



Taiwan Cogeneration Corporation

INVESTOR CONFERENCE

2019.3.29



TAIWAN COGEN

Presentation Content



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一、Company Profile



(一) Company basic information

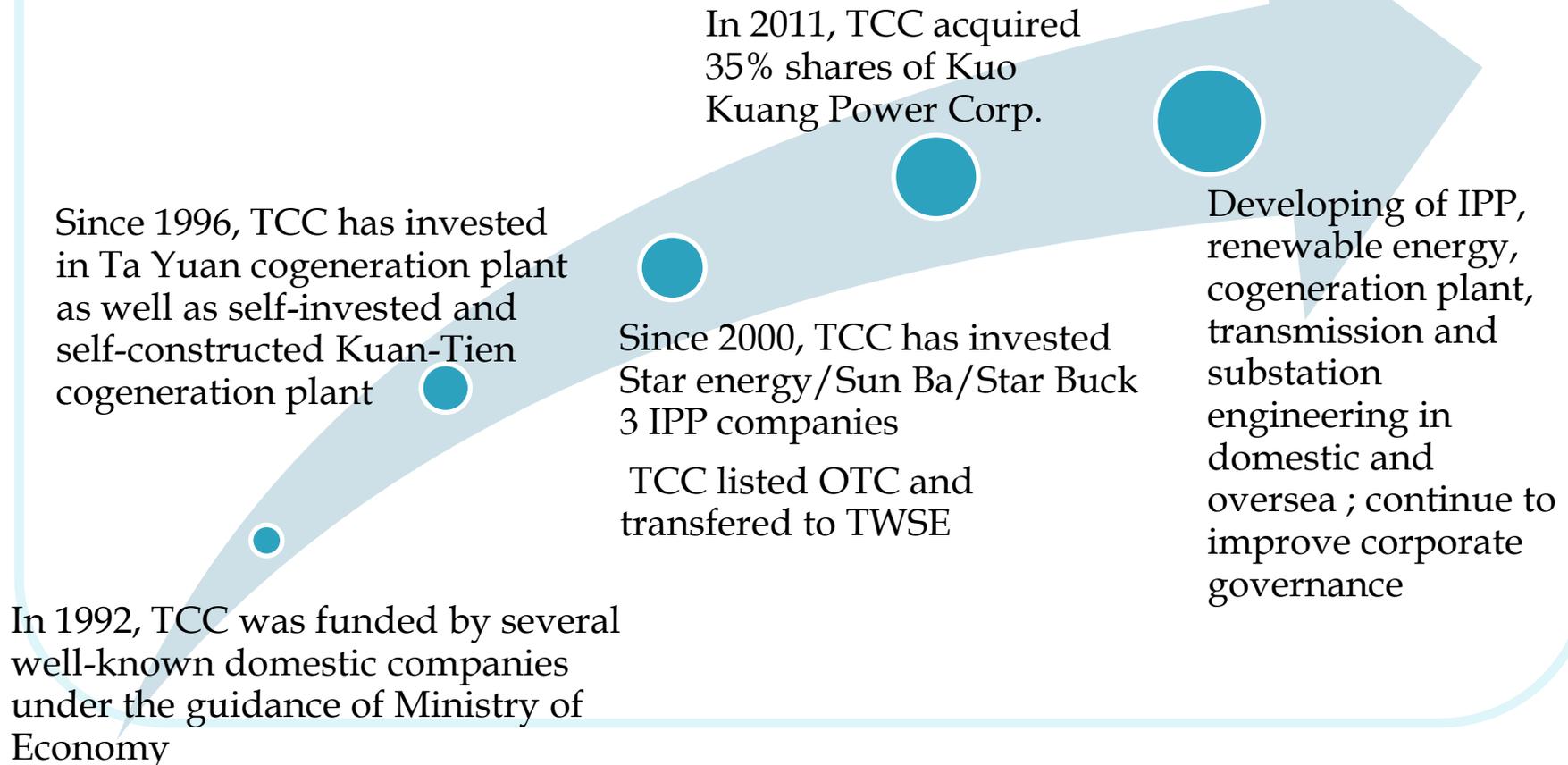
- **Company Name : Taiwan Cogeneration Corporation (TCC)**
- **Chairman : Michael, Min-Chieh Chang**
- **Date of establishment : 1992**
- **Date of Listing : 2003 (Code: 8926)**
- **Capital : NT\$5.89 Billions**
- **Main business : Power Industry**
 - ✓ Power generation business
 - ✓ Engineering business
 - ✓ Investment business

