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TAIWAN COGENERATION CORP.

Annual Report 2020

Printing Date：April 26, 2021

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

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V、Overseas Listings and Access to the Listing Information：None。

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Contents

I. Letter to Shareholders

Dear Shareholders:

Thanks to 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. 2020 Business Report

(1) Business performance

The 2020 consolidated net income after tax reduced by NT$25,752 thousand to NT$1,070,583 thousand over NT$1,096,335 thousand in 2019. This is mainly because the profit from the four re-invested IPPs reduced as the electricity price reduced significantly alongside the gas price in the last year. Together with the gross profit from undertaking the Yantian PV Project in Tainan, the Ørsted Project, and Chenya Energy Project by Star Energy Corporation; the profit increase from the acquisition of the Miaoli Wind Co., Ltd. on June 29, 2020 and the beginning of sales of renewable energy on October 30, 2020; the coal price reduction of Guantian Plant, and the deduction of the discount for steam users during the bailout for COVID-19 pandemic and net impact of electricity sales year-over-year. Based on 589,049 thousand shares at the end of the year, the 2020 EPS is NT$1.81.

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

Unit: NT$1,000

Item	2020	2019
Operating revenues	9,313,724	7,186,086
Profit from operations	469,285	302,941
Non-operating revenues	651,839	799,697
Profit before income tax	1,121,124	1,102,638
Income tax expense	50,541	6,303
Net profit	1,070,583	1,096,335
Net profit attributed to the owner of the parent company	1,068,547	1,098,048
EPS	1.81	1.86

(2) Status of budget execution

Referring to the "Regulations Governing the Publication of Financial Forecasts of Public Companies", we did not need to disclose financial forecasts in 2020.

(3) Revenue and expenditure and profitability analysis

By the end of 2020, although the profit from the re-invested IPPs reduced, with the net impact as a result of profits from Star Energy Corporation, Miaoli Wind Co., Ltd., and the renewable-energy-based electricity retailing business, the overall profit reduced slightly over 2019. In financial structure and solvency, we constantly seek profitable and cheap capital, and the overall financial structure is steady.

The table below shows the consolidated financial structure and profit analysis:

Item		2020	2019
Financial structure analysis	Debt to total assets (%)	47	41
	Long-term capital to property, plant& equipment (%)	644	1,064
Solvency	Current ratio (%)	129	130
	Quick ratio (%)	45	35
Profitability analysis	Return on assets (%)	5	6
	Return on equity (%)	9	9
	Profit margin (%)	11	15

(4) 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 equipments of power plants and cogeneration plants.
3) Research on technology and investment strategy of renewable energy (photovoltaics (PV), onshore and offshore wind power, geothermal power, biomass energy, etc.) and energy storage system.

2. 2021 Business Plan overview

(1) 2021 business policy

The 2021 business plan below has been established in accordance with the present macro environment and conditions.

1. Actively investing in renewable energy including onshore wind farms, PV plants, geothermal power plants, and biomass power plants in support of the government's renewable energy policy, and progressively accumulating engineering experience and performance. Major targets of development include:
   A. Onshore wind power: Constantly develop potential onshore wind farms and make preparation for electricity enterprise establishment, such as environmental impact assessment and grid connection review. 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 and large EPC project; and actively engage in fishery and electricity symbiosis by prioritizing development in the fishery and electricity symbiosis pilot sites and specific sites in support of the government's fishery and electricity symbiosis policy.
   C. Low/medium-temperature water heating geothermal plants: Prioritizing the completion of the Chingshuei BOT Project to achieve commercial operations through grid connection in the required quality as scheduled to acquire the license for electricity generating enterprise.
   D. Biomass power plants: Engage in fuel supply, site selection, and feasibility assessment; if it is worthy of investment, system impact analysis and environmental impact assessment will follow suit.
2. Expanding the investment in and construction of domestic IPPs
   A. Establish the IPP development task-force with Sun Ba Power Corporation to assist in the development of Sun Ba phase II, including completing the development preparation including system impact analysis and planning; and keep close contact with the Bureau of Energy and Taiwan Power Company (TPC) to keep track on the planning and tendering invitation information of electricity purchase demand to strive for the opportunities for capacity released-related tender in 2025.
   B. Assess the feasibility of collaboration in other targets to fully capture TPC's power purchase demand during 2024-2027 to strive for opportunities of collaborative development and future EPC projects.
   C. Assess the feasibility of investment in Chung Chia Power Co., Ltd. to strive for future EPC projects.
3. Assist investee RP Energy (RPE) in completing the environmental impact comparative analysis for re-planning of power plant sets and grid system impact analysis, and optimize the preparations for tendering the power supply agreement (PSA). In addition, confirm the efficiency and capture the risk of investments, draw up feasible alternative solutions, and plan the withdrawal mechanism.
4. Providing various technical support and labor services for three IPP investees: Star Energy Power Corporation, Sun Ba Power Corporation, and Star Buck Power Corporation.
5. Supervising investee Star Energy Corporation and TCC Green Energy Corporation to aggressively expand business scale.

6. Optimizing our financial structure and credit.
7. Timely adjusting the mode of operations of Guan-Tian Cogeneration Plant and cultivating more new energy subscribers in pace with the trend of global energy price volatility in order to improve overall operational performance.

(2) Business objectives

1) Projected 2021 production and sales (Guantian Plant)

Year / Major Project			2021 (projected)
Electricity	(1,000kWh)	Production	266,009
		Sales	231,228
Steam	Tons	Production	332,204
		Sales	332,204

Note: Electricity Sales = Output (including re-sales of purchased electricity) – Electricity Consumption of Cogeneration Plant

2) Basis of 2021 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 energy services relating to energy conservation.
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. Reducing operating cost with economic operation and enhancing operational efficiency with the circular economy to achieve 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 secondary assessment of the ISO 14001 environmental management system (EMS), we revised the environmental policy into the HSE policy, which was approved and announced by the chairperson. 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

reducing customer grievances to fulfill customer demands in all aspects.

F. Accumulating and collating maintenance and repair experience 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 industrial 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 OH&S education/training and onsite guidance of other 21 cogeneration plants in industrial parks.

3. Future development strategy

(1) Enhancing operational performance: Reducing operating cost and thereby increasing overall profit by strengthening the operation and maintenance of existing power plants and enhancing equipment efficiency. Enhancing income from re-investments and strengthening the budget control and reducing operating cost of departments by enhancing control and evaluation of investees.

(2) Proactive business cultivation: Setting the provision of multifaceted services as the major business model by developing electricity-related projects through vertical integration covering development, fundraising, construction, operation, maintenance, and electricity retailing with the technical capacity of all subsidiaries within the group, with focus on the renewal energy business, including onshore/offshore wind power, PV power, and geothermal energy development. Making preparations for and timely investments in large LPG IPP development, and striving for project undertaking to accumulate rich project performance to striving for EPC business opportunities.

(3) Reinforcing governance and corporate social responsibility (CSR): Reinforcing governance, optimizing regulations and systems, and reducing operational risks to become a benchmark enterprise for governance. Practicing CSR and publishing CSR reports every year to disclose operations-related information to strengthen stakeholder communication.

(4) Strengthening human resources: In response to business objectives and strategies, strategically recruiting the required core workforce, reinforcing core technology inheritance, and building mechanisms to strengthen connection among the performance management and assessment; the promotion, transfer and reward; and the training and development of employees.

(5) Addressing energy transformation: Keeping track on the energy-related policies and regulations such as the Electricity Act, new-version energy policies, and the Renewable Energy Development Act; adjusting the focus and strategy of business development; maintaining competitiveness; and waiting for opportunities to prepare for future competitions in the future energy diversification market and maintain competitiveness in the electricity industry, given developing low-carbon green energy is the government’s focus policy for global climate change and in the key moment of energy transformation.

4. Influences of market competitions, legal environment, and macro environment

(1) Market competitions: The amendment of the Electricity Act to liberalize the electricity business and encourage renewal energy development brings more market opportunities and rivals as well. Taking the advantage of our outstanding all-round management team, quality, and technology, we will invest in related business to increase organizational profit.

(2) Legal environment: With respect to “new-version energy policy” introduced by the Bureau of Energy in January 2019, the 2025 energy ratio planned by the government will be: natural gas 50%, renewable energy 20%, and coal and others 30%, with zero/low-emission generation using renewable energy and natural gas as the major energy structure in the future electret market. In addition, renewable-energy-based electricity retail is allowed after the amendment of the Electricity Act, the amendment to the “Renewable Energy Development Act” was promulgated on May 1, 2019 to allow retailers to switch between wholesale and indirect supply, with the

wholesale at purchase rate announced by the competent authority of the central government to facilitate renewable energy development. Our subsidiary, TCC Green Energy Corporation, had already acquired the license for renewable-energy-based electricity retailing enterprise in October 2019. This Company will continue to keep track on the impacts on business operations as a result of amendments to related bylaws and timely adjust business development strategies in order to protect the rights and interests of the company and shareholders and to make preparations for electricity market competitions in the future.

(3) Macro environment: We will continue investments in cogeneration systems, IPPs, and renewable energy at a steady pace in order to ensure overall organizational benefits.

Please comment and looking forward to your continuous support.

Chairman: Shun-I Huang General Manager: Chin-Fa Tsai Financial Manager: Jay Hsu

II. Company Profile

1. Date of establishment: 7 May 1992

2. Company history

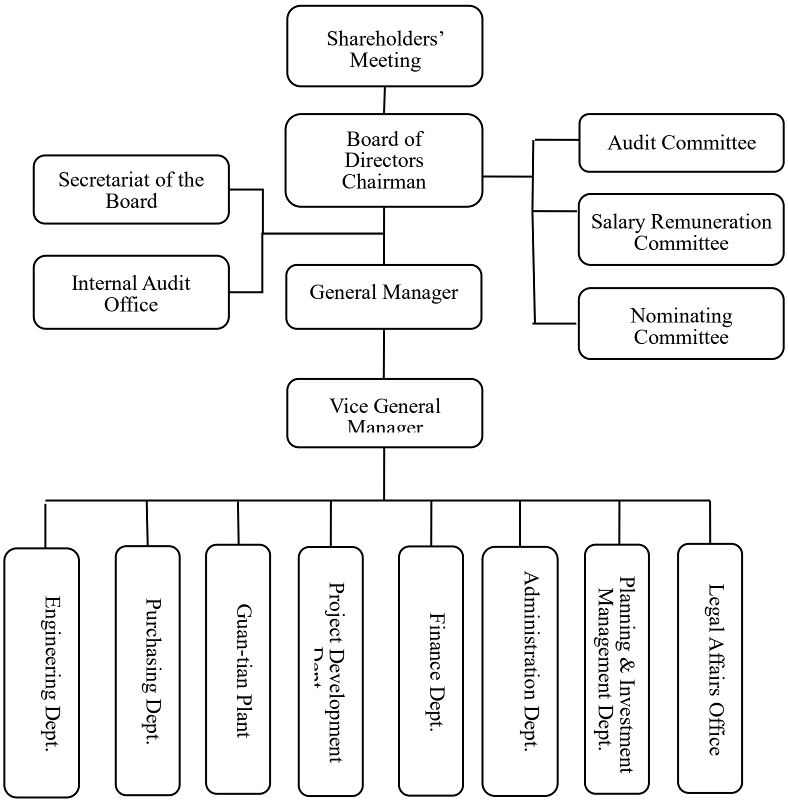
1992	Established as a professional cogeneration power plant by Taiwan Power Company, Mega Bank, China Development Industrial Bank, and a number of domestic E&M manufacturers with NT$1 billion under the direction of the Ministry of Economic Affairs.
1996	• Commercial operation of Ta-Yuan Cogeneration Plant I of joint-venture Ta-Yuan Cogeneration Corporation • Re-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 re-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 re-investments. • Converted corporate bonds to equity at NT$507 million.
2006	• Re-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. re-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 re-invested by Taiwan Cogeneration Corporation amended the electrical sales agreement with Taiwan Power Company. Star Energy, Sun Ba, and Kuo Kuang completed the amendment procedure in January, and Star Buck completed the procedure in March.
2014	• Increased Acquisition5.5% of stake of Sun Ba, 5.5% of stake of Star Energy, and 4.6% of stake of Star Buck in March. • Increased Acquisition3% of stake of Star Buck in August. • Increased Acquired 5% of stake of Sun Ba in October.
2017	Established Yi Yuan Corporation in June, 2017 through re-investment.
2018	Established TCC Green Energy Corporation in November, 2018 through re-investment.
2020	Acquired 100% of Miaoli Wind Co., Ltd. in June 2020.
2021	Acquired 100% of Hamaguri Co., Ltd. in March 2021.

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 CSR-related work and producing the CSR report. (4) Establishing and amending the risk management policies and promoting the risk management plans. 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. Construction and upgrading 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. Business expansion (1) Cogeneration plants (2) Government and independent power plants. (3) Renewable energy and new energy (4) Labor services including enquiries and consultation. 2. Feasibility study of investment projects (1) Project environmental survey. (2) Technical feasibility study. (3) Economic and financial feasibility study. (4) Risk assessment. (5) Social acceptance assessment. (6) Submission of feasibility study reports. 3. Business retention (1) Production of business reports (2) Customer contacts. 4. Contract negotiations and execution (1) Negotiations for the provisions of various contracts required for the abovementioned business development activities or provide such assistance. . (2) Preparation of tendering documents, contract execution, and application for and transfer of pre-payments. (3) Contract documentation and document management. 5. Research and development (1) Gathering and collection of new energy technologies. (2) Market survey and gathering and preliminary analysis of market information. (3) Research of business diversification. (4) Research of regulations relating to business expansion.
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, general manager, vice general managers, assistant managers, department heads, and branch heads

(1) Profiles of directors

Profiles of Directors (1)

April 26, 2021

Title[1]	Nationality/ Registration	Name	Gender	Elected (inaugurated) date[2]	Tenure	Date of initial elected office[2]	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[3]	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	–	2017.6.30	3 years	1992.4.14	162,954,279	27.66%	162,954,279	27.66%	–	–	–	–	–	–	–	–	–
	ROC	Representative: Shun-I Huang (chairperson)	Male	2020.6.30	3 years	Elected chairperson 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: Chien-Yih Chen	Male	2020.6.30	3 years	2018.8.31	0	0.00%	0	0.00%	–	–	–	–	MSc. in Civil Engineering, National Chiao Tung University Executive Secretary, Fund for Promoting Electricity Development Review Committee, Taiwan Power Company Director, Department of Power Development, Taiwan Power Company	vice general manager of Taiwan Power Company	–	–	–
	ROC	Representative: Jao-hua Hsu	Male	2020.6.30	3 years	2015.5.19	0	0.00%	0	0.00%	–	–	–	–	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 Engineer, Taiwan Power Company	vice general manager of Taiwan Power Company	–	–	–

	ROC	Representative: Yu-ming Lee	Male	2020.6.30	3 years	2017.6.30	0	0.00%	0	0.00%	—	—	—	—	PhD in Environmental Engineering & Environmental System Analysis, John Hopkins University, USA	Professor, Graduate Institute of Environmental Resources, National Taipei University.	—	—	—
	ROC	Representative: Min-De Chiang	Male	2020.6.30	3 years	2020.6.30	0	0.00%	0	0.00%	—	—	—	—	MS, National Taipei University of Technology. Director, Department of Nuclear and Fossil Power Projects, TPC.	Vice general manager of Taiwan Power Company	—	—	—
	ROC	Representative: Li-Chen Chen	Female	2020.6.30	3 years	Director during 2014.06.30-2016.12.08	0	0.00%	0	0.00%	—	—	—	—	MS, Department of Statistics and Actuarial Science, University of Iowa, USA.	Deputy Director, Department of Finance, TPC	—	—	—
Director	ROC	Ta Ya Electric Wire and Cable Co., Ltd.	—	2020.6.30	3 years	1992.4.14	12,976,093	2.20%	13,626,093	2.31%	—	—	—	—	—	—	—	—	—
	ROC	Representative: Wen-Bing Lee	Male	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.	—	—	—
Director	ROC	Yuan June Investment Corporation	—	2020.6.30	3 years	2017.6.30	345,000	0.06%	345,000	0.06%	—	—	—	—	—	—	—	—	—
	ROC	Representative: Sen-chun Wang	Male	2020.6.30	3 years	2017.6.30	0	0.00%	2,417,337	0.41%	—	—	—	—	MA, Department of Management, Boston University, USA	Chairman, Yuan Jing Investment Corporation	—	—	—
Director	ROC	Jian Sheng Investment Co., Ltd.	—	2020.6.30	3 years	2020.6.30	10,439,000	1.77%	15,029,000	2.55%	—	—	—	—	—	—	—	—	—
	ROC	Representative: Fu-Ging Hong	Male	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	ROC	Bo-Han Investment Corporation	—	2020.6.30	3 years	2020.6.30	9,117,000	1.54%	9,036,000	1.53%	—	—	—	—	—	—	—	—	—
	ROC	Representative: I-Hsien Chen	Male	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	Responsible Person, Bo-Han Investment Corporation			

Independent director	ROC	Yao-wen Lin	Male	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	Chairperson, New Culture Foundation. Independent Director, Long Da Construction & Development Corporation. Director, Kaohsiung Organizing Committee	–	–	–
Independent director	ROC	Han-Shen Li	Male	2020.6.30	3 years	2020.6.30	0	0.00%	0	0.00%	—	—	—	—	BA, Department of Business Administration, Tamkang University. General manager, TPC.	Director, Association of Retirees of Taiwan Power Company, ROC	–	–	–
Independent director	ROC	Ji-Sheng Yeh	Male	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.	–	–	–

Note 4: 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 26 April 2021

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%
Jian Sheng 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 (2.42%) Jia-Xi Investment Co., Ltd. (2.10 %) Shang-Hui Shen (1.82 %) Wen-Hua Wang (1.66 %) Shang-Bang Shen (1.53%) Vanguard Stock Index Account, Taipei Branch, JPMorgan Chase Bank (1.29 %) Ta Ya Electric Wire and Cable Co., Ltd. (1.25%) Yao-Kun Hong (1.20 %) Jia-Shang Investment Co., Ltd. (1.02 %) JP Morgan Investment Account, JPMorgan Chase Bank (0.92 %) Shang-Hong Shen (0.89 %)
Yuan Jun Investment Corporation	Sen-Chun Wang 90% Wen-Rong Liu 10%
Bo-Han Investment Corporation	I-Hsien 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
[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.

Table 2 Major Shareholders of Institutional shareholders in Table 1

By 26 April 2021

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 2.85%

	National Development Fund, Executive Yuan 2.75% Taiwan Tobacco & Liquor Corporation 2.32% Mega International Commercial Bank Co., Ltd. 2.17% 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 28.46 % Man-Erh Guo 28.49 % Ting-Kui Wang 14.57 %
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% Jia-Mao Investment Corporation 1.34% Su-Xiang Shen 1.21% Kui-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.

Profiles of Directors (2)

By 26 April, 2021

Qualification / Name[1]	With 5 or more years of experience and the following professional qualifications			Status of independence[2]												Number of Concurrent independent director to other IPO companies
	Public/private college/university instructors or higher levels in commerce, law, finance, accounting or subjects required by the business of the company	Passed the qualification examination with proper licensing by the national government as court judge, prosecutor, lawyers, certified public accountant or other professional designations required by the business of the company	Experience of Commerce, law, finance, accounting or others as required by the company	1	2	3	4	5	6	7	8	9	10	11	12	
Shun-I Huang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		nil
Chein-Yih Chen			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		nil
Jao-hua Hsu			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		nil
Yu-ming Lee	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		nil
Ming-Teh Chiang			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		nil
Li-Chen Chen			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		nil
Wen-Bing Lee			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		nil
Sen-jing Wang			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		nil
Fu-Ging Hong			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		nil
I-Hsien Chen			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		nil
Yao-wen Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Han-Shen Li			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	nil
Jih-sheng Yeh		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

[1] The number of fields may be adjusted depending on the content.

[2]Check "✓" the qualifications appropriate to each director and supervisor who meet such qualifications two years before assumption of office or at the time of assumption.

(1) Not an employee of the company or its affiliates.

(2) Not a director or supervisor of the company or its affiliates (except for independent directors of concurrently the company and its parent company, subsidiaries or concurrently the subsidiaries of the same parent company established in accordance with this Act or the local laws).

(3) Not holding more than 1% of the outstanding shares issued by the company or among the top 10 natural person shareholders by the person or his/her spouse or underage children, or in the name of a third party.

(4) Not the spouse, the kindred at the second tier under the Civil Code or the direct kin within the third tier under the Civil Code of the managers stated in (1) or other roles stated in (2), (3).

(5) Not a director, supervisor or employee of an corporate shareholder directly holding more than 5% of the outstanding shares issued by the company, or a director, supervisor or employee of an corporate shareholder who is among the top 5 shareholders, or a representative of an corporate shareholders appointed as the director or supervisor of the company according to paragraph 1 or 2, Article 27, Company Act (except for independent directors of concurrently the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).

(6) Not a director, supervisor or employee of a company controlling over one half of the company's director seats or voting shares under one person (except for independent directors of the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).

(7) Not a director, supervisor or employee of a company or institution whose chairperson and president or equivalent role is the same person or its spouse (except for independent directors of concurrently the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).

(8) Not a director, supervisor, manager or shareholder holding more than 5% of the outstanding shares of a specific company or institution in a business or financial relation with the company (except for a specific company or institution holding over 20% but less than 50% of the company's outstanding shares, and independent directors of the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).

(9) Not a professional or owner, partner, director, supervisor, manager or the spouse of these roles of a sole proprietorship, partnership, company, or institution that audits or provides related business, legal, financial, accounting services

or consultation with service fees accumulating below NT$500,000 in the last two years for the company or its affiliates; except for members of the Compensation Committee, public tender offers committee, or special committee for merger/consolidation exercising powers with respect to the Securities and Exchange Act or Business Mergers And Acquisitions Act.

(10) Not a spouse or the kindred at the second tier under the Civil Code to any other director.

(11) Not under any of the categories stated in Article 30 of the Company Act.

(12) Not being elected as representative to the government or an institution under Article 27 of the Company Act.

Profiles of general manager, vice general managers, assistant managers, department and branch heads

By 26 April 2021

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	
VP and Acting President	ROC	Chin-Fa Tsai	Male	2020.07	-	-	104,000	0.018%	-	-	MBA, National Chi Nan University	Chairperson, Star Energy Corporation Director & President, Miaoli Wind Co., Ltd. Director, Mega Solar Energy Corporation Director, Chao Feng Solar Energy Co. Ltd.	N/A	N/A	N/A	
Vice General Manager	ROC	Yi-Tong Chen	Male	2015.01	-	-	-	-	-	-	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.	Director, Kuo Kuang Power Co., Ltd. Director,Taiwan Cogeneration International Corporation Chairperson, Miaoli Wind Co., Ltd.	N/A	N/A	N/A	
Vice General Manager	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 GM, Star Energy Power Corporation Chairman, Yi-Yuan Corp. Director, Redondo Peninsula Energy, Inc., the Philippines	N/A	N/A	N/A	
Manager, Business Development Department	ROC	Yi-Hsieh Huang	Male	2020.08	-	-	-	-	-	-	PhD, Department of Electrical Engineering, National Taiwan University of Technology	Chairman, Sun Ba Power Corporation Chairman , TCC Green Energy corporation Director, Redondo Peninsula Energy, Inc., the Philippines Director, Chao Feng Solar Energy Co. Ltd. Director, Mega Green Energy Corporation Director, Hamaguri Co., Ltd.	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 Co., Ltd. Director, Star Energy Corporation	N/A	N/A	N/A	
Manager, Planning & Investment Management Department	ROC	Wan-Jane Chen	Female	2020.11			-	-	-	-	LLM, Notre Dame Law School, USA	Director, Kuo Kuang Power Co., Ltd.	N/A	N/A	N/A	
Manager, Administration Department	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	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 Supervisor, Chao Feng Solar Energy Co. Ltd.	N/A	N/A	N/A	
Manager, Engineering Department	ROC	Bao-Wen Kao	Male	2020.07	-	-	-	-	-	-	MSc., Department of Mechanical Engineering, National Chung Hsing University	GM, ,Star Buck Power Corporation Director,	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	
Chief Governance Officer	ROC	Chia-ling Tsai	Female	2019.08	-	-	-	-	-	-	MS in Materials Science and Engineering, UCLA, USA. BS, Department of Chemistry, National Central University. Manager, Planning Department, Taiwan Cogeneration. Manager, Administration Department, Taiwan Cogeneration		N/A	N/A	N/A	

[1]Data shall include general manager, vice general managers, assistant managers, and department and branch heads and those, regardless of titles, in a position equivalent to general manager, vice general managers, 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), supervisors, general manager, and vice general managers

(1) Remuneration for directors (including independent directors)

Remuneration for directors (including independent directors)
(on the same increment and disclosed collectively)

<table>
<tr><th rowspan="4">Title</th><th rowspan="4">Name[1]</th><th colspan="8">Director Remuneration</th><th colspan="2" rowspan="2">Percent of the total A to D in the net earnings after tax (*10)</th><th colspan="8">Pay for director who is concurrently an employee</th><th colspan="2" rowspan="2">Percent of the total A to G in the net profit after tax (*10)</th><th rowspan="4">Related remuneration from investees or the parent other than the subsidiaries (*11)</th></tr>
<tr><th colspan="2">Remuneration (A) (*2)</th><th colspan="2">Retirement Allowance (B)</th><th colspan="2">Remuneration from distribution of earnings(C) (*3)</th><th colspan="2">Business execution expenses(D) (*4)</th><th colspan="2">Salaries, bonuses, and special expenses, etc. (E) (*5)</th><th colspan="2">Retirement Allowance (F)</th><th colspan="4">Employee profit sharing from earnings distribution (G) (*6)</th></tr>
<tr><th rowspan="2">Taiwan Cogeneration</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*7)</th><th rowspan="2">Taiwan Cogeneration</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*7)</th><th rowspan="2">Taiwan Cogeneration</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*7)</th><th rowspan="2">Taiwan Cogeneration</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*7)</th><th rowspan="2">Taiwan Cogeneration</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*7)</th><th rowspan="2">Taiwan Cogeneration</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*7)</th><th rowspan="2">Taiwan Cogeneration</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*7)</th><th colspan="2">Taiwan Cogeneration</th><th colspan="2">All firms disclosed in the consolidated financial statements (*7)</th><th rowspan="2">Taiwan Cogeneration</th><th rowspan="2">All firms disclosed in the consolidated financial statements (*7)</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>Main Shareholder</td><td>Taiwan Power Company</td><td rowspan="21">5,519</td><td rowspan="21">5,519</td><td rowspan="21">0</td><td rowspan="21">0</td><td rowspan="21">7,911</td><td rowspan="21">7,911</td><td rowspan="21">1,351</td><td rowspan="21">1,351</td><td rowspan="21">1.38%</td><td rowspan="21">1.38%</td><td rowspan="21">0</td><td rowspan="21">0</td><td rowspan="21">0</td><td rowspan="21">0</td><td rowspan="21">0</td><td rowspan="21">0</td><td rowspan="21">0</td><td rowspan="21">0</td><td rowspan="21">1.38%</td><td rowspan="21">1.38%</td><td rowspan="21">1,544</td></tr>
<tr><td>Chairman</td><td>Representative: Min-chieh Chang</td></tr>
<tr><td>Former Director</td><td>Representative: Guo-xin Chang</td></tr>
<tr><td>Former Director</td><td>Representative: Chun-Ming Cai</td></tr>
<tr><td>Director</td><td>Representative: Chien-Yih Chen</td></tr>
<tr><td>Director</td><td>Representative: Jao-hua Hsu</td></tr>
<tr><td>Director</td><td>Representative: Ming-Teh Chiang</td></tr>
<tr><td>Director</td><td>Representative: Li-Chen Chen</td></tr>
<tr><td>Director</td><td>Representative: Yuh-ming Lee</td></tr>
<tr><td>Former Director</td><td>Jin Hong Investment Co., Ltd.</td></tr>
<tr><td>Former Director</td><td>Representative: Wei Ding</td></tr>
<tr><td>Former Director</td><td>TECO Corporation</td></tr>
<tr><td>Former Director</td><td>Representative: Hong-xiang Lin</td></tr>
<tr><td>Director</td><td>Yuan June Investment Corp</td></tr>
<tr><td>Director</td><td>Representative: Sen-jing Wang</td></tr>
<tr><td>Director</td><td>Ta Ya Electric Wire and Cable Co., Ltd.</td></tr>
<tr><td>Director</td><td>Representative: Wen-Bing Lee</td></tr>
<tr><td>Director</td><td>Jian Sheng Investment Corporation</td></tr>
<tr><td>Director</td><td>Representative: Fu-Ging Hong</td></tr>
<tr><td>Director</td><td>Bo-Han Investment Corporation</td></tr>
<tr><td>Director</td><td>Representative: I-Hsien Chen</td></tr>
<tr><td>Former Independent Director</td><td>Xiao-dong Chang</td><td rowspan="5">756</td><td rowspan="5">756</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">2,373</td><td rowspan="5">2,373</td><td rowspan="5">639</td><td rowspan="5">639</td><td rowspan="5">0.35%</td><td rowspan="5">0.35%</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0.35%</td><td rowspan="5">0.35%</td><td rowspan="5">0</td></tr>
<tr><td>Former Independent Director</td><td>Sin-hui Yen</td></tr>
<tr><td>Independent Director</td><td>Yao-wen Lin</td></tr>
<tr><td>Independent Director</td><td>Han-Shen Li</td></tr>
<tr><td>Independent Director</td><td>Jih-sheng Yeh</td></tr>
</table>

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: 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 Article 38 of the Company Act, 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 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 that they are salaried NT$21,000 each month (NT$30,000 per month from April 2021), while ordinary directors are unsalaried. Compared to the salary for independent directors of other listed company, this amount is fair and reasonable.
2. Pay for services (such as non-employee consultant) specified in the financial statements provided by directors in the previous year not specified above

Range of Remuneration

Increment of remuneration to Taiwan Cogeneration Directors	Name of Director							
	Sum of the First Four Types of Remuneration (A+B+C+D)				Sum of the First Seven Types of Remuneration (A+B+C+D+E+F+G)			
	This Company (Note 8)		All companies in the financial statements (Note 9) H		This Company (*8)		All firms in the consolidated financial statements (*9) I	
	General director	Independent Director	General director	Independent Director	General director	Independent Director	General director	Independent Director
Below NT$1,000,000	Guo-xin Chang, Chun-Ming Cai, Chien-Yih Chen, Jao-hua Hsu, Ming-Teh Chiang, Li-Chen Chen, Yu-ming Lee, Jin Hong Investment Co., Ltd., Wei Ding, TECO Corp, Hong-xiang Lin, Huei-chu Liao, Yuan June Investment Corp, Sheng-jun Wang, Ta Ya Electric Wire and Cable Co., Ltd., Wen-Bing Lee, Jian Sheng Investment Corporation, Fu-Ging Hong, Bo-Han Investment Corporation, I-Hsien Chen	Xiao-dong Chang, Hsin-huei Yen, Yao-wen Lin, Han-Shen Li, Jih-sheng Yeh	Guo-xin Chang, Chun-Ming Cai, Chien-Yih Chen, Jao-hua Hsu, Ming-Teh Chiang, Li-Chen Chen, Yu-ming Lee, Jin Hong Investment Co., Ltd., Wei Ding, TECO Corp, Hong-xiang Lin, Huei-chu Liao, Yuan June Investment Corp, Sheng-jun Wang, Ta Ya Electric Wire and Cable Co., Ltd., Wen-Bing Lee, Jian Sheng Investment Corporation, Fu-Ging Hong, Bo-Han Investment Corporation, I-Hsien Chen	Xiao-dong Chang, Hsin-huei Yen, Yao-wen Lin, Han-Shen Li, Jih-sheng Yeh	Guo-xin Chang, Chun-Ming Cai, Chien-Yih Chen, Jao-hua Hsu, Ming-Teh Chiang, Li-Chen Chen, Yu-ming Lee, Jin Hong Investment Co., Ltd., Wei Ding, TECO Corp, Hong-xiang Lin, Huei-chu Liao, Yuan June Investment Corp, Sheng-jun Wang, Ta Ya Electric Wire and Cable Co., Ltd., Wen-Bing Lee, Jian Sheng Investment Corporation, Fu-Ging Hong, Bo-Han Investment Corporation, I-Hsien Chen	Xiao-dong Chang, Hsin-huei Yen, Yao-wen Lin, Han-Shen Li, Jih-sheng Yeh	Guo-xin Chang, Chun-Ming Cai, Chien-Yih Chen, Jao-hua Hsu, Ming-Teh Chiang, Li-Chen Chen, Yu-ming Lee, Jin Hong Investment Co., Ltd., Wei Ding, TECO Corp, Hong-xiang Lin, Huei-chu Liao, Yuan June Investment Corp, Sheng-jun Wang, Ta Ya Electric Wire and Cable Co., Ltd., Wen-Bing Lee, Jian Sheng Investment Corporation, Fu-Ging Hong, Bo-Han Investment Corporation, I-Hsien Chen	Xiao-dong Chang, Hsin-huei Yen, Yao-wen Lin, Han-Shen Li, Jih-sheng Yeh
NT$1,000,000 (included) - 2,000,000 (excluded)								
2,000,000 (included) - 3,500,000 (excluded)	Min-chieh Chang		Min-chieh Chang		Min-chieh Chang		Min-chieh Chang	
3,500,000 (included) - 5,000,000 (excluded)								
5,000,000 (included) - 10,000,000 (excluded)	Taiwan Power Company		Taiwan Power Company		Taiwan Power Company		Taiwan Power Company	
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	22(including institutional shareholders)	5	22(including institutional shareholders)	5	22(including institutional shareholders)	5	22(including institutional shareholders)	5

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 general manager or a vice general manager 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 general manager, vice general manager, 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 general managers, 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 remunerations 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 general manager and vice general managers

Remuneration for the General Manager and Vice General Managers
(on the same increment and disclosed collectively)
(expressed in NT$ Thousand)

Title	Name	Salary (A) (Note 2)		Severance Pay/ Retirement Allowance (B)		Bonuses & Special expenses (C) (Note 3)		Amount of Employee profit sharing from earnings distribution (D) (Note 4)				Sum of the First Four Types of Remuneration (A+B+C+D) (Note 8)		Related remuneration from investees other than the subsidiaries or the parent (Note 9)
		TCC	All firms disclosed in the consolidated financial statements (*5)	TCC	All firms disclosed in the consolidated financial statements (*5)	TCC	All firms disclosed in the consolidated financial statements (*5)	Taiwan Cogeneration		All firms disclosed in the consolidated financial statements (*5)		Taiwan Cogeneration	All firms disclosed in the consolidated financial statements (*5)	
								Cash	Stock	Cash	Stock			
General Manager	Kuang-Hsun Yu	9,716	9,716	0	0	3,761	3,761	1,896	0	1,896	0	1.44%	1.44%	240
Vice GM	Yi-tong Chen													
Vice GM	Shu-shen Lin													
Vice GM	Chin-Fa Tsai													

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

Range of Remuneration

Range of remuneration to Taiwan Cogeneration Corp. General Managers and Vice General Managers	Name of General Managers and Vice General Managers	
	The Company (Note 6)	All companies in the financial statements (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	Chin-Fa Tsai
3,500,000 (included) - 5,000,000 (excluded)	Kuang-Hsun Yu, Yi-tong Chen, Shu-shen Lin	Kuang-Hsun Yu, Yi-tong Chen, Shu-shen Lin
5,000,000 (included) - 10,000,000 (excluded)		
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	4 persons	4 persons

Note 1: Fill in the name of each general manager or vice general manager 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 general manager or a vice general manager 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 general managers and vice general managers 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 general manager or vice general manager 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 general managers and vice general managers.

Note 4: Refers to the compensation for employees (including stock and cash) distributed to general managers and vice general managers 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 general manager and vice general manager by all firms (including this company) disclosed in the consolidated financial statement.

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

Note 7: The name of each general manager and vice general manager shall be disclosed in the increment appropriate to the total amount of remunerations for each general manager and vice general manager 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 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)

By 26 April 2021

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Ratio in net earnings after tax (%)
Managers	General Manager	Kuang-Hsun Yu,	0	2,254	2,254	0.21%
	Vice GM	Yi-tong Chen				
	Vice GM	Shu-shen Lin				
	Vice GM	Chin-Fa Tsai				
	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) General manager and equivalent level;
(2) Vice general manager 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, general managers, and vice general managers 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, general managers and vice general managers of this company to the net earnings after tax over the past two years, including a description of the policies, criteria and composition of remuneration; the procedures to determine remuneration, their interrelationship with business performance and future risks.

Title	2019 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, general managers and vice general managers of this company to the net earnings after tax	2020 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, general managers and vice general managers of this company to the net earnings after tax
Directors	2.8%	3.2%
Supervisors		
General managers and vice GMs		

Note 1: The composition of the salary of general managers and vice general managers includes: base salary, duty allowances, and food allowance. A general manager or vice general manager is salaried based on his/her educational attainments, work experience, work performance, and service length.

Note 2: Interrelationship with future risks: None.

4. Status of governance

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

A. In 2020, BOD held seven 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)	Min-chieh Chang	7		100%	
Director (TPC)	Chein-Yih Chen	4	3	57%	
Director (TPC)	Jao-hua Hsu	5	2	71%	
Director (TPC)	Yu-ming Lee	7		100%	
Director (TPC)	Ming-Teh Chiang	4	1	80%	Office started 2020/06/30
Director (TPC)	Li-Chen Chen	5		100%	Office started 2020/06/30
Former Director (TPC)	Chun-Ming Cai	2		100%	Retired 2020/06/29
Former Director (TPC)	Guo-xin Chang	2		100%	Retired 2020/06/29
Director (Taya)	Wen-Bing Lee	5		100%	Office started 2020/06/30
Director (Yuan Jun Investments)	Sen-jing Wang	7		100%	
Director (Jian Sheng Investments)	Fu-Ging Hong	5		100%	Office started 2020/06/30
Director (Bo-Han Investments)	I-Hsien Chen	5		100%	Office started 2020/06/30
Former Director (TECO Corporation)	Hong-xiang Lin	2		100%	Retired 2020/06/29
Former Director (Jin Hong Investments)	Wei Ding	2		100%	Retired 2020/06/29
Former Director	Hui-chu Liao	2		100%	Retired 2020/06/29
Independent Director	Yao-wen Lin	7		100%	
Independent Director	Han-Shen Li	5		100%	Office started 2020/06/30
Independent Director	Jih-sheng Yeh	5		100%	Office started 2020/06/30
Former Independent Director	Xiao-dong Chang	2		100%	Retired 2020/06/29
Former Independent Director	Sin-hui Yen	2		100%	Retired 2020/06/29

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:
   (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.
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 Table 2-(2) Board Performance Evaluation.
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.

