



Taiwan Cogeneration Corporation



INVESTOR CONFERENCE

2020.11.26



TAIWAN COGEN

Presentation Content



- **Company Profile**
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- **Business Overview**

Company Profile



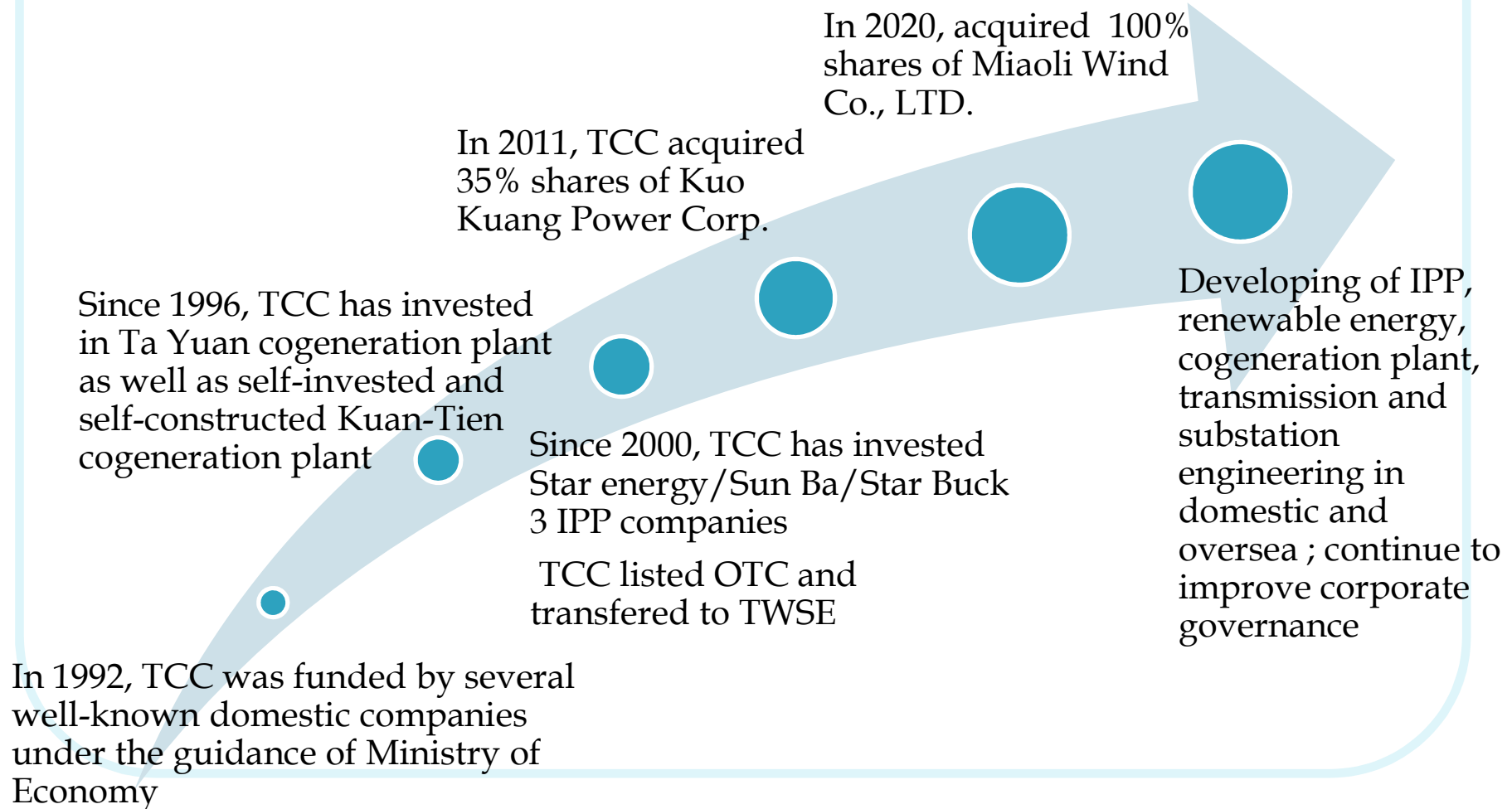
Company basic information

- **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

Company Profile (continued)



