



Taiwan Cogeneration Corporation

INVESTOR CONFERENCE

2024.3.20



Presentation Content

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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

Development Track

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

TCC listed in 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.

1992

1996

2000

2003

2011

2020

2022

Future Outlook

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

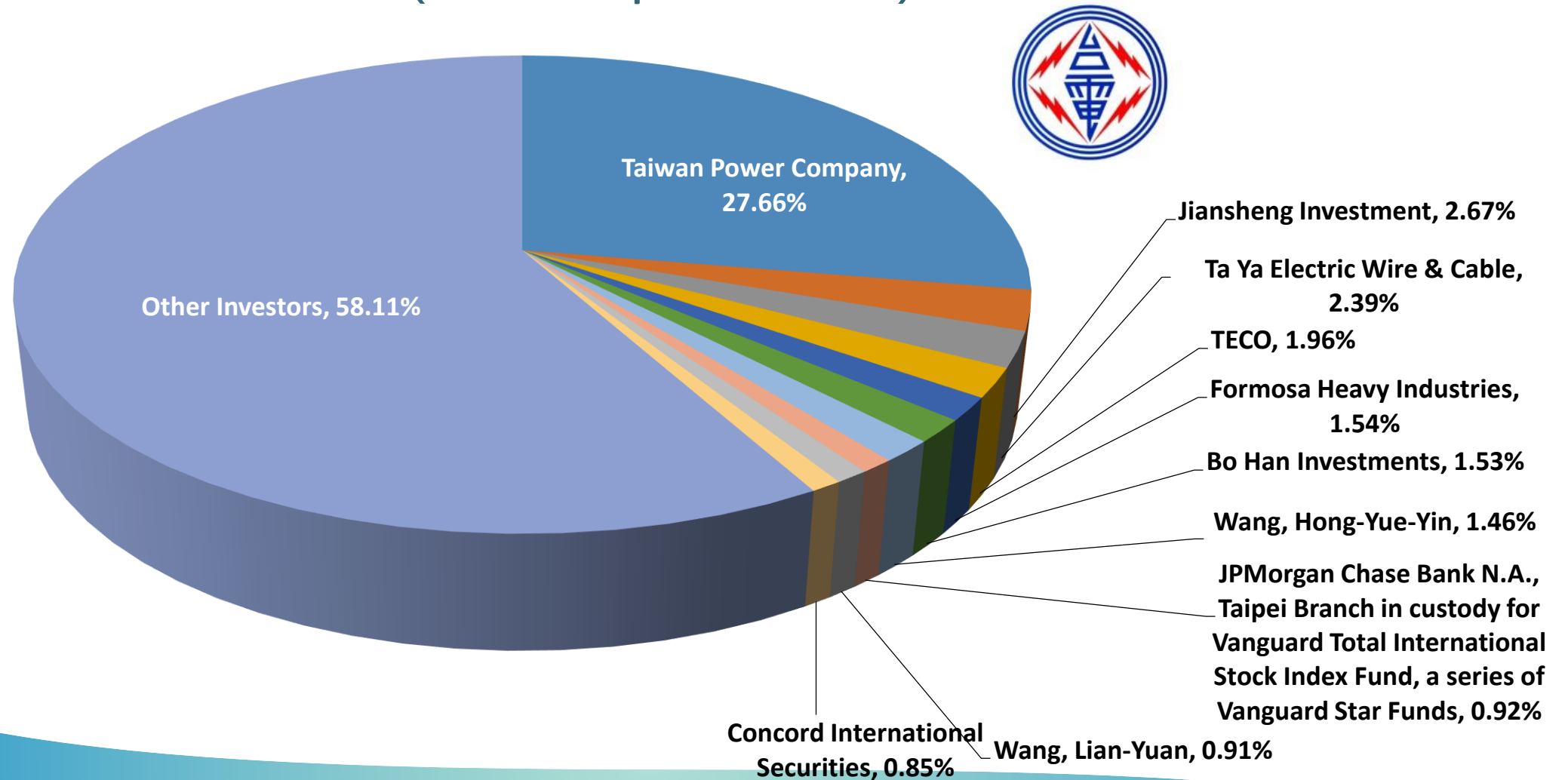
TCC has invested Star energy/Sun Ba/Star Buck 3 IPPs.

