



Taiwan Cogeneration Corporation

INVESTOR CONFERENCE

2023.5.26



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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.

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

1992

1996

2000

2011

2020

2022

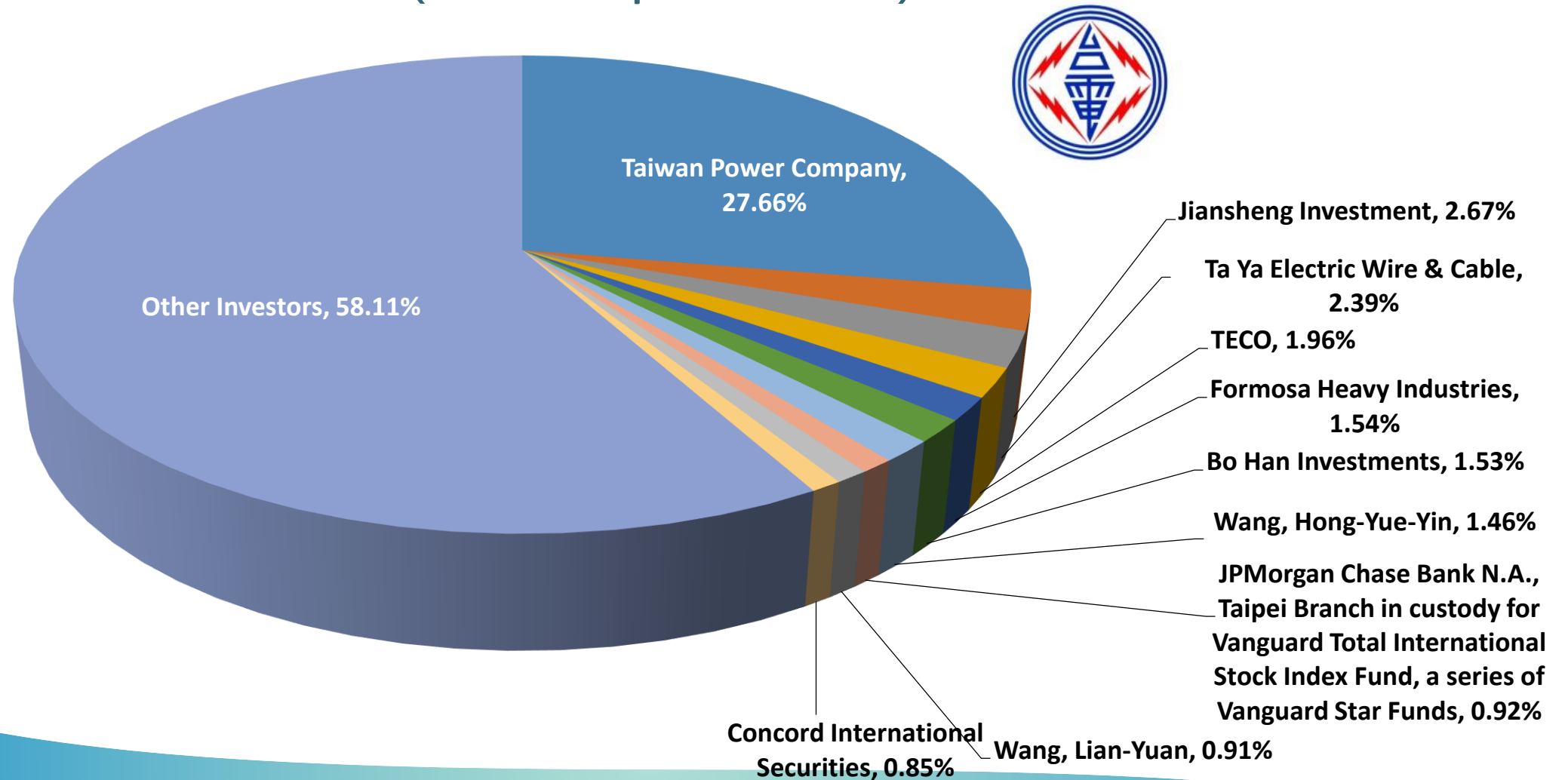
TCC was funded by several well-known domestic companies under the guidance of Ministry of Economy.

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.

