



# Taiwan Cogeneration Corporation

## INVESTOR CONFERENCE

2020.3.27



TAIWAN COGEN

# Presentation Content



- 一、Company Profile
- 二、Financial Statement
- 三、Operating Situation
- 四、Business Overview

# 一、Company Profile



## (一) Company basic information

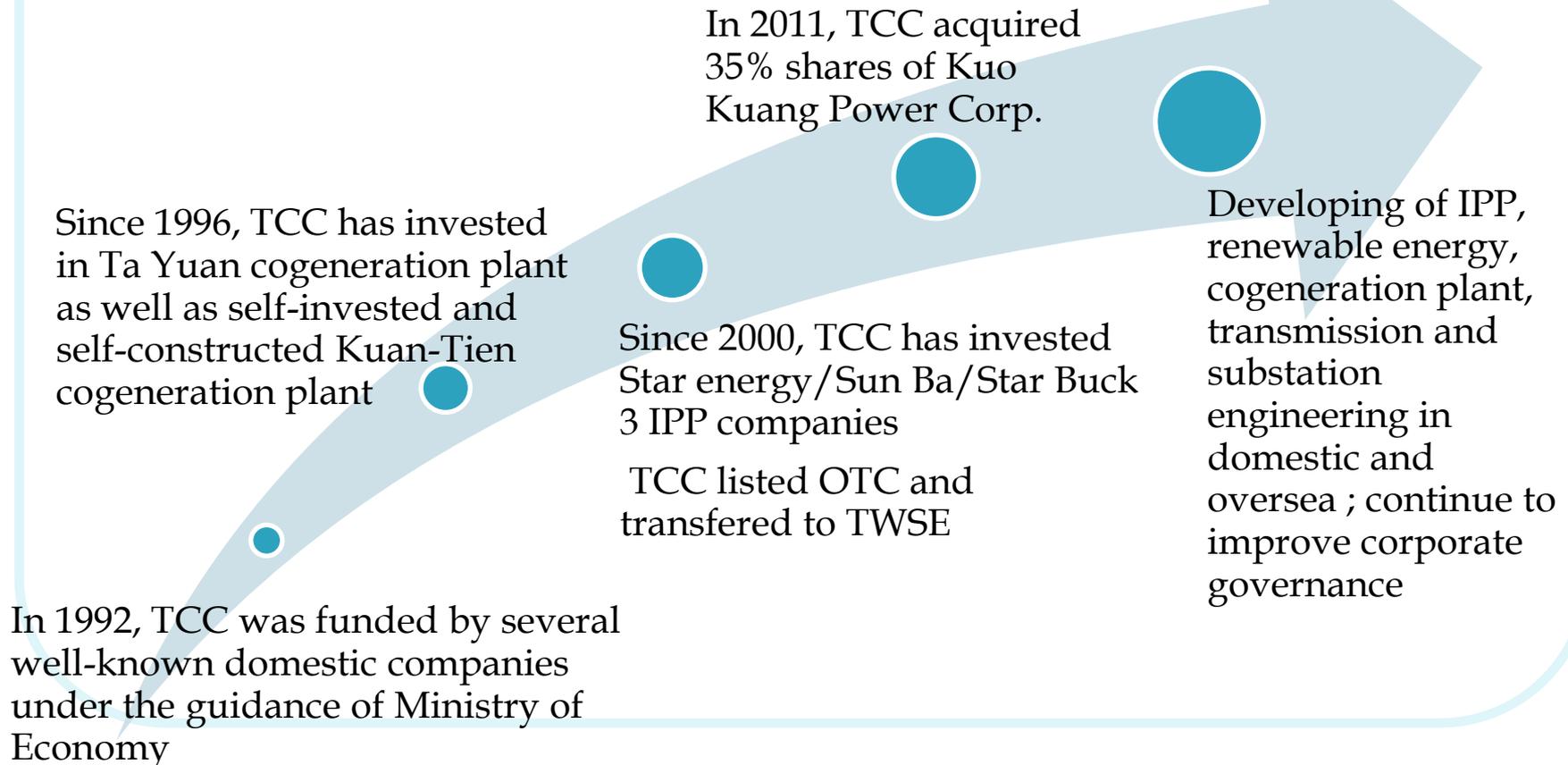
- **Company Name : Taiwan Cogeneration Corporation (TCC)**
- **Chairman : Michael, Min-Chieh Chang**
- **Date of establishment : 1992**
- **Date of Listing : 2003 ( Code: 8926 )**
- **Capital : NT\$5.89 Billions**
- **Main business : Power Industry**
  - ✓ Power generation business
  - ✓ Engineering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

