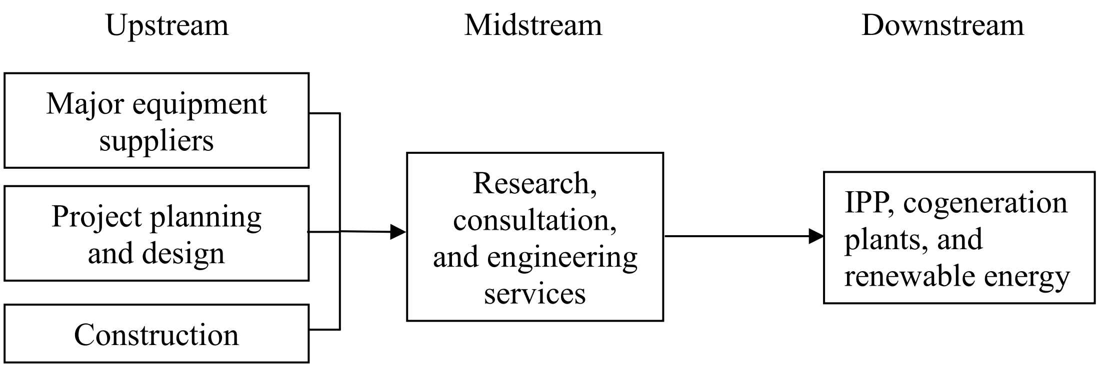
B. Development of overseas countries
Due to the announcement of net zero emissions of countries in the world and the continuous economic growth in China and other Southeast Asia countries, the demand for clean energy development and electricity will surely increase in the future. Also, the government is now actively promoting the new southward policy. As results of this, there will still be great investments and business opportunities in power plants, cogeneration plants, renewable energy plants, and power transmission/ transformation projects.

C. Industry chain relationship

1) Cogeneration plants



2) Research, consultation, and engineering services



D. Product development trends

1) Cogeneration industry

Due to the soaring international coal price in 2022, before the amendment to the *Regulations for Implementation of Cogeneration Systems*, the upper limit of the original feed-in tariff could not longer reflect the true cost of cogeneration plants, leading to the generation reductio of cogeneration plants. Hence, TPC's 2022 feed-in volume of surplus cogeneration power was about 6.1 GWh, 11-23% less over 2020 and 2021. Additionally, the call for transformation has also been challenging the recent industry development following the trend of air pollution reduction and coal reduction. As the government introduced biomass units, SRF, and substitute fuel mixed firing as incentives, TPC established the Ancillary Service Trade Platform in 2021 to increase the channel for purchasing surplus electricity from cogeneration units, and the government's amendment to the *Regulations for Implementation of Cogeneration Systems* to simplify the pricing method of system rates and add the rate pricing by fuel in consideration of the soaring international fuel price and incentive cogeneration plants to increase gas use and cut coal use. Overall, the future development of cogeneration is still steady and fair.

2) Independent power plants

Referring to the government's new energy policy targets: use of 20% of green energy by 2025, a no-nuke country by 2025, achievement of the international carbon reduction commitment, and development of energy-saving and green energy industries, the energy allocation planning will be gas-powered generation at 50%, coal-fired and other generation at 30%, and renewable energy generation at 20%. That is, gas-fired generation will still be the main source of electricity supply. In addition, in response to the government's "no nuke home" and the liberalization of the electricity industry policies, besides starting the open tendering of the 1000MW gas-fire IPP project for 2024 in 2021, TPC also announced the procurement project for commercial gas-fired generation sets for 2025-2026 at the end of the 2021, suggesting that there is still room for IPP development. Therefore, IPPs will continue to play a decisive role in Taiwan's electricity market.

3) Renewable energy

The government actively promotes renewables, aiming to boost renewables generation to 20% by 2025 and even 60-70% in 2050. The new targets for PV systems include 20GW in 2025, and the new targets for other forms of energy by 2025 include: onshore wind power at 1.2GW, offshore wind power at 5.5GW, geothermal power at 200MW, biomass energy at 813GW, hydropower at 2.15GW, and fuel cell at 60MW, totaling 29.923GW. The 2050 renewables targets include: solar PV 40-80GW, offshore wind power 40-55GW, and forward-looking energy (including marine energy and biomass energy such as non-traditional geothermal generation, wave energy, ocean power, and others) 8-14GW.

To achieve these targets, the new government has planned five principles (acceptable price impacts, technology feasibility, cost-effective oriented, balanced development by phase, and driving industrial development) to prioritize the development of renewable energy with mature technology and a lower generation cost, continue the research and development of perspective but non-commercialized technologies, and review the target and proportion of renewable energy in a rolling wave manner.

Currently, wind power (including onshore and offshore) generation, PV, generation with biomass energy, and geothermal generation are the key types of renewable energy to be promoted.

4) Energy storage

Although energy storage technology has been advancing rapidly around the globe in recent years, the domestic energy storage market is still at its infancy, and relevant policies, standards, and support measures are maturing. Currently, only TPC's ancillary service solution and the energy storage system-solar PV integration tendering system of the Bureau of Energy are the rather thriving commercial models. The regulation reserve service announced by TPC in 2021 suggests that energy storage is needed to enhance grid resilience in the future, while the combination of solar and wind power with energy storage is another major trend in the future.

E. Competitions

TCC is one of the few power manufacturers in Taiwan that can engage in the engineering planning, procurement, construction (EPC) and operations, maintenance (O&M) of power plans and also green energy retailing. Therefore, continuous involvement in IPP operations will enable us to accumulate more power in the electricity generation industry. In addition, we have earned a great reputation in both technological and financial terms and have established a great image in operational stability, which are our competition niche. Compared to other domestic IPPs and energy suppliers, we have solid competitiveness.

(3) Technology, research and development

A. Technical level and research and development in the scope of business

1) Technical level

Self-owned know-how and original equipment suppliers are the main sources of our technology. When it needs to replace the parts and components of important equipment, we

will seek assistance from original suppliers. In the technology and research of power systems, in addition to self-owned know-how, adequate technical support is available from major shareholder Taiwan Power Company. In the engineering, operation, and maintenance technologies of power plants and cogeneration plants, professionals of respective power plants and cogeneration plants and of this company take charge of the research work and progressively enhance self-maintenance capacity through technical exchange with and the maintenance support system of various suppliers.
In addition, through investments in and construction of IPPs, we have become the only IPP with EPC and O&M capacities in Taiwan.

2) Research and development
   a. Research of market trends
      Apart from collecting information regarding technology and competitors at home and abroad and conducting in-depth investigations of the energy liberalization, cogeneration, and renewable energy policies, we assess investments in renewable energy, cogeneration, substation projects, IPPs, and energy storage to keep pace with market trends so as to achieve the operational goals.
   b. Product technology
      In addition to continuously improve the competency of professional personnel by providing training on professional competencies for employees, professional personnel conduct research on the building, operations, and O&M of power plants, cogeneration plants, renewable energy, and substation projects.

B. R&D personnel and their education attainments, R&D investments in the past five years, and successfully developed products.
We do not establish a dedicated R&D unit and need any R&D expense. In cogeneration and electricity connection technologies, apart from improving employee capacity by arranging professional training, we receive full technical assistance and support from major shareholder Taiwan Power Company. Furthermore, in order to educate technical talents, besides arranging opportunities for employees to participate in workshops organized by domestic associations and related organizations at home and abroad, we send employees to receive training on operation and maintenance provided by major equipment suppliers overseas. We also arrange in-service training activities from time to time to improve the professional competencies of employees, in order to ensure the operation safety of cogeneration plants and power plants.

(4) Short-term and long-term business development plans
A. Short-term business development plan
   1) Actively cultivate renewables investments, such as PV, onshore wind power, offshore wind power, geothermal generation, and others and develop an operations team to expand the sales of renewable energy to start new business types including energy storage and ancillary services.
   2) We also assess the alternative solutions or withdrawal mechanism of the investment project of Redondo Peninsula Energy, Inc. in Subic Bay in the Philippines.
   3) For the Guantain Plant, apart from retaining existing accounts, we cultivate new customers, reduce O&M cost, assess and trial SRF alternative fuels, make continual equipment improvement, and implement the circular economy to enhance overall operational performance.
   4) We further timely expand the scale of investments domestic and foreign IPPs and domestic cogeneration plants.
   5) Lastly, we also engage in related investment products and undertake relevant projects.
B. Direction of medium and long-term development
   1) Actively assess the development projects of phase II for existing power plants and new IPPs in response to the government's energy transformation policy.
   2) Continuous cultivation of energy services relating to renewable energy and energy conservation and the project undertaking business, and assessment of new-style business operation model in response to the liberalization of electricity industry and energy portfolio

targets.

3) Cultivate the electricity and energy related business at home and abroad to expand the scale of operations.
4) Provide integrated services including capital arrangements, technology provision, plant construction, and plant O&M; and compensate investments with project construction to demonstrate our expertise in order to secure long-term profit.

2. Markets, Production, and Marketing

(1) Market analysis

A. Regions of distribution (provision) of major products (services)

(expressed in NT$1,000)

Region \ Year	2021		2022	
	Amount	%	Amount	%
Domestic sales	6,406,996	100	6,406,996	100
Export sales	—	—	—	—
Total	6,406,996	100	6,406,996	100

B. Market shares

1) Market share of installation capacity on the cogeneration market

Unit: MW

Item	2020	2021	2022
Independent cogeneration systems	7,933	7,937	7,952
Taiwan Cogeneration Corporation	48	48	48
Market share	0.61%	0.60%	0.60%

2) IPP market shares

Plant	Generator #	Fuel	Installation Capacity (MW)	Status
Kuo Kuang	Kuo Kuang	Natural gas	480	2003.11 commercial operation
Star Energy	Changbin	Natural gas	507	2004.3 commercial operation
Sun Ba	Feng der #1and #2	Natural gas	1,014	2004.3 commercial operation
Star Buck	Star Buck	Natural gas	490	2009.6 commercial operation

Based on the total installation capacity of all commercially operating IPPs at 8,328MW, the combined installation capacity of our subsidiaries Star Energy, Sun Ba, and Star Buck and our investee Kuo Kuang Power commands at 30%.

C. Future demand and growth potential

We will keep track on the government policies and global economic condition to timely develop the cogeneration, IPP, renewables, and energy storage business in the domestic market.

D. Competitive niche

1) Technology excellence and integrated service

Emphasizing “expertise, efficiency, service”, we specialize in offering integrated services covering capital arrangement, technical service, pre-construction assessment and planning, construction, operation, and maintenance and repair through a strong-cast management team. Subsidiary TCC Green Energy acquired the license of renewable energy retailing in October 2019. Currently it is Taiwan’s largest operating electricity retailer with the highest generation capacity and help customers to achieve the RE100 and carbon reduction to extend the value chain of green power.

2) Full capture of market movements

After long-term cultivation of the energy industry, we can assess markets more precisely than competitors. Based on the experience accumulated from investments in, construction, and operation and maintenance of power plants, we understand the characteristics and the cost structure of the energy industry better than competitors. Together they enable us to fully capture market movements.

3) Outstanding human resources
As the energy industry is a capital-intensive and technology-intensive industry, and each investment project involves hundreds of millions to billions of dollars, the accuracy and integrity of feasibility assessment depends on the quality of human resources. At Taiwan Cogeneration, over 80% have at least one degree. With a high employee retention rate, know-how can be accumulated and inherited. Leaders and officers have years of experience in project development, feasibility assessment, financial planning, professional engineering technology, and project management experience outstanding human resources are the important niche enabling us to maintain influence in the cogeneration, IPP, and renewables fields.

E. Favorable and unfavorable factors affecting development prospects and countermeasures

1) Favorable factors
a. After the passage of round one of the amendments made to the Electricity Act, investee IPP can supply energy to the system to support our service items. We can also assess the feasibility of more generation sets to increase revenue. After the completion of round two of the amendment, direct supply from power companies and establishment of a power company will be the opportunities for future development.
b. The government's energy transformation policy and "532 portfolio" and "Net Zero 2050 Roadmap" and the consensus on reinforcing electricity measures and actively promoting renewable energy made at the National Energy Conference will favor this company to develop IPPs and renewable energy.
c. Continue to increase the use of renewable energy under the green energy policy. This will favor our development of the renewable energy business in response to the government's green energy policy.

2) Unfavorable factors
a. The government is cutting incentives for cogeneration. Additionally, following the relaxation of the critical power supply in recent years, it is expected that TPC will reduce its purchase of surplus electricity from cogeneration plants, and the expected wholesale of surplus electricity from cogeneration plants will reduce compared to the previous year.
b. As environmental regulations are getting more stringent, coal output reduces, and the LNG generation arises, the space of operations for cogeneration plants and IPPs will diminish.
c. Site selection, communication with local communities, feeder line connections, fuel transportation, and environmental planning will be increasingly tougher with the rise of environmental awareness in the public and the self-determination consciousness of local governments.
d. The passage of the "Greenhouse Gas Reduction and Management Act" and the increasing concern about PM2.5 increase the investment in equipment to optimize environmental protection.
e. The on-going volatility of exchange rate and fuel prices makes cost volatility control more difficulty.
f. As the oil-fired steam boilers are economically inefficient, and the rise of carbon reduction, gas-fired steam boilers have become the mainstream. If steam price of cogeneration is replaced by the LNG price, the steam price will fall when the LNG price goes below the oil price.

3) Countermeasures
a. Actively cultivate steam customers, assess the ancillary service of residual electricity wholesale, improve environmental equipment, transform into regional resource integration, and actively assess other ancillary fuels to reduce operational cost and comply with the emission standard of environmental regulations.
b. In response to the TPC's power auxiliary service market, we will join the market with cogeneration at appropriate times to increase the added value of cogeneration.

c. Develop cogeneration, IPP, and renewable energy at home and abroad to stabilize and expand the scale of operations.
d. Keep close observation of price volatility of the forex market and energy market and implement various hedges to minimize potential risks.
e. Actively implement risk management with our solid financial background.

(2) Important uses and production processes of major raw materials

A. Major products and uses

Major Product	Major Uses
Cogeneration plant	Supply electricity and steam to customers.
Research, consultation, and engineering services	Provide integrated services covering project planning, financial planning, construction management, environmental protection, and O&M services for IPPs, cogeneration plans, and renewable energy.

B. Production process

1) Cogeneration
Cogeneration refers to producing heat energy and electrical energy at the same time with coal, fuel oil, natural gas, or waste in the same set of equipment. Based on the order of generation and processes, cogeneration systems fall into the topping cycle cogeneration systems and bottom cycle generation systems. The former refers to generating electricity with primary energy and recovering waste heat for use in the processes. The latter refers to producing heat energy required by processes with primary energy and recovering waste heat to generate electricity. All generation sets at Taiwan Cogeneration are topping electrical generation systems.

2) Research, consultation, and engineering services
All reserve, consultation, and engineering services are tailored on-demand and cannot be mass-produced or reproduced by machinery as in the manufacturing industries to increase output. These services are provided by a task force formed by members of different departments based on the division of labor by expertise and are delivered to clients based on the conditions and characteristics of each project through research, investigations, analyses, discussions, and report production. Therefore, the production cost will be higher than other industries.

(3) Supply of major raw materials

Major Raw Material	Major Supplier	Source	Status
Fuel oil	Taiwan China Petroleum Corporation	Taiwan	Sufficient and stable
Coal	Sino-Indo Co., Ltd./ Energy Taiwan Ltd./Lea Jie Energy Co., Ltd./Full Winner Co., Ltd./ Hengxing Energy Ltd.	Indonesia	Sufficient and stable
Natural Gas	Taiwan China Petroleum Corporation	Taiwan	Sufficient and stable

(4) Major purchases and sales in the past two years

A. Major purchases in the past two years

	2021				2022				By 2023Q1 (Note 2)			
Item	Supplier	Amount (NT$1,000)	Percentage in annual net purchase amount	Relationship with this Company	Supplier	Amount (NT$1,000)	Percentage in annual net purchase amount	Relationship with this Company	Supplier	Amount (NT$1,000)	Percentage in annual net purchase amount	Relationship with this Company
1	REIJU Construction Co., Ltd.	532,769	9.46	-	Yung Loong Engineering Corporation	542,081	13.42	-	-	-	-	
2	Others	5,097,728	90.54		Others	3,498,574	86.58	-	-	-	-	
3	Net purchase amount	5,630,497	100.00		Net purchase amount	4,040,655	100.00		Net purchase amount	-	-	

Note 1: List the name, purchasing amount and proportion of suppliers with over 10% purchase. List the supplier code when non-disclosure is required in the purchasing contract or the supplier is a non-related-party individual.

Note 2: Publicly traded companies or companies whose stocks are traded over the counter of securities dealers should also include the financial information in the previous period audited or certified by a CPA before the date of report publication in the analysis.

B. Major sales in the past two years

	2021				2022				By 2023Q1 (Note 2)			
Item	Customer	Amount (NT$1,000)	Percentage in annual net sales amount	Relationship with this Company	Customer	Amount (NT$1,000)	Percentage in annual net sales amount	Relationship with this Company	Customer	Amount (NT$1,000)	Percentage in annual net sales amount	Relationship with this Company
1	Ørsted Energy Co., Ltd.	2,743,511	42.82		Ørsted Energy Co., Ltd.	983,368	21.06		-	-	-	
2	Taiwan Power Company	821,596	12.82		Taiwan Power Company	969,774	20.77	Director	-	-	-	
3	Shuo Li PV Energy Co., Ltd.	761,366	11.88		CPC Corporation, Taiwan	596,378	12.77		-	-	-	
4	Others	2,080,523	32.48		SUN BA Power Corporation	538,622	11.54	Investments accounted for using equity method				
					Others	1,580,739	33.86					
	Net sales amount	6,406,996	100.00		Net sales amount	4,668,881	100.00		Net sales amount	-	-	

Note 1: List the name, purchasing amount and proportion of buyers with over 10% sales. List the customer code when non-disclosure is required in the sales contract or the buyer is a non-related-party individual.

Note 2: Publicly traded companies or companies whose stocks are traded over the counter of securities dealers should also include the financial information in the previous period audited or certified by a CPA before the date of report publication in the analysis.

(5) Production volume and value in the past two years

Major Product \ Vol/Val \ Year		Unit	2021			2022		
			Capacity	Volume	Value (NT$1,000)	Capacity	Volume	Value (NT$1,000)
Cost of sales	Power	MWh	516,701	413,866	821,379	637,008	507,057	1,228,027
	Steam	m.t	412,850	359,914	237,278	406,800	171,120	123,128
	Others	-	-	-	90	-	-	-
Research, consulting and construction services						4,571,750		
Total						5,630,497		

Note 1: Capacity refers to the production quantity in normal operation of existing equipment after deducting required system downtime and holidays.

Note 2: The capacity of alternative products can be combined with an explanation.

(6) Sales volume and value in the past two years

Year / Vol/Val / Major Product		Unit	2020				2021			
			Domestic Sales		Export		Domestic Sales		Export	
			Volume	Value (NT$1,000)	Volume	Value (NT$1,000)	Volume	Value (NT$1,000)	Volume	Value (NT$1,000)
Sales	Power	MWh	384,264	1,072,613			426,629	1,571,951		
	Steam	m.t	359,914	238,029			171,120	117,977		
	Others	-		495				370		
Research, consulting and construction services				5,095,859				2,978,583		
Total				6,406,996				4,668,881		

Note: Annual Sales Volume = Annual Production Volume – Cogeneration Plant Internal Consumption

3. Profiles on employees in the past two years from the date of report publication

By 28 April 2023

Year		2021	2022	By 28 April 2023 (Note)
Numbers of Employees	Direct manpower	164	207	211
	Indirect manpower	137	137	134
	Total	301	344	345
Average Age		43.42	44	43.3
Average Seniority		7.13	7.5	7.5
Education Distribution	Doctorate	1.5%	0.9%	0.6%
	Master's	22%	21.1%	20.8%
	University, College	71%	73.3%	73.9%
	High school	5.5%	4.7%	4.7%
	High school below	0 %	0 %	0 %

Note: Fill in data by the date of report publication

4. Information on environmental protection expenditure

(1) Losses and fines due to pollution by the date of report publication: NT$0

(2) Future countermeasures (including improvement actions) and possible expenditure:

To comply with the tightening emission control over NOx in the *Regulations Governing the Criteria for Reduction of Pollutants from Existing Stationary Pollution Sources Within Class 3 Control Regions*, the SNCR equipment improvement project amounting to about NT$12 million will be added after the completion of 2025 annual repair.

5. Labor Relations

(1) The measures of employee welfare, further education, training, retirement schemes and its implementation status, and labor-management agreements, and protection of employee benefits and rights:

A. Employee welfare

1) In addition to general benefits including the Labor Insurance, the National Health Insurance, group insurance, and pensions, other benefits include bonuses for major festivals, subsidies for domestic and overseas tours, marriage and funeral allowances, birthday presents, employee club subsidies, health examinations, grants and scholarships for education and training, various kinds of training activities, and year-end party.

2) We have also established the Employee Welfare Committee and elected committee members to handle employee welfare affairs. Fund sources of the committee include one percent of the company's capital amount appropriated at committee establishment, 0.15% of the monthly sales turnover, and 40% of income from scraps sales. The committee draws up a plan and budget every year and holds committee meeting regularly to discuss, resolve, and organize various welfare activities, including subsidization for condolence or celebration, tours, vouchers for festivals, vouchers for birthday, cultural and recreational activities. The committee also discloses the income and expenditure reports.

3) The Company improves employee benefits continuously for mental health and work-life balance, as listed below:

Employee Benefit Goals and Items	Actions
The Company actively creates friendly and happiness workplace and commits to provide safe and harmonious working environments for work-life balance.	1. Signing contacts with local kinder gardens to solve childcare issues for employees. 2.Apart from the menstrual leave, tocolysis leave, maternity leave, prenatal checkup leave, paternity leave, homecare leave, and unpaid parental leave, we also encourage employees to return to work after parental leave (in 2022, one employee applied for unpaid parental leave). 3.For employee located at construction site, there is transportation allowance for home visit by mileage.
Working hours are flexible, employee can arrange it according to their needs.	Pursuing the goal of work-life balance, flexitime was lengthened since 2022 for Taipei employee from 30 minutes to 1 hour, for Guantien employee, from 15 to 30 minutes.
A variety of club activity were provided for employee and their family interaction in order to pursue the goal of work-life balance	There are clubs for baseball, mountain climbing, exercising, bicycle, photography, etc., and subsidy for employee and their family.
Continuously improving workplace safe facility and benefits	1. Ergonomic chairs were renewed at Taipei office in 2021. Free coffee, holiday and birthday gifts were provided. 2. When there is a day off due to weather disaster, employee can apply transportation subsidy if working. 3. Office building safety： There is one fire safety inspection and one related training course per year, and once public safety declaration every other year inspected by public safety company. Daily cleaning, garbage disposal, and public area cleaning for each floor. Carpet cleaning and building disinfection were carried out twice a year. Fire equipment in Taipei were self-inspected and declared quarterly by fire protection engineers. External inspection units were hired to perform environmental monitoring once every six month of Taipei Office.
Satisfaction survey was carried out every year to assess the satisfaction on all facilities.	The results of satisfaction in 2021 increased by 2% over 2020 to 91%, and the 2022 satisfaction was the same as that of 2021.
Free health examination was provided, superior to the law requirement. Free insurance package was provided, including accidents, health, cancer, life insurance, etc. Both provide protection for employee and their families.	Free health examination was provided. The allowance was increased from NTD$5,000 to NTD$8,000 in 2020 (once per year for 45 years older, once every two years for others; the scheme remained unchanged in 2022: once for over 40 years old and once every two years under 40 years old). The allowance for managers was increased from NTD$12,000 to NTD$15,000(once per year).

TCC Employee Welfare Committee provides a variety of allowances and subsidies.	Subsidies：marriage/birth/death Education allowance：allowance for study and books Activity allowance：club activity, domestic and overseas trips Condolences/aid：hospitalized reimbursement, emergency aid.
Equal pay for woman and man. Bonus was based on personal KPI.	1.TCC hiring policy is based on fairness and justice. The evaluation criteria are ability, knowledge, experiences, conduct, and attitude. There is no difference on hiring, salary, benefits, evaluation, or promotion due to gender or gender preference. In addition, considering the company long-term profits and financial status, employee was evaluated for a raise based on performance. There are performance bonus and employee compensations based on the company and personal performance, and year-end bonus based on working period. 2. There are reasonable salary policy, clear reward and punishment system in the Company. According to Article 36 “Should there be profit after the annual closing of books, no less than 0.5% shall be appropriated as the reward for employees and not more than 1% as the reward for directors, and the ratio of appropriation of the latter shall not be higher than that of the former.…,” In addition, the “Bonus Distribution Regulations” stipulate that the performance bonus in the employee’s pay includes profit sharing and performance evaluation. Every year, we include corporate governance, operational performance, energy conservation & carbon reduction, renewable energy development, and ESG-related items in the Company’s general goal and KPIs. The performance of officers and employees are evaluated based on the achievement of the departmental KPIs, and bonuses are calculated according to the formulas to link the results of performance evaluation and the performance bonus and employee pay.

B. Retirement schemes and status of implementation

In support of related laws and regulations, we began to contribute every month to the personal pension account at the Bureau of Labor Affairs on July 1, 2005 a sum at 6% of the monthly wage of new employees and current employees qualified for the Labor Pension Act (new scheme). In addition, we continue to contribute every month to the pension preparation fund account at the Bank of Taiwan a sum at 6.5% of the monthly wage of current employees qualified for the Labor Standards Act (previous scheme) and current employees qualified for the new scheme. For employees transferred by the organization to affiliates, we recognize their service length at the parent company to provide them with more protection, in order to achieve talent circulation across the group. We have established the “Employee Pension Regulations” in accordance with the Labor Standards Act (previous scheme) and the Labor Pension Act (new scheme), and the “Regulations Governing the Appointment and Relief of Managerial Officers” for managers. Employee retirements are proceeded in accordance with the law and relevant regulations of this company.

Items	Details
Qualifications for employee voluntary retirement	If over 55 years old and working over 15 years, If working over 25 years. If over 60 years old and working over 10 years, If working over 10 years, and sum of working years and age are over 70, which is superior to the law requirement.
Procedures for retirement application	1.Application shall be applied one month before with the form and proof for approval. 2.After approval, business and financial documents shall be transferred before the effective date in accordance with the procedure and forms, which were sent to HR personnel.
New retirement system and status	1.Bylaw: Labor Pension Act 2.Appropriation: The pension is appropriated 6% of monthly salary level, which is contributed to individual pension accounts at Bureau of Labor Insurance.

	3.Payment application: After Employee meets qualifications, he shall apply to the Bureau directly. 4.The new pension appropriation amount in 2022 is NTD$4,378 thousand.
Old retirement system and status	1.By law: Labor Standards Act 2.Appropriation: The pension is appropriated 6.5% of monthly salary to accounts in Bank of Taiwan by the Company. 3.Payment application: After Employee meets qualifications, the Company shall apply to Bank of Taiwan, and remit to the employee. Based on working period, there are two units per year for the first 15 years, one unit per year starting from 16th year, total 45 units maximum. Units are based on 6-month average monthly salary before retirement. 4. The old pension appropriation amount in 2022 is NTD$3,177. 5.Employee Retirement Committee was established for employee retirement payment issues.

C. Labor-management agreement

We emphasized labor relations right at the beginning of establishment and have maintained labor relations harmonic ever since. Apart from putting "harmony" as part of the business philosophy, we discern the opinions and ideas of employees of all levels through various communication channels in routine operations. There are two labor litigations in 2022:

1) An employee of the company was indicted by the prosecutor on breach of trust charges. After the company terminated the employment agreement according to the lawsuit, the employee file a civil complaint to confirm the existence of the employment agreement (the ruling was made in 2022, and we made no offence).

2) An employee of the company was demoted to a non-supervisory position due to his poor annual performance review. The employee was unsatisfied with the evaluation results and filed a civil complaint to pay for the shortage salary (the proceeding is still in progress so far; as a special case, it does not affect labor-management harmony).

D. Maintenance of employee rights and benefits

Apart from establishing the "Personnel Management Rules" and the "Regulations Governing the Appointment and Relief of Managerial Officers", we hold labor-management meetings to ensure these rules and regulations are exactly implemented, in order to protect the rights and benefits of employees.

(2) Human rights policy and specific management plans

Besides unfailingly establishing various management systems according to the relevant labor regulations, such as the "Human Rights Policy and Management Regulations", we are committed to complying with international human rights conventions, such as the "Universal Declaration of Human Rights", "UN Guiding Principles on Business and Human Rights", "International Covenant on Civil and Political Rights", and "International Covenant on Economic Social and Cultural Rights", to protect the rights and interests of employees and eliminate differential treatment in employment.

We include the human rights policy in various internal management systems and actively present our respect for and determination to defend human rights with solid actions. We have posted our concerns for human rights, target actions, risk mitigation measures, effectiveness assessment, education and training, and grievance channels on the corporate website at https://www.cogen.com.tw/csr/boon.

(3) Losses caused by labor disputes in the previous year and by the date or report publication and disclose the estimated amount of loss at present and in the future and countermeasures. If the amount cannot be fairly estimated, specify the reasons.

In the previous year and by the date or report publication, we maintained labor relation harmonic and no additional loss from labor dispute was reported, no such loss will be expected.

6. Cyber Security Management

(1) Describe cyber security risk management structure, policy, actions and resources

- Cybersecurity risk management framework
  We have already included cybersecurity risk in the "Risk Management Implementation Plan". The Risk Management Committee holds committee meetings periodically. The Information Security Implementation Team takes charge of cybersecurity management matters and updates and establishes the risk management plan through rolling review every year. The IT team of the Administration Department reviews the performance of the annual cybersecurity management measures and report the risk management effectiveness to the Board periodically. The contents of the report presented to the Board in 2022 included: review of risk management performance; establishment of management plans including cybersecurity management; and internal control self-assessment.
- Cybersecurity policy
  The objectives of the cybersecurity policy include: actively use IT to strengthen operational management to enable business operations and growth in a steady and secure environment; establish a well-planned cybersecurity mechanism and inculcate the concept of "cybersecurity you and I" to ensure the confidentiality, integrity, availability, and legitimacy of information assets and key information infrastructure; and form the information security implementation team to proceed with management.
  Specific targets and approaches have been set for our "Cybersecurity Policy":
  1. Inventory, categorize, and grade information assets and key information infrastructure periodically; and assess the risk of important information assets and key information infrastructure to plan and implement appropriate protective measures.
  2. Comply with the *Personal Data Protection Act* in collection, processing, and use of personal data.
  3. Unit supervisors should determine and control the confidential and sensitive data; perform the supervision, implementation, and audit duties as stipulated in the cybersecurity policy, relevant laws and regulations, and SOPs; and unfailingly them in routine unit operation and the daily life of employees.
  4. Establish complete reporting and response measures for cybersecurity incidents and arrange periodic information security training to ensure business continuity.
  5. Employees should fully understand the purposes and their duties under the cybersecurity policy.
  6. Periodically audit the effectiveness of the cybersecurity management system.
  7. The cybersecurity policy and relevant SOPs should be revised appropriately in line with service changes, IT development, and risk assessment results.
- Information security management plan
  1. Establish the corporate information audit program and cybersecurity audit items, and establish the "Information Security Implementation Team" to run the cybersecurity internal control self-assessment and the relevant optimization activities.
  2. Publish the "Taiwan Cogeneration Corporation Cybersecurity Policy" and "Taiwan Cogeneration Corporation Information Security Management Mechanism" and disclose the relevant SOPs in the governance section of the corporate website.
  3. Supervise investees to implement monitoring services and mechanisms relating to information security. In 2019 we began to participate in the "IPP Information Security Risk Assessment Guidance Onsite Interview" organized by the Bureau of Energy, MOEA, every year. Information security experts and consultants are hired through the project to perform onsite interviews to help conduct information asset inventory and risk (re)assessment to enhance information asset inventory and risk assessment capabilities. In 2022 Star Energy was interviewed, and the performance of improvements and follow-up items was good.
  4. Establish the "Information Education and Training Plan" every year. In 2022 we organized the "Information Security Trends Analysis and Introduction to Information Security Management" and "Personal Data Protection and Mobile Devices Security" courses.

5. Organize two irregular employee social engineering drills and arrange “Social Engineering and Email Security” course afterwards every year to raise the social engineering and information security awareness in employees.
6. Hire the security operation center (SOC) and install the information security endpoint detection mechanism and response service to strengthen information security protection.
7. Run security diagnostics on information equipment, system infiltration test, and vulnerability scan every year.

- Investment of resources for information security management
  We have established the “Information Security Promotion Team” to plan, implement, and manage information security. The team has earned support and credit for cybersecurity management from management. Our investments in equipment and resources relating to information security management over the past three years included: annually increasing investment in equipment and resources for information security management since 2020: up by about 15% in 2020 and about 46% in 2022.

(2) In the recent year, up to the publication date, the lost, impact, and measures due to material cyber security events：None.