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:

Date	Session	Proposal and Resolution	Independent Director Opinion	Response to Independent Director Opinion
2020.03.20	17th Meeting of the 10th Board	1. Approval of the 2019 business report and financial statements. Resolution: Approved as proposed.	NA	Approved as proposed.
		2. Approval of the 2019 earnings distribution. Resolution: Approved as proposed.	NA	Approved as proposed.
		3. Approval of the "Statement of Internal Control System" on December 31, 2019. Resolution: Approved as proposed.	NA	Approved as proposed.
		4. 2019 Remuneration for employees and directors. Resolution: Approved as proposed.	NA	Approved as proposed.
2020.05.08	18th Meeting of the 10th Board	1. Financial statement CPA replacement. Resolution: Approved as proposed.	NA	Approved as proposed.
		2. Short-term financing of NT$300 million for Star Energy. Resolution: Approved as proposed.	Same as that of the Audit Committee.	Approved as per the decision of the Audit Committee.
		3. Control table for the Internal Control Performance Follow-up Report. Resolution: Approved as proposed.	Same as that of the Audit Committee.	Approved as per the decision of the Audit Committee.
		4. Acquisition of 100% stake of Miaoli Wind Co., Ltd. Resolution: Approved as proposed.	Same as that of the Audit Committee.	Approved as per the decision of the Audit Committee.
2020.06.30	1st Meeting of the 11th Board	Appointment of Members for the "Functional Committee" Resolution: Approved as proposed.	NA	Approved as proposed.
2020.06.30	2nd Meeting of the 11th Board	1. Short-term financing of NT$200 million and endorsement of NT$164 million for Miaoli Wind. Resolution: Approved as proposed.	Same as that of the Audit Committee.	Approved as per the decision of the Audit Committee.
		2. Issuance of unsecured common bond within NT$2.5 billion. Resolution: Approved as proposed.	NA	Approved as proposed.
2020.08.11	3rd Meeting of the 11th Board	Revision of the items and contents of the 2020 internal control system. Resolution: Approved as proposed.	Same as that of the Audit Committee.	Approved as per the decision of the Audit Committee.
2020.11.10	4th Meeting of the 11th Board	1. Content change of the issuance of new stock for capitalization in 2008. Resolution: Approved as proposed.	Same as that of the Audit Committee.	Approved as per the decision of the Audit Committee.
		2. Submission of the "Control Table for Internal Control Performance Follow-up Report". Resolution: Approved as proposed.	Same as that of the Audit Committee.	Approved as per the decision of the Audit Committee.
		3. Establishment of the "Audit Models for Taiwan Cogeneration and Investees Star Energy, Sun Ba Power, and Star Buck". Resolution: Approved as proposed.	Same as that of the Audit Committee.	Approved as per the decision of the Audit Committee.
2020.12.22	5th Meeting of the 11th Board	1. Approval of the "2021 Business Plan and Budget" Resolution: The proposal is held for the management to correct the uncertainties in the 2021 budget, such as the power consumption of Guantian Plant and the gross profit of Star Energy. After reviewing and correcting the 2021 budget targets, submit to BOD for resolution.	Same as that of the Audit Committee.	Approved as proposed after the management corrected the data of the 2021 budget and communication at the board meeting. In addition, if the

				difference between the 2021 budget and re-assessed income before tax is up to 20%, this proposal will be further corrected and reviewed, and then submitted to BOD for discussion at the end of Q2.
		2. 2021 CPA evaluation, appointment, and the CPA fee for the "audit and certification of the financial statements and tax affairs". Resolution: Approved as proposed.	NA	Approved as proposed.
		3. Short-term financing of NT$50 million for TCC Green Energy. Resolution: Approved as proposed.	NA	Approved as proposed.
		4. 2021 audit program. Resolution: Approved after revision.	Same as that of the Audit Committee.	Approved as per the decision of the Audit Committee.
		5. Acquisition of 100% stake of Hamaguri. Resolution: Approved after data supplementation.	Same as that of the Audit Committee.	Approved as per the decision of the Audit Committee.
		6. Signing the joint-venture agreement with TPC and investment of NT$78 million in CY Energy (temporary name) according to the shareholding. Resolution: Approved after revision.	Same as that of the Audit Committee.	BOD corrections: 1. Point 3: Diction change from "considerations 'shall be' prioritized into "considerations 'may be' prioritized. 2. Authorized the chairperson to communicate with the JV shareholders at 13-16% of the shareholding and president appointment. If no suggestion of the Audit Committee is reached, implement as approved.
		7. Authorization of direct approval of 2021 investment in PV projects by the chairperson under certain conditions. Audit Committee Resolution: Approved as proposed.	NA	Approved as proposed.
		8. 2021 chairperson evaluation and salary adjustment, and 2020 chairperson operations and performance bonuses. Resolution: Approved as proposed.	NA	Approved as proposed.

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 Min-chieh Chang avoided from the Proposal of 2021 Chairperson Evaluation and Salary Adjustment and Proposal of 2020 Chairperson 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 amended the Rules of Procedure for BOD Meetings in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies: “The BOD meeting attendance of directors is disclosed on MOPS after the meeting” has been updated in the Rules of Procedure accordingly.
   2) Since 2015 we began to establish the Governance Best Practice, Insider Trading Prevention Regulations, Code of Ethics, Corporate Social Responsibility Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and the Ethical Corporate Management Best Practice Principles to strengthen BOD competency, and the implementation outcomes are reported to BOD. 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 “BOD 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 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 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 BOD for inspection and reference. The “BOD Performance Assessment Regulations” was amended by the board in May 2020 to state that external assessment shall be carried out every three years. Based on the 2020 overall evaluation results, the achievement rate of performance indicators has been achieved, suggesting that the performance of BOD 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) A compensation committee has been established for directors to regularly review the annual and long-term performance indicators, and the policy, system, standard, and structure of salary/remuneration for directors according to the Compensation Committee Charter. The Compensation Committee held 6 meetings in 2020. Please refer to the Operation of Compensation 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 six committee meetings were held in 2020. Please refer to “Operation of Audit Committee” for information of the proposals passed by the committee.
   6) On December 20, 2019 we formed the Nomination Committee with five committee members, including three independent directors, namely Shun-I Huang as chairperson,

Jao-hua Hsu, Yao-wen Lin, Han-Shen Li, and Jih-sheng Yeh, and established the Nomination Committee Charter. We are a company specializing in cogeneration, electricity business investment, and electricity-related engineering and energy technology service projects. Three of the members of the second Nomination Committee are experts in corporate governance and electricity business, with professional competence for nominating talents with expertise in the electricity industry. Besides finding eligible candidates for directors, this Committee can also help improve corporate governance and BOD operations. The Committee exerted their expertise and special functions at the 2020 directorial election and held two committee meetings in 2020. The Committee shall exercise the due care of a good administrator to faithfully perform the following duties and shall submit its proposals to the board for discussion:

a. Laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the board, supervisors and senior executives, and finding, reviewing, and nominating candidates for directors, supervisors, and senior executives based on such standards.

b. Establishing and developing the organizational structure of the board and each committee, and evaluating the performance of the board, each committee, and each director and senior executive and the independence of the independent directors.

c. Establishing and reviewing on a regular basis programs for director continuing education and the succession plans of directors and senior executives.

d. Establishing corporate governance guidelines of the Company.

(2) 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 2020, the Audit Committee held six 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 2020. 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 "Integrity, Objectivity, and 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 4th meeting of the 2nd Audit Committee on December 21, 2020 and the 5th meeting of the 11th Board of Directors on December 22, 2020, the Audit Committee and BOD reviewed and approved that CPAs Jui-Hsuan Ho and Chao-Mei Chen 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. Six committee meetings were held in 2020 (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) (%) (Note)	Note
Independent Director a	Yao-wen Lin	6	0	100%	
Independent Director b	Han-Shen Li	4	0	100%	Office started 2020/06/30
Independent Director c	Jih-sheng Yeh	4	0	100%	Office started 2020/06/30
Former Independent Director a	Xin-hui Yan	2	0	100%	Retired 2020/06/29
Former Independent Director b	Xiao-tong Chang	2	0	100%	Retired 2020/06/29

C. Annotations:

(1) Should the Audit Committee be operated under any one of the following circumstances, the date and session committee meeting, the proposal content, the opinion of committee members; and the committee's response to such opinions shall be specified:

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

BOD Meeting Date/Session	BOD Proposal and Audit Committee Resolutions	Audit Committee Opinion	Response to Audit Committee Opinion
2020.03.20 17th Meeting, 10th Board	1. 2019 business report and financial statements. Audit Committee Resolution: Approved as proposed.	NA	Approved by all attending directors according to the resolution of the Audit Committee.
	2. 2019 earnings distribution. Audit Committee Resolution: Approved as proposed.	NA	Approved by all attending directors according to the resolution of the Audit Committee.
	3. "Statement of Internal Control System" on December 31, 2019. Audit Committee Resolution: Approved as proposed.	NA	Approved by all attending directors according to the resolution of the Audit Committee.
2020.05.08 18th Meeting, 10th Board	1. Financial statement CPA replacement. Audit Committee Resolution: Approved as proposed.	NA	Approved by all attending directors according to the resolution of the Audit Committee.
	2. Short-term financing of NT$300 million for Star Energy. Audit Committee Resolution: Approved as proposed.	Please supplement the determination of Fund utilization rate and interest calculation.	Approved by all attending directors according to the resolution of the Audit Committee.
	3. Control table for the Internal Control Performance Follow-up Report. Audit Committee Resolution: Approved as proposed.	There are still four inclusive items among all follow-up items by the end of April. Please continue the follow-up.	Approved by all attending directors according to the resolution of the Audit Committee.
	4. Acquisition of 100% stake of Miaoli Wind Co., Ltd. Audit Committee Resolution: Approved as proposed.	The management should include the "Price Reasonability Opinions" in the description section to facilitate the understanding that the acquisition price falls within the price opinion.	Approved by all attending directors according to the resolution of the Audit Committee. In addition, the chairperson is authorized to handle the contracts, share transfers, and the capitalization of Miaoli Wind with an amount below NT$1.136 billion.
2020.6.30 2nd Meeting, 11th Board	1. Short-term financing of NT$200 million and endorsement of NT$164 million for Miaoli Wind. Audit Committee Resolution: Approved as proposed.	Please make a targeted report and a report on other material business of this Company to the independent directors and	Approved by all attending directors according to the resolution of the Audit Committee.

		new directors before August.	
	2. Issuance of unsecured common bond within NT$2.5 billion. Audit Committee Resolution: Approved as proposed.	NA	Approved by all attending directors according to the resolution of the Audit Committee.
2020.8.11 3rd Meeting, 11th Board	Revision of the items and contents of the 2020 internal control system. Audit Committee Resolution: Approved as proposed	Changed the diction in the seal use regulations. Independent Director Yeh may provide opinions for the revision. Additional resolution: Ask all wholly-owned subsidiaries to establish an internal control system and set up the schedule of implementation before re-submitting to the Audit Committee and BOD for approval.	Approved by all attending directors according to the resolution of the Audit Committee.
2020.11.10 4th Meeting, 11th Board	1. Content change of the issuance of new stock for capitalization in 2008. Audit Committee Resolution: Approved as proposed.	The management should further explain the reasons for the content change in the capitalization proposal.	Approved by all attending directors according to the resolution of the Audit Committee.
	2. Submission of the "Control Table for Internal Control Performance Follow-up Report". Audit Committee Resolution: Approved as proposed.	Please continue to follow up the items which have not been concluded.	Approved by all attending directors according to the resolution of the Audit Committee.
	3. Establishment of the "Audit Models for Taiwan Cogeneration and Investees Star Energy, Sun Ba Power, and Star Buck". Audit Committee Resolution: Approved as proposed.	According to point 3 in the description, IPP audits should establish a procedure in the TCC's internal control system. Please review and consider the role and workforce structure of the Audit Office.	Approved by all attending directors according to the resolution of the Audit Committee.
2020.12.22 5th Meeting, 11th Board	1. Approval of the "2021 Business Plan and Budget" Audit Committee Resolution: Proposal held.	The management should correct the uncertainties in the 2021 budget, such as the power consumption of Guantian Plant and the gross profit of Star Energy. After reviewing and correcting the 2021 budget targets, submit to BOD for resolution. In the future, the data should include the analysis of the differences from the previous year.	Approved by all attending directors according to the resolution of the Audit Committee. Approved as proposed after the management corrected the data of the 2021 budget and communication at the board meeting. In addition, if the difference between the 2021 budget and re-assessed income before tax is up to 20%, this proposal will be further corrected and reviewed, and then submitted to BOD for discussion at the end of Q2. further corrected and reviewed, and then submitted to BOD for discussion at the end of Q2
	2. 2021 CPA evaluation, appointment, and the CPA fee for the "audit and certification of the financial statements and tax affairs". Audit Committee Resolution: Approved as proposed.	NA	Approved by all attending directors according to the resolution of the Audit Committee.
	3. Short-term financing of NT$50	NA	Approved by all attending

million for TCC Green Energy. Audit Committee Resolution: Approved as proposed.		directors according to the resolution of the Audit Committee.
4. 2021 audit program. Audit Committee Resolution: Approved after revision.	Please review the need to audit or have a random inspection on items not audited for over five years.	Approved by all attending directors according to the resolution of the Audit Committee.
5. Acquisition of 100% stake of Hamaguri. Audit Committee Resolution: Approved after data supplementation of the management.	1. The acquisition of 100% stake of Hamaguri aims to acquire the tenancy contract of 61.42 hectares of land in Yongxing Aquaculture Special Zone in Changhua County for the TCC to develop onshore wind farm and fish farm FPV. The expense of this acquisition is considered as the pilot development cost. Before placing capital in the onshore wind farm and fish farm FPV development in this area, please apply for approval to the Audit Committee and BOD again. 2. The management should assess the project and conduct the financial analysis to determine project feasibility, as well as the chances of success of the onshore wind farm and fish farm FPV. Related laws and regulations, environmental impact assessment, and communication of the local government and fish farms are the key. After the approval of the Audit Committee, submit this proposal to BOD for review and approval.	Approved by all attending directors according to the resolution of the Audit Committee.
6. Signing the joint-venture agreement with TPC and investment of NT$78 million in CY Energy (temporary name) according to the shareholding. Audit Committee Resolution: Approved after revision.	1. The maximum investment in CY Energy should be 16% of its stake. The amount will be adjusted according to TCC's shareholding in the JV. 2. Please determine at CY Energy's promoters' meeting and state in the JV agreement: "Within	Approved by all attending directors according to the resolution of the Audit Committee. 1. Point 3: Diction change from "considerations 'shall be' prioritized into "considerations 'may be' prioritized. 2. Authorized the chairperson to communicate with the JV shareholders at 13-16% of the shareholding and

		two years after CY Energy's establishment, Shinfox Energy shall nominate the president for CY Energy, then the TCC will nominate the next president." 3. The operations company established after the establishment of CY Energy shall be prioritized at the Changhua Operations Center of Star Energy.	president appointment. If no suggestion of the Audit Committee is reached, implement as approved.
	7. Authorization of direct approval of 2021 investment in PV projects by the chairperson under certain conditions. Audit Committee Resolution: Approved as proposed.	The disbursement of this proposal shall be reported to each Audit Committee meeting and board meeting.	Approved by all attending directors according to the resolution 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

1) 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.

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

Date	Focus of Communication	Result of Communication
2020.3.20	Meeting for Discussion and Communication of 2019 Internal Control Self-Assessment Report.	Independent directors made no comment.
2020.5.8	Meeting for Discussion and Communication of the Internal Control Performance and Follow-up Report.	1. Independent directors made no comment. 2. Four of the items listed for follow-up remain undone by the end of April, please continue to follow up.
2020.7.23	Report on the status of operation of the internal control and internal audit.	Independent directors requested all subsidiaries to establish their own internal control system and Planning & Investment Management Department and Audit Office

		to give them assistance and guidance.
2020.7.28	Meeting for explanation of the amendment to the 2020 internal control system	Independent directors listed the items required for amendment.
2020.8.11	Amendment to the 2020 internal control system	Regarding the seal use management in other controls, independent directors suggested a title change into “Management of the Use of Seals” as stated in Article 8, paragraph 1, subparagraph 1 of the “Regulations Governing Establishment of Internal Control Systems by Public Companies”.
2020.11.3	Meeting for discussion of the mode of audit operation of the group	Implemented as recommended by independent directors.
2020.12.17	Meeting for communication with independent directors.	1. Revision the audit program according to the opinions of independent directors. 2. Request for the presence of the Audit Office at meetings attended by independent directors.

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/Meeting	Focus of Communication	Result of Communication
2020.3.20 Communication meeting between the governance body and CPAs	Presentation, discussion, and communication of the audit results of the 2019 consolidated and individual financial statements and the internal audit.	No objection.
2020.12.21 4th meeting of the 2nd Audit Committee	Discussion and communication of the schedule, focus, and key items of audit of the 2020 financial statements.	No objection.
2021.2.25 Communication meeting between the governance body and CPAs	Discussion and communication of the results and key items of audit of the 2020 financial statements.	No objection.

(3). Information on the Members of the Compensation Committee

1.Information on the Members of the Compensation Committee

Identity Category (Note 1)	Qualification / Name	Have a minimum of 5 years of experience and the following professional qualifications			Status of independence (Note 2)										Role in the compensation committee of other public companies	Remarks
		A lecturer or above of a public or private college or university specializing in commerce, law, finance, accounting, or other disciplines required by the business of the Company.	A judge, public prosecutor, lawyer, accountant, or other roles required by the business of the Company who has/have passed the respective national examinations for professionals and technologists and hold(s) the relevant certificates.	Work experience in commerce, law, finance, accounting, or other fields required by the business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Director	Yao-wen Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	
Independent Director	Han-Shen Li			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	
Independent Director	Jih-sheng Yeh		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	
Other	Su-qin Zhuang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	
Other	Fan-Chou Hsu			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	

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

Note 2: Members fulfilling the following qualifications two years before assumption of office or at the time of assumption office shall tick "✓" the appropriate box.

(1) Not an employee of the Company or its affiliates.

(2) Not a director or supervisor of the company or its affiliates (except for independent directors of concurrently the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).

(3) Not a natural person itself, spouse, underage children, or under the title of a third party who holds more than 1% of the outstanding shares issued by the company or among the top 10 natural person shareholders.

(4) Not the spouse, the kindred at the second tier under the Civil Code or the direct kin within the third tier under the Civil Code of the managers stated in (1) or other roles stated in (2), (3).

(5) Not a director, supervisor or employee of an corporate shareholder directly holding more than 5% of the outstanding shares issued by the company, or a director, supervisor or employee of an corporate shareholder who is among the top 5 shareholders, or a representative of an corporate shareholders appointed as the director or supervisor of the company according to paragraph 1 or 2, Article 27, Company Act (except for independent directors of concurrently the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).

(6) Not a director, supervisor or employee of a company controlling over one half of the company's director seats or voting shares under one person (except for independent directors of the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).

(7) Not a director, supervisor or employee of a company or institution whose chairperson and president or equivalent role is the same person or its spouse (except for independent directors of concurrently the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).

(8) Not a director, supervisor, manager or shareholder holding more than 5% of the outstanding shares of a specific company or institution in a business or financial relation with the company (except for a specific company or institution holding over 20% but less than 50% of the company's outstanding shares, and independent directors of the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).

(9) Not a professional or owner, partner, director, supervisor, manager or the spouse of these roles of a sole proprietorship, partnership, company, or institution that audits or provides related business, legal, financial, accounting services or consultation with service fees accumulating below NT$500,000 in the last two years for the company or its affiliates; except for members of the Compensation Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition exercising powers according to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not under any one of the categories stated in Article 30 of the Company Act.

2.Operation of Compensation Committee

A. The Compensation Committee consists of five members.

B. The term of the current (fourth) committee is between June 30, 2020 and June 29, 2023. Six committee meetings were held in the previous year (A), 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	6		100%	
Member	Han-Shen Li	4		100%	Office started 2020.6.30
Member	Jih-sheng Yeh	4		100%	Office started 2020.6.30
Member	Su-qin Zhuang	6		100%	
Member	Fan-Chou Hsu	4		100%	Office started 2020.6.30
Former Convener	Xiao-dong Chang	2		100%	Retired 2020.6.29
Former Member	Sin-hui Yen	2		100%	Retired 2020.6.29
Former Member	Cong-wei Liu	2		100%	Retired 2020.6.29

Annotations

2. When BOD ignores or modifies recommendations made by the Compensation Committee, the date and session of the BOD meeting, the proposal contents, BOD resolutions, and response to the recommendations of the Compensation Committee (e.g. the compensation approved by BOD is higher than that recommended by the Compensation Committee, the difference and reasons shall be specified): None
3. 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 Compensation 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 Compensation Committee meetings held in that year and the actual number of meetings attended.

C. Composition, responsibility, and operation of the Compensation Committee: The 4th Compensation 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 Compensation Committee Charter; and review the salary for directors and executives.

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

Compensation Committee Meeting	Contents	Member's Opinions	Management response to the opinions of members
2020.03.20 10th meeting of the 3rd Compensation Committee	1. Distribution of remuneration for directors and employees in 2019.	Approved by all attending committee members as proposed.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	2. Amendment to the "Employee Bonus Distribution Regulations".	Approved by all attending committee members as proposed. In addition, diction change from "summer months zero trip bonus" into "bonus for no unplanned trip in summer months". In case of a system halt, related penalties shall be in place. A plant shall unfailingly implement this in procurement control, compliance	All attending directors agreed to keep the term "summer months zero trip bonus" unchanged with footnotes about "zero trip". Others were approved with respect to the resolution of the Compensation Committee.

		with internal control, and efficiency enhancement.	
	3. Amendment to the “Employee Salary Approval Regulations”.	Approved by all attending committee members as proposed.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
2020.05.08 11th meeting of the 3rd Compensation Committee	1. Amendment to the “BOD Performance Assessment Regulations”.	All attending committee members approved the amendment to Article 3, paragraph 3 as follows, and the other parts are as proposed and submitted to BOD for discussion and approval. “Article 3, paragraph 3: The internal and external BOD performance evaluations shall be completed by the end of Q1 in the next year.”	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	2. Amendment to the “Employee Salary Approval Regulations”.	All attending committee members approved the amendment to 6.6.2.1 as follows, and the other parts shall remain unchanged, and submitted to BOD for discussion and approval. “6.6.2.1 Performance Evaluation and Raise: When the EPS of this Company is over the average of the last five years (excluding the IFRS difference), the following shall apply (omitted).”	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
2020.06.30 1st meeting of the 4th Compensation Committee	1. Distribution of remuneration for directors in 2019.	Approved by all committee members as proposed.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	2. Distribution of remuneration for officers in 2019.	Approved by all attending committee members as proposed and submitted to BOD for discussion and approval. Management shall state the references as follows in the Description of the proposal. The same shall apply in the future. Description: “With respect to articles 29 and 33 of the ‘Articles of Incorporation of TCC’ and Article 6 of the ‘Articles of Organization of the Compensation Committee’, the salary of officers shall be discussed and approved by the Compensation Committee and BOD…”	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee. The remuneration for officers will be distributed alongside the dividend on August 7, 2020.
	3. Salary approval for senior officers or higher 1.	After management explained the allowance for concurrent duty of VP Chin-Fa Tsai, all attending committee members approved as proposed. The proposal will take effect as of July 1, 2020 after BOD discussion and approval.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	4. Salary approval for senior officers 2.	All attending committee members approved the salary for Manager Ming-Zhou Cheng of Business Development Department, Manager Bo-Wen Gao of the Engineering Department, and Director Gui-Liang Hsu of Guantian Plant. The proposal will take effect as of July 1, 2020 after BOD discussion and approval.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	5. Salary approval for chairperson of the 11th BOD.	All attending committee members approved the salary for Chairperson Min- Chieh Chang. The proposal will take effect as of July 1, 2020 after BOD discussion and approval.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.

2020.08.11 2nd meeting of the 4th Compensation Committee	1. Amendment to the “Allowance Table” and “Concurrent Position Allowance Table” in the “Employee Salary Approval Regulations”	Approved by all attending committee members as proposed.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	2. Salary approval for senior officers or higher.	Approved by all attending committee members as proposed. In the future raise, management shall submit a cross-reference table before and after the raise for the reference.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
2020.11.10 3rd meeting of the 4th Compensation Committee	Salary approval for officers.	All attending committee members approved the salary for Manager Wan-Jane Chen of Planning and Investment Management Department. The proposal will take effect as of November 11, 2020 after BOD discussion and approval.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
2020.12.21 4th meeting of the 4th Compensation Committee	1. “2020 General Targets Achievement” and “2021 General Targets (draft)”.	Approved by all attending committee members as proposed. In the future, management shall discuss the job rotation program of employees and defines the goals of rotation.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	2. The amount of employee performance bonus and operations and performance bonus for senior officers or higher in 2020.	Approved by all attending committee members as proposed. In the future, management shall review the proportion of department KPI and personal performance at 35%:65%.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	3. 2021 employee and officer performance evaluation and raise.	Approved by all attending committee members as proposed.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	4. 2021 president performance evaluation and raise.	Approved by all attending committee members as proposed.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	5. 2021 chairperson performance evaluation and raise.	Approved by all attending committee members as proposed.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.
	6. Operations and performance bonus for the chairperson in 2020.	Approved by all attending committee members as proposed.	Submission to BOD for approval by all attending directors with respect to the resolution of the Compensation Committee.

(4). Information on BOD 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	From Jan.1, 2020 to Dec. 31, 2020	The overall performance of BOD and individual directors performance	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. Based on the 2020 overall evaluation results, suggesting that the performance of BOD in the internal performance evaluation, performance of board member in the self-assessment were all "good."
Once a year	From Jan.1, 2020 to Dec. 31, 2020	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. Based on the 2020 evaluation results, suggesting that the performance of functional committees were all "good."

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, 2019 and December 31, 2019.

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.

(5) 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 (NB)			variations and causes of variations from "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 2020/11/10 and disclosed on MOPS and the corporate website.	No material variation from the "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 material variation from the "Governance Best Practice".
3. Organization and functions of the board of director (1) Does the company establish and implement a defined policy 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: A. Diversity of the basic conditions includes gender and age diversification. The BOD is formed with members of different genders to reduce the proportion of gender difference, including at least one	No material variation from the "Governance Best Practice".

Indicator	Status (NB)			variations and causes of variations from "Governance Best Practice"
	Yes	No	Summary Description	
			female member. The present BOD has 13 members, including one female member, accounting for 8% of the total. In age distribution, the three members of the present BOD are aged 30-50, and 10 are aged over 50. B. Diversity of professional knowledge and skills: The BOD should be formed with members of different expertise. The present (11th) BOD 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, Chein-Yih Chen, Jao-hua Hsu, Yao-wen Lin, Han-Shen Li, Wen-Bing Lee, and Fu-Ging Hong are specialized in operational management, leadership, and decision-making; directors Shun-I Huang, Chein-Yih Chen, Jao-hua Hsu, Yao-wen Lin, Han-Shen Li, Ming-Teh Chiang, Li-Chen Chen, Yu-ming Lee, Wen-Bing Lee, Sen-jing Wang, and I-Hsien Chen are equipped with industry-specific special knowledge; directors Han-Shen Li, Li-Chen Chen, and Sen-jing Wang are specialized in finance and accounting; director Jih-sheng Yeh is specialized in legal affairs; and director Yu-ming Lee is an environmentalist who has given much advice for the Company's sustainable development in the environmental aspect. Each member of the present BOD has different special skills, meeting the goal of board member diversification. Related information is disclosed on the corporate website.	
(2) In addition to a compensation committee and an audit committee required by law, does the company voluntarily establish other functional committees?	V		(2) Apart from establishing a compensation committee and an audit committee by law, we set up a nominating committee on December 20, 2019, with Chairperson Shun-I Huang as the chair and convener, and members including three independent directors: Yao-wen Lin, Han-Shen Li, and Jih-sheng Yeh, and Director Jao-hua Hsu, totaling five seats. Each member is equipped with own specialty, including operational management, leadership, decision-making, finance, and accounting. After the approval of the BOD, the composition, duty, and operation of the functional committees are disclosed on the corporate website according to related regulations. The nominating committee was established at the end of 2019, and two committee meetings were held in 2020.	
(3) Does the company establish a method to evaluate BOD performance and evaluate BOD performance every year?	V		(3) The BOD (including functional committees) Performance Assessment Regulations were approved after amendment by the BOD on 2020/5/8, which state that state that external assessment shall be carried out every three years. Accordingly, the Company should assess BOD performance every year. The scope of assessment covers the following five aspects: (1) participation in the company's operations; (2) improvement of the decision quality of the board of directors; (3)	

Indicator	Status (NB)			variations and causes of variations from “Governance Best Practice”
	Yes	No	Summary Description	
			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 BOD. 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 2020, the score of both overall BOD performance and board member performance self-assessment was over 80 marks, i.e. “good”, and the result was reported to and approved by BOD on 2021/3/19. The performance of the Audit Committee, Compensation Committee, and Nominating Committee was also assessed in 2020, with a score over 80 marks, i.e. “good”, and the result was reported to BOD on March 19, 2021. Related information has been disclosed on the corporate website.	
(4) Does the company regularly evaluate the independence of certified public accountants?	V		(4) This Company assesses the CPAs every year (at least once a year). In the independence aspect, CPAs are required to submit the (1) “Statement of Compliance with Audit Independence”, (2) a statement of non-stakeholder (not being a director, supervisor, shareholder of this company or not being salaried by this company), (3) a statement of no discipline record at competent authorities or Taiwan CPA, and (4) a statement of no customer in the related industries or a competitor of this Company. In 2020, CPAs Jui-Hsuan Ho and Chao-Mei Chen of Deloitte Taiwan passed the expertise, independence, and remuneration assessments and were hired with the approval of the 5th meeting of the 11th BOD on 2020/12/22.	

Indicator	Status (NB)			variations and causes of variations from “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. We also designated Ms. Chia-Ling Tsai, 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 2020 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 BOD as scheduled; and reminding directors of proposals requiring avoidance of the conflict of interest; and (3) implementation of the rules of procedures and announcements of the meeting of shareholders by law. In addition, the CGO received 24 hours of continuing education in 2020, including “Key Technologies and Market Applications of 5G and IoT” (3 hours), “Employee Reward Policies and Tools Investigation” (3 hours), “Investigation of Information Security Governance for Enterprises: A Legal Practice Perspective” (3 hours), “Insights into the Hidden Key Messages in Financial Statements” (3 hours), “Capital Market and Corporate Governance” (3 hours), “Financial Statement Reviews for Directors and Supervisors” (3 hours), and “The 16th Corporate Governance Submit & Forum: Demonstrating Independent Director Competence and Strengthening BOD Value Creation” (6 hours).	No material variation from the “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 2020 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 (http://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 management/control, assessment and countermeasures of electricity industry policies, supply stability and reliability, legal compliance, OH&S, energy conservation and carbon reduction, and the circular economy.	No material variation from the “Governance Best Practice”.

Indicator	Status (NB)			variations and causes of variations from "Governance Best Practice"
	Yes	No	Summary Description	
			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 BOD periodically (at least once a year). This year, the report was made to the BOD at the 5th meeting of the 11th BOD on 2020/12/22.	
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 material variation from the "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 http://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. We also post the summary of investor conferences on the Chinese and English corporate website. (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 material variation from the "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 2020, we arranged courses including "How Should Directors and Supervisors Supervise Risk Management and Crisis Handling in Enterprises" and "About Ethical Corporate Management" to publicize ethical corporate management, insider trading prevention, and the code of ethical conduct. In 2020, 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 COVID-19 pandemic, we introduced the e-learning platform in 2020 to provide channels for mobile learning and learning from home for employees to continue learning regardless of the pandemic. In addition, to enhance the	No material variation from the "Governance Best Practice".

Indicator	Status (NB)			variations and causes of variations from “Governance Best Practice”
	Yes	No	Summary Description	
			competitiveness of both employees and the company, we introduced the 3-year English learning program and trailed the 6-month English conversation camp for employees 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 Risk Management Implementation Plan and perform rolling review every year to update the risk management plan to enforce risk control and prevent risk from impacting organizational operations. In 2020 Q1, we already reviewed the risk control measures of 2019 and established the 2020 Risk Management Plan. On 2020/8/11, the BOD approved the establishment of the risk management policy to define the scope, organizational framework, operating mechanisms and procedures of risk management and establish a risk management committee to review the performance of risk control measures in 2020, the effectiveness of control mechanisms, and the difficulties and countermeasures. 5. We conduct the customer satisfaction survey every year to respond to and handle their opinions properly. 6. We buy directors and officers liability insurance for all BOD members. At the 17th meeting of the 10th BOD on 2020/3/20, we reported the status of insurance purchase in 2020.	
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 2020 Corporate Governance Evaluation in, we were ranked among the top 5% out of a total of 905 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 CSR, we publish the CSR report and acquire external assurance every year to make continual improvement of governance.	No material variation from the “Governance Best Practice”.

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

(6) CSR performance

<table>
<tr><td rowspan="2">Indicator</td><td colspan="3">Implementation (Note 1)</td><td rowspan="2">Variations and the cause(s) of variations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td>Yes</td><td>No</td><td>Description (Note 2)</td></tr>
<tr><td>1. Does the company assess the risk of environmental, social, and governance (ESG) issues in relation to company operations based on the materiality principles and establish policies or strategies in relation to risk management to enforce corporate governance? (Note 3)</td><td>V</td><td></td><td>We have established the "CSR Promotion Committee" with the Planning and Investment Management department being the concurrent unit to promote CSR, implement related work, prepare the CSR report every year, identify the topics that concern/interest stakeholder groups relating to corporate operations and measure the level of impact of individual topics within and outside of the company according to the materiality principles, assess related risks and establish management approaches and related risk management policies and strategies.
<table>
<tr><td>Material Topic</td><td>Risk Management Strategy</td></tr>
<tr><td>Environmental—Renewable Energy Development</td><td>We identify the potential risks caused by climate change and dedicate to energy conservation, carbon emission reduction, and environmental protection. With respect to the government policy, we actively develop renewable energy including solar energy, wind power, and geothermal energy.</td></tr>
<tr><td>Social—
(1) OH&S
(2) Talent development</td><td>(1) Our measures and policies for OH&S management include workplace safety maintenance, construction and operation safety, occupational hazard risk management, employee health management program, health checkup, enhancement of OH&S education/training, holding periodic industrial safety meetings for management, and the establishment of the ESH policy. We have also established the OH&S committee to enhance OH&S education and training and hold industrial safety meeting periodically for management. We made continual improvement of workplace environment OH&S management and passed ISO 45001 OH&SMS certification.
(2) We have established management mechanisms covering talent recruitment, talent development, and performance evaluation; actively cultivate various recruitment channels, arrange periodic education and training for employees; encourage employees to take internal and external training courses; and assist with employee career development to enforce experience circulation within the organization.</td></tr>
<tr><td>Governance—</td><td>(1) We are committed to improving the</td></tr>
</table></td><td></td></tr>
</table>

			(1) Economic performance: operational performance of existing IPPs and active business cultivation. Guantian Plant uses scrap tires and waste pulps as the auxiliary fuels to reduce coal consumption in order to lower fuel costs and thereby maintain long-term, steady profit. (2) Supply stability and reliability: (2) We are specialized in providing high-efficiency and low-carbon energy services. We make equipment improvement, enhance operation efficiency, and operation reliability constantly to supply industrial users with stable steam and electricity.	
2. Does the company establish a dedicated (concurrent) department to implement corporate social responsibility? Does BOD delegate senior management to handle CSR matters and report on its implementation?	V		Our "Corporate Social Responsibility Best Practice Principles" have been approved by the BOD, and we have established the "CSR Promotion Committee" to plan and implement the Company's CSR work. The committee is chaired by the company chairperson and co-chaired by the company's general manager, with members including vice general managers and subsidiary chairpersons. We also established the executive secretary post filled by the manager of the Planning and Investment Management Department, which is concurrently the CSR responsible unit to help the CSR Promotion Committee to administer the establishment and planning of CSR-related work, including establishment and review of the CSR policy, system and management approaches, annual work plans, promoting and implementing the annual work plans to ensure the timeliness and accuracy of CSR information disclosures. Every year the committee hold periodic committee meetings to review the effectiveness of implementation and report to the BOD the performance of CSR-related work. The 2020 CSR-related work performance was reported to the BOD at the 5th meeting of the 11th BOD on 2020/12/22.	No material variation from the Corporate Social Responsibility Best Practice Principles for TWSE/ TPEx Listed Companies.
3. Environmental issues (1) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics? (2) Is the company committed to enhancing the efficiency of resources use and using renewable materials with low environmental loads and impacts?	V V		(1) The Guantian Cogeneration Plant mainly supplies electricity and steam for users. It is operated in compliance with the related laws and regulations. The industry-specific environmental policies include: (1) compliance with related environmental protection laws and regulations and respect for international convention; (2) pollution prevention and reduction of 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. Apart from passing ISO 14001 EMS certification, we are committed to enhance efficiency in the production process to reduce environmental impacts and thereby enforce environmental sustainable development. (2) As an electricity supplier, Guantian Plant is operated to provide users with high-efficiency and low-pollution steam and electricity and engage in regional energy and resource integrated services in Guantian Industrial Park. The plant is equipped with	No material variation from the Corporate Social Responsibility Best Practice Principles for TWSE/ TPEx Listed Companies.

			the circulating fluidized bed (CFB) boiler that uses scrap tires and waste pulps as the auxiliary fuels to reduce coal consumption so as to effectively save operating cost for resource recycling and help the government solve the waste tire problem, prevent the spread of dengue fever, enhance resource utilization, and reduce the environmental hazard of waste tires. In addition, Guantian Plant has applied for resource reuse in collaboration with contractors to co-develop the controlled low-strength material (CLSM) for construction backfilling material by adding co-fired fly ash (CFFA) to cement. In 2020, we output 26,333MT of coal ash, and all were recycled for reuse to realize the goal of the circular economy, in order to reduce environmental impacts, enforce environmental protection, and fulfill CSR.	
(3) Does the company assess the present and future potential risks and opportunities of climate change on the Company and take actions to related issues?	V		(3) We keep constant track on the potential impacts on business activities of climate change and include climate change as a risk management item. Every year, we make rolling update of the risk management plan to timely adjust the operational strategy, establish countermeasures, and take concrete actions. The identified climate-related risks and opportunities in 2020 included:	

A. Climate change transition risk—Laws and policies

Item	Impact/Influence on TCC	Countermeasure
• New energy policy • Fuel/energy tax • Electricity-related laws	• Losses on investments/ development from policy or legal changes • Plant operating cost rises after legal amendments	• Real-time collection of information of government policies and legal amendment schedule to make early assessment of related impacts and take countermeasures. • Make timely recommendations for competent authorities for external engagement.
• Greenhouse Gas Reduction and Management Act • Carbon Credit	Limits on total GHG emissions increase operating cost.	• 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.

