

Taiwan Cogeneration Corporation

INVESTOR CONFERENCE

2024.3.20



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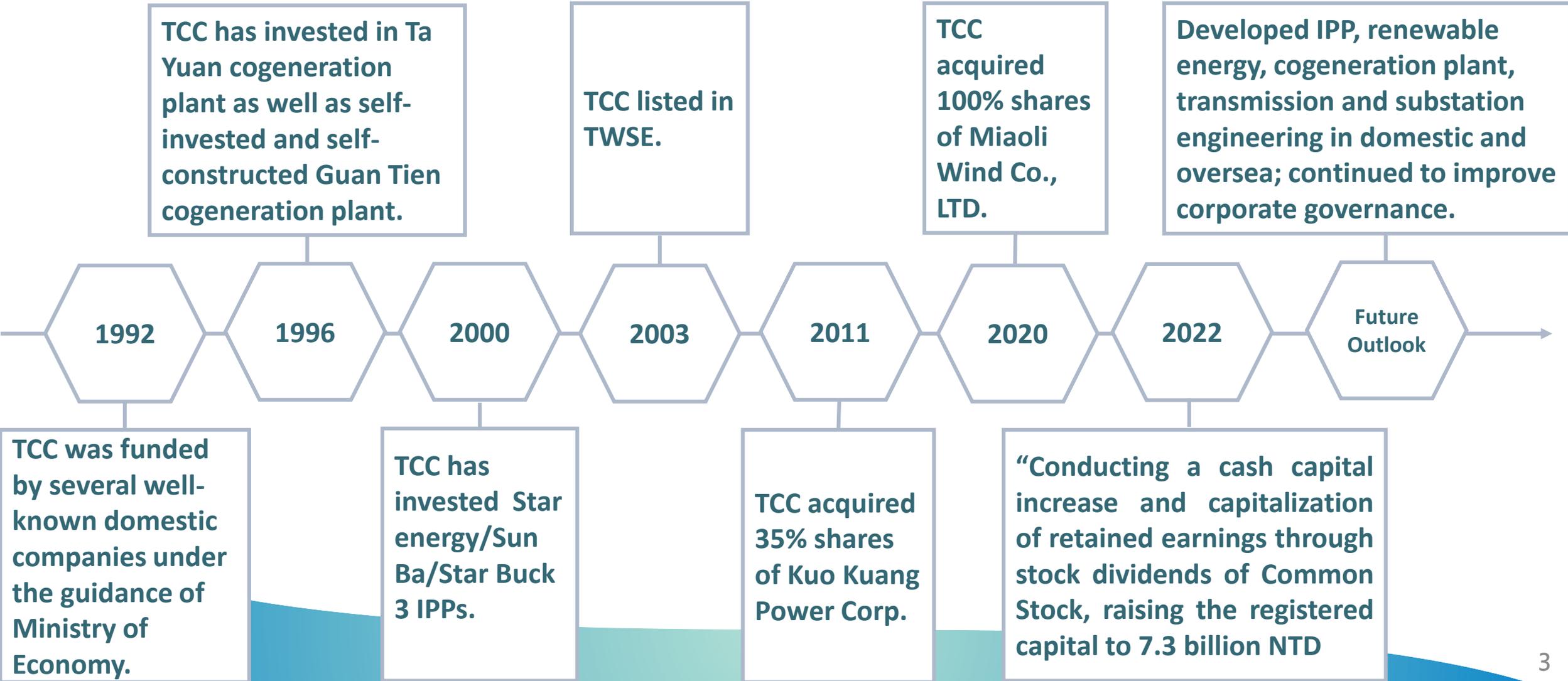
Company Profile