7. Important Contracts

Type of Contract	Client	Contract Term	Description	Restrictions
Fuel procurement contract	Sino-Indo Co., Ltd.	2022.1-2022.2 2022.3-2022.4 2022.6-2022.8 2022.9-2022.2021	Guan-tian Plant Coal Supply Agreement	-
Fuel procurement contract	Energy Taiwan Limited	2022.2-2022.3 2022.8-2022.9	Guan-tian Plant Coal Supply Agreement	-
Fuel procurement contract	Full Winner Co., Ltd.	2022.4-2022.6	Guan-tian Plant Coal Supply Agreement	-
Fuel procurement contract	Lea Jie Energy Co., Ltd.	2022.11-2022.12	Guan-tian Plant Coal Supply Agreement	
Fuel procurement contract	Hengxing Energy Ltd.	2022.12-2023.1	Guan-tian Plant Coal Supply Agreement	
Syndicated loan agreement	Mizuho Bank	2022.8-2024.8	Bank Credit Loan	-
Syndicated loan agreement	Sumitomo Mitsui Bank	2022.7-2024.7	Bank Credit Loan	
Syndicated loan agreement	Agricultural Bank of Taiwan	2021.11-2023.11	Bank Credit Loan	-
Syndicated loan agreement	Taiwan Bank	2022.11-2024.11	Bank Credit Loan	-
Syndicated loan agreement	Land Bank of Taiwan	2021.1-2024.1	Bank Credit Loan	-
Syndicated loan agreement	DBS Bank Limited	2022.10-2026.10	Bank Credit Loan	-
Joint Venture Agreement	Sun Ba Power Corp.	2000.7.31	Joint Venture Agreement	-
Joint Venture Agreement	Star Energy Power Corp.	2000.7.31	Joint Venture Agreement	-
Joint venture agreement	Star Buck Power Corp.	2006.8.2	Joint Venture Agreement	-
Joint venture agreement	Kuo Kuang Power Co., Ltd.	202021.1.19	Joint Venture Agreement	-
Energy purchase agreement	Taiwan Power Company	2022.11-2024.11	Guantian Plant Power Purchase Agreement	-
Energy purchase agreement	IHWA Industrial Co., Ltd.	2017.3.15-2022.11.30	Guan-tian Plant Power/Steam Purchase Agreement	-
Energy purchase agreement	KUANG TAI Metal Industrial Co., Ltd.	15 years since 2017.3.15	Guan-tian Plant Power/Steam Supply Agreement	-
Energy purchase agreement	Syndyne Industrial Co., Ltd.	15 years since 2017.3.15	Guan-tian Plant Steam Purchase Agreement	-
Energy purchase agreement	Sunny Environmental Consultants	15 years since 2019.8.20	Guan-tian Plant Steam Purchase Contract	-
Energy purchase agreement	CSB Energy Technology	11 years since 2016.3.15	Guan-tian Plant Steam Purchase Agreement	-
Energy purchase agreement	TTET Union Corp.	2021.1.1-2031.2.20	Guan-tian Plant Steam Purchase Agreement	-
Energy purchase agreement	Xinnong Technology Co., Ltd.	10 years since 2019.2.01	Guan-tian Plant Steam Purchase Agreement	-
Engineering contract	Ørsted Energy Co., Ltd.	2018.11.6	Greater Changhua Wind Farm CHW01+02a Onshore Substation EPC Contract	-
Engineering contract	Ørsted Energy Co., Ltd.	2022.9-	Greater Changhua Northwest & Changhua Southwest Offshore Wind Power Generation Project Onshore Booster Station	-

Engineering contract	Taiyan Industrial Co., Ltd.	2019.10.1	New construction of replacement of steam and electricity symbiosis equipment in Tongxiao Refinery	-
Engineering contract	Taiwan CPC	2021.3.3-	L10502 Guantang Terminal Onshore Pipeline and Steam Station Project	-
Engineering contract	Sun Ba Power Corp.	20210.9-	Sun Ba Phase II Feeder EPC Contract	-
Engineering Outsourcing contract	Yung Loong Engineering Corporation	2021.3.3-	L10502 Guantang Terminal Onshore Pipeline and Steam Station Project	-
Renewables Purchase Contract	TSMC	109.9-137.8	TCC Green Energy Renewables Purchase Contract	-
Renewables Purchase Contract	VisEra Technologies Co., Ltd.	2022.2-20216.2	TCC Green Energy Renewables Purchase Contract	-
Renewables Purchase Contract	Chianan Industrial Co., Ltd.	20210.10-20215.9	TCC Green Energy Renewables Purchase Contract	-
Energy Purchase Contract	Taiwan Power Corporation	108.12.19-	Qingshui Geothermal Power Purchase Contract	-
Operations Franchise Contract	Yilan County Government	106.7-	Yilan Qingshui Geothermal Generation Construction, Extension, Reconstruction, Repair BOT + ROT	-
O&M Contract	ENERCON Taiwan Ltd.	2022.7-20212.6	Wind Turbine O&M Contract	-

VI. Financial Position

1. Condensed statements of financial positions and statement of comprehensive income of the past five years

   (1) International Financial Reporting Standards (IFRS)

Condensed Consolidated Statement of Balance Sheet

Unit: NT$1000

Item \ Year		Financial Information Over the Past Five Years (Note1)					By 31 March 2023 (Note 3)
		2018	2019	2020	2021	2022	
Current assets		2,929,066	5,598,642	6,234,012	6,152,457	6,636,204	-
Property, plant and equipment (Note2)		849,782	1,516,774	2,817,061	3,009,667	3,231,917	-
Intangible assets		4,054	6,643	497,082	1,044,270	1,078,466	-
Other assets (Note2)		12,978,364	13,307,404	13,431,535	13,847,447	14,029,813	-
Total assets		16,761,266	20,429,463	22,979,690	24,053,841	24,976,400	-
Current liabilities	Before allocation	2,191,523	4,298,564	4,845,180	5,067,459	6,700,437	-
	After allocation	3,075,096	5,299,947	5,964,372	6,098,294	(Note 4)	-
Non-current liabilities		2,699,177	4,028,740	5,944,842	7,008,319	6,425,723	-
Total liabilities	Before allocation	4,890,700	8,327,304	10,790,022	12,075,778	13,126,160	-
	After allocation	5,774,273	9,328,687	11,909,214	13,106,613	(Note 4)	-
Equity attributed to owners of the parent		11,731,804	11,965,110	12,050,583	11,831,473	11,693,409	-
Share capital		5,890,486	5,890,486	5,890,486	5,890,486	5,890,486	-
Capital surplus		499,694	499,694	499,694	499,694	499,694	-
Retained earnings	Before allocation	5,345,857	5,557,744	5,625,406	5,429,915	5,317,359	-
	After allocation	4,462,284	4,556,361	4,506,214	4,399,080	(Note 4)	-
Other Equity		(4,233)	17,186	34,997	11,378	(14,130)	-
Treasury stock		-	-	-	-	-	-
Non-control Equity		138,762	137,049	139,085	146,590	156,831	-
Total equity	Before allocation	11,870,566	12,102,159	12,189,668	11,978,063	11,850,240	-
	After allocation	10,986,993	11,100,776	11,070,476	10,947,228	(Note 4)	-

* When producing financial statements on an entity basis, the company should additionally compile the condensed statements of financial position and consolidated statement of comprehensive income for the past five years.

Note 1: The financial statements of 2018-2022 have been audited by CPAs.

Note 2: After a revaluation, disclose the date of revaluation and the revaluation gain amount.

Note 3: Publicly traded companies or companies whose stocks are traded over the counter of securities dealers should also include the financial information in the previous period audited or certified by a CPA before the date of report publication in the analysis.

Note 4: The figures for after allotment shall be subject to BOD or AGM (next year) resolutions.

Note 5: After receiving a notice to make correction or reproduction from the financial authority, a company should produce financial statements with the figures after corrections or re-production and specify the status and reasons of change.

Condensed Consolidated Statement of Comprehensive Income

Unit: NT$1,000 (except for EPS at NT$1/share)

Item \ Year	Financial Information Over the Past Five Years (Note1)					By 31 March 2023 (Note 3)
	2018	2019	2020	2021	2022	
Operating revenue	3,814,274	7,186,086	9,313,724	6,406,996	4,668,881	-
Gross profit (loss)	477,325	543,119	751,843	804,382	637,581	-
Profit (loss) from operations	262,794	302,941	469,285	440,225	235,865	-
Non-operating income and expenses	413,374	799,697	651,839	586,176	770,013	-
Profit before income tax	676,168	1,102,638	1,121,124	1,026,401	1,005,878	-
Profit from continuing operations	668,864	1,096,335	1,070,583	905,389	917,015	-
Loss of discontinued operations	-	-	-	-	-	-
Net Profit	668,864	1,096,335	1,070,583	905,389	917,015	-
Other comprehensive income (loss), net of income tax	(30,784)	18,831	18,309	2,198	(14,003)	-
Total comprehensive income	638,080	1,115,166	1,088,892	907,587	903,012	-
Net profit attributed to the owner of parent company	672,295	1,098,048	1,068,547	897,884	906,774	-
Net profit attributed to non-control equity	(3,431)	(1,713)	2,036	7,505	10,241	-
Total comprehensive income attributed to the owner of parent company	641,511	1,116,879	1,086,856	900,082	892,771	-
Total comprehensive income attributed to non-control equity	(3,431)	(1,713)	2,036	7,505	10,241	-
EPS	1.14	1.86	1.81	1.52	1.54	-

* When producing financial statements on an entity basis, the company should additionally compile the condensed statements of financial position and consolidated statement of comprehensive income for the past five years.

Note 1: The financial statements of 2018-2022 have been audited by CPAs.

Note 2: Publicly traded companies or companies whose stocks are traded over the counter of securities dealers should also include the financial information in the previous period audited or certified by a CPA before the date of report publication in the analysis.

Note 3: List the net after tax for the loss of discontinued operations.

Note 4: After receiving a notice to make correction or reproduction from the financial authority, a company should produce financial statements with the figures after corrections or re-production and specify the status and reasons of change.

Condensed Individual Statement of Balance Sheet

Unit: NT$1000

Item \ Year		Financial Information Over the Past Five Years (Note1)					By 31 March 2023 (Note 3)
		2018	2019	2020	2021	2022	
Current assets		487,775	1,123,490	2,333,011	2,677,432	1,613,522	-
Property, plant and equipment (Note2)		391,923	406,813	396,458	383,819	364,079	-
Intangible assets		2,518	2,793	2,452	9,125	8,165	-
Other assets (Note2)		13,929,317	14,619,239	15,989,446	16,299,187	16,671,978	-
Total assets		14,811,533	16,152,335	18,721,367	19,369,563	18,657,744	-
Current liabilities	Before allocation	476,309	775,941	1,981,809	2,707,211	3,019,871	-
	After allocation	1,359,882	1,777,324	3,101,001	3,738,046	(Note 4)	-
Non-current liabilities		2,699,177	4,028,740	5,944,842	7,008,319	6,425,723	-
Total liabilities	Before allocation	4,890,700	8,327,304	10,790,022	12,075,778	13,126,160	-
	After allocation	5,774,273	9,328,687	11,909,214	13,106,613	(Note 4)	-
Equity attributed to owners of the parent		11,731,804	11,965,110	12,050,583	11,831,473	11,693,409	-
Share capital		5,890,486	5,890,486	5,890,486	5,890,486	5,890,486	-
Capital surplus		499,694	499,694	499,694	499,694	499,694	-
Retained earnings	Before allocation	5,345,857	5,557,744	5,625,406	5,429,915	5,317,359	-
	After allocation	4,462,284	4,556,361	4,506,214	4,399,080	(Note 4)	-
Other Equity		(4,233)	17,186	34,997	11,378	(14,130)	-
Treasury stock		-	-	-	-	-	-
Non-control Equity		-	-	-	-	-	-
Total equity	Before allocation	11,731,804	11,965,110	12,050,583	11,831,473	11,693,409	-
	After allocation	10,848,231	10,963,727	10,931,391	10,800,638	(Note 4)	-

* When producing financial statements on an entity basis, the company should additionally compile the condensed statements of financial position and consolidated statement of comprehensive income for the past five years.

Note 1: The financial statements of 2018-2022 have been audited by CPAs.

Note 2: After a revaluation, disclose the date of revaluation and the revaluation gain amount.

Note 3: Publicly traded companies or companies whose stocks are traded over the counter of securities dealers should also include the financial information in the previous period audited or certified by a CPA before the date of report publication in the analysis.

Note 4: The figures for after allotment shall be subject to BOD or AGM (next year) resolutions.

Note 5: After receiving a notice to make correction or reproduction from the financial authority, a company should produce financial statements with the figures after corrections or re-production and specify the status and reasons of change.

Condensed Individual Statement of Comprehensive Income

Unit: NT$1,000 (except for EPS at NT$1/share)

Year / Item	Financial Information Over the Past Five Years (Note1)					By 31 March 2023 (Note 3)
	2017	2018	2019	2020	2021	
Operating revenue	1,059,931	1,662,911	3,939,310	4,464,647	2,618,739	-
Gross profit (loss)	337,804	259,788	245,894	106,422	48,350	-
Profit (loss) from operations	176,490	91,902	105,002	(89,034)	(181,394)	-
Non-operating income and expenses	529,672	1,021,140	989,040	998,941	1,093,992	-
Profit before income tax	706,162	1,113,042	1,094,042	909,907	912,598	-
Profit from continuing operations	672,295	1,098,048	1,068,547	897,884	906,774	-
Loss of discontinued operations	-	-	-	-	-	-
Net Profit	672,295	1,098,048	1,068,547	897,884	906,774	-
Other comprehensive income (loss), net of income tax	(30,784)	18,831	18,309	2,198	(14,003)	-
Total comprehensive income	641,511	1,116,879	1,086,856	900,082	892,771	-
Net profit attributed to the owner of parent company	672,295	1,098,048	1,068,547	897,884	906,774	-
Net profit attributed to non-control equity	641,511	1,116,879	1,086,856	900,082	892,771	-
Total comprehensive income attributed to the owner of parent company	1.14	1.86	1.81	1.52	1.54	-
Total comprehensive income attributed to non-control equity	(3,431)	(1,713)	2,036	7,505	10,241	-
EPS	1.14	1.86	1.81	1.52	1.54	-

* When producing financial statements on an entity basis, the company should additionally compile the condensed statements of financial position and consolidated statement of comprehensive income for the past five years.

Note 1: The financial data of 2018-2022 have been audited by CPAs.

Note 2: Publicly traded companies or companies whose stocks are traded over the counter of securities dealers should also include the financial information in the previous period audited or certified by a CPA before the date of report publication in the analysis.

Note 3: List the net after tax for the loss of discontinued operations.

Note 4: After receiving a notice to make correction or reproduction from the financial authority, a company should produce financial statements with the figures after corrections or re-production and specify the status and reasons of change.

(2) Names and audit opinions of CPAs in the past five years

Year	CPA Firm	CPAs	Audit Opinion
2018	Deloitte Taiwan	Jui-Hsuan Ho, CPA Chien-Hsin Hsieh, CPA	Unqualified opinion
2019	Deloitte Taiwan	Jui-Hsuan Ho, CPA Chien-Hsin Hsieh, CPA	Unqualified opinion
2020	Deloitte Taiwan	Jui-Hsuan Ho, CPA Chao-Mei Chen, CPA	Unqualified opinion
2021	Deloitte Taiwan	Jui-Hsuan Ho, CPA Chao-Mei Chen, CPA	Unqualified opinion
2022	Deloitte Taiwan	Chao-Mei Chen, CPA Cheng-qun Yu, CPA	Unqualified opinion

2. Financial analysis of the past five years

Consolidated Financial Analysis

Subject(Note 3) / Year (Note 1)		Financial Analysis for the Past Five Years: 2018	2019	2020	2021	2022	By 31 March 2023 (Note 2)
Financial structure (%)	Liabilities to assets ratio	29.18	40.76	46.95	50.20	52.55	-
	Long-term capital to property, plant and equipment ratio	1,714.53	1,063.50	643.74	630.85	565.48	-
Solvency (%)	Current ratio (%)	133.65	130.24	128.66	121.41	99.04	-
	Quick ratio (%)	66.91	34.60	44.57	66.34	67.11	-
	Times interest earned (TIE)	2,123	3,040	2,400	1,643	1,201	-
Utility	A/R turnover (time)	13.69	16.14	19.84	13.23	7.63	-
	Average days of cash receipts	27	23	18	28	48	-
	Inventory turnover (time)	56.02	49.77	39.79	46.99	43.21	-
	A/P turnover (time)	5.90	3.95	2.79	1.58	1.18	-
	Average daily sales	7	7	9	8	8	-
	Property, plant and equipment turnover (time)	5.38	6.07	4.30	2.20	1.50	-
	Total assets turnover (time)	0.24	0.39	0.43	0.27	0.19	-
Profitability	Return on assets (%)	4.35	6.06	5.11	4.08	4.02	-
	Return on equity (%)	5.63	9.15	8.81	7.49	7.70	-
	Net income before tax as a percentage of paid-in capital (%) (Note 9)	11.48	18.72	19.03	17.42	17.08	-
	Net profit rate (%)	17.54	15.26	11.49	14.13	19.64	-
	EPS (NT$)	1.14	1.86	1.81	1.52	1.54	-
Cash flow (%)	Cash flow ratio	26.35	9.62	50.88	34.90	26.71	-
	Cash flow adequacy ratio	112.01	78.65	88.68	89.52	94.41	-
	Cash reinvestment ratio	-1.14	-2.60	6.63	2.80	3.35	-
Leverage	Operation leverage	14.31	23.54	19.73	14.39	19.37	-
	Financial leverage	1.15	1.14	1.12	1.18	1.57	-

Reasons for changes in financial ratios in the past 2 years: (for changes of over 20%)

1. The TIE reduced mainly because off the increased interest expenses in 2022.
2. The A/R turnover reduced mainly because of the reduced revenues and increased A/R in 2022.
3. The A/P turnover reduced mainly because of the reduced operating costs in 2022.
4. The PP&E and total assets turnover reduced mainly because of the reduced revenues in 2022.
5. The net profit rate increased mainly because of the reduced revenues in 2022 and increased net income after tax.
6. The cash flow ratio reduced mainly because of the increased current liabilities in 2022.
7. The operation leverage increased mainly because of the reduced revenues in 2022.
8. The financial leverage increased mainly because of the increased interest expenses in 2022.

✧ If individual financial statements are produced, the analysis of financial ratios of individual companies shall be made.

✧ If financial statements are produced according to the IFRS for less than 5 years, also produce financial data according to Taiwan's GAAP as shown in (2) below.

Note 1: The year of data not certified by a CPA shall be indicated.

Note 2: By the date of annual report publication, publicly traded companies or companies whose stocks are traded over the counter of securities dealers should also include the financial information in the previous period audited or certified by a CPA before the date of report publication in the analysis.

Note 3: The equations for calculation shall be stated at the end of this table in the annual report.

1. Financial structure
   (1) Liabilities to assets ratio = total liabilities/ total assets.
   (2) Long-term capital to Property, plant and equipment ratio = (Gloss shareholder's equity + Non-current liabilities)/ Net Property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets/current liabilities
   (2) Quick ratio = (current assets – inventory – prepayments)/current liabilities
   (3) Debt service coverage ratio=EBIT/interest expense for current period.
3. Utility

(1) Account receivable (including account receivable and note receivable from business) turnover = net sales/balance of average account receivable (including account receivable and note receivable from operation).
(2) Average daily receivables=365/account receivable turnover
(3) Inventory turnover= cost of goods sold/average inventory
(4) Account payable (including account payable and note payable from operation) turnover = cost of goods sold/balance of average account payable (including account payable and note payable from operation).
(5) Average daily sales = 365/inventory turnover
(6) Property, plant and equipment turnover = net sales /Average Net Property, plant and equipment.
(7) Total assets turnover = net sales/ Average total assets.

4. Profitability
(1) Return on Assets = [profit/loss after tax + interest expenses x (1-tax rate)]/average total assets.
(2) Return on Equity = profit/loss after tax /net sales
(3) Net profit rate = profit/loss after tax /net sales
(4) Earnings per share = (Equity attributable to owners of the parent – dividend from preferred shares)/weighted average number of outstanding shares (Note 4).

5. Cash Flow
(1) Cash flow ratio = net cash flow from operation– current liabilities
(2) Net cash flow adequacy ratio = net cash flow from operation over the past five years/(capital expense +addition to inventory + cash dividend) over the past five years.
(3) Cash reinvestment ratio = (net cash flow from operation – cash dividend)/ (gross Property, plant and equipment + long-term investment + other non-current assets + working capital) (Note 5).

6. Leverage:
(1) Operation leverage= (net income – variable cost and expenses from operation)/operating profit (Note 6).
(2) Financial leverage= operating income/(operating income-interest expenses).

Note 4: When evaluating the above equations for calculating EPS, the following factors must be taken into consideration:
1. The number of common shares shall be based on the weighted average method and not the outstanding shares as of the end of the year.
2. Where there may be additional capital raised from the issuance of new shares or may be treasury shares trade, the outstanding period of the shares shall be considered in calculating the weighted average number of outstanding shares.
3. Where there may be the capitalization of retained earnings or of capital surplus, adjustment shall be made in proportion to the amount capitalized when calculating the earning per share for the previous year and the interim period. The term of the capitalization of retained earnings or capital surplus for new capital is not required for consideration.
4. If the preferred shares are non-convertible accumulated preferred shares, the dividend for current period (whether or not being paid out) should be deducted from earning or added to earning. If the preferred shares are not accumulative, dividend for preferred shares should be deducted from earning if there is a surplus. If there is loss after taxation, no adjustment is required.

Note 5: When analyzing cash flow, pay attention to the followings:
1. Cash flow from operation shall be referred to the net cash inflow from operation as stated in the statement of cash flow.
2. Capital spending shall be referred to cash outflow for capital investment each year.
3. Addition to inventory shall be referred to the value at the end of the ending period is greater than that of the beginning period. If there is decease in inventory, put a zero.
4. Cash dividend includes cash dividend for common and preferred stocks.
5. The gross amount of property, plant, and equipment is the total balance of property, plant, and equipment before subtracting accumulated depreciation.

Note 6: Securities issuers should classify operating costs and operating expenses as fixed or variable. If estimates or subjective judgment is involved in such classification, the accounting staff must pay attention to the reasonableness and maintain the consistency of such classification.

Note 7: If the company’s stocks do not have a par value or the par value is other than NT$10, the calculation of percentage of paid-in capital is calculated with the ratio of equity attributable to the parent company in the balance sheet.

Individual Financial Analysis

Subject(Note 3)	Year(Note 1)	Financial Analysis for the Past Five Years					By 31 March 2023 (Note 2)
		2018	2019	2020	2021	2022	
Financial structure (%)	Liabilities to assets ratio	20.79	25.92	35.63	38.92	37.33	-
	Long-term capital to property, plant and equipment ratio	3,657.66	3,779.72	4,222.28	4,341.20	4295.19	-
Solvency (%)	Current ratio (%)	102.41	144.79	117.72	98.90	53.43	-
	Quick ratio (%)	99.95	83.83	62.50	58.43	23.31	-
	Times interest earned	2,243	3,705	3,094	2,451	2,082	-
Utility	A/R turnover (time)	8.34	7.85	12.62	14.90	10.88	-
	Average days of cash receipts	44	46	29	25	34	-
	Inventory turnover (time)	56.74	49.77	39.79	46.99	43.21	-
	A/P turnover (time)	8.80	8.88	3.94	2.35	1.79	-
	Average daily sales	6	7	9	8	8	-
	Property, plant and equipment turnover (time)	2.68	4.16	9.81	11.44	7.00	-
	Total assets turnover (time)	0.07	0.11	0.23	0.23	0.14	-
Profitability	Return on assets (%)	4.69	7.25	6.30	4.88	4.96	-
	Return on equity (%)	5.70	9.27	8.90	7.52	7.71	-
	Net income before tax as a percentage of paid-in capital (%) (Note 9)	11.99	18.90	18.57	15.45	15.49	-
	Net profit rate (%)	63.43	66.03	27.13	20.11	34.63	-
	EPS (NT$)	1.14	1.86	1.81	1.52	1.54	-
Cash flow (%)	Cash flow ratio	207.85	97.98	77.56	35.75	-17.65	-
	Cash flow adequacy ratio	135.89	119.33	119.45	110.64	75.77%	-
	Cash reinvestment ratio	1.38	-0.72	2.88	-0.81	-8.91	-
Leverage	Operation leverage	5.84	17.83	37.32	-49.71	-14.04	-
	Financial leverage	1.23	1.51	1.53	0.70	0.80	-

Reasons for Changes in financial ratios in the past 2 years: (for changes of over 20%)
1. The current ratio reduced mainly because of the increased current liabilities in 2022.
2. The quick ratio reduced mainly because of the reduced current assets and increased current liabilities in 2022.
3. The A/R turnover reduced mainly because of the reduced revenues in 2022.
4. The A/P turnover reduced mainly because of the reduced operating cost in 2022.
5. PP&E and total assets turnover reduced mainly because of the reduced revenues in 2022.
6. The net profit rate increased mainly because of the increased gains/losses in 2022.
7. The cash flow related rates reduced mainly because of the reduced net cash flow from operating activities in 2022.
8. The operation leverage reduced mainly because of the reduced revenues in 2022.

✧ If individual financial statements are produced, the analysis of financial ratios of individual companies shall be made.

✧ If financial statements are produced according to the IFRS for less than 5 years, also produce financial data according to Taiwan's GAAP as shown in (2) below.

Note 1: The year of data not certified by a CPA shall be indicated.

Note 2: By the date of annual report publication, publicly traded companies or companies whose stocks are traded over the counter of securities dealers should also include the financial information in the previous period audited or certified by a CPA before the date of report publication in the analysis.

Note 3: The equations for calculation shall be stated at the end of this table in the annual report.

1. Financial structure
   (1) Liabilities to assets ratio = total liabilities/ total assets.
   (2) Long-term capital to Property, plant and equipment ratio = (Gloss shareholder's equity + Non-current liabilities)/ Net Property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets/current liabilities
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   (3) Debt service coverage ratio=EBIT/interest expense for current period.
3. Utility
   (1) Account receivable (including account receivable and note receivable from business) turnover = net sales/balance of average account receivable (including account receivable and note receivable from operation).
   (2) Average daily receivables=365/account receivable turnover

(3) Inventory turnover= cost of goods sold/average inventory
(4) Account payable (including account payable and note payable from operation) turnover = cost of goods sold/balance of average account payable (including account payable and note payable from operation).
(5) Average daily sales = 365/inventory turnover
(6) Property, plant and equipment turnover = net sales /Average Net Property, plant and equipment.
(7) Total assets turnover = net sales/ Average total assets.

4. Profitability
(1) Return on Assets = [profit/loss after tax + interest expenses x (1-tax rate)]/average total assets.
(2) Return on Equity = profit/loss after tax /net sales
(3) Net profit rate = profit/loss after tax /net sales
(4) Earnings per share = (Equity attributable to owners of the parent – dividend from preferred shares)/weighted average number of outstanding shares (Note 4).

5. Cash Flow
(1) Cash flow ratio = net cash flow from operation– current liabilities
(2) Net cash flow adequacy ratio = net cash flow from operation over the past five years/(capital expense +addition to inventory + cash dividend) over the past five years.
(3) Cash reinvestment ratio = (net cash flow from operation – cash dividend)/ (gross Property, plant and equipment + long-term investment + other non-current assets + working capital) (Note 5).

6. Leverage:
(1) Operation leverage= (net income – variable cost and expenses from operation)/operating profit (Note 6).
(2) Financial leverage= operating income/(operating income-interest expenses).

Note 4: When evaluating the above equations for calculating EPS, the following factors must be taken into consideration:
1. The number of common shares shall be based on the weighted average method and not the outstanding shares as of the end of the year.
2. Where there may be additional capital raised from the issuance of new shares or may be treasury shares trade, the outstanding period of the shares shall be considered in calculating the weighted average number of outstanding shares.
3. Where there may be the capitalization of retained earnings or of capital surplus, adjustment shall be made in proportion to the amount capitalized when calculating the earning per share for the previous year and the interim period. The term of the capitalization of retained earnings or capital surplus for new capital is not required for consideration.
4. If the preferred shares are non-convertible accumulated preferred shares, the dividend for current period (whether or not being paid out) should be deducted from earning or added to earning. If the preferred shares are not accumulative, dividend for preferred shares should be deducted from earning if there is a surplus. If there is loss after taxation, no adjustment is required.

Note 5: When analyzing cash flow, pay attention to the followings:
1. Cash flow from operation shall be referred to the net cash inflow from operation as stated in the statement of cash flow.
2. Capital spending shall be referred to cash outflow for capital investment each year.
3. Addition to inventory shall be referred to the value at the end of the ending period is greater than that of the beginning period. If there is decease in inventory, put a zero.
4. Cash dividend includes cash dividend for common and preferred stocks.
5. The gross amount of property, plant, and equipment is the total balance of property, plant, and equipment before subtracting accumulated depreciation.

Note 6: Securities issuers should classify operating costs and operating expenses as fixed or variable. If estimates or subjective judgment is involved in such classification, the accounting staff must pay attention to the reasonableness and maintain the consistency of such classification.

Note 7: If the company's stocks do not have a par value or the par value is other than NT$10, the calculation of percentage of paid-in capital is calculated with the ratio of equity attributable to the parent company in the balance sheet.

3. Audit Committee's report on financial statements in the previous year

Taiwan Cogeneration Corporation
Audit Committee Review Report

The business report, financial statements and profit distribution table of 2021 produced by the Board of Directors have been audited and certified by CPA Chao-Mei Chen and CPA Cheng-qun Yu of Deloitte Taiwan. After reviewing such documents, this Audit Committee found no nonconformity and thus presented this report to the AGM for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2023 Annual General Meeting of Shareholders

Signatures of Audit Committee Convener: Han-Shen Li

Date: 10 March 2023

4. Financial statements of the previous year

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2021 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as of and for the year ended December 31, 2021 as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies as of and for the year ended December 31, 2021. Hence, we did not prepare a separate set of consolidated financial statements of affiliates for the year ended December 31, 2021.

Very truly yours,

TAIWAN COGENERATION CORPORATION

By

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HUANG, SHUN-YI
Chairman

March 16, 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Taiwan Cogeneration Corporation

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Cogeneration Corporation (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis of Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2021 are described as follows:

Fair Trade Commission (FTC) Ruling, Appeal by Associates and Litigation Against Associates

Refer to Note 36.e. and f. for details of the FTC ruling, appeal by associates and litigation against associates; Note 4.q. for the accounting policy on provisions; and Note 5.a. for the critical accounting judgments and key sources of estimation uncertainty.

The FTC concluded that the Group's associates, Sun Ba Power Corporation, Star Energy Power Corporation, Star Buck Power Corporation, and Kuo Kuang Power Company Ltd., had violated the Fair Trade Act by jointly refusing to lower the power purchase electricity rates, and as a result, levied fines against these companies on which the companies filed an appeal against. As of December 31, 2021, the total levied fines amounted to NT$1,352 million.

Taiwan Power Company (TPC) concluded that it suffered losses due to such violations of the Fair Trade Act and filed a civil action against these associates. As of December 31, 2021, the claims on the civil action in progress against these associates amounted to NT$9,543 million.

After evaluation of the legal analyses made by the engaged attorneys, these associates believed they neither violated the Fair Trade Act, nor caused a loss to TPC. Therefore, provisions for the above rulings and litigations were not recognized, and the Group's investments in these associates and the share of profit or loss of these associates accounted for using the equity method were not affected. These associates have engaged attorneys for the appeal, administrative proceedings and civil action. The above claims, appeal and litigation are still pending, and as the amounts of the fines and claims are material to the Group's consolidated financial statements, and the outcome of these cases may change with the subsequent development of the cases, and considering the fact that the provisions involve the application of critical accounting judgments by the management, the FTC ruling, appeal by associates and litigation against the associates are considered key audit matters.

In our audit, we obtained copies of the ruling decision letter and appeal letter for the above cases, and we discussed with the Group's management regarding their communications with the attorneys and their evaluation of the above appeal and litigation. We sent confirmation requests to the attorneys and reviewed the description and assessment of their replies, and reviewed the latest progress of the above appeal and litigation as of the date of our report to determine whether the FTC ruling, appeal by associates and litigation against the associates have been appropriately accounted for and disclosed in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Evaluation of Profit and Loss of Construction Contracts

Refer to Note 26 for construction contracts, Note 4.r. for the accounting policies on revenue recognition of construction contracts, and Note 5.b. for the critical accounting judgments and key sources of estimation uncertainty associated with the evaluation of profit and loss of construction contracts.

The Group has entered into a construction contract related to large-scale offshore wind power generation in central Taiwan. The construction service revenue and construction service cost of the aforementioned contract recognized for the year ended December 31, 2021 amounted to NT$2,743,511 thousand and NT$2,729,600 thousand, respectively, representing 43% and 48% of the Group's consolidated operating revenue and consolidated operating costs, respectively. The percentage of completion and related profit from the construction contract were assessed and determined by the Group's management based on the nature of activities, expected sub-contracting charges, construction periods, progress, methods, etc., and involve critical accounting judgments made by the management; thus, the evaluation of profit and loss of construction contracts is considered as one of the key audit matters.

In our audit, we visited and observed the construction site; obtained the construction contract, construction project schedules, expected total construction cost, and construction acceptance reports; verified the construction cost, the estimated remaining cost before completion, and related supporting documents on a sampling basis to evaluate the reasonableness of the method and assumptions used by the management in the calculation of the percentage of completion; recalculated the percentage of completion, construction service revenue, construction service cost, profit or loss of the construction contract, contract assets and contract liabilities for accuracy; and estimated the appropriateness of provisions.

Assessment of Impairment of Goodwill

Refer to Note 30 for the details on business combinations, Note 4.m. for the assessment of impairment of goodwill and Note 5.e. for the critical accounting judgments and key sources of estimation uncertainty associated with the assessment of impairment of goodwill.

The Group acquired Hamaguri Co., Ltd. and Miaoli Wind Corporation in March 2021 and June 2020, respectively, in order to expand the renewable energy business and thus recognized goodwill. As of December 31, 2021, the carrying amount of goodwill was NT$141,014 thousand.

The Group's management entrusted external independent appraisers to issue the impairment of goodwill test report and evaluated whether goodwill is impaired based on the appraisal results of the report in accordance with IAS 36 "Impairment of Assets". As goodwill is tested for impairment regularly, estimation of its future recoverable amount involves assumptions of accounting estimates, including the valuation model, key parameter settings, future cash flows and the use of discount rates, and may affect the balance of investments accounted for using the equity method and the share of profit and loss of subsidiaries in the consolidated financial statements; thus, the assessment of impairment of goodwill is considered as one of the key audit matters.

We evaluated the competence, objectivity and professional qualifications of the external independent appraisers entrusted by the management, and discussed with the management and reviewed the scope and content of the external independent appraisers' work to ensure that there were no matters affecting its objectivity or limiting its scope. We also entrusted our internal experts to perform related procedures to evaluate the reasonableness of the major assumptions and valuation method used in the impairment of goodwill test report issued by the external independent appraisers.

Other Matter

We have also audited the separate financial statements of Taiwan Cogeneration Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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 IFRS, IAS, IFRIC, and SIC as endorsed and issued into effect by the FSC, 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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 2021 consolidated financial statements 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.