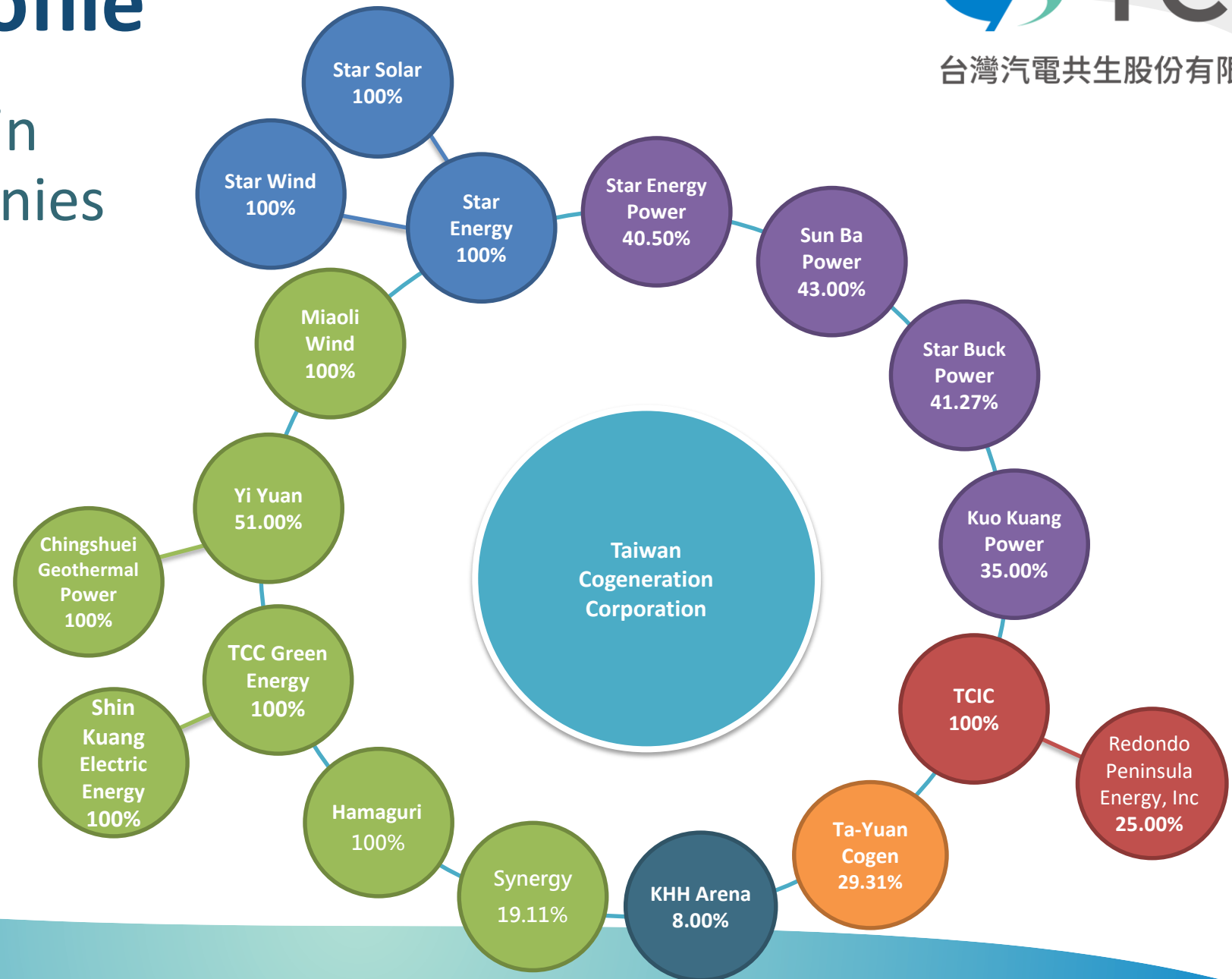
Company Profile

TCC's Shareholders (As of April 2023)



Company Profile

TCC has invested in total of 18 companies



Company Profile

Name of the Investee Company	Capital	Shareholding	Main Business
	(NT\$ Millions)	by TCC (%)	
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	2023 Q1	2022 Q1		YOY
Revenues	1,084,212	890,197	194,015	22%
Costs	916,963	803,184	113,779	14%
Realized Gain on Transactions with Associates	4,858	2,465	2,393	97%
Realized Gross Profit	172,107	89,478	82,629	92%
Gross Margin	16%	10%		6%
Operating Expense	107,473	89,894	17,579	20%
Operating Net Profit	64,634	(416)	65,050	-15637%
Operating Net Profit Margin	6%	0%		6%
Non-Operating Items	637,319	306,555	330,764	108%
Pre-Tax Net Profit	701,953	306,139	395,814	129%
Income Tax Expense	(21,882)	(18,960)	(2,922)	15%
Net Profit	680,071	287,179	392,892	137%
Net Profit_ Owners of the Corporation	677,679	282,633	395,046	140%
EPS (NT\$)	1.15	0.48	0.67	140%