一、Company Profile (continued)



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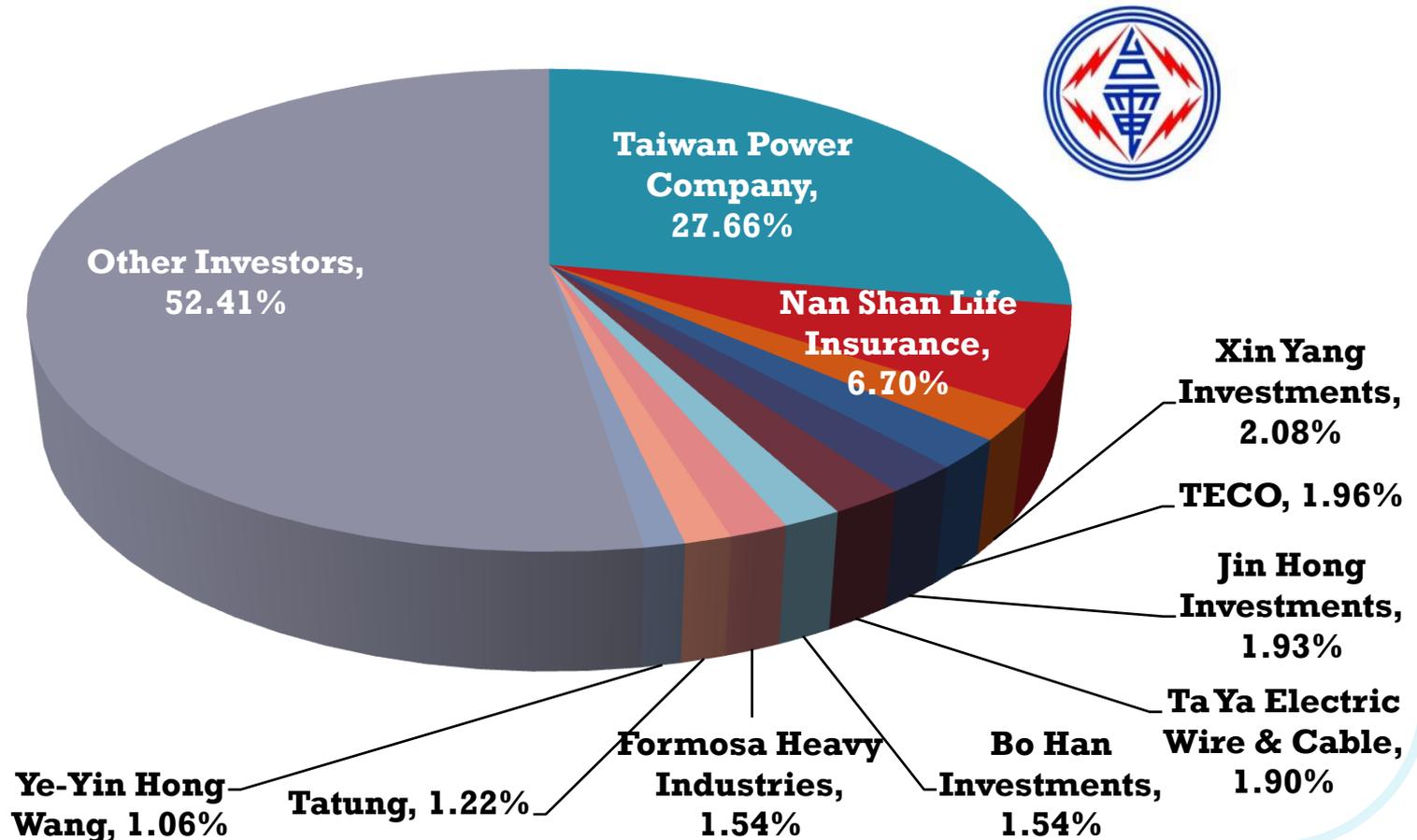
(二) Development track



