

Taiwan Cogeneration Corporation

INVESTOR CONFERENCE

2022.11.25



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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

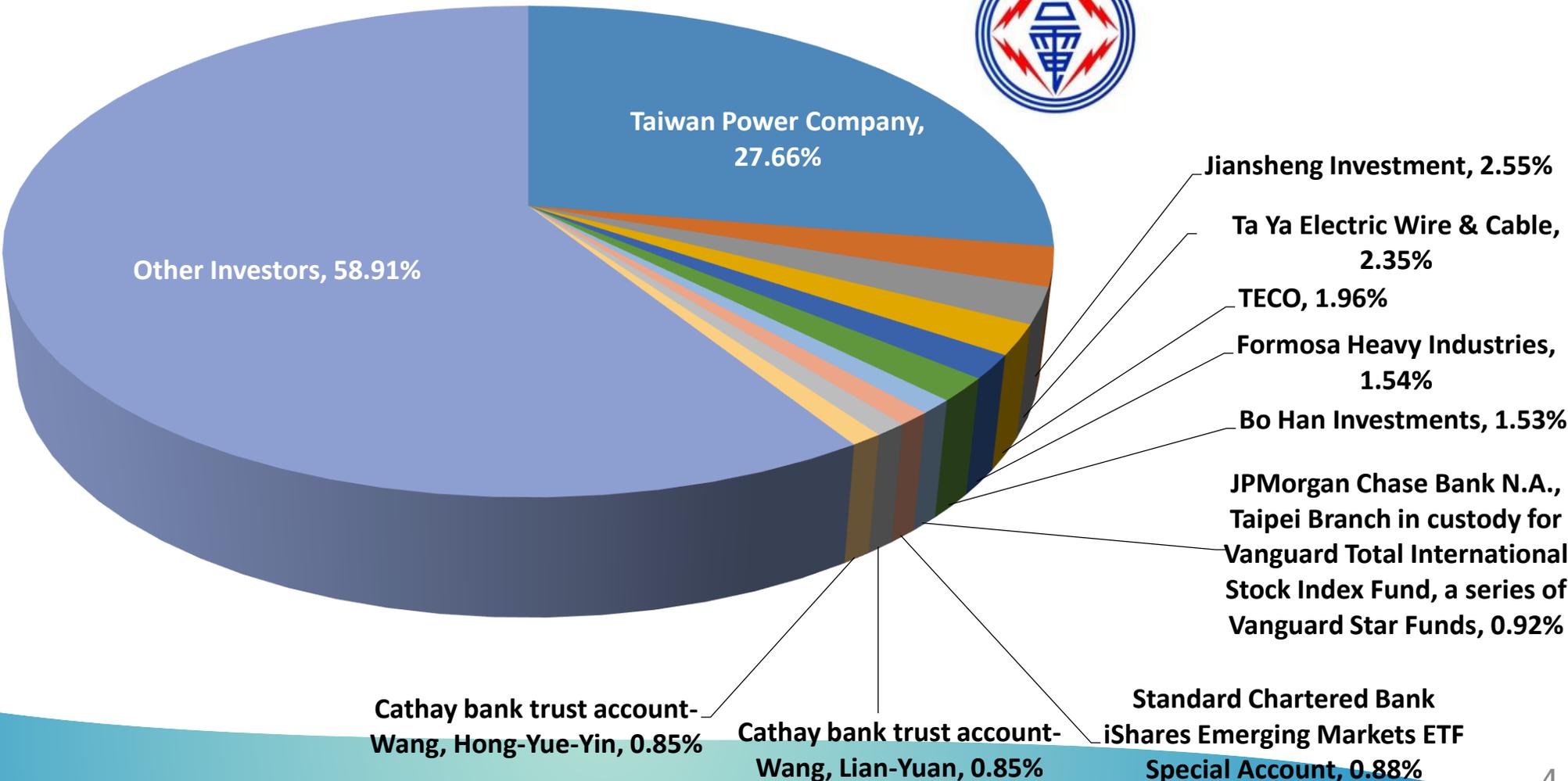
TCC was funded by several well-known domestic companies under the guidance of Ministry of Economy.

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.