# 一、Company Profile (continued)



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## (二) Development track

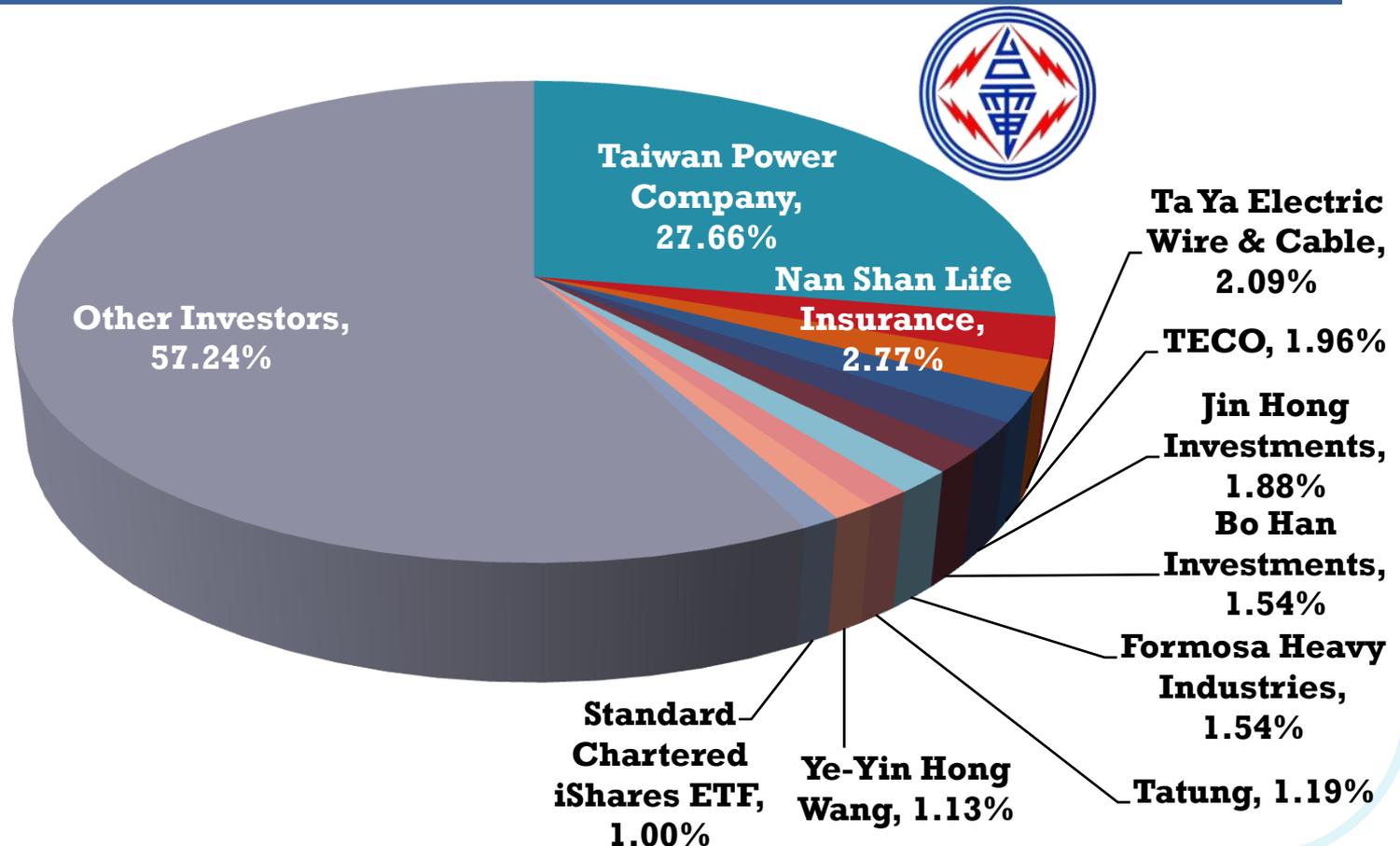


# 一、Company Profile (continued)



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## (三) TCC's Shareholders (As of April 2019)



# 一、Company Profile (continued)



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TCC has invested in total of 14 companies