一、Company Profile (continued)



(三) TCC's Shareholders (As of April 2018)



一、Company Profile (continued)



TCC has invested in total of 14 companies



一、Company Profile (continued)



Name of the investee company	Capital (NT\$ Millions)	Shareholding by TCC (%)	Main business
Ta Yuan Cogeneration Corporation	1,164	29%	Operation of Cogeneration Plant (68.4MW)
Star energy Power Corporation	3,000	41%	Operation of gas-fired Power plant (490MW)
Sun Ba Power Corporation	6,000	43%	Operation of gas-fired Power plant (980MW)
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	630	100%	Construction and engineering service for power, renewable energy related
Shinlee Products Inc.	40	41%	Engineering service and international trading
Starbao Power Corporation	20	100%	Wind power
Taiwan Cogeneration International Corp.	685	100%	Oversea investment
Redondo Peninsula Energy, Inc.	2,293	25%	Development of coal-fired power plant (600MW) in Subic Bay, Philippines
Kaohsiung Arena Development Corp.	2,500	8%	Operation of Kaohsiung Arena and its related facilities
Yi Yuan Corporation	300	51%	Investment of geothermal power
TCC Green Energy Corporation	85	100%	Investment of green energy
Shin Kuang Electric Energy Co. Ltd.	80	100%	Solar power

二、Financial Statement

(一) Consolidated Income Statement



Unit: Thousand NTD	2018 Y	2017 Y		YOY
Revenues	3,814,274	1,209,414	2,604,860	215%
Costs	3,368,139	931,140	2,436,999	262%
Realized gain on transactions with associates	31,190	31,871	(681)	-2%
Realized Gross Profit	477,325	310,145	167,180	54%
Gross Margin	13%	26%		-13%
Operating Expense	214,531	210,882	3,649	2%
Operating net profit	262,794	99,263	163,531	165%
Operating net profit margin	7%	8%		-1%
Non-operating items	413,374	888,279	(474,905)	-53%
Pre-tax net profit	676,168	987,542	(311,374)	-32%
Income tax expense	(7,304)	(20,475)	13,171	-64%
Net profit	668,864	967,067	(298,203)	-31%
Net profit_Owners of the Corporation	672,295	971,874	(299,579)	-31%
EPS (NT\$)	1.14	1.65	(0.51)	-31%

三、Financial Statement(continued)

(二) Consolidated Balance Sheet



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Unit: Thousand NTD	2018.12.31		2017.12.31	
Current Assets	2,929,066	17.5%	1,351,555	8.9%
Non Current Assets	13,832,200	82.5%	13,899,759	91.1%
Available-for-sale financial assets	247,000	1.5%	225,800	1.5%
Investments accounted for using equity method	12,545,053	74.8%	12,986,682	85.2%
Property, plant and equipment	849,782	5.1%	568,045	3.7%
Other assets	190,365	1.1%	119,232	0.7%
Total Assets	16,761,266	100.0%	15,251,314	100.0%
Current Liabilities	2,191,523	13.1%	640,532	4.2%
Non Current Liabilities	2,699,177	16.1%	2,732,562	18.0%
Total Liabilities	4,890,700	29.2%	3,373,094	22.2%
Shareholders Equity	11,731,804	70.0%	11,858,527	77.8%
Non-Controlling Interests	138,762	0.8%	19,693	0.0%
ROA		4%		7%
ROE		6%		8%
Current Ratio		134%		211%
Quick Ratio		67%		159%