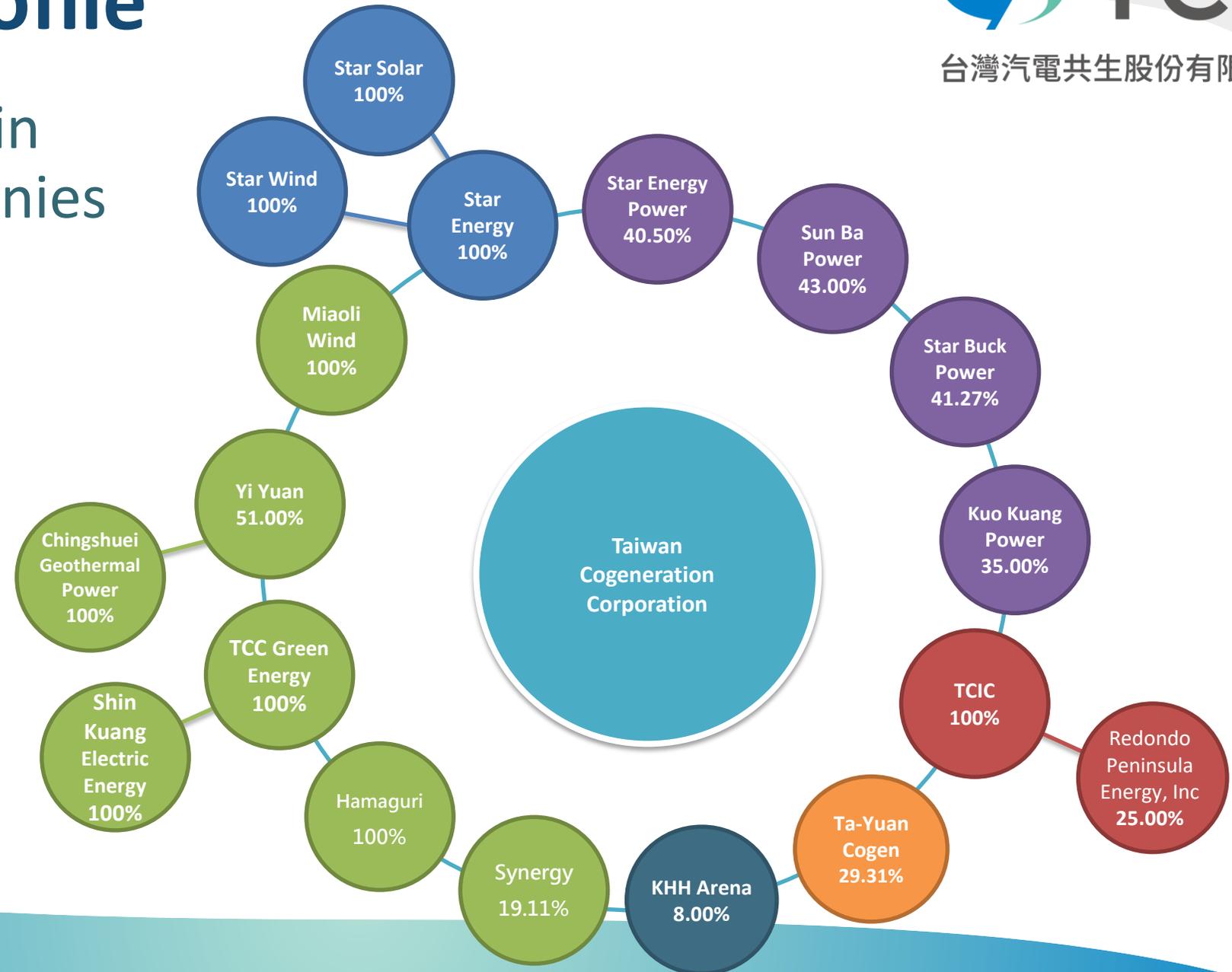
Company Profile

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.	66.5	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	2022 Q1~3	2021 Q1~3		YOY
Revenues	2,605,863	4,779,075	(2,173,212)	-45%
Costs	2,307,213	4,212,134	(1,904,921)	-45%
Realized gain on transactions with associates	11,482	22,214	(10,732)	-48%
Realized Gross Profit	310,132	589,155	(279,023)	-47%
Gross Margin	12%	12%		0%
Operating Expense	267,704	256,598	11,106	4%
Operating net profit	42,428	332,557	(290,129)	-87%
Operating net profit margin	2%	7%		-5%
Non-operating items	316,306	430,330	(114,024)	-26%
Pre-tax net profit	358,734	762,887	(404,153)	-53%
Income tax expense	(42,885)	(68,674)	25,789	-38%
Net profit	315,849	694,213	(378,364)	-55%
Net profit_Owners of the Corporation	306,689	690,491	(383,802)	-56%
EPS (NT\$)	0.52	1.17	(0.65)	-56%