Financial Statement

Consolidated Balance Sheet

Unit: Thousand NTD	2023.3.31		2022.3.31	
Current Assets	6,041,200	24.0%	5,877,694	24.5%
Non Current Assets	19,134,068	76.0%	18,090,686	75.4%
Available-for-sale Financial Assets	264,120	1.0%	272,510	1.1%
Investments Accounted for Using Equity Method	13,672,877	54.3%	12,902,975	53.8%
Property, Plant and Equipment	3,403,923	13.5%	3,082,126	12.9%
Other Assets	1,793,148	7.2%	1,833,075	7.6%
Total Assets	25,175,268	100.0%	23,968,380	99.9%
Current Liabilities	6,422,964	25.6%	5,398,891	22.5%
Non Current Liabilities	6,226,108	24.8%	6,307,254	26.3%
Total Liabilities	12,649,072	50.4%	11,706,145	48.8%
Shareholders Equity	12,366,973	49.1%	12,111,099	50.5%
Non-Controlling Interests	159,223	0.5%	151,136	0.6%
ROA	11%		5%	
ROE	22%		9%	
Current Ratio	94%		109%	
Quick Ratio	59%		62%	

Financial Statement

Consolidated Cash Flow

Unit: Thousand NTD	2023 Q1	2022 Q1	YOY
From Operating Activities	(10,998)	87,846	(98,844)
From Investing Activities	(238,110)	37,415	(275,525)
From Financing Activities	(67,621)	(197,368)	129,747
Effect of Exchange Rate	11,521	7,131	4,390
Net Change in Cash	(305,208)	(64,976)	(240,232)
Beginning Balance	<u>3,734,653</u>	<u>2,763,822</u>	970,831
Ending Balance	<u>3,429,445</u>	<u>2,698,846</u>	730,599

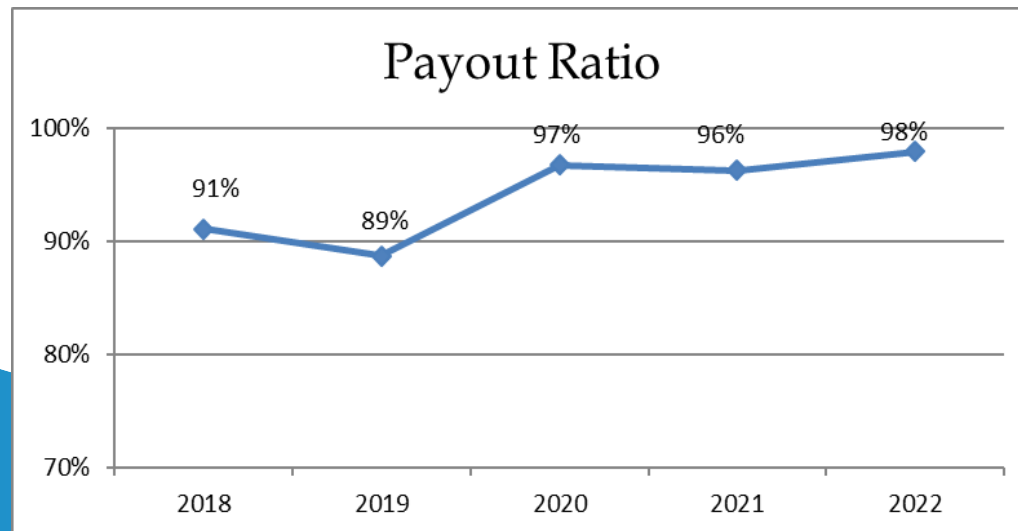
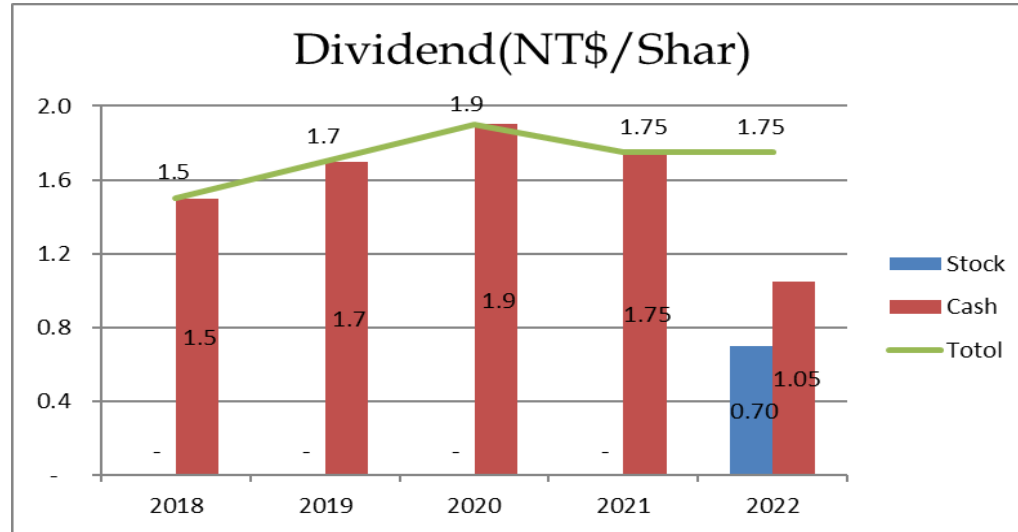
Financial Statement

