



Taiwan Cogeneration Corporation

INVESTOR CONFERENCE

2019.11.28



TAIWAN COGEN

Presentation Content



台灣汽電
TAIWAN COGEN

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

一、Company Profile



(一) Company basic information

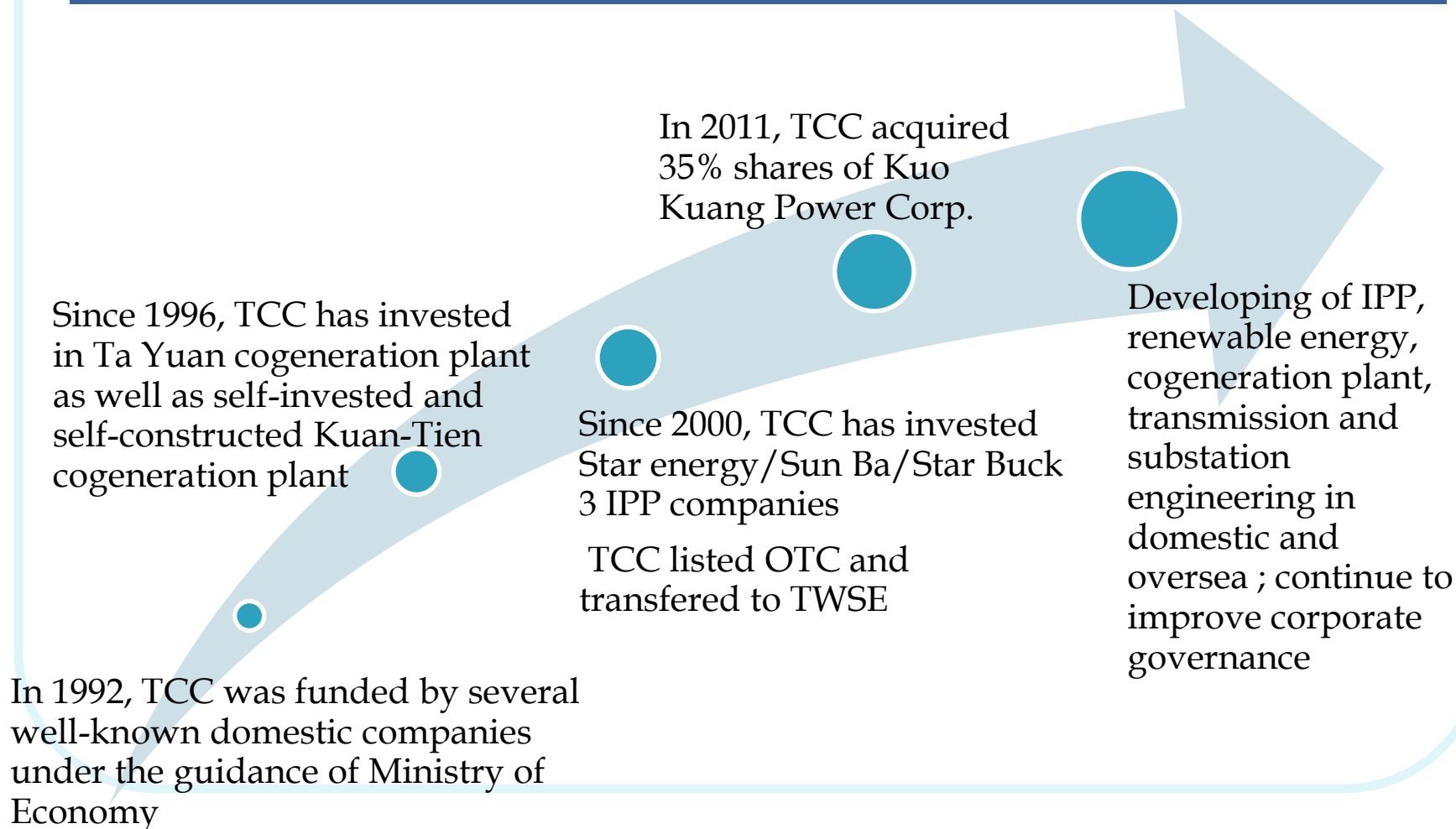
- **Company Name : Taiwan Cogeneration Corporation (TCC)**
- **Chairman : Michael, Min-Chieh Chang**
- **Date of establishment : 1992**
- **Date of Listing : 2003 (Code: 8926)**
- **Capital : NT\$5.89 Billions**
- **Main business : Power Industry**
 - ✓ Power generation business
 - ✓ Engineering business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