三、Financial Statement(continued)

(三) Consolidated Cash Flow



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Unit: Thousand NTD	2018 Y	2017 Y	YOY
From Operating Activities	577,422	782,995	(205,573)
From Investing Activities	(323,104)	(355,378)	32,274
From Financing Activities	10,275	(605,840)	616,115
Effect of Exchange rate	(291)	(7,252)	6,961
Net Change in Cash	264,302	(185,475)	449,777
Beginning Balance	<u>832,418</u>	<u>1,017,893</u>	(185,475)
Ending Balance	<u>1,096,720</u>	<u>832,418</u>	264,302

三、Financial Statement(continued)

(四) Consolidated revenue



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Unit: Thousand NTD	2019/1-2	2018/1-2		YOY
Sales	241,323	273,252	(31,929)	-12%
Research, consulting and construction services	355,066	397,095	(42,029)	-11%
Total	113,743	123,843	(10,100)	-8%

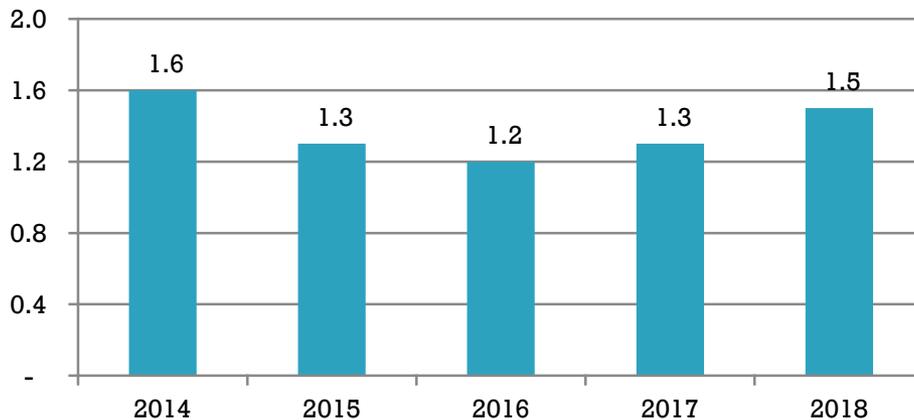
三、Financial Statement(continued)

(五) Dividend



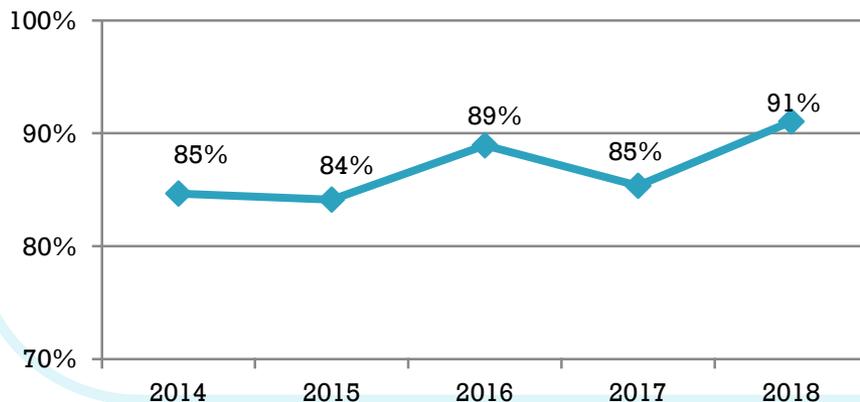
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Cash Dividend(NT\$/Shar)