The engagement partners on the audits resulting in this independent auditors' report are Jui-Hsuan Ho and Chao-Mei Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2022

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 30)	$ 2,763,822	12	$ 1,603,210	7
Contract assets (Notes 4, 5, 24, 26 and 34)	2,641,399	11	3,926,607	17
Notes receivable (Notes 4, 7, 26 and 34)	-	-	293	-
Accounts receivable (Notes 4, 7 and 26)	455,579	2	315,045	1
Accounts receivable from related parties (Notes 4, 26, 30 and 34)	96,065	1	101,513	1
Finance lease receivables (Notes 4, 8 and 34)	10,224	-	9,367	-
Other receivables (Notes 4, 28 and 34)	36,224	-	129,910	1
Inventories (Notes 4 and 9)	13,187	-	7,485	-
Prepaid construction costs	18,279	-	18,980	-
Prepaid value-added tax	80,548	-	76,756	-
Non-current assets held for sale (Notes 4 and 17)	-	-	4,980	-
Other financial assets (Notes 30 and 35)	1,646	-	20,633	-
Other current assets (Note 30)	35,484	-	19,233	-
Total current assets	6,152,457	26	6,234,012	27
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 5, 10 and 33)	275,310	1	249,200	1
Investments accounted for using the equity method (Notes 4, 5 and 12)	12,750,996	53	12,578,430	55
Property, plant and equipment (Notes 4, 13, 15, 30 and 35)	3,009,667	12	2,817,061	12
Right-of-use assets (Notes 4, 14, 30 and 34)	447,802	2	196,654	1
Goodwill (Notes 4, 5, 15 and 30)	141,014	1	96,370	-
Intangible assets (Notes 4, 16 and 30)	903,256	4	400,712	2
Deferred income tax assets (Notes 4, 5, 28 and 30)	197,174	1	209,551	1
Long-term finance lease receivables (Notes 4, 8 and 34)	21,649	-	29,482	-
Refundable deposits	89,755	-	103,457	1
Other financial assets (Note 35)	42,549	-	42,549	-
Other non-current assets (Note 30)	22,212	-	22,212	-
Total non-current assets	17,901,384	74	16,745,678	73
TOTAL	$ 24,053,841	100	$ 22,979,690	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 30)	$ 40,000	-	$ 35,000	-
Short-term bills payable (Note 18)	499,614	2	-	-
Contract liabilities (Notes 4, 5, 24, 26 and 34)	193,467	1	202,706	1
Notes payable	-	-	112,472	1
Accounts payable	127,468	1	59,966	-
Construction costs payable	3,348,580	14	3,436,601	15
Accounts payable to related parties (Note 34)	1,911	-	58,070	-
Other payables (Notes 20, 30 and 34)	312,635	1	424,308	2
Current income tax liabilities (Notes 4 and 28)	50,921	-	95,563	1
Provisions (Notes 4, 22 and 24)	304,799	1	308,985	1
Lease liabilities (Notes 4, 14, 30 and 34)	54,533	-	48,174	-
Current portion of long-term borrowings (Notes 18, 30 and 35)	115,693	1	54,548	-
Other current liabilities (Note 30)	17,838	-	8,787	-
Total current liabilities	5,067,459	21	4,845,180	21
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 35)	3,746,919	16	2,991,543	13
Contract liabilities (Notes 4, 5 and 26)	56,180	-	12,079	-
Lease liabilities (Notes 4, 14, 30 and 34)	448,506	2	182,636	1
Bonds payable (Note 19)	2,497,255	10	2,496,630	11
Provisions (Notes 4, 22 and 30)	13,986	-	13,682	-
Deferred income tax liabilities (Notes 4, 28 and 30)	74,201	-	78,564	-
Net defined benefit liabilities (Notes 4 and 23)	124,387	1	126,425	1
Guarantee deposits received	44,083	-	38,419	-
Other liabilities (Notes 4 and 21)	2,802	-	4,864	-
Total non-current liabilities	7,008,319	29	5,944,842	26
Total liabilities	12,075,778	50	10,790,022	47
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 25)				
Share capital				
Ordinary shares	5,890,486	24	5,890,486	26
Capital surplus	499,694	2	499,694	2
Retained earnings				
Legal reserve	1,644,763	7	1,537,858	7
Special reserve	2,823,917	12	2,890,684	12
Unappropriated earnings	961,235	4	1,196,864	5
Total retained earnings	5,429,915	23	5,625,406	24
Other equity	11,378	-	34,997	-
Total equity attributable to owners of the Corporation	11,831,473	49	12,050,583	52
NON-CONTROLLING INTERESTS	146,590	1	139,085	1
Total equity	11,978,063	50	12,189,668	53
TOTAL	$ 24,053,841	100	$ 22,979,690	100

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

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 26 and 34)				
Sales	$ 1,311,137	20	$ 1,047,141	11
Construction services	4,931,367	77	8,090,531	87
Operations, maintenance and consulting services	164,492	3	176,052	2
Total operating revenue	6,406,996	100	9,313,724	100
OPERATING COSTS (Notes 27 and 34)				
Cost of sales	1,058,747	17	728,741	8
Construction services (Note 26)	4,415,665	69	7,697,106	82
Operations, maintenance and consulting services	156,085	2	166,890	2
Total operating costs	5,630,497	88	8,592,737	92
GROSS PROFIT	776,499	12	720,987	8
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	27,883	1	30,856	-
REALIZED GROSS PROFIT	804,382	13	751,843	8
OPERATING EXPENSES (Notes 27 and 34)	364,157	6	282,558	3
PROFIT FROM OPERATIONS	440,225	7	469,285	5
NON-OPERATING INCOME AND EXPENSES				
Interest income	854	-	3,217	-
Other income (Notes 27 and 34)	68,095	1	38,655	-
Other gains and losses (Note 27)	(47,019)	(1)	(4)	-
Finance costs (Note 27)	(66,981)	(1)	(48,945)	-
Share of profit of associates accounted for using the equity method (Note 12)	631,227	10	658,916	7
Total non-operating income and expenses	586,176	9	651,839	7
PROFIT BEFORE INCOME TAX	1,026,401	16	1,121,124	12
INCOME TAX EXPENSE (Notes 4 and 28)	(121,012)	(2)	(50,541)	-
NET PROFIT	905,389	14	1,070,583	12

(Continued)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 23)	$ (5,385)	-	$ (905)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	7,000	-	(18,400)	-
Share of unrealized gain on investments in equity instruments at fair value through other comprehensive income of associates accounted for using the equity method	16,557	-	35,323	-
Share of remeasurement of defined benefit plans of associates accounted for using the equity method	(2,420)	-	1,602	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 28)	2,161	-	(199)	-
	17,913	-	17,421	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(15,715)	-	888	-
Other comprehensive income, net of income tax	2,198	-	18,309	-
TOTAL COMPREHENSIVE INCOME	$ 907,587	14	$ 1,088,892	12
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 897,884	14	$ 1,068,547	11
Non-controlling interests	7,505	-	2,036	-
	$ 905,389	14	$ 1,070,583	11
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 900,082	14	$ 1,086,856	12
Non-controlling interests	7,505	-	2,036	-
	$ 907,587	14	$ 1,088,892	12
EARNINGS PER SHARE (Note 29)				
Basic	$ 1.52		$ 1.81	
Diluted	$ 1.52		$ 1.81	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Equity Attributable to Owners of the Corporation								
			Retained Earnings			Other Equity			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	$ 5,890,486	$ 499,694	$ 1,428,312	$ 2,947,108	$ 1,182,324	$ (55,813)	$ 72,999	$ 137,049	$ 12,102,159
Appropriation of 2019 earnings									
Legal reserve	-	-	109,546	-	(109,546)	-	-	-	-
Reversal of special reserve	-	-	-	(56,424)	56,424	-	-	-	-
Cash dividends - NT$1.7 per share	-	-	-	-	(1,001,383)	-	-	-	(1,001,383)
	-	-	109,546	(56,424)	(1,054,505)	-	-	-	(1,001,383)
Net profit for the year ended December 31, 2020	-	-	-	-	1,068,547	-	-	2,036	1,070,583
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	498	888	16,923	-	18,309
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	1,069,045	888	16,923	2,036	1,088,892
BALANCE AT DECEMBER 31, 2020	5,890,486	499,694	1,537,858	2,890,684	1,196,864	(54,925)	89,922	139,085	12,189,668
Appropriation of 2020 earnings									
Legal reserve	-	-	106,905	-	(106,905)	-	-	-	-
Reversal of special reserve	-	-	-	(66,767)	66,767	-	-	-	-
Cash dividends - NT$1.9 per share	-	-	-	-	(1,119,192)	-	-	-	(1,119,192)
	-	-	106,905	(66,767)	(1,159,330)	-	-	-	(1,119,192)
Disposal of investments in equity instruments at fair value through other comprehensive income by associates	-	-	-	-	31,461	-	(31,461)	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	897,884	-	-	7,505	905,389
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	(5,644)	(15,715)	23,557	-	2,198
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	892,240	(15,715)	23,557	7,505	907,587
BALANCE AT DECEMBER 31, 2021	$ 5,890,486	$ 499,694	$ 1,644,763	$ 2,823,917	$ 961,235	$ (70,640)	$ 82,018	$ 146,590	$ 11,978,063

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

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,026,401	$ 1,121,124
Adjustments for:		
Depreciation expense	289,023	192,598
Amortization expense	46,360	15,414
Interest expense	66,822	48,741
Interest income	(854)	(3,217)
Dividend income	(8,000)	(8,000)
Share of profit of associates accounted for using the equity method	(631,227)	(658,916)
Loss on disposal of property, plant and equipment	-	867
Unrealized gain on foreign currency exchange	(337)	(3,894)
Gain on reversal of warranty cost on construction	(76,541)	(564)
Loss on fair value changes of financial assets and liabilities at fair value through profit or loss	-	54
Realized gain on transactions with associates	(27,883)	(30,856)
Construction service costs	58	10,294
Others	(22)	72
Changes in operating assets and liabilities		
Contract assets	747,456	(359,623)
Notes receivable	293	92,949
Accounts receivable	(140,534)	1,602
Accounts receivable from related parties	5,448	30,165
Other receivables	126,527	(127,672)
Inventories	(5,702)	(1,310)
Prepaid construction costs	701	377,034
Other current assets	(15,251)	32,302
Prepaid value-added tax	(2,775)	(7,442)
Financial liabilities held for trading	-	(1,200)
Contract liabilities	34,862	(406,555)
Notes payable	(112,472)	99,501
Accounts payable	67,502	(8,641)
Construction costs payable	(88,021)	1,032,880
Accounts payable to related parties	(56,159)	56,912
Other payables	7,984	20,751
Provisions	72,355	208,929
Other current liabilities	9,008	4,214
Net defined benefit liabilities	(7,423)	1,927
Cash generated from operations	1,327,599	1,730,440
Interest received	760	3,457
Dividends received	654,775	824,072
Interest paid	(63,835)	(83,690)
Income tax paid	(150,561)	(9,274)
Net cash generated from operating activities	1,768,738	2,465,005

(Continued)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment (Note 31)	$ (578,444)	$ (503,390)
Payments for computer software	(11,152)	(7,483)
Proceeds from disposal of property, plant and equipment	-	45
Decrease (increase) in refundable deposits	13,702	(37,736)
Decrease in other financial assets	18,987	52,068
Decrease in finance lease receivables	9,987	9,773
Proceeds from disposal of non-current assets held for sale	5,000	-
Purchase of financial assets at fair value through other comprehensive income (Note 10)	(19,110)	-
Payments for right-of-use assets	-	(1,297)
Increase in other non-current assets	-	(22,212)
Net cash outflow on acquisition of subsidiaries (Note 30)	(42,251)	(733,583)
Net cash outflow on acquisition of associate (Note 12)	(160,000)	-
Net cash used in investing activities	(763,281)	(1,243,815)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	5,000	(1,174,747)
Increase in short-term bills payable	499,171	-
Proceeds from issuance of bonds	-	2,496,394
Proceeds from long-term borrowings	7,505,200	11,175,800
Repayments of long-term borrowings	(6,688,679)	(11,977,562)
Increase (decrease) in guarantee deposits received	5,664	(46,581)
Repayments of the principal portion of lease liabilities	(50,537)	(54,900)
Dividends paid to owners of the Corporation	(1,119,192)	(1,001,383)
Net cash generated from (used in) financing activities	156,627	(582,979)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(1,472)	2,980
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,160,612	641,191
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,603,210	962,019
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,763,822	$ 1,603,210

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taiwan Cogeneration Corporation (the "Corporation" and its subsidiaries are collectively referred to as the "Group") was established by Taiwan Power Corporation (TPC) and several local companies on May 7, 1992. The Corporation's shares were traded on the Taipei Exchange from May 8, 2000 to August 24, 2003 and its listing was transferred to the Taiwan Stock Exchange on August 25, 2003. The Corporation is engaged in the following businesses:

a. Engineering, planning, design, procurement, installation, construction and financial planning of cogeneration systems, and environmental protection and procurement of fuel for cogeneration systems and related businesses;

b. Operation and management of cogeneration plants;

c. Research and development, technical services and consultation services related to cogeneration;

d. Manufacture, assembly, sale, lease, installation, and repair of cogeneration equipment;

e. Investment in cogeneration plants and trading of related equipment;

f. Businesses with respect to power generation other than utility; and

g. Electric equipment installation.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on March 16, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2022

New, Amended or Revised Standards and Interpretations (The "New IFRSs")	Effective Date Announced by the International Accounting Standards Board (IASB)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendment to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendment to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the initial application of the above New IFRSs did not have any material impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include cash, cash equivalents and assets that are expected to be converted into cash or consumed within one year from the balance sheet date; assets other than current assets are non-current assets. Current liabilities include liabilities incurred for trading purposes and obligations that are expected to be settled within one year from the balance sheet date; liabilities other than current liabilities are non-current liabilities. However, the operating cycle of the construction business is longer than one year (normally two to three years); thus, assets and liabilities related to the construction business are classified as either current or non-current based on the operating cycle.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income or loss of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 11 and Table 6 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

Foreign currency transactions other than non-derivative financial instruments are translated into the functional currency using the exchange rate at the transaction date. When foreign currency assets and liabilities are translated or settled, the gains or losses arising from exchange rate changes, if any, are recognized in profit or loss. The ending balance of foreign currency assets and liabilities are translated using the prevailing exchange rates. Exchange differences arising thereof, if any, are recognized in profit or loss.

The Corporation’s functional currency is the New Taiwan dollar. In preparing the consolidated financial statements, the assets and liabilities of the Corporation’s foreign operations (including subsidiaries, associates, or branches that operate in other countries or those that use currencies different from the currency of the Corporation) are translated into New Taiwan dollars using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year. Equity is translated using historical exchange rates. Exchange differences arising thereof, if any, are recognized in other comprehensive income.

g. Impairment of financial assets

Accounts receivable and contract assets are assessed for impairment using the expected credit loss model at the end of each reporting period.

The Group's policy is to always recognize lifetime Expected Credit Loss (ECL) on accounts receivable. For contract assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on contract assets has not increased significantly since initial recognition, the Group measures the loss allowance for contract assets at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. An impairment loss is recognized with a corresponding adjustment to the carrying amount through a loss allowance account.

h. Inventories

Inventories include raw materials, and are stated at the lower of weighted average cost and net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items.

i. Financial assets at fair value through other comprehensive income

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at fair value through other comprehensive income (FVTOCI). Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

j. Investment in associates

The Group uses the equity method to account for its investments in associates. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of profit or loss and other comprehensive income or loss of the associate. The Group also recognizes the changes in the Group's share of equity of associates. When an indication of impairment is identified in an investment, a loss is recognized.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit.

Profits and losses resulting from upstream transactions, downstream transactions and transactions between associates are recognized in the Group's consolidated financial statements only to the extent of interests in the associates that are not related to the Group.

k. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Major additions, replacements and improvements are capitalized; while maintenance and repairs are expensed currently.

Property, plant and equipment in the course of construction are measured at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, depreciation is provided on a straight-line basis over the following estimated useful lives which range as follows: Buildings, 15 to 50 years; machinery and equipment, 3 to 30 years; other equipment, 2 to 8 years; leasehold improvements, lease terms. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of property, plant and equipment, the related cost and accumulated depreciation and impairment loss are deducted from the accounts and the resulting gains or losses are included in profit or loss.

l. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate or a joint venture, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. If the Group ceases to have significant influence or joint control over the investment after the disposal takes place, the Group accounts for any retained interest that has not been classified as held for sale in accordance with the accounting policies for financial instruments.

m. Goodwill

Goodwill is measured at cost less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units or groups of cash-generating units (referred to as “cash-generating units”) that are expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent years.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

n. Intangible assets

Computer software is amortized on a straight-line basis over 1 to 6 years.

Other intangible asset represents the Grade A comprehensive construction registration certificate of Star Energy Corporation (SEC), which is deemed to have an indefinite useful life and not amortized because the certificate can be reviewed and renewed at a fraction of the cost every 5 years and is expected to generate sustainable net cash inflow, but is rather tested for impairment at least once a year and assessed at each balance sheet date to determine whether events and circumstances continue to support the assessment of its indefinite useful life.

Intangible assets - operating assets are the rights to construct the Chingshuei geothermal power generation plant and charge users of electricity through TPC pursuant to the agreement that the Group acquired from the Yilan county government in accordance with the investment agreement “Yilan Chingshuei Geothermal Power Generation Build, Reconstruction, Operation, and Transfer” (referred to also as “Chingshuei Geothermal Contract”); therefore, the Group’s operation is under the scope of IFRIC 12 “Service Concession Arrangements”. The acquisition-related costs include the construction of the power generation plant which is directly related to operating activities and must be transferred without compensation after the agreement expires. These operating assets are amortized over 5 to 20 years.

Intangible assets - right-of-use assets are the rights to the superficies of the site for the construction and operation of the Chingshuei geothermal power generation plant that the Group acquired from the Yilan county government in accordance with the Chingshuei Geothermal Contract; these right-of-use assets are amortized over the contract period.

Intangible assets - business rights refer to the electricity enterprise license of Miaoli Wind Corporation (MWC) acquired through a business combination, which is amortized on a straight-line basis over 15 years.

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

When the Group has a right to charge for the usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it recognizes this as an intangible asset - service concession arrangement which is subsequently measured at cost less accumulated amortization and accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

o. Impairment of assets

When the carrying amount of an asset (mainly including property, plant and equipment, right-of-use assets and intangible assets) exceeds its recoverable amount, the excess is recognized as an impairment loss. A reversal of the impairment loss is recognized if there is a subsequent recovery in the value of the asset. However, the carrying amount after reversal cannot exceed the original cost less accumulated depreciation or amortization.

p. Levies

Levies imposed by the government are accrued as other liabilities when the transactions or activities that trigger the payment of such levies occur. If the obligating event occurs over a period of time, the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

q. Provisions

A provision shall be recognized when the Group has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The Group’s warranty provisions on construction are estimated based on the expected occurrence of the warranty obligations.

The Group is legally obligated to decommission power generators after its electric generation license expires. The Group will recognize any accreted provision and interest expense that would result from changes in the effective interest rate discounted on an annual basis. The Group regularly reviews and adjusts these numbers according to its best estimates.

r. Revenue recognition

Sales of energy are determined based on customers’ monthly consumption of power, steam, hot water and ice water generated by the cogeneration system.

Sales of electricity are recognized when the electricity generated is transmitted to a substation of TPC.

Revenue from operations, maintenance and consulting services is recognized when services are provided.

For construction contracts where the construction is in progress, the Group recognizes revenue over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognized to date, the Group recognizes a contract liability for the difference. Certain payment retained by the customer as specified in the contract is intended to ensure that the Group adequately completes all its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

The Group signed the Chingshuei Geothermal Contract with the Yilan county government for a service concession arrangement that requires the Group to construct and operate the public infrastructure of the Chingshuei geothermal power generation equipment. The Group recognizes construction revenue and contract assets over time with reference to the stand-alone selling price of the construction services provided. The contract assets are transferred to intangible assets - service concession arrangement when the construction is completed. During the operation phase, the Group recognizes the service concession income when it sells power to TPC and obtains benefits.

Revenue is measured at the fair value of the consideration received or receivables from customers. When the consideration is in the form of receivables that are collectible within one year, the difference between the fair value and the nominal amount of the consideration is insignificant, and the revenue transactions are frequent, the fair value of the consideration need not be determined by discounting all future cash receipts using an imputed rate of interest.

s. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as a lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, accounted for by applying a recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus initial direct costs and is presented as a finance lease receivable.

2) The Group as a lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets except for those that meet the definition of investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

t. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than that stated above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

u. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur, when the plan amendment, curtailment or settlement occurs. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans.

v. Taxation

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

1) Current income tax

Current income tax liabilities are determined based on current taxable income. Taxable income is different from the profit before income tax on the consolidated statement of comprehensive income for the reason that certain revenue and expenses are taxable or deductible items in other period, or not taxable or deductible items according to the Income Tax Act. The Group's current income tax liabilities are calculated by the legislated tax rate on the balance sheet date.

According to the Income Tax Act, an additional tax on undistributed earnings is provided for as income tax in the year the shareholders resolve to retain the earnings as, prior to the shareholders' meeting, the status of appropriations of earnings is uncertain.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred income tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred income tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the liabilities are settled or the assets are realized, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

3) Current and deferred income tax for the year

Current income tax and deferred income tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current income tax and deferred income tax are also recognized in other comprehensive income.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future periods if the revision affects both the current year and future periods.

a. Fair Trade Act ruling, appeal and litigation against associates

The Fair Trade Commission (FTC) concluded that independent power producer companies (IPPs) violated the Fair Trade Act and levied fines against the Group's associates. As a result, these associates filed petitions and administrative proceedings. See Note 36.e. for the detailed information. Since TPC concluded that these associates violated the Fair Trade Act with concerted action and caused a loss to TPC, TPC filed administrative proceedings and a civil action to claim compensation for the loss. See Note 36.f. for the detailed information. The aforementioned petitions and civil action are still pending; results of the cases may vary depending on the subsequent development of the cases.

b. Profit and loss evaluation of construction contracts

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of the contract is measured based on the proportion of actual costs incurred relative to the total expected costs. Variations in contract work, claims and incentives are included in contract revenue to the extent that the amount can be measured reliably and its receipt is considered probable.

The expected total costs and contract items are assessed and determined by the management based on the nature of activities, expected sub-contracting charges, construction periods, processes, methods, etc. for each construction contract. Changes in the estimates might affect the calculation of the percentage of completion and related profits from construction contracts.

c. Fair value measurement of shares that have no active markets

The Group invested in unlisted shares that have no active markets; the fair value of such shares is measured based on estimated future cash flows discounted at the current market rate of return. Any change in judgment and estimation may affect the measurement of fair value.

d. Realizability of deferred income tax assets

The realizability of deferred income tax assets mainly depends on whether sufficient future profits will be available against which loss carryforwards or deductible temporary differences can be utilized. Assessment of the realizability of deferred income tax assets includes consideration of future revenue growth, amount of tax credits that can be utilized and feasible tax planning strategies.

e. Assessment of impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or a change in facts and circumstances results in a downward revision of future cash flows or an upward revision of the discount rate, a material impairment loss may arise.

f. The Group being the single largest shareholder with less than 50% ownership in its significant investees and judged to have no control but only significant influence over them

As stated in Note 12, the Group is the single largest shareholder of Sun Ba Power Corporation (Sun Ba), Star Energy Power Corporation (SEPC) and Star Buck Power Corporation (SBPC) with 43%, 40.50% and 41.27% of ownership of the investees, respectively. However, according to the articles of incorporation of the investees, certain material events of the investees shall be approved by the vote of a certain number of members of the board of directors; therefore, the Group cannot direct the relevant activities of the investees and does not control them. Management of the Group considered the Group as exercising significant influence over the investees and therefore, classified them as associates of the Group.

6. CASH AND CASH EQUIVALENTS

	December 31 2021	December 31 2020
Cash on hand	$ 2,733	$ 2,753
Checking accounts and demand deposits	2,683,629	1,506,020
Cash equivalents		
Time deposits	77,460	94,437
	$ 2,763,822	$ 1,603,210

Cash equivalents include time deposits which are highly liquid, readily convertible into a known amount of cash and subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

The market interest rates of cash in bank at the end of the reporting periods were as follows:

	December 31 2021	December 31 2020
Demand deposits	0.00%-0.10%	0.005%-0.10%
Time deposits	0.20%-0.25%	0.22%-0.79%

7. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31 2021	December 31 2020
Notes receivable		
At amortized cost		
Gross carrying amount	$ -	$ 293
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 455,579	$ 315,045

The average credit period ranges from 30 to 60 days. The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all notes receivable and accounts receivable. The expected credit losses on notes receivable and accounts receivable are individually estimated by reference to the past default records of the debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The Group did not recognize an allowance for impairment loss against all of the notes receivable and accounts receivable because lifetime ECL through individually assessed receivables indicated that all of the notes receivable and accounts receivable are collectible.

The aging analysis of notes receivable based on the invoice date was as follows:

	December 31	
	2021	2020
Up to 60 days	$ -	$ 293

The aging analysis of accounts receivable based on the invoice date was as follows:

	December 31	
	2021	2020
Up to 60 days	$ 455,579	$ 306,866
61-90 days	-	7,383
91-120 days	-	300
121-180 days	-	-
More than 180 days	-	496
	$ 455,579	$ 315,045

8. FINANCE LEASE RECEIVABLES

	December 31	
	2021	2020
Undiscounted lease payments		
Year 1	$ 10,481	$ 9,696
Year 2	10,481	9,696
Year 3	10,481	9,696
Year 4	900	9,696
Year 5	-	828
	32,343	39,612
Less: Unearned finance income	(470)	(763)
Lease payments receivable	31,873	38,849
Net investment in leases presented as finance lease receivables	$ 31,873	$ 38,849
Finance lease receivables - current	$ 10,224	$ 9,367
Finance lease receivables - non-current	$ 21,649	$ 29,482

The Group subleased its leasehold office premises to associates since February 2017 with fixed annual lease payments referenced in the head lease agreement. As the Group subleased the leasehold office premises for all of the remaining lease term of the head lease, the sublease contracts were classified as finance leases. The interest rates inherent in leases were fixed at the contract dates for the entire term of the lease. The contracted average effective interest rate was approximately 1.10%.

Subsequently, at the end of the lease term in February 2020, the Group renewed the head lease agreement with annual fixed payments. As the Group subleased the leasehold office premises for all of the remaining lease term of the head lease (5 years), the sublease contracts were classified as finance leases. The interest rates implicit in the leases were fixed at the contract dates for the entire term of the lease. The implicit interest rate was approximately 0.98%.

The Group measured the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2021, no finance lease receivable was past due. The Group did not recognize a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held.

9. INVENTORIES

	December 31	
	2021	**2020**
Raw materials	$ 13,187	$ 7,485

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2021	**2020**
Non-current		
Domestic investments		
Unlisted shares		
Kaohsiung Arena Development Corporation (KADC)	$ 256,200	$ 249,200
Synergy Co., Ltd. (Synergy)	19,110	-
	$ 275,310	$ 249,200

The investment in KADC is held for medium to long-term strategic purposes, and the Group acquired ordinary shares of Synergy for $19,110 thousand in October 2021. Accordingly, the management elected to designate this investment in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

Refer to Note 33 for fair value information relating to financial assets at FVTOCI.

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

			Percentage of Ownership December 31		
Name of Investor	**Name of Subsidiary**	**Nature of Activities**	**2021**	**2020**	**Remark**
The Corporation	SEC	Undertaking and installing of power engineering projects	100%	100%	
The Corporation	Taiwan Cogeneration International Corporation (TCIC)	Investment in foreign countries and international trading	100%	100%	a
The Corporation	Yi Yuan Corporation (YYC)	Investment in geothermal power plant	51%	51%	
The Corporation	TCC Green Energy Corporation (TGE)	Investment in green power plant	100%	100%	b
The Corporation	MWC	Power generation	100%	100%	c
The Corporation	Hamaguri Co., Ltd. (HML)	Power generation	100%	-	d

(Continued)

Name of Investor	Name of Subsidiary	Nature of Activities	Percentage of Ownership December 31 2021	2020	Remark
TGE	Shin Kuang Electric Energy Co., Ltd. (SKE)	Power generation	100%	100%	e
SEC	Star Wind Corporation (SWC)	Power generation	100%	100%	
SEC	Star Solar Corporation (SSC)	Power generation	100%	100%	f
YYC	Chingshuei Geothermal Power Corporation (CGPC)	Power generation	100%	100%	

(Concluded)

a. TCIC established a branch in the Philippines mainly for the expansion of the local engineering business.

b. On March 30, 2020, the Corporation participated in a capital raising of TGE, and increased its investment in TGE by $90,000 thousand.

c. In order to expand the renewable energy business, on June 29, 2020, the Corporation acquired a 100% equity interest in MWC for $733,608 thousand. Subsequently, on July 15, 2020, the Corporation participated in the capital increase of MWC, and increased its investment by $340,000 thousand. On December 27, 2021, MWC returned its capital of $200,000 thousand to the Corporation. Refer to Note 30 for information on business combinations.

d. In order to expand the renewable energy business, on March 10, 2021, the Corporation acquired a 100% equity interest in HML for $69,630 thousand (US$2,500 thousand). Refer to Note 30 for information on business combinations.

e. On March 31, 2020, TGE participated in a capital raising of SKE, and increased its investment in SKE by $90,000 thousand.

f. On September 23, 2020, SEC increased its investment in SSC by $73,000 thousand and completed the establishment of SSC. SEC owned 100% equity interest in SSC. Subsequently, on April 12, 2021, SEC participated in a capital raising of SSC, and increased its investment by $120,000 thousand.

Refer to Table 6 for the nature of activities, principal places of business and countries of incorporation of the subsidiaries.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31 2021	2020
Investments in associates		
Material associates		
Ta-Yuan Cogeneration Company (TYC)	$ 592,491	$ 578,231
Sun Ba	5,480,326	5,352,348
SEPC	2,339,732	2,327,357
SBPC	2,163,416	2,189,637
Kuo Kuang Power Company Ltd. (KKPC)	1,869,725	1,933,858
	12,445,690	12,381,431
Associates that are not individually material	305,306	196,999
	$ 12,750,996	$ 12,578,430

The share of profit or loss of associates accounted for using the equity method was as follows:

	For the Year Ended December 31	
	2021	2020
Sun Ba	$ 407,805	$ 334,649
SEPC	138,827	120,827
TYC	49,937	53,408
KKPC	47,077	70,117
SBPC	25,368	102,069
Associates that are not individually material	(37,787)	(22,154)
	$ 631,227	$ 658,916

a. Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2021	2020
TYC	29.31%	29.31%
Sun Ba	43.00%	43.00%
SEPC	40.50%	40.50%
SBPC	41.27%	41.27%
KKPC	35.00%	35.00%

Refer to Table 6 for the nature of activities, principal places of business and countries of incorporation of the associates.

The market value of the investment in TYC, which was based on its closing price at the balance sheet date, was as follows:

	December 31	
Name of Associate	2021	2020
TYC	$ 1,139,516	$ 1,118,015

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

TYC

	December 31	
	2021	2020
Current assets	$ 1,148,317	$ 1,034,798
Non-current assets	3,267,568	3,301,155
Current liabilities	(388,410)	(1,813,129)
Non-current liabilities	(1,983,531)	(533,049)
Equity	2,043,944	1,989,775
Non-controlling interests	-	-
	$ 2,043,944	$ 1,989,775

(Continued)

	December 31

	2021	2020
Proportion of the Group's ownership	29.31%	29.31%
Equity attributable to the Group	$ 599,095	$ 583,217
Unrealized gain with associates	(6,604)	(4,986)
Carrying amount	$ 592,491	$ 578,231

(Concluded)

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 1,997,736	$ 1,842,558
Net profit	$ 170,371	$ 182,213
Other comprehensive income	54,955	120,361
Total comprehensive income	$ 225,326	$ 302,574
Dividends received from TYC	$ 50,167	$ 39,418

Sun Ba

	December 31	
	2021	2020
Current assets	$ 2,902,942	$ 3,888,438
Non-current assets	13,078,951	11,116,932
Current liabilities	(2,050,249)	(1,364,851)
Non-current liabilities	(1,063,463)	(1,058,708)
Equity	12,868,181	12,581,811
Non-controlling interests	-	-
	$ 12,868,181	$ 12,581,811
Proportion of the Group's ownership	43.00%	43.00%
Equity attributable to the Group	$ 5,533,318	$ 5,410,178
Unrealized gain with associates	(55,079)	(59,917)
Goodwill	2,087	2,087
Carrying amount	$ 5,480,326	$ 5,352,348

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 11,015,174	$ 8,975,507
Net profit	$ 948,385	$ 778,253
Other comprehensive (loss) income	(2,014)	1,429
Total comprehensive income	$ 946,371	$ 779,682
Dividends received from Sun Ba	$ 283,800	$ 361,200

SEPC

	December 31	
	2021	2020
Current assets	$ 1,727,988	$ 1,744,742
Non-current assets	5,802,149	6,309,253
Current liabilities	(1,042,482)	(1,156,114)
Non-current liabilities	(540,288)	(967,408)
Equity	5,947,367	5,930,473
Non-controlling interests	-	-
	$ 5,947,367	$ 5,930,473
Proportion of the Group's ownership	40.50%	40.50%
Equity attributable to the Group	$ 2,408,685	$ 2,401,842
Unrealized gain with associates	(68,953)	(74,485)
Carrying amount	$ 2,339,732	$ 2,327,357

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 5,225,265	$ 4,692,940
Net profit	$ 342,781	$ 298,339
Other comprehensive (loss) income	(1,887)	1,590
Total comprehensive income	$ 340,894	$ 299,929
Dividends received from SEPC	$ 131,220	$ 123,930

SBPC

	December 31	
	2021	2020
Current assets	$ 1,449,005	$ 868,887
Non-current assets	8,735,340	9,169,493
Current liabilities	(902,852)	(872,573)
Non-current liabilities	(3,457,185)	(3,231,618)
Equity	5,824,308	5,934,189
Non-controlling interests	-	-
	$ 5,824,308	$ 5,934,189
Proportion of the Group's ownership	41.27%	41.27%
Equity attributable to the Group	$ 2,403,851	$ 2,449,202
Unrealized gain with associates	(240,435)	(259,565)
Carrying amount	$ 2,163,416	$ 2,189,637

For the Year Ended December 31

	2021	2020
Operating revenue	$ 3,009,267	$ 4,782,266
Net profit	$ 61,464	$ 247,305
Other comprehensive income	255	588
Total comprehensive income	$ 61,719	$ 247,893
Dividends received from SBPC	$ 70,824	$ 164,802

On January 24, 2021, a fire broke out in Star Buck Power Plant of SBPC; as a result, SBPC had a significant decrease in operating revenue in 2021 compared with 2020.

KKPC

	December 31	
	2021	2020
Current assets	$ 1,659,440	$ 1,579,690
Non-current assets	5,121,269	5,757,123
Current liabilities	(875,598)	(846,939)
Non-current liabilities	(802,585)	(1,263,120)
Equity	5,102,526	5,226,754
Non-controlling interests	-	-
	$ 5,102,526	$ 5,226,754
Proportion of the Group's ownership	35.00%	35.00%
Equity attributable to the Group	$ 1,785,884	$ 1,829,364
Goodwill	19,304	19,304
Investment premium	64,537	85,190
Carrying amount	$ 1,869,725	$ 1,933,858

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 4,497,318	$ 4,127,031
Net profit	$ 193,514	$ 259,345
Other comprehensive (loss) income	(1,273)	583
Total comprehensive income	$ 192,241	$ 259,928
Dividends received from KKPC	$ 110,764	$ 126,722

The Group is the single largest shareholder of Sun Ba, SEPC, and SBPC with 43%, 40.50%, and 41.27% of ownership of the investees, respectively. However, according to the articles of incorporation of the investees, certain material events of the investees shall be approved by the vote of a certain number of members of the board of directors; therefore, the Group cannot direct the relevant activities of the investee and does not control them. Management of the Group considered the Group as exercising significant influence over the investee and therefore, classified them as associates of the Group.

b. Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2021	**2020**
The Group's share of:		
Net loss	$ (37,787)	$ (22,154)
Other comprehensive loss	-	(59)
Total comprehensive loss	$ (37,787)	$ (22,213)

In February 2021, the Group participated in the capital increase of Chao Feng Solar Energy Co., Ltd. for $160,000 thousand and acquired a 20% equity interest in it in order to continue the expansion of the Group's activities in the solar photovoltaic business.

The amounts of the share of profit or loss and other comprehensive income of the investments in associates accounted for using the equity method for the years ended December 31, 2021 and 2020 were based on the associates' financial statements audited by independent auditors for the same years.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Other Equipment	Leasehold Improvements	Property under Construction	Total
Cost							
Balance at January 1, 2021	$ 264,637	$ 78,954	$ 5,929,812	$ 73,400	$ 44,650	$ 292,476	$ 6,683,929
Additions	-	-	9,179	18,006	129	443,753	471,067
Decreases	-	-	(15,506)	-	-	-	(15,506)
Disposals	-	-	-	(41)	-	(27,430)	(27,471)
Reclassifications	-	-	(12,443)	-	-	12,443	-
Balance at December 31, 2021	264,637	78,954	5,911,042	91,365	44,779	721,242	7,112,019
Accumulated depreciation							
Balance at January 1, 2021	-	60,573	3,743,202	37,162	25,931	-	3,866,868
Depreciation expense	-	1,896	211,330	16,335	5,964	-	235,525
Disposals	-	-	-	(41)	-	-	(41)
Balance at December 31, 2021	-	62,469	3,954,532	53,456	31,895	-	4,102,352
Carrying amount at December 31, 2021	$ 264,637	$ 16,485	$ 1,956,510	$ 37,909	$ 12,884	$ 721,242	$ 3,009,667
Cost							
Balance at January 1, 2020	$ 264,637	$ 78,954	$ 2,633,830	$ 56,743	$ 27,132	$ 353,392	$ 3,414,688
Acquisitions through business combinations (Note 30)	-	-	2,531,789	-	-	-	2,531,789
Additions	-	-	15,372	18,949	1,449	708,493	744,263
Disposals	-	-	(144)	(2,563)	(3,534)	(570)	(6,811)
Reclassifications	-	-	748,965	271	19,603	(768,839)	-
Balance at December 31, 2020	264,637	78,954	5,929,812	73,400	44,650	292,476	6,683,929
Accumulated depreciation							
Balance at January 1, 2020	-	58,676	1,788,204	27,268	23,766	-	1,897,914
Acquisition through business combinations (Note 30)	-	-	1,829,919	-	-	-	1,829,919
Depreciation expense	-	1,897	125,223	12,115	5,699	-	144,934
Disposals	-	-	(144)	(2,221)	(3,534)	-	(5,899)
Balance at December 31, 2020	-	60,573	3,743,202	37,162	25,931	-	3,866,868
Carrying amount at December 31, 2020	$ 264,637	$ 18,381	$ 2,186,610	$ 36,238	$ 18,719	$ 292,476	$ 2,817,061

Refer to Note 27 for information on capitalized interest for the years ended December 31, 2021 and 2020.

