



# Taiwan Cogeneration Corporation

## INVESTOR CONFERENCE

2023.3.24



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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\$5.89 Billions
- Main business : Power Industry
  - Power generation business
  - Engineering business
  - Investment business

# Company Profile

## 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.

Developing of IPP, renewable energy, cogeneration plant, transmission and substation engineering in domestic and oversea ; continue to improve corporate governance

1992

1996

2000

2011

2020

2021

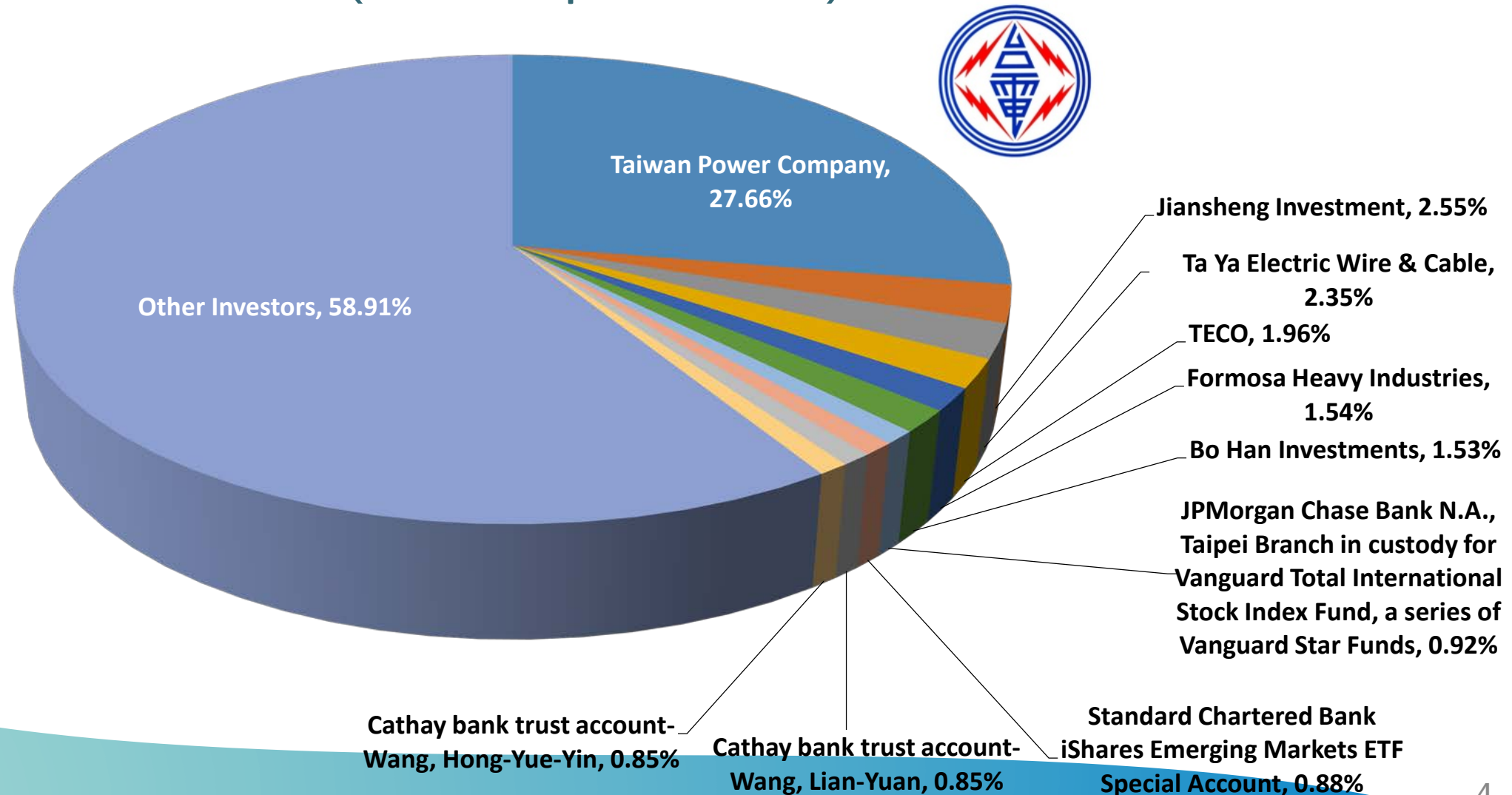
TCC was funded by several well-known domestic companies under the guidance of Ministry of Economy.