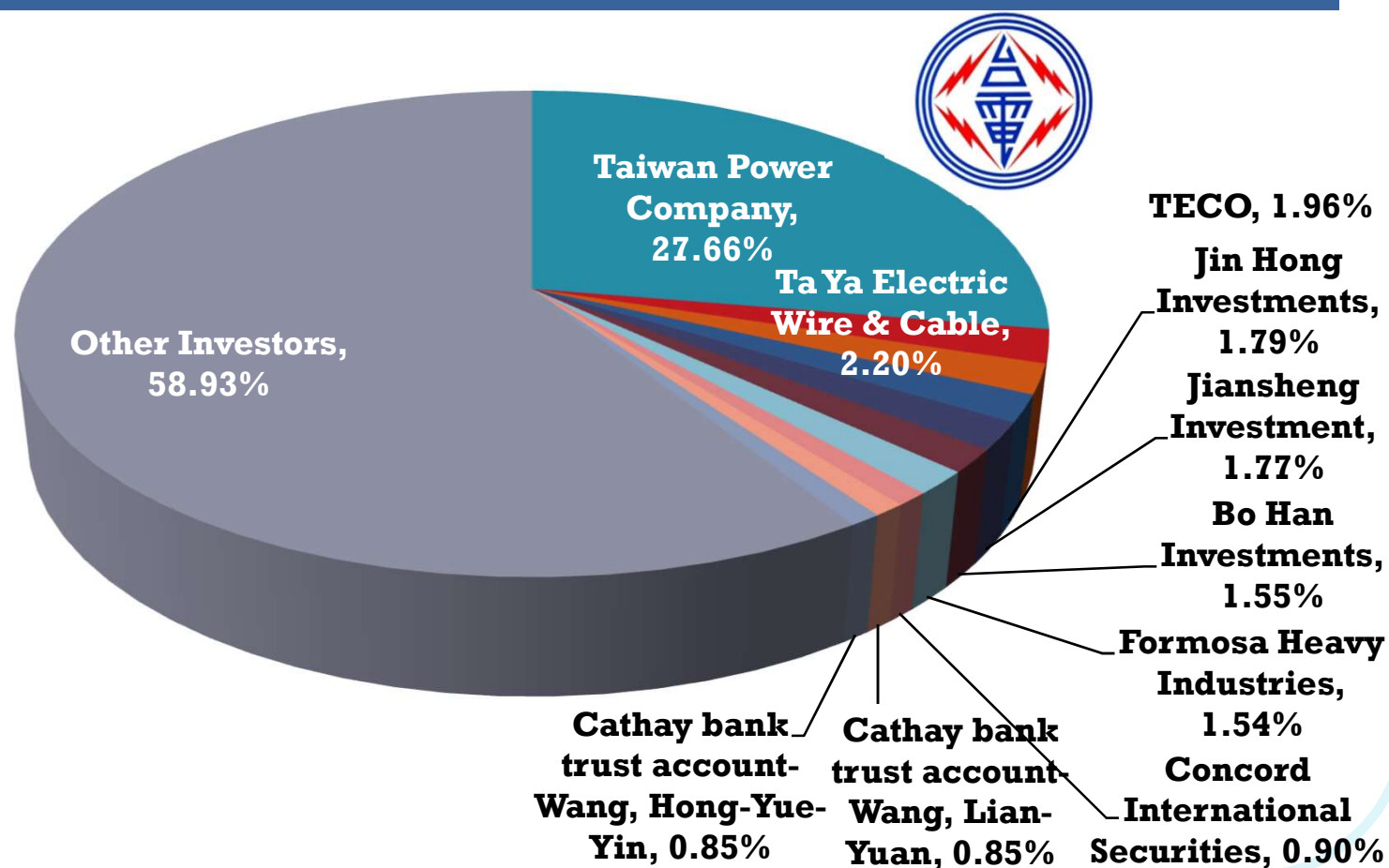
Development track



Company Profile (continued)