Refer to Note 35 for the carrying amount of property plant and equipment mortgaged as collateral for bank borrowings of the Group.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	Land	Buildings	Transportation Equipment	Other Equipment	Total
Cost					
Balance at January 1, 2021	$ 24,527	$ 208,502	$ 22,250	$ 725	$ 256,004
Acquisitions through business combinations (Note 30)	313,961	-	-	-	313,961
Additions	-	982	6,238	8,699	15,919
Disposals	(147)	(17,650)	(5,897)	-	(23,694)
Balance at December 31, 2021	338,341	191,834	22,591	9,424	562,190
Accumulated depreciation					
Balance at January 1, 2021	5,654	41,632	11,798	266	59,350
Acquisitions through business combinations (Note 30)	21,768	-	-	-	21,768
Depreciation expense	14,076	30,960	7,909	580	53,525
Disposals	(147)	(14,646)	(5,462)	-	(20,255)
Balance at December 31, 2021	41,351	57,946	14,245	846	114,388
Carrying amount at December 31, 2021	$ 296,990	$ 133,888	$ 8,346	$ 8,578	$ 447,802
Cost					
Balance at January 1, 2020	$ 1,896	$ 137,374	$ 20,645	$ 725	$ 160,640
Acquisitions through business combinations (Note 30)	9,525	-	-	-	9,525
Additions	13,106	92,197	3,060	-	108,363
Disposals	-	(21,069)	(1,455)	-	(22,524)
Balance at December 31, 2020	24,527	208,502	22,250	725	256,004
Accumulated depreciation					
Balance at January 1, 2020	-	28,683	5,023	121	33,827
Depreciation expense	5,654	33,715	8,230	145	47,744
Disposals	-	(20,766)	(1,455)	-	(22,221)
Balance at December 31, 2020	5,654	41,632	11,798	266	59,350
Carrying amount at December 31, 2020	$ 18,873	$ 166,870	$ 10,452	$ 459	$ 196,654

b. Lease liabilities

	December 31	
	2021	2020
Carrying amount		
Current	$ 54,533	$ 48,174
Non-current	$ 448,506	$ 182,636

As of December 31, 2021 and 2020, the ranges of discount rates for lease liabilities were 0.98%-2.30% and 0.98%-1.10%, respectively.

c. Material lease activities and terms

The rental payments for some leases of the solar power generation business are calculated at an agreed ratio of sales of electricity generated pursuant to the power purchase agreements the Group entered into with TPC.

Refer to Note 16 for the information about the Group’s acquisition of the rights to superficies from the Yilan county government.

In 2019, HML leased the land from the landlords in Fangyuan Township, Changhua County for the fishery and electricity symbiosis development project. The period covered by the agreements include the development and construction period and 20 years from the date of the start of commercial operations. HML shall make a priority request for renewal of the agreements six months before expiration of the lease if it obtains permission to continue operations. The lease agreements are renewable for no more than 5 years each time and within the limit of two times.

d. Subleases

Refer to Note 8 for the information on the Group's sublease transactions.

e. Other lease information

	For the Year Ended December 31	
	2021	**2020**
Expenses relating to short-term leases	$ 10,325	$ 10,577
Expenses relating to low-value asset leases	$ 2,210	$ 1,053
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 7,995	$ 3,128
Total cash outflow for leases	$ (76,737)	$ (72,522)

The Group's leases of certain buildings and transportation equipment qualified as short-term leases and certain other equipment qualified as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. GOODWILL

	December 31	
	2021	**2020**
Beginning balance	$ 96,370	$ -
Acquired in a business combination (Note 30)	44,644	96,370
Ending balance	$ 141,014	$ 96,370

In order to expand the renewable energy business, the Group acquired 100% equity interest in HML and MWC in March 2021 and June 2020, respectively. Refer to Note 30 for information on business combinations.

The Group has adjusted the original accounting treatment and the provisional amount since the date of acquisition based on the acquisition price allocation report of HML obtained in December 2021. The relevant balance sheet items were adjusted as follows:

	March 10, 2021	**Acquisition Date**
Goodwill	$ 51,049	$ 44,644
Right-of-use assets	$ 284,187	$ 292,193
Deferred tax liabilities	$ -	$ (1,601)

Items on the consolidated statements of comprehensive income increased (decreased) by the following amounts:

	For the Year Ended December 31, 2021
Depreciation expenses	$ 305
Income tax expense	$ (61)

The Group has adjusted the original accounting treatment and the provisional amount since the date of acquisition based on the acquisition price allocation report of MWC obtained in March 2021. The relevant balance sheet items were adjusted as follows:

	June 29, 2020	Acquisition Date
Goodwill adjustments	$ 364,461	$ 96,370
Property, plant and equipment	$ 768,755	$ 701,870
Deferred tax assets	$ 8,656	$ 22,033
Business rights	$ -	$ 402,000
Deferred tax liabilities	$ (1,599)	$ (81,999)

Items on the consolidated statements of comprehensive income increased (decreased) by the following amounts:

	For the Year Ended December 31, 2020
Amortization expenses	$ 12,898
Depreciation expenses	$ (6,919)
Income tax expense	$ (1,196)

The Group acquired MWC on June 29, 2020 and recognized goodwill of $96,370 thousand relating to the expected benefits of the increase in sales of electricity. Since the goodwill relates solely to MWC as a single cash generating unit, the goodwill is assessed for impairment by calculating the recoverable amount of MWC and the carrying amount of its net assets.

However, the revised estimate of the recoverable amount of MWC was still higher than the related carrying amount; thus, no impairment loss was recognized.

16. INTANGIBLE ASSETS

	December 31	
	2021	2020
Service concession arrangement	$ 526,318	$ 2,455
Computer software	13,633	9,155
Business rights	363,305	389,102
	$ 903,256	$ 400,712

a. Movements in intangible assets were as follows:

	Service Concession Arrangement					
	Operating Assets	Right-of-use Assets	Computer Software	Business Rights	Others	Total
Cost						
Balance at January 1, 2021	$ -	$ 2,710	$ 14,161	$ 402,000	$ 12,000	$ 430,871
Additions	-	-	11,152	-	-	11,152
Reclassifications (Note)	537,752	-	-	-	-	537,752
Disposals	-	-	(2,260)	-	-	(2,260)
Balance at December 31, 2021	537,752	2,710	23,053	402,000	12,000	977,515
Accumulated amortization and impairment loss						
Balance at January 1, 2021	-	255	5,006	12,898	12,000	30,159
Amortization	13,742	147	6,674	25,797	-	46,360
Disposals	-	-	(2,260)	-	-	(2,260)
Balance at December 31, 2021	13,742	402	9,420	38,695	12,000	74,259
Carrying amount at December 31, 2021	$ 524,010	$ 2,308	$ 13,633	$ 363,305	$ -	$ 903,256
Cost						
Balance at January 1, 2020	$ -	$ 2,710	$ 7,700	$ -	$ 12,000	$ 22,410
Acquisitions through business combinations (Note 30)	-	-	-	402,000	-	402,000
Additions	-	-	7,483	-	-	7,483
Disposals	-	-	(1,022)	-	-	(1,022)
Balance at December 31, 2020	-	2,710	14,161	402,000	12,000	430,871
Accumulated amortization and impairment loss						
Balance at January 1, 2020	-	108	3,659	-	12,000	15,767
Amortization	-	147	2,369	12,898	-	15,414
Disposals	-	-	(1,022)	-	-	(1,022)
Balance at December 31, 2020	-	255	5,006	12,898	12,000	30,159
Carrying amount at December 31, 2020	$ -	$ 2,455	$ 9,155	$ 389,102	$ -	$ 400,712

Note: Reclassified from contract assets.

b. Service concession arrangement

YYC signed the Chingshuei Geothermal Contract with the Yilan county government in July 2017 for a service concession which will be operated by CGPC. YYC established CGPC to undertake the operations for a period of 20 years starting from the commencement date of commercial operations of the power generating unit.

The operating assets refer to the public infrastructure constructed and operated by CGPC.

The right-of-use asset was obtained by YYC from the Yilan county government under the Chingshuei Geothermal Contract to build and operate the power plant site. The rental rate during the construction period was set at 1% of the announced land value, and the rental rate during the operation period was set at 3% of the announced land value.

c. Business rights

Business rights refer to the licenses to generate electricity from the Zhunan and Houlong wind farms in Miaoli County acquired from the Ministry of Economic Affairs through the business combination with MWC, in accordance with the Electricity Act. Amortization of the aforementioned licenses is recognized on a straight-line basis until February 2036.

17. NON-CURRENT ASSETS HELD FOR SALE

	December 31	
	2021	**2020**
Long-term equity investments held for sale	$ -	$ 4,980

On December 30, 2020, the Group entered into a contract with a purchaser and proposed to sell their shares in an associate for $5,000 thousand, and completed the transaction in January 2021; therefore, the shares were reclassified from investments accounted for using the equity method to non-current assets held for sale. The sales proceeds substantially exceeded the carrying amount of the related net assets and accordingly, no impairment loss was recognized on the classification of these assets as held for sale.

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	**2020**
Unsecured borrowings	$ 40,000	$ 35,000

The ranges of interest rates on short-term borrowings at the end of the reporting were as follows:

	December 31	
	2021	**2020**
Unsecured borrowings	1.83%	1.83%

b. Short-term bills payable

	December 31	
	2021	**2020**
Commercial paper	$ 500,000	$ -
Less: Unamortized discounts on bills payable	(386)	-
	$ 499,614	$ -

On August 12, 2021, the Group signed a non-guaranteed commercial paper underwriting agreement with a bills finance company. The Group could issue a non-guaranteed commercial paper (up to 90 days) on a revolving basis during the period of 4 years effective from August 16, 2021. The total underwriting amount is $500 million. The interest rate of the short-term bills payable was 0.64% on December 31, 2021.

c. Long-term borrowings

	December 31	
	2021	**2020**
Pledged or mortgaged borrowings		
Repayable in semi-annual installments through February 2032	$ 374,360	$ 367,000
Repayable in quarterly installments through September 2034	176,539	-
Repayable in semi-annual installments through February 2026	166,320	177,660
Repayable in semi-annual installments through May 2031 (Note)	125,000	-
Repayable in semi-annual installments through May 2031 (Note)	87,000	-
Repayable in monthly installments through January 2034	66,511	71,522
Repayable in quarterly installments through September 2034	38,740	39,500
Repayable in semi-annual installments through May 2031 (Note)	23,000	-
Secured borrowing		
Repayable in semi-annual installments through January 2025	375,000	99,800
Unsecured borrowings		
Repayable in monthly installments through December 2025	95,200	102,000
Repayable in quarterly installments through March 2026	67,837	73,073
Repayable in quarterly installments through March 2026	56,749	61,305
Repayable in quarterly installments through October 2025	45,356	49,231
Revolving unsecured borrowings		
Revolving through January 2024	725,000	-
Revolving through July 2023	500,000	-
Revolving through September 2023	500,000	-
Revolving through July 2023	290,000	-
Revolving through August 2023	150,000	-
Revolving through September 2022	-	1,000,000
Revolving through September 2022	-	500,000
Revolving through December 2022	-	475,000
Revolving through September 2022	-	30,000
	3,862,612	3,046,091
Less: Current portion	(115,693)	(54,548)
	$ 3,746,919	$ 2,991,543

Note: According to the provisions of the mortgaged loan credit agreement, the Group should mortgage the solar power generation facilities and ancillary equipment to the bank when the construction is completed. As of December 31, 2021, the construction has not been completed.

The Group's revolving unsecured borrowings are to be utilized on a revolving basis during the credit period according to the repayment schedule negotiated with banks.

The ranges of interest rates on long-term borrowings at the end of the reporting periods were as follows:

	December 31	
	2021	2020
Pledged or mortgaged borrowings	1.26%-2.04%	1.44%-2.04%
Secured borrowing	1.72%	1.72%
Unsecured borrowings	1.72%-1.80%	1.72%-1.80%
Revolving unsecured borrowings	0.75%-0.76%	0.80%-0.81%

19. BONDS PAYABLE

	December 31	
	2021	2020
Domestic unsecured bond	$ 2,500,000	$ 2,500,000
Less: Unamortized issuance cost	(2,745)	(3,370)
	$ 2,497,255	$ 2,496,630

On August 14, 2020, the Group issued unsecured bonds at par value for a total of $2,500 million, which comprise bond A - $1,900 million of 5-year bonds with annual coupon rate of 0.75% and bond B - $600 million of 10-year bonds with annual coupon rate of 1%. Both types of bonds have bullet repayment terms, where simple interest is paid on an annual basis and the principal is repaid on maturity. The trustee of the bonds is Bank SinoPac Company Limited.

20. OTHER PAYABLES

	December 31	
	2021	2020
Payables for equipment	$ 159,324	$ 280,278
Payables for compensation of employees and remuneration of directors	47,770	48,684
Payables for salaries and bonuses	42,368	39,415
Payables for compensated absences	12,776	11,534
Payables for interest	9,857	8,817
Payables for business tax	9,233	13,889
Payables for professional fees	5,980	5,531
Others	25,327	16,160
	$ 312,635	$ 424,308

21. OTHER LIABILITIES

	December 31	
	2021	2020
Other liabilities		
Payables for levies	$ 2,802	$ 4,864

Pursuant to the Regulations Governing the Installation of Renewable Energy Generation Equipment, the module recovery fees of the Corporation’s solar power generation equipment should be calculated based on the installed capacity (kW) of the equipment. The module recovery fees are levied over a period of 10 years and should be paid at the end of each year.

22. PROVISIONS

	December 31	
	2021	2020
Current		
Warranties	$ 304,799	$ 308,985
Non-current		
Decommissioning costs and liability	$ 13,986	$ 13,682

	Warranties	Decommissioning Costs and Liability	Total
Balance at January 1, 2021	$ 308,985	$ 13,682	$ 322,667
Additions	118,154	304	118,458
Usage	(45,799)	-	(45,799)
Reversal	(76,541)	-	(76,541)
Balance at December 31, 2021	$ 304,799	$ 13,986	$ 318,785
Balance at January 1, 2020	$ 100,771	$ -	$ 100,771
Acquisitions through business combinations (Note 30)	-	13,531	13,531
Additions	214,594	151	214,745
Usage	(5,816)	-	(5,816)
Reversal	(564)	-	(564)
Balance at December 31, 2020	$ 308,985	$ 13,682	$ 322,667

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

Except for TCIC, the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, these companies make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. TCIC currently has no employee; therefore, no pension plan was established.

b. Defined benefit plans

The defined benefit plans adopted by the Corporation and SEC in accordance with the Labor Standards Act are operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation and SEC contribute amounts equal to 6.5% and 3% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation and SEC assess the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation and SEC are required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation and SEC have no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	$ 225,212	$ 227,883
Fair value of plan assets	(100,825)	(101,458)
Deficit	124,387	126,425
Net defined benefit liabilities	$ 124,387	$ 126,425

Movements in net defined benefit liabilities were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2020	$ 224,173	$ (100,580)	$ 123,593
Service cost			
Current service cost	4,728	-	4,728
Net interest expense (income)	1,655	(742)	913
Recognized in profit or loss	6,383	(742)	5,641
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,353)	(3,353)
Actuarial loss - changes in demographic assumptions	708	-	708
Actuarial loss - changes in financial assumptions	6,313	-	6,313
Actuarial income - experience adjustments	(2,763)	-	(2,763)
Recognized in other comprehensive income or loss	4,258	(3,353)	905
Contributions from employers	-	(3,714)	(3,714)
Benefits paid	(6,931)	6,931	-
	(6,931)	3,217	(3,714)
Balance at December 31, 2020	$ 227,883	$ (101,458)	$ 126,425
Balance at January 1, 2021	$ 227,883	$ (101,458)	$ 126,425
Service cost			
Current service cost	4,342	-	4,342
Net interest expense (income)	1,108	(507)	601
Recognized in profit or loss	5,450	(507)	4,943

(Continued)

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (1,322)	$ (1,322)
Actuarial loss - changes in demographic assumptions	6,885	-	6,885
Actuarial income - experience adjustments	(178)	-	(178)
Recognized in other comprehensive income or loss	6,707	(1,322)	5,385
Contributions from employers	(8,909)	(3,457)	(12,366)
Benefits paid	(5,919)	5,919	-
	(14,828)	2,462	(12,366)
Balance at December 31, 2021	$ 225,212	$ (100,825)	$ 124,387

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans were as follows:

	For the Year Ended December 31	
	2021	2020
Operating costs	$ 2,844	$ 3,109
Operating expenses	$ 2,099	$ 2,532

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government/corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan’s debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	2020
Discount rate	0.50%	0.50%
Expected rate of salary increase	3.00%	3.00%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2021	**2020**
Discount rate		
0.25% increase	$ (6,185)	$ (6,319)
0.25% decrease	$ 6,420	$ 6,572
Expected rate of salary increase/decrease		
0.25% increase	$ 6,165	$ 6,310
0.25% decrease	$ (5,973)	$ (6,104)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

An analysis of the average duration of the defined benefit obligation is as follows:

	December 31	
	2021	**2020**
Expected contributions to the plans for the next year	$ 3,485	$ 3,456
Average duration of the defined benefit obligation	11.33 years	11.58 years

24. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The operating cycle of the Group's construction business is longer than one year; thus, assets and liabilities related to the construction business are classified as either current or non-current based on the operating cycle. The amounts expected to be recovered or settled within one year after the reporting period and more than one year after the reporting period for related assets and liabilities were as follows:

December 31, 2021

	Within One Year	**More than One Year**	**Total**
Assets			
Contract assets	$ 2,221,357	$ 278,173	$ 2,499,530
Liabilities			
Contract liabilities	$ 361	$ 193,106	$ 193,467
Provisions - warranties	7,888	296,911	304,799
	$ 8,249	$ 490,017	$ 498,266

December 31, 2020

	Within One Year	More than One Year	Total
Assets			
Contract assets	$ 3,735,792	$ 37,017	$ 3,772,809
Liabilities			
Contract liabilities	$ 202,706	$ -	$ 202,706
Provisions - warranties	1,677	307,308	308,985
	$ 204,383	$ 307,308	$ 511,691

25. EQUITY

a. Share capital

	December 31	
	2021	2020
Number of authorized ordinary shares (in thousands)	800,000	800,000
Amount of authorized ordinary shares	$ 8,000,000	$ 8,000,000
Number of issued and fully paid ordinary shares (in thousands)	589,049	589,049
Amount of issued and fully paid ordinary shares	$ 5,890,486	$ 5,890,486

A holder of issued ordinary shares with par value of $10 is entitled to vote and to receive dividends.

b. Capital surplus

	December 31	
	2021	2020
Issuance of ordinary shares	$ 460,000	$ 460,000
Conversion of bonds	32,494	32,494
Share options	7,200	7,200
	$ 499,694	$ 499,694

The capital surplus generated from shares issued in excess of par (including additional paid-in capital from issuance of ordinary shares and conversion of bonds) may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be transferred to share capital or distributed in cash. Capitalization of such capital surplus is limited to once a year and a certain prescribed percentage of the Corporation's paid-in capital.

The capital surplus generated from share options may not be used for any purpose except for offsetting a deficit.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Corporation's current Articles of Incorporation (the "Articles"), where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, where not less than 70% of distributable retained earnings shall be distributed; the plan should be resolved in the shareholders' meeting for the distribution of dividends to shareholders. For the policies on the distribution of the compensation of employees and remuneration of directors, refer to Note 27.f.

The Corporation adopted a balanced dividend policy, where dividends are distributed in the form of both cash and shares, out of which cash dividends shall not be less than 20% of the total dividends distributed. However, the ratio of cash dividends may be reduced to less than 20%, which should be resolved by the shareholders, if the expenditure for a new important investment plan reaches $300 million or above and the Corporation is unable to obtain other funds to meet the cash needs of the plan.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2020 and 2019, which were resolved in the shareholders' meetings on July 30, 2021 and June 22, 2020, respectively, were as follows:

	Appropriation of Earnings	
	2020	**2019**
Legal reserve	$ 106,905	$ 109,546
Reversal of special reserve	(66,767)	(56,424)
Cash dividends	1,119,192	1,001,383
Dividends per share (NT$)	1.9	1.7

The reversal of the special reserve in 2020 was the reversal amount voluntarily set aside in accordance with the Company Act in prior years.

The reversal of the special reserve in 2019 was the reversal amount of $52,191 thousand voluntarily set aside in accordance with the Company Act in prior years, and the reversal amount of $4,233 thousand was set aside in accordance with the Securities and Exchange Act in 2018.

The appropriations of earnings for 2021 had been proposed by the Corporation's board of directors on March 16, 2022. The appropriations and dividends per share were as follows:

	Appropriation of Earnings 2021
Legal reserve	$ 92,370
Reversal of special reserve	(201,972)
Cash dividends	1,030,835
Dividends per share (NT$)	1.75

The appropriations of earnings for 2021 are subject to the resolution of the shareholders in their meeting to be held on May 31, 2022.

26. REVENUES

	For the Year Ended December 31	
	2021	2020
Revenues from contracts with customers		
Sales		
Sales of electricity	$ 1,072,613	$ 791,855
Sales of steam	238,029	254,684
Others	495	602
	1,311,137	1,047,141
Construction service	4,931,367	8,090,531
Operations, maintenance and consulting services	164,492	176,052
	$ 6,406,996	$ 9,313,724

For the years ended December 31, 2021 and 2020, the construction service revenue recognized for the Chingshuei geothermal contract was $137,471 thousand and $345,672 thousand, respectively; the construction service cost recognized was $133,348 thousand and $335,302 thousand, respectively.

a. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable	$ -	$ 293	$ 93,242
Accounts receivable (including related parties)	$ 551,644	$ 416,558	$ 428,621
Contract assets			
Construction contracts	$ 2,499,530	$ 3,772,809	$ 3,442,134
Rendering of services	141,869	153,798	124,850
	$ 2,641,399	$ 3,926,607	$ 3,566,984
Contract liabilities			
Construction contracts	$ 193,467	$ 202,706	$ 621,340
Sales	56,180	12,079	-
	$ 249,647	$ 214,785	$ 621,340

The changes in the contract asset and the contract liability balances primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the customer's payment.

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the corresponding invoice is billed to the customer, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets. The Group did not recognize an allowance for impairment loss against all of the contract assets.

b. Refer to Note 40 for information about disaggregation of revenue from contracts with customers.

27. NET PROFIT

a. Other income

	For the Year Ended December 31	
	2021	2020
Compensation income	$ 45,366	$ -
Dividend income	8,000	8,000
Others	14,729	30,655
	$ 68,095	$ 38,655

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Foreign exchange gain	$ 13,376	$ 13,573
Foreign exchange loss	(60,417)	(12,858)
Loss on fair value changes of financial liabilities at fair value through profit or loss	-	(54)
Others	22	(665)
	$ (47,019)	$ (4)

c. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	$ 36,446	$ 37,270
Interest on lease liabilities	7,906	2,609
Interest on bonds payable	20,874	7,930
Interest on other borrowings	-	932
Interest on commercial paper	1,291	-
Others	464	204
	$ 66,981	$ 48,945

Other borrowings were acquired through business combinations and were the loans which MWC obtained from its former shareholders.

Capitalization of interest:

	For the Year Ended December 31	
	2021	2020
Amounts of capitalized interest	$ 5,188	$ 2,427
Capitalized interest rate	1.10%-1.72%	1.10%-2.04%

d. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 235,525	$ 144,934
Right-of-use assets	53,498	47,664
Intangible assets	46,360	15,414
	$ 335,383	$ 208,012
An analysis of depreciation by function		
Operating costs	$ 239,071	$ 156,776
Operating expenses	49,952	35,822
	$ 289,023	$ 192,598
An analysis of amortization by function		
Operating costs	$ 14,317	$ 526
Operating expenses	32,043	14,888
	$ 46,360	$ 15,414

e. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Post-employment benefits		
Defined contribution plans	$ 13,231	$ 11,767
Defined benefit plans	4,943	5,641
	18,174	17,408
Short-term benefits	433,764	405,650
Total employee benefits expense	$ 451,938	$ 423,058
An analysis of employee benefits expense by function		
Operating costs	$ 266,696	$ 253,190
Operating expenses	185,242	169,868
	$ 451,938	$ 423,058
Short-term benefits		
Wages and salaries	$ 376,025	$ 355,478
Labor and health insurance	28,160	24,209
Other employee benefits	29,579	25,963
	$ 433,764	$ 405,650

f. Compensation of employees and remuneration of directors

The compensation of employees and remuneration of directors is set aside at the rates not less than 0.5% and not higher than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2021 and 2020, which had been resolved by the Corporation's board of directors on March 16, 2022 and March 19, 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	**2020**
Compensation of employees - cash	$ 30,225	$ 30,852
Remuneration of directors	9,496	10,284

If there will be a change in the proposed amount after the annual consolidated financial statements are authorized for issue, the difference will be recorded as a change in accounting estimate.

There was no difference between the above resolved amounts and the respective amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

28. INCOME TAX

a. Major components of income tax recognized in profit or loss

	For the Year Ended December 31	
	2021	**2020**
Current income tax		
In respect of the current year	$ 97,506	$ 103,575
Income tax on undistributed earnings	6	-
Adjustments for prior years	2,980	(163)
	100,492	103,412
Deferred income tax		
In respect of the current year	20,520	(52,871)
Income tax expense recognized in profit or loss	$ 121,012	$ 50,541

A reconciliation of profit before income tax and income tax expense is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before income tax	$ 1,026,401	$ 1,121,124
Income tax expense calculated at the statutory rate	$ 205,280	$ 224,225
Non-taxable income and non-deductible expenses in determining taxable income	(126,757)	(134,670)
Changes in unrecognized loss carryforwards and deductible temporary differences	37,438	(18,961)
Deferred tax effect of earnings of subsidiaries	-	(19,890)
Income tax on undistributed earnings	6	-
Adjustments for prior years' tax	2,980	(163)
Adjustments for prior deferred tax	2,065	-
Income tax expense recognized in profit or loss	$ 121,012	$ 50,541

b. Major components of income tax expense (benefit) recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred income tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ (2,161)	$ 199

c. Current income tax assets and liabilities

	December 31	
	2021	2020
Current income tax assets		
Income tax refund receivable (included in other receivables)	$ 6,849	$ 1,532
Current income tax liabilities		
Income tax payable	$ 50,921	$ 95,563

d. Movements of deferred income tax assets and liabilities

For the year ended December 31, 2021

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions through Business Combinations	Ending Balance
Deferred income tax assets					
Loss carryforwards	$ 8,900	$ (5,798)	$ -	$ 11,946	$ 15,048
Temporary differences					
Unrealized gain on transactions with associates	69,904	(2,245)	-	-	67,659
Loss on investments accounted for using the equity method	9,049	(8,071)	-	-	978
Defined benefit obligation	17,381	(1,486)	2,161	-	18,056
Depreciation differences of property, plant and equipment	28,675	(818)	-	-	27,857
Construction warranties	61,797	(837)	-	-	60,960
Allowance for loss on inventories	13	37	-	-	50
Others	13,832	(7,266)	-	-	6,566
	$ 209,551	$ (26,484)	$ 2,161	$ 11,946	$ 197,174
Deferred income tax liabilities					
Temporary differences					
Unrealized foreign exchange gain or loss	$ 744	$ (744)	$ -	$ -	$ -
Business rights	77,820	(5,159)	-	-	72,661
Depreciation differences of right-of-use assets	-	(61)	-	1,601	1,540
	$ 78,564	$ (5,964)	$ -	$ 1,601	$ 74,201

For the year ended December 31, 2020

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions through Business Combinations	Ending Balance
Deferred income tax assets					
Loss carryforwards	$ 27,104	$ (26,860)	$ -	$ 8,656	$ 8,900
Temporary differences					
Unrealized gain on transactions with associates	72,907	(3,003)	-	-	69,904
Loss on investments accounted for using the equity method	11,009	(1,960)	-	-	9,049
Defined benefit obligation	17,259	321	(199)		17,381
Depreciation differences of property, plant and equipment	-	15,298	-	13,377	28,675
Construction warranties	9,467	52,330	-	-	61,797
Allowance for loss on inventories	-	13	-	-	13
Others	535	13,297	-	-	13,832
	$ 138,281	$ 49,436	$ (199)	$ 22,033	$ 209,551
Deferred income tax liabilities					
Temporary differences					
Unrealized foreign exchange gain or loss	$ -	$ (855)	$ -	$ 1,599	$ 744
Business rights	-	(2,580)	-	80,400	77,820
	$ -	$ (3,435)	$ -	$ 81,999	$ 78,564

e. Deductible temporary differences and unused loss carryforwards for which no deferred income tax assets have been recognized in the consolidated balance sheets

	December 31	
	2021	2020
Deductible temporary differences		
Loss on investments accounted for using the equity method	$ 394,498	$ 355,504
Deferred interest expense	241,538	228,676
Ohers	12,000	12,000
	$ 648,036	$ 596,180
Loss carryforwards		
The Corporation	$ 134,316	$ -
YYC	$ 8,465	$ 7,451

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2021 comprised:

	Unused Amount
SSC	
Expiry in 2030	$ 3,513
Expiry in 2031	2,603
	$ 6,116
HML	
Expiry in 2029	$ 26,854
Expiry in 2030	24,466
Expiry in 2031	17,805
	$ 69,125

g. Income tax assessments

The income tax returns of SSC and HWL through 2020 have been assessed by the tax authorities. The income tax returns of the Corporation, SEC, SWC, TGE, CGPC, YYC, SKE, MWC through 2019 have been assessed by the tax authorities.

Under the local income tax law, TCIC is not obligated to pay income tax.

29. EARNINGS PER SHARE

	For the Year Ended December 31	
	2021	2020
Basic earnings per share (NT$)	$ 1.52	$ 1.81
Diluted earnings per share (NT$)	$ 1.52	$ 1.81

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit

	For the Year Ended December 31	
	2021	2020
Earnings used in the computation of basic earnings per share	$ 897,884	$ 1,068,547
Effect of potentially dilutive ordinary shares		
Compensation of employees of the Corporation	-	-
Earnings used in the computation of diluted earnings per share	$ 897,884	$ 1,068,547

Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	589,049	589,049
Effect of potentially dilutive ordinary shares		
Compensation of employees of the Corporation	966	1,032
Weighted average number of ordinary shares used in the computation of diluted earnings per share	590,015	590,081

The Corporation may settle compensation of employees paid in cash or shares; therefore, the Corporation assumes that entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

30. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired	Consideration Transferred
HML	Fishery and electricity symbiosis	March 10, 2021	100%	$ 69,630
MWC	Wind power generation	June 29, 2020	100%	$ 733,608

In March 2021 and June 2020, HML and MWC, respectively, were acquired in order to continue the expansion of the Group's activities in renewable energy.

b. Consideration transferred

	HML	MWC
Cash	$ 69,630	$ 733,608

c. Assets acquired and liabilities assumed at the date of acquisition

	HML	MWC
Current assets		
Cash	$ 27,379	$ 25
Accounts receivable from related parties	-	19,704
Other financial assets	-	54,152
Other current assets	2,017	3,696
Non-current assets		
Property, plant and equipment	-	701,870
Right-of-use assets	292,193	9,525
Intangible assets	-	402,000
Deferred tax assets	11,946	22,033
Other non-current assets	-	1,440
Current liabilities		
Short-term borrowings	-	(334,747)
Financial liabilities at fair value through profit or loss	-	(1,146)
Other payables	(257)	(37,201)
Current portion of long-term borrowings	-	(107,398)
Other current liabilities	(263)	(1,185)
Non-current liabilities		
Lease liabilities	(306,428)	-
Provisions	-	(13,531)
Deferred tax liabilities	(1,601)	(81,999)
	$ 24,986	$ 637,238

d. Goodwill recognized on acquisition

	HML	MWC
Consideration transferred	$ 69,630	$ 733,608
Less: Fair value of identifiable net assets acquired	(24,986)	(637,238)
Goodwill recognized on acquisition	$ 44,644	$ 96,370

e. Net cash outflow on the acquisition of subsidiaries

	HML	MWC
Cash balances acquired	$ 27,379	$ 25
Less: Consideration paid in cash	(69,630)	(733,608)
	$ (42,251)	$ (733,583)

f. Impact of acquisition on the results of the Group

Had the acquisition of HML been in effect at the beginning of the fiscal year, the Group’s operating revenue would have been $6,406,996 thousand, and the profit would have been $895,340 thousand for the year ended December 31, 2021.

Had the acquisition of MWC been in effect at the beginning of the fiscal year, the Group’s operating revenue would have been $9,401,401 thousand, and the profit would have been $1,063,244 thousand for the year ended December 31, 2020.

This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2021 and 2020, respectively, nor is it intended to be a projection of future results.

31. PARTIAL CASH TRANSACTIONS

For the years ended December 31, 2021 and 2020, the Group entered into the following partial cash investing activities:

	For the Year Ended December 31	
	2021	**2020**
Partial cash payments for acquisition of property, plant and equipment		
Acquisition of property, plant and equipment	$ 471,067	$ 744,263
Changes in payable for equipment	107,404	(233,668)
Changes in payable for levies	-	(4,815)
Changes in prepayment for equipment	-	(2,310)
Depreciation of right-of-use assets	(27)	(80)
Cash payments	$ 578,444	$ 503,390

32. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Corporation’s overall strategy remains unchanged within recent 5 years.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Corporation (comprising ordinary shares, capital surplus, retained earnings and other equity).

Key management personnel of the Corporation review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders, the number of new shares issued, and/or the amount of new debt issued or existing debt redeemed.

33. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Management believes the carrying amounts of the financial assets and financial liabilities not carried at fair value are approximately at their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	$ -	$ -	$ 275,310	$ 275,310

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	$ -	$ -	$ 249,200	$ 249,200

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2021

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	$ 249,200
Purchases	19,110
Recognized in other comprehensive income	7,000
Ending balance	$ 275,310

For the year ended December 31, 2020

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	$ 267,600
Recognized in other comprehensive income	(18,400)
Ending balance	$ 249,200

3) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

The fair value of domestic unlisted equity securities was determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee. The significant unobservable inputs used are listed on the table below. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in the weighted average cost of capital (WACC) or discount for lack of marketability used in isolation would result in increases in fair value.

	December 31	
	2021	**2020**
Long-term revenue growth rates	0%-2.51%	0%-2.51%
Long-term pre-tax operating margin	40.93%-41.90%	40.59%-41.93%
WACC	10.91%	9.23%
Discount for lack of marketability	16.65%	15.21%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the equity investments would have increased (decreased) as follows:

	December 31	
	2021	**2020**
Long-term revenue growth rate		
1% increase	$ 27,400	$ 27,200
1% decrease	$ (26,400)	$ (26,200)
WACC		
0.5% increase	$ (23,200)	$ (25,400)
0.5% decrease	$ 26,800	$ 29,800

c. Categories of financial instruments

	December 31	
	2021	**2020**
Financial assets		
Financial assets measured at amortized cost (Note 1)	$ 3,478,791	$ 2,315,078
Financial assets at FVTOCI	275,310	249,200
Financial liabilities		
Measured at amortized cost (Note 2)	10,608,804	9,586,009

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, part of other receivables, other financial assets and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, construction costs payable, other payables, guarantee deposits received, bonds payable and long-term borrowings. However, short-term employee benefits payable and payables for business tax are not included.

d. Financial risk management objectives and policies

The Group's financial risk management objectives are to manage the market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk with respect to the Group's operations. To lower the financial risks, the Group seeks to identify, evaluate, and avoid market uncertainty, to minimize the potential unfavorable impact on the Group due to market volatility.

The Group's important financial activities are reviewed by the board of directors in accordance with related regulations and internal control systems. The Group shall follow the overall guidelines for financial risk management and segregation of duties with respect to financial operating procedures.

1) Market risk

a) Foreign currency risk

Refer to Note 38 for the carrying amounts of the Group's significant monetary assets and monetary liabilities denominated in non-functional foreign currencies (including those eliminated in the consolidated financial statements).

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar and the Euro.

The following table details the Group's sensitivity to a 1% increase and decrease in its functional currency against the relevant foreign currencies. A positive number below indicates a decrease in profit before income tax associated with the functional currency strengthening 1% against the relevant foreign currency. For a 1% weakening of the functional currency, there would be an equal and opposite impact on profit before income tax, and the balances below would be negative.

	For the Year Ended December 31	
	2021	**2020**
Profit or loss		
USD	$ 215	$ 1,125
EUR	3,410	1,587

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting periods were as follows:

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 145,725	$ 169,709
Financial liabilities	3,499,908	2,727,440
Cash flow interest rate risk		
Financial assets	2,690,386	1,531,836
Financial liabilities	3,902,612	3,081,091

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease in interest rates was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

As of December 31, 2021 and 2020, the borrowings with floating interest rates of the Group amounted to $3,902,612 thousand and $3,081,091 thousand, respectively. If interest rates had been 1% higher and all other variables were held constant, the Group's profit before income tax for the years ended December 31, 2021 and 2020 would have decreased by $39,026 thousand and $30,811 thousand, respectively.

2) Credit risk

Credit risk represents the potential loss that would be incurred by the Group if the counterparties or third parties breached the contracts. Financial instruments with positive fair values at the balance sheet date are evaluated for credit risk. The Group only transacts with financial institutions and companies with good credit ratings; thus, no material credit risk is anticipated.