一、Company Profile (continued)



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(二) Development track

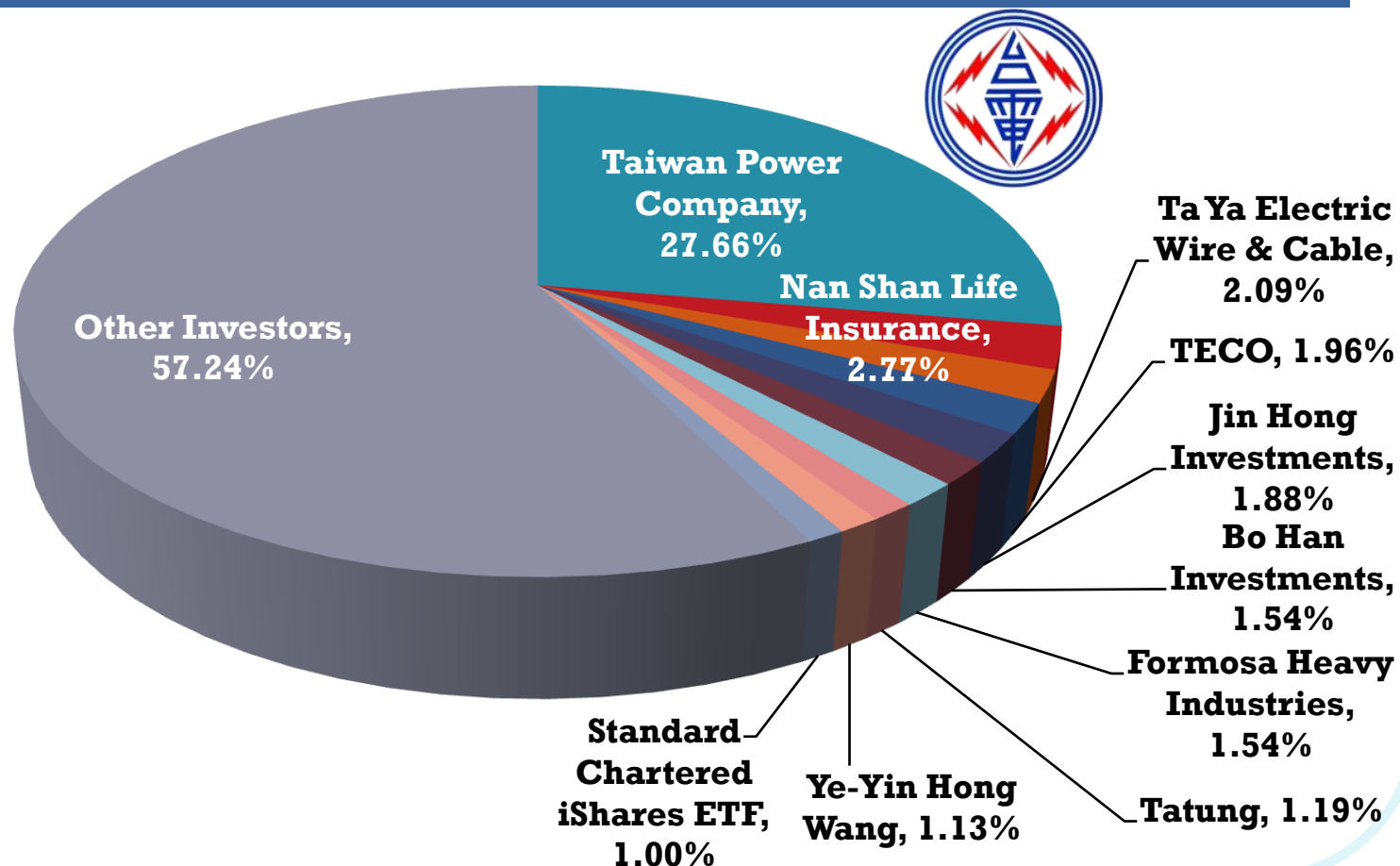


一、Company Profile (continued)