Financial Statement



台灣汽電共生股份有限公司

Consolidated Balance Sheet

Unit: Thousand NTD	2022.9.30		2021.9.30	
Current Assets	5,432,590	23.4%	5,760,063	24.6%
Non Current Assets	17,791,983	76.6%	17,679,320	75.4%
Available-for-sale financial assets	267,310	1.2%	254,400	1.1%
Investments accounted for using equity method	12,556,172	54.1%	12,597,699	53.7%
Property, plant and equipment	3,173,603	13.7%	2,962,844	12.6%
Other assets	1,794,898	7.6%	1,864,377	8.0%
Total Assets	23,224,573	100.0%	23,439,383	100.0%
Current Liabilities	4,834,630	20.8%	4,791,206	20.4%
Non Current Liabilities	7,157,443	30.8%	6,884,745	29.4%
Total Liabilities	11,992,073	51.6%	11,675,951	49.8%
Shareholders Equity	11,076,750	47.8%	11,620,625	49.6%
Non-Controlling Interests	155,750	0.6%	142,807	0.6%
ROA		2%		4%
ROE		4%		8%
Current Ratio		112%		120%
Quick Ratio		63%		64%

Financial Statement



台灣汽電共生股份有限公司

Consolidated Cash Flow

Unit: Thousand NTD	2022 Q1~3	2021 Q1~3	YOY
From Operating Activities	499,702	1,248,030	(748,328)
From Investing Activities	(285,396)	(579,734)	294,338
From Financing Activities	(397,387)	55,701	(453,088)
Effect of Exchange rate	13,445	(11,280)	24,725
Net Change in Cash	(169,636)	712,717	(882,353)
Beginning Balance	2,763,822	1,603,210	1,160,612
Ending Balance	2,594,186	2,315,927	278,259