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

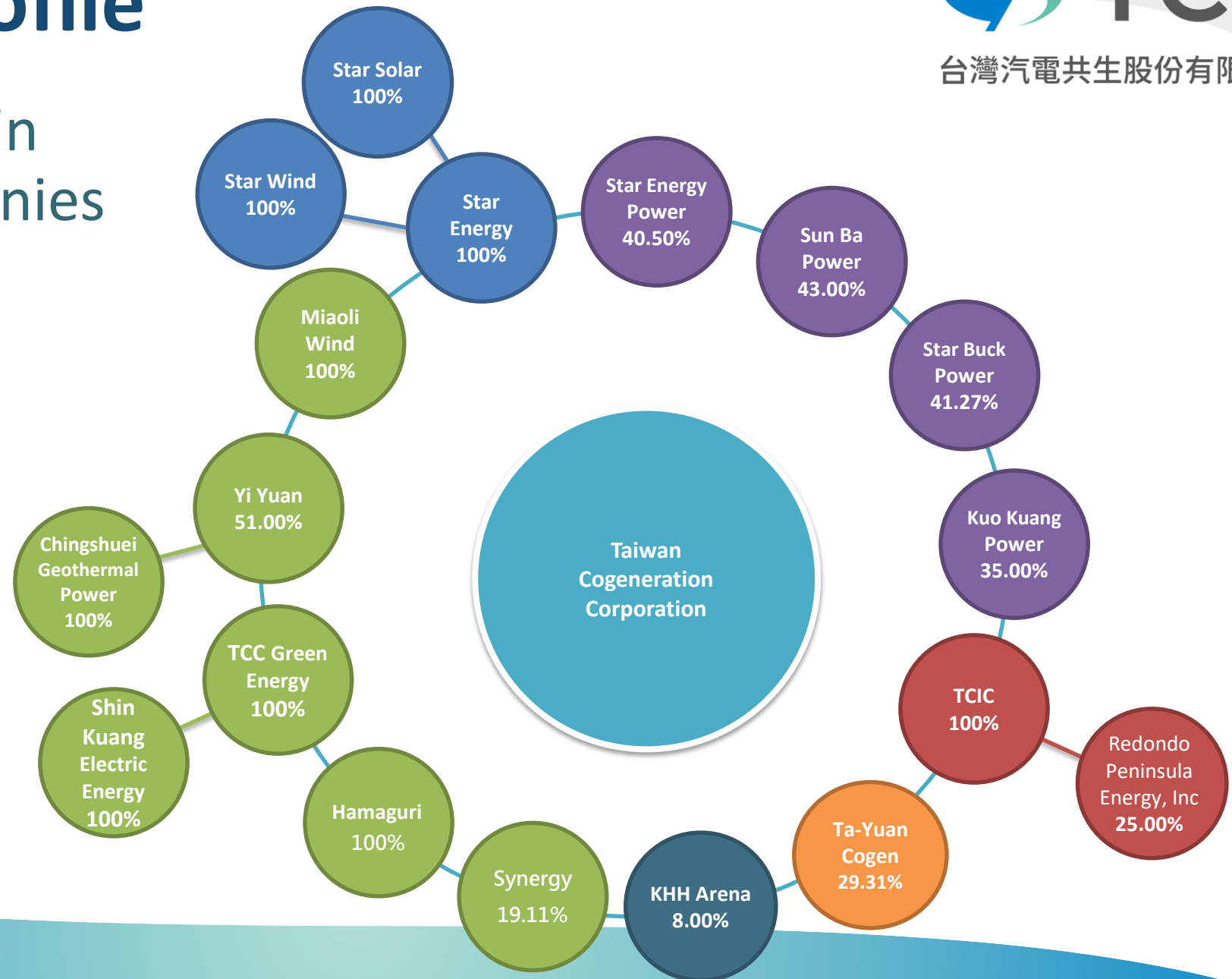
Company Profile

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 | 12,000 | 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. | 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

