



Taiwan Cogeneration Corporation

INVESTOR CONFERENCE 2021.11.25



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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\$5.89 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 Kuan-Tien cogeneration plant.

TCC acquired 35% shares of Kuo Kuang Power Corp.

Developing of IPP, renewable energy, cogeneration plant, transmission and substation engineering in domestic and oversea ; continue to improve corporate governance

1992

1996

2000

2011

2020

2021

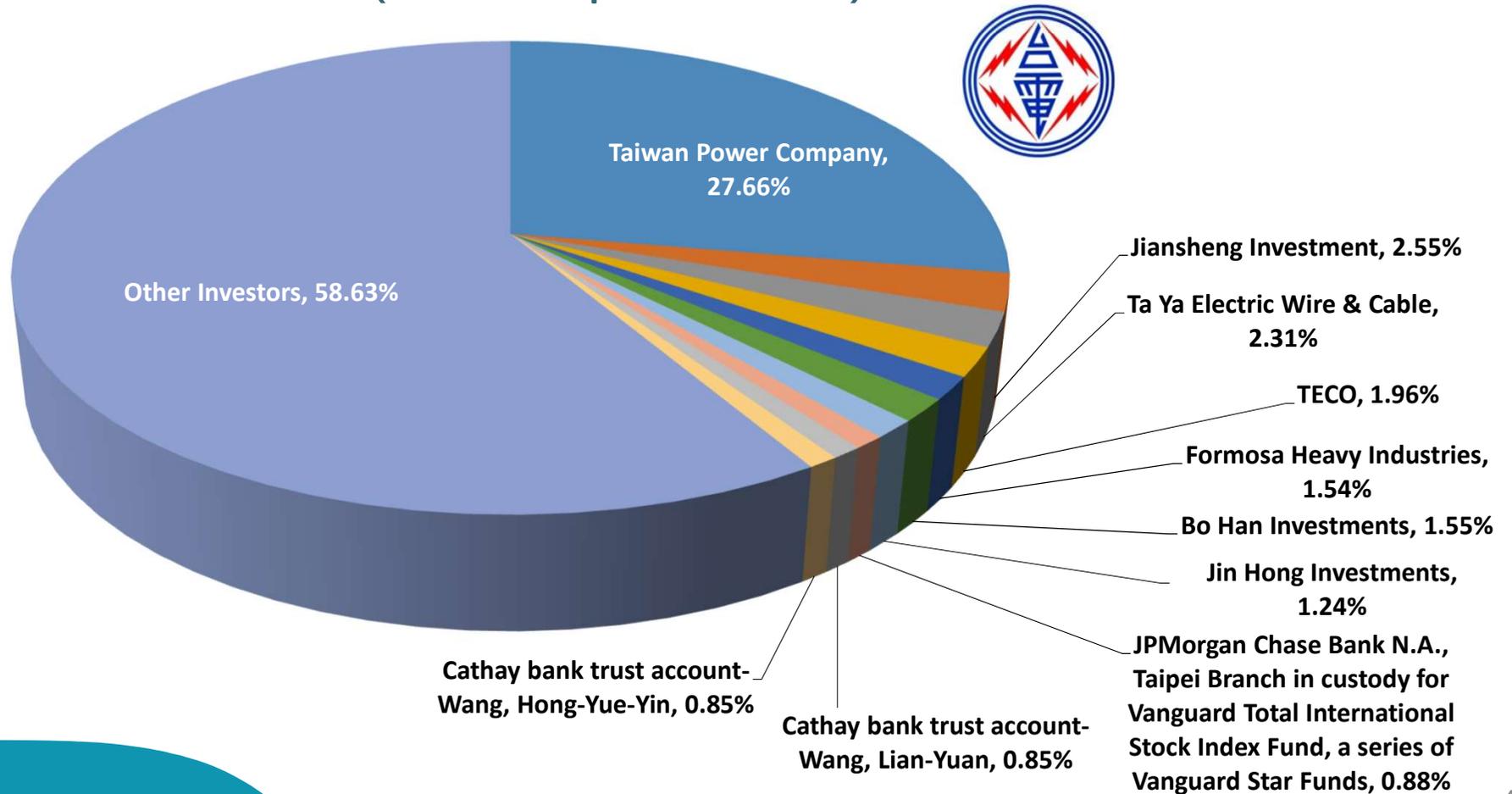
TCC was funded by several well-known domestic companies under the guidance of Ministry of Economy.