B. Climate change physical risk—Extreme weather

Item	Impact/Influence on TCC	Countermeasure
• Warmin	Global warming	• Purchase related

g • Typhoons, storms, floods, and droughts	results in temperature rises to increase extreme weather events, causing construction delays or operating losses.	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.

C. Opportunities from climate change

Aspect	Challenge and Opportunity	Countermeasure
Market • Sustainable trend	• The rise of international initiatives such as RE100, SBTi, and green supply chain will boost the green energy market at home and abroad. • Taiwan's "major electricity consumer clause" increases the demand for renewable energy establishment and purchase.	• Active cultivation of the renewable energy sales business and guidance service. • Seek cooperation with renewable energy plants outside of the group.
Renewable energy • Policy support • Environmental protection and carbon reduction	The government promotes the renewable energy policy to increase the domestic demand for related renewable energy services.	Invest in the renewable energy business. Undertake large domestic renewable energy plant EPC projects. Form various types of renewable energy operations teams.
• Energy efficiency enhancement	Enlarge regional energy integration and enhance energy efficiency to reduce environmental impacts	Integrate regional electricity and heat energy demands to enhance energy efficiency.

	Yes	No	
(4) Did the company produce statistics on the GHG emissions, water consumption, and total waste in the last two years? Has the company established policies for energy conservation, carbon reduction, GHG reduction, water conservation, and waste management?	V		(4) Guantian Cogeneration Plant, our operations location, has established the GHG management plan and implements GHG inventory and registration every year, with accuracy approved by third-party assurance (with respect to ISO 14064-1 and ISO 14064-3). Emissions in the last two years are as follows: In 2019, Scope 1 emissions were 366,715tCO2e, Scope 2 emissions were 4,344tCO2e (water consumption was 901,945m^3 and total

			waste was 23,018MT). In 2020, Scope 1 emissions were 369,235tCO2e, Scope 2 emissions were 3,574tCO2e (water consumption was 932,846m^3 and total waste was 26,395MT). The plant has also established an energy conservation plan 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 the goal of 5% within 5 years. In response to the energy conservation target announced by the Bureau of Energy on October 30, 2019, we have extended the energy conservation plan to 2024 at a minimum of 1% each year on average. The 2020 verified conservation rate was 2.83%, making the annual average during 2015-2020 to 1.36%. The estimated conservation rate in 2021 is 2.13%. Guantian Plant will continue the energy conservation plan to achieve the goal of energy conservation and carbon reduction. In water consumption 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 and reduce raw water consumption at about 60,000 tons to achieve full water recycling. 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 disposal contractor, with a recycling rate over 99.8%. We have also established policies and targets for energy conservation, carbon reduction, GHG reduction, water conservation, and waste management to enforce TCC's energy conservation, carbon reduction, and environmental protection goals.	
4. Social issues (1) Does the company establish management policies and procedures in accordance with relevant laws and International Bill of Human Rights?	V		(1) We establish various management systems according to labor laws and regulations, make pension contributions by law, hold labor-management meetings periodically, and is committed to complying with international human rights conventions, such as the "Universal Declaration of Human Rights" and "UN Guiding Principles on Business and Human Rights" to protect the rights and interests of employees and eliminate differential treatment in employment. Apart from the "Measures for Prevention, Grievance, and Punishment of Sexual Harassment", and "Personnel Review Committee Regulations", we have established 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.	No material variation from the Corporate Social Responsibility Best Practice Principles for TWSE/ TPEx Listed Companies.
(2) Does 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	V		(2) Besides planning and providing reasonable employee benefits, we have established the performance evaluation regulations and employee remuneration system (including managers). According to Article 36 of the company charter, if there is	

employees?			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 CSR-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. The outstanding or improper performance of employees will be administered according to the “Reward and Punishment Regulations”.	
(3) Does the company provide employees with a safe and healthy work environment and arrange regular safety and health education for employees?	V		(3) We provide employees with a safe and healthy work environment and offer education and training relating to OH&S and employee health. We care about the health and safety protection of the workplace environment and arrange annual health checkup for employees. Related measures include: 1. Taipei Office: (1) 24-hour security and access control at the main entrance, driveway, and ground floor lobby, and CCTV surveillance in common area such as stairs and parking in the building. (2) Public safety check and reporting by law through professional public safety contractors every two years. (3) Emergency generators at the basement to supply electricity for emergency lighting and evacuation route indication. (4) Fire safety check and related training courses two times a year, fire equipment self-inspection every quarter, and certification and reporting through fire safety engineers. (5) Daily cleaning of each floor, refrigerator, and common facilities; daily garbage collection and disposal by professional contractors; and carpet cleaning and disinfection two times a year. (6) Equipment of the health management center with nurses for enquiries in the building, and arrangement of courses relating to healthy lifestyle. (7) Arrangement of health checkups for employees every year; and equipment of nurses at the health center; arrangement of health education courses every year; and provision of health education and consultation services for employees. (8) Planning preventive and contingency plans for COVID-19 pandemic to ensure the physical and mental health of employees. (9) Establishment of an OH&S committee and an ESH office by law at Star Energy to enhance the employees’ workplace safety by implementing zero accident management. Besides	

			passing the certification of the ISO 14001 Environmental Management System, the version change of OHSAS 18001 into ISO 45001 OH&S MS was completed in 2020. 2. Guantian Plant (1) Guantian Plant has only 45 workers. However, to achieve the OH&S management goals, we implemented the ISO 45001 OH&S management system (validity of certification: 2019/10/28-2022/10/27) in 2019. In addition, the plant has passed ISO 14001 EMS renewal certification in 2020 (validity: 2020/6/2-2023/8/31). (2) Outsourced workplace environmental monitoring biannually, including sulfuric acid tank site testing, dust testing, dose noise testing, and ammonia tank site testing. (3) Building public safety inspection and reporting by professional institutions every year. (4) Drills and education/training on fire safety and related disasters two times a year. (5) Monthly self-imposed inspection of security supervision of public hazardous substances and reporting to the local fire units for reference. (6) Constant review and improvement of the workplace environment and holding periodic industrial safety meetings and related OH&S education/training courses to ensure occupational safety. (7) Implementing anti-epidemic measures and full-scale disinfection in the plant area.	
(4) Does the company establish effective career development and training plans for employees?	V		(4) We systematically implement workforce strengthening programs and comprehensive talent development programs. Through the study of operations-related topics, workforce inventory, training system development, and connection with operational strategies and performance management, we enhance workforce strategic planning and workforce development programs of all terms. Every year, we provide employees with various education/training programs for competence development, such as orientation training for new employees, professional and competence training, management competence training, and other general education training. In 2020, we introduced the core workforce training program (3-Year English Optimization Program) and intermediate and senior management cultivation program, and added e-learning channels to provide employees with comprehensive and complete career development and training. In addition, we have established the senior management succession program. Besides the professional competencies required for succession, the value of successor candidates should comply with the Company's integrity culture. 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 general manager and vice general manager 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 will arrange officers to participate in comprehensive training and education programs at home and abroad and encourage them to engage in active learning. The active learning program, "Learning Plan A," covers 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, in order to build an excellent succession team and develop candidates for the BOD and senior management. In 2020, the program provided training for 103 hours in total. In 2021, we will extend the program to intermediate management to train more quality talents for the group to facilitate the succession planning of the management.	
(5) Does the company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, market communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and procedures for grievances?	V		(5) As an electricity supplier, our products do not need marketing and labeling. However, we handle the health, safety and privacy of customers according to related legal requirements. We have also passed ISO 9001 QMS certification. We value privacy and intellectual property rights of customers and sign non-disclosure agreements with customers as necessary to protect their confidential information and ensure employees of related business observe the NDA. Apart from surveying customer satisfaction every year, we have established the customer complaint handling procedures and arranged helplines and emails to ensure unfettered communication and grievance channels for customers.	
(6) Does the company establish supplier management policies and request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety or labor human rights? Does the company keep track on the implementation of such policies?	V		(6) 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 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 all 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. In addition, we implement 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 four grades: A, B, C and D. Suppliers with grades C and D 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 2020, there were 91 qualified suppliers, and 10 unqualified suppliers were disqualified.	
5. Does the company, following internationally recognized guidelines, prepare and publish reports such as its corporate social responsibility report to disclose non-financial information of the company? Does the company apply for assurance or guarantee of such reports to a third-party certification body?	V		The 2020 CSR Report has been prepared in accordance with the Core disclosure principle of the GRI Standards and 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.	

6. If the company has established its own corporate social responsibility guidelines with reference to the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies,” please specify the variations in practice.
We have established and implemented our own “Corporate Social Responsibility Best Practice Principles” without no variation from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies”.

7. Other important information that helps the public understand CSR operations:
(1) Every year we publish the CSR report and fully disclose related information in the report available for downloading from MOPS or our corporate website (http://www.cogen.com.tw/csr/csr_report).
(2) In both the Chinese and English corporate website, we have established the CSR section to disclose information relating to the topics that concern or interest stakeholders, CSR performance, and employee benefits. We also provide the CSR reports over the years for reference.
(3) The CSR foci in 2020 include: a. the operation of the CSR Promotion Committee and the working groups; b. awards for constant participation in enterprise and environmental sustainability awards; c. increase in culture and education promotion and social participation activities, and planning of annual CSR activities of all terms. The CSR performance is as follows:
a. Governance (G): Rated the top 5% listed companies at the 7th Corporate Governance Evaluation; ranked the first among the Top 100 Fastest Growing Enterprises by *CommonWealth Magazine*; won TOP50 Corporate Sustainability Awards and the platinum award in the Corporate Sustainability Report Awards at the Taiwan Corporate Sustainability Awards (TCSA); ranked the 14th in the Medium-sized Enterprises category of the “Excellence in Corporate Social Responsibility 2020” by *CommonWealth Magazine*, and became a component of the TWSE CG 100 Index.
b. Environmental (E): Rated as an Outstanding Green Purchase Enterprise in Taipei City for green purchase over NT$12 million; Guantian Plant passed ISO 45001 renewal certification and rated as the MOL National Outstanding OH&S Enterprise; used scrap tires as alternative fuel up to 32.87% to reduce coal consumption; assistance for consumption of waste tires; three IPP investees reduced emissions by 1,180,000tCO2e a year, equivalent to 3,045 Daan Forest Parks.
c. Social (S): Participated in the “Power Grid School and Talent Development Alliance” to offer NT$100,000 a year as scholarship; implemented the volunteerism leave system, and encouraged employees to engage in volunteerism, participated in various charitable activities (year-end banquets, charitable painting contest, one-day vegetarian diet for the 50th anniversary of Earth Day, with over 30,000 participants) to enforce care for the vulnerable and social participation.
d. Renewable energy: Acquired 100% stake of Miaoli Wind (installed capacity 49.8MW), started the commercial operation of the onshore wind turbines at 10.35MW of Star Wind, undertook the 150MW PV site grid connection project of TPC in Yantian, Tainan, invested in 4.2MW geothermal generation development in Chingshuei, and TCC Green Energy, the wholly-owned subsidiary of the Company started selling renewable energy in October 2020 as long-standing support for renewable energy promotion and environmental sustainability.
(4) CSR tasks for 2021:
a. Complete the CSR report and acquire third-party assurance by June 2021.
b. Meet the CSR-related KPIs, including using scrap tires as alternative fuel, OH&S performance, PV development, onshore wind power development, geothermal generation projects, renewable energy operations and maintenance, renewable energy retailing, and workforce enhancement.

c. Enforce social participation in terms of four foci: charity care, cultural and educational cooperation, sports promotion, and environmental sustainability. d. Continue to operate the CSR Committee and working groups, and rolling review and planning of CSR 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, please explain the reasons and state the future plans to adopt related policies, strategies, and measures.

Note 2: If a CSR report is available, please specify the method to access the CSR report or its index.

Note 3: The Materiality Principles refer to the ESG issues with significant impacts on the Company's investors and other stakeholders.

(7) 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)			Variations and Causes of Variations 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 May 23, 2019, the Company's "Ethical Corporate Management Best Practice Principles" were approved by the 14th meeting of the 10th BOD on August 12, 2019. In addition, we have established the "Procedures for Ethical Management and Guidelines for Conduct" and the "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 CSR report.	No material variation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"
(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. In 2020, related audit results were reported in the audit report submitted to the BOD at the 7th meeting of the 11th BOD on 2021/3/19.	
(3) Does the company establish in the preventive programs the operating procedures to prevent unethical behavior, penalties	V		(3) In our "Ethical Corporate Management Best Practice Principles", we have stated the Company's ethical	

Indicator	Operation(Note 1)			Variations and Causes of Variations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”
	Yes	No	Description	
and grievance systems of breaching the guidelines for conduct, and implement and periodically review and revise them?			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?	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.	No material variation from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”
(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		(2) We have established the “Ethical Corporate Management Best Practice Principles” approved by the BOD. 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 BOD the status of implementation and supervision of the ethical corporate management policy and programs for preventing unethical behavior. At the 7th meeting of the 11th BOD on 2021.3.19, the legal affairs office reported that 2020 ethical corporate management was implemented in compliance with the “Ethical Corporate Management Best Practice Principles”. The status of implementation of ethical corporate management in 2020 is as follows: A. Education and training: For the “How Should Directors and Supervisors Supervise Risk Management and	

Indicator	Operation(Note 1)			Variations and Causes of Variations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”
	Yes	No	Description	
(3) Does the company establish and implement a policy to prevent conflicts of interest and provide suitable channels for reporting such conflicts?	V		Crisis Handling in Enterprises” course, we invited lawyers (external instructors) to provide education/training and publicity for preventing insider trading, ethnical corporate management best practice principles, and the code of ethical conduct for a total of 38 person-times, including directors, officers, and employees, for a total of 3 hours. 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. 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 of anonymous reports, protection of whistleblower identity, and proper handling of reports to realize ethical corporate management within the organization. In 2020 no unethical behavior was reported. (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	

Indicator	Operation(Note 1)			Variations and Causes of Variations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"
	Yes	No	Description	
			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 2020 were reported to the 7th meeting of the 11th BOD on 2021/3/19.	
(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 2020, we organized the "About Ethical Corporate Management" and invited a section chief (external instructor) of the Department of Government Ethics, MOEA, to explain related laws and regulations including the "Securities and Exchange Act" and "Regulations for Prevention of Insider Trading". A total of 33 persons participated in the course, including officers, employees, and suppliers.	
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?	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.	No material variation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"
(2) Does the company establish a standard operating procedure to investigate whistleblower complaints and related mechanisms to ensure confidentiality?	V		(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 2020, no report was received.	
(3) Does the company establish measures to protect whistleblowers against retaliation?	V		(3) We have established reporting regulations and measures to protect whistleblowers against retaliation and accept anonymous reporting..	
4. Reinforcing information disclosure (1) 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 material variation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"
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 variation from the "Ethical Corporate Management Best Practice Principles				

<table>
<tr><td rowspan="2">Indicator</td><td colspan="3">Operation(Note 1)</td><td rowspan="2">Variations and Causes of Variations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”</td></tr>
<tr><td>Yes</td><td>No</td><td>Description</td></tr>
<tr><td colspan="5">for TWSE/TPEx-Listed Companies” is found.</td></tr>
<tr><td colspan="5">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 2021/3/19, 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) In June 2020, we published our fifth CSR report to disclose/publicize our ethnical corporate management policy and related reporting channels. The report won the platinum award in the Corporate Sustainability Report Awards at the Taiwan Corporate Sustainability Awards (TCSA). We also established Ethical Management section on the corporate website and sound communication channels with stakeholders. Related achievements also won external recognition.
(3) 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, and 2020, we were even ranked among the top 5%. In addition, we were awarded the TOP50 Corporate Sustainability Awards and the platinum award in the Corporate Sustainability Report Awards at the Taiwan Corporate Sustainability Awards (TCSA) in 2020, the first among the Top 100 Fastest Growing Enterprises and the 14th in the Mittelstand category of the “Excellence in Corporate Social Responsibility 2020” by CommonWealth Magazine, and became a component of the TWSE CG 100 Index. We strive to become a benchmark enterprise for corporate governance and integrity management.</td></tr>
</table>

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

(8) 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 http://www.cogen.com.tw/eng/manages/.

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

1. 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.
2. Information security risk management: We constantly engage in the risk management of information security. Besides establishing the “ICT Safety Policy”, “Information Security Management Mechanism”, “Information Security Audit Program”, and we have also formed the “Information Security Promotion Team” to implement ICT security audits and related optimization measures.
   (1) Published and announced the “TCC ICT Safety Policy” and the “TCC Information Security Management Mechanism” and disclosed related SOPs in the Governance Regulations section on the corporate website.
   (2) Established the internal “Information Security Audit Program” to specify the ICT security audit items and formed the “Information Security Promotion Team” to implement ICT security audits.
   (3) The ICT Management Risk Assessment SOP has been included in the Annual Risk Management Program.
   (4) Periodically reported the progress of ICT security performance to the BOD and presented the actual performance at the BOD meeting at the request of directors.
   (5) Supervised investees to implement monitoring services and mechanisms for information security. Actively participated in the “IPP Information Asset Risk Assessment Guidance and Onsite Interview” organized by the Bureau of Energy in 2019 and 2020. Through the onsite interview with the information security experts and consultants commissioned by that program, we were assisted in implementing information asset inventory and risk (re) assessment to strengthen asset inventory and risk assessment capacity. All IPPs have made improvements and implemented controls as

recommended in the interview reports of each year. The results are effective.

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

A. Internal control system statement

Taiwan Cogeneration Corporation
Statement of Internal Control System

Date: March 19, 2021

With regards to the results of the 2020 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 the 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 2020 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 19, 2021 with the presence of all directors attended the meeting.

Taiwan Cogeneration Corporation
Signature of Chairman: Min-chieh Chang
Signature of General Manager: Kuang-Hsun Yu

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

(11) 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.

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

Date	Meeting	Resolutions
2020.05.08	BOD Meeting	1. Approved the consolidated financial statements of 2020 Q1 for future reference. 2. Approved the financial statement CPA replacement. 3. Approved the short-term financing of NT$300 million for Star Energy. 4. Approved the control table for the Internal Control Performance Follow-up Report. 5. Approved the acquisition of 100% stake of Miaoli Wind Co., Ltd. 6. Approved the nomination and review of the candidates for directors and independent directors.
2020.06.22	AGM	Important resolutions: 1. Announcements (1) 2019 Business Report. (2) Audit Committee’s Audit Report on the 2019 Final Accounts Report. (3) External Endorsement/Guarantee Report. (4) Report on Distribution of Remuneration for Directors and Employees in 2019. 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) Ratification of the business report and financial statements of 2019. Meeting minutes: Resolution by voting of all attending shareholders—agreed by shareholders representing 342,627,227 votes; disagreed by shareholders representing 85,737 votes; waiver by shareholders representing 9,863,313 votes. Ratification was approved as proposed by 97.17% of votes. Implementation: Ratification of earnings distribution. (2) 2019 earnings distribution Meeting minutes: Resolution by voting of all attending shareholders—agreed by shareholders representing 342,496,627 votes; disagreed by shareholders representing 89,337 votes; waiver by shareholders representing 9,990,313 votes. Ratification was approved as proposed by 97.14% of votes. Implementation: The BOD set July 21, 2020 as the base day of distribution and August 7, 2020 as the date of distribution of cash dividend at NT$1,001,382,612 by resolution. 3. Election Directorial election. Meeting minutes: The directors and independent directors elected and the number of shares represented are as follows: (1) Directors TPC representative: Min-Chieh Chang, 415,257,052 votes TPC representative: Jian-Yi Chen, 346,476,711 votes TPC representative: Jao-hua Hsu, 344,753,062 votes TPC representative: Ming-Teh Chiang, 340,040,948 votes TPC representative: Li-Chen Chen, 336,947,377 votes TPC representative: Yu-ming Lee, 342,691,747 votes Taya Representative: Wen-Bing Lee, 333,835,519 votes Jian Sheng Investments Representative: Fu-Ging Hong, 333,045,448 votes Yuan Jun Investments Representative: Sen-jing Wang, 305,243,490 votes Bo-Han Investments Representative: I-Hsien Chen, 215,130,709 votes (2) Independent directors Yao-Wen Lin, 353,904,841 votes Han-Shen Li, 353,593,236 votes Ji-Shen Yeh, 353,537,646 votes Implementation: Approved for registration change by the Department of Commerce, MOEA, on July 21, 2020 and disclosed on the corporate website. 4. Others

		Abolition on the non-compete restriction on directors. Meeting minutes: Resolution to abolish the non-compete restriction on directors Jian-Yi Chen, Jao-hua Hsu, Ming-Teh Chiang, Li-Chen Chen, and Wen-Bing Lee by voting of all attending shareholders—agreed by shareholders representing 320,848,901 votes; disagreed by shareholders representing 18,947,084 votes; waiver by shareholders representing 12,780,292 votes. Ratification was approved as proposed by 91% of votes. Implementation: Implemented as proposed.
2020.06.30 (11-1)	BOD Meeting	1. New chairperson election 2. Appointment of members for the "Functional Committee"
2020.06.30 (11-2)	BOD Meeting	1. Short-term financing of NT$200 million for Miaoli Wind. 2. Approved the issuance of unsecured common bond within NT$2.5 billion. 3. Setting the ex-dividend date and related affairs for cash dividend of 2019. 4. Approved the distribution of the 2019 remuneration for directors.
2020.08.11	BOD Meeting	1. Approved the consolidated financial statements of 2020 Q2 for future reference. 2. Revision of the items and contents of the 2020 internal control system.
2020.11.10	BOD Meeting	1. Approved the consolidated financial statements of 2020 Q3 for future reference. 2. Content change of the issuance of new stock for capitalization in 2008. 3. Submission of the "Control Table for Internal Control Performance Follow-up Report".
2020.12.22	BOD Meeting	1. 2021 Business Plan and Budget. 2. Approved the 2021 CPA evaluation, appointment, and the CPA fee for the "audit and certification of the financial statements and tax affairs". 3. Approved the short-term financing of NT$50 million for TCC Green Energy. 4. Approved the 2021 audit program. 5. Approved the acquisition of 100% stake of Hamaguri. 6. Approved the signing of the joint-venture agreement with TPC and investment of NT$78 million in CY Energy (temporary name) according to the shareholding.
2021.01.26	BOD Meeting	Approved the acquisition of 20% stake of Mega Solar Energy.
2021.03.19	BOD Meeting	1. Approved the 2020 Business Plan and Financial Statements. 2. Approved the 2020 earnings distribution proposal: Shareholder dividend-cash NT$1.9/share. 3. Amended the "content change of the issuance of new stock for capitalization in 2018". 4. Approved the "Statement of Internal Control System" dated December 31, 2020. 5. Approval of the AGM Time: 09.00; Thu, June 24, 2021. Place: International Convention Hall, 1F, No. 392, Ruiguang Road, Taipei City. Cause of Meeting: (1) Announcements a. 2020 Business Report b. Audit Committee's Audit Report on the 2020 Final Accounts Report c. External Endorsement/Guarantee Report. d. Report on Distribution of Remuneration for Directors and Employees in 2020. e. Report on the status of bond issuance in 2020. (2) Ratification a. Business report and financial statements of 2020. b. Earnings distribution proposal of 2020. c. Content change of the issuance of new stock for capitalization in 2018" 6. Approval of the time of acceptance of shareholder proposals and director nomination: April 16-26, 2021. Proposals must be made by shareholders holding at least 1% of the total issued shares. 7. Approval of the participation in the tendering, price reduction, and price competition at the "TPC 2024 Commercial Operations 1GMh Gas Turbine Electricity Purchase Project" by Sun Ba Power (reinvested by TCC) under certain conditions.

(13) 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.

(14) Resignation or relief of related personnel:

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
Chairperson	Min-chieh Chang	Nov., 2016	Apr., 2021	Reassignment
General Manager	Kuang-Hsun Yu	Jun. 2016	Mar., 2021	Retired

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

5. CPA Fee

CPA Firm	Name of CPA		Audit Period	Remarks
Deloitte Taiwan	Jui-Hsuan Ho	Chao-Mei Chen	FY 2020	-

CPA Fee Increments

(expressed in NT$1,000)

Increment \ Item		Audit Fee	Non-Audit Fee	Total
1	Below2,000	-	✓	-
2	2,000-4,000	-	-	-
3	4,000-6,000	✓	-	-
4	6,000-8,000	-	-	✓
5	8,000-10,000	-	-	-
6	Above 10,000	-	-	-

(1) Amount of non-audit fees paid to a CPA, a CPA firm, and its affiliates and service contents: Non-audit fee paid in 2020 was NT$400 thousand for services including transfer of pricing report at NT$150 thousand, annual report reading NT$40 thousand, XBRL NT$50 thousand, review of bond issuance at NT$100 thousand, audit of non-officer salary at NT$45 thousand, and IFRS seminar at NT$15 thousand.

(2) When the audit fee is lesser than that of the previous years after changing a CPA firm, state the amount after a CPA firm change and the reasons of such change: N/A

(3) When the audit fee is lesser than that of the previous year by over 15%, state the amount and proportion less and the reasons of such change: None.

6. Replacement of certified public accountants [Finance]

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="3">January 1, 2020</td></tr>
<tr><td>Cause and Description of Replacement</td><td colspan="3">CPA rotation requested by law. Jui-Hsuan Ho will continue to be the responsible CPA from 2020, while CPA Chao-Mei Chen will replace CPA Chien-Hsin Hsieh.</td></tr>
<tr><td rowspan="3">Termination or rejection by the client or CPA</td><td>Concerned Party \ Status</td><td>CPA</td><td>Client</td></tr>
<tr><td>Voluntary Termination</td><td>NA</td><td>NA</td></tr>
<tr><td>Rejection</td><td>NA</td><td>NA</td></tr>
</table>

<table>
<tr><td>Opinions other than “unqualified opinion” in the reports audited in the last two years and the reasons</td><td colspan="3">NA</td></tr>
<tr><td rowspan="7">Opinions different from the issuer</td><td rowspan="5">Yes</td><td></td><td>Principles or practice of accounting</td></tr>
<tr><td></td><td>Disclosure of financial statements</td></tr>
<tr><td></td><td>Scope or steps of audit</td></tr>
<tr><td></td><td>Other</td></tr>
<tr><td></td><td></td></tr>
<tr><td>No</td><td colspan="2">V</td></tr>
<tr><td colspan="3">Description</td></tr>
<tr><td>Other items for disclosures (information required for disclosures as stated ion Article 10, subparagraph 6, items 1-4 to 1-7, of these Principles)</td><td colspan="3">NA</td></tr>
</table>

(2) Succeeding CPAs:

Name of CPA Firm	Deloitte Taiwan
Name of CPAs	CPAs Jui-Hsuan Ho and Chao-Mei Chen
Date of Assignment	January 1, 2020
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, general manager 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

Expressed in shares

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Name</th><th colspan="2">2020</th><th colspan="2">By April 26, 2021</th></tr>
<tr><th>Increase (decrease) in shareholdings</th><th>Increase (decrease) in pledged shares</th><th>Increase (decrease) in shareholdings</th><th>Increase (decrease) in pledged shares</th></tr>
<tr><td>Main Shareholder</td><td>Taiwan Power Company</td><td rowspan="7">-</td><td rowspan="7">-</td><td rowspan="7">-</td><td rowspan="7">-</td></tr>
<tr><td>Chairperson</td><td>Representative: Shun-I Huang</td></tr>
<tr><td>Director</td><td>Representative: Chein-Yih Chen</td></tr>
<tr><td>Director</td><td>Representative: Jao-hua Hsu</td></tr>
<tr><td>Director</td><td>Representative: Yu-ming Lee</td></tr>
<tr><td>Director</td><td>Representative: Ming-Teh Chiang</td></tr>
<tr><td>Director</td><td>Representative: Li-Chen Chen</td></tr>
<tr><td>Director</td><td>Jian Sheng Investment Corporation</td><td rowspan="2">577,000</td><td rowspan="2">5,000,000</td><td rowspan="2">4,013,000-</td><td rowspan="2">(5,000,000)</td></tr>
<tr><td>Director</td><td>Representative: Fu-Ging Hong</td></tr>
<tr><td>Director</td><td>Ta Ya Electric Wire and Cable Co., Ltd.</td><td rowspan="2">650,000</td><td rowspan="2">-</td><td rowspan="2">-</td><td rowspan="2">-</td></tr>
<tr><td>Director</td><td>Representative: Wen-Bing Lee</td></tr>
<tr><td>Director</td><td>Yuan Jun Investment Corp</td><td rowspan="2">-</td><td rowspan="2">-</td><td rowspan="2">-</td><td rowspan="2">-</td></tr>
<tr><td>Director</td><td>Representative: Sen-jing Wang</td></tr>
<tr><td>Director</td><td>Bo-Han Investment Corporation</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Director</td><td>Representative: I-Hsien Chen</td><td>(81,000)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Independent Director</td><td>Yao-wen Lin</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Independent Director</td><td>Han-Shen Li</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Independent Director</td><td>Jih-sheng Yeh</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Acting General Manager</td><td>Chin-Fa Tsai</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Vice General Manager</td><td>Yi-Tong Chen</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Vice General Manager</td><td>Shu-Shen Lin</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Manager</td><td>Jay Hsu</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

(2) Information on transfer of shares: None.

(3) Information on pledge of None.

9. Mutual relationships among top ten shareholders
None.

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: Chein-Yih Chen	-	-	-	-	-	-	NA	NA	
Representative: Jao-hua Hsu	-	-	-	-	-	-	NA	NA	
Representative: Yu-ming Lee	-	-	-	-	-	-	NA	NA	
Representative: Ming-Teh Chiang	-	-	-	-	-	-	NA	NA	
Representative: Li-Chen Chen	-	-	-	-	-	-	NA	NA	
Jian Sheng Investment Corporation	15,029,000	2.55%	-	-	-	-	NA	NA	-
Representative: Fu-Ging Hong	36,000	0.0061%	-	-	-	-	NA	NA	-
Ta Ya Electric Wire and Cable Co., Ltd.	13,626,093	2.31%	-	-	-	-	NA	NA	-
Representative: Wen-Bing Lee	-	-	-	-	-	-	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	-
Bo-Han Investment Corporation	9,036,000	1.53%	-	-	-	-	NA	NA	-
Representative: I-Hsien Chen	33,000	0.0056%	-	-	-	-	NA	NA	-
Jin-Hong Investments Corp	7,314,214	1.24%	-	-	-	-	NA	NA	-
Responsible person: Mu-Liang Zhang	-	-	114-	0.00002%	-	-	NA	NA	-
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard FTSE Emerging Markets ETF Special Account	5,205,850	0.88%	-	-	-	-	NA	NA	-
Responsible person: Guo-Hao Qian	-	-	-	-	-	-	NA	NA	-
Len-Yuan Wang Fund Investment Special Account of Cathay Bank	5,000,000	0.85%	-	-	-	-	NA	NA	Spouse of Ye-Yin Wang-Hong
Ye-Yin Wang-Hong Fund Investment Special Account of Cathay Bank	5,000,000	0.85%	-	-	-	-	NA	NA	Spouse of Len-Yuan Wang

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 26 April 2021)

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	108,112,800	100.00	-	-	108,112,800	100.00
Sun Ba Power Corporation	258,000,000	43.00	-	-	258,000,000	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	17,500,000	100.00			17,500,000	100.00
Chingshuei Geothermal Power Corporation			12,750,000	51.00	12,750,000	51.00
Shin Kuang Electric Energy Co. Ltd.			-	100.00	-	100.00
Star Wind 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.	91,399,999	100.00	-	-	91,399,999	100.00
Chao Feng Solar Energy Co., Ltd.	16,000,000	20.00	-	-	16,000,000	20.00
Mega Green Energy Corp.	-	-	16,000,000	20.00	16,000,000	20.00
Hamaguri Co., Ltd.	6,650,000	100.00	-	-	6,650,000	100.00
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 26 April 2021

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

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 26 April 2021

Type of Shares	Authorized Capital			Remarks
	Shares circulated on the market (listed stocks)	Unissued shares	Total	
Common stock issued	589,048,595	10,951,405	600,000,000	None

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

Information of overall declaration system: N/A

(2) Structure of shareholdings

By 26 April 2021

Shareholder Structure / Quantity	Government Agencies	Financial Institutions	Other Institutions	Individuals	Foreign institutions and individuals	Total
Number of shareholders	1	9	162	37,875	130	38,177
Quantity of shareholdings	162,954,279	8,290,000	109,389,842	270,374,140	38,040,334	589,048,595
Proportion of shareholdings	27.66%	1.41%	18.57	45.90%	6.46%	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 26 April 2021

Ranking of shareholding	Number of shareholders	Quantity of shareholding	Proportion of shareholding (%)
1 to 999	7,961	1,796,276	0.30
1,000 to 10,000	25,942	77,211,659	13.11
10,001 to 20,000	2,175	32,039,773	5.44
20,001 to 30,000	694	17,554,336	2.98
30,001 to 40,000	332	11,805,497	2.00
40,001 to 50,000	244	11,307,339	1.92

50,001 to 100,000	441	31,523,767	5.35
100,001 to 200,000	205	28,283,516	4.80
200,001 to 400,000	71	19,394,332	3.29
400,001 to 600,000	37	18,538,031	3.15
600,001 to 800,000	15	10,196,221	1.73
800,001 to 1,000,000	13	12,036,657	2.04
1,000,001 and above	47	317,361,191	53.89
Total	38,177	589,048,595	100.00

(4) List of major shareholders

Face value: NT$10/share; by 26 April 2021

Shares / Shareholder	Shareholding	Proportion (%)
Taiwan Power Corporation	162,954,279	27.66
Jian Sheng Investment Co.,Ltd.	15,029,000	2.55
Ta Ya Electric Wire & Cable Co., Ltd.	13,626,093	2.31
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
Jin Hong Investments Co., Ltd.	7,314,214	1.24
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard FTSE Emerging Markets ETF Special Account	5,205,850	0.88
Len-yuan Wang Fund Investment Special Account of Cathay Bank	5,000,000	0.85
Ye-yin Hong Wang Fund Investment Special Account of Cathay Bank	5,000,000	0.85

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

Item			2019	2020	By 26 April 2021 (Note 8)
Market price per share (Note 1)	Highest		31.00	45.00	39.35
	Lowest		24.95	25.85	35.95
	Average		27.48	36.33	38.12
Net value per share (Note 2)	Before allocation		20.31	20.46	-
	After allocation		18.61	(Note 9)	-
EPS	Weighted average of shares (1,000 shares)		589,049	589,049	-
	EPS (Note 3)	Unadj.	1.86	1.81	-
		Adj.	1.86	(Note 9)	-
Dividend per share	Cash dividend		1.7	(Note 9)	-
	Stock grants	From retained earnings	-	(Note 9)	-
		From capital reserve	-	(Note 9)	-
	Accumulated unpaid dividends(Note 4)		-	-	-
Analysis on ROI	P/E ratio(Note 5)		14.77	20.07	-
	P/P ratio(Note 6)		16.16	(Note 9)	-
	Cash dividend yield (Note 7)		6.19%	(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 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 2020 profit distribution has been approved by BOD. The cash dividend is NT$1.9 and to be approved by the 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$1.9/share.

(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 BOD proposal, the reward for employees in 2020 was NT$30,852,280 and the reward for directors was NT$10,284,093. Both amounts are consistent with amounts adopted in the 2020 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 2019 reward for employees and directors is NT$28,249,967 and NT$10,449,264 respectively. All were all paid in cash. The same amount as recognized in the 2019 financial statement.

(9) Status of stock buyback: None.