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.

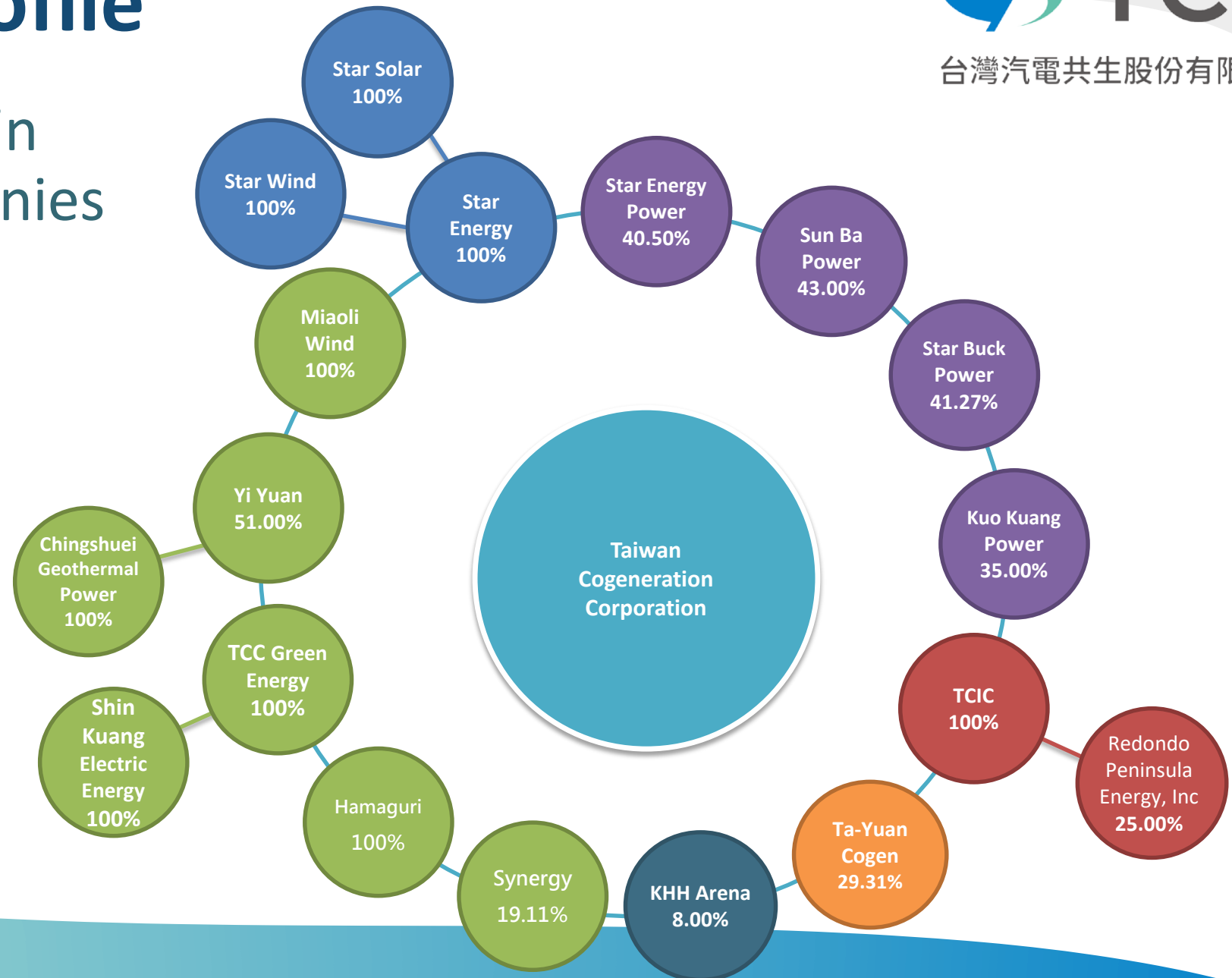
# Company Profile

## TCC's Shareholders ( As of April 2022 )



# 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	10,000	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.	257	51%	Geothermal power
TCC Green Energy Corp.	185	100%	Retailer of renewable energy and provide ancillary services
Shin Kuang Electric Energy Co. Ltd.	170	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