Consolidated Income Statement

| Unit: Thousand NTD | 2023 Y | 2022 Y | YOY |
|---|-----------|-----------|-----------------|
| Revenues | 5,348,402 | 4,668,881 | 679,521 15% |
| Costs | 4,805,144 | 4,040,655 | 764,489 19% |
| Realized Gain on Transactions with Associates | (23,699) | 9,355 | (33,054) -353% |
| Realized Gross Profit | 519,559 | 637,581 | (118,022) -19% |
| Gross Margin | 10% | 14% | -4% |
| Operating Expense | 535,940 | 401,716 | 134,224 33% |
| Operating Net Profit | (16,381) | 235,865 | (252,246) -107% |
| Operating Net Profit Margin | 0% | 5% | -5% |
| Non-Operating Items | 1,319,599 | 770,013 | 549,586 71% |
| Pre-Tax Net Profit | 1,303,218 | 1,005,878 | 297,340 30% |
| Income Tax Expense | (60,833) | (88,863) | 28,030 -32% |
| Net Profit | 1,242,385 | 917,015 | 325,370 35% |
| Net Profit_ Owners of the Corporation | 1,252,275 | 906,774 | 345,501 38% |
| EPS (NT\$) | 1.82 | 1.44 | 0.38 26% |

Financial Statement

Consolidated Balance Sheet

| Unit: Thousand NTD | 2023.12.31 | | 2022.12.31 | |
|---|------------|--------|------------|--------|
| Current Assets | 5,831,001 | 22.3% | 6,636,204 | 26.6% |
| Non Current Assets | 20,324,012 | 77.7% | 18,340,196 | 73.4% |
| Available-for-sale Financial Assets | 270,054 | 1.0% | 277,120 | 1.1% |
| Investments Accounted for Using Equity Method | 14,000,694 | 53.5% | 13,004,719 | 52.1% |
| Property, Plant and Equipment | 4,286,965 | 16.4% | 3,231,917 | 12.9% |
| Other Assets | 1,766,299 | 6.8% | 1,826,440 | 7.3% |
| Total Assets | 26,155,013 | 100.0% | 24,976,400 | 100.0% |
| Current Liabilities | 5,620,730 | 21.5% | 6,700,437 | 26.9% |
| Non Current Liabilities | 4,946,617 | 19.0% | 6,425,723 | 25.8% |
| Total Liabilities | 10,567,347 | 40.5% | 13,126,160 | 52.7% |
| Shareholders Equity | 15,449,572 | 59.0% | 11,693,409 | 46.8% |
| Non-Controlling Interests | 138,094 | 0.5% | 156,831 | 0.5% |
| ROA | 5% | | 4% | |
| ROE | 9% | | 8% | |
| Current Ratio | 104% | | 99% | |
| Quick Ratio | 63% | | 67% | |

Financial Statement

Consolidated Cash Flow

| Unit: Thousand NTD | 2023 Y | 2022 Y | YOY |
|----------------------------------|------------------|------------------|-------------|
| From Operating Activities | (92,746) | 1,789,361 | (1,882,107) |
| From Investing Activities | (1,740,378) | (482,608) | (1,257,770) |
| From Financing Activities | 20,110 | (343,007) | 363,117 |
| Effect of Exchange Rate | 1,183 | 7,085 | (5,902) |
| Net Change in Cash | (1,811,831) | 970,831 | (2,782,662) |
| Beginning Balance | <u>3,734,653</u> | <u>2,763,822</u> | 970,831 |
| Ending Balance | <u>1,922,822</u> | <u>3,734,653</u> | (1,811,831) |