2. Status of issuance of corporate bonds
The major conditions for issuance of the first unsecure corporate bond in 2020 are as follows:

Total amount issued	New Taiwan Dollar Two Billion Five Hundred Million (NT$2.5 billion)	
Order of bonds	Bond A	Bond B
Duration	5 years	10 years
Amount	New Taiwan Dollar One Billion Nine Hundred Million (NT$1.9 billion)	New Taiwan Dollar Six Hundred Million (NT$600 million)
Face interest rate	0.75%	1.00%
Method of principal payback	One-time payback upon maturity date	
Method of interest calculation and payment	Single interest calculated and paid once a year at the face interest rate from the date of issuance.	
Date of issuance	14 August 2020	
Face amount	New Taiwan Dollar One Million (NT$1 million)	
Issuance price	Issued as net according to the face value	
Fund application	Loan repayment	

3. Status of preferred shares
None
4. Status of global depositary receipts (GDR)
None
5. Status of employee stock options/warrants
None.
6. Status of restricted stock awards (RSA)
None.
7. Status of managers receiving RSAs and the name and status of employees receiving top ten RSAs
None
8. Statius of new share issuance relating to mergers, acquisitions, and transfer of shares
None
9. Capital utilization plan
The original capitalization project was changed as the PR Energy was delayed and was completed by the end of 2020. Details are described as follows:
(1) Reasons for changes
This project involves an investment in the coal-fired plant construction project of RP Energy in the Philippines. We began to invest capital in RP Energy in 2008. However: (1) To acquire long-term power supply agreement and reduce investment risk, RP Energy allowed the participation of a local business MERALCO POWERGEN CORP in 2011Q3, and as the plant's scale was expanded from 300MW to 600MW after further negotiation, it is necessary for RP Energy to apply for new licenses and permits and to negotiate the contract with us, thus delaying project implementation. (2) A few Filipino environmental protection and local groups take legal actions against RP Energy in the second half of 2012 to request for project suspension. Although the Filipino High Court has denied the request, it also invalidated the EIA permits and land lease that have been acquired for the project, thus blocking the project's advancement, and RP Energy, local environmental protection groups, and the land administrative authorities appealed to the Filipino Supreme Court, which already made a ruling in favour of RP Energy, local environmental protection groups, and the land administrative authorities in February 2015. (3) Although RP Energy signed a power supply agreement in April 2016 and applied for approval to the Filipino competent authorities,

Filipino consumer groups filed a petition to Filipino supreme court against the authorities' review procedure for being unfavorable to the public, and the Filipino supreme court made a ruling in May 2019 to invalidate the authorities' review procedure, and nearly 100 power supply agreements submitted by RP Energy to the competent authorities for approval were rejected as a result, and RP Energy was required to take the tender again. All these have severely delayed the project's advancement. To enhance capital use efficiency, except for the amount of NT$569,655 thousand (including NT$488,142 thousand raised by issuing new common stock for cash in 2008) already invested in RP Energy in the Philippines through Taiwan Cogeneration Corporation, we plan to use the undisbursed cash amounting to NT$171,858 thousand to enrich the Company's operating fund.

(2) Contents of the cash capital increase project before changes

1) Date and document of approval by the competent authorities: Letter Financial-Supervisory-Securities-Securities-1 No. 0970027319 on June 6, 2008.
2) Total amount of required by the project: NT$2,580,500 thousand.
3) Fund sources: Issuance of 50,000 thousand common shares for cash, each at NT$10 and issued at premium of NT$13.2, to raise a total of NT$660,000 thousand. The balance amounting to NT$1,920,500 thousand will be supported by either own capital or loan or fundraiser in the capital market in future years.
4) Project items, capital utilization progress, and projected benefits:
   1. Project items and capital utilization progress

Unit: NTD thousands

Item/Project	Project Date of Completion	Total Amount of Required Fund	Projected Fund Utilization Progress									
			2008			2009				2010		
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Re-investment: Re-investment in RP Energy Corporation in the Philippines through Taiwan Cogeneration Corporation	2010Q3	2,580,500	471,250	188,045	231,205	243,750	243,750	243,750	243,750	241,800	241,800	231,400

   2. Projected benefits: It is estimated that after commercial operations of the RP Energy Power Plant in 2011Q2, investments will be placed in this company to gain profit. Based on the shareholding at 50% and the USD:TWD exchange rate at 1: 32.5, a gain from reinvestment at NT$78,649 thousand will be recognized in 2011; an annual average gain from reinvestment at NT$510,948 thousand can be recognized during 2012-2016; an annual average gain from reinvestment at NT$523,865 thousand can be recognized during 2017-2021; and an annual average gain from reinvestment at NT$648,371 thousand can be recognized during 2021-2024.

(3) Plan, progress and efficiency of capital utilization after the project change

1) Project contents
   a. Total amount of required funds: NT$741,513 thousand
   b. Project fund sources: Issuance of 50,000,000 common shares, each at NT$10 and issued at premium of NT$13.2, to raise a total of NT$660,000 thousand, and the balance will be supported by own capital.
   c. Project items, capital utilization progress, and projected benefits:

Unit: NTD thousand

Item/Project	Anticipated Date of Completion	Total amount of required fund	2008Q2 2020Q3 Expenditure of Own Capital	2008Q2 2020Q3 Expenditure of Cash Capital Increase	2020Q4 Expenditure of Cash Capital Increase	Total Expenditure of Cash Capital Increase
Re-investment: Re-investment in RP Energy Corporation in the Philippines through Taiwan Cogeneration Corporation	2020Q3	569,655	81,513	488,142	—	488,142

Enriching operating funds	2020 Q4	171,858	—	—	171,858	171,858
Total		741,513	81,513	488,142	171,858	660,000

2) The planned re-investment in RP Energy Corporation in the Philippines totals NT$2,580,500 thousand. After deducting NT$569,655 thousand that has been placed in the project, the balance NT$2,010,845 thousand will be supported by own funds or bank loans.
3) Projected benefits
   a. Re-investment in RP Energy Corporation in the Philippines through Taiwan Cogeneration Corporation
      After the current fundraiser change, the construction of the RP Energy coal-fired power plant was not started due to the project delay. Therefore, no actual benefit has been produced. Actual project will only come in after the completion of construction and start of commercial operation of the coal-fired power plant.
   b. Enriching operation funds
      After the current fundraiser change, a sum of NT$171,858 thousand will be used to enrich operating funds for the company's routine operations. The fund can replace bank financing. Besides enhancing long-term fund stability, strengthening short-term loan solvency, enriching fund dispatch flexibility, and optimizing corporate financial structure, based on that company's annual average loan interest at 0.82%, this can help save up to NT$1,409 thousand in interest expenditure.

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

      B. Income and proportion of major business items in operations

Income and Proportion of Major Business Items in 2020

Expressed in NT$ thousand/2020

Income from Major Business Items	Amount	Percentage(%)
Sales	1,047,141	11
Engineering income	8,090,531	87
Maintenance and services	176,052	2
Total	9,313,724	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) Renewable energy projects investment and construction, renewable energy retailing business.

      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 systems and ancillary service business.

   (2) Industry overview
      A. Domestic Status and development

The government's "non-nuclear country" policy (including the no extension service of NPPS 1- 3 and mothball of NPP 4) and the liberalization of the electricity industry will make a major impact on the structure of future power supply system and the future energy supply ratio. This change will help the development of green energy and energy conservation industries.

         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 of March 2018, to ensure sufficient power supply, the competent authority shall conduct rolling review on the "emergency increased residual 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 residual electricity rates by voltage in the industrial park as of April 1, 2018, in order to encourage industries to promote regional energy integration.

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 32% 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. In the future, we will actively assess contracts available for tendering.

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.

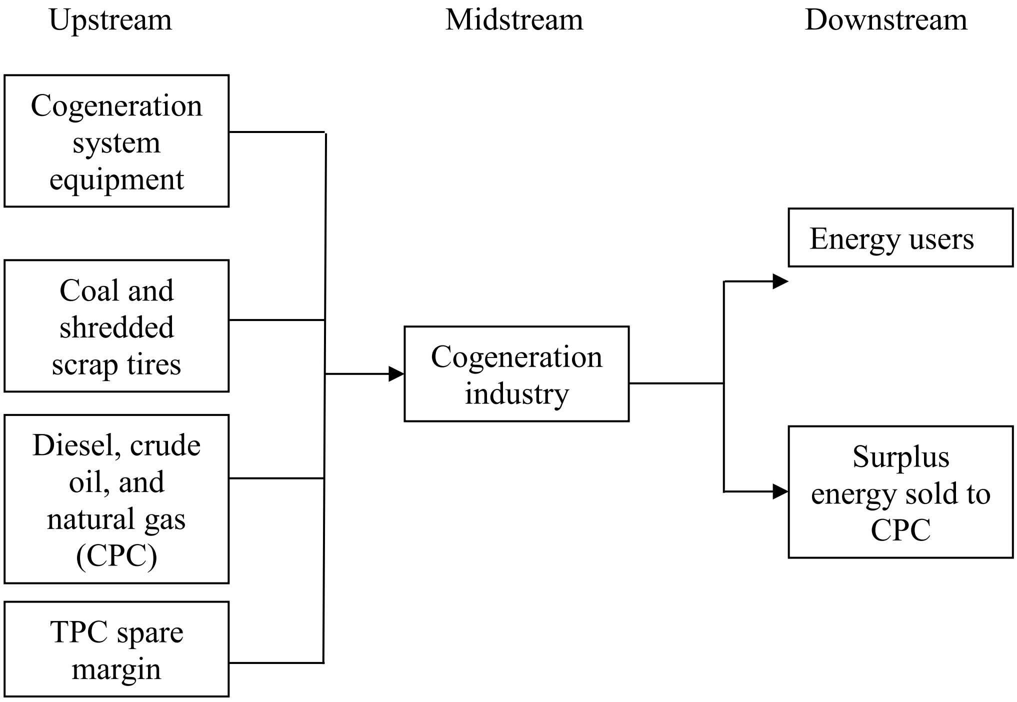
To achieve these targets, the new government has planned five principles (acceptable price impacts, technology feasibility, cost-effective oriented, balanced development by phase, and driving industrial development) to prioritize the development of renewable energy with mature technology and a lower 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. 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. The development of offshore wind power will start from shallow-water (5-20m) and progressively to deep-water (20-50m), and from demo incentive projects, then potential farm development, and large scale development.
d. Geothermal generation
   The government announced that the development of geothermal power generation under 10MW will be exempted from the EIA. And, it also shorten plant development time, enhance rewards, optimize incentives, lower limitations to incentivize investments to progressively promote geothermal generation growth.
   .
e. 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.

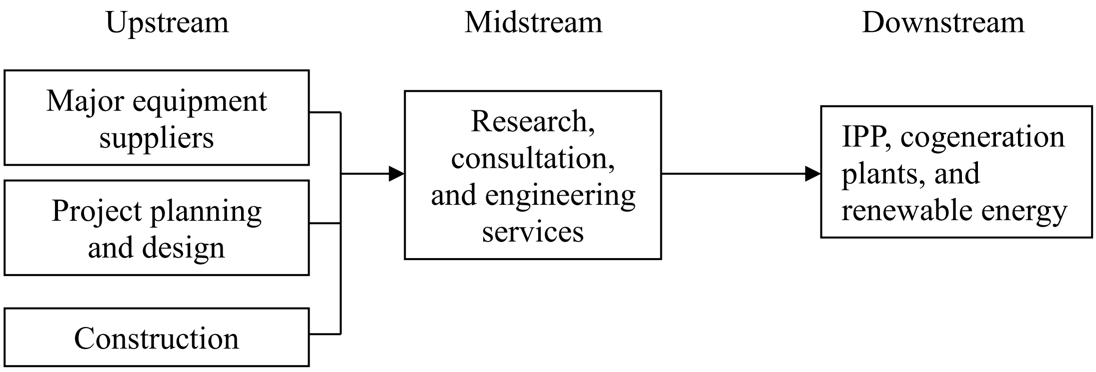
B. Development of overseas countries
   Due to the continuous economic growth in China and other Southeast Asia countries, the demand on electricity will surely increase in the future. Also, the government is now actively promoting the new southward policy. As results of this, there will still be great 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

Critical power supply in recent years has been relieved. It is estimated that the space for increased purchase of remaining power from cogeneration plants will progressively reduce. Compared to the high period of critical supply in 2014-2016, the volume of has reduced 22% in the last four years from the average of 8.9GWh/year at the peak to 6.9GWh. Despite the triple effects: energy efficient, economical, and eco-friendly, of cogeneration units, due to the reduction in incentives, the migration of traditional industries, and restriction on air pollutant emissions, industrial development has confronted a dilemma, and the competent authorities are amending both the Electricity Act and environmental protection regulations.

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 generation at 30%, and renewable energy generation at 20%. That is to say, gas-fired generation will still be the main source of electricity supply. In addition, with respect to the government's "no nuke home" and the liberalization of the electricity industry policies, the TPC already started the open tendering of the 1000MW gas-fire IPP project in 2024, 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 has aggressively expanded the promotion of renewable energy immediately after its assumption in 2016 to increase the proportion of generation by renewable energy to 20% to extensively raise the targets of various forms of renewable energy higher than the 2015 targets. The new targets for PV systems 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.

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.

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, and IPPs to keep pace with market trends, in order 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 renewable energy investments, such as PV, onshore wind power, offshore wind power, geothermal generation, and biofuel generation…and develop an operations team to promote the sales of renewable energy.
2) We also implement the investment project of Redondo Peninsula Energy, Inc. in Subic Bay in the Philippines and assess the alternative solutions or withdrawal mechanism.
3) For the Guantain Plant, apart from retaining existing customers, we aggressively cultivate new customers and reduce O&M cost to enhance overall operational performance.
4) We further timely expand the scale of investments domestic and foreign IPPs and domestic cogeneration plants.
5) Pastly, we also engage in related investment products and undertake relevant projects.

B. Direction of mid-term and long-term development
1) Timely develop new IPP projects based on the government's IPP 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)

Year / Region	2019		2020	
	Amount	%	Amount	%
Domestic sales	7,186,086	100	9,313,724	100
Export sales	—	—	—	—
Total	7,186,086	100	9,313,724	100

B. Market shares

1) Market share of installation capacity on the cogeneration market

Item	2018	2019	2020
Independent cogeneration systems	8,109.7	7,967	7,933
Taiwan Cogeneration Corporation	48	48	48
Market share	0.59%	0.60%	0.61%

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	1014	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 7,760MW, the combined installation capacity of our subsidiaries Star Energy, Sun Ba, and Star Buck and our investee Kuo Kuang Power commands at 32%.

C. Future demand and growth potential
We will keep track on the government policies and global economic condition to timely develop the cogeneration, IPP, and renewable energy business in the domestic market.

D. Competitive niche

1) Technology excellence and integrated service
   Subsidiary TCC Green Energy acquired the license of renewable energy retailing in October 2019 and supply the first kWh of green energy from operations in the following year. Selling electricity to those in need of green energy can extend services to end users.
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 and IPP fields.

E. Favorable and unfavorable factors affecting development prospects and countermeasures
   1) Favorable factors
      a. After the passage of round one of the amendment 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 "no-nuke home" policy and the consensus on reinforcing electricity measures and aggressively promoting renewable energy made at the National Energy Conference will favor this company to develop IPPs and renewable energy.
      c. In the future, the government will continue to increase the use of renewable energy under the green energy policy. This will favor our development of the renewable energy business.
   2) Unfavorable factors
      a. The government is cutting incentives for cogeneration. In addition, following the relaxation of the critical power supply in recent years, the purchase of surplus electricity from cogeneration will reduce, and the expected wholesale of surplus electricity from cogeneration plants will reduced compared to the previous year. In addition, referring to the amendment of the Electricity Act, the maximum electricity sales of self-used generation systems shall not exceed 50% of the installation capacity. As a result, the room of operations of cogeneration will be reduced to affect the future development of the cogeneration industry.
      b. As environmental regulations are getting more stringent, coal output reduces, and the LNG generation arises, the space for cogeneration plant operations 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. Aggressively cultivate steam customers, reduce residual electricity wholesale, and improve environmental equipment to 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. Aggressively 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. Product processes

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./ Taimei Thermal Energy Co., 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

	2019				2020				By 2021 Q1 (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	TSEC Corporation	1,440,161	21.59	-	Up And Up Engineering & Construction Co., Ltd.	632,052	7.36	-	--	-	-	
2	Others	5,231,195	78.41		Others	7,960,685	92.64	-	-	-	-	
3	Net purchase amount	6,671,356	100.00		Net purchase amount	8,592,737	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

	2019				2020				By 2021 Q1 (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	Taiwan Power Company	4,149,809	57.75	Director	Taiwan Power Company	3,859,547	41.44	Director	-	-	-	
2	Ørsted Energy Co., Ltd.	740,198	10.30		Ørsted Energy Co., Ltd.	2,836,301	30.45		-	-	-	
3	Others	2,296,079	31.95		Others	2,617,876	28.11		-	-	-	
	Net sales amount	7,186,086	100.00		Net sales amount	9,313,724	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

Year / Vol/Val / Major Product		Unit	2019			2020		
			Capacity	Volume	Value (NT$1,000)	Capacity	Volume	Value (NT$1,000)
Cost of sales	Power	MWh	374,257	290,162	462,141	459,190	259,091	544,346
	Steam	m.t	411,161	326,256	239,437	416,113	339,494	184,395
	Others	-	-	-	11,425	-	-	-
Research, consulting and construction services					5,958,353			7,863,996
Total					6,671,356			8,592,737

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	2019				2020			
			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	258,572	639,354			327,515	792,073		
	Steam	m.t	326,356	319,335			339,371	255,068		
	Others	-		11,912						
Research, consulting and construction services				6,215,485				8,266,583		
Total				7,186,086				9,313,724		

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 26 April 2021

Year		2019	2020	By 26 April 2021 (Note)
Numbers of Employees	Direct manpower	131	168	169
	Indirect manpower	132	128	123
	Total	263	296	292
Average Age		44.15	43.42	43.08
Average Seniority		7.26	7.13	7.11
Education Distribution	Doctorate	1.14%	1.01%	1.03%
	Master	23.95%	23.31%	22.26%
	University, College	68.82%	70.61%	71.57%
	High school	5.70%	4.73%	5.14%
	High school below	0.38%	0.34%	0.00%

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:

1. Conduct the environmental regulation check according to ISO 14001 at least once a quarter, review the compliance of inhouse facilities and management, constantly monitor and adjust the availability of related pollution prevention equipment.
2. Optimized the EP panel interval during the annual repair in February 2020 to enhance dust collection efficiency. As it is covered by the contractor’s warranty, no extra cost is required. The dust collection effect is good after the adjustment.
3. Stormwater/sewage diversion on the plant according to the water pollution prevention regulations and the industrial park service center requirements will be completed by the end of December 2021, with a cost estimated at NT$1.5 million.

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.
      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.
      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 2020:
         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.
      D. 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.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) 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. Important contracts

Type of Contract	Client	Contract Term	Description	Restrictions
Fuel procurement contract	Sino-Indo Co., Ltd.	2020.1~2020.5 2020.8~2020.12	Quan-tian Plant Coal Supply Agreement	-
Fuel procurement contract	ENERGY TAIWAN LIMITED	2020.6~2020.7	Quan-tian Plant Coal Supply Agreement	-
Syndicated loan agreement	Mizuho Bank	2020.9-2022.9	Bank Credit Loan	-
Syndicated loan agreement	Agricultural Bank of Taiwan	2020.9-2022.9	Bank Credit Loan	-
Syndicated loan agreement	Taiwan Bank	2020.9-2022.9	Bank Credit Loan	
Syndicated loan agreement	Land Bank of Taiwan	2021.1-2024.1	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.	2011.1.19	Joint Venture Agreement	-
Energy purchase agreement	Taiwan Power Company	2000.12.4	Quan-tian Plant Power Purchase Agreement	
Energy purchase agreement	IHWA INDUSTRIAL CO., LTD.	2017.3.15-2022.11.30	Quan-tian Plant Power/Steam Purchase Agreement	-
Energy purchase agreement	KUANG TAI Metal Industrial Co., Ltd.	15 years since 2017.3.15	Quan-tian Plant Power/Steam Supply Agreement	-
Energy purchase agreement	Syndyne Industrial Co., Ltd.	15 years since 2017.3.15	Quan-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 (formerly Hitachi Chemical Energy Technology)	11 years since2016.3.15	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 since2019.2.01	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	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 Outsourcing contract	Yung Loong Engineering Corporation	2021.3.3~	L10502 Guantang Terminal Onshore Pipeline and Steam Station Project	

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 Financial Position

Unit: NT$1000

Item \ Year		Financial Information Over the Past Five Years (Note1)					By 31 March 2021(Note 3)
		2016	2017	2018	2019	2020	
Current assets		1,592,410	1,351,555	2,929,066	5,598,642	6,234,012	-
Property, plant and equipment(Note2)		442,729	568,045	849,782	1,516,774	2,817,061	-
Intangible assets		7,821	9,331	4,054	6,643	497,082	-
Other assets (Note2)		12,993,483	13,322,383	12,978,364	13,307,404	13,431,535	-
Total assets		15,036,443	15,251,314	16,761,266	20,429,463	22,979,690	-
Current liabilities	Before allocation	718,032	640,532	2,191,523	4,298,564	4,845,180	-
	After allocation	1,424,890	1,406,295	3,075,096	5,299,947	（Note4）	-
Non-current liabilities		2,654,133	2,732,562	2,699,177	4,028,740	5,944,842	-
Total liabilities	Before allocation	3,372,165	3,373,094	4,890,700	8,327,304	10,790,022	-
	After allocation	4,079,023	4,138,857	5,774,273	9,328,687	（Note4）	-
Equity attributed to owners of the parent		11,664,278	11,878,220	11,731,804	11,965,110	12,050,583	-
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	5,192,542	5,458,764	5,345,857	5,557,744	5,625,406	-
	After allocation	4,485,684	4,693,001	4,462,284	4,556,361	（Note4）	-
Other Equity		81,556	9,583	(4,233)	17,186	34,997	-
Treasury stock		-	-	-	-	-	-
Non-control Equity		-	19,693	138,762	137,049	139,085	-
Total equity	Before allocation	11,664,278	11,878,220	11,870,566	12,102,159	12,189,668	-
	After allocation	10,957,420	11,112,457	10,986,993	11,100,776	（Note4）	-

* 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.

* When adopting IFRSs for less than five years, companies should also produce Table (2) below under ROC GAAP.

Note 1: The financial statements of 2016-2020 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 proposal on 2020 profit distribution is pending for resolution by the 2021 AGM.

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 2021 (Note 3)
	2016	2017	2018	2019	2020	
Operating revenue	1,178,012	1,209,414	3,814,274	7,186,086	9,313,724	-
Gross profit (loss)	334,060	310,145	477,325	543,119	751,843	-
Profit (loss) from operations	153,459	99,263	262,794	302,941	469,285	-
Non-operating income and expenses	836,791	888,279	413,374	799,697	651,839	-
Profit before income tax	990,250	987,542	676,168	1,102,638	1,121,124	-
Profit from continuing operations	948,966	967,067	668,864	1,096,335	1,070,583	-
Loss of discontinued operations	-	-	-	-	-	-
Net Profit	948,966	967,067	668,864	1,096,335	1,070,583	-
Other comprehensive income (loss), net of income tax	(3,969)	(70,467)	(30,784)	18,831	18,309	-
Total comprehensive income	944,997	896,600	638,080	1,115,166	1,088,892	-
Net profit attributed to the owner of parent company	948,966	971,874	672,295	1,098,048	1,068,547	-
Net profit attributed to non-control equity	-	(4,807)	(3,431)	(1,713)	2,036	-
Total comprehensive income attributed to the owner of parent company	944,997	901,407	641,511	1,116,879	1,086,856	-
Total comprehensive income attributed to non-control equity	-	(4,807)	(3,431)	(1,713)	2,036	-
EPS	1.61	1.65	1.14	1.86	1.81	-

* 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.

* When adopting IFRSs for less than five years, companies should also produce Table (2) below under ROC GAAP.

Note 1: The financial statements of 2016-2020 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 Financial Position

Unit: NT$1000

Item \ Year		Financial Information Over the Past Five Years (Note1)					By 31 March 2021
		2016	2017	2018	2019	2020	
Current assets		490,706	593,515	487,775	1,123,490	2,333,011	-
Property, plant and equipment(Note2)		424,714	397,831	391,923	406,813	396,458	-
Intangible assets		22	1,481	2,518	2,793	2,452	-
Other assets (Note2)		13,807,574	14,012,913	13,929,317	14,619,239	15,989,446	-
Total assets		14,723,016	15,005,740	14,811,533	16,152,335	18,721,367	-
Current liabilities	Before allocation	432,603	433,913	476,309	775,941	1,981,809	-
	After allocation	1,139,461	1,199,676	1,359,882	1,777,324	（Note4）	-
Non-current liabilities		2,626,135	2,713,300	2,603,420	3,411,284	4,688,975	-
Total liabilities	Before allocation	3,058,738	3,147,213	3,079,729	4,187,225	6,670,784	-
	After allocation	3,765,596	3,912,976	3,963,302	5,188,608	（Note4）	-
Equity attributed to owners of the parent		11,664,278	11,858,527	11,731,804	11,965,110	12,050,583	-
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	5,192,542	5,458,764	5,345,857	5,557,744	5,625,406	-
	After allocation	4,485,684	4,693,001	4,462,284	4,556,361	（Note4）	-
Other Equity		81,556	9,583	(4,233)	17,186	34,997	-
Treasury stock		-	-	-	-	-	-
Non-control Equity		-	-	-	-	-	-
Total equity	Before allocation	11,664,278	11,858,527	11,731,804	11,965,110	12,050,583	-
	After allocation	10,957,420	11,092,764	10,848,231	10,963,727	（Note4）	-

* 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.

* When adopting IFRSs for less than five years, companies should also produce Table (2) below under ROC GAAP.

Note 1: The financial statements of 2016-2020 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 proposal on 2020 profit distribution is pending for resolution by the 2021 AGM.

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)

Item \ Year	Financial Information Over the Past Five Years (Note1)					By 31 March 2021 (Note 3)
	2016	2017	2018	2019	2020	
Revenue	961,909	875,954	1,059,931	1,662,911	3,939,310	-
Gross profit (loss)	271,445	231,898	337,804	259,788	245,894	-
Profit (loss) from operations	124,944	80,016	176,490	91,902	105,002	-
Non-operating income and expenses	864,233	912,333	529,672	1,021,140	989,040	-
Profit before income tax	989,177	992,349	706,162	1,113,042	1,094,042	-
Profit from continuing operations	948,966	971,874	672,295	1,098,048	1,068,547	-
Loss of discontinued operations	-	-	-	-	-	-
Net Profit	948,966	971,874	672,295	1,098,048	1,068,547	-
Other comprehensive income (loss), net of income tax	(3,969)	(70,467)	(30,784)	18,831	18,309	-
Total comprehensive income	944,997	901,407	641,511	1,116,879	1,086,856	-
Net profit attributed to the owner of parent company	948,966	971,874	672,295	1,098,048	1,068,547	-
Net profit attributed to non-control equity	-	-	-	-	-	-
Total comprehensive income attributed to the owner of parent company	944,997	901,407	641,511	1,116,879	1,086,856	-
Total comprehensive income attributed to non-control equity	-	-	-	-	-	-
EPS	1.61	1.65	1.14	1.86	1.81	-

* 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.

* When adopting IFRSs for less than five years, companies should also produce Table (2) below under ROC GAAP.

Note 1: The financial data of 2016-2020 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
2016	Deloitte Taiwan	Jui-Hsuan Ho, CPA Chien-Hsin Hsieh, CPA	Unqualified opinion
2017	Deloitte Taiwan	Jui-Hsuan Ho, CPA Chien-Hsin Hsieh, CPA	Unqualified 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

2. Financial analysis of the past five years

Consolidated Financial Analysis

Subject(Note 3) \ Year(Note 1)		Financial Analysis for the Past Five Years 2016	2017	2018	2019	2020	By 31 March 2021 (Note 3)
Financial structure (%)	Liabilities to assets ratio	22.43	22.12	29.18	40.76	46.95	-
	Long-term capital to property, plant and equipment ratio	3234.13	2572.12	1714.53	1063.50	643.74	-
Solvency (%)	Current ratio (%)	221.77	211.01	133.65	130.24	128.66	-
	Quick ratio (%)	173.02	159.45	66.91	34.60	44.57	-
	Times interest earned	2787	2981	2123	3040	2400	-
Utility	A/R turnover (time)	6.53	6.84	13.69	16.14	19.84	-
	Average days of cash receipts	56	53	27	23	18	-
	Inventory turnover (time)	30.84	46.91	56.02	49.77	39.79	-
	A/P turnover (time)	8.65	11.75	5.90	3.95	2.79	-
	Average daily sales	12	8	7	7	9	-
	Property, plant and equipment turnover (time)	2.74	2.39	5.38	6.07	4.3	-
	Total assets turnover (time)	0.08	0.08	0.24	0.39	0.43	-
Profitability	Return on assets (%)	6.54	6.57	4.35	6.06	5.11	-
	Return on equity (%)	8.2	8.22	5.63	9.15	8.81	-
	Net income before tax as a percentage of paid-in capital (%) (Note 9)	16.81	16.77	11.48	18.72	19.03	-
	Net profit rate (%)	80.56	79.96	17.54	15.26	11.49	-
	EPS (NT$)	1.61	1.65	1.14	1.86	1.81	-
Cash flow (%)	Cash flow ratio	128.58	122.24	26.35	9.62	50.88	-
	Cash flow adequacy ratio	113.95	121.38	112.01	78.65	88.68	-
	Cash reinvestment ratio	0.98	0.46	-1.14	-2.60	6.63	-
Leverage	Operation leverage	2.02	2.49	1.61	1.61	1.48	-
	Financial leverage	1.32	1.53	1.15	1.14	1.12	-

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

1. The long-term capital to PP&E ratio reduced because PP&E increased in 2020.
2. The quick ration increased because the quick asset increased in 2020.
3. The times interest earned reduced because the net income before tax increased in 2020.
4. The A/R turnover increase because net sales increased in 2020
5. The inventory turnover reduced because inventory increased in 2020.
6. The PP&E turnover reduced because PP&E increased in 2020.
7. The profitability ratio reduced because P/L reduced while net sales increased in 2020.
8. The cash flow ratio increased because cash flows from operating activities increased in 2020.

Individual Financial Analysis

Subject(Note 3)	Year(Note 1)	Financial Analysis for the Past Five Years 2016	2017	2018	2019	2020	By 31 March 2021 (Note 3)
Financial structure (%)	Liabilities to assets ratio	20.78	20.97	20.79	25.92	35.63	-
	Long-term capital to property, plant and equipment ratio	3364.71	3662.82	3657.66	3,779.72	4222.28	-
Solvency (%)	Current ratio (%)	113.43	136.78	102.41	144.79	117.72	-
	Quick ratio (%)	111.17	134.6	99.95	83.83	62.5	-
	Times interest earned	2787	2995	2243	3705	3094	-
Utility	A/R turnover (time)	7.04	7.55	8.34	7.85	12.62	-
	Average days of cash receipts	51.82	48.34	43.78	46.48	29	-
	Inventory turnover (time)	35.99	52.06	56.74	49.77	39.79	-
	A/P turnover (time)	9.87	8.80	8.80	8.88	3.94	-
	Average daily sales	10.14	7.01	6.43	7.33	9	-
	Property, plant and equipment turnover (time)	2.29	2.13	2.68	4.16	9.81	-
	Total assets turnover (time)	0.07	0.06	0.07	0.11	0.23	-
Profitability	Return on assets (%)	6.72	6.73	4.69	7.25	6.3	-
	Return on equity (%)	8.2	8.26	5.70	9.27	8.90	-
	Net income before tax as a percentage of paid-in capital (%) (Note 9)	16.79	16.85	11.99	18.90	18.57	-
	Net profit rate (%)	98.65	110.95	63.43	66.03	27.13	-
	EPS (NT$)	1.61	1.65	1.14	1.86	1.81	-
Cash flow (%)	Cash flow ratio	224.44	186.36	207.85	97.98	77.56	-
	Cash flow adequacy ratio	141.61	137.87	135.89	119.33	119.45	-
	Cash reinvestment ratio	1.27	0.62	1.38	-0.72	2.88	-
Leverage	Operation leverage	1.98	2.62	1.75	2.57	2.42	-
	Financial leverage	1.42	1.75	1.23	1.51	1.53	-

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

1. The liabilities to assets ratio increased because liabilities increased in 2020.
2. The quick ratio reduced because current liabilities increased in 2020.
3. The A/R turnover increased because net sales in 2020 increased.
4. The inventory turnover reduced because inventory increased in 2020.
5. The PP&E turnover increased because net sales increased in 2020.
6. The total assets turnover increased because net sales increased in 2020.
7. The profitability ratio reduced because P/L reduced while profit increased in 2020.
8. The cash flow ratio increased because cash flows from operating activities increased in 2020.

* 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 2016-2020 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: Due to the special nature of capital leases, the amount of interest from capital leases and releases receivable relating to such capital releases should be eliminated when calculating A/R turnover rate and average days of cash receipts,

Note 4: Fuels and spare parts for maintenance and repair are the major inventories of this company, because the inventory turnover rate is calculated by dividing the fuel cost and maintenance/repair fee in O&M cost by the average turnover amount.

Note 5: 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 6).
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 7).
6. Leverage:
   (1) Operation leverage= (net income – variable cost and expenses from operation)/operating profit (Note 8).
   (2) Financial leverage= operating income/(operating income-interest expenses).

Note 6: 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 7: 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 8: 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 9: 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 2020 produced by the Board of Directors have been audited and certified by CPA Jui-Hsuan Ho and CPA Chao-Mei Chen 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

2021 Annual General Meeting of Shareholders

Signatures of Audit Committee Convener: Han-Shen Li

Date: March 19, 2021

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, 2020 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, 2020 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, 2020. Hence, we did not prepare a separate set of consolidated financial statements of affiliates for the year ended December 31, 2020.

Very truly yours,

TAIWAN COGENERATION CORPORATION

By

Chang. Min-Chieh

CHANG. MIN-CHIEH
Chairman

March 19, 2021

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, 2020 and 2019, 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, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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, 2020. 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, 2020 are described as follows:

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

Refer to Note 35.e. and f. for details of the FTC ruling, appeal by associates and litigation against associates; Note 4 for the accounting policy on provisions; and Note 5.a. for 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 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, 2020, the total levied fines amounted to NT$1,352 million.

Taiwan Power Company (TPC) concluded it suffered losses due to such violations of the Fair Trade Act and filed a civil action against these associates. As of December 31, 2020, 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 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 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. As the above claims, appeal and litigation are still pending, and the amounts of the fines and claims are material to the Group’s consolidated financial statements, and the outcome of these cases may be affected by changes in the circumstances and 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 descriptions 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 25 for 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 solar power generation in southern Taiwan. The construction service revenue and construction service cost of the aforementioned contract recognized for the years ended December 31, 2020 were NT$3,237,665 thousand and NT$3,036,853 thousand, respectively, representing 35% and 35% of the Group's consolidated operating revenues and consolidated operating costs, respectively. The percentage of completion and related profit from the construction contract were anticipated 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, 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; we obtained the construction contract, construction project schedules, expected total construction cost, and construction acceptance reports; we 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 to calculate the percentage of completion; we 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 we estimated the appropriateness of provisions.

Acquisition of Miaoli Wind Co., Ltd.

Refer to Note 4 for the accounting policies on business combinations and Note 29 for the details on business combinations.

On June 29, 2020, the Group acquired a 100% equity interest in Miaoli Wind Co., Ltd. (MWC) for $733,608 thousand.

The Group's management entrusted an external independent appraiser to issue the acquisition price allocation report and recognized and adjusted the relevant fair value of identifiable net assets, relevant fair value of intangible assets and goodwill based on the appraisal results of the report in accordance with IFRS 3 "Business Combinations". Because the allocation of the acquisition price involves assumptions of accounting estimates, including the valuation model, key parameter settings, future cash flows and the use of discount rates, thus, the assessment of the price allocation report on the acquisition of MWC was considered as one of the key audit matters.

We evaluated the competence, objectivity and professional qualifications of the external independent appraiser entrusted by the management, and discussed with the management and reviewed the scope and content of the external independent appraiser's work to ensure that there were no matters affecting its objectivity or limiting its scope. We also entrusted our internal expert to perform relevant procedures to evaluate the reasonableness of the major assumptions and valuation method used by the external independent appraiser.