TCC has invested Star energy/Sun Ba/Star Buck 3 IPP companies
TCC listed OTC and transferred to TWSE.

TCC acquired 100% shares of Miaoli Wind Co., LTD.

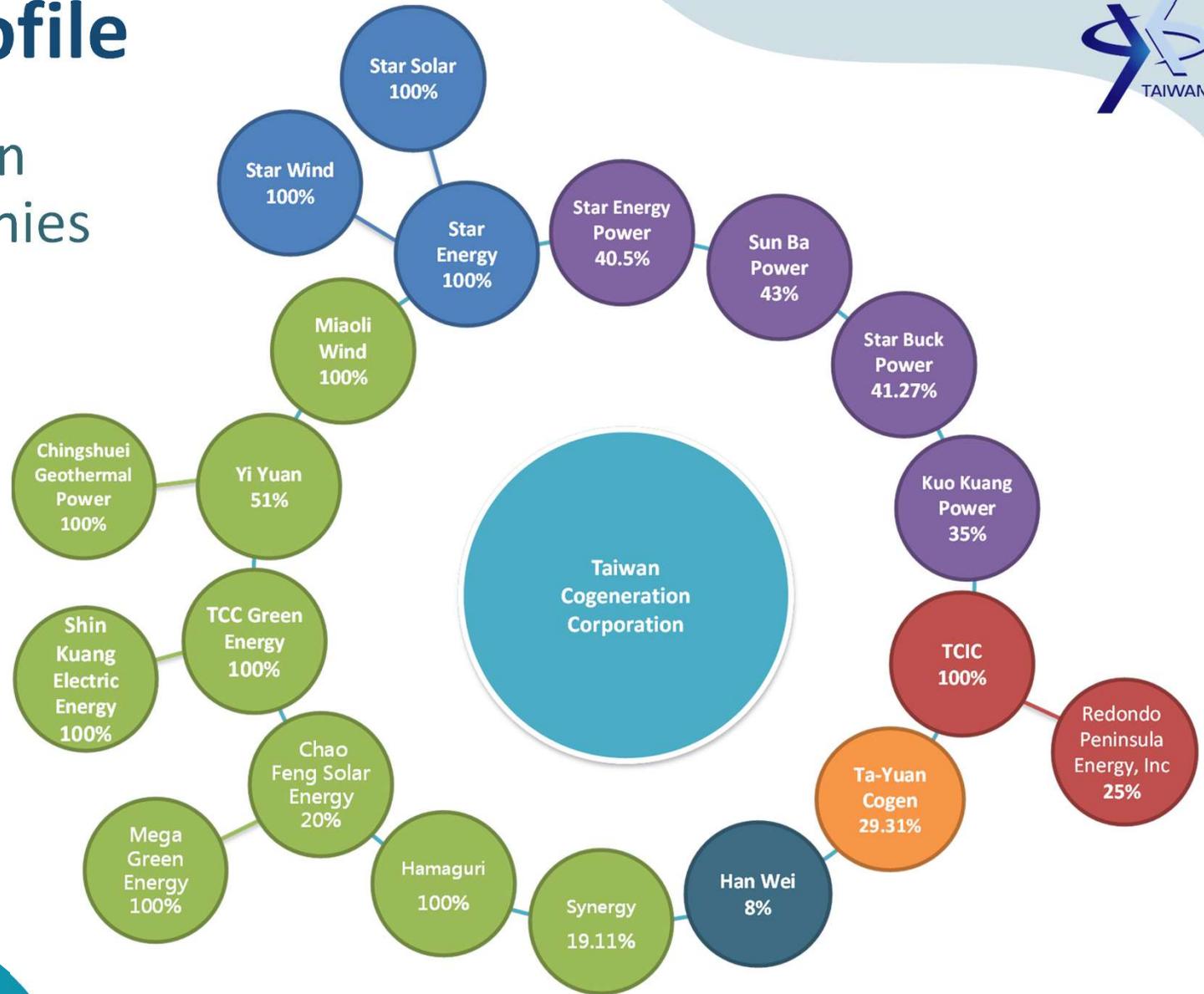
Company Profile

TCC's Shareholders (As of April 2021)



Company Profile

TCC has invested in total of 20 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 (68.4MW)
Star energy Power Corporation	3,000	41%	Operation of gas-fired Power plant (507MW)
Sun Ba Power Corporation	6,000	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	1,189	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 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 Corp.	175	100%	Investment of green energy
Shin Kuang Electric Energy Co. Ltd.	170	100%	Solar power
Miaoli Wind Co., LTD.	914	100%	Wind power
Hamaguri Co., Ltd.	66.5	100%	Investment of fish farm solar plant
Chao Feng Solar Energy	800	20%	Solar power
Mega Green Energy	800	20%	Solar power
Synergy Co., Ltd.	100	19%	Development and maintenance of renewable energy

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Financial Statement



Consolidated Income Statement

Unit: Thousand NTD	2021 Q1~3	2020 Q1~3		YOY
Revenues	4,779,075	6,984,363	(2,205,288)	-32%
Costs	4,212,134	6,497,106	(2,284,972)	-35%
Realized gain on transactions with associates	22,214	22,940	(726)	-3%