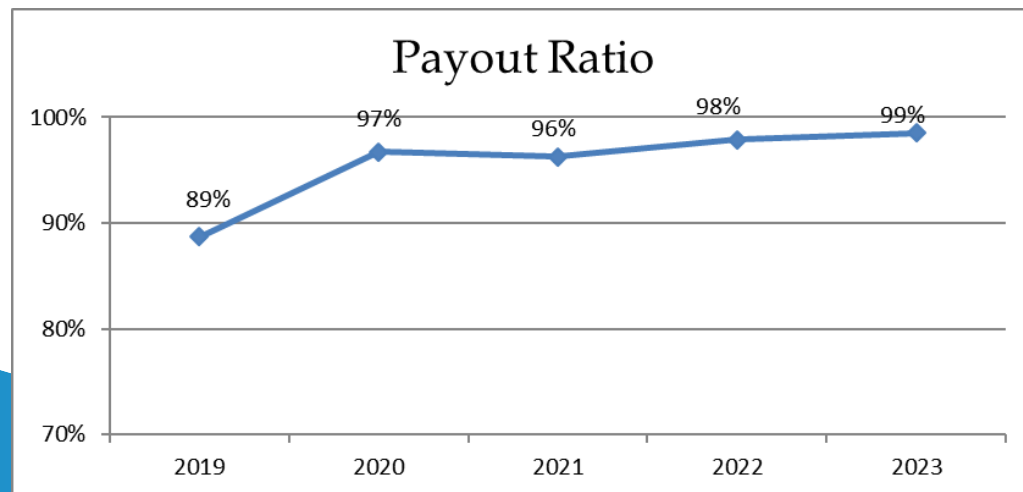
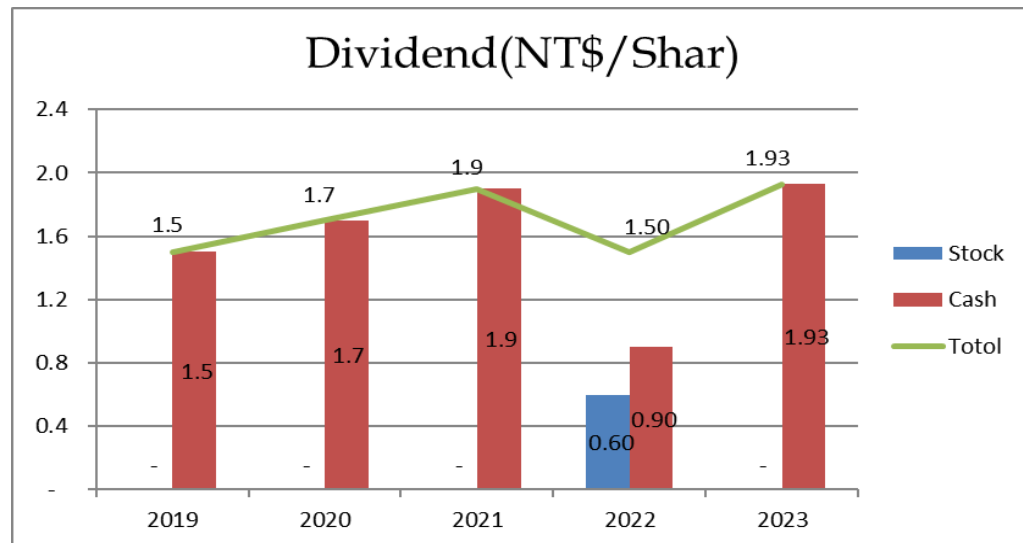
Financial Statement