Other Matter

We have also audited the standalone financial statements of Taiwan Cogeneration Corporation as of and for the years ended December 31, 2020 and 2019, 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 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 2020 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 19, 2021

Notice to Readers

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, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

ASSETS	2020 Amount	%	2019 Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 1,603,210	7	$ 962,019	5
Contract assets (Notes 4, 5, 23, 25 and 33)	3,926,607	17	3,566,984	17
Notes receivable (Notes 4, 7, 25 and 33)	293	-	93,242	-
Accounts receivable (Notes 4, 7 and 25)	315,045	1	316,647	2
Accounts receivable from related parties (Notes 4, 25 and 33)	101,513	1	111,974	1
Finance lease receivables (Notes 4, 8 and 33)	9,367	-	715	-
Other receivables (Notes 27 and 33)	129,910	1	2,658	-
Inventories (Notes 4 and 9)	7,485	-	6,175	-
Prepaid construction costs	18,980	-	396,014	2
Prepaid value-added tax	76,756	-	69,314	-
Non-current assets held for sale (Notes 4, 11 and 16)	4,980	-	-	-
Other financial assets (Note 34)	20,633	-	25,049	-
Other current assets	19,233	-	47,851	-
Total current assets	6,234,012	27	5,598,642	27
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 5, 10 and 32)	249,200	1	267,600	1
Investments accounted for using the equity method (Notes 4 and 12)	12,578,430	55	12,671,996	62
Property, plant and equipment (Notes 4, 13 and 34)	2,817,061	12	1,516,774	8
Right-of-use assets (Notes 4 and 14)	196,654	1	126,813	1
Goodwill (Notes 4 and 29)	96,370	-	-	-
Other intangible assets (Notes 4 and 15)	400,712	2	6,643	-
Deferred income tax assets (Notes 4, 5 and 27)	209,551	1	138,281	1
Finance lease receivables (Notes 4, 8 and 33)	29,482	-	-	-
Prepayments for equipment	-	-	2,310	-
Refundable deposits	103,457	1	64,355	-
Other financial assets (Note 34)	42,549	-	36,049	-
Other non-current assets	22,212	-	-	-
Total non-current assets	16,745,678	73	14,830,821	73
TOTAL	$ 22,979,690	100	$ 20,429,463	100

LIABILITIES AND EQUITY	2020 Amount	%	2019 Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	$ 35,000	-	$ 875,000	4
Contract liabilities (Notes 4, 5, 23, 25 and 33)	202,706	1	621,340	3
Notes payable	112,472	1	12,971	-
Accounts payable	59,966	-	68,607	-
Construction costs payable	3,436,601	15	2,404,734	12
Accounts payable to related parties (Note 33)	58,070	-	1,158	-
Other payables (Notes 19 and 33)	424,308	2	157,653	1
Current income tax liabilities (Notes 4 and 27)	95,563	1	1,617	-
Provisions (Notes 4, 21 and 23)	308,985	1	100,771	1
Lease liabilities (Notes 4 and 14)	48,174	-	25,808	-
Current portion of long-term borrowings (Notes 17 and 34)	54,548	-	25,517	-
Other current liabilities	8,787	-	3,388	-
Total current liabilities	4,845,180	21	4,298,564	21
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17 and 34)	2,991,543	13	3,714,938	18
Contract liabilities (Notes 4, 5, 23 and 25)	12,079	-	-	-
Lease liabilities (Notes 4 and 14)	182,636	1	105,209	1
Bonds payable (Note 18)	2,496,630	11	-	-
Provisions (Notes 4 and 21)	13,682	-	-	-
Deferred income tax liabilities (Notes 4, 27 and 29)	78,564	-	-	-
Net defined benefit liabilities (Notes 4 and 22)	126,425	1	123,593	1
Guarantee deposits received	38,419	-	85,000	-
Other liabilities (Notes 4 and 20)	4,864	-	-	-
Total non-current liabilities	5,944,842	26	4,028,740	20
Total liabilities	10,790,022	47	8,327,304	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 24)				
Share capital				
Common stock	5,890,486	26	5,890,486	29
Capital surplus	499,694	2	499,694	2
Retained earnings				
Legal reserve	1,537,858	7	1,428,312	7
Special reserve	2,890,684	12	2,947,108	14
Unappropriated earnings	1,196,864	5	1,182,324	6
Total retained earnings	5,625,406	24	5,557,744	27
Other equity	34,997	-	17,186	-
Total equity attributable to owners of the Corporation	12,050,583	52	11,965,110	58
NON-CONTROLLING INTERESTS	139,085	1	137,049	1
Total equity	12,189,668	53	12,102,159	59
TOTAL	$ 22,979,690	100	$ 20,429,463	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, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUES (Notes 4, 25 and 33)				
Sales	$ 1,047,141	11	$ 970,601	13
Construction service	8,090,531	87	6,152,879	86
Operations, maintenance and consulting services	176,052	2	62,606	1
Total operating revenues	9,313,724	100	7,186,086	100
OPERATING COSTS (Notes 26 and 33)				
Cost of sales	728,741	8	713,003	10
Construction service	7,697,106	82	5,907,924	82
Operations, maintenance and consulting services	166,890	2	50,429	1
Total operating costs	8,592,737	92	6,671,356	93
GROSS PROFIT	720,987	8	514,730	7
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	30,856	-	28,389	-
REALIZED GROSS PROFIT	751,843	8	543,119	7
OPERATING EXPENSES (Note 26)	282,558	3	240,178	3
PROFIT FROM OPERATIONS	469,285	5	302,941	4
NON-OPERATING INCOME AND EXPENSES				
Interest income	3,217	-	5,252	-
Other income (Notes 26 and 33)	38,655	-	19,630	-
Other gains and losses (Note 26)	(4)	-	(10,466)	-
Finance costs (Note 26)	(48,945)	-	(37,661)	-
Share of profit or loss of associates accounted for using the equity method (Note 12)	658,916	7	822,942	11
Total non-operating income and expenses	651,839	7	799,697	11
PROFIT BEFORE INCOME TAX	1,121,124	12	1,102,638	15
INCOME TAX EXPENSE (Notes 4 and 27)	(50,541)	-	(6,303)	-
NET PROFIT	1,070,583	12	1,096,335	15

(Continued)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020 Amount	2020 %	2019 Amount	2019 %
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 22)	$ (905)	-	$ (2,675)	-
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(18,400)	-	20,600	1
Share of unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income of associates accounted for using the equity method	35,323	-	(4,357)	-
Share of remeasurement of defined benefit plans of associates accounted for using the equity method	1,602	-	(478)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 27)	(199)	-	565	-
	17,421	-	13,655	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	888	-	5,176	-
Other comprehensive income, net of income tax	18,309	-	18,831	1
TOTAL COMPREHENSIVE INCOME	$ 1,088,892	12	$ 1,115,166	16
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 1,068,547	11	$ 1,098,048	15
Non-controlling interests	2,036	-	(1,713)	-
	$ 1,070,583	11	$ 1,096,335	15
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 1,086,856	12	$ 1,116,879	16
Non-controlling interests	2,036	-	(1,713)	-
	$ 1,088,892	12	$ 1,115,166	16
EARNINGS PER SHARE (Note 28)				
Basic	$ 1.81		$ 1.86	
Diluted	$ 1.81		$ 1.86	

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, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Equity Attributable to Owners of the Corporation								
			Retained Earnings			Other Equity			
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value through Other Comprehensive Income	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2019	$ 5,890,486	$ 499,694	$ 1,361,083	$ 3,200,533	$ 784,241	$ (60,989)	$ 56,756	$ 138,762	$ 11,870,566
Appropriation of 2018 earnings									
Legal reserve	-	-	67,229	-	(67,229)	-	-	-	-
Special reserve	-	-	-	4,233	(4,233)	-	-	-	-
Reversal of special reserve	-	-	-	(257,658)	257,658	-	-	-	-
Cash dividends - NT$1.5 per share	-	-	-	-	(883,573)	-	-	-	(883,573)
	-	-	67,229	(253,425)	(697,377)	-	-	-	(883,573)
Net profit (loss) for the year ended December 31, 2019	-	-	-	-	1,098,048	-	-	(1,713)	1,096,335
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	(2,588)	5,176	16,243	-	18,831
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,095,460	5,176	16,243	(1,713)	1,115,166
BALANCE, DECEMBER 31, 2019	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, 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

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, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,121,124	$ 1,102,638
Adjustments for:		
Depreciation expense	192,598	93,634
Amortization expense	15,414	1,986
Interest expense	48,741	37,499
Interest income	(3,217)	(5,252)
Dividend income	(8,000)	(8,000)
Share of profit of associates accounted for using the equity method	(658,916)	(822,942)
Impairment loss	-	952
Unrealized (gain) loss on foreign currency exchange	(3,894)	2,157
Gain on reversal of warranty cost on construction	(564)	(2,065)
Loss on fair value changes of financial assets and liabilities at fair value through profit or loss	54	-
Realized gain on transactions with associates	(30,856)	(28,389)
Construction service costs	10,294	5,409
Loss on disposal of property, plant and equipment	867	1,459
Other losses	72	-
Changes in operating assets and liabilities		
Contract assets	(359,623)	(2,304,273)
Notes receivable	92,949	(92,463)
Accounts receivable	1,602	(9,364)
Accounts receivable from related parties	30,165	(51,457)
Other receivables	(127,672)	(376)
Inventories	(1,310)	2,369
Prepaid construction costs	377,034	(316,455)
Other current assets	32,302	(40,514)
Prepaid value-added tax	(7,442)	5,209
Financial liabilities held for trading	(1,200)	-
Contract liabilities	(406,555)	521,978
Notes payable	99,501	(2,258)
Accounts payable	(8,641)	(9,787)
Construction costs payable	1,032,880	1,605,605
Accounts payable to related parties	56,912	-
Other payables	20,751	19,474
Provisions	208,929	61,282
Other current liabilities	4,214	412
Net defined benefit liabilities	1,927	2,397
Cash generated from (used in) operations	1,730,440	(229,135)
Interest received	3,457	5,708
Dividends received	824,072	731,401
Interest paid	(83,690)	(41,524)
Income tax paid	(9,274)	(52,917)
Net cash generated from operating activities	2,465,005	413,533

(Continued)

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment (Note 30)	$ (503,390)	$ (702,340)
Proceeds from disposal of property, plant and equipment	45	3,165
Increase in refundable deposits	(37,736)	(40,961)
Decrease (increase) in other financial assets	52,068	(31,033)
Payments for computer software	(7,483)	(1,865)
Payments for right-of-use assets	(1,297)	(225)
Decrease in finance lease receivables	9,773	8,535
Increase in other non-current assets	(22,212)	-
Net cash outflow on acquisition of subsidiaries (Note 29)	(733,583)	-
Increase in prepayments for equipment	-	(2,310)
Net cash used in investing activities	(1,243,815)	(767,034)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(1,174,747)	175,000
Proceeds from issuance of bonds	2,496,394	-
Proceeds from long-term borrowings	11,175,800	5,643,500
Repayments of long-term borrowings	(11,977,562)	(4,730,025)
(Decrease) increase in guarantee deposits received	(46,581)	57,547
Repayments of the principal portion of lease liabilities	(54,900)	(41,371)
Dividends paid to owners of the Corporation	(1,001,383)	(883,573)
Net cash (used in) generated from financing activities	(582,979)	221,078
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	2,980	(2,278)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	641,191	(134,701)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	962,019	1,096,720
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,603,210	$ 962,019

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, 2020 AND 2019
(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 stock had been trading on the Taipei Exchange from May 8, 2000 to August 24, 2003 and transferred listing to the Taiwan Stock Exchange since 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 19, 2021.

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 Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2021

New, Amended or Revised Standards and Interpretations (The "New IFRSs")	**Effective Date Announced by the International Accounting Standards Board (IASB)**
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendment to IFRS 16 "Covid-19 - Related Rent Concessions"	June 1, 2020

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)**
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendment to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
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 the IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments 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 6)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

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 to IFRS 9 will be 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" will be 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" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: 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 4: 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 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: 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.

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.

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.

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

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

b. 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

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

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.

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 8 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

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.

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, gains and 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.

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.

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.

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.

Derivative Financial Instruments

The Group enters into interest rate swaps to manage its exposure to interest rate risk.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

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 or loss as a bargain purchase gain.

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.

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 carried 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.

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; transportation equipment, 5 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.

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.

Intangible Assets

Computer software is amortized on a straight-line basis over 1 to 5 years.

Other intangible asset represents the Grade A comprehensive construction registration certificate of Star Energy Corporation. Due to its renewable nature, it has an indefinite useful life; thus, it is not amortized but tested for impairment, at least, annually. The useful life of such asset is reviewed at each balance sheet date to determine whether events and circumstances continue to support the assessment of the indefinite useful life.

Intangible assets - right-of-use assets are the rights to the superficies of the site for the construction of the Cingshuei geothermal power generation plant that the Group acquired from the Yilan county government in accordance with the investment agreement “Yilan Cingshuei Geothermal Power Generation Build, Reconstruction, Operation, and Transfer” (referred to also as “Cingshuei 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 Power Co., Ltd. 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.

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.

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.

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.

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.

Miaoli Wind Corporation, which is a subsidiary of the Corporation, is legally obligated to decommission power generators after its electric license expires. The Group would recognize the accreted provision and interest expense due to the effect of effective interest rate discount on an annual basis. The Group regularly reviews and adjusts these numbers according to its best estimates.

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, then 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.

The Group signed the Cingshuei 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 Cingshuei 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 - concession 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.

Revenues are 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.

Leases

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

a. 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 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.

b. 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 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 period in which they are incurred.

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 period in which they are incurred.

Employee Benefits

a. 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.

b. 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.

Taxation

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

a. 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 stockholders resolve to retain the earnings as, prior to the stockholders’ 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.

b. 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 liability is settled or the asset realized, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

c. 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 economic implications of the COVID-19 when making its critical accounting estimates. 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 independent power producer companies (IPPs) had violated Fair Trade Act and levied fine against the Group's associates. As a result, these associates filed petitions and administrative proceedings. See Note 35.e. for detailed information. As 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 35.f. for 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 stocks that have no active market

The Group invested in unlisted stocks that have no active markets, which the fair value 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. Realizability of the deferred income tax assets

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

e. 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, a material impairment loss may arise.

f. The Group is the single largest shareholder of an investee with less than 50% of the voting rights of it and concludes that the Group does not control but has significant influence over it

As stated in Note 12, the Group is the single largest shareholder of Sun Ba Power Corporation, Star Energy Power Corporation and Star Buck Power Corporation with 43%, 40.50% and 41.27% of the voting rights of the investees, respectively. However, according to the articles of incorporation of the investees, certain material events of the investees shall be approved by a certain number of 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	
	2020	**2019**
Cash on hand	$ 2,753	$ 2,698
Checking accounts and demand deposits	1,506,020	646,689
Cash equivalents		
Time deposits	94,437	312,632
	$ 1,603,210	$ 962,019

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 period were as follows:

	December 31	
	2020	2019
Demand deposits	0.005%-0.10%	0.01%-0.23%
Time deposits	0.22%-0.79%	0.60%-2.20%

7. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2020	2019
Notes receivable		
At amortized cost		
Gross carrying amount	$ 293	$ 93,242
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 315,045	$ 316,647

The average credit terms range 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 debtors operate 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	
	2020	2019
Up to 60 days	$ 293	$ 93,242

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

	December 31	
	2020	2019
Up to 60 days	$ 306,866	$ 295,640
61-90 days	7,383	-
91-120 days	300	-
121-180 days	-	19,465
More than 180 days	496	1,542
	$ 315,045	$ 316,647

8. FINANCE LEASE RECEIVABLES

	December 31	
	2020	2019
Undiscounted lease payments		
Year 1	$ 9,696	$ 715
Year 2	9,696	-
Year 3	9,696	-
Year 4	9,696	-
Year 5	828	-
	39,612	715
Less: Unearned finance income	(763)	-
Lease payments receivable	38,849	715
Net investment in leases presented as finance lease receivables	$ 38,849	$ 715
Finance lease receivables - current	$ 9,367	$ 715
Finance lease receivables - non-current	$ 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 the remaining lease term of the head lease to the sublessees, 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, in February 2020, at the end of the lease term of the aforementioned contract, the Corporation renewed the head lease agreement with annual fixed payment. As the Group subleased the leasehold office premises for all the remaining lease term, i.e. 5 years, of the head lease to the sublessees, the sublease contracts were classified as finance leases. The interest rates implicit in 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, 2020, 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	
	2020	2019
Raw materials	$ 7,485	$ 6,175

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2020	2019
Non-current		
Domestic investments		
Unlisted shares		
Kaohsiung Arena Development Corporation (KADC)	$ 249,200	$ 267,600

The investment in KADC is not held for trading. Instead, it is held for medium to long-term strategic purposes. 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 this investment for long-term purposes.

Refer to Note 32 for fair value information relating to financial assets at FVTOCI.

11. SUBSIDIARIES

			Percentage of Ownership (%)		
			December 31		
Name of Investor	Name of Subsidiary	Main Businesses	2020	2019	Remark
The Corporation	Star Energy Corporation ("SEC")	Undertaking and installing of power engineering projects	100	100	a
The Corporation	Taiwan Cogeneration International Corporation ("TCIC")	Investment in foreign countries and international trading	100	100	b
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	c
The Corporation	Miaoli Wind Co., Ltd. ("MWC")	Power generation	100	-	d
TGE	Shin Kuang Electric Energy Co., Ltd. ("SKE")	Power generation	100	100	e
SEC	Starbao Power Corporation ("SPC")	Power generation	100	100	f
SEC	Star Solar Corporation ("SSC")	Power generation	100	100	g
YYC	Chingshuei Geothermal Power Corporation ("CGPC")	Power generation	100	100	h

a. On September 11, 2019, the Corporation participated in a capital raising of SEC. The investment in SEC increased by $330,000 thousand.

b. TCIC established a branch in the Philippines mainly to expand local engineering business.

c. On March 30, 2020, the Corporation participated in a capital raising of TGE. The investment in TEG increased by $90,000 thousand.

d. In order to expand the renewable energy business, on June 29, 2020, the Corporation acquired a 100% equity interest in MWC, which is mainly engaged in wind power generation, 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. For information on business combinations, refer to Note 29.

e. On January 7, 2019, TGE participated in a capital raising of SKE. The investment in SKE increased by $42,000 thousand. Subsequently on March 31, 2020, TGE participated in a capital raising of SKE. The investment in SKE increased by $90,000 thousand.

f. On October 8, 2019, SEC participated in a capital raising of SPC. The investment in SPC increased by $157,870 thousand.

g. On April 9, 2019, SEC invested $47,000 thousand and established SSC preparatory office. Subsequently, on September 23, 2020, SEC increased its investment in SSC by $73,000 thousand and completed establishing SSC. SEC owned 100% equity interest in SSC.

h. On May 23, 2019, YYC invested $250,000 thousand and established CGPC. YYC owned 100% equity interest in CGPC.

Refer to Table 8 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	
	2020	2019
Investments in associates		
Material associates		
Ta-Yuan Cogeneration Company (TYC)	$ 578,231	$ 530,016
Sun Ba Power Corporation (Sun Ba)	5,352,348	5,371,035
Star Energy Power Corporation (SEPC)	2,327,357	2,324,285
Star Buck Power Corporation (SBPC)	2,189,637	2,232,998
Kuo Kuang Power Company Ltd. (KKPC)	1,933,858	1,990,259
	12,381,431	12,448,593
Associates that are not individually material	196,999	223,403
	$ 12,578,430	$ 12,671,996

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

	For the Year Ended December 31	
	2020	2019
Sun Ba	$ 334,649	$ 422,236
SBPC	102,069	202,247
SEPC	120,827	171,603
TYC	53,408	43,040
KKPC	70,117	54,741
Associates that are not individually material	(22,154)	(70,925)
	$ 658,916	$ 822,942

a. Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2020	2019
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 8 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, is as follows:

	December 31	
Name of Associate	2020	2019
TYC	$ 1,118,015	$ 915,554

Summarized financial information in respect of each of the Group’s material associates is set out below. 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	
	2020	2019
Current assets	$ 1,034,798	$ 939,677
Non-current assets	3,301,155	2,863,846
Current liabilities	(1,813,129)	(1,149,638)
Non-current liabilities	(533,049)	(832,204)
Equity	1,989,775	1,821,681
Non-controlling interests	-	-
	$ 1,989,775	$ 1,821,681
Proportion of the Group's ownership	29.31%	29.31%
Equity attributable to the Group	$ 583,217	$ 533,948
Unrealized gain with associates	(4,986)	(3,932)
Carrying amount	$ 578,231	$ 530,016

	For the Year Ended December 31	
	2020	2019
Operating revenues	$ 1,842,558	$ 1,629,623
Net profit	$ 182,213	$ 146,843
Other comprehensive income (loss)	120,361	(13,926)
Total comprehensive income	$ 302,574	$ 132,917
Dividends received from TYC	$ 39,418	$ 20,476

Sun Ba

	December 31	
	2020	2019
Current assets	$ 3,888,438	$ 4,150,539
Non-current assets	11,116,932	12,242,008
Current liabilities	(1,364,851)	(1,980,105)
Non-current liabilities	(1,058,708)	(1,770,314)
Equity	12,581,811	12,642,128
Non-controlling interests	-	-
	$ 12,581,811	$ 12,642,128
Proportion of the Group's ownership	43.00%	43.00%
Equity attributable to the Group	$ 5,410,178	$ 5,436,115
Unrealized gain with associates	(59,917)	(67,167)
Goodwill	2,087	2,087
Carrying amount	$ 5,352,348	$ 5,371,035

	For the Year Ended December 31	
	2020	2019
Operating revenues	$ 8,975,507	$ 11,527,494
Net profit	$ 778,253	$ 981,945
Other comprehensive income (loss)	1,429	(1,571)
Total comprehensive income	$ 779,682	$ 980,374
Dividends received from Sun Ba	$ 361,200	$ 348,300

SEPC

	December 31	
	2020	2019
Current assets	$ 1,744,742	$ 1,785,397
Non-current assets	6,309,253	6,911,131
Current liabilities	(1,156,114)	(1,385,324)
Non-current liabilities	(967,408)	(1,374,660)
Equity	5,930,473	5,936,544
Non-controlling interests	-	-
	$ 5,930,473	$ 5,936,544
Proportion of the Group's ownership	40.50%	40.50%
Equity attributable to the Group	$ 2,401,842	$ 2,404,301
Unrealized gain with associates	(74,485)	(80,016)
Carrying amount	$ 2,327,357	$ 2,324,285

	For the Year Ended December 31	
	2020	2019
Operating revenues	$ 4,692,940	$ 6,361,712
Net profit	$ 298,339	$ 423,710
Other comprehensive income	1,590	600
Total comprehensive income	$ 299,929	$ 424,310
Dividends received from SEPC	$ 123,930	$ 128,790

SBPC

	December 31	
	2020	2019
Current assets	$ 868,887	$ 1,634,185
Non-current assets	9,169,493	9,473,043
Current liabilities	(872,573)	(1,315,097)
Non-current liabilities	(3,231,618)	(3,706,535)
Equity	5,934,189	6,085,596
Non-controlling interests	-	-
	$ 5,934,189	$ 6,085,596
Proportion of the Group's ownership	41.27%	41.27%
Equity attributable to the Group	$ 2,449,202	$ 2,511,692
Unrealized gain with associates	(259,565)	(278,694)
Carrying amount	$ 2,189,637	$ 2,232,998

	For the Year Ended December 31	
	2020	2019
Operating revenues	$ 4,782,266	$ 7,170,833
Net profit	$ 247,305	$ 490,024
Other comprehensive gain (loss)	588	(411)
Total comprehensive income	$ 247,893	$ 489,613
Dividends received from SBPC	$ 164,802	$ 136,200

KKPC

	December 31	
	2020	2019
Current assets	$ 1,579,690	$ 1,603,960
Non-current assets	5,757,123	6,390,039
Current liabilities	(846,939)	(1,220,153)
Non-current liabilities	(1,263,120)	(1,444,955)
Equity	5,226,754	5,328,891
Non-controlling interests	-	-
	$ 5,226,754	$ 5,328,891
Proportion of the Group's ownership	35.00%	35.00%
Equity attributable to the Group	$ 1,829,364	$ 1,865,112
Goodwill	19,304	19,304
Investment premium	85,190	105,843
Carrying amount	$ 1,933,858	$ 1,990,259

	For the Year Ended December 31	
	2020	2019
Operating revenues	$ 4,127,031	$ 5,480,488
Net profit	$ 259,345	$ 215,411
Other comprehensive income (loss)	583	(247)
Total comprehensive income	$ 259,928	$ 215,164
Dividends received from KKPC	$ 126,722	$ 89,635

On August 24, 2020, SEPC's Changbin Power Plant encountered a malfunction in its electric generator, and part of the power generating units of the plant were damaged. The plant resumed operations on August 31, 2020, and the repair expense was about $20,000 thousand after deducting the estimated insurance claim.

On November 7, 2020, SBPC's Changbin Power Plant encountered a malfunction in its electric generator, and a GTG-02 generator rotor was damaged. The repair expense was about $15,000 thousand after deducting the estimated insurance claim.

The Group is the single largest shareholder of Sun Ba, SEPC, and SBPC with 43%, 40.50%, and 41.27% of the voting rights of the investees, respectively. However, according to the articles of incorporation of the investees, certain material events of the investees shall be approved by a certain number of 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 investees and, therefore, classified them as associates of the Group.

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, 2020 and 2019 were based on the associates' financial statements audited by independent auditors for the same years.

b. Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2020	**2019**
The Group's share of:		
Net loss	$(22,154)	$(70,925)
Other comprehensive loss	(59)	(65)
Total comprehensive loss	$(22,213)	$(70,990)

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, 2020 and 2019 were based on the associates' financial statements audited by independent auditors for the same years.

The Group estimated the present value of the estimated future cash flows expected to arise from the operations of an associate and from the ultimate disposal; the discount rate was 1.1%. Based on the assessment, the recoverable amount of the Group's interests in the associate was less than its carrying amount; thus, the Group recognized $952 thousand as impairment loss for the year ended December 31, 2019.

The Group originally accounted for its investments in an associate using the equity method. However, on December 30, 2020, the Group entered into a contract with a purchaser and proposed to sell their shares for $4,985 thousand and completed the transaction in January 2021; therefore, the investments were reclassified to non-current assets held for sale.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Property under Construction	Total
Cost								
Balance at January 1, 2020	$ 264,637	$ 78,954	$ 2,633,830	$ -	$ 56,743	$ 27,132	$ 353,392	$ 3,414,688
Acquisition through business combinations (Note 29)	-	-	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)
Reclassification	-	-	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 and impairment loss								
Balance at January 1, 2020	-	58,676	1,788,204	-	27,268	23,766	-	1,897,914
Acquisition through business combinations (Note 29)	-	-	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

(Continued)

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Property under Construction	Total
Cost								
Balance at January 1, 2019	$ 264,637	$ 78,954	$ 2,259,886	$ 734	$ 75,220	$ 22,567	$ 45,849	$ 2,747,847
Additions	-	-	57,544	-	9,859	4,565	624,666	696,634
Disposals	-	-	(33,916)	(734)	(28,534)	-	(1,385)	(64,569)
Reclassification	-	-	350,316	-	198	-	(315,738)	34,776
Balance at December 31, 2019	264,637	78,954	2,633,830	-	56,743	27,132	353,392	3,414,688
Accumulated depreciation and impairment loss								
Balance at January 1, 2019	-	56,780	1,771,148	734	46,933	22,470	-	1,898,065
Depreciation expense	-	1,896	47,575	-	9,027	1,296	-	59,794
Disposals	-	-	(30,519)	(734)	(28,692)	-	-	(59,945)
Balance at December 31, 2019	-	58,676	1,788,204	-	27,268	23,766	-	1,897,914
Carrying amount at December 31, 2019	$ 264,637	$ 20,278	$ 845,626	$ -	$ 29,475	$ 3,366	$ 353,392	$ 1,516,774

(Concluded)

Refer to Note 26 for information on capitalized interest for the years ended December 31, 2020 and 2019.

Refer to Note 34 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, 2020	$ 1,896	$ 137,374	$ 20,645	$ 725	$ 160,640
Acquisitions through business combinations (Note 29)	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
Cost					
Balance at January 1, 2019	$ -	$ 85,215	$ 5,777	$ -	$ 90,992
Additions	1,896	52,906	14,868	725	70,395
Disposals	-	(747)	-	-	(747)
Balance at December 31, 2019	1,896	137,374	20,645	725	160,640
Accumulated depreciation					
Balance at January 1, 2019	-	-	-	-	-
Depreciation expense	-	28,696	5,023	121	33,840
Disposals	-	(13)	-	-	(13)
Balance at December 31, 2019	-	28,683	5,023	121	33,827
Carrying amount at December 31, 2019	$ 1,896	$ 108,691	$ 15,622	$ 604	$ 126,813

b. Lease liabilities

	December 31	
	2020	2019
Carrying amount		
Current	$ 48,174	$ 25,808
Non-current	$ 182,636	$ 105,209

As of December 31, 2020 and 2019, discount rates for lease liabilities were 0.98%-1.10% and 1.10%, respectively.

c. Material lease activities and terms

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

Refer to Note 15 for the information about the Group’s acquisition of the rights to superficies from the Yilan county government.

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	
	2020	2019
Expenses relating to short-term leases	$ 10,577	$ 3,014
Expenses relating to low-value asset leases	$ 1,053	$ 475
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 3,128	$ 2,674
Total cash outflow for leases	$(72,522)	$(48,516)

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 had elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

For the year ended December 31, 2019, expenses relating to short-term leases also included expenses relating to leases for which the lease terms end on or before December 31, 2019 and for which the recognition exemption was applied. The amount of lease commitments for short-term leases, for which the recognition exemption was applied, was $756 thousand.

15. INTANGIBLE ASSETS

	December 31	
	2020	2019
Service concession arrangement	$ 2,455	$ 2,602
Computer software	9,155	4,041
Business rights	389,102	-
	$ 400,712	$ 6,643

a. Movements in intangible assets were as follows:

	Service Concession Arrangement - Right-of-use Assets	Computer Software	Business Rights	Others	Total
Cost					
Balance at January 1, 2020	$ 2,710	$ 7,700	$ -	$ 12,000	$ 22,410
Acquisitions through business combinations (Note 29)	-	-	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
Cost					
Balance at January 1, 2019	$ -	$ 6,035	$ -	$ 12,000	$ 18,035
Additions	2,710	1,865	-	-	4,575
Disposals	-	(200)	-	-	(200)
Balance at December 31, 2019	2,710	7,700	-	12,000	22,410
Accumulated amortization and impairment loss					
Balance at January 1, 2019	-	1,981	-	12,000	13,981
Amortization	108	1,878	-	-	1,986
Disposals	-	(200)	-	-	(200)
Balance at December 31, 2019	108	3,659	-	12,000	15,767
Carrying amount at December 31, 2019	$ 2,602	$ 4,041	$ -	$ -	$ 6,643

b. Service concession arrangement

YYC signed the Cingshuei Geothermal Contract with the Yilan county government in July 2017 for a service concession which will be operated by CGPC. YYC separately 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 right-of-use asset was obtained by YYC from the Yilan county government under the Cingshuei Geothermal Contract to build the power plant site. The rental rate during the construction period was set at 1% of the announced land values, and the rental rate during the operation period was set at 3% of the announced land values.

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 due to 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.

16. NON-CURRENT ASSETS HELD FOR SALE

	December 31, 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 and completed the transaction in January 2020; 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 losses were recognized on the classification of these assets as held for sale.

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2020	2019
Unsecured borrowings	$ 35,000	$ 875,000

The range of interest rates on the unsecured borrowings was as follows:

	December 31	
	2020	2019
Unsecured borrowings	1.83%	0.98%-1.02%

b. Long-term borrowings

	December 31 2020	December 31 2019
Secured borrowings		
Repayable in semi-annual installments through February 2026	$ 177,660	$ 189,000
Repayable in monthly installments through January 2034	71,522	76,989
Repayable in quarterly installments through September 2034	39,500	39,500
Repayable in quarterly installments through October 2024 (repaid in advance in April 2020)	-	16,000
Unsecured borrowings		
Repayable in semi-annual installments through February 2032	367,000	-
Repayable in quarterly installments through December 2025	102,000	-
Repayable in semi-annual installments through January 2025	99,800	-
Repayable in quarterly installments through March 2026	73,073	-
Repayable in quarterly installments through March 2026	61,305	65,861
Repayable in quarterly installments through October 2025	49,231	53,105
Revolving unsecured borrowings		
Revolving through September 2022	1,000,000	-
Revolving through September 2022	500,000	-
Revolving through December 2022	475,000	500,000
Revolving through September 2022	30,000	-
Revolving through June 2021	-	1,000,000
Revolving through August 2021	-	500,000
Revolving through August 2021	-	500,000
Revolving through August 2021	-	300,000
Revolving through March 2021	-	300,000
Revolving through March 2021	-	200,000
	3,046,091	3,740,455
Less: Current portion	(54,548)	(25,517)
	$ 2,991,543	$ 3,714,938

The ranges of interest rates on long-term borrowings were as follows:

	December 31 2020	December 31 2019
Secured borrowings	1.44%-1.80%	1.44%-2.29%
Unsecured borrowings	1.72%-2.04%	2.00%
Revolving unsecured borrowings	0.80%-0.81%	0.94%-1.05%

18. BONDS PAYABLE

	December 31	
	2020	2019
Domestic unsecured bond	$ 2,500,000	$ -
Less: Unamortized issuance cost	(3,370)	-
	$ 2,496,630	$ -

On August 14, 2020, the Group issued $1.9 billion of 5-year, 0.75% and $0.6 billion of 10-year, 1% unsecured bonds at par value with interest payable annually and a bullet repayment term, respectively. The trustee of the Group's creditors is Bank SinoPac.

19. OTHER PAYABLES

	December 31	
	2020	2019
Payable for equipment	$ 280,278	$ 46,610
Payable for employees' compensation and remuneration of directors	48,684	43,589
Payable for salaries and bonus	39,415	37,062
Payable for business tax	13,889	2,052
Payable for compensated absences	11,534	10,499
Payable for professional fees	5,633	6,151
Others	24,875	11,690
	$ 424,308	$ 157,653

20. OTHER LIABILITIES

	December 31	
	2020	2019
Other liabilities		
Payables for levies	$ 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.

21. PROVISIONS

	December 31	
	2020	2019
Current		
Warranties	$ 308,985	$ 100,771
Non-current		
Decommissioning costs and liability	$ 13,682	$ -

	Warranties	Decommissioning Costs and Liability	Total
Balance at January 1, 2020	$ 100,771	$ -	$ 100,771
Acquisitions through business combinations (Note 29)	-	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
Balance at January 1, 2019	$ 41,554	$ -	$ 41,554
Additions	88,111	-	88,111
Usage	(26,829)	-	(26,829)
Reversal	(2,065)	-	(2,065)
Balance at December 31, 2019	$ 100,771	$ -	$ 100,771

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation, SEC, YYC, TGE, SKE, SPC, CGPC and SSC 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 and MWC 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. Pension benefits are calculated on the basis of the length of service and average monthly salaries of six months before retirement. The Corporation and SEC contribute amounts equal to 6.5% and 3%, respectively, 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 committees' name and are managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

Before the end of each year, the Group assesses the balance in the pension funds. If the amount of the balance in the pension funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in a one-time appropriation that shall be made before the end of March of the next year.

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

	December 31	
	2020	**2019**
Present value of defined benefit obligation	$ 227,883	$ 224,173
Fair value of plan assets	(101,458)	(100,580)
Deficit	126,425	123,593
Net defined benefit liabilities	$ 126,425	$ 123,593

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, 2019	$ 218,347	$ (99,826)	$ 118,521
Service cost			
Current service cost	4,795	-	4,795
Net interest expense (income)	2,443	(1,130)	1,313
Recognized in profit or loss	7,238	(1,130)	6,108
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,522)	(3,522)
Actuarial loss - changes in demographic assumptions	1,005	-	1,005
Actuarial loss - changes in financial assumptions	9,449	-	9,449
Actuarial income - experience adjustments	(4,257)	-	(4,257)
Recognized in other comprehensive income or loss	6,197	(3,522)	2,675
Contributions from employers	-	(3,711)	(3,711)
Benefits paid	(7,609)	7,609	-
	(7,609)	3,898	(3,711)
Balance at December 31, 2019	$ 224,173	$(100,580)	$ 123,593
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

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

	For the Year Ended December 31	
	2020	2019
Operating costs	$ 3,109	$ 3,223
Operating expenses	$ 2,532	$ 2,885

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	
	2020	2019
Discount rate	0.50%	0.75%
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	
	2020	2019
Discount rate		
0.25% increase	$ (6,319)	$ (6,371)
0.25% decrease	$ 6,572	$ 6,634
Expected rate of salary increase/decrease		
0.25% increase	$ 6,310	$ 6,386
0.25% decrease	$ (6,104)	$ (6,168)

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	
	2020	2019
Expected contributions to the plans for the next year	$ 3,456	$ 3,710
Average duration of the defined benefit obligation	11.58 years	12.03 years

23. 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 are as follows:

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

December 31, 2019

	Within One Year	More than One Year	Total
Assets			
Contract assets	$ 973,983	$ 2,593,001	$ 3,566,984
Liabilities			
Contract liabilities	$ 28,516	$ 592,824	$ 621,340
Provisions - warranties	5,262	95,509	100,771
	$ 33,778	$ 688,333	$ 722,111

24. EQUITY

a. Share capital

	December 31	
	2020	2019
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	
	2020	2019
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 distribution of dividends to shareholders. For the policies on distribution of the employees' compensation and remuneration of directors, please refer to Note 26.g.

The Corporation adopted a balanced dividend policy, where dividends are distributed in the form of both cash and stock, 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 stockholders, 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 2019 and 2018, which had been resolved in the stockholders' meeting on June 22, 2020 and June 20, 2019, respectively, were as follows:

	Appropriation of Earnings	
	2019	2018
Legal reserve	$ 109,546	$ 67,229
Special reserve	-	4,233
Reversal of special reserve	(56,424)	(257,658)
Cash dividends	1,001,383	883,573
Dividends per share (NT$)	1.7	1.5

The reversal of the special reserve of $52,191 thousand in 2019 and $257,658 thousand in 2018 were reversals of the amounts voluntarily set aside in accordance with the Company Act in prior years.

The appropriations of earnings for 2020 had been proposed by the Corporation's board of directors on March 19, 2021. The appropriations and dividends per share were as follows:

	Appropriation of Earnings
Legal reserve	$ 106,905
Reversal of special reserve	(66,767)
Cash dividends	1,119,192
Dividends per share (NT$)	1.9

The appropriations of earnings for 2020 are subject to the resolution of the shareholders in their meeting to be held on June 24, 2021.

25. REVENUES

	For the Year Ended December 31	
	2020	2019
Revenues from contracts with customers		
Sales		
Sales of electricity	$ 791,855	$ 639,354
Sales of steam	254,684	318,807
Others	602	12,440
	1,047,141	970,601
Construction service	8,090,531	6,152,879
Operations, maintenance and consulting services	176,052	62,606
	$ 9,313,724	$ 7,186,086

For the years ended December 31, 2020 and 2019, the construction service revenue recognized for the Cingshuei geothermal contracts was $345,672 thousand and $55,219 thousand, respectively; the construction service cost recognized was $335,302 thousand and $53,563 thousand, respectively.

a. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable	$ 293	$ 93,242	$ 779
Accounts receivable (including related parties)	$ 416,558	$ 428,621	$ 367,800
Contract assets			
Construction contracts	$ 3,926,607	$ 3,566,984	$ 1,262,711
Contract liabilities			
Construction contracts	$ 202,706	$ 621,340	$ 99,362

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 client, 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 39 for information about disaggregation of revenues from contracts with customers.

26. NET PROFIT

a. Other income

	For the Year Ended December 31	
	2020	2019
Dividend income	$ 8,000	$ 8,000
Others	30,655	11,630
	$ 38,655	$ 19,630

b. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Foreign exchange gain	$ 13,573	$ 9,344
Foreign exchange loss	(12,858)	(17,447)
Loss on fair value changes of financial liabilities at fair value through profit or loss	(54)	-
Impairment loss	-	(952)
Others	(665)	(1,411)
	$ (4)	$(10,466)

c. Finance costs

	For the Year Ended December 31	
	2020	2019
Interest expense	$ 37,270	$ 36,517
Interest on lease liabilities	2,609	982
Interest on bonds payable	7,930	-
Interest on other borrowings	932	-
Others	204	162
	$ 48,945	$ 37,661

Other borrowings were acquired through business combinations and were the loans which MWC obtained from its former shareholders.

d. Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2020	2019
Amount of capitalized interest	$ 2,427	$ 243
Capitalized interest rate	1.10%-2.04%	1.81%

e. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	$ 144,934	$ 59,794
Right-of-use assets	47,664	33,840
Intangible assets	15,414	1,986
	$ 208,012	$ 95,620
An analysis of depreciation by function		
Operating costs	$ 156,776	$ 68,400
Operating expenses	35,822	25,234
	$ 192,598	$ 93,634
An analysis of amortization by function		
Operating costs	$ 526	$ 631
Operating expenses	14,888	1,355
	$ 15,414	$ 1,986

f. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Post-employment benefits		
Defined contribution plans	$ 11,767	$ 8,870
Defined benefit plans	5,641	6,108
	17,408	14,978
Short-term benefits	405,650	335,510
Total employee benefits expense	$ 423,058	$ 350,488
An analysis of employee benefits expense by function		
Operating costs	$ 253,190	$ 158,366
Operating expenses	169,868	192,122
	$ 423,058	$ 350,488
Short-term benefits		
Wages and salaries	$ 355,478	$ 302,840
Labor and health insurance	24,209	19,779
Other employee benefits	25,963	12,891

	$ 405,650	$ 335,510

g Employees' compensation and remuneration of directors

The distribution of employees' compensation 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, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019 which had been resolved by the Corporation's board of directors on March 19, 2021 and March 20, 2020, respectively, were as follows:

	For the Year Ended December 31	
	2020	**2019**
Employees' compensation	$ 30,852	$ 28,250
Remuneration of directors	10,284	10,449

If there will be 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, 2019 and 2018.