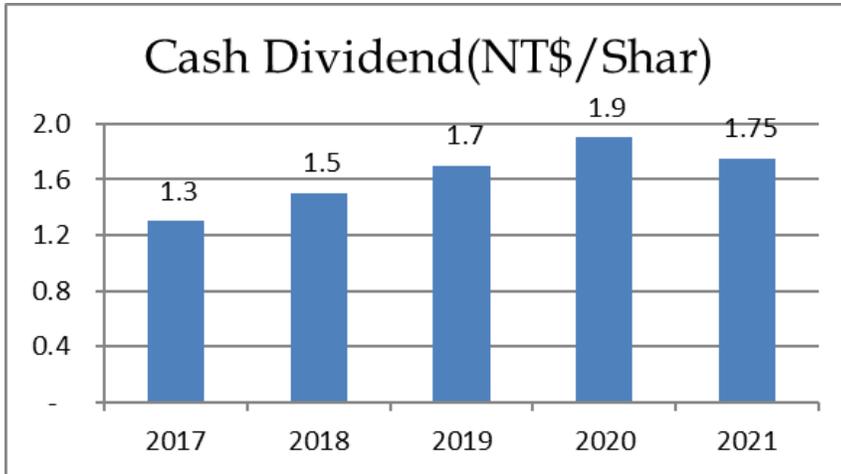
Financial Statement

Consolidated Revenue

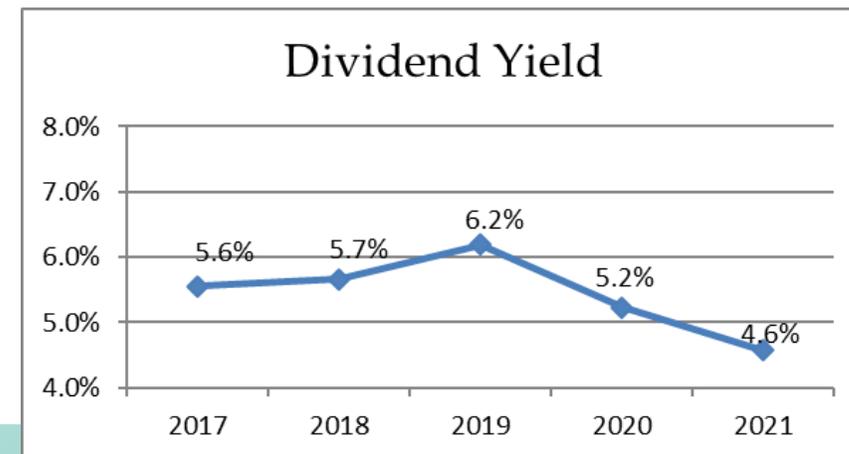
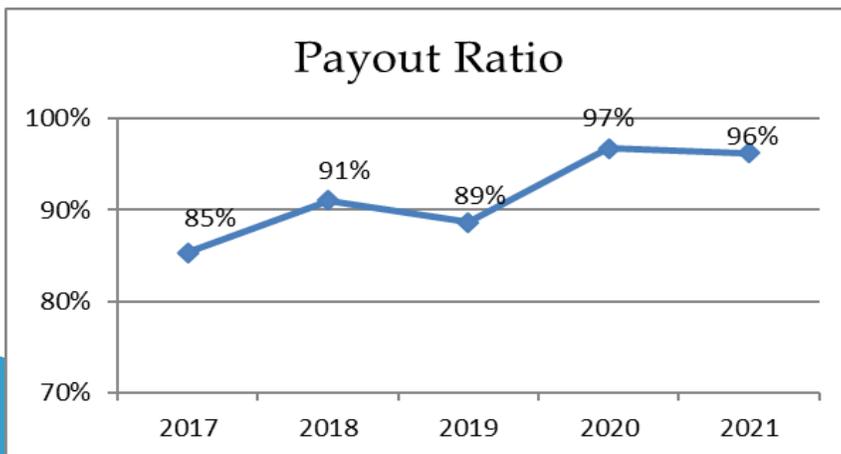
Unit: Thousand NTD	2022/1-7	2021/1-7	YOY	
Sales	1,315,346	1,046,723	268,623	26%
Research, consulting and construction services	1,627,556	4,160,438	-2,532,882	-61%
Total	2,942,902	5,207,161	-2,264,259	-43%

Financial Statement

Dividend



- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding 4.6%~6.2%



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.



Operating Situation

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.
- Impact on the Company's investment income of NTD 540 million.

	Star Power	Sun Ba power	Star Buck power	Kuo Kuang Power
pecuniary fine	392 million	489 million	1 million	371 million

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 have been transferred to the Supreme Court for trial, and the case of Star Buck is on going.

Operating Situation

Capital raising plan by issuing common shares

- Utilization of the funds from the capital increase: To repay bank loans.
- Total monetary value of the issuance and number of shares issued (shares issued not including those distributed to employees if consisting in capital increase from earnings or capital surplus):
NT\$2,000,000,000 / 100,000,000 shares
- Issue price: tentative price NT\$20 per share, and the actual issue price per share of capital raising shall be adjusted due to market conditions, in accordance with the stipulations in Article 6 of "Self-regulatory Rules for Underwriter Members of the Taiwan Securities Association to Sponsor and Counsel Offering and Issue of Securities by Issuers"

Operating Situation

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 14th 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 Star Energy Corp. has undertaken the underground cable pipe project of the onshore transmission of Taipower offshore wind farm. The project is currently being implemented.
- 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.

Business Overview

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.

Business Overview

Investigation of common substation

- To cooperate with government renewable energy policy and solve the insufficiency of feeder lines in solar PV designated area, Star Energy Corp., the subsidiary company of TCC, is planning to build two common substations with hosting capacity of 250 MW and PV systems in both Qigu District, Tainan City and Yizhu Township, Chiayi County.

The termination of investment for Grid-connected Energy Storage Systems

- TCC previously announced that the Board of Directors of the Company approved the investment for Grid-connected Energy Storage Systems, which will be installed in Yunlin.
- Due to the recent drastic changes in the market environment, including exchange rates, prices of raw materials and interest rates, the current market development environment and risks are different from the previous evaluation. Thus, TCC terminated this investment project after re-evaluation.
- TCC will continue to evaluate investment in the development and construction of energy storage systems to help expand the sources of electricity supply in the electricity market.

Business Overview

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 2.57 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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