Realized Gross Profit	589,155	510,197	78,958	15%
Gross Margin	12%	7%		5%
Operating Expense	256,384	205,600	50,784	25%
Operating net profit	332,771	304,597	28,174	9%
Operating net profit margin	7%	4%		3%
Non-operating items	430,330	658,666	(228,336)	-35%
Pre-tax net profit	763,101	963,263	(200,162)	-21%
Income tax expense	(68,717)	(54,010)	(14,707)	27%
Net profit	694,384	909,253	(214,869)	-24%
Net profit_Owners of the Corporation	690,662	907,472	(216,810)	-24%
EPS (NT\$)	1.17	1.54	(0.37)	-24%

Financial Statement



Consolidated Balance Sheet

Unit: Thousand NTD	2021.9.30		2020.9.30	
Current Assets	5,760,063	24.6%	5,647,273	25.6%
Non Current Assets	17,677,933	75.4%	16,382,580	74.4%
Available-for-sale financial assets	254,400	1.1%	247,400	1.1%
Investments accounted for using equity method	12,597,699	53.7%	12,573,507	57.1%
Property, plant and equipment	2,962,844	12.6%	2,533,288	11.5%
Other assets	1,862,990	8.0%	1,028,385	4.7%
Total Assets	23,437,996	100.0%	22,029,853	100.0%
Current Liabilities	4,791,206	20.4%	4,728,895	21.5%
Non Current Liabilities	6,883,187	29.4%	5,293,381	24.1%
Total Liabilities	11,674,393	49.8%	10,022,276	45.6%
Shareholders Equity	11,620,796	49.6%	11,868,747	53.8%
Non-Controlling Interests	142,807	0.6%	138,830	0.6%
ROA		4%		6%
ROE		8%		10%
Current Ratio		120%		119%
Quick Ratio		64%		36%