## Consolidated Income Statement

Unit: Thousand NTD	2022 Y	2021 Y	YOY	
Revenues	4,668,881	6,406,996	(1,738,115)	-27%
Costs	4,040,655	5,630,497	(1,589,842)	-28%
Realized gain on transactions with associates	9,355	27,883	(18,528)	-66%
Realized Gross Profit	637,581	804,382	(166,801)	-21%
Gross Margin	14%	13%	1%	
Operating Expense	401,716	364,157	37,559	10%
Operating net profit	235,865	440,225	(204,360)	-46%
Operating net profit margin	5%	7%	-2%	
Non-operating items	770,013	586,176	183,837	31%
Pre-tax net profit	1,005,878	1,026,401	(20,523)	-2%
Income tax expense	(88,863)	(121,012)	32,149	-27%
Net profit	917,015	905,389	11,626	1%
Net profit_Owners of the Corporation	906,774	897,884	8,890	1%
EPS (NT\$)	1.54	1.52	0.02	1%



# Financial Statement

## Consolidated Balance Sheet

Unit: Thousand NTD	2022.12.31		2021.12.31	
<b>Current Assets</b>	6,636,204	26.6%	6,152,457	25.6%
<b>Non Current Assets</b>	18,340,196	73.4%	17,901,384	74.4%
<b>Available-for-sale financial assets</b>	277,120	1.1%	275,310	1.1%
<b>Investments accounted for using equity method</b>	13,004,719	52.1%	12,750,996	53.0%
<b>Property, plant and equipment</b>	3,231,917	12.9%	3,009,667	12.5%
<b>Other assets</b>	1,826,440	7.3%	1,865,411	7.8%
<b>Total Assets</b>	24,976,400	100.0%	24,053,841	100.0%
<b>Current Liabilities</b>	6,700,437	26.9%	5,067,459	21.1%
<b>Non Current Liabilities</b>	6,425,723	25.8%	7,008,319	29.2%
<b>Total Liabilities</b>	13,126,160	52.7%	12,075,778	50.3%
<b>Shareholders Equity</b>	11,693,409	46.8%	11,831,473	49.1%
<b>Non-Controlling Interests</b>	156,831	0.5%	146,590	0.6%
<b>ROA</b>	4%		4%	
<b>ROE</b>	8%		7%	
<b>Current Ratio</b>	99%		121%	
<b>Quick Ratio</b>	66%		66%	

# Financial Statement

## Consolidated Cash Flow

Unit: Thousand NTD	2022 Y	2021 Y	YOY
From Operating Activities	1,789,361	1,768,738	20,623
From Investing Activities	(482,608)	(763,281)	280,673
From Financing Activities	(343,007)	156,627	(499,634)
Effect of Exchange rate	7,085	(1,472)	8,557
Net Change in Cash	970,831	1,160,612	(189,781)
Beginning Balance	<u>2,763,822</u>	<u>1,603,210</u>	1,160,612
Ending Balance	<u>3,734,653</u>	<u>2,763,822</u>	970,831