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

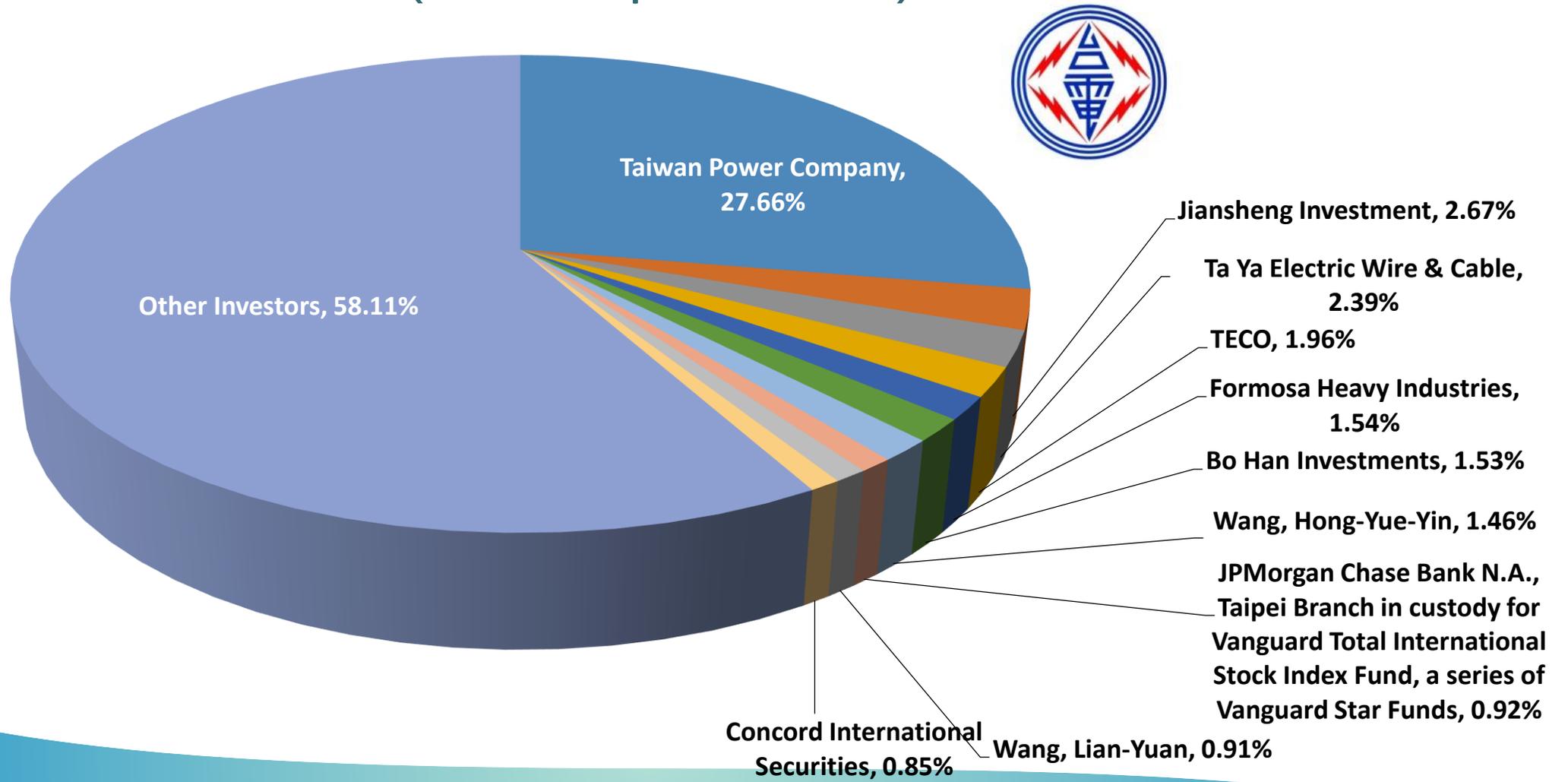
Company Profile

Development Track



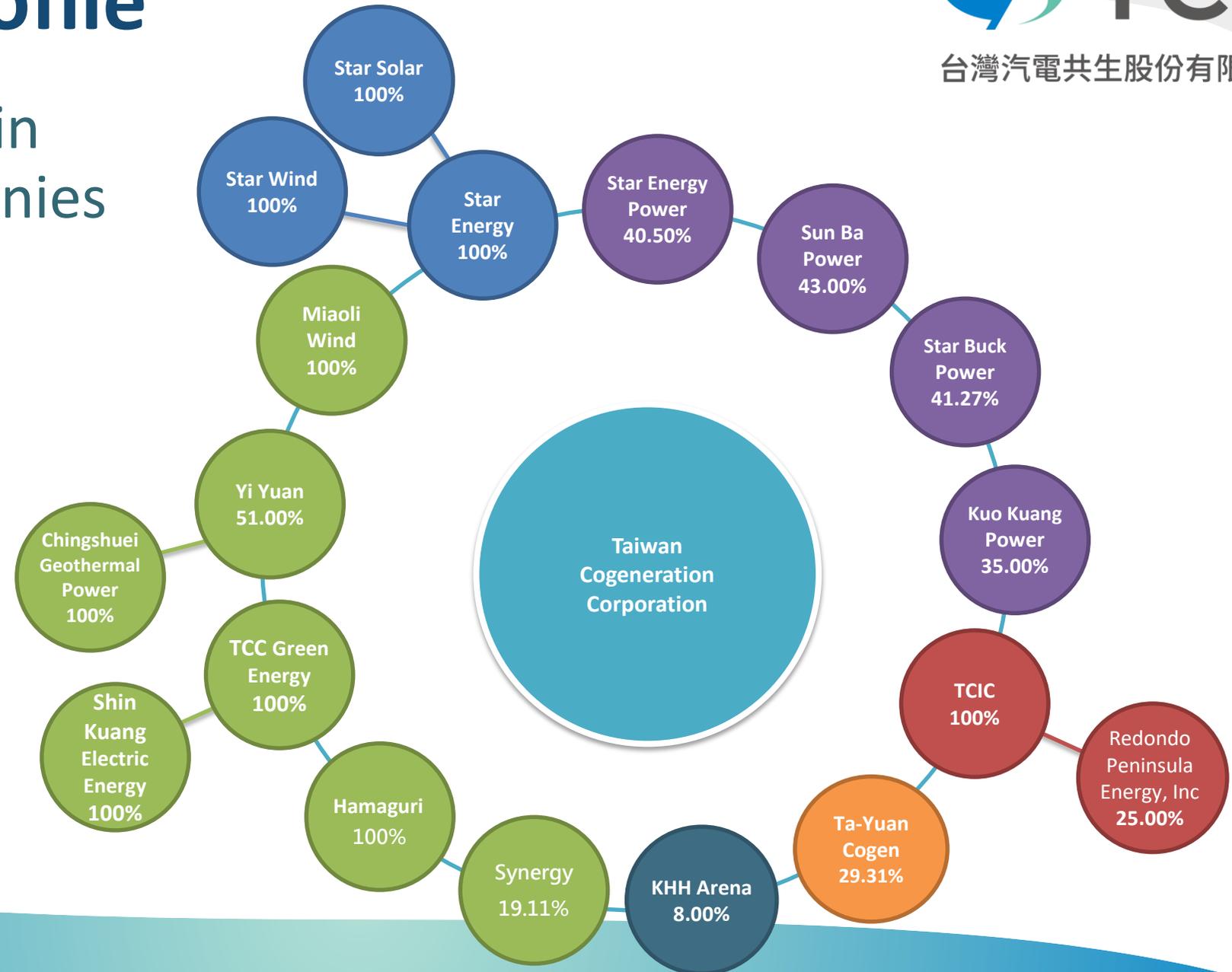
Company Profile

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	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



台灣汽電共生股份有限公司

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



台灣汽電共生股份有限公司

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



台灣汽電共生股份有限公司

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)