3) Liquidity risk

The Group manages liquidity risk by maintaining adequate cash in banks and banking facilities, and continuously monitoring forecast and actual cash flows as well as matching the maturity profiles of financial assets and liabilities. As of December 31, 2021 and 2020, the available unutilized bank loan facilities were $9,016,343 thousand and $8,016,967 thousand, respectively.

The following tables detail the Group's remaining contractual maturities of its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

December 31, 2021

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Short-term borrowings	$ 40,000	$ -	$ -	$ -	$ 40,000
Short-term bills payable	500,000	-	-	-	500,000
Non-interest bearing liabilities	3,703,882	4,842	599	-	3,709,323
Lease liabilities	63,465	120,411	51,336	357,789	593,001
Long-term borrowings	115,693	2,447,076	760,755	539,088	3,862,612
Bonds payable	20,250	40,500	1,920,836	621,721	2,603,307
	$ 4,443,290	$ 2,612,829	$ 2,733,526	$ 1,518,598	$11,308,243

December 31, 2020

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Short-term borrowings	$ 35,000	$ -	$ -	$ -	$ 35,000
Non-interest bearing liabilities	4,005,996	1,956	336	-	4,008,288
Lease liabilities	50,454	86,144	47,502	57,488	241,588
Long-term borrowings	54,548	2,166,654	329,371	495,518	3,046,091
Bonds payable	20,250	40,500	1,935,086	627,721	2,623,557
	$ 4,166,248	$ 2,295,254	$ 2,312,295	$ 1,180,727	$ 9,954,524

34. RELATED PARTY TRANSACTIONS

Besides as disclosed elsewhere in the other notes, details of significant transactions between the Group and its related parties were disclosed below:

a. Related parties and relationships

Related Party	Relationship with the Group
TPC	Investor with significant influence over the Group
TYC	Associate
Sun Ba	Associate
SEPC	Associate
KKPC	Associate
SBPC	Associate
Shinlee Product Inc.	Associate (no longer a related party since February 2021)
Mega Green Energy Corporation	Associate

b. Operating transactions

		For the Year Ended December 31	
Line Item	Related Party Category/Name	2021	2020
Sales	Investors with significant influence over the Group		
	TPC	$ 444,101	$ 424,897
Construction service revenue	Investors with significant influence over the Group		
	TPC	$ 246,845	$ 3,295,032
	Associates		
	Sun Ba	56,081	-
	TYC	11,520	104,744
		67,601	104,744
		$ 314,446	$ 3,399,776

(Continued)

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Operations, maintenance and consulting services revenue	Investors with significant influence over the Group		
	TPC	$ 130,650	$ 139,364
	Associates		
	SEPC	9,565	10,117
	Sun Ba	9,145	5,333
	SBPC	7,503	7,451
	TYC	-	5,896
	Others	347	427
		26,560	29,224
		$ 157,210	$ 168,588
Cost of sales	Investors with significant influence over the Group		
	TPC	$ 31,675	$ 30,351
	Associates		
	Others	137	91
		$ 31,812	$ 30,442
Operating expenses	Investors with significant influence over the Group		
	TPC	$ 405	$ -

(Concluded)

The above transactions with related parties were negotiated based on each contract.

c. Non-operating transactions

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Other income	Associates		
	TYC	$ 3,666	$ 2,360
	Sun Ba	2,419	898
	KKPC	2,192	2,210
	SEPC	1,890	2,123
	SBPC	1,767	1,779
		$ 11,934	$ 9,370

The above transactions with related parties were negotiated based on each contract.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Notes receivable	Associates		
	Sun Ba	$ -	$ 293
Accounts receivable from related parties	Investors with significant influence over the Group		
	TPC	$ 86,499	$ 71,059
	Associates		
	TYC	-	22,830
	Others	9,566	7,624
		9,566	30,454
		$ 96,065	$ 101,513
Other receivables	Associates		
	TYC	$ 1,171	$ 880

The outstanding receivables from related parties were unsecured. For the years ended December 31, 2021 and 2020, no impairment loss was recognized on receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Accounts payable to related parties	Investors with significant influence over the Group		
	TPC	$ 1,911	$ 57,995
	Associates		
	Others	-	75
		$ 1,911	$ 58,070
Other payables	Investors with significant influence over the Group		
	TPC	$ 1,098	$ 1,601

The outstanding payables to related parties were unsecured.

f. Contract assets

Related Party Category/Name	December 31 2021	December 31 2020
Investors with significant influence over the Group		
TPC	$ 940,059	$ 1,851,116
Associates		
Other	56,081	60,192
	$ 996,140	$ 1,911,308

g. Contract liabilities

Related Party Category/Name	December 31 2021	December 31 2020
Investors with significant influence over the Group		
TPC	$ 64	$ -

h. Lease agreement

Related Party Category/Name	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Acquisition of right-of-use assets		
Investors with significant influence over the Group		
TPC	$ 8,857	$ -

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Lease liabilities - current	Investors with significant influence over the Group		
	TPC	$ 322	$ -
Lease liabilities - non-current	Investors with significant influence over the Group		
	TPC	$ 8,066	$ -

i. Sublease arrangements

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Finance lease receivables	Associates		
	Sun Ba	$ 4,493	$ 3,735
	SBPC	2,934	2,862
	SEPC	2,503	2,479
		$ 9,930	$ 9,076
Long-term finance lease receivables	Associates		
	Sun Ba	$ 9,510	$ 11,754
	SBPC	6,217	9,009
	SEPC	5,302	7,806
		$ 21,029	$ 28,569

For the years ended December 31, 2021 and 2020, no impairment loss was recognized for finance lease receivables. Refer to Note 8 for information about sublease arrangements.

j. Remuneration of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 43,419	$ 47,473
Post-employment benefits	1,620	1,894
	$ 45,039	$ 49,367

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

35. ASSETS PLEDGED OR MORTGAGED AS COLLATERAL

The following assets have been pledged or mortgaged as collateral for long-term borrowings, contract performance and establishment of a branch office:

	December 31	
	2021	2020
Machinery and equipment, net	$ 312,185	$ 330,596
Land	50,135	50,135
Time deposits (recognized as other financial assets)	36,049	36,049
Demand deposits (recognized as other financial assets)	7,803	26,759
Government bonds (recognized as other financial assets)	343	374
	$ 406,515	$ 443,913

The market rates of government bonds and cash in bank at the end of the reporting periods were as follows:

	December 31	
	2021	2020
Government bonds	1.565%	4.250%
Demand deposits	0.02%-0.04%	0.03%-0.05%
Time deposits	0.10%-0.765%	0.10%-1.015%

36. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group as of December 31, 2021 were as follows:

a. Construction projects undertaken by the Group include an engineering, procurement and construction turnkey contract about onshore export cables, cable culverts and onshore substations in offshore wind farms entered into by the Corporation with Orsted Taiwan Limited on November 6, 2018, with a contract amount of about $5,386,686 thousand plus EUR39,756 thousand; and the tender for TPC's project named "The New Construction of Salina PV System in Tainan City" that SEC won on April 12, 2019; the contract amount was about $7,052,943 thousand. As of December 31, 2021, commitments for construction projects undertaken had an aggregate amount of approximately $5,566,947 thousand.

b. Commitments for construction expenditure and purchase of equipment were approximately $5,423,619 thousand.

c. Outstanding letters of credit were approximately $6,854 thousand.

d. Under a Coal Purchase Agreement, the Group shall purchase 26 thousand tons of coal based on an agreed price.

e. On March 15, 2013, the FTC fined Sun Ba, SEPC, SBPC, and KKPC $530 million, $430 million, $130 million and $410 million, respectively, for violation of the Fair Trade Act (Original FTC Ruling). After evaluation of the legal analyses made by the engaged attorneys regarding the Original FTC Ruling, these corporations believed they and other IPPs are not competitors but, even if they are not competitors, they did not jointly refuse to lower the power purchase electricity rates and affect the power supply and demand in the market ("concerted action"). These corporations appealed the Original FTC Ruling to the Petitions and Appeals Committee of the Executive Yuan (PACEY) to protect their own benefits. On September 12, 2013, the PACEY made a decision to revoke the fines mentioned above and ordered FTC to review and reconsider the case according to applicable laws; the other matters of the appeals were dismissed.

   1) On November 5, 2013, the FTC ruled an amended fine of $500 million, $400 million, $100 million and $380 million, respectively, against Sun Ba, SEPC, SBPC, and KKPC ("Second FTC Ruling"). These corporations made appeals for revocation of the amended fine. On May 9, 2014, the PACEY made a decision on the administrative appeals of these corporations, revoked the Second FTC Ruling, and requested FTC to reconsider the fine according to applicable laws within two months. On July 9, 2014, the FTC ruled an amended fine of $489 million, $392 million, $100 million and $371 million, respectively, against Sun Ba, SEPC, SBPC, and KKPC ("Third FTC Ruling"). These corporations appealed the Third FTC Ruling to the PACEY for revocation of the amended fine. In December 2014, PACEY notified these corporations that the proceedings for the appeal were postponed and the appeal is subject to the ruling to be made by the Supreme Administrative Court.

   2) These corporations petitioned to the Taipei High Administrative Court for revocation of the Original FTC Ruling and the decision made by the PACEY regarding the concerted action. On October 29, 2014, the Taipei High Administrative Court revoked the Original FTC Ruling and revoked the decision made by the PACEY on September 12, 2013 regarding the concerted action. On November 27, 2014, the FTC appealed the case to the Supreme Administrative Court. In June 2015, the Supreme Administrative Court (SAC) recognized that there are questionable points in the case that need clarification and the original ruling of the Taipei High Administrative Court (THAC) was not supported with clear evidence. The Supreme Administrative Court revoked the original ruling and requested the Taipei High Administrative Court to reconsider the ruling according to applicable laws. On May 25, 2017, the Taipei High Administrative Court revoked the FTC Ruling with respect to the above alleged concerted action. On June 22, 2017, the FTC appealed the case to the Supreme Administrative Court. On August 23 and September 6, 2018, the Supreme Administrative Court revoked the original ruling and requested the Taipei High Administrative Court to reconsider the ruling according to applicable laws, respectively. On May 13, 2020, the THAC revoked again the FTC Ruling with respect to the above alleged concerted actions. In June 2020, the FTC appealed for the transfer of the case to the SAC, and this case has been transferred to the SAC accordingly.

f. TPC concluded that IPPs violated the Fair Trade Act with concerted action and caused a loss to TPC. In September 2015, TPC filed administrative proceedings in the Taipei High Administrative Court and filed a civil action in the Taipei District Court to claim compensation for the loss. As of December 31, 2021, the closing administrative proceedings and civil action in progress were as follows:

   1) TPC filed administrative proceedings in the Taipei High Administrative Court to claim compensation in the amount of $4,400 million, $2,500 million, $200 million, and $2,400 million against Sun Ba, SEPC, SBPC, and KKPC, respectively. Subsequently, TPC filed an expanded appeal to claim additional compensation against these corporations. The total claim for compensation against Sun Ba, SEPC, SBPC and KKPC was $8,660 million, $4,990 million, $623 million and $4,890 million, respectively. Afterwards, TPC filed an amended appeal against SBPC on February 14, 2020, with the total claim for compensation against SBPC reduced to $380 thousand. The Taipei High Administrative Court considered these cases as private disputes and transferred these cases to Taipei District Court. TPC appealed the ruling to the Supreme Administrative Court. However, the Supreme Administrative Court ruled to dismiss TPC's appeal. These cases have been transferred to Taipei District Court accordingly. On August 9 and September 5, 2018, the case between SEPC and FTC, and the case between KKPC and FTC, respectively, were postponed by the Taipei District Court until the administrative proceedings in the Taiwan High Administrative Court with respect to the alleged concerted action are concluded. However, TPC subsequently withdrew its complaints in June and August 2020. Thus, the cases were deemed an action never initiated.

   2) TPC filed a civil action in the Taipei District Court to claim $4,257 million, $2,489 million, $307 million, and $2,490 million against Sun Ba, SEPC, SBPC, and KKPC, respectively. On February 8, 2018, the Taipei District Court ruled to dismiss TPC's civil action against SBPC. On March 5, 2018, TPC appealed this case to the Taiwan High Court. Afterwards, on June 14, 2018, the Taiwan High Court ruled to postpone this case until the administrative proceedings between SBPC and FTC in the Supreme Administrative Court with respect to the alleged concerted action are concluded. Thereafter, on August 1, 2019, in order to avoid repeating trials of the same facts of the same case that will result in a waste of judicial resources, the Taiwan High Court, within its power and authority, revoked its previous ruling that suspended the proceedings. TPC appealed the ruling to the Taiwan High Court. However, the Supreme Administrative Court ruled to dismiss TPC's appeal on December 11, 2019, and the case is under trial proceedings in the Taiwan High Court. On June 19, 2018, the Taipei District Court ruled to dismiss TPC's civil action against Sun Ba, SEPC and KKPC. On July 13, 2018, TPC appealed this case to the Taiwan High Court. After about three years of trial procedures in the Taiwan High Court (THC), THC ruled to dismiss TPC's appeal and additional claim on November 9, 2021. On December 13, 2021, TPC appealed this case to the Supreme Court, and this case had been transferred to the Supreme Court accordingly.

   These corporations have engaged attorneys for the above claims. Whether these corporations are liable for the damages depends on the judgment by the court.

g. YYC entered into an investment agreement "Yilan Chingshuei Geothermal Power Generation Build, Reconstruction, Operation, and Transfer ("BOT+ROT")" with the Yilan county government in July 2017, which is effective for a period of 20 years starting from the commencement date of commercial operations of the power generating unit of the operating company that YYC established, that is CGPC. However, two years prior to the expiry of the construction period, a request for a preferential contract may be made to the Yilan county government, the duration of which is limited to 20 years and limited to one time. CGPC started the generation plant with TPC in February 2021, then completed the construction of power and started trial operations in June 2021 and subsequently acquired the electricity enterprise license in October 2021, and started selling electricity to TPC. During the operation phase, CGPC shall pay for the annual operating rights before June 30 each year. The payment for the operating right is calculated based on the capacity of the power generating units and the agreed proportion of annual sales of electricity. At the expiry of the contract, except for those that do not need to be transferred with the written consent of the Yilan county government, CGPC shall transfer all existing operating assets and all power plant operation technologies and operations and maintenance related to the continued operation of the plant to the Yilan county government or its designated third party.

37. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As stated in Note 12, in order to expand the solar photovoltaic business, the Group signed an investment agreement with the original shareholder of Chao Feng Solar Energy Co. In February 2021, the Group participated in the capital increase of Chao Feng Solar Energy Co., Ltd. for $160,000 thousand and acquired a 20% equity interest in it. Due to the Group and the shareholder not being able to agree on the terms of the investment agreement, according to the agreement, the shareholder bought back the 20% equity interest in Chao Feng Solar Energy Co. held by the Group at the original price and completed the equity-settlement on March 4, 2022.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the functional currencies of the Group, and the exchange rates between the foreign currencies and the respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 4,018	27.68	$ 111,240
EUR	10,888	31.32	$ 341,024
Non-monetary items			
Investments accounted for using the equity method			
PHP	294,181	0.5452	$ 160,376
Foreign currency liabilities			
Monetary items			
USD	3,238	27.68	$ 89,752

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 4,661	28.48	$ 132,741
EUR	4,531	35.02	$ 158,663
Non-monetary items			
Investments accounted for using the equity method			
PHP	332,270	0.5929	$ 196,999
Foreign currency liabilities			
Monetary items			
USD	707	28.48	$ 20,252

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2021		2020	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange (Loss) Gain
USD	28.009 (USD:NTD)	$ (1,257)	29.549 (USD:NTD)	$ (3,343)
EUR	33.16 (EUR:NTD)	$ (45,709)	33.71 (EUR:NTD)	$ 4,028

39. SEPARATELY DISCLOSED ITEMS

Except for those disclosed in the attached Tables 1 to 7, there were no other significant transactions, information on investees, information on investments in mainland China and the business relationships between the parent company and its subsidiaries and significant transactions between them that were required for disclosure. Refer to the attached Table 8 for information of major shareholders.

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

- Guantian cogeneration plant (GCP)
- Segment of construction and consulting services (CC)

a. Segment revenue and results

The analysis of the Group's revenue and results from continuing operations by reportable segment was as follows:

	For the Year Ended December 31, 2021		
	GCP	**CC**	**Total**
Revenue from customers	$ 778,934	$ 5,628,062	$ 6,406,996
Segment profit (loss)	$ (11,999)	$ 584,946	$ 572,947
Unallocated operating expenses			(106,593)
Interest income			664
Interest expense			(54,270)
Share of profit of associates accounted for using the equity method			631,227
Other non-operating income and expenses			(17,574)
Profit before income tax			$ 1,026,401
Depreciation	$ 26,990	$ 222,714	
Amortization	$ 157	$ 4,145	

	For the Year Ended December 31, 2020		
	GCP	**CC**	**Total**
Revenue from customers	$ 797,719	$ 8,516,005	$ 9,313,724
Segment profit	$ 205,073	$ 351,980	$ 557,053
Unallocated operating expenses			(91,926)
Interest income			2,982
Interest expense			(42,656)
Share of profit of associates accounted for using the equity method			658,916
Other non-operating income and expenses			36,755
Profit before income tax			$ 1,121,124
Depreciation	$ 25,403	$ 147,205	
Amortization	$ 159	$ 1,129	

Segment revenues reported above represented the revenue generated from external customers. Segment profit (loss) represented the profit before income tax earned by each segment without allocation of part of operating expenses, share of profit or loss of associates accounted for using the equity method, part of interest income, part of interest expense, and part of other non-operating income and expenses. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets and liabilities

	December 31	
	2021	2020
Segment assets		
GCP	$ 490,476	$ 498,660
CC	7,150,129	7,151,222
Total segment assets	7,640,605	7,649,882
Unallocated assets		
Investments accounted for using the equity method	12,750,996	12,578,430
Others	3,662,240	2,751,378
Consolidated total assets	$ 24,053,841	$ 22,979,690
Segment liabilities		
GCP	$ 65,606	$ 58,509
CC	6,335,146	5,494,444
Total segment liabilities	6,400,752	5,552,953
Unallocated liabilities	5,675,026	5,237,069
Consolidated total liabilities	$ 12,075,778	$ 10,790,022

c. Geographical information

The Group’s revenues for the years ended December 31, 2021 and 2020 were all generated domestically; therefore, there is no geographical information for the Group.

d. Information about major customers

Single customers that contributed 10% or more to the Group’s revenues were as follows:

	For the Year Ended December 31	
	2021	2020
Sales and research, consulting and construction service revenue from TPC	$ 821,596	$ 3,859,293
Consulting and construction service revenue from customer A	2,743,511	2,858,161

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Note 3)	Actual Amount Borrowed (Note 3)	Interest Rate (%)	Nature of Financing (Note 4)	Business Transaction Amount (Note 5)	Reasons for Short-term Financing (Note 6)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 8)	Aggregate Financing Limit (Note 7)	Note
													Item	Value			
0	The Corporation	MWC	Other receivables from related parties	Y	$ 200,000	$ -	$ -	-	The need for short-term financing	$ -	Retirement of loans	$ -	-	$ -	$ 2,366,295	$ 4,732,589	
		SEC	Other receivables from related parties	Y	300,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,366,295	4,732,589	
		TGE	Other receivables from related parties	Y	50,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,366,295	4,732,589	
1	SEC	SWC	Other receivables from related parties	Y	68,000	68,000	-	-	The need for short-term financing	-	Retirement of loans, operating capital	-	-	-	323,315	646,630	

Note 1: The Corporation and its investees are numbered as follows:

a. "0" for the Corporation.
b. Investees are numbered from "1".

Note 2: The receivables from associates, receivables from related parties, shareholders accounts, prepayments, temporary payments and others as stated shall be filled in if they are classified as financing.

Note 3: Maximum balance for the year and ending balance represent the amount of facilities, but not actually drawn.

Note 4: Specify if the nature of financing is for business transactions or short-term financing is necessary.

Note 5: If the nature of financing is for business transactions, specify the amount of business transactions. The amount of business transactions shall be the amount of business conducted between the lender and the beneficiary of financing in the most recent year.

Note 6: If it is necessary for short-term financing, specify the reasons and the beneficiary of financing and the use of the fund, such as: retirement of loans, procurement of equipment, and operating capital.

Note 7: Limit on total amount of financing provided by the Corporation and subsidiaries to entities was up to $4,732,589 thousand, which was calculated at 40% of the Corporation's net worth in the current financial statements. ($11,831,473 thousand (net worth as of December 31, 2021) × 40%)
Limit on total amount of financing provided by SEC and subsidiaries to entities was up to $646,630 thousand, which was calculated at 40% of SEC's net worth in the current financial statements. ($1,616,576 thousand (net worth as of December 31, 2021) × 40%)

Note 8: Financing limit for each borrower was up to $2,366,295 thousand, which was calculated at 20% of the Corporation's net worth in the current financial statements. ($11,831,473 thousand (net worth as of December 31, 2021) × 20%)
Financing limit for each borrower was up to $323,315 thousand, which was calculated at 20% of SEC's net worth in the current financial statements. ($1,616,576 thousand (net worth as of December 31, 2021) × 20%)

TABLE 2

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Provided to Each Guaranteed Party	Maximum Balance for the Period (Note 7)	Ending Balance (Note 7)	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties (Note 7)	Ratio of Accumulated Endorsement/ Guarantee to Net Worth in Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	The Corporation	CGPC	b	$ 2,957,868 (Note 3)	$ 204,000	$ 204,000	$ 191,250	$ -	1.72%	$ 4,732,589 (Note 4)	Y	N	N
1	TCIC	Redondo Peninsula Energy, Inc.	f	955,916 (Note 5)	1,053,000 (Note 8)	-	-	-	-	1,244,895 (Note 6)	N	N	N

Note 1: The Corporation and its investees are numbered as follows:

a. “0” for the Corporation.
b. Investees are numbered from “1”.

Note 2: There are seven types of relationships between endorser/guarantor and endorsee/guarantee and should be disclosed as one of the following:

a. A company with which business is done.
b. A company in which the Corporation directly and indirectly holds more than 50% of the voting shares.
c. A company that directly and indirectly holds more than 50% of the voting shares in the Corporation.
d. Between companies in which the Corporation directly and indirectly holds more than 90% of the voting shares.
e. The Corporation fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
f. All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
g. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act.

Note 3: Limit on endorsement/guarantee provided by the Corporation to each subsidiary was up to $2,957,868 thousand, which was calculated at 25% of the Corporation’s net worth in the current financial statements. ($11,831,473 thousand (net worth as of December 31, 2021) × 25%)

Note 4: Limit on total amount of endorsement/guarantee provided by the Corporation and subsidiaries to entities was up to $4,732,589 thousand, which was calculated at 40% of the Corporation’s net worth in the current financial statements. ($11,831,473 thousand (net worth as of December 31, 2021) × 40%)

Note 5: Limit on endorsement/guarantee provided by TCIC to an entity was up to $995,916 thousand, which was calculated at 400% of TCIC’s net worth in the current financial statements. ($248,979 thousand (net worth as of December 31, 2021) × 400%)

Note 6: Limit on total amount of endorsement/guarantee provided by TCIC was up to $1,244,895 thousand, which was calculated at 500% of TCIC’s net worth in the current financial statements. ($248,979 thousand (net worth as of December 31, 2021) × 500%)

Note 7: Maximum balance for the period, ending balance and amount of endorsement/guarantee collateralized by properties represent the amounts of facilities, and not the amounts actually drawn.

Note 8: TCIC released its endorsement/guarantee for Redondo Peninsula Energy, Inc. on December 22, 2021.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship	Financial Statement Account	December 31, 2021				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
The Corporation	Stock							
	KADC	N/A	Financial assets at fair value through other comprehensive income	20,000	$ 256,200	8.00	$ 256,200	
	Synergy	N/A	〃	1,911	19,110	19.11	19,110	

TABLE 4

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Transaction with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total (Note 4)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note 4)	
The Corporation	TPC	A director of the Corporation	Sales (Note 1)	$ 254,512	5.70	Receivables are collected within 30 days after billing dates under agreements	-	-	$ 21,221	8.15	
SEC	TPC	A director of parent company	Sales (Note 2)	460,487	9.68	Receivables are collected within 30 days after billing dates under agreements	-	-	8,969	1.02	
	The Corporation	Parent company	Sales (Note 3)	2,996,430	62.96	Receivables are collected within 30 days after billing dates under agreements	-	-	604,254 (Note 5)	68.62	
	SSC	Subsidiary	Sales (Note 3)	347,034	7.29	Receivables are collected within 30 days after billing dates under agreements	-	-	169 (Note 5)	0.02	
MWC	TGE	Fellow subsidiary	Sales (Note 1)	284,247	99.91	Receivables are collected within 30 days after billing dates under agreements	-	-	91,258 (Note 5)	100.00	

Note 1: Sales of electricity.

Note 2: Sales of electricity and revenues from construction and operating, maintenance and consulting services.

Note 3: Revenues from construction and operating, maintenance and consulting services.

Note 4: The amount is shown as a percentage of financial statement of each entity.

Note 5: The amount was eliminated upon consolidation.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance		Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
						Amount	Action Taken		
SEC	The Corporation	Parent company	Accounts receivable	$ 604,254 (Note 2)	(Note 1)	$ -	-	$ 517,955	$ -

Note 1: Collection terms were based on each contract. Therefore, the information of turnover ratio was not applicable.

Note 2: The amount was eliminated upon consolidation.

TABLE 6

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Profit (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares (In Thousands)	%	Carrying Amount			
The Corporation	SEC	Taipei City	Undertaking and installing of power engineering projects	$ 1,550,020	$ 1,550,020	118,924 (Note 6)	100.00	$ 1,616,428	$ 284,229	$ 282,923 (Note 2)	A subsidiary (Note 8)
	TCIC	British Virgin Islands	Investment in foreign countries and international trading	685,374	685,374	22,260	100.00	248,979	(24,092)	(24,092)	A subsidiary (Note 8)
	YYC	Yilan County	Investment in geothermal power plant	153,000	153,000	15,300	51.00	151,961	15,315	7,811	A subsidiary (Note 8)
	TGE	Taipei City	Investment in green power plant	175,000	175,000	18,500 (Note 5)	100.00	203,030	16,292	16,292	A subsidiary (Note 8)
	TYC	Taoyuan City	Cogeneration plants, management of operations, maintenance of equipment	214,240	214,240	35,834	29.31	592,491	170,371	49,937	An investee of the Corporation accounted for using the equity method
	Sun Ba	Tainan City	Power generation	3,073,500	3,073,500	258,000	43.00	5,480,326	948,385	407,805	An investee of the Corporation accounted for using the equity method
	KKPC	Taoyuan City	Power generation	1,775,426	1,775,426	114,730	35.00	1,869,725	193,514	47,077 (Note 1)	An investee of the Corporation accounted for using the equity method
	SEPC	Changhua County	Power generation	1,272,500	1,272,500	121,500	40.50	2,339,732	342,781	138,827	An investee of the Corporation accounted for using the equity method
	SBPC	Taipei City	Power generation	1,409,130	1,409,130	136,200	41.27	2,163,416	61,464	25,368	An investee of the Corporation accounted for using the equity method
	MWC	Taipei City	Power generation	873,608	1,073,608	71,400 (Note 7)	100.00	1,004,722	107,502	95,089 (Note 3)	A subsidiary (Note 8)
	HML	Changhua County	Power generation	69,630	-	6,650	100.00	51,821	(17,565)	(17,809) (Note 4)	A subsidiary (Note 8)
	Chao Feng Solar Energy Co., Ltd.	Taipei City	Power generation	160,000	-	16,000	20.00	144,930	(75,344)	(15,070)	An investee of the Corporation's subsidiary accounted for using the equity method
SEC	SWC	Changhua County	Power generation	177,870	177,870	17,787	100.00	173,190	26,445	26,445	A sub-subsidiary (Note 8)
	SSC	Taipei County	Power generation	240,000	120,000	24,000	100.00	226,433	(2,083)	(2,083)	A sub-subsidiary (Note 8)
TCIC	Redondo Peninsula Energy, Inc.	Philippines	Power generation	573,165	573,165	8,446	25.00	160,376	(90,868)	(22,717)	An investee of the Corporation's subsidiary accounted for using the equity method
YYC	CGPC	Yilan County	Power generation	250,000	250,000	25,000	100.00	257,631	16,333	16,333	A sub-subsidiary (Note 8)
TGE	SKE	Taipei County	Power generation	170,000	170,000	-	100.00	180,340	8,975	8,975	A sub-subsidiary (Note 8)

Note 1: Including share of profit of $67,730 thousand and amortization of investment premium of $20,653 thousand.

Note 2: Including share of profit of $284,229 thousand and unrealized gain on construction and operating, maintenance and consulting services of $1,306 thousand.

Note 3: Including share of profit of $107,502 thousand and amortization of investment premium of $12,413 thousand.

Note 4: Including share of loss of $(17,565) thousand and amortization of investment premium of $244 thousand.

Note 5: Including capital increased by retained earnings 1,000 thousand shares.

Note 6: Including capital increased by retained earnings 10,811 thousand shares.

Note 7: Including reduction of capital by cash 20,000 thousand shares.

Note 8: The amount was eliminated upon consolidation.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms (Note 5)	% of Consolidated Operating Revenues or Total Assets (Note 3)
0	The Corporation	SEC	a	Operating, maintenance and consulting service revenue	$ 10,997	According to the general conditions	-
		SEC	a	Account receivables from related parties	2,939	According to the general conditions	-
1	SEC	The Corporation	b	Construction revenue	2,992,841	According to the general conditions	47
		The Corporation	b	Operating, maintenance and consulting service revenue	3,589	According to the general conditions	-
		The Corporation	b	Contract assets	1,198,417	According to the general conditions	5
		The Corporation	b	Account receivables from related parties	604,254	According to the general conditions	3
		SWC	c	Other receivables from related parties	7,893	According to the general conditions	-
		SSC	c	Construction revenue	346,364	According to the general conditions	5
		SSC	c	Contract assets	66,056	According to the general conditions	-
		CGPC	c	Construction revenue	32,919	According to the general conditions	1
		CGPC	c	Account receivables from related parties	96,009	According to the general conditions	-
		CGPC	c	Contract assets	33,538	According to the general conditions	-
2	MWC	TGE	c	Sales revenue	284,247	According to the general conditions	4
		TGE	c	Account receivables from related parties	91,258	According to the general conditions	-
3	SKE	TGE	c	Sales revenue	25,233	According to the general conditions	-
		TGE	c	Account receivables from related parties	4,992	According to the general conditions	-

Note 1: Significant transactions between the Corporation and its subsidiaries or among subsidiaries are numbered as follows:

a. “0” for the Corporation.
b. The subsidiaries are numbered consecutively beginning from “1” in the order presented in the table above.

Note 2: Related party transactions are divided into three categories as follows:

a. The Corporation to subsidiaries.
b. Subsidiaries to the Corporation.
c. Subsidiaries to subsidiaries.

Note 3: For assets and liabilities, amount is shown as a percentage of consolidated total assets as of December 31, 2021, while revenue, costs and expenses are shown as a percentage of consolidated revenues for the year ended December 31, 2021.

Note 4: The amount was eliminated upon consolidation.

Note 5: Payment terms were negotiated based on each contract.

TABLE 8

TAIWAN COGENERATION CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Taiwan Power Company	162,954,279	27.66

5. Individual financial statements of the previous year certified by CPA

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Taiwan Cogeneration Corporation

Opinion

We have audited the accompanying separate financial statements of Taiwan Cogeneration Corporation (the "Corporation"), which comprise the separate balance sheets as of December 31, 2021 and 2020, and the separate statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Corporation as of December 31, 2021 and 2020, and its separate financial performance and its separate cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Corporation 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. 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 judgment, were of most significance in our audit of the separate financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Corporation's separate financial statements for the year ended December 31, 2021 are described as follows:

Fair Trade Commission (FTC) Ruling, Appeal by Associates and Litigation Against Associates

Refer to Note 28.d. and e. for details of the FTC ruling, appeal by associates and litigation against associates; Note 4.l for the accounting policy on provisions; and Note 5.a. for the critical accounting judgments and key sources of estimation uncertainty.

The FTC concluded that the Corporation's associates, Sun Ba Power Corporation, Star Energy Power Corporation, Star Buck Power Corporation, and Kuo Kuang Power Company Ltd., had violated the Fair Trade Act by jointly refusing to lower power purchase electricity rates, and as a result, levied fines against these companies on which the companies filed an appeal against. As of December 31, 2021, the total levied fines amounted to NT$1,352 million.

Taiwan Power Company (TPC) concluded that it suffered losses due to such violations of the Fair Trade Act and filed a civil action against these associates. As of December 31, 2021, the claims on the civil action in progress against these associates amounted to NT$9,543 million.

After evaluation of the legal analyses made by the engaged attorneys, these associates believed they neither violated the Fair Trade Act, nor caused a loss to TPC. Therefore, provisions for the above rulings and litigations were not recognized, and the Corporation's investments in these associates and the share of profit or loss of these associates accounted for using the equity method were not affected. These associates have engaged attorneys for the appeal, administrative proceedings and civil action. The above claims, appeal and litigation are still pending, and as the amounts of the fines and claims are material to the Corporation's separate financial statements, and the outcome of these cases may change with the subsequent development of the cases, and considering the fact that the provisions involve the application of critical accounting judgments by the management, the FTC ruling, appeal by associates and litigation against the associates are considered key audit matters.

In our audit, we obtained copies of the ruling decision letter and appeal letter for the above cases, and we discussed with the Corporation's management regarding their communications with the attorneys and their evaluation of the above appeal and litigation. We sent confirmation requests to the attorneys and reviewed the description and assessment of their replies, and reviewed the latest progress of the above appeal and litigation as of the date of our report to determine whether the FTC ruling, appeal by associates and litigation against the associates have been appropriately accounted for and disclosed in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Evaluation of Profit and Loss of Construction Contracts

Refer to Note 20 for construction contracts, Note 4.m. for the accounting policies on revenue recognition of construction contracts, and Note 5.b. for the critical accounting judgments and key sources of estimation uncertainty associated with the evaluation of profit and loss of construction contracts.

The Corporation has entered into a construction contract related to large-scale offshore wind power generation in central Taiwan. The construction service revenue and construction service cost of the aforementioned contract recognized for the year ended December 31, 2021 amounted to NT$2,743,511 thousand and NT$2,729,600 thousand, respectively, representing 61% and 62% of the Corporation's operating revenue and operating costs, respectively. The percentage of completion and related profit from the construction contract were assessed and determined by the management based on the nature of activities, expected sub-contracting charges, construction periods, progress, methods, etc., and involve critical accounting judgments made by the management; thus, the evaluation of profit and loss of construction contracts is considered as one of the key audit matters.

In our audit, we visited and observed the construction site; obtained the construction contract, construction project schedules, expected total construction cost, and construction acceptance reports; verified the construction cost, the estimated remaining cost before completion, and related supporting documents on a sampling basis to evaluate the reasonableness of the method and assumptions used by the management in the calculation of the percentage of completion; recalculated the percentage of completion, construction service revenue, construction service cost, profit or loss of the construction contract, contract assets and contract liabilities for accuracy; and estimated the appropriateness of provisions.

Assessment of Impairment of Goodwill in Subsidiaries

Refer to Note 4.h. for the accounting policies of investments in subsidiaries, Note 5.e. for the critical accounting judgments and key sources of estimation uncertainty associated with the assessment of impairment of goodwill and Note 30 of the Corporation's consolidated financial statements for the details on business combinations.

The carrying amount of the Corporation's investments in subsidiaries includes the goodwill related to the acquisition of Miaoli Wind Corporation and Hamaguri Co., Ltd. as of December 31, 2021, and the carrying amount of goodwill was NT$141,014 thousand.

The Corporation's management entrusted external independent appraisers to issue the impairment of goodwill test report and evaluated whether goodwill is impaired based on the appraisal results of the report in accordance with IAS 36 "Impairment of Assets". As goodwill is tested for impairment regularly, estimation of its future recoverable amount involves assumptions of accounting estimates, including the valuation model, key parameter settings, future cash flows and the use of discount rates, and may affect the balance of investments accounted for using the equity method and share of profit and loss of subsidiaries in the financial statements; thus, the assessment of impairment of goodwill is considered as one of the key audit matters.