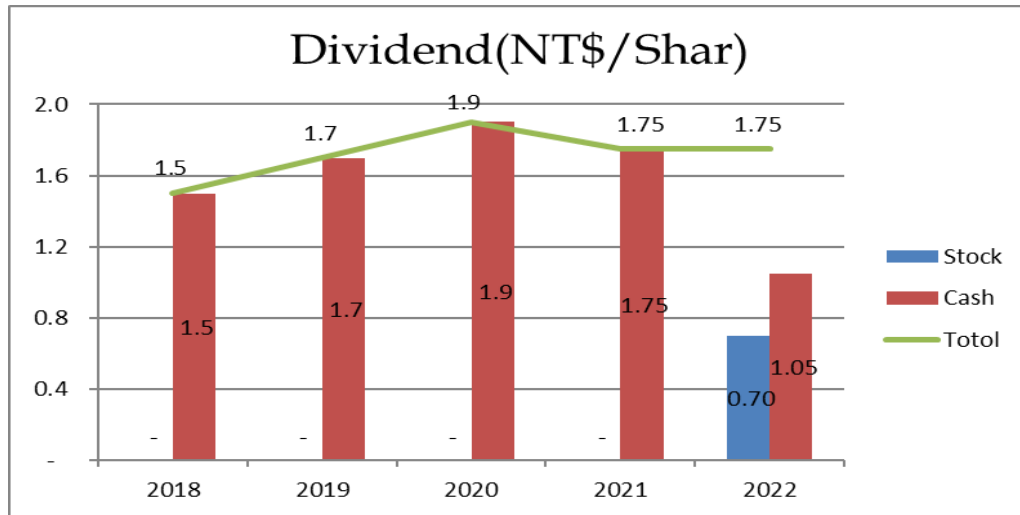
# Financial Statement

## Consolidated Revenue

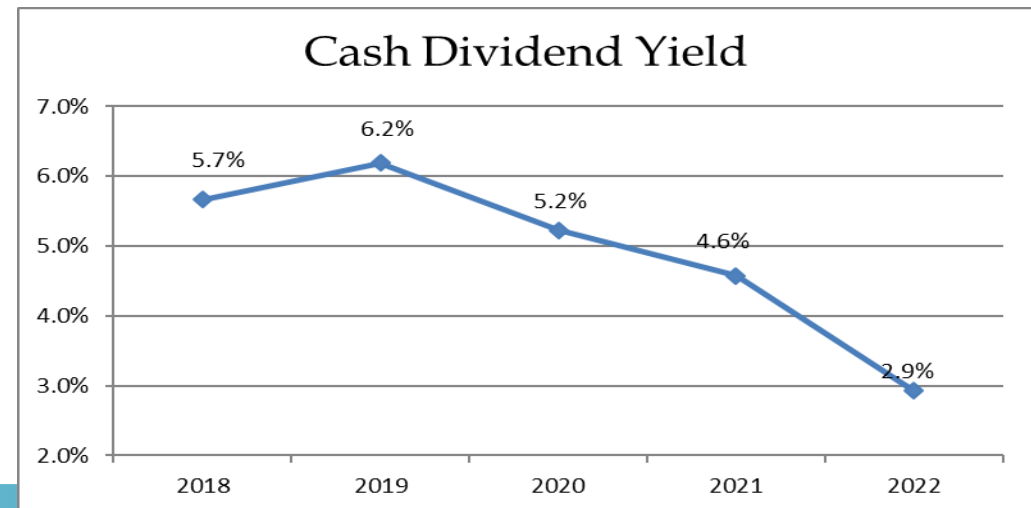
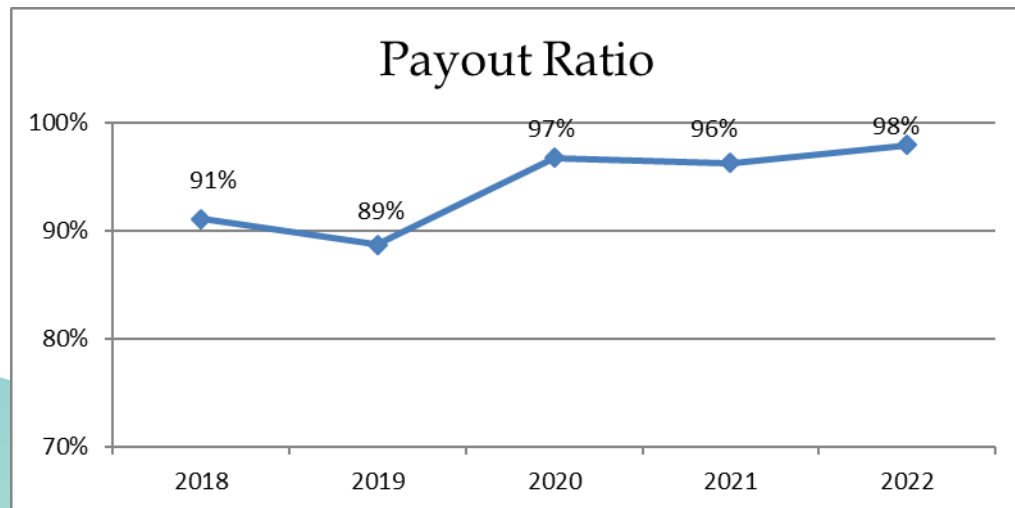
Unit: Thousand NTD	2023/1-2	2022/1-2	YOY	
<b>Sales</b>	336,838	234,843	101,995	43%
<b>Research, consulting and construction services</b>	365,517	399,441	-33,924	-8%
<b>Total</b>	702,355	634,284	68,071	11%