Financial Statement



Consolidated Cash Flow

Unit: Thousand NTD	2021 Q1~3	2020 Q1~3	YOY
From Operating Activities	1,248,030	1,441,558	(193,528)
From Investing Activities	(579,734)	(1,098,757)	519,023
From Financing Activities	55,701	(117,993)	173,694
Effect of Exchange rate	(11,280)	(2,803)	(8,477)
Net Change in Cash	712,717	222,005	490,712
Beginning Balance	<u>1,603,210</u>	<u>962,019</u>	641,191
Ending Balance	<u>2,315,927</u>	<u>1,184,024</u>	1,131,903

Financial Statement

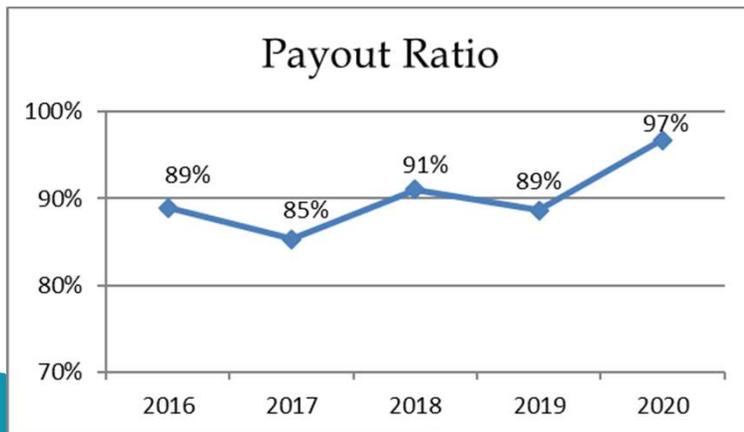
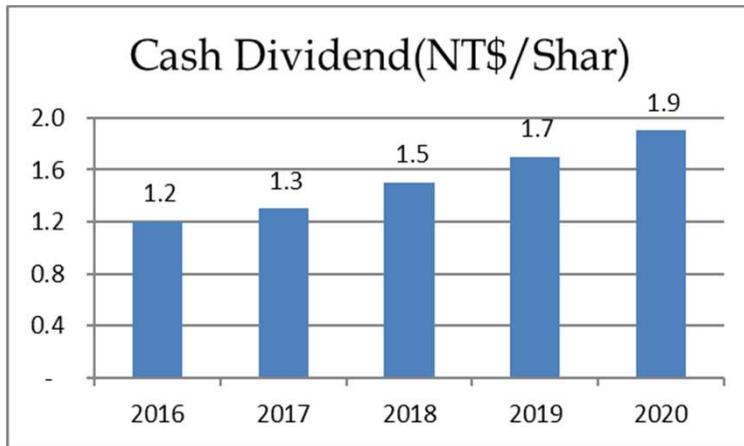


Consolidated Revenue

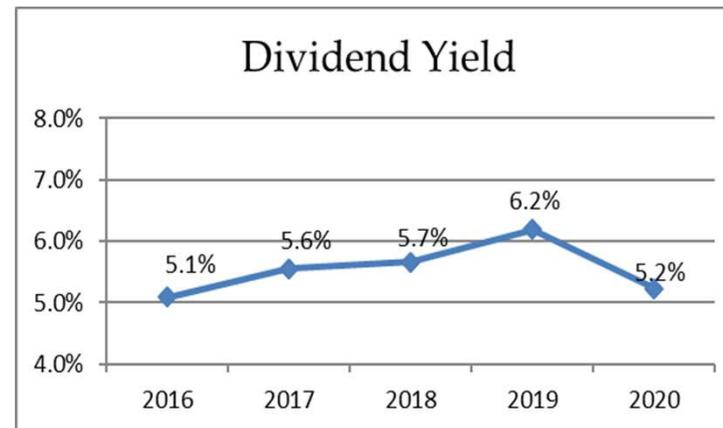
Unit: Thousand NTD	2021/1-10	2020/1-10	YOY	
Sales	1,046,723	843,466	203,257	24%
Research, consulting and construction services	4,160,438	6,924,176	-2,763,738	-40%
Total	5,207,161	7,767,642	-2,560,481	-33%

Financial Statement

Dividend



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



Operating Situation

Guantian Cogeneration Plant

- Optimize the burning of scrap tires.
- Upgrade and extend the service life of generator sets.