We evaluated the competence, objectivity and professional qualifications of the external independent appraisers entrusted by the management, and discussed with the management and reviewed the scope and content of the external independent appraisers' work to ensure that there were no matters affecting its objectivity or limiting its scope. We also entrusted our internal experts to perform related procedures to evaluate the reasonableness of the major assumptions and valuation method used in the impairment of goodwill test report issued by the external independent appraisers.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the separate 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 Corporation'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 Corporation’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 separate 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 Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate 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 Corporation to express an opinion on the separate 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 2021 separate financial statements 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.

The engagement partners on the audits resulting in this independent auditors' report are Jui-Hsuan Ho and Chao-Mei Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2022

Notice to Readers

The accompanying separate financial statements are intended only to present the separate financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such separate financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying separate financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and separate financial statements shall prevail.

TAIWAN COGENERATION CORPORATION

SEPARATE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 1,309,686	7	$ 828,727	4
Contract assets (Notes 4, 18 and 20)	1,065,014	6	1,082,900	6
Notes receivable from related parties (Notes 4, 20 and 27)	-	-	293	-
Accounts receivable (Notes 4, 7 and 20)	225,684	1	302,403	2
Accounts receivable from related parties (Notes 4, 20 and 27)	34,834	-	36,249	-
Finance lease receivables (Notes 4, 8 and 27)	10,552	-	10,017	-
Other receivables (Notes 4 and 27)	1,171	-	60,920	-
Current income tax assets (Note 22)	6,811	-	1,473	-
Inventories (Notes 4 and 9)	13,187	-	7,485	-
Prepaid value-added tax	8,319	-	-	-
Other current assets	2,174	-	2,544	-
Total current assets	2,677,432	14	2,333,011	12
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 5, 10 and 26)	275,310	2	249,200	1
Investments accounted for using the equity method (Notes 4, 5, 11 and 28)	15,867,561	82	15,550,070	83
Property, plant and equipment (Notes 4 and 12)	383,819	2	396,458	2
Right-of-use assets (Notes 4 and 13)	49,942	-	63,759	1
Computer software cost (Note 4)	9,125	-	2,452	-
Deferred income tax assets (Notes 4 and 22)	78,270	-	89,129	1
Long-term finance lease receivables (Notes 4, 8 and 27)	22,344	-	31,528	-
Refundable deposits	5,760	-	5,760	-
Total non-current assets	16,692,131	86	16,388,356	88
TOTAL	$ 19,369,563	100	$ 18,721,367	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bills payable (Note 14)	$ 499,614	3	$ -	-
Contract liabilities (Notes 4, 18 and 20)	-	-	201,814	1
Notes payable	-	-	5,588	-
Accounts payable	125,027	1	56,813	-
Construction costs payable	156,944	1	-	-
Construction costs payable to related parties (Note 27)	1,801,718	9	1,582,931	9
Accounts payable to related parties (Note 27)	1,158	-	1,158	-
Other payables (Notes 16 and 27)	94,276	-	100,457	1
Current income tax liabilities (Notes 4 and 22)	-	-	6,128	-
Lease liabilities (Notes 4 and 13)	27,794	-	26,252	-
Other current liabilities	680	-	668	-
Total current liabilities	2,707,211	14	1,981,809	11
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 14)	2,165,000	11	2,005,000	11
Bonds payable (Note 15)	2,497,255	13	2,496,630	13
Lease liabilities (Notes 4 and 13)	55,535	-	79,371	-
Net defined benefit liabilities (Notes 4 and 17)	99,201	1	101,822	1
Guarantee deposits received	13,888	-	6,152	-
Total non-current liabilities	4,830,879	25	4,688,975	25
Total liabilities	7,538,090	39	6,670,784	36
EQUITY (Note 19)				
Share capital				
Ordinary shares	5,890,486	30	5,890,486	31
Capital surplus	499,694	3	499,694	3
Retained earnings				
Legal reserve	1,644,763	8	1,537,858	8
Special reserve	2,823,917	15	2,890,684	16
Unappropriated earnings	961,235	5	1,196,864	6
Total retained earnings	5,429,915	28	5,625,406	30
Other equity	11,378	-	34,997	-
Total equity	11,831,473	61	12,050,583	64
TOTAL	$ 19,369,563	100	$ 18,721,367	100

The accompanying notes are an integral part of the separate financial statements.

TAIWAN COGENERATION CORPORATION

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 20 and 27)				
Sales	$ 778,934	17	$ 797,718	20
Construction services	3,640,251	82	3,101,678	79
Consulting services	45,462	1	39,914	1
Total operating revenue	4,464,647	100	3,939,310	100
OPERATING COSTS (Notes 21 and 27)				
Cost of sales	775,354	17	576,691	15
Construction services	3,575,922	80	3,083,561	78
Consulting services	36,316	1	33,164	1
Total operating costs	4,387,592	98	3,693,416	94
GROSS PROFIT	77,055	2	245,894	6
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	29,367	-	29,367	1
REALIZED GROSS PROFIT	106,422	2	275,261	7
OPERATING EXPENSES (Notes 21 and 27)	195,456	4	170,259	4
(LOSS) PROFIT FROM OPERATIONS	(89,034)	(2)	105,002	3
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 27)	330	-	1,961	-
Other income (Notes 21 and 27)	30,132	-	19,736	-
Other gains and losses (Note 21)	(6,918)	-	(1,258)	-
Finance costs (Note 21)	(38,761)	(1)	(36,625)	(1)
Share of profit of subsidiaries and associates accounted for using the equity method (Note 11)	1,014,158	23	1,005,226	26
Total non-operating income and expenses	998,941	22	989,040	25
PROFIT BEFORE INCOME TAX	909,907	20	1,094,042	28
INCOME TAX EXPENSE (Notes 4 and 22)	(12,023)	-	(25,495)	(1)
NET PROFIT	897,884	20	1,068,547	27

(Continued)

TAIWAN COGENERATION CORPORATION

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 17)	$ (5,032)	-	$ 993	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	7,000	-	(18,400)	-
Share of remeasurement of defined benefit plans of subsidiaries and associates accounted for using the equity method	(1,618)	-	(296)	-
Share of unrealized gain on investments in equity instruments at fair value through other comprehensive income of associates accounted for using the equity method	16,557	-	35,323	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 22)	1,006	-	(199)	-
	17,913	-	17,421	1
Items that may be reclassified subsequently to profit or loss:				
Share of exchange differences on translation of the financial statements of foreign operations of subsidiaries accounted for using the equity method	(15,715)	-	888	-
Other comprehensive income, net of income tax	2,198	-	18,309	1
TOTAL COMPREHENSIVE INCOME	$ 900,082	20	$ 1,086,856	28
EARNINGS PER SHARE (Note 23)				
Basic	$1.52		$1.81	
Diluted	$1.52		$1.81	

The accompanying notes are an integral part of the separate financial statements. (Concluded)

TAIWAN COGENERATION CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2020	$ 5,890,486	$ 499,694	$ 1,428,312	$ 2,947,108	$ 1,182,324	$ (55,813)	$ 72,999	$ 11,965,110
Appropriation of 2019 earnings								
Legal reserve	-	-	109,546	-	(109,546)	-	-	-
Reversal of special reserve	-	-	-	(56,424)	56,424	-	-	-
Cash dividends - NT$1.7 per share	-	-	-	-	(1,001,383)	-	-	(1,001,383)
	-	-	109,546	(56,424)	(1,054,505)	-	-	(1,001,383)
Net profit for the year ended December 31, 2020	-	-	-	-	1,068,547	-	-	1,068,547
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	498	888	16,923	18,309
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	1,069,045	888	16,923	1,086,856
BALANCE AT DECEMBER 31, 2020	5,890,486	499,694	1,537,858	2,890,684	1,196,864	(54,925)	89,922	12,050,583
Appropriation of 2020 earnings								
Legal reserve	-	-	106,905	-	(106,905)	-	-	-
Reversal of special reserve	-	-	-	(66,767)	66,767	-	-	-
Cash dividends - NT$1.9 per share	-	-	-	-	(1,119,192)	-	-	(1,119,192)
	-	-	106,905	(66,767)	(1,159,330)	-	-	(1,119,192)
Disposal of investments in equity instruments at fair value through other comprehensive income by associates	-	-	-	-	31,461	-	(31,461)	-
Net profit for the year ended December 31, 2021	-	-	-	-	897,884	-	-	897,884
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	(5,644)	(15,715)	23,557	2,198
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	892,240	(15,715)	23,557	900,082
BALANCE AT DECEMBER 31, 2021	$ 5,890,486	$ 499,694	$ 1,644,763	$ 2,823,917	$ 961,235	$ (70,640)	$ 82,018	$ 11,831,473

The accompanying notes are an integral part of the separate financial statements.

TAIWAN COGENERATION CORPORATION

SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 909,907	$ 1,094,042
Adjustments for:		
Depreciation expense	48,386	45,393
Amortization expense	2,696	1,387
Interest expense	38,709	36,547
Interest income	(330)	(1,961)
Dividend income	(8,000)	(8,000)
Share of profit of subsidiaries and associates accounted for using the equity method	(1,014,158)	(1,005,226)
Unrealized loss (gain) on foreign currency exchange	1,014	(96)
Realized gain on transactions with subsidiaries and associates	(29,367)	(29,367)
Loss from lease modifications	7	-
Changes in operating assets and liabilities		
Contract assets	17,886	(1,082,900)
Notes receivable from related parties	293	827
Notes receivable	-	92,122
Accounts receivable	76,719	(149,514)
Accounts receivable from related parties	1,415	2,796
Other receivables	(272)	4,425
Inventories	(5,702)	(1,310)
Prepaid construction costs	-	463,528
Other current assets	370	(738)
Prepaid value-added tax	(8,319)	-
Contract liabilities	(201,814)	(247,741)
Notes payable	(5,588)	(6,458)
Accounts payable	68,214	(10,493)
Construction costs payable	375,731	1,434,514
Other payables	(6,648)	9,048
Other current liabilities	12	72
Net defined benefit liabilities	(7,653)	1,605
Cash generated from operations	253,508	642,502
Interest received	331	1,999
Dividends received	762,888	929,627
Interest paid	(37,181)	(29,778)
Income tax paid	(11,624)	(7,281)
Net cash generated from operating activities	967,922	1,537,069
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income (Note 10)	(19,110)	-
Acquisition of investments accounted for using the equity method (Note 11)	(229,630)	(1,163,608)
Payments for property, plant and equipment (Note 24)	(18,646)	(23,014)

(Continued)

TAIWAN COGENERATION CORPORATION

SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Payments for computer software	$ (9,369)	$ (1,046)
Increase in refundable deposits	-	(33)
Decrease (increase) in other receivables from related parties	60,020	(60,020)
Decrease in finance lease receivables	10,365	10,198
Net cash used in investing activities	(206,370)	(1,237,523)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bills payable	499,171	-
Proceeds from issuance of bonds	-	2,496,394
Proceeds from long-term borrowings	6,790,000	10,830,000
Repayments of long-term borrowings	(6,630,000)	(12,125,000)
Increase (decrease) in guarantee deposits received	7,736	(2,555)
Repayments of the principal portion of lease liabilities	(27,294)	(27,196)
Dividends paid to owners of the Corporation	(1,119,192)	(1,001,383)
Reduction of capital of subsidiary	200,000	-
Net cash (used in) generated from financing activities	(279,579)	170,260
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(1,014)	96
NET INCREASE IN CASH AND CASH EQUIVALENTS	480,959	469,902
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	828,727	358,825
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,309,686	$ 828,727

The accompanying notes are an integral part of the separate financial statements. (Concluded)

TAIWAN COGENERATION CORPORATION

NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taiwan Cogeneration Corporation (the "Corporation") was established by Taiwan Power Corporation (TPC) and several local companies on May 7, 1992. The Corporation's shares were traded on the Taipei Exchange from May 8, 2000 to August 24, 2003 and its listing was transferred to the Taiwan Stock Exchange on August 25, 2003. The Corporation is engaged in the following businesses:

a. Engineering, planning, design, procurement, installation, construction and financial planning of cogeneration systems, and environmental protection and procurement of fuel for cogeneration systems and related businesses;

b. Operation and management of cogeneration plants;

c. Research and development, technical services and consultation services related to cogeneration;

d. Manufacture, assembly, sale, lease, installation, and repair of cogeneration equipment;

e. Investment in cogeneration plants and trading of related equipment;

f. Businesses with respect to power generation other than utility; and

g. Electric equipment installation.

2. APPROVAL OF FINANCIAL STATEMENTS

The separate financial statements were approved by the board of directors on March 16, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Corporation's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2022

New, Amended or Revised Standards and Interpretations (The "New IFRSs")	Effective Date Announced by the International Accounting Standards Board (IASB)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendment to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendment to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the separate financial statements were authorized for issue, the initial application of the above New IFRSs did not have any material impact on the Corporation's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the separate financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the convenience of readers, the accompanying separate financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language separate financial statements shall prevail.

a. Statement of compliance

The separate financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The separate financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing the separate financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit, other comprehensive income and total equity in the separate financial statements to be the same as the amounts attributable to the owner of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the separate basis and the consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and associates accounted for using the equity method, share of other comprehensive income of subsidiaries and associates accounted for using the equity method, and related equity items, as appropriate, in the separate financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include cash, cash equivalents and assets that are expected to be converted into cash or consumed within one year from the balance sheet date; assets other than current assets are non-current assets. Current liabilities include liabilities incurred for trading purposes and obligations that are expected to be settled within one year from the balance sheet date; liabilities other than current liabilities are non-current liabilities. However, the operating cycle of the construction business is longer than one year (normally two to three years); thus, assets and liabilities related to the construction business are classified as either current or non-current based on the operating cycle.

d. Foreign currencies

Foreign currency transactions other than non-derivative financial instruments are translated into the functional currency using the exchange rate at the transaction date. When foreign currency assets and liabilities are translated or settled, the gains or losses arising from exchange rate changes, if any, are recognized in profit or loss. The ending balance of foreign currency assets and liabilities are translated using the prevailing exchange rates. Exchange differences arising thereof, if any, are recognized in profit or loss.

The financial statements of the Corporation's foreign investments accounted for using the equity method prepared in their functional currencies are translated into New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the year; equity is translated using historical exchange rates. Exchange differences arising thereof, if any, are recognized in other comprehensive income.

e. Impairment of financial assets

Accounts receivable and contract assets are assessed for impairment using the expected credit loss model at the end of each reporting period.

The Corporation's policy is to always recognize lifetime Expected Credit Loss (ECL) on accounts receivable. For contract assets, the Corporation recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on contract assets has not increased significantly since initial recognition, the Corporation measures the loss allowance for contract assets at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. An impairment loss is recognized with a corresponding adjustment to the carrying amount through a loss allowance account.

f. Inventories

Inventories include raw materials, and are stated at the lower of weighted average cost and net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items.

g. Financial assets at fair value through other comprehensive income

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at fair value through other comprehensive income (FVTOCI). Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

h. Investments accounted for using the equity method

The Corporation uses the equity method to account for its investments in subsidiaries and associates. Under the equity method, investments in subsidiaries and associates are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of profit or loss and other comprehensive income or loss of the subsidiaries and associates. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries and associates. When an indication of impairment is identified in an investment, a loss is recognized.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of subsidiaries and associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit.

Unrealized profit or loss resulting from downstream transactions are eliminated in full only in the Corporation's separate financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries are recognized in the Corporation's separate financial statements only to the extent of interests in the subsidiaries of entities that are not related to the Corporation.

Profits and losses resulting from upstream transactions, downstream transactions and transactions between associates are recognized in the Corporation's separate financial statements only to the extent of interests in the associates of entities that are not related to the Corporation.

i. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Major additions, replacements and improvements are capitalized; while maintenance and repairs are expensed currently.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives which range as follows: Buildings, 15 to 50 years; machinery and equipment, 3 to 30 years; other equipment, 3 to 8 years; leasehold improvements, lease terms. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of property, plant and equipment, the related cost and accumulated depreciation and impairment loss are deducted from the accounts and the resulting gains or losses are included in profit or loss.

j. Intangible assets

Computer software is amortized on a straight-line basis over 2 to 6 years.

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of assets

When the carrying amount of an asset (mainly including property, plant and equipment, right-of-use assets and intangible assets) exceeds its recoverable amount, the excess is recognized as an impairment loss. A reversal of the impairment loss is recognized if there is a subsequent recovery in the value of the asset. However, the carrying amount after reversal cannot exceed the original cost less accumulated depreciation or amortization.

l. Provisions

A provision shall be recognized when the Corporation has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

m. Revenue recognition

Sales of energy are determined based on customers' monthly consumption of power, steam, hot water and ice water generated by the cogeneration system.

Revenue from consulting services is recognized when services are provided.

For construction contracts where the construction is in progress, the Corporation recognizes revenue over time. The Corporation measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfaction of the performance obligations. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognized to date, the Corporation recognizes a contract liability for the difference. Retention monies held by the customer based on the terms stated in the construction contract are intended to ensure that the Corporation adequately completes all its contractual obligations. Such retention receivables are recognized as contract assets until the Corporation satisfies its performance obligations.

Revenue is measured at the fair value of the consideration received or receivable from customers. When the consideration is in the form of receivables that are collectible within one year, the difference between the fair value and the nominal amount of the consideration is insignificant, and the revenue transactions are frequent, the fair value of the consideration need not be determined by discounting all future cash receipts using an imputed rate of interest.

n. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

1) The Corporation as a lessor

   Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Corporation subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Corporation, as a lessee, accounted for by applying the recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus initial direct costs and is presented as a finance lease receivable.

2) The Corporation as a lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the separate balance sheets except for those that meet the definition of investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Corporation is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the separate balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities are recognized as employee benefits expense in the period in which they occur, when the plan amendment, curtailment or settlement occurs. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Corporation's defined benefit plans.

p. Taxation

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

1) Current income tax

Current income tax liabilities are determined based on current taxable income. Taxable income is different from the profit before income tax on the separate statement of comprehensive income for the reason that certain revenue and expenses are taxable or deductible items in other periods, or not taxable or deductible items according to the Income Tax Act. The Corporation's current income tax liabilities are calculated by the legislated tax rate on the balance sheet date.

According to the Income Tax Act, an additional tax on undistributed earnings is provided for as income tax in the year the shareholders resolve to retain the earnings as, prior to the shareholders' meeting, the status of appropriations of earnings is uncertain.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred income tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable income. Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred income tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the liabilities are settled or the assets are realized, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

3) Current and deferred income tax for the year

Current income tax and deferred income tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current income tax and deferred income tax are also recognized in other comprehensive income.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Corporation considers the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flows, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Fair Trade Act ruling, appeal and litigation against associates

The Fair Trade Commission (FTC) concluded that the independent power producers (IPPs) violated the Fair Trade Act and levied fines against the Corporation's associates. As a result, these associates filed petitions and administrative proceedings; see Note 28.d. for the detailed information. Since TPC concluded that these associates had violated the Fair Trade Act with concerted action and caused a loss to TPC, TPC filed a civil action to claim compensation for the loss. See Note 28.e. for the detailed information. The aforementioned petitions, administrative proceedings, and civil action are still pending; results of the cases may vary depending on the subsequent development of the cases.

b. Evaluation of profit and loss on the construction contracts

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of the contract is measured based on the proportion of actual costs incurred relative to the total expected costs. Variations in contract work, claims and incentives are included in contract revenue to the extent that the amount can be measured reliably and its receipt is considered probable.

The expected total costs and contract items are assessed and determined by the management based on the nature of activities, expected sub-contracting charges, construction periods, processes, methods, etc. for each construction contract. Changes in the estimates might affect the calculation of the percentage of completion and related profits from construction contracts.

c. Fair value measurement of shares that have no active markets

The Corporation invested in unlisted shares that have no active markets; the fair value of such shares is measured based on estimated future cash flows discounted at the current market rate of return. Any change in judgement and estimation may affect the measurement of fair value.

d. The Corporation being the single largest shareholder with less than 50% ownership in its significant investees and judged to have no control but only significant influence over them

   As stated in Note 11, the Corporation is the largest single shareholder of Sun Ba Power Corporation (Sun Ba), Star Energy Power Corporation (SEC) and Star Buck Power Corporation (SBPC) with 43%, 40.50% and 41.27% of ownership of the investees, respectively. However, according to the articles of incorporation of the investees, certain material events of the investees shall be approved by the vote of a certain number of members of the board of directors; therefore, the Corporation cannot direct the relevant activities of the investees and does not control them. Management of the Corporation considered the Corporation as exercising significant influence over the investees and therefore, classified them as associates of the Corporation.

e. Impairment of goodwill included in the investments in subsidiaries

   Determining whether the goodwill included in the investments in subsidiaries is impaired requires an allocation of goodwill to the Corporation's cash-generating units that are expected to benefit from the synergies of the combination, and an estimation of the value in use of the cash-generating units. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or a change in facts and circumstances results in a downward revision of future cash flows or an upward revision of the discount rate, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	**2020**
Cash on hand	$ 570	$ 520
Checking accounts and demand deposits	1,309,116	813,967
Cash equivalents		
Time deposits	-	14,240
	$ 1,309,686	$ 828,727

Cash equivalents include time deposits which are highly liquid, readily convertible into a known amount of cash and subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

The market interest rates of cash in bank at the end of the reporting periods were as follows:

	December 31	
	2021	**2020**
Demand deposits	0%-0.05%	0.005%-0.05%
Time deposits	-	0.22%

7. ACCOUNTS RECEIVABLE

	December 31	
	2021	**2020**
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 225,684	$ 302,403

The average credit period ranges from 30 to 60 days. The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all notes receivable and accounts receivable. The expected credit losses on notes receivable and accounts receivable are individually estimated by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The Corporation did not recognize an allowance for impairment loss against all of the accounts receivable because lifetime ECL through individually assessed receivables indicated that all of the accounts receivable are collectible.

The aging analysis of accounts receivable based on the invoice date was as follows:

	December 31	
	2021	**2020**
Up to 60 days	$ 225,684	$ 302,403

8. FINANCE LEASE RECEIVABLES

	December 31	
	2021	**2020**
Undiscounted lease payments		
Year 1	$ 10,817	$ 10,370
Year 2	10,817	10,370
Year 3	10,817	10,370
Year 4	928	10,370
Year 5	-	882
	33,379	42,362
Less: Unearned finance income	(483)	(817)
Lease payments receivables	$ 32,896	$ 41,545
Net investment in leases presented as finance lease receivables	$ 32,896	$ 41,545
Finance lease receivables - current	$ 10,552	$ 10,017
Finance lease receivable - non-current	$ 22,344	$ 31,528

The Corporation subleased its leasehold office premises to its associates since February 2017 with fixed annual lease payments referenced in the head lease agreement. As the Corporation subleased the leasehold office premises for all of the remaining lease term of the head lease, the sublease contracts were classified as finance leases. The interest rates inherent in the leases were fixed at the contract dates for the entire term of the lease. The contracted average effective interest rate was approximately 1.10%.

Subsequently, at the end of the lease term in February 2020, the Corporation renewed the head lease agreement with annual fixed payments. As the Corporation subleased the leasehold office premises for all of the remaining lease term of the head lease (5 years), the sublease contracts were classified as finance leases. The interest rates implicit in the leases were fixed at the contract dates for the entire term of the lease. The implicit interest rate was approximately 0.98%.

The Corporation measured the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2021, no finance lease receivable was past due. The Corporation did not recognize a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held.

9. INVENTORIES

	December 31	
	2021	2020
Raw materials	$ 13,187	$ 7,485

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2021	2020
Non-current		
Domestic investments		
Unlisted shares		
Kaohsiung Arena Development Corporation (KADC)	$ 256,200	$ 249,200
Synergy Co., Ltd. (Synergy)	19,110	-
	$ 275,310	$ 249,200

The investment in KADC is held for medium to long-term strategic purposes, and the Corporation acquired ordinary shares of Synergy of $19,110 thousand in October 2021. Accordingly, the management elected to designate this investment in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

Refer to Note 26 for fair value information relating to financial assets at FVTOCI.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in subsidiaries	$ 3,276,941	$ 3,168,639
Investments in associates	12,590,620	12,381,431
	$ 15,867,561	$ 15,550,070

Investments in Subsidiaries

	December 31	
	2021	2020
Unlisted shares		
Star Energy Corporation (SEC)	$ 1,616,428	$ 1,439,603
Taiwan Cogeneration International Corporation (TCIC)	248,979	288,786
Yi Yuan Corporation (YYC)	151,961	143,879
TCC Green Energy Corporation (TGE)	203,030	186,738
Miaoli Wind Corporation (MWC)	1,004,722	1,109,633
Hamaguri Corporation (HML)	51,821	-
	$ 3,276,941	$ 3,168,639

On March 30, 2020, the Corporation participated in a capital raising of TGE, and increased its investment in TGE by $90,000 thousand. Subsequently, on March 31, 2020, the Corporation participated in a capital raising of SKE through TGE, and increased its investment in SKE by $90,000 thousand.

On September 23, 2020, SEC increased its investment in SSC by $73,000 thousand and completed the establishment of SSC. SEC owned 100% equity interest in SSC.

In order to expand the renewable energy business, on June 29, 2020, the Corporation acquired a 100% equity interest in MWC for $733,608 thousand. Subsequently, on July 15, 2020, the Corporation participated in the capital increase of MWC, and increased its investment by $340,000 thousand. On December 27, 2021, MWC returned its capital of $200,000 thousand to the Corporation. Refer to Note 30 of the Corporation's consolidated financial statements for the details on business combinations.

In order to expand the renewable energy business, on March 10, 2021, the Corporation acquired a 100% equity interest in HML for $69,630 thousand (US$2,500 thousand). Refer to Note 30 of the Corporation's consolidated financial statements for the details on business combinations.

The Corporation's share of profit or loss in its subsidiaries accounted for using the equity method is as follows:

	For the Year Ended December 31	
	2021	2020
SEC	$ 282,923	$ 279,956
MWC	95,089	36,025
TGE	16,292	11,236
YYC	7,811	2,120
HML	(17,809)	-
TCIC	(24,092)	(5,181)
	$ 360,214	$ 324,156

The proportion of ownership and voting rights of the investments in subsidiaries at the balance sheet date were summarized as follows:

	December 31	
	2021	2020
SEC	100.00%	100.00%
TCIC	100.00%	100.00%
YYC	51.00%	51.00%
TGE	100.00%	100.00%
MWC	100.00%	100.00%
HML	100.00%	-

TCIC established a branch in the Philippines mainly to expand the local engineering business.

Refer to Table 6 for the nature of activities, principal places of business and countries of incorporation of the subsidiaries.

The share of profit or loss and other comprehensive income of the investments in subsidiaries accounted for using the equity method for the years ended December 31, 2021 and 2020 was based on the subsidiaries' financial statements audited by independent auditors for the same years.

Investments in Associates

	December 31	
	2021	2020
Material associates		
Ta-Yuan Cogeneration Company (TYC)	$ 592,491	$ 578,231
Sun Ba	5,480,326	5,352,348
SEPC	2,339,732	2,327,357
SBPC	2,163,416	2,189,637
Kuo Kuang Power Company Ltd. (KKPC)	1,869,725	1,933,858
	12,445,690	12,381,431
Associates that are not individually material	144,930	-
	$ 12,590,620	$ 12,381,431

The share of profit or loss of associates accounted for using the equity method is as follows:

	For the Year Ended December 31	
	2021	2020
Sun Ba	$ 407,805	$ 334,649
SEPC	138,827	120,827
TYC	49,937	53,408
KKPC	47,077	70,117
SBPC	25,368	102,069
Associates that are not individually material	(15,070)	-
	$ 653,944	$ 681,070

a. Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2021	**2020**
TYC	29.31%	29.31%
Sun Ba	43.00%	43.00%
SEPC	40.50%	40.50%
SBPC	41.27%	41.27%
KKPC	35.00%	35.00%

Refer to Table 6 for the nature of activities, principal places of business and countries of incorporation of the associates.

The market value of the investment in TYC, which was based on its closing price at the balance sheet date, was as follows:

	December 31	
Name of Associate	**2021**	**2020**
TYC	$ 1,139,516	$ 1,118,015

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Corporation for equity accounting purposes.

TYC

	December 31	
	2021	**2020**
Current assets	$ 1,148,317	$ 1,034,798
Non-current assets	3,267,568	3,301,155
Current liabilities	(388,410)	(1,813,129)
Non-current liabilities	(1,983,531)	(533,049)
Equity	2,043,944	1,989,775
Non-controlling interests	-	-
	$ 2,043,944	$ 1,989,775
Proportion of the Corporation's ownership	29.31%	29.31%
Equity attributable to the Corporation	$ 599,095	$ 583,217
Unrealized gain with associates	(6,604)	(4,986)
Carrying amount	$ 592,491	$ 578,231

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 1,997,736	$ 1,842,558
Net profit	$ 170,371	$ 182,213
Other comprehensive income	54,955	120,361
Total comprehensive income	$ 225,326	$ 302,574
Dividends received from TYC	$ 50,167	$ 39,418

Sun Ba

	December 31	
	2021	2020
Current assets	$ 2,902,942	$ 3,888,438
Non-current assets	13,078,951	11,116,932
Current liabilities	(2,050,249)	(1,364,851)
Non-current liabilities	(1,063,463)	(1,058,708)
Equity	12,868,181	12,581,811
Non-controlling interests	-	-
	$ 12,868,181	$ 12,581,811
Proportion of the Corporation’s ownership	43.00%	43.00%
Equity attributable to the Corporation	$ 5,533,318	$ 5,410,178
Unrealized gain with associates	(55,079)	(59,917)
Goodwill	2,087	2,087
Carrying amount	$ 5,480,326	$ 5,352,348

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 11,015,174	$ 8,975,507
Net profit	$ 948,385	$ 778,253
Other comprehensive (loss) income	(2,014)	1,429
Total comprehensive income	$ 946,371	$ 779,682
Dividends received from Sun Ba	$ 283,800	$ 361,200

SEPC

	December 31	
	2021	2020
Current assets	$ 1,727,988	$ 1,744,742
Non-current assets	5,802,149	6,309,253
Current liabilities	(1,042,482)	(1,156,114)
Non-current liabilities	(540,288)	(967,408)
Equity	5,947,367	5,930,473
Non-controlling interests	-	-
	$ 5,947,367	$ 5,930,473
Proportion of the Corporation's ownership	40.50%	40.50%
Equity attributable to the Corporation	$ 2,408,685	$ 2,401,842
Unrealized gain with associates	(68,953)	(74,485)
Carrying amount	$ 2,339,732	$ 2,327,357

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 5,225,265	$ 4,692,940
Net profit	$ 342,781	$ 298,339
Other comprehensive (loss) income	(1,887)	1,590
Total comprehensive income	$ 340,894	$ 299,929
Dividends received from SEPC	$ 131,220	$ 123,930

SBPC

	December 31	
	2021	2020
Current assets	$ 1,449,005	$ 868,887
Non-current assets	8,735,340	9,169,493
Current liabilities	(902,852)	(872,573)
Non-current liabilities	(3,457,185)	(3,231,618)
Equity	5,824,308	5,934,189
Non-controlling interests	-	-
	$ 5,824,308	$ 5,934,189
Proportion of the Corporation's ownership	41.27%	41.27%
Equity attributable to the Corporation	$ 2,403,851	$ 2,449,202
Unrealized gain with associates	(240,435)	(259,565)
Carrying amount	$ 2,163,416	$ 2,189,637

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 3,009,267	$ 4,782,266
Net profit	$ 61,464	$ 247,305
Other comprehensive income	255	588
Total comprehensive income	$ 61,719	$ 247,893
Dividends received from SBPC	$ 70,824	$ 164,802

On January 24, 2021, a fire broke out in Star Buck Power Plant of SBPC; as a result, SBPC had a significant decrease in operating revenue in 2021 compared with 2020.

KKPC

	December 31	
	2021	2020
Current assets	$ 1,659,440	$ 1,579,690
Non-current assets	5,121,269	5,757,123
Current liabilities	(875,598)	(846,939)
Non-current liabilities	(802,585)	(1,263,120)
Equity	5,102,526	5,226,754
Non-controlling interests	-	-
	$ 5,102,526	$ 5,226,754
Proportion of the Corporation's ownership	35.00%	35.00%
Equity attributable to the Corporation	$ 1,785,884	$ 1,829,364
Goodwill	19,304	19,304
Investment premium	64,537	85,190
Carrying amount	$ 1,869,725	$ 1,933,858

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 4,497,318	$ 4,127,031
Net profit	$ 193,514	$ 259,345
Other comprehensive (loss) income	(1,273)	583
Total comprehensive income	$ 192,241	$ 259,928
Dividends received from KKPC	$ 110,764	$ 126,722

The Corporation is the largest single shareholder of Sun Ba, SEPC, and SBPC with 43%, 40.50%, and 41.27% of ownership of the investees, respectively. However, according to the articles of incorporation of the investees, certain material events of the investees shall be approved by the vote of a certain number of members of the directors of the board of each investee; therefore, the Corporation cannot direct the relevant activities of the investees and does not control them. Management of the Corporation considered the Corporation as exercising significant influence over the investees and therefore, classified them as associates of the Corporation.

b. Aggregate information of associates that are not individually material

	December 31	
	2021	**2020**
The Corporation's share of:		
Net loss	$ (15,070)	$ -
Total comprehensive loss	$ (15,070)	$ -

In February 2021, the Corporation participated in the capital increase of Chao Feng Solar Energy Co., Ltd. for $160,000 thousand and acquired a 20% equity interest in it in order to continue the expansion of the Corporation's activities in the solar photovoltaic business.