# 一、Company Profile (continued)



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Name of the investee company	Capital (NT\$ Millions)	Shareholding by TCC (%)	Main business
Ta Yuan Cogeneration Corporation	1,223	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	1,010	100%	Construction and engineering service for power, renewable energy related
Shinlee Products Inc.	40	41%	Engineering service and international trading
Starbao Power Corporation	178	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
Chingshuei Geothermal Power Corp.	250	51%	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	2019 Q1-4	2018 Q1-4		YOY
Revenues	7,186,086	3,814,274	3,371,812	88%
Costs	6,671,356	3,368,139	3,303,217	98%
Realized gain on transactions with associates	28,389	31,190	(2,801)	-9%
Realized Gross Profit	543,119	477,325	65,794	14%
Gross Margin	8%	13%		-5%
Operating Expense	240,178	214,531	25,647	12%
Operating net profit	302,941	262,794	40,147	15%
Operating net profit margin	4%	7%		-3%
Non-operating items	799,697	413,374	386,323	93%
Pre-tax net profit	1,102,638	676,168	426,470	63%
Income tax expense	(6,303)	(7,304)	1,001	-14%
Net profit	1,096,335	668,864	427,471	64%
Net profit_Owners of the Corporation	1,098,048	672,295	425,753	63%
EPS (NT\$)	1.86	1.14	0.72	63%

# 三、Financial Statement(continued)

## (二) Consolidated Balance Sheet



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Unit: Thousand NTD	2019.12.31		2018.12.31	
Current Assets	5,598,642	27.4%	2,929,066	17.5%
Non Current Assets	14,830,821	72.6%	13,832,200	82.5%
Available-for-sale financial assets	267,600	1.3%	247,000	1.5%
Investments accounted for using equity method	12,671,996	62.0%	12,545,053	74.8%
Property, plant and equipment	1,516,774	7.4%	849,782	5.1%
Other assets	374,451	1.9%	190,365	1.1%
Total Assets	20,429,463	100.0%	16,761,266	100.0%
Current Liabilities	4,298,564	21.0%	2,191,523	13.1%
Non Current Liabilities	4,028,740	19.7%	2,699,177	16.1%
Total Liabilities	8,327,304	40.7%	4,890,700	29.2%
Shareholders Equity	11,965,110	58.5%	11,731,804	70.0%
Non-Controlling Interests	137,049	0.8%	138,762	0.8%
ROA		6%		4%
ROE		9%		6%
Current Ratio		130%		134%
Quick Ratio		35%		67%

# 三、Financial Statement(continued)

## (三) Consolidated Cash Flow



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Unit: Thousand NTD	2019 Q1-4	2018 Q1-4	YOY
From Operating Activities	413,533	577,422	(163,889)
From Investing Activities	(767,034)	(323,104)	(443,930)
From Financing Activities	221,078	10,275	210,803
Effect of Exchange rate	(2,278)	(291)	(1,987)
Net Change in Cash	(134,701)	264,302	(399,003)
Beginning Balance	<u>1,096,720</u>	<u>832,418</u>	264,302
Ending Balance	<u>962,019</u>	<u>1,096,720</u>	(134,701)

# 三、Financial Statement(continued)

## (四) Consolidated revenue



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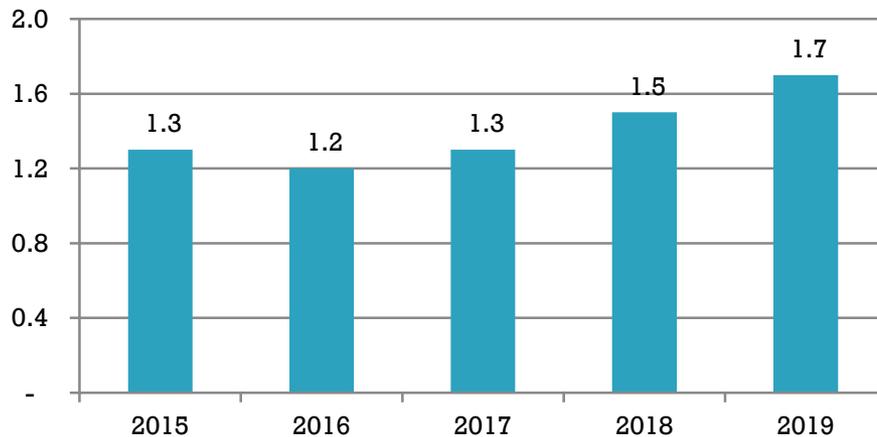
Unit: Thousand NTD	2020/1-2	2019/1-2		YOY
Sales	128,752	113,743	15,009	13%
Research, consulting and construction services	1,390,864	241,323	1,149,541	476%
Total	1,519,616	355,066	1,164,550	328%