Consolidated Revenue

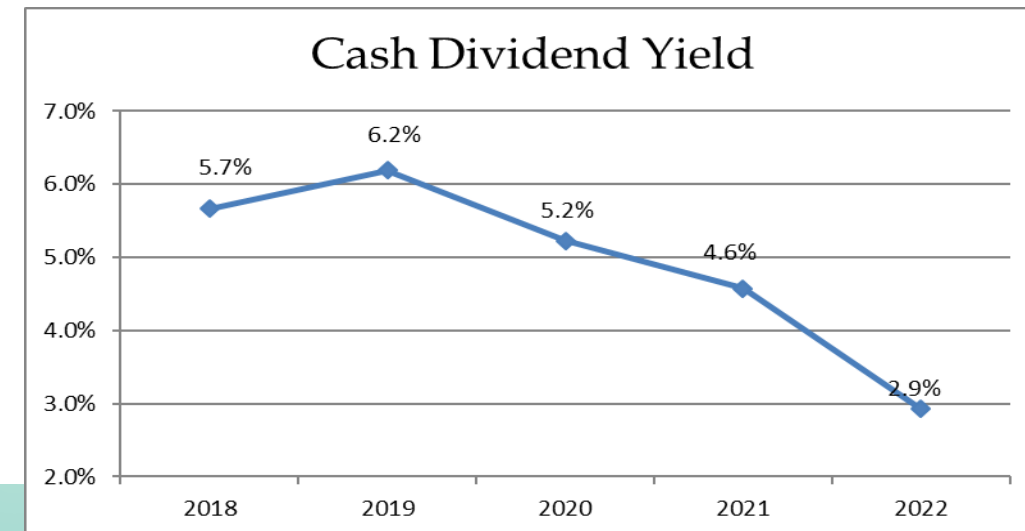
Unit: Thousand NTD	2023/1-4	2022/1-4	YOY	
Sales	568,653	439,632	129,021	29%
Research, Consulting and Construction Services	905,294	855,073	50,221	6%
Total	1,473,947	1,294,705	179,242	14%

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

Guan Tian Cogeneration Plant

- Optimize circular economy by increasing usage of scrap tires.
- Evaluate alternative fuels.
- Upgrade and extend the service life of generator units.



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 zero emissions power generation

- Investigate and design implementation of Hydrogen Energy and Carbon Capture, Utilization and Storage (CCUS) to reach the goal of power generation with zero carbon emissions.



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.

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.

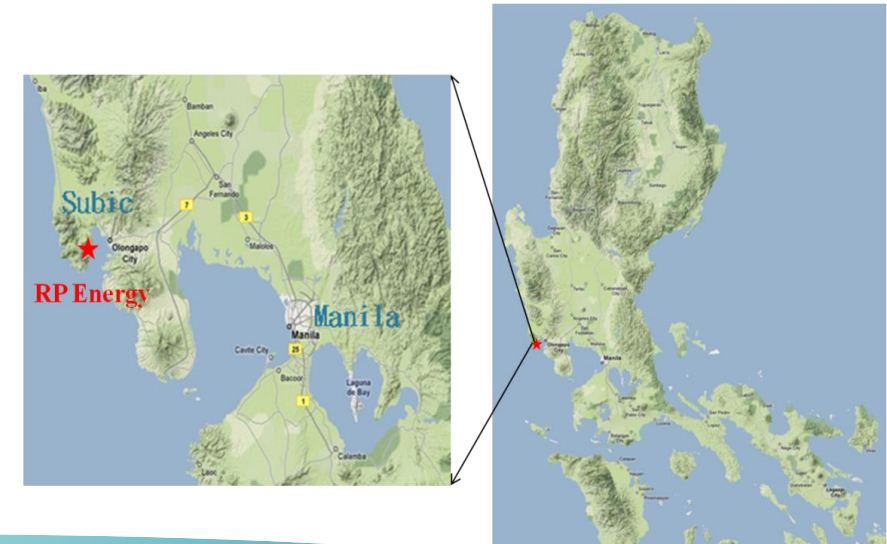
Corporate Governance and Corporate Social Responsibility

- 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.
- 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
- 2022 Sustainability Report had been confirmed by the third party in May and will be issued in 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.



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.

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 environmental impact assessment survey is undergoing.

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.

Retailer of Renewable Energy

- Fulfill renewable energy needs of more than 13 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 380 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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