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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)



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	2019Q1-3	2018 Q1-3	YOY	
Revenues	3,704,783	3,288,468	416,315	13%
Costs	3,419,102	2,919,871	499,231	17%
Realized gain on transactions with associates	21,576	23,694	(2,118)	-9%
Realized Gross Profit	307,257	392,291	(85,034)	-22%
Gross Margin	8%	12%	-4%	
Operating Expense	170,682	159,498	11,184	7%
Operating net profit	136,575	232,793	(96,218)	-41%
Operating net profit margin	4%	7%	-3%	
Non-operating items	796,345	624,543	171,802	28%
Pre-tax net profit	932,920	857,336	75,584	9%
Income tax expense	(14,866)	(27,781)	12,915	-46%
Net profit	918,054	829,555	88,499	11%
Net profit_Owners of the Corporation	919,038	831,305	87,733	11%
EPS (NT\$)	1.56	1.41	0.15	11%

三、Financial Statement(continued)

(二) Consolidated Balance Sheet



台灣汽電
TAIWAN COGEN

Unit: Thousand NTD	2019.9.30		2018.9.30	
Current Assets	3,559,906	19.4%	2,586,875	15.7%
Non Current Assets	14,791,599	80.6%	13,930,147	84.3%
Available-for-sale financial assets	273,200	1.5%	246,200	1.5%
Investments accounted for using equity method	12,655,381	69.0%	12,745,171	77.2%
Property, plant and equipment	1,501,669	8.2%	783,750	4.7%
Other assets	361,349	1.9%	155,026	0.9%
Total Assets	18,351,505	100.0%	16,517,022	100.0%
Current Liabilities	2,418,271	13.2%	2,039,871	12.4%
Non Current Liabilities	3,996,766	21.8%	2,550,348	15.4%
Total Liabilities	6,415,037	35.0%	4,590,219	27.8%
Shareholders Equity	11,798,690	64.2%	11,908,860	72.1%
Non-Controlling Interests	137,778	0.8%	17,943	0.1%
ROA	7%		7%	
ROE	10%		9%	
Current Ratio	147%		127%	
Quick Ratio	71%		55%	

三、Financial Statement(continued)

(三) Consolidated Cash Flow



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Unit: Thousand NTD	2019Q1-3	2018 Q1-3	YOY
From Operating Activities	1,067,334	962,736	104,598
From Investing Activities	(734,036)	(231,281)	(502,755)
From Financing Activities	(370,684)	(746,543)	375,859
Effect of Exchange rate	2,826	(2,837)	5,663
Net Change in Cash	(34,560)	(17,925)	(16,635)
Beginning Balance	<u>1,096,720</u>	<u>832,418</u>	264,302
Ending Balance	<u>1,062,160</u>	<u>814,493</u>	247,667

三、Financial Statement(continued)

(四) Consolidated revenue



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Unit: Thousand NTD	2019/1-10	2018/1-10	YOY	
Sales	801,834	901,421	-99,587	-11%
Research, consulting and construction services	3,429,056	2,606,038	823,018	32%
Total	4,230,890	3,507,459	723,431	21%