# 三、Financial Statement(continued)

## (五) Dividend

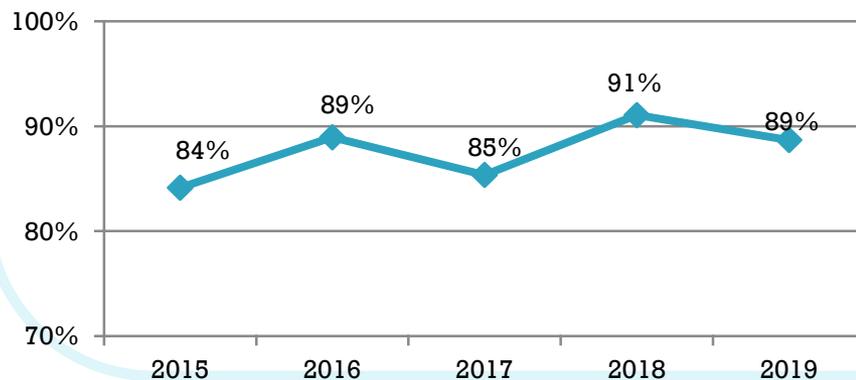


### Cash Dividend(NT\$/Shar)

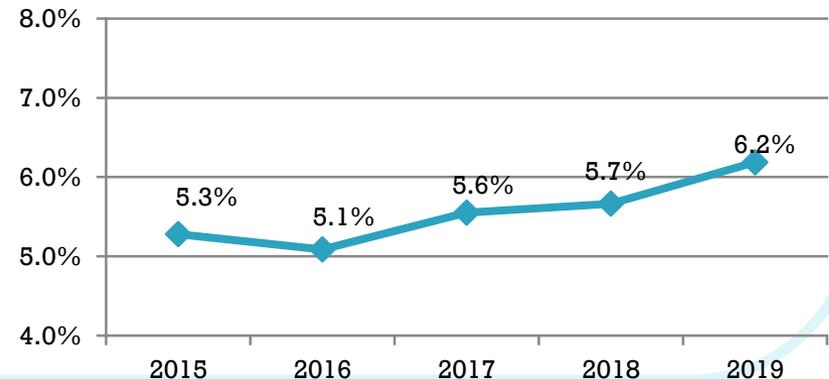


- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding more than 5%

### Payout Ratio



### Dividend Yield



# 三、Operating Situation

## (一) Guantian Cogeneration Plant



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- Increasing of burning of scrap tires



# 三、Operating Situation(continued)

## (二) IPPs

1. Increasing of capacity factor and reliability
  - Star Buck Power corp. has obtained a license to increase the capacity factor to 70%, and the actual capacity factor will depend on Taipower's dispatch.
  - Star energy Power Corp. has submitted the amendment of EIA report in March. 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)



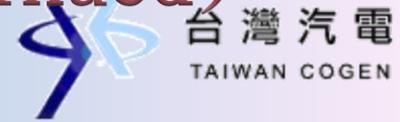
## (二) IPPs

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. Except the case of Star Energy Power corp. is suspended , the rest of case of IPPs are ongoing. The civil lawsuits are ongoing.



# 三、Operating Situation(continued)

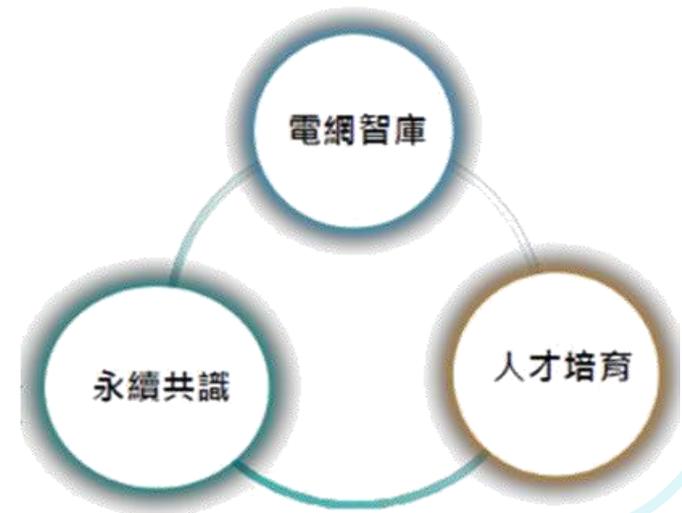
## (三) Corporate Governance and Corporate Social Responsibility



- Participate in the Genesis Social Welfare Foundation 1/19 volunteer service activities.
- Participate in the 2/26 Power Grid Talent Development Alliance inaugural meeting and sponsor scholarships.
- Sponsored the scholarship of Power Grid Talent Development Alliance.