The amounts of the share of profit or loss and other comprehensive income of the investments in associates accounted for using the equity method for the years ended December 31, 2021 and 2020 were based on the associates' financial statements audited by independent auditors for the same years.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Other Equipment	Leasehold Improvements	Total
Cost						
Balance at January 1, 2021	$ 214,502	$ 78,954	$ 1,894,282	$ 55,003	$ 19,463	$ 2,262,204
Additions	-	-	1,250	17,267	129	18,646
Disposals	-	-	-	(41)	-	(41)
Balance at December 31, 2021	214,502	78,954	1,895,532	72,229	19,592	2,280,809
Accumulated depreciation						
Balance at January 1, 2021	-	60,573	1,754,127	31,891	19,155	1,865,746
Depreciation expense	-	1,896	17,678	11,601	110	31,285
Disposals	-	-	-	(41)	-	(41)
Balance at December 31, 2021	-	62,469	1,771,805	43,451	19,265	1,896,990
Carrying amount at December 31, 2021	$ 214,502	$ 16,485	$ 123,727	$ 28,778	$ 327	$ 383,819
Cost						
Balance at January 1, 2020	$ 214,502	$ 78,954	$ 1,884,552	$ 48,498	$ 19,463	$ 2,245,969
Additions	-	-	9,730	8,034	-	17,764
Disposals	-	-	-	(1,529)	-	(1,529)
Balance at December 31, 2020	214,502	78,954	1,894,282	55,003	19,463	2,262,204
Accumulated depreciation						
Balance at January 1, 2020	-	58,676	1,736,568	24,843	19,069	1,839,156
Depreciation expense	-	1,897	17,559	8,577	86	28,119
Disposals	-	-	-	(1,529)	-	(1,529)
Balance at December 31, 2020	-	60,573	1,754,127	31,891	19,155	1,865,746
Carrying amount at December 31, 2020	$ 214,502	$ 18,381	$ 140,155	$ 23,112	$ 308	$ 396,458

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	Buildings	Transportation Equipment	Other Equipment	Total
Cost				
Balance at January 1, 2021	$ 74,277	$ 6,509	$ 724	$ 81,510
Additions	824	4,176	-	5,000
Disposals	(1,716)	(3,056)	-	(4,772)
Balance at December 31, 2021	73,385	7,629	724	81,738
Accumulated depreciation				
Balance at January 1, 2021	13,576	3,910	265	17,751
Depreciation expense	14,505	2,451	145	17,101
Disposals	-	(3,056)	-	(3,056)
Balance at December 31, 2021	28,081	3,305	410	31,796
Carrying amount at December 31, 2021	$ 45,304	$ 4,324	$ 314	$ 49,942
Cost				
Balance at January 1, 2020	$ 13,855	$ 4,887	$ 724	$ 19,466
Additions	74,277	2,145	-	76,422
Disposals	(13,855)	(523)	-	(14,378)
Balance at December 31, 2020	74,277	6,509	724	81,510
Accumulated depreciation				
Balance at January 1, 2020	12,763	1,971	121	14,855
Depreciation expense	14,668	2,462	144	17,274
Disposals	(13,855)	(523)	-	(14,378)
Balance at December 31, 2020	13,576	3,910	265	17,751
Carrying amount at December 31, 2020	$ 60,701	$ 2,599	$ 459	$ 63,759

b. Lease liabilities

	December 31	
	2021	2020
Carrying amount		
Current	$ 27,794	$ 26,252
Non-current	$ 55,535	$ 79,371

As of December 31, 2021 and 2020, the ranges of discount rates for lease liabilities were both 0.98%-1.10%.

c. Subleases

Refer to Note 8 for the information on the Corporation’s sublease transactions.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	$ 1,684	$ -
Expenses relating to low-value asset leases	$ 140	$ 37
Total cash outflow for leases	$ (29,686)	$ (27,870)

The Corporation's leases of certain buildings and transportation equipment qualified as short-term leases and certain other equipment qualified as low-value asset leases. The Corporation has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. BORROWINGS

a. Short-term bills payable

	December 31	
	2021	2020
Commercial paper	$ 500,000	$ -
Less: Unamortized discounts on bills payable	(386)	-
	$ 499,614	$ -

On August 12, 2021, the Corporation signed a non-guaranteed commercial paper underwriting agreement with a bills finance company. The Corporation could issue a non-guaranteed commercial paper (up to 90 days) on a revolving basis during the period of 4 years effective from August 16, 2021. The total underwriting amount is $500 million. The interest rate of the short-term bills payable was 0.64% on December 31, 2021.

b. Long-term borrowings

	December 31	
	2021	2020
Revolving unsecured borrowings		
Revolving through January 2024	$ 725,000	$ -
Revolving through July 2023	290,000	-
Revolving through July 2023	500,000	-
Revolving through September 2023	500,000	-
Revolving through August 2023	150,000	-
Revolving through September 2022	-	1,000,000
Revolving through September 2022	-	500,000
Revolving through December 2022	-	475,000
Revolving through September 2022	-	30,000
	2,165,000	2,005,000
Less: Current portion	-	-
	$ 2,165,000	$ 2,005,000

The Corporation's revolving unsecured borrowings are to be utilized on a revolving basis during the credit period according to the repayment schedule negotiated with banks.

The ranges of interest rates on long-term borrowings at the end of the reporting periods were as follows:

	December 31	
	2021	**2020**
Revolving unsecured borrowings	0.75%-0.76%	0.80%-0.81%

15. BONDS PAYABLE

	December 31	
	2021	**2020**
Domestic unsecured bonds	$ 2,500,000	$ 2,500,000
Less: Unamortized issuance cost	(2,745)	(3,370)
	$ 2,497,255	$ 2,496,630

On August 14, 2020, the Corporation issued unsecured bonds at par value for a total of $2,500 million, which comprise bond A - $1,900 million of 5-year bonds with annual coupon rate of 0.75% and bond B - $600 million of 10-year bonds with annual coupon rate of 1%. Both types of bonds have bullet repayment terms, where simple interest is paid on an annual basis and the principal is repaid at maturity. The trustee of the bonds is Bank SinoPac Company Limited.

16. OTHER PAYABLES

	December 31	
	2021	**2020**
Payables for compensation of employees and remuneration of directors	$ 39,721	$ 41,136
Payables for salaries and bonuses	21,632	20,603
Payables for interest	8,861	8,394
Payables for compensated absences	7,208	7,046
Payables for professional fees	3,624	3,800
Payables for business tax	-	13,889
Others	13,230	5,589
	$ 94,276	$ 100,457

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts equal to 6.5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name.

Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in a one-time appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the separate balance sheets in respect of the Corporation's defined benefit plan were as follows:

	December 31	
	2021	**2020**
Present value of defined benefit obligation	$ 196,828	$ 200,219
Fair value of plan assets	(97,627)	(98,397)
Deficit	99,201	101,822
Net defined benefit liabilities	$ 99,201	$ 101,822

Movements in net defined benefit liabilities were as follows:

	Present Value of Defined Benefit Obligation	**Fair Value of Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2020	$ 199,139	$ (97,929)	$ 101,210
Service cost			
Current service cost	4,266	-	4,266
Net interest expense (income)	1,467	(721)	746
Recognized in profit or loss	5,733	(721)	5,012
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,271)	(3,271)
Actuarial loss - changes in demographic assumptions	555	-	555
Actuarial loss - changes in financial assumptions	5,501	-	5,501
Actuarial income - experience adjustments	(3,778)	-	(3,778)
Recognized in other comprehensive income or loss	2,278	(3,271)	(993)
Contributions from employers	-	(3,407)	(3,407)
Benefits paid	(6,931)	6,931	-
	(6,931)	3,524	(3,407)
Balance at December 31, 2020	$ 200,219	$ (98,397)	$ 101,822

(Continued)

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	$ 200,219	$ (98,397)	$ 101,822
Service cost			
Current service cost	3,943	-	3,943
Net interest expense (income)	970	(491)	479
Recognized in profit or loss	4,913	(491)	4,422
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,285)	(1,285)
Actuarial loss - changes in demographic assumptions	5,969	-	5,969
Actuarial loss - experience adjustments	348	-	348
Recognized in other comprehensive income or loss	6,317	(1,285)	5,032
Contributions from employers	(8,909)	(3,166)	(12,075)
Benefits paid	(15,712)	5,712	-
	(14,621)	2,546	(12,075)
Balance at December 31, 2021	$ 196,828	$ (97,627)	$ 99,201

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan were as follows:

	For the Year Ended December 31	
	2021	2020
Operating costs	$ 2,451	$ 2,607
Operating expenses	$ 1,971	$ 2,405

Through the defined benefit plan under the Labor Standards Act, the Corporation is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government/corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan’s debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	**2020**
Discount rate	0.50%	0.50%
Expected rate of salary increase	3.00%	3.00%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2021	**2020**
Discount rate		
0.25% increase	$ (5,396)	$ (5,505)
0.25% decrease	$ 5,599	$ 5,724
Expected rate of salary increase/decrease		
0.25% increase	$ 5,376	$ 5,496
0.25% decrease	$ (5,211)	$ (5,317)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

An analysis of the average duration of the defined benefit obligation was as follows:

	December 31	
	2021	**2020**
Expected contributions to the plan for the next year	$ 3,197	$ 3,165
Average duration of the defined benefit obligation	11.2 years	11.4 years

18. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The operating cycle of the Corporation's construction business is longer than one year; thus, assets and liabilities related to the construction business are classified as either current or non-current based on the operating cycle. The amounts expected to be recovered or settled within one year after the reporting period and more than one year after the reporting period for related assets and liabilities were as follows:

December 31, 2021

	Within One Year	**More than One Year**	**Total**
Assets			
Contract assets	$ 884,759	$ 180,255	$ 1,065,014

December 31, 2020

	Within One Year	More than One Year	Total
Assets			
Contract assets	$ 1,082,900	$ -	$ 1,082,900
Liabilities			
Contract liabilities	$ 201,814	$ -	$ 201,814

19. EQUITY

a. Share capital

	December 31	
	2021	2020
Number of authorized ordinary shares (in thousands)	800,000	800,000
Amount of authorized ordinary shares	$ 8,000,000	$ 8,000,000
Number of issued and fully paid ordinary shares (in thousands)	589,049	589,049
Amount of issued and fully paid ordinary shares	$ 5,890,486	$ 5,890,486

A holder of issued ordinary shares with par value of $10 is entitled to vote and to receive dividends.

b. Capital surplus

	December 31	
	2021	2020
Issuance of ordinary shares	$ 460,000	$ 460,000
Conversion of bonds	32,494	32,494
Share options	7,200	7,200
	$ 499,694	$ 499,694

The capital surplus generated from shares issued in excess of par (including additional paid-in capital from issuance of common shares and conversion of bonds) may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be transferred to share capital or distributed in cash. Capitalization of such capital surplus is limited to once a year and a certain prescribed percentage of the Corporation's paid-in capital.

The capital surplus generated from share options may not be used for any purpose except for offsetting a deficit.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Corporation's current Articles of Incorporation (the "Articles"), where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan where not less than 70% of distributable retained earnings shall be distributed; the plan should be resolved in the shareholders' meeting for distribution of dividends to shareholders. For the policies on the distribution of the compensation of employees and remuneration of directors, please refer to Note 21.f.

The Corporation adopted a balanced dividend policy, where dividends are distributed in the form of both cash and shares, out of which cash dividends shall not be less than 20% of the total dividends distributed. However, the ratio of cash dividends may be reduced to less than 20%, which should be resolved by the shareholders, if the expenditure for a new important investment plan reaches $300 million or above and the Corporation is unable to obtain other funds to meet the cash needs of the plan.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2020 and 2019, which were resolved in the shareholders' meetings on July 30, 2021 and June 22, 2020, respectively, were as follows:

	Appropriation of Earnings	
	2020	**2019**
Legal reserve	$ 106,905	$ 109,546
Reversal of special reserve	(66,767)	(56,424)
Cash dividends	1,119,192	1,001,383
Cash dividends per share (NT$)	1.9	1.7

The reversal of the special reserve in 2020 was the reversal amount voluntarily set aside in accordance with the Company Act in prior years.

The reversal of the special reserve in 2019 was the reversal amount of $52,191 thousand voluntarily set aside in accordance with the Company Act in prior years, and the reversal amount of $4,233 thousand was set aside in accordance with the Securities and Exchange Act in 2018.

The appropriations of earnings for 2021 had been proposed by the Corporation's board of directors on March 16, 2022. The appropriations and dividends per share were as follows:

	Appropriation of Earnings
	2021
Legal reserve	$ 92,370
Reversal of special reserve	(201,972)
Cash dividends	1,030,835
Cash dividends per share (NT$)	1.75

The appropriations of earnings for 2021 are subject to the resolution of the shareholders in their meeting to be held on May 31, 2022.

20. REVENUES

	For the Year Ended December 31	
	2021	2020
Revenues from contracts with customers		
Sales		
Sales of electricity	$ 540,560	$ 542,650
Sales of steam	238,029	254,684
Others	345	384
	778,934	797,718
Construction services	3,640,251	3,101,678
Consulting services	45,462	39,914
	$ 4,464,647	$ 3,939,310

a. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable (including related parties)	$ -	$ 293	$ 93,242
Accounts receivable (including related parties)	$ 260,518	$ 338,652	$ 191,934
Contract asset			
Construction contracts	$ 1,065,014	$ 1,082,900	$ -
Contract liabilities			
Construction contracts	$ -	$ 201,814	$ 449,555

The changes in the contract liability balances primarily resulted from the timing difference between the Corporation's satisfaction of performance obligations and the customer's payment.

The Corporation measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the corresponding invoice is billed to the customer, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Corporation concluded that the expected loss rates for trade receivables can be applied to the contract assets. The Corporation did not recognize an allowance for impairment loss against all of the contract assets.

b. The revenues of the Corporation's Guantian cogeneration plant and the segment of research, consulting and construction services are mainly due to sales from the cogeneration plant and revenue from consulting and construction services.

21. NET PROFIT

a. Other income

	For the Year Ended December 31	
	2021	2020
Dividend income	$ 8,000	$ 8,000
Compensation income	7,800	-
Others (Note 27)	14,332	11,736
	$ 30,132	$ 19,736

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Foreign exchange gain	$ 1,509	$ 2,241
Foreign exchange loss	(8,420)	(3,500)
Others	(7)	1
	$ (6,918)	$ (1,258)

c. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bonds payable	$ 20,874	$ 7,930
Interest on bank loans	15,976	27,980
Interest on commercial paper	1,291	-
Interest on lease liabilities	568	637
Others	52	78
	$ 38,761	$ 36,625

d. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 31,285	$ 28,119
Right-of-use assets	17,101	17,274
Intangible assets	2,696	1,387
	$ 51,082	$ 46,780
An analysis of depreciation by function		
Operating costs	$ 26,990	$ 25,403
Operating expenses	21,396	19,990
	$ 48,386	$ 45,393

(Continued)

	For the Year Ended December 31	
	2021	2020
An analysis of amortization by function		
Operating costs	$ 157	$ 159
Operating expenses	2,539	1,228
	$ 2,696	$ 1,387

(Concluded)

e. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Post-employment benefits		
Defined contribution plan	$ 4,156	$ 3,696
Defined benefit plan	4,422	5,012
	8,578	8,708
Short-term benefits	210,735	201,076
Total employee benefits expense	$ 219,313	$ 209,784
An analysis of employee benefits expense by function		
Operating costs	$ 96,816	$ 88,625
Operating expenses	122,497	121,159
	$ 219,313	$ 209,784
Short-term benefits		
Wages and salaries	$ 186,212	$ 178,596
Labor and health insurance	12,116	10,595
Other employee benefits	12,407	11,885
	$ 210,735	$ 201,076

f. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates not less than 0.5% and not higher than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. The compensation of employees and remuneration of directors and supervisors for the years ended December 31, 2021 and 2020, which had been resolved by the Corporation's board of directors on March 16, 2022 and March 19, 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	2020
Employees' compensation	$ 30,225	$ 30,852
Remuneration of directors	9,496	10,284

If there is a change in the proposed amount after the annual separate financial statements were authorized for issue, the difference is recorded as a change in accounting estimate.

There was no difference between the above resolved amounts and the respective amounts recognized in the separate financial statements for the years ended December 31, 2020 and 2019.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAX

a. Major components of income tax recognized in profit or loss

	For the Year Ended December 31	
	2021	2020
Current income tax		
In respect of the current year	$ -	$ 13,409
Adjustments for prior years	158	4
	158	13,413
Deferred income tax		
In respect of the current year	11,865	12,082
Income tax expense recognized in profit or loss	$ 12,023	$ 25,495

A reconciliation of profit before income tax and income tax expense is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before income tax	$ 909,907	$ 1,094,042
Income tax expense calculated at the statutory rate	$ 181,981	$ 218,809
Non-taxable income and non-deductible expenses in determining taxable income	(209,091)	(203,682)
Changes in unrecognized loss carryforwards and deductible temporary differences	38,975	10,364
Adjustments for prior years' tax	158	4
Income tax expense recognized in profit or loss	$ 12,023	$ 25,495

b. Major components of income tax (benefit) expense recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred income tax		
In respect of the current year		
Remeasurement of defined benefit plan	$ (1,006)	$ 199

c. Current income tax assets and liabilities

	December 31	
	2021	2020
Current income tax assets		
Income tax refund receivable	$ 6,811	$ 1,473
Current income tax liabilities		
Income tax payable	$ -	$ 6,128

d. Movements of deferred income tax assets

For the year ended December 31, 2021

Deferred income tax assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary differences				
Unrealized gain on transactions with associates	$ 67,033	$ (5,872)	$ -	$ 61,161
Loss on investments accounted for using the equity method	4,721	(4,721)	-	-
Defined benefit obligation	17,381	(1,531)	1,006	16,856
Allowance for loss on inventories	13	37	-	50
Others	(19)	222	-	203
	$ 89,129	$ (11,865)	$ 1,006	$ 78,270

For the year ended December 31, 2020

Deferred income tax assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary differences				
Unrealized gain on transactions with associates	$ 72,907	$ (5,874)	$ -	$ 67,033
Loss on investments accounted for using the equity method	11,009	(6,288)	-	4,721
Defined benefit obligation	17,259	321	(199)	17,381
Allowance for loss on inventories	-	13	-	13
Others	235	(254)	-	(19)
	$ 101,410	$ (12,082)	$ (199)	$ 89,129

e. Deductible temporary differences and unused loss carryforwards for which no deferred income tax assets have been recognized in the separate balance sheets

	December 31 2021	December 31 2020
Loss carryforwards		
Expiry in 2031	$ 134,316	$
Deductible temporary differences		
Loss on investments accounted for using the equity method	$ 394,498	$ 346,802
Deferred interest expense	241,538	228,676
	$ 636,036	$ 575,478

f. Income tax assessment

The income tax returns of the Corporation through 2019 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Basic earnings per share (NT$)	$ 1.52	$ 1.81
Diluted earnings per share (NT$)	$ 1.52	$ 1.81

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit

	For the Year Ended December 31	
	2021	2020
Earnings used in the computation of basic earnings per share	$ 897,884	$ 1,068,547
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Earnings used in the computation of diluted earnings per share	$ 897,884	$ 1,068,547

Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	589,049	589,049
Effect of potentially dilutive ordinary shares		
Compensation of employees	966	1,032
Weighted average number of ordinary shares used in the computation of diluted earnings per share	590,015	590,081

The Corporation may to settle compensation of employees paid in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. PARTIAL CASH TRANSACTIONS

For the years ended December 31, 2021 and 2020, the Corporation entered into the following partial cash investing activities which were not reflected in the separate statements of cash flows:

	For the Year Ended December 31	
	2021	2020
Investing activities affecting both cash and non-cash items		
Acquisition of property, plant and equipment	$ 18,646	$ 17,764
Change in payable for equipment	-	7,560
Change in prepayment for equipment	-	(2,310)
Cash payments	$ 18,646	$ 23,014

25. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure the Corporation will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Corporation's overall strategy remains unchanged within the last 5 years.

The capital structure of the Corporation consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Corporation (comprising ordinary shares, capital surplus, retained earnings and other equity).

Key management personnel of the Corporation review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to stockholders, the number of new shares issued of repurchased, and/or the amount of new debt issued or existing debt redeemed.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Management believes the carrying amounts of the financial assets and financial liabilities not carried at fair value are approximately at their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	$ -	$ -	$ 275,310	$ 275,310

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	$ -	$ -	$ 249,200	$ 249,200

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2021

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	$ 249,200
Purchases	19,110
Recognized in other comprehensive income	7,000
Ending balance	$ 275,310

For the year ended December 31, 2020

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	$ 267,600
Recognized in other comprehensive income	(18,400)
Ending balance	$ 249,200

3) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

The fair value of domestic unlisted equity securities was determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee. The significant unobservable inputs used are listed in the table below. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in the weighted average cost of capital (WACC) or discount for lack of marketability used in isolation would result in increases in fair value.

	December 31	
	2021	2020
Long-term revenue growth rates	0%-2.51%	0%-2.51%
Long-term pre-tax operating margin	40.93%-41.90%	40.59%-41.93%
WACC	10.91%	9.23%
Discount for lack of marketability	16.65%	15.21%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the equity investments would have increased (decreased) as follows:

	December 31	
	2021	2020
Long-term revenue growth rate		
1% increase	$ 27,400	$ 27,200
1% decrease	$ (26,400)	$ (26,200)
WACC		
0.5% increase	$ (23,200)	$ (25,400)
0.5% decrease	$ 26,800	$ 29,800

c. Categories of financial instruments

	December 31	
	2021	2020
Financial assets		
Financial assets measured at amortized cost (Note 1)	$ 1,577,135	$ 1,234,352
Financial assets at FVTOCI	275,310	249,200
Financial liabilities		
Measured at amortized cost (Note 2)	7,282,916	6,168,952

Note 1: The balances include financial assets measured at amortized cost, which comprised cash and cash equivalents, notes receivable from related parties, accounts receivable, accounts receivable from related parties, other receivables and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term bills payable, notes payable, accounts payable, construction costs payable, construction costs payable to related parties, other payables, guarantee deposits received, bonds payable and long-term borrowings. However, short-term employee benefits payable and payable for business tax are not included.

d. Financial risk management objectives and policies

The Corporation's financial risk management objectives are to manage the market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk with respect to the Corporation's operations. To lower the financial risks, the Corporation seeks to identify, evaluate, and avoid market uncertainty, to minimize the potential unfavorable impact on the Corporation due to market volatility.

The Corporation's important financial activities are reviewed by the board of directors in accordance with related regulations and internal control systems. The Corporation shall follow the overall guidelines for financial risk management and segregation of duties with respect to financial operating procedures.

1) Market risk

a) Foreign currency risk

Refer to Note 30 for the carrying amounts of the Corporation's significant monetary assets and monetary liabilities denominated in non-functional foreign currencies.

Sensitivity analysis

The Corporation is mainly exposed to the U.S. dollar and the Euro.

The following table details the Corporation's sensitivity to a 1% increase and decrease in its functional currency against the relevant foreign currencies. A positive number below indicates a decrease in profit before income tax associated with the functional currency strengthening 1% against the relevant foreign currency. For a 1% weakening of the functional currency, there would be an equal and opposite impact on profit before income tax, and the balances below would be negative.

	December 31	
	2021	**2020**
Profit or loss		
USD	$ (590)	$ 29
EUR	1,058	44

b) Interest rate risk

The carrying amounts of the Corporation's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period, were as follows:

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 32,896	$ 55,785
Financial liabilities	3,080,198	2,602,253
Cash flow interest rate risk		
Financial assets	1,308,164	813,192
Financial liabilities	2,165,000	2,005,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Corporation's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease in interest rates was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

As of December 31, 2021 and 2020, the Corporation's borrowings with floating interest rates amounted to $2,165,000 thousand and $2,005,000 thousand, respectively. If interest rates had been 1% higher and all other variables were held constant, the Corporation's profit before income tax for the years ended December 31, 2021 and 2020 would have decreased by $21,650 thousand and $20,050 thousand, respectively.

2) Credit risk

Credit risk represents the potential loss that would be incurred by the Corporation if the counterparties or third parties breached the contracts. Contracts with positive fair values at the balance sheet date are evaluated for credit risk. The Corporation only transacts with financial institutions and companies with good credit ratings; thus, no material credit risk is anticipated.

3) Liquidity risk

The Corporation manages liquidity risk by maintaining adequate cash in banks and banking facilities, and continuously monitoring forecast and actual cash flows as well as matching the maturity profiles of financial assets and liabilities. As of December 31, 2021 and 2020, the available unutilized bank loan facilities were $4,497,570 thousand and $4,018,023 thousand, respectively.

The following tables detail the Corporation's remaining contractual maturities of its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay.

December 31, 2021

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Short-term bills payable	$ 500,000	$ -	$ -	$ -	$ 500,000
Non-interest bearing liabilities	2,121,047	-	-	-	2,121,047
Lease liabilities	28,462	53,843	2,230	-	84,535
Long-term borrowings	-	2,165,000	-	-	2,165,000
Bonds payable	20,250	40,500	1,920,836	621,721	2,603,307
	$ 2,669,759	$ 2,259,343	$ 1,923,066	$ 621,721	$ 7,473,889

December 31, 2020

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Non-interest bearing liabilities	$ 1,667,322	$ -	$ -	$ -	$ 1,667,322
Lease liabilities	27,146	52,734	27,794	-	107,674
Long-term borrowings	-	2,005,701	-	-	2,005,701
Bonds payable	20,250	40,500	1,935,086	627,721	2,623,557
	$ 1,714,718	$ 2,098,935	$ 1,962,880	$ 627,721	$ 6,404,254

27. RELATED PARTY TRANSACTIONS

Besides as disclosed elsewhere in the other notes, details of significant transactions between the Corporation and its related parties were disclosed below:

a. Related parties and relationships

Related Party	Relationship with the Corporation
TPC	Investor with significant influence over the Corporation
SEC	Subsidiary
YYC	Subsidiary
TGE	Subsidiary
MWC	Subsidiary
HML	Subsidiary
Chingshuei Geothermal Power Corporation (CGPC)	Second-tier subsidiary
SKE	Second-tier subsidiary
Star Wind Corporation (SWC)	Second-tier subsidiary
SSC	Second-tier subsidiary
TYC	Associate
Sun Ba	Associate
SEPC	Associate
KKPC	Associate
SBPC	Associate
Shinlee Product Inc. (Shinlee)	Associate (no longer a related party since February 2021)

b. Operating transactions

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Sales	Investors with significant influence over the Corporation		
	TPC	$ 254,512	$ 287,560
Consulting service revenue	Subsidiaries		
	SEC	$ 10,997	$ 10,465
	Others	7,157	1,887
		18,154	12,352
	Second-tier subsidiaries		
	CGPC	1,302	2,980
	Others	706	480
		2,008	3,460
	Associates		
	SEPC	9,470	10,026
	SBPC	7,503	7,451
	Sun Ba	7,177	5,198
	Others	10	427
		24,160	23,102
		$ 44,322	$ 38,914
Cost of sales	Investors with significant influence over the Corporation		
	TPC	$ 29,264	$ 29,143
Construction cost	Subsidiaries		
	SEC	$ 2,992,841	$ 3,081,742
Consulting service cost	Subsidiaries		
	SEC	$ 162	$ -
Operating expenses	Subsidiaries		
	SEC	$ 3,427	$ 549

The above transactions with related parties were negotiated based on the contract.

c. Non-operating transactions

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Other income	Subsidiaries		
	SEC	$ 1,105	$ 928
	Associates		
	TYC	3,666	2,360
	Sun Ba	2,419	898
	KKPC	2,192	2,210
	SEPC	1,890	2,124
	SBPC	1,767	1,779
		11,934	9,371
		$ 13,039	$ 10,299

The above transactions with related parties were negotiated based on the contract.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2021	2020
Notes receivable from related parties	Associates		
	Sun Ba	$ -	$ 293
Accounts receivable from related parties	Investors with significant influence over the Corporation		
	TPC	$ 21,221	$ 24,804
	Subsidiaries		
	Others	4,168	3,741
	Second-tier subsidiaries		
	Others	217	80
	Associates		
	Others	9,228	7,624
		$ 34,834	$ 36,249
Other receivables from related parties	Subsidiaries		
	Others	$ -	$ 20
	Associates		
	TYC	1,171	880
		$ 1,171	$ 900

The outstanding receivables from related parties were unsecured. For the years ended December 31, 2021 and 2020, no impairment loss was recognized on receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Accounts payable to related parties	Investors with significant influence over the Corporation		
	TPC	$ 1,158	$ 1,158
Construction costs payable from related parties	Subsidiaries		
	SEC	$ 1,801,718	$ 1,582,931
Other payables to related parties	Subsidiaries		
	MWC	$ 3,198	$ -
	HML	2,400	-
	SEC	953	220
		$ 6,551	$ 220

The outstanding payables to related parties were unsecured.

f. Sublease arrangements

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Finance lease receivables	Subsidiaries		
	SEC	$ 328	$ 650
	Associates		
	Sun Ba	4,493	3,736
	SBPC	2,934	2,861
	SEPC	2,503	2,479
		9,930	9,076
		$ 10,258	$ 9,726
Long-term finance lease receivables	Subsidiaries		
	SEC	$ 694	$ 2,046
	Associates		
	Sun Ba	9,510	11,755
	SBPC	6,217	9,009
	SEPC	5,302	7,806
		21,029	28,570
		$ 21,723	$ 30,616

For the years ended December 31, 2021 and 2020, no impairment loss was recognized for finance lease receivables. Refer to Note 8 for information about sublease arrangements.

g. Loans to related parties

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Other receivables from related parties	Subsidiaries		
	MWC	$ -	$ 50,018
	TGE	-	10,002
		$ -	$ 60,020

		For the Year Ended December 31 2021	For the Year Ended December 31 2020
Interest income	Subsidiaries		
	MWC	$ 82	$ 350
	TGE	17	2
		$ 99	$ 352

The Corporation provided unsecured loans to subsidiaries at the interest rate of 0.81%. The loans were fully recovered in 2021 and no expected credit loss was recognized.

h. Endorsement/guarantee

The Company provided endorsement/guarantee for the long-term guaranteed loans of CGPC; as of December 31, 2021 and 2020, the amount of the endorsement/guarantee was both $204,000 thousand, and the actual amount utilized was $191,250 thousand and $204,000 thousand, respectively.

i. Remuneration of key management personnel

	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Short-term employee benefits	$ 30,762	$ 31,573
Post-employment benefits	1,252	1,817
	$ 32,014	$ 33,390

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

28. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Corporation as of December 31, 2021 were as follows:

a. Construction projects undertaken by the Corporation include an engineering, procurement and construction turnkey contract about onshore export cables, cable culverts and onshore substations in offshore wind farms entered into by the Corporation with Orsted Taiwan Limited on November 6, 2018, with a contract amount of about $5,386,686 thousand plus EUR39,756 thousand. As of December 31, 2021, commitments for construction projects undertaken had an aggregate amount of approximately $1,842,586 thousand.

b. Commitments for construction expenditure and purchase of equipment were approximately $3,174,898 thousand.

c. Under a Coal Purchase Agreement, the Corporation shall purchase 26 thousand tons of coal based on an agreed price.

d. On March 15, 2013, the FTC fined Sun Ba, SEPC, SBPC, and KKPC $530 million, $430 million, $130 million and $410 million, respectively, for violation of the Fair Trade Act (Original FTC Ruling). After evaluation of the legal analyses made by engaged attorneys regarding the Original FTC Ruling, these corporations believed they and other IPPs are not competitors but, even if they are not competitors, they did not jointly refuse to lower the power purchase electricity rates and affect the power supply and demand in the market ("concerted action"). These corporations appealed the Original FTC Ruling to the Petitions and Appeals Committee of the Executive Yuan (PACEY) to protect their own benefits. On September 12, 2013, the PACEY made a decision to revoke the fine mentioned above and ordered FTC to review and reconsider the case according to applicable laws; the other matters of the appeals were dismissed.

   1) On November 5, 2013, the FTC ruled an amended fine of $500 million, $400 million, $100 million and $380 million, respectively, against Sun Ba, SEPC, SBPC, and KKPC (Second FTC Ruling). These corporations made appeals for revocation of the amended fine. On May 9, 2014, the PACEY made a decision on the administrative appeals of these corporations, revoked the Second FTC Ruling, and requested FTC to reconsider the fine according to applicable laws within two months. On July 9, 2014, the FTC ruled an amended fine of $489 million, $392 million, $100 million and $371 million, respectively, against Sun Ba, SEPC, SBPC, and KKPC (Third FTC Ruling). These corporations appealed the Third FTC Ruling to the PACEY for revocation of the amended fine. In December 2014, the PACEY notified these corporations that the proceedings for the appeal were postponed and the appeal is subject to the ruling to be made by the Supreme Administrative Court.

   2) These corporations petitioned to the Taipei High Administrative Court for revocation of the Original FTC Ruling and the decision made by the PACEY regarding the concerted action. On October 29, 2014, the Taipei High Administrative Court revoked the Original FTC Ruling and revoked the decision made by the PACEY on September 12, 2013 regarding the concerted action. On November 27, 2014, the FTC appealed the case to the Supreme Administrative Court. In June 2015, the Supreme Administrative Court (SAC) recognized that there are questionable points in the case that need clarification and the original ruling of the Taipei High Administrative Court (THAC) was not supported with clear evidence. The Supreme Administrative Court revoked the original ruling and requested the Taipei High Administrative Court to reconsider the ruling according to applicable laws. On May 25, 2017, the Taipei High Administrative Court revoked the FTC's Ruling with respect to the above alleged concerted action. On June 22, 2017, the FTC appealed the case to the Supreme Administrative Court. On August 23 and September 6, 2018, the Supreme Administrative Court revoked the original ruling and requested the Taipei High Administrative Court to reconsider the ruling according to applicable laws, respectively. On May 13, 2020, the THAC revoked again the FTC Ruling with respect to the above alleged concerted actions. In June 2020, the FTC appealed for the transfer of the case to the SAC, and this case has been transferred to the SAC accordingly.

e. TPC concluded that IPPs violated the Fair Trade Act with concerted action and caused a loss to TPC. In September 2015, TPC filed administrative proceedings in the Taipei High Administrative Court and filed a civil action in the Taipei District Court to claim compensation for the loss. As of December 31, 2021, the closing administrative proceedings and civil action in progress were as follows:

   1) TPC filed administrative proceedings in the Taipei High Administrative Court to claim compensation in the amount of $4,400 million, $2,500 million, $200 million, and $2,400 million against Sun Ba, SEPC, SBPC, and KKPC, respectively. Subsequently, TPC filed an expanded appeal to claim additional compensation against these corporations. The total claim for compensation against Sun Ba, SEPC, SBPC and KKPC was $8,660 million, $4,990 million, $623 million and $4,890 million, respectively. Afterwards, TPC filed an amended appeal against SBPC on February 14, 2020, with the total claim for compensation against SBPC reduced to $380 thousand. The Taipei High Administrative Court considered these cases as private disputes and transferred these cases to the Taipei District Court. TPC appealed the ruling to the Supreme Administrative Court. However, the Supreme Administrative Court ruled to dismiss TPC's appeal. These cases have been transferred to the Taipei District Court accordingly. On August 9 and September 5, 2018, the case between SEPC and FTC and the case between KKPC and FTC, respectively, were postponed by the Taipei District Court until the administrative proceedings in the Taiwan High Administrative Court with respect to the alleged concerted action are concluded. However, TPC subsequently withdraw its persecution in June and August 2020. Thus, the case was deemed an action never initiated.

   2) TPC filed a civil action in the Taipei District Court to claim $4,257 million, $2,489 million, $307 million, and $2,490 million against Sun Ba, SEPC, SBPC, and KKPC, respectively. On February 8, 2018, the Taipei District Court ruled to dismiss TPC's civil action against SBPC. On March 5, 2018, TPC appealed this case to the Taiwan High Court. Afterwards, on June 14, 2018, the Taiwan High Court ruled to postpone this case until the administrative proceedings between SBPC and FTC in the Supreme Administrative Court with respect to the alleged concerted action are concluded. Thereafter, on August 1, 2019, in order to avoid repeating trials of the same facts of the same case that will result in a waste of judicial resources, the Taiwan High Court, within its power and authority, revoked its previous ruling that suspended the proceedings. TPC appealed the ruling to the Taiwan High Court. However, the Supreme Administrative Court ruled to dismiss TPC's appeal on December 11, 2019, and the case is under trial proceedings in the Taiwan High Court. On June 19, 2018, the Taipei District Court ruled to dismiss TPC's civil action against Sun Ba, SEPC and KKPC. On July 13, 2018, TPC appealed this case to the Taiwan High Court. After about three years of trial procedures, in the Taiwan High Court (THC), THC ruled to dismiss TPC's appeal and additional claim on November 9, 2021. On December 13, 2021, TPC appealed this case to the Supreme Court, and this case had been transferred to the Supreme Court accordingly.

   These corporations have engaged attorneys for the above claims. Whether these corporations are liable for the damages depends on the judgment by the court.

29. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As stated in Note 11, in order to expand in the solar photovoltaic business, the Corporation signed an investment agreement with the original shareholders of Chao Feng Solar Energy Co. In February 2021, the Corporation participated in the capital increase of Chao Feng Solar Energy Co., Ltd. for $160,000 thousand and acquired a 20% equity interest in it. Due to the Corporation and the shareholder not being able to agree on the terms of the investment agreement, according to the agreement, the shareholder bought back the 20% equity interest in Chao Feng Solar Energy Co. held by the Corporation at the original price and completed the equity-settlement on March 4, 2022.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the functional currencies of the Corporation, and the exchange rates between the foreign currencies and the respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 1,112	27.68	$ 30,789
EUR	3,377	31.32	105,773
JPY	1,370	0.2405	330
			$ 136,892
Non-monetary items			
Investments accounted for using the equity method			
USD	8,995	27.68	$ 248,979
Foreign currency liabilities			
Monetary items			
USD	3,238	27.68	$ 89,752

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 811	28.48	$ 23,110
EUR	127	35.02	4,445
JPY	1,370	0.2763	378
			$ 27,933
Non-monetary items			
Investments accounted for using the equity method			
USD	10,140	28.48	$ 288,786
Foreign currency liabilities			
Monetary items			
USD	707	28.48	$ 20,252

The significant realized and unrealized foreign exchange losses were as follows:

	For the Year Ended December 31			
	2021		2020	
Foreign Currency	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Loss
USD	28.009 (USD:NTD)	$ 527	29.549 (USD:NTD)	$ (1,401)
EUR	33.16 (EUR:NTD)	$ (7,389)	33.71 (EUR:NTD)	$ 125

31. SEPARATELY DISCLOSED ITEMS

Except for those disclosed in the attached Tables 1 to 6, there were no other significant transactions, information on investees, and information on investments in mainland China that were required for disclosure. Refer to the attached Table 7 for information of major shareholders.

