



Taiwan Cogeneration Corporation

**INVESTOR
CONFERENCE**
2023.8.23



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Company Profile



Taiwan Cogeneration Corporation (TCC)

- Chairman : Shun-I Huang
- Date of Establishment : 1992
- Date of Listing : 2003 (Code: 8926)
- Capital : NT\$7.3 Billions
- Main Business : Power Industry
 - Power Generation Business
 - Engineering Business
 - Investment Business

Company Profile



台灣汽電共生股份有限公司

Development Track

TCC has invested in Ta Yuan cogeneration plant as well as self-invested and self-constructed Guan Tien cogeneration plant.

TCC acquired 35% shares of Kuo Kuang Power Corp.

"Conducting a cash capital increase and capitalization of retained earnings through stock dividends of Common Stock, raising the registered capital to 7.3 billion NTD

1992

1996

2000

2011

2020

2022

Future Outlook

TCC was funded by several well-known domestic companies under the guidance of Ministry of Economy.

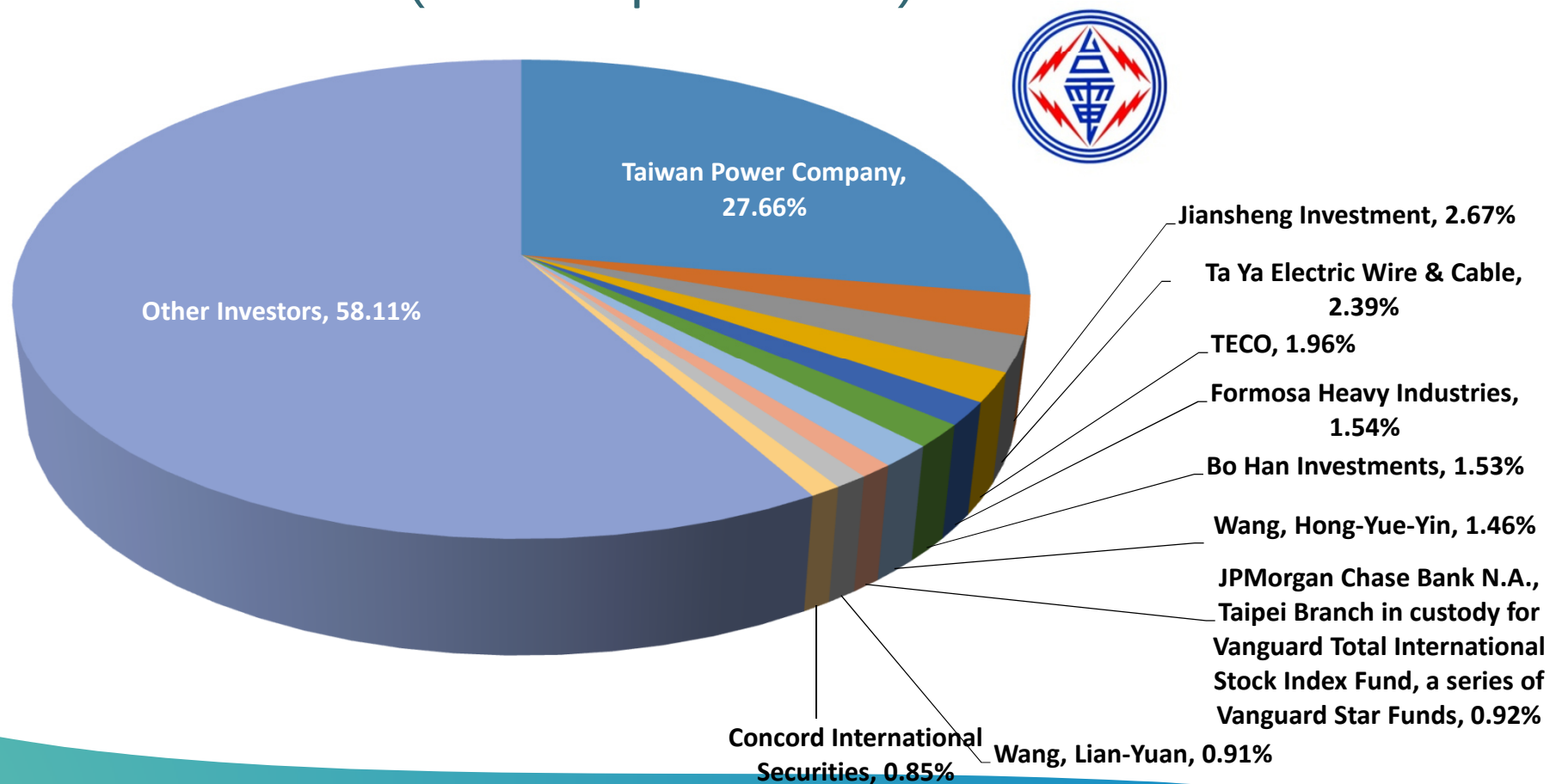
TCC has invested Star energy/Sun Ba/Star Buck 3 IPP companies
TCC listed OTC and transferred to TWSE.