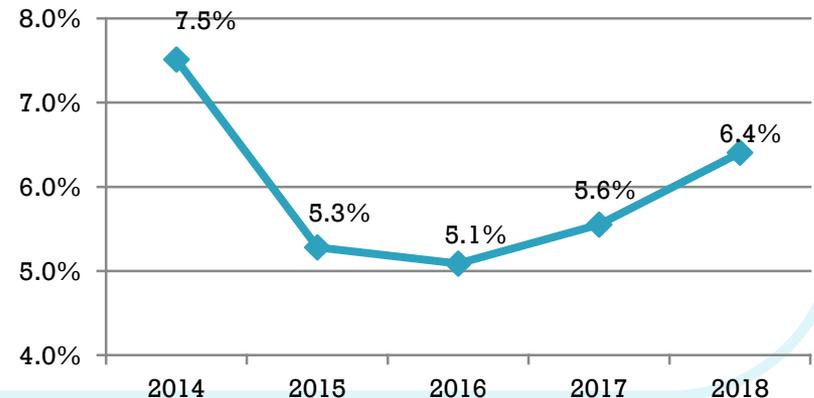


- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding more than 5%

Payout Ratio



Dividend Yield



三、 Operating Situation

(一) Guantian Cogeneration Plant



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- Increasing of power generation
 - Emergency power purchase from cogeneration
 - Power purchase from cogeneration during off-peak period in summer
- Increasing of burning of scrap tires



三、 Operating Situation(continued)

(二) IPPs

1. Increasing of capacity factor and reliability
 - The EIA amendment for increasing capacity factor of Star Buck Power corp. to 70% has been reviewed by review committee, and will keep working on complete the opinion from review committee.
 - Star energy Power Corp., Sun Ba Power Corp., and Kuo Kuang Power Corp. also evaluate the technical and profitability of the increasing of capacity factor.



三、 Operating Situation(continued)



(二) IPPs

2. Concerted action decision made by Fair Trade Committee and Taipower's damage claim
- On September 6, 2018, the Supreme Administrative Court revoked the judgment of the IPPs of the Higher Administrative Court and sent the case back to the Higher Administrative Court. The preparatory process is now under way.
 - Taipower's damage claim
 - The original administrative lawsuit has been transferred to the Taipei District Court for trial, and is currently in a state of speech debate or suspension.
 - The civil lawsuit currently is on hold or suspended.



三、 Operating Situation(continued)



(三) Corporate Social Responsibility

- Participate in the Genesis Social Welfare Foundation 1/27 volunteer service activities.
- Participate in the 3/16 coastal tree planting activities.
- Participate in the 2/26 Power Grid Talent Development Alliance inaugural meeting and sponsor scholarships.

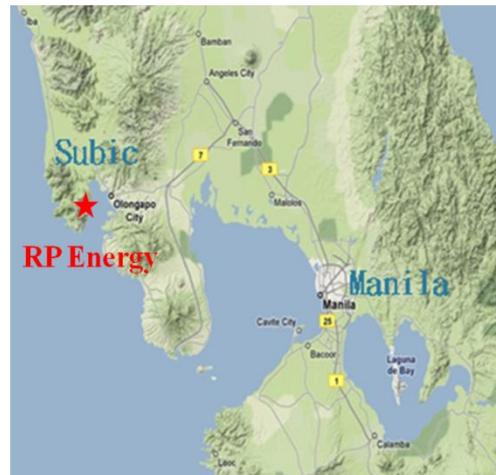


四、Business Overview

(一) RP Energy



- The Philippine RP Energy coal-fired power plant project is currently reassessing other viable alternatives due to the delay in the approval of Energy Regulatory Commission for the purchase and sale of electricity (PSA).