# Financial Statement

## Dividend



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



# Operating Situation

## Guantian Cogeneration Plant

- Optimize the burning of scrap tires.
- Evaluating alternative fuels.
- Upgrade and extend the service life of generator sets.



# Operating Situation

## IPPS

### 1) Increasing of capacity factor and reliability

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





## IPPS

### 2) 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, Kuo Kuang Power, Star Power, Sun Ba power in 6/16, 6/20, 6/30 and 8/11.
- 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 and all IPPs have now submitted their supplementary grounds of appeal.



### 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, Kuo Kuang Power and Star Buck Power in June 2020.
- For civil lawsuits, the case for Sun Ba Power, Star Power, Kuo Kuang Power and Star Buck have been transferred to the Supreme Court for trial.

# Operating Situation

## Capital raising plan by issuing common shares

- Utilization of the funds from the capital increase: To repay bank loans.
- Total number of shares issued : 100,000,000 shares.
- The FSC Securities and Futures Bureau approved the filing effective on 7 March.
- Total monetary value of the issuance: Above 70% market price.

## Corporate Governance and Corporate Social Responsibility

- TCC was ranked 5% in the 8th (2021) Corporate Governance Evaluation Results.
- TCC was ranked 12th in 2022 Excellence in Corporate Social Responsibility Award.
- TCC received the 14<sup>th</sup> Taiwan Corporate Sustainability Awards :
  - TOP100 Corporate Sustainability Awards
  - Corporate Sustainability Report Awards
- 2021 Sustainability Report had confirmed by the third party and issued in English.

# 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.



## Wind & Solar Power

### Offshore Wind Power Engineering

- The onshore substations EPC project of Ørsted offshore wind farm is currently being implemented.
- The renewable energy operation and maintenance center has been completed and will strive for opportunities of engineering and work of operation and maintenance in relevant offshore wind power.
- Continue to strive for offshore wind power onshore substation EPC projects.

## Wind & Solar Power

### **Onshore Wind Power Investment**

- The wind power plant project in Changhua Fangyuan is currently undergoing environmental impact assessment survey.
- Due to the age of wind turbines, it is planned to accelerate the repowering of Miaoli Wind Co., Ltd. The environmental impact assessment survey is undergoing.



# Business Overview

## Wind & Solar Power

### **Solar Power Engineering and Investment**

- Developing the investment of Fishery and electricity symbiosis in Changhua.
- The bid for the second phase of the Wushantou floating photovoltaic project was awarded to the Star Solar.

# Business Overview

The Board of Directors of the Company approved the termination of investment for common substation with PV systems

- The Board of Directors of the Company previously approved the investment for two common substations with PV systems by subsidiary company, Star Energy Corp., which will be installed in Qigu District, Tainan City and Yizhu Township, Chiayi County. The projected monetary amount of the investment is approximately NTD 4.09 billion
- . No major impact on TCC 's finance and business.

## Retailer of Renewable Energy

- Develop new customers with renewable energy needs in the manufacturing, telecom, financial and 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 3.6 million kWh of renewable energy.
- Participate in the Energy Trading Platform and provide ancillary services.
- Continuing to strive the business of ancillary services.

# Please Advise



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