Information on the employees' compensation 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.

27. INCOME TAX

a. Major components of income tax recognized in profit or loss

	For the Year Ended December 31	
	2020	**2019**
Current income tax		
In respect of the current year	$ 103,575	$ 15,672
Income tax on undistributed earnings	-	167
Adjustments for prior years' tax	(163)	39
	103,412	15,878
Deferred income tax		
In respect of the current year	(52,871)	(9,575)
Income tax expense recognized in profit or loss	$ 50,541	$ 6,303

A reconciliation of profit before income tax and income tax expense is as follows:

	For the Year Ended December 31	
	2020	2019
Profit before income tax	$ 1,121,124	$ 1,102,638
Income tax expense calculated at the statutory rate	$ 224,225	$ 220,528
Non-taxable income and non-deductible expenses in determining taxable income	(134,670)	(185,000)
Changes in unrecognized loss carryforwards and deductible temporary differences	(18,961)	13,446
Deferred tax effect of earnings of subsidiaries	(19,890)	(42,877)
Income tax on undistributed earnings	-	167
Adjustments for prior years' tax	(163)	39
Income tax expense recognized in profit or loss	$ 50,541	$ 6,303

b. Major components of income tax expense (benefit) recognized in other comprehensive income

	For the Year Ended December 31	
	2020	2019
Deferred income tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ 199	$ (565)

c. Current income tax assets and liabilities

	December 31	
	2020	2019
Current income tax assets		
Income tax refund receivable (included in other receivables)	$ 1,532	$ 1,712
Current income tax liabilities		
Income tax payable	$ 95,563	$ 1,617

d. Movements of deferred income tax assets and liabilities

For the year ended December 31, 2020

Deferred income tax assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions through Business Combinations	Ending Balance
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	-	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

For the year ended December 31, 2019

Deferred income tax assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions through Business Combinations	Ending Balance
Loss carryforwards	$ 26,563	$ 541	$ -	$ -	$ 27,104
Temporary differences					
Unrealized gain on transactions with associates	78,780	(5,873)	-	-	72,907
Loss on investments accounted for using the equity method	6,490	4,519	-	-	11,009
Defined benefit obligation	16,284	410	565	-	17,259
Allowance for loss on inventories	4	(4)			-
Others	20	9,982	-	-	10,002
	$ 128,141	$ 9,575	$ 565	$ -	$ 138,281

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	
	2020	2019
Deductible temporary differences		
Loss on investments accounted for using the equity method	$ 355,504	$ 253,044
Interest expense	228,676	330,122
Ohers	12,000	65,437
	$ 596,180	$ 648,603
Loss carryforwards		
YYC	$ 7,451	$ 6,816
TGE	$ -	$ 785

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2020 comprised:

	Unused Amount
YYC	
Expiry in 2028	$ 6,815
Expiry in 2030	636
	$ 7,451
CGPC	
Expiry in 2029	$ 10,855
SPC	
Expiry in 2029	$ 9,090
SSC	
Expiry in 2030	$ 3,513
MWC	
Expiry in 2026	$ 8,580
Expiry in 2029	12,462
	$ 21,042

g. Income tax assessments

The income tax returns of TGE through 2019 have been assessed by the tax authorities. The income tax returns of the Corporation, MWC, YYC, SKE and SPC through 2018 have been assessed by the tax authorities. The income tax returns of SEC through 2017 have been assessed by the tax authorities. Under the local income tax law, TCIC is not obligated to pay income tax.

28. EARNINGS PER SHARE

	For the Year Ended December 31	
	2020	2019
Basic earnings per share (NT$)	$ 1.81	$ 1.86
Diluted earnings per share (NT$)	$ 1.81	$ 1.86

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	
	2020	2019
Earnings used in the computation of basic earnings per share	$ 1,068,547	$ 1,098,048
Effect of potentially dilutive ordinary shares		
Employees' compensation of the Corporation	-	-
Earnings used in the computation of diluted earnings per share	$ 1,068,547	$ 1,098,048

Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Year Ended December 31	
	2020	2019
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		
Employees' compensation of the Corporation	1,032	1,345
Weighted average number of ordinary shares used in the computation of diluted earnings per share	590,081	590,394

Since the Corporation offered to settle employees' compensation paid in cash or shares, the Corporation assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were 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.

29. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
MWC	Power generation	June 29, 2020	100	$ 733,608

In June 2020, MWC was acquired in order to continue the expansion of the Group's activities in renewable energy.

b. Consideration transferred

	MWC
Cash	$ 733,608

c. Assets acquired and liabilities assumed at the date of acquisition

	MWC
Current assets	
Cash and cash equivalents	$ 25
Accounts receivable	19,704
Other financial assets	54,152
Other current assets	3,696
Non-current assets	
Property, plant and equipment	701,870
Right-of-use assets	9,525
Intangible assets	402,000
Deferred tax assets	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	(37,201)
Current portion of long-term borrowings	(107,398)
Other current liabilities	(1,185)
Non-current liabilities	
Provisions	(13,531)
Deferred tax liabilities	(81,999)
	$ 637,238

d. Goodwill recognized on acquisition

	MWC
Consideration transferred	$ 733,608
Less: Fair value of identifiable net assets acquired	(637,238)
Goodwill recognized on acquisition	$ 96,370

As stated in Note 29 a., MWC was acquired in order to continue the expansion of the Group's activities in renewable energy. The Group has adjusted the original accounting treatment and the provisional amount since the date of acquisition based on the acquisition price allocation report obtained in March 2021. The relevant balance sheet items were adjusted as follows:

	June 29, 2020	Date of Acquisition
Goodwill	$ 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)

The relevant statement of comprehensive income items were adjusted as follows:

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

e. Net cash outflow on the acquisition of subsidiaries

	MWC
Cash and cash equivalent balances acquired	$ 25
Less: Consideration paid in cash	(733,608)
	$(733,583)

f. Impact of acquisition on the results of the Group

Had this business combination been in effect at the beginning of the financial year, the Group's 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, 2020, nor is it intended to be a projection of future results.

30. PARTIAL CASH TRANSACTIONS

For the years ended December 31, 2020 and 2019, the Group entered into the following partial cash investing activities which were not reflected in the consolidated statements of cash flows:

	For the Year Ended December 31	
	2020	**2019**
Investing activities affecting both cash and non-cash items		
Acquisition of property, plant and equipment	$ 744,263	$ 696,634
Change in payable for equipment	(233,668)	5,949
Change in payable for levies	(4,815)	-
Change in prepayment for equipment	(2,310)	-
Depreciation of right-of-use assets	(80)	-
Capitalized interest	-	(243)
Cash payments	$ 503,390	$ 702,340

31. 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 stockholders 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.

32. 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, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	$ -	$ -	$ 249,200	$ 249,200

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	$ -	$ -	$ 267,600	$ 267,600

2) Reconciliation of Level 3 fair value measurements of financial instruments

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

For the year ended December 31, 2019

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	$ 247,000
Recognized in other comprehensive income	20,600
Ending balance	$ 267,600

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	
	2020	**2019**
Long-term revenue growth rates	0%-2.51%	0%-2.51%
Long-term pre-tax operating margin	40.59%-41.93%	38.39%-41.84%
WACC	9.23%	8.79%
Discount for lack of marketability	15.21%	12.37%

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 increase (decrease) as follows:

	December 31	
	2020	**2019**
Long-term revenue growth rate		
1% increase	$ 27,200	$ 29,800
1% decrease	$(26,200)	$(28,600)
WACC		
0.5% increase	$(25,400)	$(30,000)
0.5% decrease	$ 29,800	$ 35,600

c. Categories of financial instruments

	December 31	
	2020	**2019**
Financial assets		
Financial assets measured at amortized cost (Note 1)	$ 2,315,078	$ 1,610,281
Financial assets at FVTOCI	249,200	267,600
Financial liabilities		
Measured at amortized cost (Note 2)	9,586,009	7,248,010

Note 1: The balances included financial assets measured at amortized cost, which comprised cash and cash equivalents, notes receivable, accounts receivable, part of other receivables, other financial assets and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprised short-term borrowings, 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 business tax payable were 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 guideline for financial risk management and segregation of duties with respect to financial operating procedures.

1) Market risk

a) Foreign currency risk

Refer to Note 37 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	
	2020	**2019**
Profit or loss		
USD	$ 1,125	$ 1,180
EUR	1,587	103

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 period were as follows:

	December 31	
	2020	2019
Fair value interest rate risk		
Financial assets	$ 169,709	$ 373,445
Financial liabilities	2,727,440	131,017
Cash flow interest rate risk		
Financial assets	1,531,836	646,090
Financial liabilities	3,081,091	4,615,455

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, 2020 and 2019, the borrowings with floating interest rates of the Group amounted to $3,081,091 thousand and $4,615,455 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, 2020 and 2019 would have decreased by $30,811 thousand and $46,155 thousand, respectively.

The Group did not enter into derivative financial instrument transactions during the year ended December 31, 2019. The Group acquired the outstanding interest rate swaps not under hedge accounting through business combinations in June 2020 and recognized $1,146 thousand as financial liabilities held for trading. Subsequently, in July 2020, the Group settled the aforementioned contract in advance by $1,200 thousand and recognized losses of $54 thousand.

There was no outstanding interest rate swaps at the end of the reporting period.

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, 2020 and 2019, the available unutilized bank loan facilities were $8,016,967 thousand and $4,260,670 thousand, respectively.

The following tables detailed the Group's remaining contractual maturities of its non-derivative financial liabilities with agreed repayment periods. The tables had 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, 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

December 31, 2019

	Within One Year	2 to 3 Years	4 to 5 Years	5+ Years	Total
Short-term borrowings	$ 875,000	$ -	$ -	$ -	$ 875,000
Non-interest bearing liabilities	2,587,996	42,603	1,956	-	2,632,555
Lease liabilities	26,994	37,620	23,005	51,370	138,989
Long-term borrowings	25,517	3,356,513	70,032	288,393	3,740,455
	$ 3,515,507	$ 3,436,736	$ 94,993	$ 339,763	$ 7,386,999

33. 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	An investor with significant influence over the Group
TYC	An associate
Sun Ba	An associate
SEPC	An associate
KKPC	An associate
SBPC	An associate
Shinlee Product Inc. ("Shinlee")	An associate

b. Operating transactions

Line Item	Related Party Category/Name	For the Year Ended December 31 2020	2019
Sales	Investors with significant influence over the Group		
	TPC	$ 424,897	$ 365,275
Construction service revenue	Investors with significant influence over the Group		
	TPC	$ 3,295,032	$ 3,784,335
	Associates		
	TYC	104,744	522,233
	Others	-	14,603
		104,744	536,836
		$ 3,399,776	$ 4,321,171
Operations, maintenance and consulting service revenue	Investors with significant influence over the Group		
	TPC	$ 139,364	$ 85
	Associates		
	SEPC	10,117	9,028
	SBPC	7,451	6,945
	TYC	5,896	1,847
	Sun Ba	5,333	5,820
	Others	427	463
		29,224	24,103
		$ 168,588	$ 24,188
Cost of sales	Investors with significant influence over the Group		
	TPC	$ 30,351	$ 33,754
	Associates		
	Others	91	-
		$ 30,442	$ 33,754

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 2020	2019
Other income	Associates		
	TYC	$ 2,360	$ 2,160
	KKPC	2,210	1,534
	SEPC	2,123	2,672
	SBPC	1,779	2,179
	Sun Ba	898	1,757
		$ 9,370	$ 10,302

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 2020	2019
Notes receivable from related parties	Associates		
	Sun Ba	$ 293	$ 400
	SEPC	-	720
		$ 293	$ 1,120
Accounts receivable from related parties	Investors with significant influence over the Group		
	TPC	$ 71,059	$ 78,323
	Associates		
	TYC	22,830	22,970
	Others	7,624	10,681
		30,454	33,651
		$ 101,513	$ 111,974
Other receivables from related parties	Associates		
	TYC	$ 880	$ 680

The outstanding receivables from related parties were unsecured. For the years ended December 31, 2020 and 2019, no impairment loss was recognized on receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Accounts payable to related parties	Investors with significant influence over the Group		
	TPC	$ 57,995	$ 1,158
	Associates		
	Others	75	-
		$ 58,070	$ 1,158
Other payables	Investors with significant influence over the Group		
	TPC	$ 1,601	$ -

The outstanding payables to related parties were unsecured.

f. Contract assets

Related Party Category/Name	December 31 2020	December 31 2019
Investors with significant influence over the Group		
TPC	$ 1,851,116	$ 2,568,049
Associates		
Other	60,192	227,834
	$ 1,911,308	$ 2,795,883

g. Contract liabilities

Related Party Category/Name	December 31 2020	December 31 2019
Investors with significant influence over the Group		
TPC	$ -	$ 20,351
Associates		
TYC	-	7,273
	$ -	$ 27,624

h. Sublease arrangements

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Finance lease receivables	Associates		
	Sun Ba	$ 3,735	$ 244
	SBPC	2,862	200
	SEPC	2,479	223
	Others	-	30
		$ 9,076	$ 697
Long-term finance lease receivables	Associates		
	Sun Ba	$ 11,754	$ -
	SBPC	9,009	-
	SEPC	7,806	-
		$ 28,569	$ -

For the years ended December 31, 2020 and 2019, no impairment loss was recognized for finance lease receivables. Refer to Note 8 for information about sublease arrangements.

i. Remuneration of key management personnel

	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Short-term employee benefits	$ 47,473	$ 50,478
Post-employment benefits	1,894	2,027
	$ 49,367	$ 52,505

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

34. ASSETS PLEDGED OR MORTGAGED

The following assets had been pledged or mortgaged as collateral for long-term borrowings, contract performance and establishment of a branch office:

	December 31 2020	December 31 2019
Machinery and equipment, net	$ 330,596	$ 350,501
Land	50,135	50,135
Time deposits (recognized as other financial assets)	36,049	60,033
Demand deposits (recognized as other financial assets)	26,759	1,000
Government bonds (recognized as other financial assets)	374	65
	$ 443,913	$ 461,734

The market rates of government bonds and time deposits at the end of the reporting period were as follows:

	December 31	
	2020	**2019**
Government bonds	4.250%	4.250%
Demand deposits	0.03%-0.05%	0.06%
Time deposits	0.10%-1.015%	0.13%-1.90%

35. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of December 31, 2020 were as follows:

a. Construction projects undertaken by 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 $5,335,355 thousand plus EUR40,788 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 $7,047,524 thousand. As of December 31, 2020, commitments for construction projects undertaken had an aggregate amount of approximately $4,922,395 thousand.

b. Commitments for construction expenditure and purchase of equipment were approximately $4,875,328 thousand.

c. Outstanding letters of credit were approximately $83,680 thousand.

d. Under a Coal Purchase Agreement, the Group shall purchase 46 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's Ruling"). After evaluation of the legal analyses made by engaged attorneys regarding the Original FTC's 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's 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's 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's 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's Ruling"). These corporations appealed the Third FTC's Ruling to 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's Ruling and the decision made by the PACEY regarding Concerted Action. On October 29, 2014, the Taipei High Administrative Court revoked the Original FTC's Ruling and revoked the decision made by the PACEY on September 12, 2013 regarding Concerted Action. On November 27, 2014, the FTC appealed the case to the Supreme Administrative Court. In June 2015, the Supreme Administrative Court recognized that there are questionable points in the case that need clarification and the original ruling of the Taipei High Administrative Court 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. On June 15, 2020, the FTC appealed the case to the SAC, and this case had been transferred to the SAC accordingly.

f. As 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 Taipei High Administrative Court and filed a civil action in Taipei District Court to claim compensation for the loss. As of December 31, 2020, 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, 2019, 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 had been transferred to Taipei District Court accordingly. On August 9 and September 5, 2018, respectively, Taipei District Court ruled to postpone these cases until the administrative proceedings between SEPC and FTC as well as KKPC and FTC in the Taiwan High Administrative Court with respect to the alleged concerted action are concluded, respectively. However, TPC subsequently withdraw its persecution in June 2020. Thus, the case was deemed an action never initiated.

2) TPC filed a civil action in 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 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.

These corporations have engaged attorneys for the above claims. Whether these corporations are liable for the damages or not depends on the result of the judgement by the court.

g. YYC entered into an investment agreement "Yilan Cingshuei Geothermal Power Generation Build, Reconstruction, Operation, and Transfer ("BOT+ROT")" with Yilan county government in July 2017, which is effective for a period of 20 years starting from the commencement date of commercial operation of the power generating unit of the operating company that YYC established, that is CGPC. However, prior to the expiry of the construction period, two years prior to the expiry of the construction of the Yilan county government, a request may be made for a preferential contract, the duration of which is limited to 20 years and limited to one time. After the construction work of CGPC is completed, it is necessary to complete the trial operation of the power plant, obtain a power industry license, sign a power purchase and sale contract with TPC, and report to the Yilan county government for approval before it can officially operate. During the operation phase, CGPC shall pay for the annual operating rights before June 30 each year. The operating right is calculated based on the capacity of its power generating units based on its 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.

36. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. In January 2021, a fire broke out in SBPC's Changbin Power Plant, leading to serious damages. Emergency repair works are currently being carried out, and it is expected that the power supply will be restored as soon as possible. At present, the cost of the damage is still under estimation.

b. In February 2020, the Group participated in the capital increase of Chao Feng Solar Energy Co., Ltd. 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 Group also intends to participate in subsequent capital increases in the aforementioned investee up to a total amount of $800,000 thousand.

c. On March 10, 2021, the Corporation acquired a 100% equity interest in Hamaguri Co., Ltd. (HML) for US$2,500 thousand in order to expand the renewable energy business.

37. 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, 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

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency liabilities			
Monetary items			
USD	$ 707	28.48	$ 20,252

(Concluded)

December 31, 2019

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 5,900	29.98	$ 176,887
Non-monetary items			
Investments accounted for using the equity method			
PHP	368,982	0.5908	$ 217,998
Foreign currency liabilities			
Monetary items			
USD	1,956	29.98	$ 58,868

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2020		2019	
Foreign Currencies	Exchange Rate	Net Foreign Exchange (Loss) Gain	Exchange Rate	Net Foreign Exchange Loss
USD	29.549 (USD:NTD)	$ (3,343)	30.912 (USD:NTD)	$ (5,405)
EUR	33.71 (EUR:NTD)	$ 4,028	34.61 (EUR:NTD)	$ (2,616)

38. SEPARATELY DISCLOSED ITEMS

Except for those disclosed in Note 32 and the attached Tables 1 to 9, 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 10 for information of major shareholders.

39. 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 revenues and results

The analysis of the Group's revenues and results from continuing operations by reportable segment was as follows:

	For the Year Ended December 31, 2020		
	GCP	**CC**	**Total**
Revenues 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	$ 42,263	$ 147,205	
Amortization	$ 159	$ 1,129	

	For the Year Ended December 31, 2019		
	GCP	**CC**	**Total**
Revenues from customers	$ 878,778	$ 6,307,308	$ 7,186,086
Segment profit	$ 202,296	$ 231,740	$ 434,036
Unallocated operating expenses			(134,884)
Interest income			4,875
Interest expense			(35,602)
Share of profit of associates accounted for using the equity method			822,942
Other non-operating income and expenses			11,271
Profit before income tax			$ 1,102,638
Depreciation	$ 23,431	$ 51,882	
Amortization	$ 283	$ 716	

Segment revenues reported above represented revenues generated from external customers.

Segment profit 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	
	2020	2019
Segment assets		
GCP	$ 498,660	$ 527,035
CC	7,151,222	5,646,539
Total segment assets	7,649,882	6,173,574
Unallocated assets		
Investments accounted for using the equity method	12,578,430	12,671,996
Others	2,751,378	1,583,893
Consolidated total assets	$ 22,979,690	$ 20,429,463
Segment liabilities		
GCP	$ 58,509	$ 80,628
CC	5,494,444	4,175,751
Total segment liabilities	5,552,953	4,256,379
Unallocated liabilities	5,237,069	4,070,925
Consolidated total liabilities	$ 10,790,022	$ 8,327,304

c. Geographical information

The Group’s revenues for the years ended December 31, 2020 and 2019 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	
	2020	2019
Sales and research, consulting and construction service revenue from TPC	$ 3,859,293	$ 4,149,695
Consulting and construction service revenue from customer A	2,858,161	740,198

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(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 (Notes 3 and 9)	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	$ 200,000	$ 50,000	0.81	The need for short-term financing	$ -	Retirement of loans	$ -	-	$ -	$ 2,410,117	$ 4,820,233	
		SEC	Other receivables from related parties	Y	300,000	300,000	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,410,117	4,820,233	
		TGE	Other receivables from related parties	Y	50,000	50,000	10,000	0.81	The need for short-term financing	-	Operating capital	-	-	-	2,410,117	4,820,233	

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 period 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 $4,820,233 thousand, which was calculated at 40% of the Corporation’s net worth in the current financial statements. ($12,050,583 thousand (net worth as of December 31, 2020) *40%)

Note 8: Financing limit for each borrower was up to $2,410,117 thousand, which was calculated at 20% of the Corporation’s net worth in the current financial statements. ($12,050,583 thousand (net worth as of December 31, 2020) *20%)

Note 9: The amount was eliminated upon consolidation.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(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	$ 3,012,646 (Note 3)	$ 204,000	$ 204,000	$ 204,000	$ -	1.69%	$ 4,820,233 (Note 4)	Y	N	N
		MWC	b	3,012,646 (Note 3)	164,000	-	-	-	-	4,820,233 (Note 4)	Y	N	N
1	TCIC	Redondo Peninsula Energy, Inc.	f	1,155,144 (Note 5)	1,053,000	1,053,000	-	580,000	364.63%	1,443,930 (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 $3,012,646 thousand, which was calculated at 25% of the Corporation's net worth in the current financial statements. ($12,050,583 thousand (net worth as of December 31, 2020) *25%)

Note 4: Limit on total amount of endorsement/guarantee provided by the Corporation and subsidiaries to entities was up to $4,820,233 thousand, which was calculated at 40% of the Corporation's net worth in the current financial statements. ($12,050,583 thousand (net worth as of December 31, 2020) *40%)

Note 5: Limit on endorsement/guarantee provided by TCIC to an entity was up to $1,155,144 thousand, which was calculated at 400% of TCIC's net worth in the current financial statements. ($288,786 thousand (net worth as of December 31, 2020) *400%)

Note 6: Limit on total amount of endorsement/guarantee provided by TCIC was up to $1,443,930 thousand, which was calculated at 500% of TCIC's net worth in the current financial statements. ($288,786 thousand (net worth as of December 31, 2020) *500%)

Note 7: Maximum balance for the period, ending balance and amount of endorsement/guarantee collateralized by properties represent the amount of facilities, but not actually drawn.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship	Financial Statement Account	December 31, 2020				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	$ 249,200	8.00	$ 249,200	

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance		Note
					Number of Shares (In Thousands)	Carrying Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Carrying Amount	Gain/Loss on Disposal	Number of Shares (In Thousands)	Amount	
The Corporation	Stock														
	MWC	Investments accounted for using the equity method	-	Subsidiary	-	$ -	91,400	$ 1,073,608	-	$ -	$ -	$ -	91,400	$ 1,073,608 (Notes 1 and 2)	

Note 1: The amount is original investment amount.

Note 2: The amount was eliminated upon consolidation.

TABLE 5

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
SSC	Solar Photovoltaic System and ancillary equipment	2020.09.28	$ 706,684 (Notes 1 and 3)	Payment is made according to the terms of the contract	SEC	Parent company	N/A	N/A	N/A	N/A	(Note 2)	Equipment for business use	None

Note 1: The amount is the contract amount.

Note 2: The equipment was obtained by entrusting SEC to construct, thus, no appraisal report was required.

Note 3: The amount was eliminated upon consolidation.

TABLE 6

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, 2020
(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 5)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note 5)	
The Corporation	TPC	A director of the Corporation	Sales (Note 1)	$ 287,560	3.09	Receivables are collected within 30 days after billing dates under agreements	-	-	$ 24,804	7.32	
SEC	TPC	A director of parent company	Sales (Note 2)	3,519,100	37.78	Receivables are collected within 30 days after billing dates under agreements	-	-	30,716	46.16	
	The Corporation	Parent company	Sales (Note 4)	3,082,291 (Note 6)	33.09	Receivables are collected within 30 days after billing dates under agreements	-	-	220 (Note 6)	0.33	
	TYC	An investee of the Corporation accounted for using the equity method	Sales (Note 4)	110,640	1.19	Receivables are collected within 30 days after billing dates under agreements	-	-	22,830	34.31	
	SPC	Subsidiary	Sales (Note 3)	290,419 (Note 6)	3.12	Receivables are collected within 30 days after billing dates under agreements	-	-	-	-	
	SSC	Subsidiary	Sales (Note 3)	104,724 (Note 6)	1.12	Receivables are collected within 30 days after billing dates under agreements	-	-	-	-	
MWC	TGE	Fellow subsidiary	Sales (Note 1)	118,372 (Note 6)	1.27	Receivables are collected within 30 days after billing dates under agreements	-	-	120,070 (Note 6)	99.91	

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 services.
Note 4: Revenues from construction and operating, maintenance and consulting services.
Note 5: The amount is shown as a percentage of financial statement of each entity.
Note 6: The amount was eliminated upon consolidation.

TABLE 7

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, 2020
(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		
MWC	TGE	Fellow subsidiary	Accounts receivable	$ 120,070 (Note 2)	(Note 1)	$ -	-	$ 120,070	$ -

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.

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2020			Net Profit (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	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	108,113 (Note 4)	100.00	$ 1,439,603	$ 279,344	$ 279,956 (Note 2)	A subsidiary (Note 5)
	TCIC	British Virgin Islands	Investment in foreign countries and international trading	685,374	685,374	22,260	100.00	288,786	(51,81)	(5,181)	A subsidiary (Note 5)
	YYC	Yilan County	Investment in geothermal power plant	153,000	153,000	15,300	51.00	143,879	4,150	2,120	A subsidiary (Note 5)
	TGE	Taipei City	Investment in green power plant	175,000	85,000	17,500	100.00	186,738	11,236	11,236	A subsidiary (Note 5)
	TYC	Taoyuan City	Cogeneration plants, management of operations, maintenance of equipment	214,240	214,240	35,834	29.31	578,231	182,213	53,408	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	5,352,348	778,253	334,649	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	1,933,858	259,345	70,117 (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	2,327,357	298,339	120,827	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	2,189,637	247,305	102,069	An investee of the Corporation accounted for using the equity method
	MWC	Taipei City	Power generation	1,073,608	-	91,400	100.00	1,109,633	40,809	36,025 (Note 3)	A subsidiary (Note 5)
SEC	Shinlee	Taipei City	Construction service and international trading	16,500	16,500	1,650	41.25	4,980 (Note 6)	(1,030)	(425)	An investee of the Corporation's subsidiary accounted for using the equity method
	SPC	Changhua County	Power generation	177,870	177,870	17,787	100.00	158,219	7,667	7,667	A sub-subsidiary (Note 5)
	SSC	Taipei County	Power generation	120,000	47,000	12,000	100.00	115,176	(2,810)	(2,810)	A sub-subsidiary (Note 5)
TCIC	Redondo Peninsula Energy, Inc.	Philippines	Power generation	573,165	573,165	8,446	25.00	196,999	(88,916)	(21,729)	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	241,298	4,791	4,791	A sub-subsidiary (Note 5)
TGE	SKE	Taipei County	Power generation	170,000	80,000	-	100.00	178,420	7,840	7,840	A sub-subsidiary (Note 5)

Note 1: Including share of profit of $90,770 thousand and amortization of investment premium of $(20,653) thousand.

Note 2: Including share of profit of $279,344 thousand and realized gain on construction and consulting services of $612 thousand.

Note 3: Including share of profit of $40,809 thousand and amortization of investment premium of $(4,784) thousand.

Note 4: Including capital increased by retained earnings 7,073 thousand shares.

Note 5: The amount was eliminated upon consolidation.

Note 6: The amount was stated as non-current assets held for sale.

TABLE 9

TAIWAN COGENERATION CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(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	$ 10,465	-	-
		SEC	a	Finance lease receivables - non-current	2,046	-	-
		TGE	a	Other receivable from related parties	10,002	-	-
		CGPC	a	Operating, maintenance and consulting service revenue	2,980	-	-
		MWC	a	Other receivables from related parties	50,018	-	-
1	SEC	The Corporation	b	Construction revenue	3,018,742	-	33
		The Corporation	b	Contract assets	1,582,931	-	7
		SPC	c	Other receivables from related parties	33,926	-	-
		SPC	c	Construction revenue	290,419	-	3
		SPC	c	Contract assets	55,545	-	-
		SSC	c	Construction revenue	104,724	-	1
		SSC	c	Contract assets	34,055	-	-
		SSC	c	Other income	3,643	-	-
		SSC	c	Other receivables from related parties	27,587	-	-
		CGPC	c	Construction revenue	92,057	-	1
		CGPC	c	Contract assets	92,057	-	-
2	MWC	TGE	c	Sales revenue	118,372	-	1
		TGE	c	Account receivables from related parties	120,070	-	1
3	SKE	TGE	c	Sales revenue	1,008	-	-
		TGE	c	Account receivables from related parties	1,008	-	-

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.

(Continued)

Note 3: For assets and liabilities, amount is shown as a percentage of consolidated total assets as of December 31, 2020, while revenues, costs and expenses are shown as a percentage of consolidated revenues for the year ended December 31, 2020.

Note 4: The amount was eliminated upon consolidation.

Note 5: Payment terms were negotiated based on each contract.

(Concluded)

TAIWAN COGENERATION CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020

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, 2020 and 2019, 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, 2020 and 2019, 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, 2020. 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, 2020 are described as follows:

<u>Fair Trade Commission (FTC) Ruling, Appeal by Associates and Litigation against Associates</u>

Refer to Note 28.d. and e. for details of the FTC ruling, appeal by associates and litigation against associates; Note 4 for the accounting policy on provisions; and Note 5.a. for 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, 2020, the total levied fines amounted to NT$1,352 million.

Taiwan Power Company (TPC) concluded it suffered losses due to such violations of the Fair Trade Act and filed a civil action against these associates. As of December 31, 2020, 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 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 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. As the above claims, appeal and litigation are still pending, and the amounts of the fines and claims are material to the Corporation's separate financial statements, and the outcome of these cases may be affected by changes in the circumstances and 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 descriptions 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 on the Construction Contracts of the Subsidiary, Star Energy Corporation

Refer to Note 5.b. for the critical accounting judgments and key sources of estimation uncertainty associated with the evaluation of profit and loss on construction contracts of the subsidiary, Star Energy Corporation.

Star Energy Corporation has entered into a construction contract related to large-scale solar power generation in southern Taiwan. The construction service revenue and construction service cost of the aforementioned contract recognized for the year ended December 31, 2020 were NT$3,237,665 thousand and NT$3,036,853 thousand, respectively, representing 35% and 35% of the Corporation's consolidated operating revenues and consolidated operating costs, respectively. The percentage of completion and related profit from the construction contract were anticipated and determined by the management of Star Energy Corporation based on the nature of activities, expected sub-contracting charges, construction periods, progress, methods, etc., and involve critical accounting judgments made by the management, and have a further effect on the Corporation's investments accounted for using the equity method and share of profit and loss of subsidiaries accounted for using the equity method; thus, evaluation of profit and loss of construction contracts of the subsidiary, Star Energy Corporation is considered as one of the key audit matters.

In our audit, we visited and observed the construction site; we obtained the construction contract, construction project schedules, expected total construction cost, and construction acceptance reports; we 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 to calculate the percentage of completion; we 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 we estimated the appropriateness of provisions.

Acquisition of Miaoli Wind Co., Ltd.

Refer to Note 4 for the accounting policies on investments in subsidiaries and Note 11 for the related information.

On June 29, 2020, the Corporation acquired a 100% equity interest in Miaoli Wind Co., Ltd. (MWC) for $733,608 thousand.

The Corporation's management entrusted an external independent appraiser to issue the acquisition price allocation report and recognized and adjusted the relevant fair value of identifiable net assets, relevant fair value of intangible assets and goodwill based on the appraisal results of the report in accordance with IFRS 3 "Business Combinations". Because the allocation of the acquisition price involves assumptions of accounting estimates, including the evaluation model, key parameter setting, future cash flows and the use of discount rates, and have a further effect on the Corporation's investments accounted for using the equity method and share of profit and loss of subsidiaries accounted for using the equity method; thus, the assessment of the price allocation report on the acquisition of MWC was considered as one of the key audit matters.

We evaluated the competence, objectivity and professional qualifications of the external independent appraiser entrusted by the management, and discussed with the management and reviewed the scope and content of the external independent appraiser's work to ensure that there were no matters affecting its objectivity or limiting its scope. We also entrusted our internal expert to perform relevant procedures to evaluate the reasonableness of the major assumptions and valuation method used by the external independent appraiser.