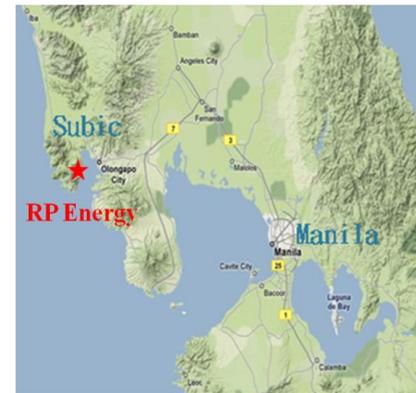
電網人才發展聯盟推動工作



# 四、Business Overview

## (一) Overseas Business

- 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).



- Development of other overseas business

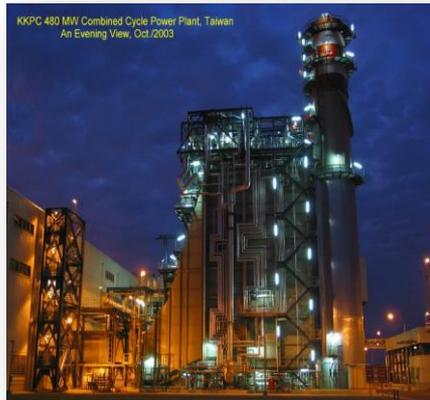
# 四、Business Overview(continued)



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## (二) IPP

- After the latest 2019/5/8 announcement for fail of 500MW CCGT IPP in north on 2021, there is no any new announcement yet.
- 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. Both these projects are currently being implemented.
  - The onshore substations EPC project of Ørsted offshore wind farm is currently being implemented..
  - Star Energy has planned to build a renewable energy operation and maintenance center to strive for opportunities of engineering and work of operation and maintenance in relevant offshore wind power.
  - Star Energy is currently constructing a renewable energy operation and maintenance center. A groundbreaking ceremony has been held on 2019/12/16. Star Energy will strive for related offshore wind power projects and business opportunities for operation and maintenance.

## 四、Business Overview(continued)



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### (三) Wind & Solar Power

- Onshore Wind Power Engineering: Star Energy has completed 3.6MW × 2 Taiwan Cement Wind Turbine Turnkey Project and has already connected to power grid.
- Solar Power Engineering: Taipower Tainan salt fields 150MW solar PV Project has been obtained on 2019/4/12, is currently in progress. We will keep striving for large-scale ground-type solar PV project and other opportunities.
- Solar Power Investment: Star Energy Corp. has obtained the development right of the water surface type PV project (about 13MW) of Wushantou Reservoir, and is currently processing on the license. TCC is expected to develop 30MW in solar PV project in 2020, including rooftop type, ground type, or water surface type.
- Onshore Wind Power Investment: Star Energy Corp. has obtained Changhua 11MW (3.6\*3) onshore wind farm license and established Starbao Power Inc. in December, 2018, and is currently processing on the construction permit.

# 四、Business Overview(continued)



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## (四) Geothermal Power

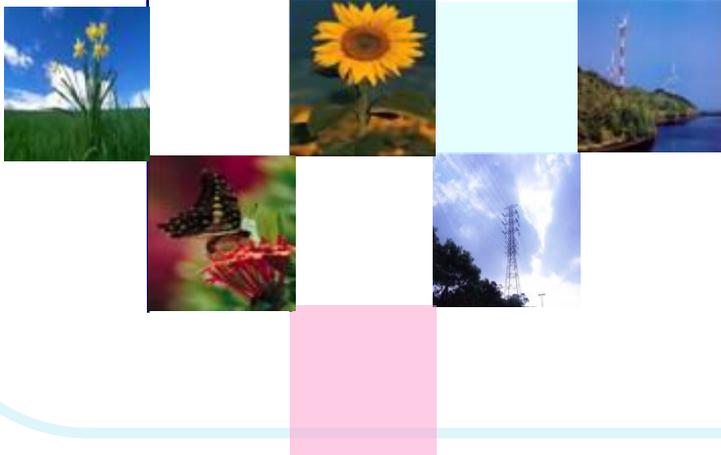
- Qingshui Geothermal Project
  - The establishment of Qingshui Geothermal Power Inc was completed on May 23, 2019, and is currently on preparation of construction.
- Hot water geothermal Project
  - The potential site survey is under process.







# Please Advise



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