TCC acquired 100% shares of Miaoli Wind Co., LTD.

Developed IPP, renewable energy, cogeneration plant, transmission and substation engineering in domestic and overseas; continued to improve corporate governance.

Company Profile

TCC's Shareholders (As of April 2023)



Company Profile

TCC has invested in total of 18 companies



Company Profile



Name of the Investee Company	Capital (NT\$ Millions)	Shareholding by TCC (%)	Main Business
Ta Yuan Cogeneration Corporation	1,223	29%	Operation of cogeneration plant (82MW)
Star Energy Power Corporation	3,000	41%	Operation of gas-fired power plant (507MW)
Sun Ba Power Corporation	11,800	43%	Operation of gas-fired power plant (1,014MW)
Star Buck Power Corporation	3,300	41%	Operation of gas-fired power plant (490MW)
Kuo Kuang Power Corporation	3,278	35%	Operation of gas-fired power plant (480MW)
Star Energy Corporation	1,427	100%	Construction and engineering service for power, renewable energy related
Star Wind Corporation	178	100%	Wind power
Star Solar Corporation	240	100%	Floating solar power plant
Taiwan Cogeneration International Corp.	685	100%	Oversea investment
Redondo Peninsula Energy, Inc.	2,293	25%	Development of power plant in Subic Bay, Philippines
KHH Arena Corporation	2,500	8%	Operation of Kaohsiung Arena and its related facilities
Yi Yuan Corporation	300	51%	Investment of geothermal power
Chingshuei Geothermal Power Corp.	276	51%	Geothermal power
TCC Green Energy Corp.	105	100%	Retailer of renewable energy and provide ancillary services
Shin Kuang Electric Energy Co., Ltd.	80	100%	Solar power
Miaoli Wind Co., Ltd.	514	100%	Wind power
Hamaguri Co., Ltd.	100	100%	Investment of aquavoltaics
Synergy Co., Ltd.	100	19%	Development and maintenance of renewable energy

Financial Statement



台灣汽電共生股份有限公司

Consolidated Income Statement

Unit: Thousand NTD	2023 Q1~2	2022 Q1~2		YOY
Revenues	2,560,155	1,861,379	698,776	38%
Costs	2,308,655	1,652,930	655,725	40%
Realized Gain on Transactions with Associates	(4,285)	5,673	(9,958)	-176%
Realized Gross Profit	247,215	214,122	33,093	15%
Gross Margin	10%	12%		-2%
Operating Expense	305,815	176,800	129,015	73%
Operating Net Profit	(58,600)	37,322	(95,922)	-257%
Operating Net Profit Margin	-2%	2%		-4%
Non-Operating Items	1,057,173	125,827	931,346	740%
Pre-Tax Net Profit	998,573	163,149	835,424	512%
Income Tax Expense	(35,208)	(38,669)	3,461	-9%
Net Profit	963,365	124,480	838,885	674%
Net Profit_ Owners of the Corporation	961,134	116,261	844,873	727%
EPS (NT\$)	1.49	0.18	1.31	728%

Financial Statement

Consolidated Balance Sheet



台灣汽電共生股份有限公司

Unit: Thousand NTD	2023.6.30		2022.6.30	
Current Assets	7,088,793	26.7%	5,883,012	25.0%
Non Current Assets	19,508,325	73.3%	17,632,319	75.0%
Available-for-sale Financial Assets	264,920	1.0%	269,310	1.1%
Investments Accounted for Using Equity Method	13,779,389	51.7%	12,343,566	52.5%
Property, Plant and Equipment	3,691,256	13.9%	3,225,404	13.7%
Other Assets	1,772,760	6.7%	1,794,039	7.7%
Total Assets	26,597,118	100.0%	23,515,331	100.0%
Current Liabilities	6,208,002	23.3%	6,181,225	26.3%
Non Current Liabilities	5,050,240	19.1%	6,291,814	26.8%
Total Liabilities	11,258,242	42.4%	12,473,039	53.1%
Shareholders Equity	15,179,814	57.1%	10,887,483	46.2%
Non-Controlling Interests	159,062	0.5%	154,809	0.7%
ROA	8%		1%	
ROE	14%		2%	
Current Ratio	114%		95%	
Quick Ratio	76%		53%	