TAIWAN COGENERATION CORPORATION

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Note 3)	Actual Amount Borrowed (Note 3)	Interest Rate (%)	Nature of Financing (Note 4)	Business Transaction Amount (Note 5)	Reasons for Short-term Financing (Note 6)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 8)	Aggregate Financing Limit (Note 7)	Note
													Item	Value			
0	The Corporation	MWC	Other receivables from related parties	Y	$ 200,000	$ -	$ -	-	The need for short-term financing	$ -	Retirement of loans	$ -	-	$ -	$ 2,366,295	$ 4,732,589	
		SEC	Other receivables from related parties	Y	300,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,366,295	4,732,589	
		TGE	Other receivables from related parties	Y	50,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,366,295	4,732,589	
1	SEC	SWC	Other receivables from related parties	Y	68,000	68,000	-	-	The need for short-term financing	-	Retirement of loans, operating capital	-	-	-	323,315	646,630	

Note 1: The Corporation and its investees are numbered as follows:

a. “0” for the Corporation.
b. Investees are numbered from “1”.

Note 2: The receivables from associates, receivables from related parties, shareholder accounts, prepayments, temporary payments and others as stated shall be filled in if they are classified as financing.

Note 3: Maximum balance for the year and ending balance represent the amounts of facilities, and not the amounts actually drawn.

Note 4: The nature of financing should be specified if it is for business transactions or short-term financing needs.

Note 5: If the nature of financing is for business transactions, the amount of business transactions should be specified. The amount of business transactions shall be the amount of business conducted between the lender and the borrower in the most recent year.

Note 6: If the loan is necessary for short-term financing, the reasons and the beneficiary of financing and the use of the fund should be specified, such as: retirement of loans, procurement of equipment, and operating capital.

Note 7: Limit on total amount of financing provided by the Corporation and its subsidiaries to entities was $4,732,589 thousand, which was calculated at 40% of the Corporation’s net worth in the current financial statements. ($11,831,473 thousand (net worth as of December 31, 2021) *40%)
Limit on total amount of financing provided by SEC and its subsidiaries to entities was $646,630 thousand, which was calculated at 40% of SEC’s net worth in the current financial statements. ($1,616,576 thousand (net worth as of December 31, 2021) *40%)

Note 8: Financing limit for each borrower was $2,366,295 thousand, which was calculated at 20% of the Corporation’s net worth in the current financial statements. ($11,831,473 thousand (net worth as of December 31, 2021) *20%)
Financing limit for each borrower was $323,315 thousand, which was calculated at 20% of the SEC’s net worth in the current financial statements. ($1,616,576 thousand (net worth as of December 31, 2021) *20%)

TABLE 2

TAIWAN COGENERATION CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Provided to Each Guaranteed Party	Maximum Balance for the Period (Note 7)	Ending Balance (Note 7)	Actual Amount Drawn (Note 7)	Amount of Endorsement/ Guarantee Collateralized by Properties (Note 7)	Ratio of Accumulated Endorsement/ Guarantee to Net Worth in Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	The Corporation	CGPC	b	$ 2,957,868 (Note 3)	$ 204,000	$ 204,000	$ 191,250	$ -	1.72%	$ 4,732,589 (Note 4)	Y	N	N
1	TCIC	Redondo Peninsula Energy, Inc.	f	995,916 (Note 5)	1,053,000 (Note 8)	-	-	-	-	1,244,895 (Note 6)	N	N	N

Note 1: The Corporation and its investees are numbered as follows:

a. “0” for the Corporation.
b. Investees are numbered from “1”.

Note 2: There are seven types of relationships between the endorser/guarantor and endorsee/guarantee and should be disclosed as one of the following:

a. A company with business dealings.
b. A company in which the Corporation directly and indirectly holds more than 50% of the voting shares.
c. A company that directly and indirectly holds more than 50% of the voting shares in the Corporation.
d. Between companies in which the Corporation directly and indirectly holds more than 90% of the voting shares.
e. The Corporation fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
f. All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
g. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act.

Note 3: Limit on endorsement/guarantee provided by the Corporation to each subsidiary was $2,957,868 thousand, which was calculated at 25% of the Corporation’s net worth in the current financial statements. ($11,831,473 thousand (net worth as of December 31, 2021) × 25%)

Note 4: Limit on total amount of endorsement/guarantee provided by the Corporation and its subsidiaries to entities was $4,732,589 thousand, which was calculated at 40% of the Corporation’s net worth in the current financial statements. ($11,831,473 thousand (net worth as of December 31, 2021) × 40%)

Note 5: Limit on endorsement/guarantee provided by TCIC to an entity was $995,916 thousand, which was calculated at 400% of the TCIC’s net worth in the current financial statements. ($248,979 thousand (net worth as of December 31, 2021) × 400%)

Note 6: Limit on total amount of endorsement/guarantee provided by TCIC was $1,244,895 thousand, which was calculated at 500% of the TCIC’s net worth in the current financial statements. ($248,979 thousand (net worth as of December 31, 2021) × 500%)

Note 7: Maximum balance for the period, ending balance and amount of endorsement/guarantee collateralized by properties represent the amounts of facilities, not the amounts actually drawn.

Note 8: TCIC released its endorsement/guarantee for Redondo Peninsula Energy, Inc. on December 22, 2021.

TAIWAN COGENERATION CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship	Financial Statement Account	December 31, 2021				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
The Corporation	Stock							
	KADC	N/A	Financial assets at fair value through other comprehensive income	20,000	$ 256,200	8.00	$ 256,200	
	Synergy Co., Ltd.	N/A	〃	1,911	19,110	19.11	19,110	

TAIWAN COGENERATION CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Transaction with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total (Note 4)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note 4)	
The Corporation	TPC	A director of the Corporation	Sales (Note 1)	$ 254,512	5.70	Receivables are collected within 30 days after billing dates under agreements	-	-	$ 21,221	8.15	
SEC	TPC	A director of parent company	Sales (Note 2)	460,487	9.68	Receivables are collected within 30 days after billing dates under agreements	-	-	8,969	1.02	
	The Corporation	Parent company	Sales (Note 3)	2,996,430	62.96	Receivables are collected within 30 days after billing dates under agreements	-	-	604,254	68.62	
	SSC	Subsidiary	Sales (Note 3)	347,034	7.29	Receivables are collected within 30 days after billing dates under agreements	-	-	169	0.02	
MWC	TGE	Fellow subsidiary	Sales (Note 1)	284,247	99.91	Receivables are collected within 30 days after billing dates under agreements	-	-	91,258	100.00	

Note 1: Sales of electricity.

Note 2: Sales of electricity, revenues from construction and consulting services.

Note 3: Revenues from construction and consulting services.

Note 4: The amount is shown as a percentage of the financial statements of each entity.

TABLE 5

TAIWAN COGENERATION CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance		Turnover Ratio	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
						Amount	Action Taken		
SEC	The Corporation	Parent company	Accounts receivable	$ 604,254	(Note)	$ -	-	$ 517,955	$ -

Note: Collection terms were based on each contract. Therefore, the turnover ratio was not applicable.

TAIWAN COGENERATION CORPORATION

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Profit (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares (In Thousands)	Shareholding Percentage	Carrying Amount			
The Corporation	SEC	Taipei City	Undertaking and installing of power engineering projects	$ 1,550,020	$ 1,550,020	118,924 (Note 6)	100.00	$ 1,616,428	$ 284,229	$ 282,923 (Note 2)	A subsidiary
	TCIC	British Virgin Islands	Investment in foreign countries and international trading	685,374	685,374	22,260	100.00	248,979	(24,092)	(24,092)	A subsidiary
	YYC	Yilan County	Investment in geothermal power plant	153,000	153,000	15,300	51.00	151,961	15,315	7,811	A subsidiary
	TGE	Taipei City	Investment in green power plant	175,000	175,000	18,500 (Note 5)	100.00	203,030	16,292	16,292	A subsidiary
	TYC	Taoyuan City	Cogeneration plants, management of operations, maintenance of equipment	214,240	214,240	35,834	29.31	592,491	170,371	49,937	An investee of the Corporation accounted for using the equity method
	Sun Ba	Tainan City	Power generation	3,073,500	3,073,500	258,000	43.00	5,480,326	948,385	407,805	An investee of the Corporation accounted for using the equity method
	KKPC	Taoyuan City	Power generation	1,775,426	1,775,426	114,730	35.00	1,869,725	193,514	47,077 (Note 1)	An investee of the Corporation accounted for using the equity method
	SEPC	Changhua County	Power generation	1,272,500	1,272,500	121,500	40.50	2,339,732	342,781	138,827	An investee of the Corporation accounted for using the equity method
	SBPC	Taipei City	Power generation	1,409,130	1,409,130	136,200	41.27	2,163,416	61,464	25,368	An investee of the Corporation accounted for using the equity method
	MWC	Taipei City	Power generation	873,608	1,073,608	71,400 (Note 7)	100.00	1,004,722	107,502	95,089 (Note 3)	A subsidiary
	HML	Changhua County	Power generation	69,630	-	6,650	100.00	51,821	(17,565)	(17,809) (Note 4)	A subsidiary
	Chao Feng Solar Energy Co., Ltd.	Taipei City	Power generation	160,000	-	16,000	20.00	144,930	(75,344)	(15,070)	An investee of the Corporation's subsidiary accounted for using the equity method
SEC	SWC	Changhua County	Power generation	177,870	177,870	17,787	100.00	173,190	26,445	26,445	A second-tier subsidiary
	SSC	Taipei City	Power generation	240,000	120,000	24,000	100.00	226,433	(2,083)	(2,083)	A second-tier subsidiary
TCIC	Redondo Peninsula Energy, Inc.	Philippines	Power generation	573,165	573,165	8,446	25.00	160,376	(90,868)	(22,717)	An investee of the Corporation's subsidiary accounted for using the equity method
YYC	CGPC	Yilan County	Power generation	250,000	250,000	25,000	100.00	257,631	16,333	16,333	A second-tier subsidiary
TGE	SKE	Taipei City	Power generation	170,000	170,000	-	100.00	180,340	8,975	8,975	A second-tier subsidiary

Note 1: Including share of profit of $67,730 thousand and amortization of investment premium of $20,653 thousand.

Note 2: Including share of profit of $284,229 thousand and unrealized gain on construction and consulting services of $1,306 thousand.

Note 3: Including share of profit of $107,502 thousand and amortization of investment premium of $12,413 thousand.

Note 4: Including share of loss of $(17,565) thousand and amortization of investment premium of $244 thousand.

Note 5: Including capital increased by retained earnings of 1,000 thousand shares.

Note 6: Including capital increased by retained earnings of 10,811 thousand shares.

Note 7: Including reduction of capital by cash of 20,000 thousand shares.

TAIWAN COGENERATION CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Taiwan Power Company	162,954,279	27.66

6. State the financial position of the Company if any insolvency occurs in the Company or affiliates in the previous year until the date of report publication: nil

VII. Financial position and the review and analysis of financial performance and risk

1. Financial Position

Analysis on financial positions

Unit: NT$ 1,000

Year / Subject	2022	2021	Increased (Decreased) Amount	Increased (Decreased) Ratio (%)
Current assets	6,636,204	6,152,457	483,747	8
Long-term investments	13,004,719	12,750,996	253,723	2
Property, plant, and equipment	3,231,917	3,009,667	222,250	7
Other assets	2,103,560	2,140,721	(37,161)	(2)
Total assets	24,976,400	24,053,841	922,559	4
Current liabilities	6,700,437	5,067,459	1,632,978	32
Non-current liabilities	6,425,723	7,008,319	(582,596)	(8)
Total liabilities	13,126,160	12,075,778	1,050,382	9
Share capital	5,890,486	5,890,486	0	-
Capital surplus	499,694	499,694	0	-
Retained earnings	5,317,359	5,429,915	(112,556)	(2)
Other equity	(14,130)	11,378	(25,508)	(224)
Non-controlling interests	156,831	146,590	10,241	7
Total shareholder's Equity	11,850,240	11,978,063	(127,823)	(1)
Analysis of ratio changes 1. The current liabilities increased mainly because of increased issuance of FRCP short-term bills and one-year long-term debts.				

2. Financial Performance

(1) Comparison and analysis of financial performance

Unit: NT$1,000

Item	2022	2021	Increased (Decreased) Amount	Increased (Decreased) Ratio (%)
Operating revenue	4,668,881	6,406,996	(1,738,115)	(27)
Operating cost	4,040,655	5,630,497	(1,589,842)	(28)
Realized gain on transactions with associates	9,355	27,883	(18,528)	(66)
Realized gross profit	637,581	804,382	(166,801)	(21)
Operating expenses	401,716	364,157	37,559	10
Profit from operations	235,865	440,225	(204,360)	(46)
Non-operating income and expenses	770,013	586,176	183,837	31
Profit before income tax	1,005,878	1,026,401	(20,523)	(2)
Income tax expense	88,863	121,012	(32,149)	(27)
Net profit	917,015	905,389	11,626	1
Profit attributable to owners of the parent	906,774	897,884	8,890	1
Analysis of ratio changes 1. The operating revenue and operating cost reduced mainly because of the reduced engineering contracts of subsidiary Star Energy. 2. The realized gain on transactions with associates reduced mainly because of the unrealized gains from subsidiary Sun Ba construction contract by subsidiary Energy Star. 3. The realized gross profit and net income reduced mainly because of the significantly increased coal price of Guantian Plant and the reduced profit from engineering contracts of Star Energy. 4. Non-operating income and expenses increased mainly because of the increased investments. 5. The income tax expense reduced mainly because of the reduced profit in the core business.				

(2) Potential influence on future finance and operations and countermeasures

The scale of operations will expand as business grows. We will seek long-term capital sources to fulfill the financial needs and raise the financial ratio to optimize our financial structure.

3. Cash Flow

(1) Change in consolidated cash flow in the previous year

Unit: NT$1,000

Beginning cash balance	Annual net cash flow from own business activities	Annual net cash flow from investment and fundraising activities	Cash balance	Remedy for cash shortage	
				Investment Plans	Financial Management Plans
2,763,822	1,789,361	(818,530)	3,734,653		

A. Cash flow analysis

1) Business activities: Net cash inflow was about NT$1.789 billion gained mainly from own business and cash dividends from investees.

2) Investment and fundraising activities: Net cash outflow was about NT$819 million spent on cash dividend distribution and acquisition of PP&E purchase.

B. Improvements for low liquidity: No cash shortage was reported.

(2) Analysis of consolidated cash liquidity in the next year

Unit: NT$1,000

Beginning cash balance	Annual net cash flow from own business activities	Annual net cash flow from investment and fundraising activities	Cash balance	Remedy for cash shortage	
				Investment Plans	Financial Management Plans
3,734,653	(560,419)	(1,809,905)	1,364,329		

A. Cash flow analysis

1) Business activities: Projected cash outflow will be about NT$560 million resulting from payable construction payment.

2) Investment and fundraising activities: Projected cash outflow will be NT$1.81 billion spent on cash dividend distribution, increase in capital expenditure, long-term stock investments, and repayment of bank loans.

B. Remedy for project cash insufficiency and liquidity analysis: None.

4. Influence of major capital spending on financial position and operation
   (1) Utilization and sources of major capital expenditure

Unit: NT$1,000

Project	Actual or projected fund source	Actual or projected date of completion	Total amount of capital needed	Actual or projected use of capital						
				2021 actual	2022 actual	2023 projected	2024 projected	2025 projected	2026 projected	2027 projected
Gas-Fired Plant Investment	Own fund +loan	2023-2027	2,852,500	0	0	0	1,802,500	0	1,050,000	0
Solar Plan Investment	Own fund +loan	2020-2026	478,530	229,630	(126,500) Note 2	91,600	84,150	141,900	57,750	0
Onshore Wind Farm Investment	Own fund +loan	2020-2026	2,191,820	(200,000) Note 1	(200,000) Note 1	346,500	776,160	498,960	485,100	485,100
common booster station and storage units	Own fund +loan	2022-2023	883,080	0	0	0	216,000	307,080	108,000	252,000

Note 1.NTD$(200,000,000) at onshore wind farm investment each in 2021 and 2022 is due to cash reduction of Miaoli Wind Co.

Note 2.NTD$(126,500,000) at solar investment in 2022 is listed as receiving NTD$160,000,000 of Jhao Feng Solar Energy shares, and new investment of NTD$33,500,000 from Hamaguri Co., Ltd.

   (2) Projected benefits
   The project benefits of investment will emerge after COD is completed.

5. Re-investment policies, main causes of profit or loss, and improvement plans in the previous year, and investment plans in the next year

Re-investment projects are made to expand the scale of long-term investments in power plants at home and abroad. The income from investments recognized by the equity method in the 2022 consolidated financial statement was NT$1,094,449 thousand. Please refer to Annex 8 of the 2022 Consolidated Financial Statement for information of the investee. In the future, we will continue to expand the scale of investments in power plants or cogeneration plants at home and abroad.

6. Risks and assessment in the previous year and by the date of report publication
   (1) The influence the income of interest rate and exchange rate volatility and inflation and countermeasures:
      a) Interest rate volatility(Finance)
         The interest rate risk mainly comes from the long-term debts for major capital expenditure. To reduce the risk of interest rate rise, we keep constant track on market changes and draw up hedges to minimize the influence on profits/losses of interest rate change.
         In terms of assets, in consideration of high liquidity, principal guarantee, and credit risks, we select term deposit in large banks or their short-term bills to secure the principal and reduce financial risks.
      b) Forex volatility
         Our foreign currency expenditure is mainly used to purchase fuels for power plans and major capital expenditure. In hedge planning for forex change, apart from gathering information on forex market changes and keeping constant track on forex rate changes to plan countermeasures, will keep close contacts with major trading banks to cope with forex rate volatility with forward exchange agreements and spot exchange in order to minimize foreign exchange risks.
      c) Inflation and deflection
         Currently, we are focusing on the domestic market. As electricity is the basic demand of industries and citizens, neither inflation nor deflation will bring significant influence on our operations.
   (2) Policies, main reason(s) for profits or losses, and future countermeasures for engaging in high-risk and high-leverage investments, lending, offering guarantees and endorsements, and derivatives investments:
      Between the beginning of 2022 and the date of report publication, we did not engage in high-risk

and high-leverage investments or lending.
All funds of this company are lent to subsidiaries of this company:

1. Subsidiary Star Energy offered a maximum credit of NT$68 million to Star Wind. All has been repaid. The credit already expired in August 2022.
2. Subsidiary Star Energy offered a maximum credit of NT$20 million to Star Solar Co., Ltd., and NT$14 million has been disbursed. This amount will be pay off after repayment. This credit will expire by March 2024.

We made a guarantee for the tier-2 subsidiary Chingshuei Geothermal at NT$204 million because it raised a loan of NT$400 million from the bank, with TCC as the joint guarantor for holding 51% of its stake. Currently, the actual amount of loans raised by Chingshuei Geothermal is NT$337.5 million. Therefore, we provided a guarantee of NT$172.125 million for Chingshuei Geothermal.

Instead of trading or speculation, we invest in derivatives for the sole purpose of hedging. In addition, to control the risks from financial transactions, we have established well-designed financial-based and operational-based internal management regulations and operating procedures in accordance with relevant laws and regulations promulgated by the Securities and Futures Bureau. These management regulations include the "Loaning, Endorsements and Guarantees Operating Procedures" and "Asset Acquisition and Disposal Operating Procedures".

(3) Future R&D projects and planned R&D funds: None. No R&D fund is reported as both TCC and affiliates supply electricity and offer engineering consulting services.

(4) The influence of significant changes in policies and laws at home or abroad on finance and operations and countermeasures:

a) In response to climate change and carbon reduction trend of the international supply chain, the government of Taiwan has announced "Net Zero 2050" as the national goal and renamed the *GHG Reduction and Management Act* as the *Climate Change Response Act* on 15 February 2023. The ongoing concerns about GHG emissions at home and abroad and the stricter environmental regulations at home will disfavor coal-fired power plants and favor more the development of gas-fired power plants and renewable energy.

b) The amended Electricity Act was promulgated and implemented on January 26, 2017, with focus on the promotion of energy transformation, encouragement of renewable energy development, and the legislation of the restriction on the carbon emission coefficients from electricity generation. We will keep track on the amendment to the bylaws, draw up countermeasures, and consider the changes in the internal and external environments to make rolling review of our business strategies to timely adjust business cultivation strategies and actively participate in electricity market development.

c) Apart from actively investing in the development of renewables, cogeneration plants, and IPPs, we will continue to expand to the renewables O&M, electricity retailing, energy storage, and ancillary markets to achieve business innovation and diversification to become a power business that offers comprehensive services.

(5) The influence of technology and industry changes on finance and operations and countermeasures: None

(6) The influence of market presence changes on crisis management and countermeasures: None

(7) The expected benefits and potential risks of mergers and acquisitions: None

(8) The expected benefits and potential risks of factory expansion and countermeasures: None

(9) The potential risk of procurement or sales centralization and acquisitions: None

(10) The influence and potential risk of the massive transaction of or conversion of shares the directors, supervisors or dominant shareholders hold with over 10% of the stakes and countermeasures: None.

(11) The influence and risks of management change and countermeasures: None.

(12) Litigious or non-litigious events: List the major litigious events, non-litigious events, or

administrative remedies with confirmed verdicts or in progress of the company and its directors, supervisors, president, actual person-in-charge, and shareholders holding over 10% of the stakes; subsidiaries; affiliates. When the results of such events and remedies may have potential influence on the shareholder's equity or stock price, disclose the fact in dispute, the amount in dispute, the start date of event, principal parties involving in the event, and the status by the date of report publication: Please refer to section IX.

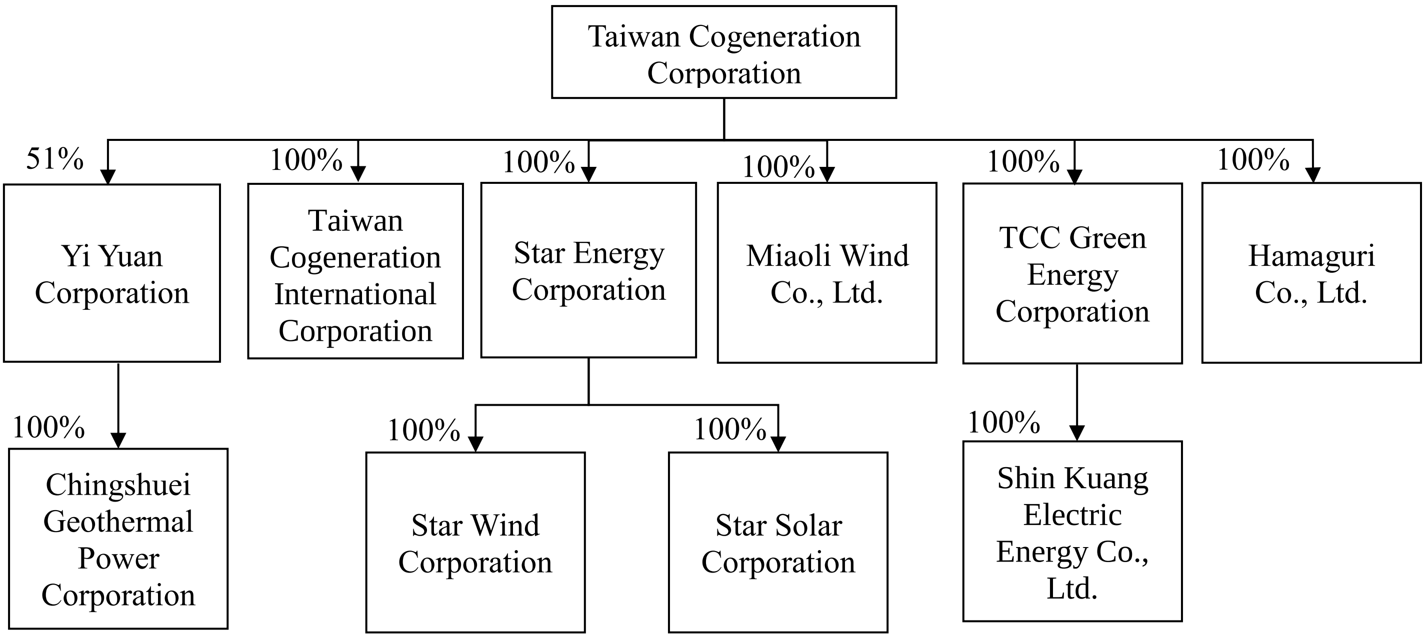
(13) Other important risks and countermeasures: None.

7. Other Material Information: None

VIII. Special Notes

1. Information of Affiliates：Affiliates consolidated business report

   A. Organization chart of affiliates



   B. Basic data of affiliates

(expressed in NT$ thousands in FY2022)

Affiliate	Est. date	Address	Paid-in Capital	Scope of Business
Star Energy Corporation	1996/10/11	12F, No. 480, Ruiguang Road, Neihu District, Taipei City	1,427,089	Undertaking electricity-related projects
Taiwan Cogeneration International Corporation	2011/8/10	P.O. Box 3444, Road Town Tortola, British Virgin Islands	685,374	Overseas investment and international trade
Yi Yuan Corporation	2017/6/22	No. 167, Lane 501, Section 8, Sanxing Road, Neighborhood 7, Fuxing Village, Datong Township, Yilan County	300,000	Geothermal generation investment
Chingshuei Geothermal Power Corporation	2019/05/23	No. 167, Lane 501, Section 8, Sanxing Road, Neighborhood 7, Fuxing Village, Datong Township, Yilan County	256,800	Geothermal generation
TCC Green Energy Corporation	2018/11/28	6F, No. 392, Ruiguang Road, Neihu District, Taipei City	185,000	Green power investment
Shin Kuang Electric Energy Co. Ltd.	2018/10/26	6F, No. 392, Ruiguang Road, Neihu District, Taipei City	170,000	Solar energy
Star Wind Corporation	2018/12/25	No.64, Ziqiang Rd., Shingang Village, Shengang Township, Changhua County	177,870	Onshore wind power
Star Solar Corporation	2020/9/23	12F, No. 480, Ruiguang Road, Neihu District, Taipei City	240,000	Solar energy
Miaoli Wind Co., Ltd.	2003/9/19	6F, No. 392, Ruiguang Road, Neihu District, Taipei City	514,000	Onshore wind power
Hamaguri Co., Ltd.	2019/5/15	No. 39, Gongye West 7th Road, Neighborhood 18, Haipu Village, Lugang Town, Changhua County	100,000	Aquavoltaics development

C. Directors, supervisors, and presidents and their shareholdings of affiliates

(expressed in number shares in FY2021)

Affiliate	Title	Name or representative	Shareholdings: Shares	Shareholdings: Proportion
Star Energy Corporation	Chairman	Taiwan Cogeneration Corporation- Representative: Chung-Ho Yang	142,708,896	100%
	Director	Taiwan Cogeneration Corporation- Representative: Chia-Pin Chang		
	Director	Taiwan Cogeneration Corporation- Representative: Chi-hua Cheng		
	Supervisor	Taiwan Cogeneration Corporation- Representative: Ming-Yeh Lee		
	President	Meng-Te Lin	0	0%
Taiwan Cogeneration International Corporation	Director	Taiwan Cogeneration Corporation- Representative: Yi-Tong Chen	22,260,000	100%
	Director	Taiwan Cogeneration Corporation- Representative: Zhuang Kang		
Yi Yuan Corporation.	Chairman	Taiwan Cogeneration Corporation- Representative: Shu-Shen Lin	15,300,000	51%
	Director	Taiwan Cogeneration Corporation- Representative: Shi-Yang Hsu		
	Director	Taiwan Cogeneration Corporation- Representative: Chen-Ping Liu		
	Director	Fabulous Power Co., Ltd.-Representative: Song-Lie Lin	14,700,000	49%
	Director & President	Fabulous Power Co., Ltd.-Representative: Bo-Xiu Lin		
	Supervisor	Ming-Ye Li	0	0%
	Supervisor	Bo-Geng Lin	0	0%
Chingshuei Geothermal Power Corporation	Chairman	Yi Yuan Corp Representative: Shu-Shen Lin	25,680,000	100%
	Director	Yi Yuan Corp. Representative: Shi-Yang Hsu		
	Director	Yi Yuan Corp Representative: Chen-Ping Liu		
	Director	Yi Yuan Corp Representative: Song-Lie Lin		
	Director	Yi Yuan Corp Representative: Bo-Xiu Lin		
	Director & President	Yi Yuan Corp Representative: Ming-Yeh Lee		
	Supervisor	Yi Yuan Corp Representative: Bo-Geng Lin		
	Supervisor			
TCC Green Energy Corporation	Chairman & President	Taiwan Cogeneration Corporation- Representative: Hsin-I Ho	18,500,000	100%
	Director	Taiwan Cogeneration Corporation- Representative: Kuang-Kuei Liu		
	Director	Taiwan Cogeneration Corporation- Representative: Hsueh-Wei Hsiao		
	Supervisor	Taiwan Cogeneration Corporation- Representative: Chia-I Mao		
Shin Kuang Electric Energy Co. Ltd.	Chairman	TCC Green Energy Corporation- Representative: Xuan Cheng	17,000,000 (capital)	100%
	Director	TCC Green Energy Corporation- Representative: Fan Sun		
	Director	TCC Green Energy Corporation- Representative: Ting-Hao Chang		
Star Wind Corporation	Chairman & President	Star Energy Corporation- Representative: Yuan-Bin Tsai	17,787,000	100%
	Director	Star Energy Corporation- Representative: Te-sheng Hsu		
	Director	Star Energy Corporation- Representative: Xue-De Lu		
Star Solar Corporation	Chairman & President	Star Energy Corporation- Representative: Hsuan Cheng	24,000,000	100%
	Director	Star Energy Corporation- Representative: Te-Sheng Hsu		
	Director	Star Energy Corporation- Representative:		

		Yi-Wen Lin		
Miaoli Wind Co., Ltd.	Chairman Director Director	Taiwan Cogeneration Corporation- Representative: Yi-tong Chen Taiwan Cogeneration Corporation- Representative: Shang-Heng Zhou Taiwan Cogeneration Corporation- Representative: Te-Sheng Hsu	51,400,000	100%
	President	Chung-Ho Yang	0	0%
Hamaguri Co., Ltd.	Chairman Director Director	Taiwan Cogeneration Corporation- Representative: Te-Sheng Hsu Taiwan Cogeneration Corporation- Representative: Xing-Zhi Xi Taiwan Cogeneration Corporation- Representative: Yuan-Bin Tsai	10,000,000	100%

D. Status of operations of affiliates

(expressed in NT$ thousands in FY2022)

Affiliate	Capital Amount	Total Assets	Total Liabilities	Net Worth	Revenue	Net Profit (Loss)	Current Income	EPS (NT$)
Star Energy Corporation	1,427,089	6,633,763	4,823,966	1,809,797	2,663,205	170,485	190,342	1.33
Taiwan Cogeneration International Corporation	685,374	232,755	100	232,655	0	-262	-15,360	-0.69
Yi Yuan Corporation	300,000	322,548	2,486	320,062	0	-1,107	20,900	0.70
Chingshuei Geothermal Power Corporation	256,800	807,718	528,324	279,394	192,021	33,621	21,763	0.85
TCC Green Energy Corporation	185,000	429,648	219,676	209,972	28,212	22,216	21,718	1.17
Shin Kuang Electric Energy Co. Ltd.	170,000	333,351	156,692	176,659	27,502	8,901	4,397	0.26
Star Wind Corporation	177,870	651,508	432,742	218,766	92,602	55,131	35,993	2.02
Star Solar Corporation	240,000	891,591	641,344	250,247	57,461	24,495	15,139	0.63
Miaoli Wind Co., Ltd.	514,000	723,661	145,853	577,808	355,082	152,640	120,351	1.22
Hamaguri Co., Ltd.	100,000	333,523	315,964	17,559	0	-14,001	-16,957	-1.70

2. Private placements of securities in the previous year and by the date of report publication
   None

3. Stocks of this Company held and disposed by subsidiaries in the previous year and by the date of report publication
   None

4. Other required supplementary notes
   None

IX. Events with material impacts on equity or stock price as specified in item 3, paragraph 2, Article 36 of the Securities and Exchange Act in the previous year and by the date of report publication

1. An investee IDD was accused of violating the Fair Trade Act and sanctioned by the Fair Trade Commission (FTC). The current status of the administrative remedy is as follows:
   A. In March 2013, FTC fined nine domestic IPPs for violating the Fair Trade Act. Four investee IPPs of this company denied the charges and the others refuse to reduce the sales price of electricity together. All IPPs have hired legal counsels to represent them in the case. After filing an administrative remedy, the Executive Yuan withdrew the fine, FTC will take other legal sanctions, and all other parts of the remedy have been dismissed (e.g. affirmation of concerted actions). Regarding the dismissed concerted actions, all IPPs appealed to the Taipei High Administrative Court in November 2013. On 29 October 2014, the Taipei High Administrative Court decided the IPPs won and dismissed the concerted action charge pressed by FTC. On 27 November 2014, FTC appealed to the Taipei Supreme Administrative Court. After the Supreme Administrative Court denied the decision of the High Administrative Court and remanded the case at the end of June 2015, the Taipei High Administrative Court determined that IPP won the case on May 25, 2017 after a two-year proceeding. However, both the Fair Trade Commission and participant TPC made an appeal. Therefore, the case is still under progress at the High Administrative Court. On May 13, 2020, the Taipei High Court ruled that the IPP won the case again. As the Fair Trade Commission filed another appeal in June 2020. During June-August 2022 the Supreme Administrative Court reversed the ruling of the second remanded instance and denied the IPP’s first instance. All IPPs already filed new suits for remediation.
   B. Regarding the fine, FTC made another decision on 10 July 2014 to fine Sun Ba Power Corporation a sum of NT$489 million, Star Energy Power Corporation a sum of NT$392 million, Kuo Kuang Power Co, Ltd. a sum of NT$371 million, and Star Buck Power Corporation a sum of NT$100 million. While the charge of concerted actions of IPPs has been dismissed by the Taipei High Administrative Court, the Administrative Remedy Committee of the Executive Yuan notify all IPPs in writing the halting of the investigation before the Taipei Supreme Administrative Court decides on this part. However, the proceeding of the appeal has been reopened due to the ruling of the Supreme Administrative Court.

2. Taiwan Power Company made claims to the Taipei High Administrative Court and Taipei District Court in September 2015 for the damages on Taiwan Power Company caused by the concerted actions of our investee IPPs in violation of the Fair Trade Act.
   A. Taiwan Power Company claimed for a large-amount indemnity from our investees to the Taipei High Administrative Court: Star Energy Power at NT$2.5 billion, Sun Ba NT$4.4 billion, Kuo Kuang at NT$2.4 billion, and Star Buck at NT$200 million. Taiwan Power Company further increased the claims: Star Energy Power at NT$2.49 billion, Sun Ba NT$4.26 billion, Kuo Kuang at NT$2.49 billion, and Star Buck at NT$420 million. The Taipei High Administrative Court referred the case to the Taipei District Court (Civil), claiming that it did not have a jurisdiction over the claim. Although Taiwan Power Company made an appeal, it was denied by the Taipei Supreme Administrative Court. Therefore, the Taipei High Administrative Court has referred the case to the Taipei District Court. The case is still under progress at the Taipei District Court. However, the TPC dropped the charges in June 2020, and this case was considered as never happened.
   B. At the Taipei District Court (Civil), Taiwan Power Company claimed: NT$2.489 billion from Star Energy, NT$4.257 billion from Sun Ba, NT$307 million from Star Buck, and NT$2.49 billion from Kuo Kuang. In the judgement made for the suit of Star Buck Power Plant on 8 February 2018 and later the suit of Star Buck, Star Energy, and Kuo Kuang on 19 November 2018, the Taipei District Court ruled that TPC’s claims were groundless for both suits. In the appeal versus Star Buck Power Plant, the court also defined TPC’s appeal for the same reason. As TPC filed a new appeal against the ruling of the second instance, the suit is currently referred to the Supreme Court for proceedings.