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 2020 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 19, 2021

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

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, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020		2019	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 828,727	4	$ 358,825	2
Contract assets (Notes 4, 18 and 20)	1,082,900	6	-	-
Notes receivable (Notes 4, 7 and 20)	-	-	92,122	1
Notes receivable from related parties (Notes 4, 20 and 27)	293	-	1,120	-
Accounts receivable (Notes 4, 7 and 20)	302,403	2	152,889	1
Accounts receivable from related parties (Notes 4, 20 and 27)	36,249	-	39,045	-
Finance lease receivables (Notes 4, 8 and 27)	10,017	-	1,140	-
Other receivables (Notes 4 and 27)	60,920	-	5,363	-
Current income tax assets (Note 22)	1,473	-	1,477	-
Inventories (Notes 4 and 9)	7,485	-	6,175	-
Prepaid construction costs (Note 27)	-	-	463,528	3
Other current assets	2,544	-	1,806	-
Total current assets	2,333,011	12	1,123,490	7
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 5, 10 and 26)	249,200	1	267,600	2
Investments accounted for using the equity method (Notes 4, 11 and 28)	15,550,070	83	14,237,581	88
Property, plant and equipment (Notes 4 and 12)	396,458	2	406,813	2
Right-of-use assets (Notes 4 and 13)	63,759	1	4,611	-
Computer software cost (Note 4)	2,452	-	2,793	-
Deferred income tax assets (Notes 4 and 22)	89,129	1	101,410	1
Long-term finance lease receivable (Notes 4, 8 and 27)	31,528	-	-	-
Prepayments for equipment	-	-	2,310	-
Refundable deposits	5,760	-	5,727	-
Total non-current assets	16,388,356	88	15,028,845	93
TOTAL	$ 18,721,367	100	$ 16,152,335	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Notes 4, 18 and 20)	$ 201,814	1	$ 449,555	3
Notes payable	5,588	-	12,046	-
Accounts payable	56,813	-	67,306	-
Construction costs payable to related parties (Note 27)	1,582,931	9	148,417	1
Accounts payable to related parties (Note 27)	1,158	-	1,158	-
Other payables (Notes 16 and 27)	100,457	1	92,436	1
Current income tax liabilities (Notes 4 and 22)	6,128	-	-	-
Lease liabilities (Notes 4 and 13)	26,252	-	4,427	-
Other current liabilities	668	-	596	-
Total current liabilities	1,981,809	11	775,941	5
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 14)	2,005,000	11	3,300,000	20
Bonds payable (Note 15)	2,496,630	13	-	-
Lease liabilities (Notes 4 and 13)	79,371	-	1,367	-
Net defined benefit liabilities (Notes 4 and 17)	101,822	1	101,210	1
Guarantee deposits received	6,152	-	8,707	-
Total non-current liabilities	4,688,975	25	3,411,284	21
Total liabilities	6,670,784	36	4,187,225	26
EQUITY (Note 19)				
Share capital				
Common stock	5,890,486	31	5,890,486	37
Capital surplus	499,694	3	499,694	3
Retained earnings				
Legal reserve	1,537,858	8	1,428,312	9
Special reserve	2,890,684	16	2,947,108	18
Unappropriated earnings	1,196,864	6	1,182,324	7
Total retained earnings	5,625,406	30	5,557,744	34
Other equity	34,997	-	17,186	-
Total equity	12,050,583	64	11,965,110	74
TOTAL	$ 18,721,367	100	$ 16,152,335	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, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 20 and 27)				
Sales	$ 797,718	20	$ 878,778	53
Construction services	3,101,678	79	744,534	45
Consulting services	39,914	1	39,599	2
Total operating revenues	3,939,310	100	1,662,911	100
OPERATING COSTS (Notes 21 and 27)				
Cost of sales	576,691	15	658,906	40
Construction services	3,083,561	78	740,764	44
Consulting services	33,164	1	32,820	2
Total operating costs	3,693,416	94	1,432,490	86
GROSS PROFIT	245,894	6	230,421	14
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	29,367	1	29,367	2
REALIZED GROSS PROFIT	275,261	7	259,788	16
OPERATING EXPENSES (Notes 21 and 27)	170,259	4	167,886	10
PROFIT FROM OPERATIONS	105,002	3	91,902	6
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 27)	1,961	-	2,410	-
Other income (Notes 21 and 27)	19,736	-	25,333	1
Other gains and losses (Note 21)	(1,258)	-	(1,683)	-
Finance costs (Note 21)	(36,625)	(1)	(30,936)	(2)
Share of profit or loss of subsidiaries and associates accounted for using the equity method (Note 11)	1,005,226	26	1,026,016	62
Total non-operating income and expenses	989,040	25	1,021,140	61
PROFIT BEFORE INCOME TAX	1,094,042	28	1,113,042	67
INCOME TAX EXPENSE (Notes 4 and 22)	(25,495)	(1)	(14,994)	(1)
NET PROFIT	1,068,547	27	1,098,048	66

(Continued)

TAIWAN COGENERATION CORPORATION

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 17)	$ 993	-	$ (2,824)	-
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(18,400)	-	20,600	1
Share of remeasurement of defined benefit plans of subsidiaries and associates accounted for using the equity method	(296)	-	(329)	-
Share of unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income of associates accounted for using the equity method	35,323	1	(4,357)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 22)	(199)	-	565	-
	17,421	1	13,655	1
Items that may be reclassified subsequently to profit or loss:				
Share of exchange differences on translating foreign operations of subsidiaries accounted for using the equity method	888	-	5,176	-
Other comprehensive income, net of income tax	18,309	1	18,831	1
TOTAL COMPREHENSIVE INCOME	$ 1,086,856	28	$ 1,116,879	67
EARNINGS PER SHARE (Note 23)				
Basic	$1.81		$1.86	
Diluted	$1.81		$1.86	

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, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
BALANCE, JANUARY 1, 2019	$ 5,890,486	$ 499,694	$ 1,361,083	$ 3,200,533	$ 784,241	$ (60,989)	$ 56,756	$ 11,731,804
Appropriation of 2018 earnings								
Legal reserve	-	-	67,229	-	(67,229)	-	-	-
Special reserve	-	-	-	4,233	(4,233)	-	-	-
Reversal of special reserve	-	-	-	(257,658)	257,658	-	-	-
Cash dividends - NT$1.5 per share	-	-	-	-	(883,573)	-	-	(883,573)
	-	-	67,229	(253,425)	(697,377)	-	-	(883,573)
Net profit for the year ended December 31, 2019	-	-	-	-	1,098,048	-	-	1,098,048
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	(2,588)	5,176	16,243	18,831
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,095,460	5,176	16,243	1,116,879
BALANCE, DECEMBER 31, 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, DECEMBER 31, 2020	$ 5,890,486	$ 499,694	$ 1,537,858	$ 2,890,684	$ 1,196,864	$ (54,925)	$ 89,922	$ 12,050,583

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, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,094,042	$ 1,113,042
Adjustments for:		
Depreciation expense	45,393	40,189
Amortization expense	1,387	1,270
Interest expense	36,547	30,878
Interest income	(1,961)	(2,410)
Dividend income	(8,000)	(8,000)
Share of profit of subsidiaries and associates accounted for using the equity method	(1,005,226)	(1,026,016)
Unrealized (gain) loss on foreign currency exchange	(96)	1,174
Realized gain on transactions with associates	(29,367)	(29,367)
Changes in operating assets and liabilities		
Contract assets	(1,082,900)	-
Notes receivable from related parties	827	(341)
Notes receivable	92,122	(92,122)
Accounts receivable	(149,514)	(51,125)
Accounts receivable from related parties	2,796	(3,229)
Other receivables	4,425	(5,306)
Inventories	(1,310)	2,369
Prepaid construction costs	463,528	(463,528)
Other current assets	(738)	1,370
Contract liabilities	(247,741)	449,555
Notes payable	(6,458)	(2,866)
Accounts payable	(10,493)	(10,170)
Construction costs payable to related parties	1,434,514	148,417
Other payables	9,048	12,657
Other current liabilities	72	101
Net defined benefit liabilities	1,605	2,050
Cash generated from operations	642,502	108,592
Interest received	1,999	2,430
Dividends received	929,627	731,401
Interest paid	(29,778)	(29,439)
Income tax paid	(7,281)	(52,685)
Net cash generated from operating activities	1,537,069	760,299
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	(1,163,608)	(330,000)
Payments for property, plant and equipment (Note 24)	(23,014)	(37,279)
Proceeds from disposal of property, plant and equipment	-	74
Increase in refundable deposits	(33)	(97)
Increase in other receivables from related parties	(60,020)	-
Payments for computer software	(1,046)	(1,545)

(Continued)

TAIWAN COGENERATION CORPORATION

SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
Decrease in finance lease receivables	$ 10,198	$ 12,894
Increase in prepayments for equipment	-	(2,310)
Net cash used in investing activities	(1,237,523)	(358,263)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of bonds	2,496,394	-
Proceeds from long-term borrowings	10,830,000	5,250,000
Repayments of long-term borrowings	(12,125,000)	(4,720,000)
(Decrease) increase in guarantee deposits received	(2,555)	1,623
Repayments of the principal portion of lease liabilities	(27,196)	(27,706)
Dividends paid to owners of the Corporation	(1,001,383)	(883,573)
Net cash generated from (used in) financing activities	170,260	(379,656)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	96	(1,174)
NET INCREASE IN CASH AND CASH EQUIVALENTS	469,902	21,206
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	358,825	337,619
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 828,727	$ 358,825

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

(Concluded
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TAIWAN COGENERATION CORPORATION

NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(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 stock had been trading on the Taipei Exchange from May 8, 2000 to August 24, 2003 and transferred listing to the Taiwan Stock Exchange since 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 19, 2021.

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 2021

New, Amended or Revised Standards and Interpretations (The “New IFRSs”)	Effective Date Announced by the International Accounting Standards Board (IASB)
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021
Amendment to IFRS 16 “Covid-19 - Related Rent Concessions”	June 1, 2020

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)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendment to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
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 the IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments 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 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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 to IFRS 9 will be 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” will be 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” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: 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 4: 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 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: 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.

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.

Statement of Compliance

The separate financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

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

b. 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

c. 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.

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.

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, gains and 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.

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.

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.

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.

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 or loss as a bargain purchase gain.

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.

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; transportation equipment, 5 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.

Intangible Assets

Computer software is amortized on a straight-line basis over 1 to 5 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.

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.

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.

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.

Revenues are 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.

Leases

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

a. 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.

b. 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.

Employee Benefits

a. 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.

b. 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 represents the actual deficit in the Corporation's defined benefit plans.

Taxation

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

a. 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 stockholders resolve to retain the earnings as, prior to the stockholders' 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.

b. 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 liability is settled or the asset realized, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

c. 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 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) had 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. As 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 of the subsidiary, Star Energy Corporation

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 and further effect the Corporation's investments accounted for using the equity method and share of the profit or loss of subsidiaries accounted for using the equity method.

c. Fair value measurement of stocks that have no active market

The Corporation invested in unlisted stocks that have no active markets, which the fair value 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. Investee over which the Corporation has less than 50% of the voting rights and judged to have no control but still having significant influence over it due to the Corporation being the largest single shareholder

As stated in Note 11, the Corporation is the largest single shareholder of Sun Ba Power Corporation, Star Energy Power Corporation and Star Buck Power Corporation with 43%, 40.50% and 41.27% of the voting rights of the investees, respectively. However, according to the articles of incorporation of the investees, certain material events of the investees shall be approved by a certain number of 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.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	**2019**
Cash on hand	$ 520	$ 500
Checking accounts and demand deposits	813,967	129,505
Cash equivalents		
Time deposits	14,240	228,820
	$ 828,727	$ 358,825

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 period were as follows:

	December 31	
	2020	**2019**
Demand deposits	0.005%-0.05%	0.01%-0.23%
Time deposits	0.22%	0.6%-1.98%

7. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2020	**2019**
Notes receivable		
At amortized cost		
Gross carrying amount	$ -	$ 92,122
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 302,403	$ 152,889

The average credit terms range 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 debtors operate 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 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	
	2020	**2019**
Up to 60 days	$ -	$ 92,122

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

	December 31	
	2020	**2019**
Up to 60 days	$ 302,403	$ 152,889

8. FINANCE LEASE RECEIVABLES

	December 31	
	2020	2019
Undiscounted lease payments		
Year 1	$ 10,370	$ 1,140
Year 2	10,370	-
Year 3	10,370	-
Year 4	10,370	-
Year 5	882	-
	42,362	1,140
Less: Unearned finance income	(817)	-
Lease payments receivable	41,545	1,140
Net investment in leases presented as finance lease receivables	$ 41,545	$ 1,140
Finance lease receivables - current	$ 10,017	$ 1,140
Finance lease receivable - non-current	$ 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 to the sublessees, 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, in February 2020, at the end of the lease term of the aforementioned contract, 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, i.e. 5 years, of the head lease to the sublessees, 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, 2020, 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	
	2020	2019
Raw materials	$ 7,485	$ 6,175

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31 2020	December 31 2019
Non-current		
Domestic investments		
Unlisted shares		
Kaohsiung Arena Development Corporation (KADC)	$ 249,200	$ 267,600

The investment in KADC is not held for trading. Instead, it is held for medium to long-term strategic purposes. 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 this investment for long-term purposes.

For information relating to the determination of fair value of the aforementioned shares, refer to Note 26.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31 2020	December 31 2019
Investments in subsidiaries	$ 3,168,639	$ 1,788,988
Investments in associates	12,381,431	12,448,593
	$ 15,550,070	$ 14,237,581

Investments in Subsidiaries

	December 31 2020	December 31 2019
Unlisted shares		
Star Energy Corporation (SEC)	$ 1,439,603	$ 1,263,190
Taiwan Cogeneration International Corporation (TCIC)	288,786	293,138
Yi Yuan Corporation (YYC)	143,879	142,643
TCC Green Energy Corporation (TGE)	186,738	90,017
Miaoli Wind Corporation (MWC)	1,109,633	-
	$ 3,168,639	$ 1,788,988

On January 7, 2019, the Corporation participated in the capital raising of Shin Kuang Electric Energy Co., Ltd. (SKE) through TGE, increasing its investment in SKE by $42,000 thousand. Subsequently, on March 31, 2020, the Corporation participated in another capital raising of SKE through TGE, increasing its investment in SKE by $90,000 thousand.

On April 9, 2019, the Corporation invested $47,000 thousand and established the preparatory office of Star Solar Corporation (SSC) through SEC. Subsequently, on September 23, 2020, the Corporation increased its investment in SSC by $73,000 thousand and completed the establishment of SSC through SEC. The Corporation owned 100% equity interest in SSC through SEC.

On May 23, 2019, the Corporation invested $250,000 thousand and established Chingshuei Geothermal Power Corporation (CGPC) through YYC. The Corporation indirectly owned 100% equity interest in CGPC.

On September 11, 2019, the Corporation participated in the capital raising of SEC, increasing its investment in SEC by $330,000 thousand.

On October 8, 2019, the Corporation participated in the capital raising of Starbao Power Corporation (SPC) through SEC, increasing its investment in SPC by $157,870 thousand.

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

In order to expand the renewable energy business, on June 29, 2020, the Corporation acquired a 100% equity interest in MWC, which is mainly engaged in wind power generation, 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. For information on business combinations, refer to Note 27.

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	
	2020	**2019**
SEC	$ 279,956	$ 200,098
TCIC	(5,181)	(71,479)
YYC	2,120	(1,782)
TGE	11,236	5,312
MWC	36,025	-
	$ 324,156	$ 132,149

The proportion of ownership and voting rights of the investments in subsidiaries at the balance sheet date was summarized as follows:

	December 31	
	2020	2019
SEC	100.00%	100.00%
TCIC	100.00%	100.00%
YYC	51.00%	51.00%
TGE	100.00%	100.00%
MWC	100.00%	-

TCIC established a branch in the Philippines mainly to expand the local engineering business.

Refer to Table 8 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, 2020 and 2019 were based on the subsidiaries' financial statements audited by independent auditors for the same years.

Investments in Associates

	December 31	
	2020	2019
Material associates		
Ta-Yuan Cogeneration Company (TYC)	$ 578,231	$ 530,016
Sun Ba Power Corporation (Sun Ba)	5,352,348	5,371,035
Star Energy Power Corporation (SEPC)	2,327,357	2,324,285
Star Buck Power Corporation (SBPC)	2,189,637	2,232,998
Kuo Kuang Power Company Ltd. (KKPC)	1,933,858	1,990,259
	$ 12,381,431	$ 12,448,593

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

	For the Year Ended December 31	
	2020	2019
Sun Ba	$ 334,649	$ 422,236
SBPC	102,069	202,247
SEPC	120,827	171,603
TYC	53,408	43,040
KKPC	70,117	54,741
	$ 681,070	$ 893,867

a. Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2020	2019
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 8 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, is as follows:

	December 31	
Name of Associate	**2020**	**2019**
TYC	$ 1,118,015	$ 915,554

Summarized financial information in respect of each of the Corporation's material associates is set out below. 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	
	2020	**2019**
Current assets	$ 1,034,798	$ 939,677
Non-current assets	3,301,155	2,863,846
Current liabilities	(1,813,129)	(1,149,638)
Non-current liabilities	(533,049)	(832,204)
Equity	1,989,775	1,821,681
Non-controlling interests	-	-
	$ 1,989,775	$ 1,821,681
Proportion of the Corporation's ownership	29.31%	29.31%
Equity attributable to the Corporation	$ 583,217	$ 533,948
Unrealized gain with associates	(4,986)	(3,932)
Carrying amount	$ 578,231	$ 530,016

	For the Year Ended December 31	
	2020	2019
Operating revenues	$ 1,842,558	$ 1,629,623
Net profit	$ 182,213	$ 146,843
Other comprehensive income (loss)	120,361	(13,926)
Total comprehensive income	$ 302,574	$ 132,917
Dividends received from TYC	$ 39,418	$ 20,476

Sun Ba

	December 31	
	2020	2019
Current assets	$ 3,888,438	$ 4,150,539
Non-current assets	11,116,932	12,242,008
Current liabilities	(1,364,851)	(1,980,105)
Non-current liabilities	(1,058,708)	(1,770,314)
Equity	12,581,811	12,642,128
Non-controlling interests	-	-
	$ 12,581,811	$ 12,642,128
Proportion of the Corporation's ownership	43.00%	43.00%
Equity attributable to the Corporation	$ 5,410,178	$ 5,436,115
Unrealized gain with associates	(59,917)	(67,167)
Goodwill	2,087	2,087
Carrying amount	$ 5,352,348	$ 5,371,035

	For the Year Ended December 31	
	2020	2019
Operating revenues	$ 8,975,507	$ 11,527,494
Net profit	$ 778,253	$ 981,945
Other comprehensive income (loss)	1,429	(1,571)
Total comprehensive income	$ 779,682	$ 980,374
Dividends received from Sun Ba	$ 361,200	$ 348,300

SEPC

	December 31	
	2020	2019
Current assets	$ 1,744,742	$ 1,785,397
Non-current assets	6,309,253	6,911,131
Current liabilities	(1,156,114)	(1,385,324)
Non-current liabilities	(967,408)	(1,374,660)
Equity	5,930,473	5,936,544
Non-controlling interests	-	-
	$ 5,930,473	$ 5,936,544
Proportion of the Corporation's ownership	40.50%	40.50%
Equity attributable to the Corporation	$ 2,401,842	$ 2,404,301
Unrealized gain with associates	(74,485)	(80,016)
Carrying amount	$ 2,327,357	$ 2,324,285

	For the Year Ended December 31	
	2020	2019
Operating revenues	$ 4,692,940	$ 6,361,712
Net profit	$ 298,339	$ 423,710
Other comprehensive income	1,590	600
Total comprehensive income	$ 299,929	$ 424,310
Dividends received from SEPC	$ 123,930	$ 128,790

SBPC

	December 31	
	2020	2019
Current assets	$ 868,887	$ 1,634,185
Non-current assets	9,169,493	9,473,043
Current liabilities	(872,573)	(1,315,097)
Non-current liabilities	(3,231,618)	(3,706,535)
Equity	5,934,189	6,085,596
Non-controlling interests	-	-
	$ 5,934,189	$ 6,085,596
Proportion of the Corporation's ownership	41.27%	41.27%
Equity attributable to the Corporation	$ 2,449,202	$ 2,511,692
Unrealized gain with associates	(259,565)	(278,694)
Carrying amount	$ 2,189,637	$ 2,232,998

	For the Year Ended December 31	
	2020	2019
Operating revenues	$ 4,782,266	$ 7,170,833
Net profit	$ 247,305	$ 490,024
Other comprehensive income (loss)	588	(411)
Total comprehensive income	$ 247,893	$ 489,613
Dividends received from SBPC	$ 164,802	$ 136,200

KKPC

	December 31	
	2020	2019
Current assets	$ 1,579,690	$ 1,603,960
Non-current assets	5,757,123	6,390,039
Current liabilities	(846,939)	(1,220,153)
Non-current liabilities	(1,263,120)	(1,444,955)
Equity	5,226,754	5,328,891
Non-controlling interests	-	-
	$ 5,226,754	$ 5,328,891
Proportion of the Corporation's ownership	35.00%	35.00%
Equity attributable to the Corporation	$ 1,829,364	$ 1,865,112
Goodwill	19,304	19,304
Investment premium	85,190	105,843
Carrying amount	$ 1,933,858	$ 1,990,259

	For the Year Ended December 31	
	2020	2019
Operating revenues	$ 4,127,031	$ 5,480,488
Net profit	$ 259,345	$ 215,411
Other comprehensive income (loss)	583	(247)
Total comprehensive income	$ 259,928	$ 215,164
Dividends received from KKPC	$ 126,722	$ 89,635

On August 24, 2020, SEPC's Changbin Power Plant encountered a malfunction in its electric generator, and part of the power generating units of the plant were damaged. The plant resumed operations on August 31, 2020, and the repair expense was about $20,000 thousand after deducting the estimated insurance claim.

On November 7, 2020, SBPC's Changbin Power Plant encountered a malfunction in its electric generator, and a GTG-02 generator rotor was damaged. The repair expense was about $15,000 thousand after deducting the estimated insurance claim.

The Corporation is the largest single shareholder of Sun Ba, SEPC, and SBPC with 43%, 40.50%, and 41.27% of the voting rights of the investees, respectively. However, according to the articles of incorporation of the investees, certain material events of the investees shall be approved by a certain number of directors of the board of each investee; therefore, the Corporation cannot direct the relevant activities of the investee 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.

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, 2020 and 2019 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	Transportation Equipment	Other Equipment	Leasehold Improvements	Total
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 and impairment loss							
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
Cost							
Balance at January 1, 2019	$ 214,502	$ 78,954	$ 1,878,790	$ 734	$ 71,741	$ 19,033	$ 2,263,754
Additions	-	-	34,472	-	5,396	430	40,298
Disposals	-	-	(28,710)	(734)	(28,639)	-	(58,083)
Balance at December 31, 2019	214,502	78,954	1,884,552	-	48,498	19,463	2,245,969
Accumulated depreciation and impairment loss							
Balance at January 1, 2019	-	56,780	1,749,589	734	45,748	18,980	1,871,831
Depreciation expense	-	1,896	15,689	-	7,660	89	25,334
Disposals	-	-	(28,710)	(734)	(28,565)	-	(58,009)
Balance at December 31, 2019	-	58,676	1,736,568	-	24,843	19,069	1,839,156
Carrying amount at December 31, 2019	$ 214,502	$ 20,278	$ 147,984	$ -	$ 23,655	$ 394	$ 406,813

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	Buildings	Transportation Equipment	Other Equipment	Total
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

(Continued)

	Buildings	Transportation Equipment	Other Equipment	Total
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
Cost				
Balance at January 1, 2019	$ 13,622	$ 3,056	$ -	$ 16,678
Additions	233	1,831	724	2,788
Balance at December 31, 2019	13,855	4,887	724	19,466
Accumulated depreciation				
Balance at January 1, 2019	-	-	-	-
Depreciation expense	12,763	1,971	121	14,855
Balance at December 31, 2019	12,763	1,971	121	14,855
Carrying amount at December 31, 2019	$ 1,092	$ 2,916	$ 603	$ 4,611

(Concluded)

b. Lease liabilities

	December 31	
	2020	2019
Carrying amount		
Current	$ 26,252	$ 4,427
Non-current	$ 79,371	$ 1,367

As of December 31, 2020 and 2019, the discount rates for lease liabilities were 0.98% and 1.10%, respectively.

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	
	2020	2019
Expenses relating to short-term leases	$ -	$ 257
Expenses relating to low-value asset leases	$ 37	$ 72
Total cash outflow for leases	$(27,870)	$(28,153)

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 had elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

For the year ended December 31, 2019, expenses relating to short-term leases also included expenses relating to leases for which the lease terms end on or before December 31, 2019 and for which the recognition exemption was applied.

14. LONG-TERM BORROWINGS

	December 31	
	2020	2019
Revolving unsecured borrowings		
Revolving through September 2022	$ 1,000,000	$ -
Revolving through September 2022	500,000	-
Revolving through December 2022	475,000	500,000
Revolving through September 2022	30,000	-
Revolving through June 2021	-	1,000,000
Revolving through August 2021	-	500,000
Revolving through August 2021	-	500,000
Revolving through August 2021	-	300,000
Revolving through March 2021	-	300,000
Revolving through March 2021	-	200,000
	2,005,000	3,300,000
Less: Current portion	-	-
	$ 2,005,000	$ 3,300,000

The ranges of interest rates on long-term borrowings were as follows:

	December 31	
	2020	2019
Revolving unsecured borrowings	0.80%-0.81%	0.94%-1.05%

15. BONDS PAYABLE

	December 31	
	2020	2019
Domestic unsecured bonds	$ 2,500,000	$ -
Less: Unamortized issuance cost	(3,370)	-
	$ 2,496,630	$ -

On August 14, 2020, the Corporation issued unsecured bonds at par value for a total of $2.5 billion, which comprise bond A - $1.9 billion of 5-year bonds with annual coupon rate of 0.75% and bond B - $0.6 billion 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 (Bank SinoPac).

16. OTHER PAYABLES

	December 31	
	2020	2019
Payable for employees' compensation and remuneration of directors	$ 41,136	$ 38,699
Payable for salaries and bonuses	20,603	23,443
Payable for business tax	13,889	2,052
Payable for interest	8,394	1,862
Payable for compensated absences	7,046	6,565
Payable for professional fees	3,800	4,673
Payable for equipment	-	7,560
Others	5,589	7,582
	$ 100,457	$ 92,436

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. Pension benefits are calculated on the basis of the length of service and average monthly salaries of six 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 committees' name and are managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

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 shall be made before the end of March of the next year.

The amounts included in the separate balance sheets in respect of the Corporation's defined benefit plan were as follows:

	December 31	
	2020	**2019**
Present value of defined benefit obligation	$ 200,219	$ 199,139
Fair value of plan assets	(98,397)	(97,929)
Deficit	101,822	101,210
Net defined benefit liabilities	$ 101,822	$ 101,210

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, 2019	$ 193,918	$ (97,582)	$ 96,336
Service cost			
Current service cost	4,429	-	4,429
Net interest expense (income)	2,168	(1,103)	1,065
Recognized in profit or loss	6,597	(1,103)	5,494
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,409)	(3,409)
Actuarial loss - changes in demographic assumptions	853	-	853
Actuarial loss - changes in financial assumptions	8,331	-	8,331
Actuarial income - experience adjustments	(2,951)	-	(2,951)
Recognized in other comprehensive income or loss	6,233	(3,409)	2,824
Contributions from employers	-	(3,444)	(3,444)
Benefits paid	(7,609)	7,609	-
	(7,609)	4,165	(3,444)
Balance at December 31, 2019	$ 199,139	$ (97,929)	$ 101,210
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

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

	For the Year Ended December 31	
	2020	2019
Operating costs	$ 2,607	$ 2,924
Operating expenses	$ 2,405	$ 2,570

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	
	2020	2019
Discount rate	0.50%	0.75%
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	
	2020	2019
Discount rate		
0.25% increase	$ (5,505)	$ (5,616)
0.25% decrease	$ 5,724	$ 5,846
Expected rate of salary increase/decrease		
0.25% increase	$ 5,496	$ 5,628
0.25% decrease	$ (5,317)	$ (5,437)

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	
	2020	2019
Expected contributions to the plan for the next year	$ 3,165	$ 3,420
Average duration of the defined benefit obligation	11.4 years	11.8 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, 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

December 31, 2019

	Within One Year	More than One Year	Total
Liabilities			
Contract liabilities	$ -	$ 449,555	$ 449,555

19. EQUITY

a. Share capital

	December 31	
	2020	2019
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	
	2020	2019
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 employees' compensation 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 stock, 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 stockholders, 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 2019 and 2018, which had been resolved in the stockholders' meeting on June 22, 2020 and June 20, 2019, respectively, were as follows:

	Appropriation of Earnings	
	2019	**2018**
Legal reserve	$ 109,546	$ 67,229
Special reserve	-	4,233
Reversal of special reserve	(56,424)	(257,658)
Cash dividends	1,001,383	883,573
Cash dividends per share (NT$)	1.7	1.5

The reversal of the special reserve of $52,191 thousand in 2019 and $257,658 thousand in 2018 were reversals of the amounts voluntarily set aside in accordance with the Company Act in prior years.

The appropriations of earnings for 2020 had been proposed by the Corporation's board of directors on March 19, 2021. The appropriations and dividends per share were as follows:

	Appropriation of Earnings
Legal reserve	$ 106,905
Reversal of special reserve	(66,767)
Cash dividends	1,119,192
Cash dividends per share (NT$)	1.9

The appropriations of earnings for 2020 are subject to the resolution of the shareholders in their meeting to be held on June 24, 2021.

20. REVENUES

	For the Year Ended December 31	
	2020	2019
Revenues from contracts with customers		
Sales		
Sales of electricity	$ 542,650	$ 559,443
Sales of steam	254,684	318,807
Others	384	528
	797,718	878,778
Construction services	3,101,678	744,534
Consulting services	39,914	39,599
	$ 3,939,310	$ 1,662,911

a. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable (including related parties)	$ 293	$ 93,242	$ 779
Accounts receivable (including related parties)	$ 338,652	$ 191,934	$ 137,580
Contract asset			
Construction contracts	$ 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 client, 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	
	2020	2019
Dividend income	$ 8,000	$ 8,000
Others (Note 27)	11,736	17,333
	$ 19,736	$ 25,333

b. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Foreign exchange gain	$ 2,241	$ 2,576
Foreign exchange loss	(3,500)	(4,258)
Others	1	(1)
	$ (1,258)	$ (1,683)

c. Finance costs

	For the Year Ended December 31	
	2020	2019
Interest on bank loans	$ 27,980	$ 30,760
Interest on bonds payable	7,930	-
Interest on lease liabilities	637	118
Others	78	58
	$ 36,625	$ 30,936

d. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	$ 28,119	$ 25,334
Right-of-use assets	17,274	14,855
Intangible assets	1,387	1,270
	$ 46,780	$ 41,459

An analysis of depreciation by function		
Operating costs	$ 25,403	$ 23,431
Operating expenses	19,990	16,758
	$ 45,393	$ 40,189
An analysis of amortization by function		
Operating costs	$ 159	$ 284
Operating expenses	1,228	986
	$ 1,387	$ 1,270

e. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Post-employment benefits		
Defined contribution plan	$ 3,696	$ 3,668
Defined benefit plan	5,012	5,494
	8,708	9,162
Short-term benefits	201,076	194,565
Total employee benefits expense	$ 209,784	$ 203,727
An analysis of employee benefits expense by function		
Operating costs	$ 88,625	$ 86,194
Operating expenses	121,159	117,533
	$ 209,784	$ 203,727

(Continued)

	For the Year Ended December 31	
	2020	2019
Short-term benefits		
Wages and salaries	$ 178,596	$ 176,841
Labor and health insurance	10,595	10,568
Other employee benefits	11,885	7,156
	$ 201,076	$ 194,565

(Concluded)

f. Employees' compensation and remuneration of directors

The distribution of employees' compensation 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, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2020 and 2019, which had been resolved by the Corporation’s board of directors on March 19, 2021 and March 20, 2020, respectively, were as follows:

	For the Year Ended December 31	
	2020	2019
Employees’ compensation	$ 30,852	$ 28,250
Remuneration of directors	10,284	10,449

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, 2019 and 2018.

Information on the employees’ compensation 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	
	2020	2019
Current income tax		
In respect of the current year	$ 13,409	$ 14,222
Adjustments for prior years’ tax	4	39
	13,413	14,261
Deferred income tax		
In respect of the current year	12,082	733
Income tax expense recognized in profit or loss	$ 25,495	$ 14,994

A reconciliation of profit before income tax and income tax expense is as follows:

	For the Year Ended December 31	
	2020	2019
Profit before income tax	$ 1,094,042	$ 1,113,042
Income tax expense calculated at the statutory rate	$ 218,809	$ 222,608
Non-taxable income and non-deductible expenses in determining taxable income	(203,682)	(221,099)
Changes in unrecognized deductible temporary differences	10,364	13,446
Adjustments for prior years' tax	4	39
Income tax expense recognized in profit or loss	$ 25,495	$ 14,994

b. Major components of income tax expense (benefit) recognized in other comprehensive income

	For the Year Ended December 31	
	2020	2019
Deferred income tax		
In respect of the current year		
Remeasurement of defined benefit plan	$ 199	$ (565)

c. Current income tax assets and liabilities

	December 31	
	2020	2019
Current income tax assets		
Income tax refund receivable	$ 1,473	$ 1,477
Current income tax liabilities		
Income tax payable	$ 6,128	$ -

d. Movements of deferred income tax assets

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

(Continued)

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
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

(Concluded)

For the year ended December 31, 2019

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	$ 78,780	$ (5,873)	$ -	$ 72,907
Loss on investments accounted for using the equity method	6,490	4,519	-	11,009
Defined benefit obligation	16,284	410	565	17,259
Allowance for loss on inventories	4	(4)	-	-
Others	20	215	-	235
	$ 101,578	$ (733)	$ 565	$ 101,410

e. Deductible temporary differences for which no deferred income tax assets have been recognized in the separate balance sheets

	December 31 2020	December 31 2019
Deductible temporary differences		
Loss on investments accounted for using the equity method	$ 346,802	$ 310,181
Deferred interest expense	228,676	213,477
	$ 575,478	$ 523,658

f. Income tax assessment

The income tax returns of the Corporation through 2018 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

	For the Year Ended December 31	
	2020	2019
Basic earnings per share (NT$)	$ 1.81	$ 1.86
Diluted earnings per share (NT$)	$ 1.81	$ 1.86

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	
	2020	2019
Earnings used in the computation of basic earnings per share	$ 1,068,547	$ 1,098,048
Effect of potentially dilutive ordinary shares		
Employees’ compensation	-	-
Earnings used in the computation of diluted earnings per share	$ 1,068,547	$ 1,098,048

Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Year Ended December 31	
	2020	2019
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		
Employees’ compensation	1,032	1,345
Weighted average number of ordinary shares used in the computation of diluted earnings per share	590,081	590,394

Since the Corporation offered to settle employees’ compensation paid in cash or shares, the Corporation assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were 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, 2020 and 2019, 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	
	2020	2019
Investing activities affecting both cash and non-cash items		
Acquisition of property, plant and equipment	$ 17,764	$ 40,298
Change in payable for equipment	7,560	(3,019)
Decrease in prepayment for equipment	(2,310)	-
Cash payments	$ 23,014	$ 37,279

25. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stockholders 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 stock, 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, 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, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	$ -	$ -	$ 249,200	$ 249,200

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted securities	$ -	$ -	$ 267,600	$ 267,600

2) Reconciliation of Level 3 fair value measurements of financial instruments

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

For the year ended December 31, 2019

	Financial Assets at FVTOCI - Equity Investments
Beginning balance	$ 247,000
Recognized in other comprehensive income	20,600
Ending balance	$ 267,600

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	
	2020	2019
Long-term revenue growth rates	0%-2.51%	0%-2.51%
Long-term pre-tax operating margin	40.59%-41.93%	38.39%-41.84%
WACC	9.23%	8.79%
Discount for lack of marketability	15.21%	12.37%

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 increase (decrease) as follows:

	December 31	
	2020	2019
Long-term revenue growth rate		
1% increase	$ 27,200	$ 29,800
1% decrease	$(26,200)	$(28,600)
WACC		
0.5% increase	$(25,400)	$(30,000)
0.5% decrease	$ 29,800	$ 35,600

c. Categories of financial instruments

	December 31	
	2020	2019
Financial assets		
Financial assets measured at amortized cost (Note 1)	$ 1,234,352	$ 655,091
Financial assets at FVTOCI	249,200	267,600
Financial liabilities		
Measured at amortized cost (Note 2)	6,168,952	3,558,665

Note 1: The balances included financial assets measured at amortized cost, which comprised cash and cash equivalents, notes receivable, accounts receivable, other receivables and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprised 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 business tax payable were 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 sensitivity analysis was prepared to reflect the Corporation's exposure to monetary items denominated in U.S. dollars at the balance sheet date. If the New Taiwan dollar strengthens 1% against the U.S. dollar, the Corporation's profit before income tax for the years ended December 31, 2020 and 2019 would have decreased by $29 thousand and $276 thousand, respectively. If the New Taiwan dollar weakens 1% against the U.S. dollar, there would be an equal and opposite impact on the profit before income tax.

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	
	2020	**2019**
Fair value interest rate risk		
Financial assets	$ 55,785	$ 229,960
Financial liabilities	2,602,253	5,794
Cash flow interest rate risk		
Financial assets	813,192	128,187
Financial liabilities	2,005,000	3,300,000

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, 2020 and 2019, the Corporation's borrowings with floating interest rates amounted to $2,005,000 thousand and $3,300,000 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, 2020 and 2019 would have decreased by $20,050 thousand and $33,000 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, 2020 and 2019, the available unutilized bank loan facilities were $4,018,023 thousand and $2,291,770 thousand, respectively.

The following tables detail the Corporation's remaining contractual maturities of its non-derivative financial liabilities with agreed repayment periods. The tables had 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, 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

December 31, 2019

	Within One Year	**2 to 3 Years**	**4 to 5 Years**	**5+ Years**	**Total**
Non-interest bearing liabilities	$ 258,665	$ -	$ -	$ -	$ 258,665
Lease liabilities	4,455	1,202	180	-	5,837
Long-term borrowings	-	3,301,862	-	-	3,301,862
	$ 263,120	$ 3,303,064	$ 180	$ -	$ 3,566,364

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	An investor with significant influence over the Corporation
SEC	A subsidiary
YYC	A subsidiary
TGE	A subsidiary
MWC	A subsidiary
CGPC	A second-tier subsidiary
SKE	A second-tier subsidiary
TYC	An associate
Sun Ba	An associate
SEPC	An associate
KKPC	An associate
SBPC	An associate
Shinlee Product Inc. (Shinlee)	An associate

b. Operating transactions

Line Item	Related Party Category/Name	For the Year Ended December 31 2020	2019
Sales	Investors with significant influence over the Corporation		
	TPC	$ 287,560	$ 273,524
Consulting service revenue	Subsidiaries		
	SEC	$ 10,465	$ 14,623
	Others	1,887	960
		12,352	15,583
	Second-tier subsidiaries		
	CGPC	2,980	280
	Others	480	480
		3,460	760
	Associates		
	SEPC	10,026	9,028
	SBPC	7,451	6,945
	Sun Ba	5,198	5,820
	Others	427	463
		23,102	22,256
		$ 38,914	$ 38,599
Cost of sales	Investors with significant influence over the Corporation		
	TPC	$ 29,143	$ 33,754
Construction service cost	Subsidiaries		
	SEC	$ 3,081,742	$ 714,536
Operating expenses	Investors with significant influence over the Corporation		
	TPC	$ -	$ 600
	Subsidiaries		
	SEC	549	282
		$ 549	$ 882

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 2020	2019
Other income	Subsidiaries		
	Others	$ 928	$ 1,289
	Second-tier subsidiaries		
	CGPC	-	4,552
	Associates		
	TYC	2,360	2,160
	KKPC	2,210	1,534
	SEPC	2,124	2,672
	SBPC	1,779	2,179
	Sun Ba	898	1,757
		9,371	10,302
		$ 10,299	$ 16,143

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 2020	2019
Notes receivable from related parties	Associates		
	Sun Ba	$ 293	$ 400
	SEPC	-	720
		$ 293	$ 1,120
Accounts receivable from related parties	Investors with significant influence over the Corporation		
	TPC	$ 24,804	$ 28,806
	Subsidiaries		
	Others	3,741	2,670
	Second-tier subsidiaries		
	Others	80	80
	Associates		
	Others	7,624	7,489
		$ 36,249	$ 39,045
Other receivable from related parties	Subsidiaries		
	Others	$ 20	$ 92
	Second-tier subsidiaries		
	CGPC	-	4,552
	Associates		
	TYC	880	680
		$ 900	$ 5,324

The outstanding receivables from related parties were unsecured. For the years ended December 31, 2020 and 2019, no impairment loss was recognized on receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Accounts payable from related parties	Investors with significant influence over the Corporation		
	TPC	$ 1,158	$ 1,158
Construction costs payable from related parties	Subsidiaries		
	SEC	$ 1,582,931	$ 148,417
Other payables	Subsidiaries		
	SEC	$ 220	$ 93

The outstanding payables to related parties were unsecured.

f. Prepayments

Related Party Category/Name	December 31 2020	December 31 2019
Subsidiaries		
SEC	$ -	$ 463,528

g. Sublease arrangements

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Finance lease receivables	Subsidiaries		
	SEC	$ 650	$ 30
	Associates		
	Sun Ba	3,736	244
	SBPC	2,861	200
	SEPC	2,479	223
		9,076	667
		$ 9,726	$ 697
Long-term finance lease receivables	Subsidiaries		
	SEC	$ 2,046	$ -
	Associates		
	Sun Ba	11,755	-
	SBPC	9,009	-
	SEPC	7,806	-
		28,570	-
		$ 30,616	$ -

For the years ended December 31, 2020 and 2019, no impairment loss was recognized for finance lease receivables. Refer to Note 8 for information about sublease arrangements.

h. Loans to related parties

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Other receivables from related parties	Subsidiaries		
	MWC	$ 50,018	$ -
	TGE	10,002	-
		$ 60,020	$ -
Interest income	Subsidiaries		
	MWC	$ 350	$ -
	TGE	2	-
		$ 352	$ -

The Corporation provided unsecured loans to subsidiaries at the interest rate of 0.81%. The loans were expected to be collected within one year, thus, for the years ended December 31, 2020 and 2019, no impairment loss was recognized for loans to related parties.

i. Remuneration of key management personnel

	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Short-term employee benefits	$ 31,573	$ 30,964
Post-employment benefits	1,817	2,016
	$ 33,390	$ 32,980

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

Significant contingencies and unrecognized commitments of the Corporation as of December 31, 2020 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 $5,335,355 thousand plus EUR40,788 thousand. As of December 31, 2020, commitments for construction projects undertaken had an aggregate amount of approximately $3,753,465 thousand.

b. Commitments for construction expenditure and purchase of equipment were approximately $3,521,058 thousand.

c. Under a Coal Purchase Agreement, the Corporation shall purchase 46 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’s Ruling”). After evaluation of the legal analyses made by engaged attorneys regarding the Original FTC’s 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’s 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’s 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’s 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’s Ruling”). These corporations appealed the Third FTC’s Ruling to 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’s Ruling and the decision made by the PACEY regarding Concerted Action. On October 29, 2014, the Taipei High Administrative Court revoked the Original FTC’s Ruling and revoked the decision made by the PACEY on September 12, 2013 regarding Concerted Action. On November 27, 2014, the FTC appealed the case to the Supreme Administrative Court. In June 2015, the Supreme Administrative Court recognized that there are questionable points in the case that need clarification and the original ruling of the Taipei High Administrative Court 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. On June 15, 2020, the FTC appealed the case to the SAC, and this case had been transferred to the SAC accordingly.

e. As 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 Taipei High Administrative Court and filed a civil action in Taipei District Court to claim compensation for the loss. As of December 31, 2020, 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, 2019, 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 had been transferred to Taipei District Court accordingly. On August 9 and September 5, 2018, respectively, Taipei District Court ruled to postpone these cases until the administrative proceedings between SEPC and FTC as well as KKPC and FTC in the Taiwan High Administrative Court with respect to the alleged concerted action are concluded, respectively. However, TPC subsequently withdraw its persecution in June 2020. Thus, the case was deemed an action never initiated.