Financial Statement

Consolidated Cash Flow

Unit: Thousand NTD	2023 Q1~2	2022 Q1~2	YOY
From Operating Activities	(211,481)	317,877	(529,358)
From Investing Activities	(607,949)	(117,711)	(490,238)
From Financing Activities	808,542	(288,504)	1,097,046
Effect of Exchange Rate	12,507	599	11,908
Net Change in Cash	1,619	(87,739)	89,358
Beginning Balance	<u>3,734,653</u>	<u>2,763,822</u>	970,831
Ending Balance	<u>3,736,272</u>	<u>2,676,083</u>	1,060,189

Financial Statement

Consolidated Revenue

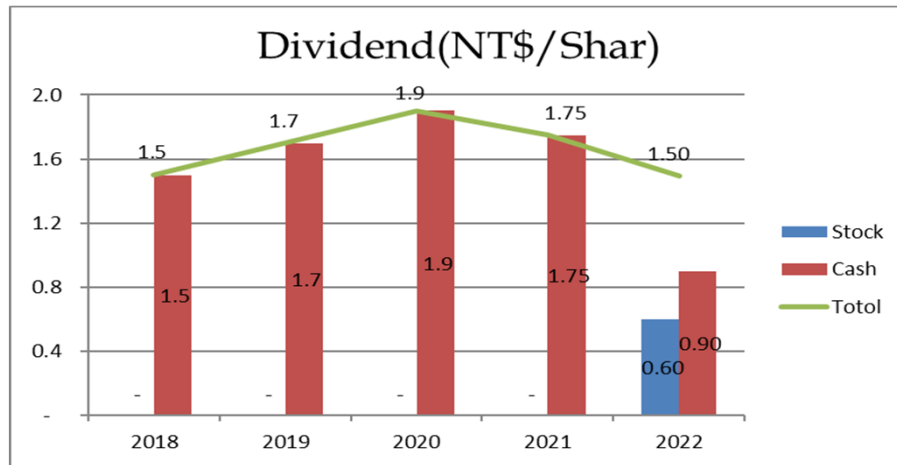
Unit: Thousand NTD	2023/1-7	2022/1-7	YOY	
Sales	935,078	746,241	188,837	25%
Research, Consulting and Construction Services	2,013,511	1,316,660	696,851	53%
Total	2,948,589	2,062,901	885,688	43%

Financial Statement

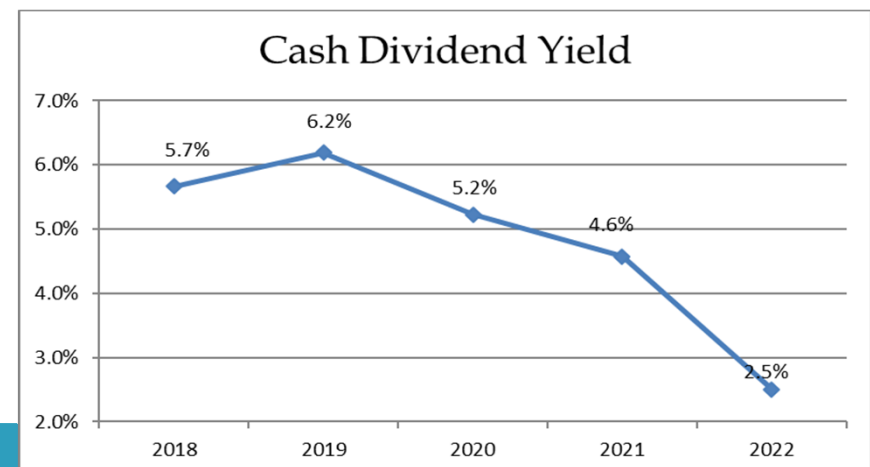
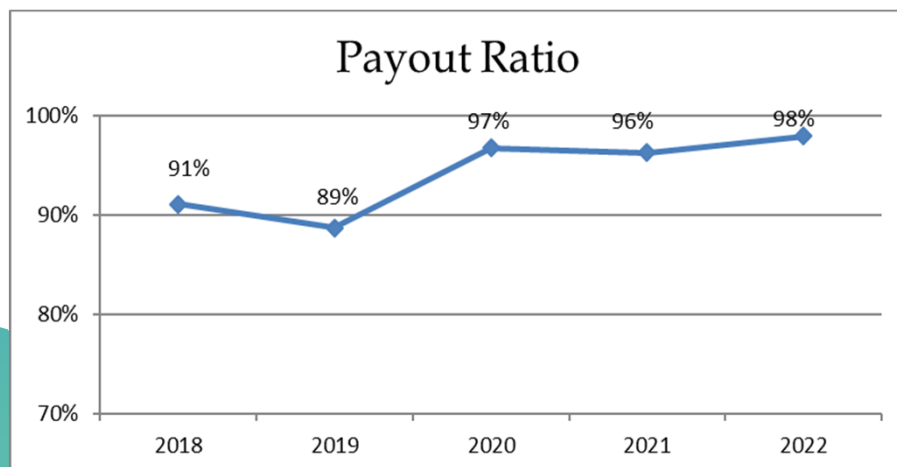
Dividend



台灣汽電共生股份有限公司



- Dividends are maintain a certain level
- Payout Ratio more than 89%
- 2022 Yields fall on partial reshuffling of stock dividends



Operating Situation

Guan Tian Cogeneration Plant

A

Short-term:

Increase the usage of alternative fuels such as scrap tires and SRF.