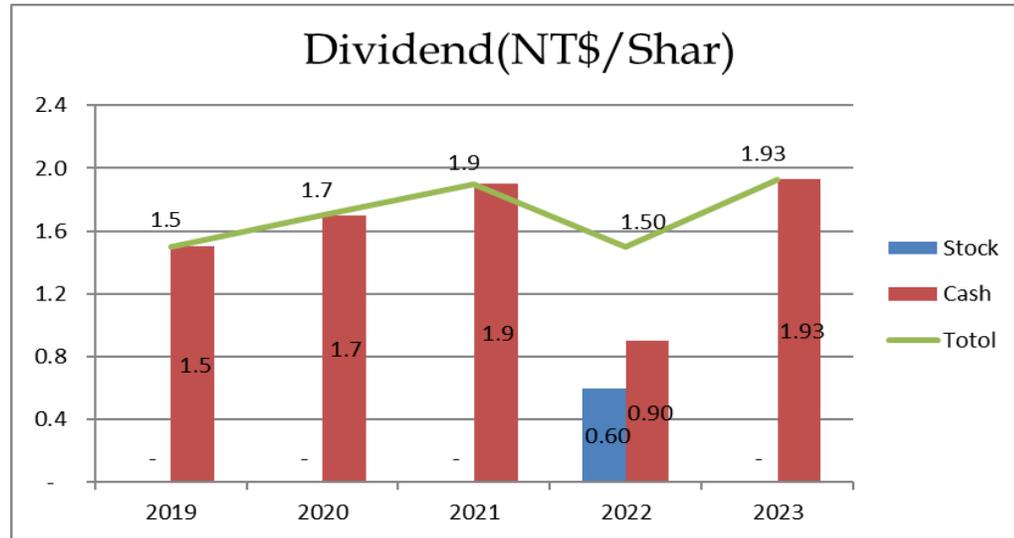
Financial Statement

Consolidated Revenue

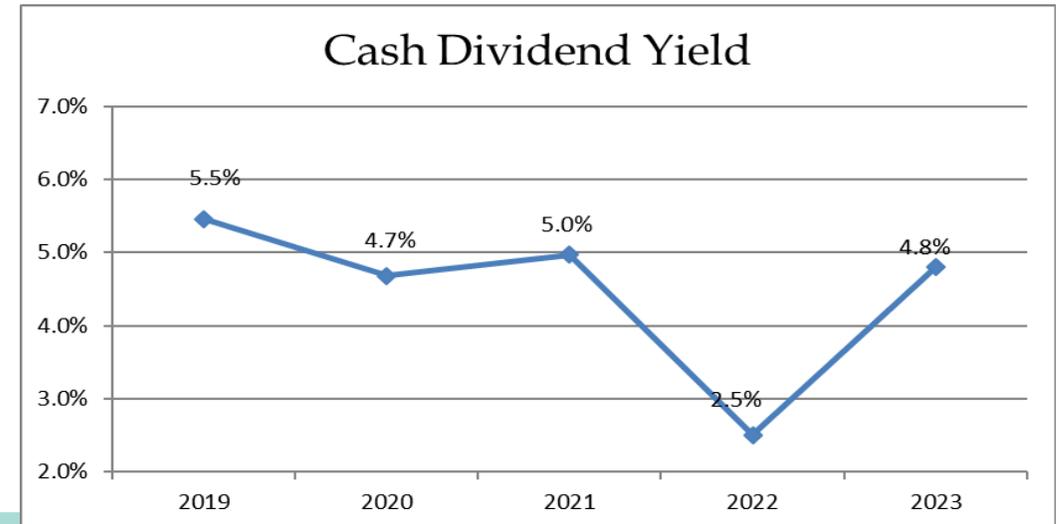
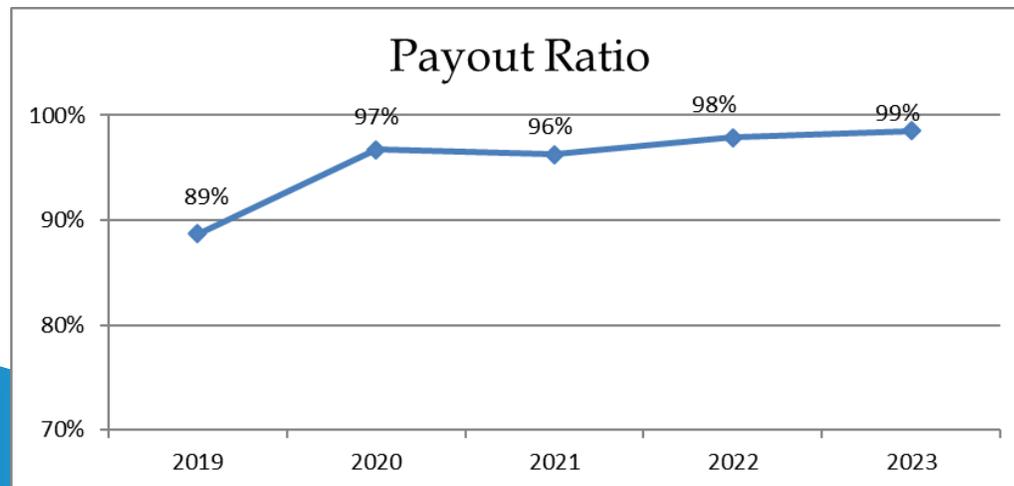
Unit: Thousand NTD	2024/1-2	2023/1-2		YOY
Sales	230,562	336,838	(106,276)	-32%
Research, Consulting and Construction Services	1,041,755	365,517	676,238	185%
Total	1,272,317	702,355	569,962	81%

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



Operating Situation

IPPS

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.

Operating Situation

IPPS

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.

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.

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

- 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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