Consolidated Revenue

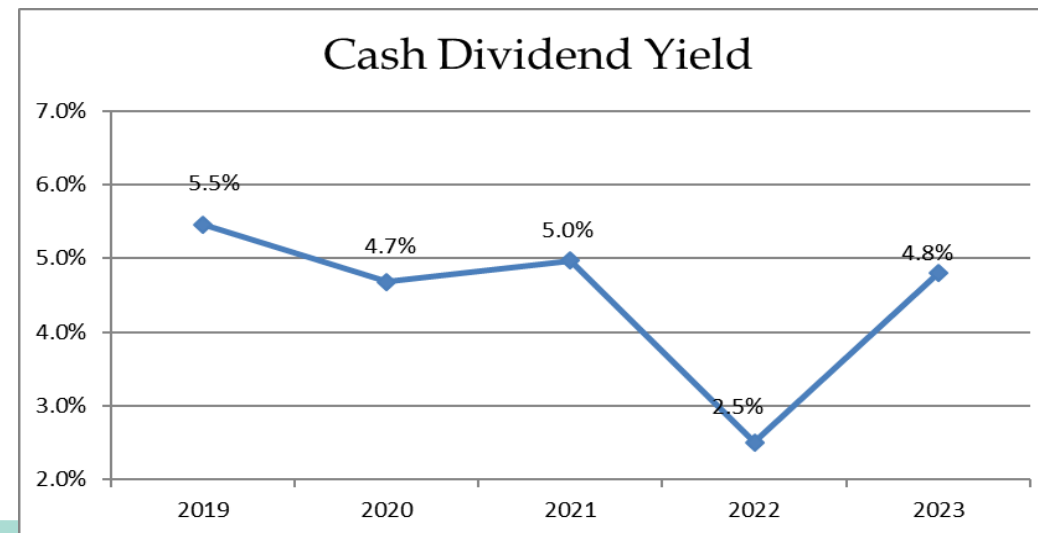
| Unit: Thousand NTD | 2024/1-2 | 2023/1-2 | YOY | |
|---|-----------|----------|-----------|------|
| Sales | 230,562 | 336,838 | (106,276) | -32% |
| Research, Consulting and Construction Services | 1,041,755 | 365,517 | 676,238 | 185% |
| Total | 1,272,317 | 702,355 | 569,962 | 81% |

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

Short-term:

A

- Increase the usage of alternative fuels such as scrap tires and SRF.
- Developing strategies in response to the carbon tax issue.

Medium to Long-term:

B

- 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
- 3) Response to PPA (Power Purchase Agreement) Expiry.
 - Discussion of IPP's future business direction and strategy



3) Concerted action decision made by Fair Trade Committee

- Regarding to the retrial, the Supreme Administrative Court transferred the part concerning the competitive relationship of the concerted actions proposed by Sun Ba and Star Energy to the Taipei High Administrative Court for further review. The part concerning the consent of the concerted actions proposed was rejected for retrial.
- As for the Star Buck, the appeal for retrial was dismissed.

3) Taipower's damage claim

- For civil lawsuits, the case for Sun Ba Power and Star Energy Power have been transferred to the Supreme Court for trial. The case for Star Buck Energy, the Supreme Court ruled to annul the original judgment and remanded it to the High Court for trial.

Operating Situation

Corporate Governance and Corporate Social Responsibility

- Social Participation Activity: Joining the CommonWealth Magazine Reading Program.
- GHG inventories: TCC has conducted GHG inventory and verification planning in accordance with regulations, and has established an internal inventory mechanism.



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.
 - Considering that there is currently no specific feasible plan for this case, TCC has recognized impairment losses for all unfinished construction assets on the RPE account, amounting to 612 million PHP (equivalent to approximately 87 million NTD based on the TCC's shareholding).
- 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.
 - KKPC is currently conducting an environmental impact assessment review.



Wind & Solar Power

Offshore Wind Power Engineering

- The 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 Chunan Wind Farm has obtained the Environmental Impact Assessment (EIA) approval letter, while the Dapong Wind Farm's EIA process is ongoing.

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

- TCC Green Energy is the only company of renewable energy retailing enterprise to supply wind power, solar power and hydroelectric power, and has sold about 500 million kWh of renewable energy, and has signed CPPA agreements for a total supply volume of approximately 4.5 billion kWh, making it the leading supplier in terms of supply volume.
- The number of customers continues to increase. Recently, we have completed CPPA with the Taiwan Stock Exchange and other industry benchmarks. Additionally, we have signed a power purchase agreement with Cathay Power, increasing our sources of renewable energy supply.
- Participate in the Energy Trading Platform and provide ancillary services.
- Continue to strive the business of ancillary services.

Please Advise



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