B

Medium to Long-term:

Evaluate further reduction of coal consumption or consider power plant unit upgrades.



Operating Situation

IPPS

1) Increase capacity factor and optimize reliability

- Sun Ba Power Corp., Star Energy Power Corp., Star Buck Power corp., and Kuo Kuang Power Corp. have obtained the licenses to increase the capacity factor to 70%, and the actual capacity factor will depend on the dispatch of Taipower.



Operating Situation

IPPS

- 2) **Move forward with Low-carbon power generation:**
Investigate and design implementation of Hydrogen Energy and Carbon Capture, Utilization and Storage (CCUS) to reach the goal of power generation with low carbon emissions.
- 3) **Response to PPA (Power Purchase Agreement) Expiry.**



Operating Situation

IPPS

3) Concerted action decision made by Fair Trade Committee

- The Supreme Administrative Court render the final and binding judgment “Reverse the original judgment. Appellee's appeal in the first trial is dismissed.” to Star Buck power, Star Power, and Sun Ba power.
- All the IPPs have filed for relief in the retrial.

The appeal proceedings, which were originally suspended in December 2014, have been reopened due to the Supreme Administrative Court's final decision. After a verbal debate on 8 March, the Petitions and Appeals Committee dismissed IPP's appeal on 14 April.

Operating Situation

IPPS

3) Taipower's damage claim

- The original administrative lawsuit has been transferred to the Taipei District Court for trial, but Taipower withdrew the lawsuits against Sun Ba Power, Star Power, and Star Buck Power in June 2020.
- For civil lawsuits, the case for Sun Ba Power, Star Power, and Star Buck have been transferred to the Supreme Court for trial.

Operating Situation

Corporate Governance and Corporate Social Responsibility

- TCC was ranked **top 6~20%** in the 9th (2022) Corporate Governance Evaluation Results.
 - Ranked **top 10%** in the Non-Finance and Non-Electronics industry category with a market capitalization of TWD 10 billion or above.
- 2022 Sustainability Report has been formally issued and verified by a third party, and it was uploaded to the Market Observation Post System by the end of June.

Business Overview

Overseas Business

- The Philippine RP Energy coal-fired power plant project
 - In line with the Philippine government's policy of suspending the construction of new coal-fired power plants, the development of RPE coal-fired power plant is currently on hold and we will seek other possible alternatives.
- Development of other overseas business



Business Overview

IPPs

- Sun Ba Power Plant Phase II
 - Sun Ba has obtained the bid of power procurement tender of gas-fired power plant with 2024 COD target issued by Taipower.
- Kuo Kuang Power Plant
 - KKPC will keep making an effort to obtain the bid of power procurement tender of gas-fired power plant from Taipower.



Business Overview

Wind & Solar Power

Offshore Wind Power Engineering

- The onshore substations EPC project for Ørsted's the Greater Changhua 1 & 2a Offshore Wind Farms has been completed. And construction of onshore substations EPC project for the Greater Changhua 2b & 4 is currently implemented.
- The onshore substations EPC project for Foxwell Power Co., Ltd.'s Offshore Wind Farms Phase II is currently implemented by Star Energy.
- Continue to strive for offshore wind power onshore substation EPC projects.

Business Overview

Wind & Solar Power

Onshore Wind Power Investment

- The wind power plant project in Changhua-Fangyuan and Changhua-Hanbau are currently implemented.
- Due to the age of wind turbines, it is planned to accelerate the repowering of Miaoli Wind Co., Ltd. The Chunan Wind Farm has obtained the Environmental Impact Assessment (EIA) approval letter, while the Dapong Wind Farm's EIA process is ongoing.

Business Overview

Wind & Solar Power

Solar Power Engineering and Investment

- Fishery and electricity symbiosis project in Changhua is at the stage of applying the consent letter from local competent authority and the permit of setting up renewable energy power generation equipment.
- Star Solar's Wushantou floating photovoltaic project is applying for the permit of setting up renewable energy power generation equipment.

Business Overview

Retailer of Renewable Energy

- Fulfill renewable energy needs of more than 14 companies, range from technology, manufacturing, telecom, financial to retail industries.
- TCC Green Energy is the first company of renewable energy electricity retailing enterprise to supply wind power, solar power and hydroelectric power, and has sold more than 400 million kWh of renewable energy.
- Participate in the Energy Trading Platform and provide ancillary services.
- Continue to strive the business of ancillary services.

Please Advise



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