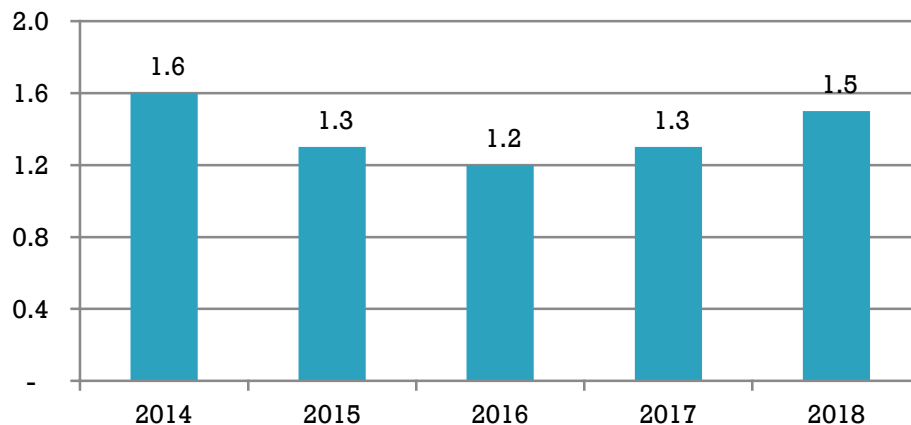
三、Financial Statement(continued)

(五) Dividend



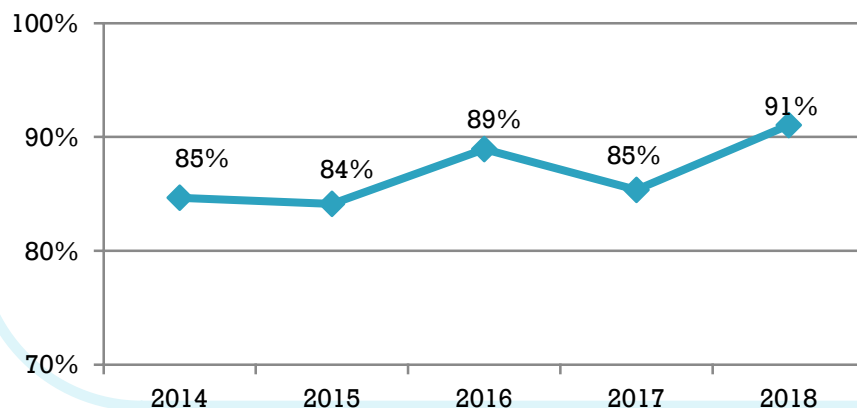
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Cash Dividend(NT\$/Shar)

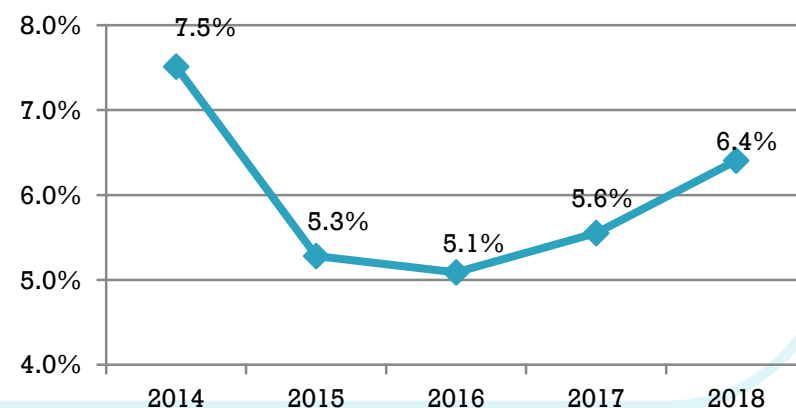


- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding more than 5%

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
 - 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., 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 Star Buck Power corp. is under process, the other IPPs are currently in on suspended.
 - The civil lawsuit currently is on suspended, except Star Buck Power corp. will wait for the Supreme Court to decide whether to continue the lawsuit.



三、Operating Situation(continued)

(三) Corporate Governance and Corporate Social Responsibility



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- Corporate Social Responsibility (CSR)
TCC participated in the "2019 Taiwan Corporate Sustainability Awards" and won the Corporate Comprehensive Performance Award TOP 50 and the Corporate Sustainability Report Award TOP 50. The ceremony will be held at the Grand Hotel on November 28th.