Operating Situation

IPPS

1) Increasing of capacity factor and reliability

- Star Buck Power corp., Star energy Power Corp. and Kuo Kuang Power Corp. have obtained a license to increase the capacity factor to 70%, and the actual capacity factor will depend on the dispatch of Taipower.
- The review meeting of amendment of EIA report of Sun Ba Power Corp. was approved on November 10.

Operating Situation

IPPS

2) A fire occurred in the Star Buck Power Plant of Star Buck Power Corporation.

A fire occurred in the Star Buck Power Plant of Star Buck Power Corporation, which was invested by the company, on January 24.

Star Buck Power is now actively engaged in emergency repair and insurance claims, it is expected to complete the repair in June 2022.

The profit in 2021 of Star Buck Power will be significantly lower than in 2020, Star Buck Power will seek insurance claims to compensate for the related losses.

Operating Situation

IPPS

3) Concerted action decision made by Fair Trade Committee and Taipower's damage claim

- On May 13, 2020, the High Administrative Court again ruled to revoke the Concerted action decision made by Fair Trade Committee. However, the Fair Trade Committee appealed on June 15, 2020. This case is still before the Supreme Administrative Court.
- Taipower's damage claim
 - The original administrative lawsuit has been transferred to the Taipei District Court for trial. , but Taiwan Power Company withdrew the lawsuits against Sun Ba Power, Star Power, Kuo Kuang Power and Star Buck Power in June 2020.
 - For civil lawsuits, the High Court dismissing Taipower's appeal of the case of Star Energy, Kuo Kuang and Sun Ba on November 9, and the case and Star Buck is on going.

Operating Situation

Corporate Governance and Corporate Social Responsibility

- TCC was ranked as No.18 in CommonWealth – 2021 FAST 100 and 13th in 2021 Excellence in Corporate Social Responsibility Award.
- TCC received National Occupational Safety and Health Award.
- TCC received the 13th Taiwan Corporate Sustainability Awards :
 - TOP50 Corporate Sustainability Awards
 - Corporate Sustainability Report Awards



Business Overview

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.

- 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.



Business Overview



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. The project is currently being implemented.
- The onshore substations EPC project of Ørsted offshore wind farm is currently being implemented.
- The renewable energy operation and maintenance center has obtained the usage license and will strive for opportunities of engineering and work of operation and maintenance in relevant offshore wind power.
- Continue to strive for offshore wind power onshore substation EPC projects.

Business Overview



Wind & Solar Power

Onshore Wind Power Investment

- Star Energy Corp. has completed the commissioning and connect in parallel of Star Wind 10.35MW onshore wind farm in Changhua. Star Wind has obtained electrical license on August 2.
- The wind power plant project in Changhua Fangyuan is currently undergoing environmental impact assessment and environmental investigation.
- Due to the age of wind turbines, it is planned to accelerate the repowering of Miaoli Wind Co., Ltd. The environmental impact statement has been commissioned.

Business Overview

Wind & Solar Power

Solar Power Engineering and Investment

- The floating PV project (about 13MW) of Wushantou Reservoir is currently under construction.
- Developing the investment of fish farm solar plant.
- Acquired 20% equity of Chao Feng Solar Energy Co., Ltd.

Business Overview

Qingshui Geothermal Project

- Qingshui Geothermal has obtained electrical license on October 27.
- Completion ceremony was held on November 23.



Business Overview



Retailer of Renewable Energy

- Develop new customers with renewable energy needs in the manufacturing, telecom, financial and retail industries
- TCC Green Energy has sold more than 110 million kWh of renewable energy.
- Participate in the Energy Trading Platform and provide ancillary services.
- Guantian cogeneration plant will participate in the Energy Trading Platform via TCC Green Energy.

Please Advise



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