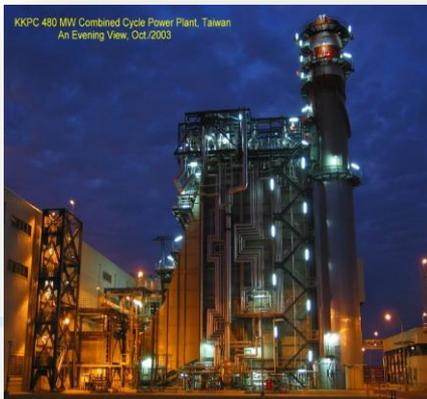
四、Business Overview(continued)



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(二) IPP

- Taipower continued to conduct bidding for 500MW CCGT IPP in north on 2021. The most recent bid was announced on 3/19 and will be closed on 3/28.
- Kuo Kuang Power Plant Phase II (500MW) is currently processing EIA and negotiation with contractors.
- Sun Ba Power Plant Phase II (1000MW) is currently processing EIA.



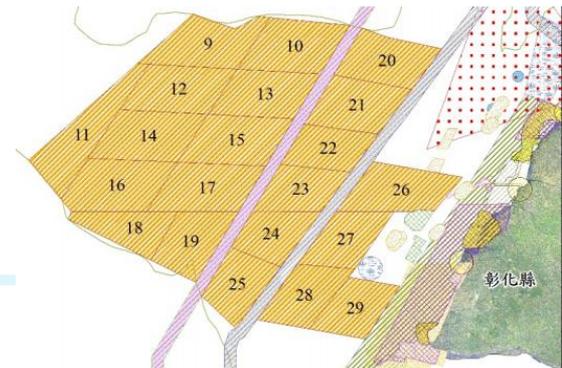
四、 Business Overview(continued)



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(三) 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 and the onshore transmission project of Swancor offshore wind farm.
 - The onshore substations EPC project of Ørsted offshore wind farm, which we undertakes, is temporarily suspended due to the power purchase agreement.
 - Star Energy will continue to strive for opportunities of engineering and work of operation and maintenance in relevant offshore wind power.



四、Business Overview(continued)



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(三) Wind & Solar Power

- Onshore Wind Power Investment: Star Energy has obtained Changhua 11MW (3.6*3) onshore wind farm license and established Starbao Power Inc. in December, 2018, and the second phase of the project is under preparation.
- Solar Power Engineering: Changhua Chang Bin solar PV project has completed 100MW grid connection in January this year, and is planned to be completed in June. We will keep striving for large-scale ground-type solar PV project, such as Taipower Tainan 150MW solar PV project, Taiyen Green Energy Fishery symbiosis PV project (285MW) and other opportunities.
- Solar Power Investment: In 2019, TCC is expected to develop 30MW in solar PV project, including rooftop type, ground type, or water surface type.



四、Business Overview(continued)



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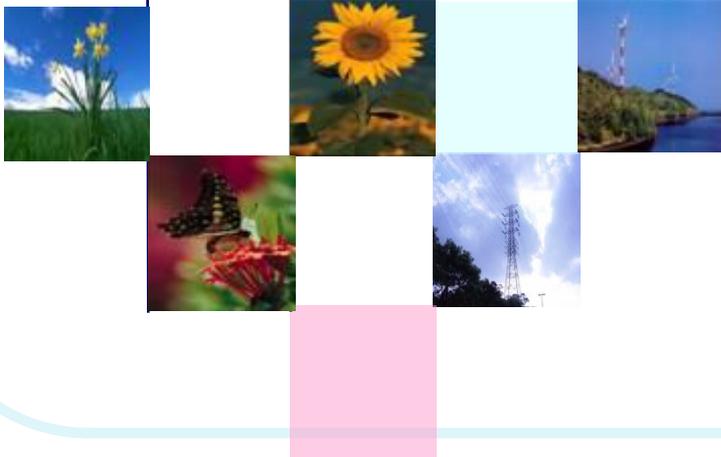
(四) Geothermal Power

- Qingshui Geothermal Project
 - An exemption of EIA has been obtained and preparations for the company establishment are currently underway.
- Hot water geothermal Project
 - In the cooperation with Philippine Energy Development Corp.. We will process the MT survey in potential site.





Please Advise



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