2018
台灣汽電共生股份有限公司
企業社會責任報告書
Taiwan Cogeneration Corporation
Corporate Social Responsibility Report



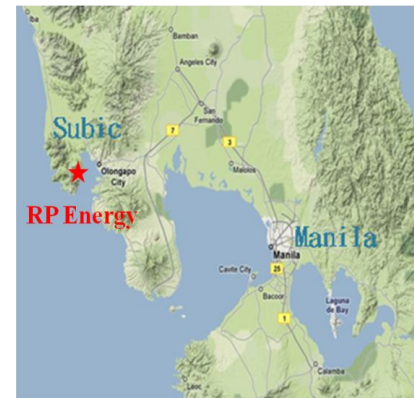
這份報告書係
根據其主觀性



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

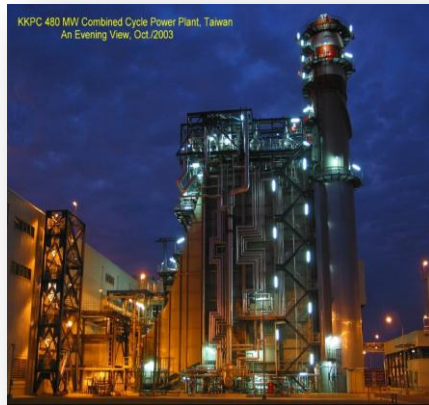
四、Business Overview(continued)



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(二) IPP

- After the latest 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.
 - The onshore substations EPC project of Ørsted offshore wind farm has been resumed. The groundbreaking ceremony has held on November 8.
 - 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.



四、Business Overview(continued)



台灣汽電
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(三) Wind & Solar Power

- 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 September. Taipower Tainan salt fields 150MW solar PV Project has been obtained on 4/12, is currently in progress. We will keep striving for large-scale ground-type solar PV project and other opportunities.
- Solar Power Investment: Shin Kuang 5MW roof type PV was on line on 5/14. 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 2019, 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, and is currently on preparation of construction.
- Hot water geothermal Project
 - The potential site survey is under process.



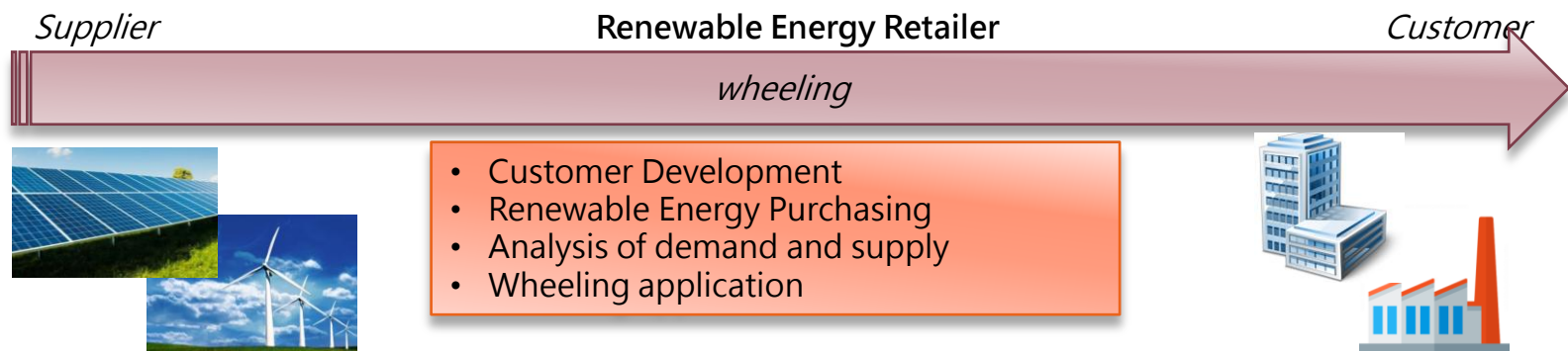
四、Business Overview(continued)

(五) Retailer of Renewable Energy



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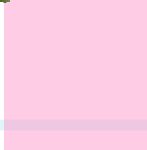
- After the Renewable Energy Development Act were amended in May 2019, there are many incentives and supporting measures were added to reduce the operation risks for the business.
- TCC Green Energy Corp., which 100% owned by the company, has obtained the license of the Renewable-Energy-Based Electricity Retailing Enterprise. TCC Green Energy Corp. will develop the sales business of renewable energy.





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Please Advise



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