2) TPC filed a civil action in 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 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.

These corporations have engaged attorneys for the above claims. Whether these corporations are liable for the damages or not depends on the result of the judgement by the court.

29. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. In January 2021, a fire broke out in SBPC's Changbin Power Plant, leading to serious damages. Emergency repair works are currently being carried out, and it is expected that the power supply will be restored as soon as possible. At present, the cost of the damage is still under estimation.

b. In February 2020, the Corporation participated in the capital increase of Chao Feng Solar Energy Co., Ltd. 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 Corporation also intends to participate in subsequent capital increases in the aforementioned investee up to a total amount of $800,000 thousand.

c. On March 10, 2021, the Corporation acquired a 100% equity interest in Hamaguri Co., Ltd. (HML) for US$2,500 thousand in order to expand the renewable energy business.

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, 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

December 31, 2019

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 2,208	29.98	$ 66,199

EUR	251	33.59	8,441
JPY	3,642	0.276	1,005
			$ 75,645
Non-monetary items			
Investments accounted for using the equity method			
USD	9,778	29.98	$ 293,138
Foreign currency liabilities			
Monetary items			
USD	1,281	29.98	$ 38,631

The significant realized and unrealized foreign exchange losses were as follows:

	For the Year Ended December 31			
	2020		2019	
Foreign Currency	**Exchange Rate**	**Net Foreign Exchange Loss**	**Exchange Rate**	**Net Foreign Exchange Loss**
USD	29.549 (USD:NTD)	$ 1,401	30.912 (USD:NTD)	$ 1,198

31. SEPARATELY DISCLOSED ITEMS

Except for those disclosed in the attached Tables 1 to 8, there were no other significant transactions, information on investees, information on investments in mainland China that were required for disclosure. Refer to the attached Table 9 for information of major shareholders.

TAIWAN COGENERATION CORPORATION

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(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	$ 200,000	$ 50,000	0.81	The need for short-term financing	$ -	Retirement of loans	$ -	-	$ -	$ 2,410,117	$ 4,820,233	
		SEC	Other receivables from related parties	Y	300,000	300,000	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,410,117	4,820,233	
		TGE	Other receivables from related parties	Y	50,000	50,000	10,000	0.81	The need for short-term financing	-	Operating capital	-	-	-	2,410,117	4,820,233	

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 period 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 $4,820,233 thousand, which was calculated at 40% of the Corporation’s net worth in the current financial statements. ($12,050,583 thousand (net worth as of December 31, 2020) *40%)

Note 8: Financing limit for each borrower was up to $2,410,117 thousand, which was calculated at 20% of the Corporation’s net worth in the current financial statements. ($12,050,583 thousand (net worth as of December 31, 2020) *20%)

TABLE 2

TAIWAN COGENERATION CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(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	$ 3,012,646 (Note 3)	$ 204,000	$ 204,000	$ 204,000	$ -	1.69%	$ 4,820,233 (Note 4)	Y	N	N
		MWC	b	3,012,646 (Note 3)	164,000	-	-	-	-	4,820,233 (Note 4)	Y	N	N
1	TCIC	Redondo Peninsula Energy, Inc.	f	1,155,144 (Note 5)	1,053,000	1,053,000	-	580,000	364.63%	1,443,930 (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 $3,012,646 thousand, which was calculated at 25% of the Corporation’s net worth in the current financial statements. ($12,050,583 thousand (net worth as of December 31, 2020) × 25%)

Note 4: Limit on total amount of endorsement/guarantee provided by the Corporation and subsidiaries to entities was up to $4,820,233 thousand, which was calculated at 40% of the Corporation’s net worth in the current financial statements. ($12,050,583 thousand (net worth as of December 31, 2020) × 40%)

Note 5: Limit on endorsement/guarantee provided by TCIC to an entity was up to $1,155,144 thousand, which was calculated at 400% of the TCIC’s net worth in the current financial statements. ($288,786 thousand (net worth as of December 31, 2020) × 400%)

Note 6: Limit on total amount of endorsement/guarantee provided by TCIC was up to $1,443,930 thousand, which was calculated at 500% of the TCIC’s net worth in the current financial statements. ($288,786 thousand (net worth as of December 31, 2020) × 500%)

Note 7: Maximum balance for the period, ending balance and amount of endorsement/guarantee collateralized by properties represent the amount of facilities, not actually drawn.

TAIWAN COGENERATION CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship	Financial Statement Account	December 31, 2020				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	$ 249,200	8.00%	$ 249,200	

TABLE 4

TAIWAN COGENERATION CORPORATION

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares (In Thousands)	Carrying Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares (In Thousands)	Amount
The Corporation	Stock													
	MWC	Investments accounted for using the equity method	-	Subsidiary	-	$ -	91,400	$ 1,073,608	-	$ -	$ -	$ -	91,400	$ 1,073,608 (Note)

Note: The amount is original investment amount.

TABLE 5

TAIWAN COGENERATION CORPORATION

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
SSC	Solar Photovoltaic System and ancillary equipment	2020.09.28	$ 706,684 (Note 1)	Payment is made according to the terms of the contract	SEC	Parent company	N/A	N/A	N/A	N/A	(Note 2)	Equipment for business use	None

Note 1: The amount is the contract amount.

Note 2: The equipment was obtained by entrusting SEC to construct, thus, no appraisal report was required.

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, 2020
(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 5)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note 5)	
The Corporation	TPC	A director of the Corporation	Sales (Note 1)	$ 287,560	3.09	Receivables are collected within 30 days after billing dates under agreements	-	-	$ 24,804	7.32	
SEC	TPC	A director of parent company	Sales (Note 2)	3,519,100	37.78	Receivables are collected within 30 days after billing dates under agreements	-	-	30,716	46.16	
	The Corporation	Parent company	Sales (Note 4)	3,082,291	33.09	Receivables are collected within 30 days after billing dates under agreements	-	-	220	0.33	
	TYC	An investee of the Corporation accounted for using the equity method	Sales (Note 4)	110,640	1.19	Receivables are collected within 30 days after billing dates under agreements	-	-	22,830	34.31	
	SPC	Subsidiary	Sales (Note 3)	290,419	3.12	Receivables are collected within 30 days after billing dates under agreements	-	-	-	-	
	SSC	Subsidiary	Sales (Note 3)	104,724	1.12	Receivables are collected within 30 days after billing dates under agreements	-	-	-	-	
MWC	TGE	Fellow subsidiary	Sales (Note 1)	118,372	1.27	Receivables are collected within 30 days after billing dates under agreements	-	-	120,070	99.91	

Note 1: Sales of electricity.
Note 2: Sales of electricity and others, revenues from construction and consulting services.
Note 3: Revenues from construction services.
Note 4: Revenues from construction and consulting services.
Note 5: The amount is shown as a percentage of financial statement of each entity.

TAIWAN COGENERATION CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2020
(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		
MWC	TGE	Fellow subsidiary	Accounts receivable $ 120,070	(Note)	$ -	-	$ 120,070	$ -

Note: Collection terms were based on each contract. Therefore, the information of turnover ratio was not applicable.

TAIWAN COGENERATION CORPORATION

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount: December 31, 2020	Original Investment Amount: December 31, 2019	Balance as of December 31, 2020: Number of Shares (In Thousands)	Balance as of December 31, 2020: Shareholding Percentage	Balance as of December 31, 2020: Carrying Amount	Net Profit (Loss) of the Investee	Share of Profit (Loss)	Note
The Corporation	SEC	Taipei City	Undertaking and installing of power engineering projects	$ 1,550,020	$ 1,550,020	108,113 (Note 4)	100.00%	$ 1,439,603	$ 279,344	$ 279,956 (Note 2)	A subsidiary
	TCIC	British Virgin Islands	Investment in foreign countries and international trading	685,374	685,374	22,260	100.00%	288,786	(5,181)	(5,181)	A subsidiary
	YYC	Yilan County	Investment in geothermal power plant	153,000	153,000	15,300	51.00%	143,879	4,156	2,120	A subsidiary
	TGE	Taipei City	Investment in green power plant	175,000	85,000	17,500	100.00%	186,738	11,236	11,236	A subsidiary
	TYC	Taoyuan City	Cogeneration plants, management of operations, maintenance of equipment	214,240	214,240	35,834	29.31%	578,231	182,213	53,408	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%	5,352,348	778,253	334,649	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%	1,933,858	259,345	70,117 (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%	2,327,357	298,339	120,827	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%	2,189,637	247,305	102,069	An investee of the Corporation accounted for using the equity method
	MWC	Taipei City	Power generation	1,073,608	-	91,400	100.00%	1,109,633	40,809	36,025 (Note 3)	A subsidiary
SEC	Shinlee	Taipei City	Construction service and international trading	16,500	16,500	1,650	41.25%	4,980	(1,030)	(425)	An investee of the Corporation's subsidiary accounted for using the equity method
	SPC	Changhua County	Power generation	177,870	177,870	17,787	100.00%	158,219	7,667	7,667	A second-tier subsidiary
	SSC	Taipei County	Power generation	120,000	47,000	12,000	100.00%	115,176	(2,810)	(2,810)	A second-tier subsidiary
TCIC	Redondo Peninsula Energy, Inc.	Philippines	Power generation	573,165	573,165	8,446	25.00%	196,999	(86,916)	(21,729)	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%	241,298	4,791	4,791	A second-tier subsidiary
TGE	SKE	Taipei County	Power generation	170,000	80,000	-	100.00%	178,420	7,840	7,840	A second-tier subsidiary

Note 1: Including share of profit of $90,770 thousand and amortization of investment premium of $(20,653) thousand.

Note 2: Including share of profit of $279,344 thousand and realized gain on construction and consulting services of $612 thousand.

Note 3: Including share of profit of $40,809 thousand and amortization of investment premium of $(4,784) thousand.

Note 4: Including capital increased by retained earnings 7,073 thousand shares.

TABLE 9

TAIWAN COGENERATION CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Taiwan Power Company	162,954,279	27.66%

TAIWAN COGENERATION CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

TAIWAN COGENERATION CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Description	Amount
Cash		
Cash on hand		$ 520
Checking accounts		775
Demand deposits		
NTD		799,499
USD	US$311 thousand, exchange rate at 28.48	8,870
EUR	EUR127 thousand, exchange rate at 35.02	4,445
JPY	JPY1,370 thousand, exchange rate at 0.2763	378
		813,192
Cash equivalents		
Time deposits		
USD	US$500 thousand, exchange rate at 28.48; mature in January 2021, interest rate at 0.22%	14,240
		$ 828,727

TAIWAN COGENERATION CORPORATION

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Customer Name	Amount
Related parties	
TPC	$ 24,804
SEC	3,421
SEPC	3,410
SBPC	2,774
Others (Note)	1,840
	36,249
Non-related parties	
Company A	224,006
Company B	32,276
Company C	28,860
Others (Note)	17,261
	302,403
	$ 338,652

Note: The amount of individual customer included in others did not exceed 5% of the account balance.

TAIWAN COGENERATION CORPORATION

STATEMENT OF INVENTORIES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

	Amount	
Item	Cost	Net Realizable Value (Note)
Raw materials	$ 7,547	$ 7,597
Less: Allowance for inventory valuation losses	(62)	
	$ 7,485	

Note: The market value of inventories was based on the net realizable value.

TAIWAN COGENERATION CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2020		Additions (Note 1)		Deductions (Note 2)							Balance, December 31, 2020				
Investees	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Remeasurement of Defined Benefit Plans	Share of Other Comprehensive Income or Loss (Note 3)	Realized (Unrealized) Gain on Construction Services with Associates	Share of Profit or Loss	Exchange Differences on Translating Foreign Operations	Number of Shares	Percentage of Ownership (%)	Amount	Fair Value or Net Worth (Note 3)	Assets Pledged as Collateral or for Security
TYC	35,833,827	$ 530,016	-	$ -	-	$ (39,418)	$ (44)	$ 35,323	$ (1,054)	$ 53,408	$ -	35,833,827	29.31	$ 578,231	$ 1,118,015	
Sun Ba	258,000,000	5,371,035	-	-	-	(361,200)	614	-	7,250	334,649	-	258,000,000	43.00	5,352,348	5,410,178	(Note 5)
KKPC	114,730,000	1,990,259	-	-	-	(126,722)	204	-	-	70,117	-	114,730,000	35.00	1,933,858	1,829,364	(Note 6)
SEPC	121,500,000	2,324,285	-	-	-	(123,930)	644	-	5,531	120,827	-	121,500,000	40.50	2,327,357	2,401,842	(Note 7)
SBPC	136,200,000	2,232,998	-	-	-	(164,802)	243	-	19,129	102,069	-	136,200,000	41.27	2,189,637	2,449,201	(Note 8)
SEC	101,040,000	1,263,190	7,072,800	-	-	(101,040)	(1,898)	-	(605)	279,956	-	108,112,800	100.00	1,439,603	1,439,659	(Note 9)
TCIC	22,260,000	293,138	-	-	-	-	(59)	-	-	(5,181)	888	22,260,000	100.00	288,786	288,786	
YYC	15,300,000	142,643	-	-	-	-	-	-	(884)	2,120	-	15,300,000	51.00	143,879	144,762	
TGE	8,500,000	90,017	9,000,000	90,000	-	(4,515)	-	-	-	11,236	-	17,500,000	100.00	186,738	186,738	
MWC	-	-	91,399,999	1,073,608	-	-	-	-	-	36,025	-	91,399,999	100.00	1,109,633	749,956	(Note 10)
		$ 14,237,581		$ 1,163,608		$ (921,627)	$ (296)	$ 35,323	$ 29,367	$ 1,005,226	$ 888			$ 15,550,070	$ 16,018,501	

Note 1: The additions were stock dividends received from SEC 7,073 thousand shares, capital raising of TGE $90,000 thousand, acquisition of MWC 57,400 thousand shares and capital raising of MWC 34,000 thousand shares.

Note 2: The deductions represented cash dividends received from investees accounted for using the equity method.

Note 3: Share of other comprehensive income or loss represented recognition of the changes in unrealized gain or loss on TYC's investment in equity instruments designated as at fair value through other comprehensive income.

Note 4: For TYC, the amount represented its fair value calculated based on its closing price on December 31, 2020. For other equity investments, the amounts represented their net worth.

Note 5: The difference between carrying amount and net worth of equity interest included $2,087 thousand of goodwill and $(59,917) thousand of unrealized gain on research, consulting and construction services.

Note 6: The difference between carrying amount and net worth of equity interest included $19,304 thousand of goodwill and $85,190 thousand of unamortized investment premium.

Note 7: The difference between carrying amount and net worth of equity interest was unrealized gain on research, consulting and construction services of $(74,485) thousand.

Note 8: The difference between carrying amount and net worth of equity interest was unrealized gain on research, consulting and construction services of $(259,565) thousand.

Note 9: The difference between carrying amount and net worth of equity interest was unrealized gain on research, consulting and construction services of $(56) thousand.

Note 10: The difference between carrying amount and net worth of equity interest included $96,370 thousand of goodwill and $263,307 thousand of unamortized investment premium.

Note 11: The above investments accounted for using the equity method were unsecured and unpledged.

STATEMENT 5

TAIWAN COGENERATION CORPORATION

STATEMENT OF NOTES PAYABLE
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Supplier Name	Amount
Non-related parties	
Company D	$ 1,100
Company E	1,029
Company F	850
Company G	659
Company H	425
Others (Note)	1,525
	$ 5,588

Note: The amount of individual supplier included in others did not exceed 5% of the account balance.

TAIWAN COGENERATION CORPORATION

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Supplier Name	Amount
Related parties	
TPC	$ 1,158
Non-related parties	
Company I	26,925
Company J	10,504
Company K	6,739
Others (Note)	12,645
	56,813
	$ 57,971

Note: The amount of individual supplier included in others did not exceed 5% of the account balance.

TAIWAN COGENERATION CORPORATION

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Name of Creditor	Credit Period and Repayment Method	Interest Rate	Amount: Up to One Year	Amount: More than One Year	Amount: Total	Collateral	Note
Agricultural Bank of Taiwan	Revolving unsecured borrowings, revolving through September 2022; contract term from September 2020 to September 2022	0.80%	$ -	$ 1,000,000	$ 1,000,000	Nil	Nil
Land Bank of Taiwan	Revolving unsecured borrowings, revolving through December 2022; contract term from December 2019 to December 2022	0.80%	-	475,000	475,000	Nil	Nil
Bank of Taiwan	Revolving unsecured borrowings, revolving through September 2022; contract term from September 2020 to September 2022	0.81%	-	500,000	500,000	Nil	Nil
Mizuho Bank of Taiwan	Revolving unsecured borrowings, revolving through September 2022; contract term from September 2020 to September 2022	0.81%	-	30,000	30,000	Nil	Nil
			$ -	$ 2,005,000	$ 2,005,000		

TAIWAN COGENERATION CORPORATION

STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Bond Name	Trustee	Issuance Period	Interest Payment Date	Coupon Rate	Total Amount	Amount Repaid	Unredeemed Amount	Unamortized Bond Discount	Balance, End of Year	Repayment Method	Collateral
1st Domestic Unsecured Corporate Bond-A (issued in 2020)	Bank SinoPac	2020.08.14 - 2025.08.14	Interest payable annually on August 14	0.75%	$ 1,900,000	$ -	$ 1,900,000	$ (2,536)	$ 1,897,464	Bullet repayment (principal repaid in one lump sum at maturity)	Nil
1st Domestic Unsecured Corporate Bond-B (issued in 2020)	Bank SinoPac	2020.08.14 - 2030.08.14	Interest payable annually on August 14	1.00%	600,000	-	600,000	(834)	599,166	Bullet repayment (principal repaid in one lump sum at maturity)	Nil
					$ 2,500,000	$ -	$ 2,500,000	$ (3,370)	$ 2,496,630		

TAIWAN COGENERATION CORPORATION

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Underlying Asset	Lease Term	Discount Rate	Balance, End of Year
Taipei office	2020.02.01-2025.01.31	0.98 %	$ 99,492
Office parking	2020.02.01-2025.01.31	0.98 %	2,988
Company vehicle RCD-0816	2018.06.04-2021.06.03	0.98 %	234
Company vehicle RCL-7782	2019.04.18-2021.04.17	0.98 %	246
Company vehicle RCP-2615	2019.09.20-2022.09.19	0.98 %	445
Company vehicle RCV-5603	2020.05.08-2023.05.07	0.98 %	1,187
Company vehicle RCW-8525	2020.08.07-2023.08.07	0.98 %	538
Photocopier	2019.03.01-2024.02.29	0.98 %	493
			$ 105,623

TAIWAN COGENERATION CORPORATION

STATEMENT OF OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Quantity	Amount
Sales		
Sales of electricity	230,094 thousand kwh	$ 542,650
Sales of steam	339 thousand tons	254,684
Others		384
		797,718
Construction services		3,101,678
Consulting services		39,914
		$ 3,939,310

TAIWAN COGENERATION CORPORATION

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount
Cost of sales	
Fuel costs	$ 271,774
Variable indirect costs	129,585
Labor costs	56,747
Maintenance costs	56,043
Utilities	36,022
Others (Note)	26,520
	576,691
Construction service cost	3,083,561
Consulting service cost	33,164
	$ 3,693,416

Note: The amount of each item in others did not exceed 5% of the account balance

TAIWAN COGENERATION CORPORATION

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount
Payroll expense and pension expense	$ 109,538
Depreciation expense	19,990
Professional fees	12,653
Others (Note)	28,078
	$ 170,259

Note: The amount of each item in others did not exceed 5% of the account balance

TAIWAN COGENERATION CORPORATION

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020			2019		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Payroll	$ 73,237	$ 92,321	$ 165,558	$ 72,592	$ 91,223	$ 163,815
Labor and health insurance	5,520	5,075	10,595	5,655	4,913	10,568
Pension	4,529	4,179	8,708	4,888	4,274	9,162
Remuneration of directors	-	13,038	13,038	-	13,026	13,026
Other personnel expense	5,339	6,546	11,885	3,059	4,097	7,156
	$ 88,625	$ 121,159	$ 209,784	$ 86,194	$ 117,533	$ 203,727
Depreciation expense	$ 25,403	$ 19,990	$ 45,393	$ 23,431	$ 16,758	$ 40,189
Amortization expense	$ 159	$ 1,228	$ 1,387	$ 284	$ 986	$ 1,270

Note 1: The number of employees as of December 31, 2020 and 2019 was both 131, of which the number of non-employee directors was both 12.

Note 2: Average employee benefits expense for the years ended December 31, 2020 and 2019 was $1,653 thousand and $1,603 thousand, respectively. Average payroll for the years ended December 31, 2020 and 2019 was $1,391 thousand and $1,377 thousand, respectively. In 2020, the average payroll increased by 1.02% compared to 2019.

Note 3: The Corporation’s audit committee consists of independent directors instead of supervisors.

Note 4: The Corporation’s compensation policies are detailed as follows:

a. Directors

Based on the Corporation’s Articles, the board of directors is authorized to determine the remuneration of directors based on their level of participation in the Corporation’s operations and value of their contributions, taking into account the usual standards in the industry. In addition, if the Corporation is profitable in a given year, it shall allocate not more than 1% of the net profit as remuneration of directors.

b. Managers and employees

In accordance with the Corporation’s “Charter of the Remuneration Committee”, the Corporation shall periodically review the performance of directors and managers, policies, systems, standards, structure and general compensation levels of the industry, as well as the reasonableness of the relevance between compensation and individuals’ work performance, business performance and future risks. In addition, in accordance with the Corporation’s Articles, if the Corporation is profitable in a given year, it shall allocate not less than 0.5% of the net profit as employees’ compensation, which shall be paid in accordance with the “Regulations for Employees’ Compensation”, taking into consideration the Corporation’s financial status, operating performance and policies, as well as the job duties, abilities and performance of the employees to ensure that the remuneration scheme is competitive and motivational.

The Corporation has established the “Regulations for Employees’ Salaries” as the basis of employees’ salaries and various bonuses and allowances, and stays updated on the market level of salary and regularly reviews the Corporation’s salary policies. The Corporation also distributes year-end bonuses, performance bonuses and work bonuses in accordance with the ‘Regulations on Distribution of Employee Bonuses’ to reward employees for their hard work; the relevant bonuses are determined based on the Corporation’s financial status, operating conditions, and individuals’ work performance. In addition to year-end and performance bonuses, the Corporation also has in place a salary adjustment mechanism which serves to motivate its employees by providing them a competitive salary and benefits package.

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	2020	2019	Change: Increased (Decreased) Amount	Change: Increased(Decreased) Ratio (%)
Current assets	6,234,012	5,598,642	635,370	11
Long-term investments	12,578,430	12,671,996	(93,566)	(1)
Property, plant, and equipment	2,817,061	1,516,774	1,300,287	86
Other assets	1,350,187	642,051	708,136	110
Total assets	22,979,690	20,429,463	2,550,227	12
Current liabilities	4,845,180	4,298,564	546,616	13
Non-current liabilities	5,944,842	4,028,740	1,916,102	48
Total liabilities	10,790,022	8,327,304	2,462,718	30
Share capital	5,890,486	5,890,486	0	0
Capital surplus	499,694	499,694	0	0
Retained earnings	5,625,406	5,557,744	67,662	1
Other equity	34,997	17,186	17,811	-
Non-controlling interests	139,085	137,049	2,036	1
Total shareholder’s Equity	12,189,668	12,102,159	87,509	1

Analysis of ratio changes

1. The current ration changed because cash and cash equivalent, and other receivables increased
2. PP&E increased because the equipment increased after acquiring Miaoli Wind in 2020.
3. The other assets increased because of the increase in the right-of-use assets from the reputation from stock purchased at premium and other intangible assets, the renewal of the office tenancy contract for five years.
4. The current liabilities increased because of the payables and liability reserves of Star Energy increased.
5. The non-current liabilities increased because of the issuance of unsecured bonds at NT$2.5 billion in 2020.

2. Financial performance

(1) Comparison and analysis of financial performance

Unit: NT$1,000

Item	2020	2019	Change: Increased (Decreased) Amount	Change: Increased (Decreased) Ratio (%)
Operating revenue	9,313,724	7,186,086	2,127,638	30
Operating cost	8,592,737	6,671,356	1,921,381	29
Realized gain on transactions with associates	30,856	28,389	2,467	9
Realized gross profit	751,843	543,119	208,724	38
Operating expenses	282,558	240,178	42,380	18
Profit from operations	469,285	302,941	166,344	55
Non-operating income and expenses	651,839	799,697	(147,858)	(18)
Profit before income tax	1,121,124	1,102,638	18,486	2
Income tax expense	50,541	6,303	44,238	702
Net profit	1,070,583	1,096,335	(25,752)	(2)
Profit attributable to owners of the parent	1,068,547	1,098,048	(29,501)	(3)

Analysis of ratio changes

1. The operating revenue and operating cost increased because subsidiary Star Energy undertook more contracts and the income from electricity retailing increase after acquiring 100% stake of Miaoli Wind.
2. The gross profit and profit from operations increased because the profit of subsidiary Star Energy increased, and green energy retailing began at the end of October 2020 after acquiring Miaoli Wind and TTC Green Energy, the grid connection of Star Wind in November 2020.
3. The non-operating income and net profit reduced because the income from our reinvested IPPs reduced.

(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
962,019	2,465,005	(1,823,814)	1,603,210		

A. Cash flow analysis
   1) Business activities: Net cash inflow was about NT$2.465 billion gained mainly from own business and cash dividends from investees.
   2) Investment and fundraising activities: Net cash outflow was about NT$1.824 billion spent on cash dividend distribution, acquisition of subsidiary and 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
1,603,210	1,436,751	(1,407,239)	1,632,722		

A. Cash flow analysis
   1) Business activities: Projected cash inflow will be about NT$1,437 million gained from the cash dividends of investees.
   2) Investment and fundraising activities: Projected cash outflow will be NT$1,407 million 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						
				2019 actual	2020 actual	2021 projected	2022 projected	2023 projected	2024 projected	2025 projected
PV Investment	Own fund +loan	2020-2025	4,699,575	0	90,000	269,630	487,045	1,503,900	1,147,500	1,201,500
Onshore Wind Farm Investment	Own fund +loan	2020-2025	2,490,208	0	1,073,608	(200,000)	(21,800)	37,600	562,800	1,038,000
Biogas Generation Investment	Own fund +loan	2024-2025	750,000	0	0	0	0	0	375,000	375,000

   (2) Projected benefits
   The project benefits of investment will emerge after RP Energy 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 2020 consolidated financial statement was NT$658,916 thousand. Please refer to Annex 8 of the 2020 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 2020 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. Star Energy with a credit of NT$300 million and not yet disbursed.
      2. Miaoli Wind with a credit of NT$200 million, disbursed up to NT$120 million and

returned in full.

3. TCC Green Energy with a credit of NT$50 million, disbursed up to NT$10 million and returned in full.

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.

Subsidiary TCIC agrees to provide guarantee for its investee RP Energy(RPE) in the Philippines according to its stake at 25%: (1) provision of guarantees with a maximum limit of NT$473 million for the bank when the power supply agreement (PSA) approved by the Filipino Energy Regulatory Commission (ERC) is not acquired at the initial disbursement of the financing project; and (2) provision of guarantees with a maximum limit of NT$580 million when RPE mortgages stocks to the bank before the initial disbursement under the financing project. The total amount of the above guarantees is NT$1.053 billion. No guarantee has been made so far.

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) The increasing concerns about GHG emissions across the globe and 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, the encouragement of renewable energy development, and the legislation of the restriction on the carbon emission coefficients from electricity generation and “no nuke home”. We will keep track on the amendment to the bylaws and draw up countermeasures to develop business cultivation strategies and aggressively participate in electricity market development.

c) Apart from looking for opportunities to invest in renewable energy, cogeneration plants, and IPPs, we will actively expand to overseas electricity markets, hoping to progressively expand the scope of operations and make better performance.

(5) The influence of technology and industry changes on finance and operations and countermeasures: None

(6) The influence of market presence change 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.

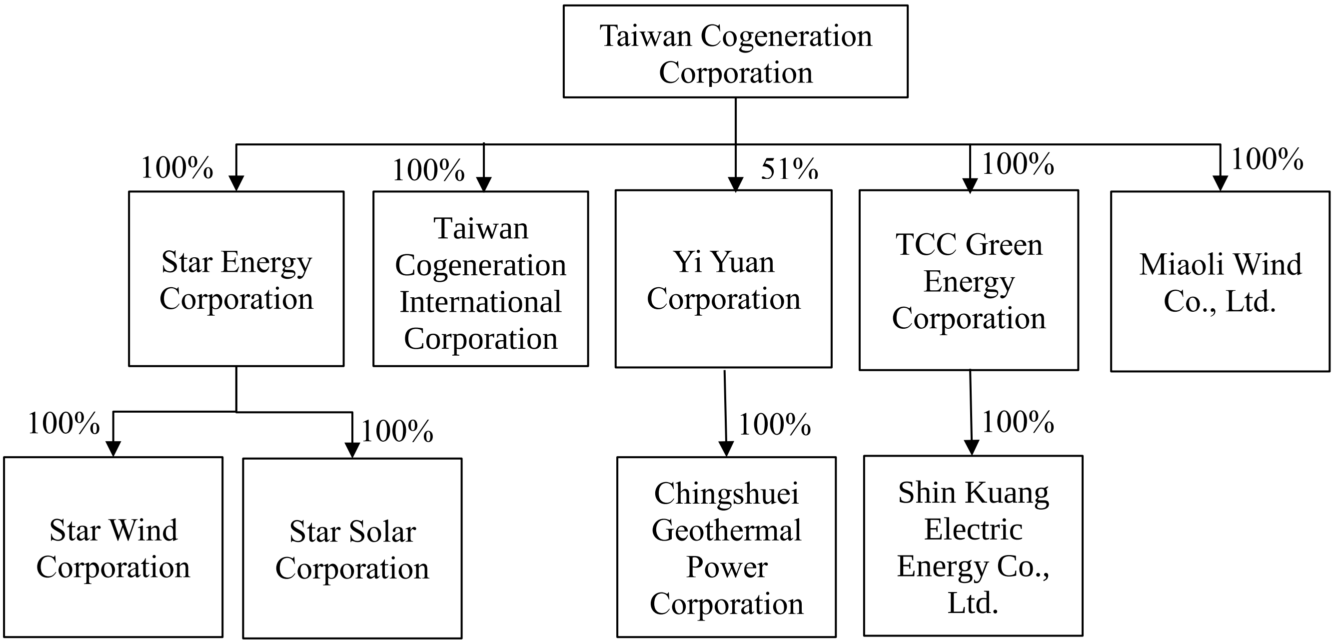
(12) Litigious or non-litigious events: List the major litigious events, non-litigious events, or administrative remedies with confirmed verdicts or in progress of the company and its directors, supervisors, general manager, actual person-in-charge, and shareholders holding over 10% of the stakes; subsidiaries; 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
   (1) Consolidated business reports of affiliates
      A. Organization chart of affiliates



      B. Basic data of affiliates

(expressed in NT$ thousands in FY2020)

Affiliate	Est. date	Address	Paid-in Capital	Scope of Business
Star Energy Corporation	1996/10/11	6F, No. 392, Ruiguang Road, Neihu District, Taipei City	1,081,128	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 Corp.	2017/6/22	No. 78, Section 6, Sanxing Road, Neighborhood 5, Shuanxian Village, Sanxing Township, Yilan County	300,000	Geothermal generation investment
Chingshuei Geothermal Power Corporation	2019/05/23	NO. 78, sec. 6, Sanxing rd., Neighborhood 5, Shuanxian Village, Sanxing Township, Yilan County	250,000	Geothermal generation
TCC Green Energy Corporation	2018/11/28	6F, No. 392, Ruiguang Road, Neihu District, Taipei City	175,000	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 investment
Star Wind Corporation	2018/12/25	No.64, Ziqiang Rd., Shingang Village, Shengang Township, Changhua County	177,870	Onshore wind power investment
Star Solar Corporation	2020/9/23	12F, No. 480, Ruiguang Road, Neihu District, Taipei City	120,000	Solar energy investment
Miaoli Wind Co., Ltd.	2003/9/19	6F, No. 392, Ruiguang Road, Neihu District, Taipei City	914,000	Onshore wind power investment

C. Directors, supervisors, and general managers and their shareholdings of affiliates

(expressed in number shares in FY2020)

Affiliate	Title	Name or representative	Shareholdings	
			Shares	Proportion
Star Energy Corporation	Chairman Director Director Supervisor	Taiwan Cogeneration Corporation- Representative: Chin-fa Tsai Taiwan Cogeneration Corporation- Representative: Kuang-Hui Liu Taiwan Cogeneration Corporation- Representative: Zhi-hua Zheng Taiwan Cogeneration Corporation- Representative: Ming-Ye Li	108,112,800	100%
Taiwan Cogeneration International Corporation	Director Director	Taiwan Cogeneration Corporation- Representative: Yi-Tong Chen Taiwan Cogeneration Corporation- Representative: Zhuang Kang	22,260,000	100%
Yi-Yuan Corp.	Chairman Director Supervisor	Taiwan Cogeneration Corporation- Representative: Shu-Shen Lin Taiwan Cogeneration Corporation- Representative: Xing-Zhi Xi Ming-Ye Li	30,000,000	51%
Chingshuei Geothermal Power Corporation	Chairman Director Supervisor	Yi-Yuan Corp Representative: Shu-Shen Lin Yi-Yuan Corp. Representative: Xing-Zhi Xi Ming-Ye Li	25,000,000	51%
TCC Green Energy Corporation	Chairman Director Supervisor	Taiwan Cogeneration Corporation- Representative: Yi-Hsieh Huang Taiwan Cogeneration Corporation- Representative: Shi-Yi Ho Taiwan Cogeneration Corporation- Representative: Kuang-Hui Liu	17,500,000	100%
Shin Kuang Electric Energy Co. Ltd.	Chairman	TCC Green Energy Corporation- Representative: Yi-Hsieh Huang	17,000,000	100%
Star Wind Corporation	Chairman Director Director	Star Energy Corporation- Representative: Jian-Yuan Yeh Star Energy Corporation- Representative: Te-sheng Hsu Star Energy Corporation- Representative: Xue-De Lu	17,787,000	100%
Star Solar Corporation	Chairman Director Director	Star Energy Corporation- Representative: Jian-Yuan Yeh Star Energy Corporation- Representative: Te-Sheng Hsu Star Energy Corporation- Representative: Yi-Wen Lin	12,000,000	100%
Miaoli Wind Co., Ltd.	Chairman Director Director	Taiwan Cogeneration Corporation- Representative: Yi-tong Chen Taiwan Cogeneration Corporation- Representative: Chin-Fa Tsai Taiwan Cogeneration Corporation- Representative: Te-Sheng Hsu	91,399,999	100%

D. Status of operations of affiliates

(expressed in NT$ thousands in FY2020)

Affiliate	Capital Amount	Total Assets	Total Liabilities	Net Worth	Revenue	Net Profit (Loss)	Current Income	EPS (NT$)
Star Energy Corporation	1,081,128	19,613,083	18,066,540	1,546,543	8,451,766	318,204	279,344	2.58
Taiwan Cogeneration International Corporation	685,374	288,916	130	288,786	0	-452	-5,182	-0.23
Yi-Yuan Corp.	300,000	286,561	2,714	283,847	0	-799	4,156	0.14
Chingshuei Geothermal Power Corporation	250,000	1,054,837	813,539	241,298	345,672	7,022	4,791	0.19
TCC Green Energy Corporation	175,000	320,352	133,614	186,738	4,853	4,051	11,236	0.64
Shin Kuang Electric Energy Co. Ltd.	170,000	639,681	461,262	178,419	30,224	12,927	7,840	0.46
Star Wind Corporation	177,870	1,108,706	938,148	170,558	15,240	9,765	7,667	0.43
Star Solar Corporation	120,000	178,962	61,772	117,190	0	-3,531	-2,810	-0.23
Miaoli Wind Co., Ltd.	914,000	896,039	146,083	749,956	114,470	17,745	40,809	0.45

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 Taipower 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, the case is still in process at the Supreme Administrative Court.
   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 makes a decision on this part.

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. Regarding the case of the Star Buck Power Plant, the Taipei District Court made the decision on February 8, 2018 to deny suit of Taipower for its claims being unreasonable. However, Taipower already made an appeal on March 5, 2018, and the case has been referred to the Taiwan High Court for proceeding.