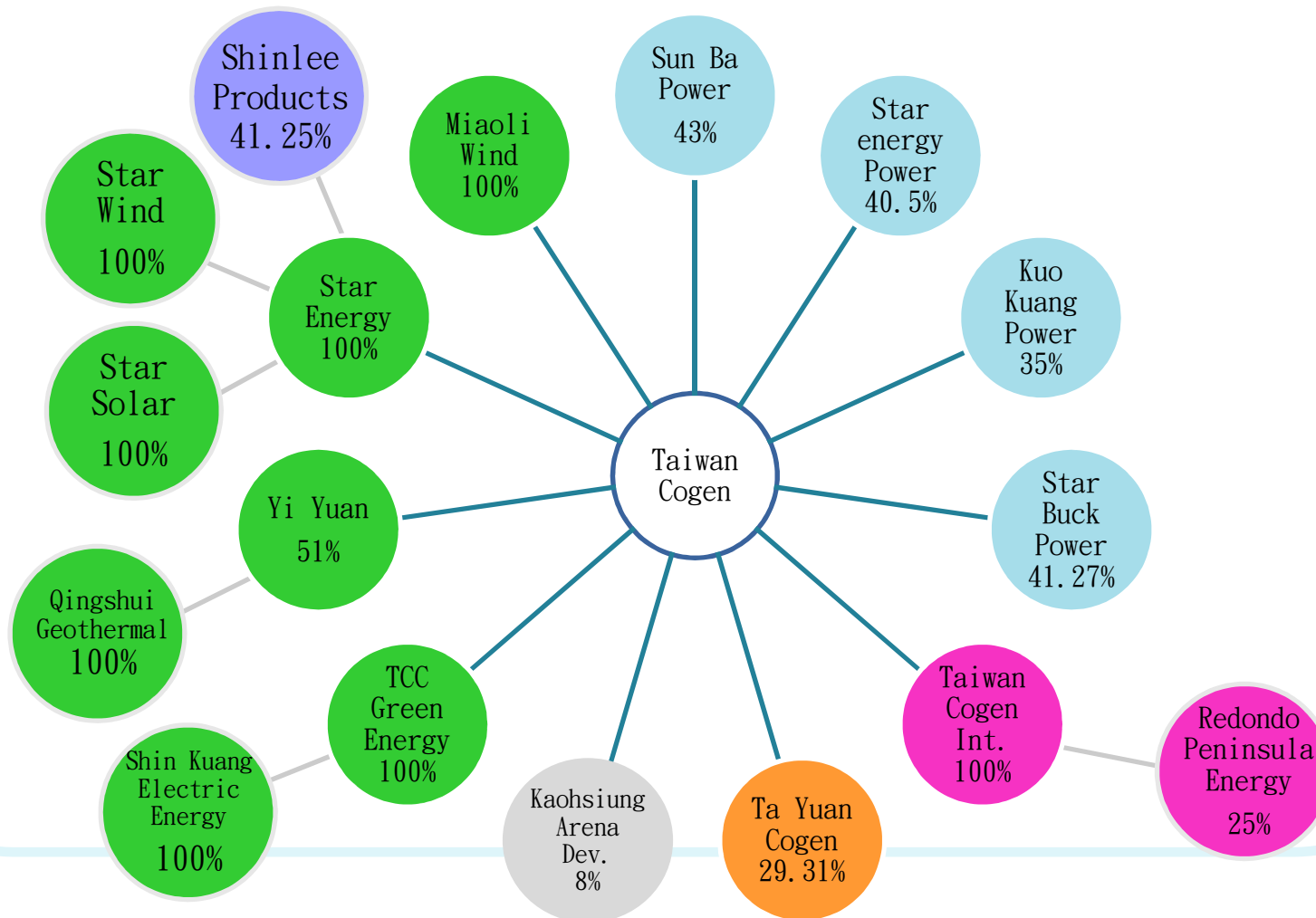
TCC's Shareholders (As of April 2019)



Company Profile (continued)



TCC has invested in total of 17 companies



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 | 1,081 | 100% | Construction and engineering service for power, renewable energy related |
| Shinlee Products Inc. | 40 | 41% | Engineering service and international trading |
| Star Wind Corporation | 178 | 100% | Wind power |
| Star Solar Corporation | 120 | 100% | Floating Solar 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 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 |

Financial Statement

Consolidated Income Statement



| Unit: Thousand NTD | 2020 Q1~3 | 2019 Q1~3 | | YOY |
|---|-----------|-----------|-----------|------|
| Revenues | 6,984,363 | 3,704,783 | 3,279,580 | 89% |
| Costs | 6,500,565 | 3,419,102 | 3,081,463 | 90% |
| Realized gain on transactions with associates | 22,940 | 21,576 | 1,364 | 6% |
| Realized Gross Profit | 506,738 | 307,257 | 199,481 | 65% |
| Gross Margin | 7% | 8% | -1% | |
| Operating Expense | 199,151 | 170,682 | 28,469 | 17% |
| Operating net profit | 307,587 | 136,575 | 171,012 | 125% |
| Operating net profit margin | 4% | 4% | 1% | |
| Non-operating items | 658,666 | 796,345 | (137,679) | -17% |
| Pre-tax net profit | 966,253 | 932,920 | 33,333 | 4% |
| Income tax expense | (54,608) | (14,866) | (39,742) | 267% |
| Net profit | 911,645 | 918,054 | (6,409) | -1% |
| Net profit_Owners of the Corporation | 909,864 | 919,038 | (9,174) | -1% |
| EPS (NT\$) | 1.54 | 1.56 | (0.02) | -1% |

Financial Statement(continued)

Consolidated Balance Sheet



| Unit: Thousand NTD | 2020.9.30 | | 2019.9.30 | |
|---|------------|-------|------------|--------|
| Current Assets | 5,647,273 | 25.7% | 3,559,906 | 19.4% |
| Non Current Assets | 16,305,862 | 74.2% | 14,791,599 | 80.6% |
| Available-for-sale financial assets | 247,400 | 1.1% | 273,200 | 1.5% |
| Investments accounted for using equity method | 12,573,507 | 57.3% | 12,655,381 | 69.0% |
| Property, plant and equipment | 2,596,714 | 11.8% | 1,501,669 | 8.2% |
| Other assets | 888,241 | 4.0% | 361,349 | 1.9% |
| Total Assets | 21,953,135 | 99.9% | 18,351,505 | 100.0% |
| Current Liabilities | 4,728,895 | 21.5% | 2,418,271 | 13.2% |
| Non Current Liabilities | 5,214,271 | 23.9% | 3,996,766 | 21.8% |
| Total Liabilities | 9,943,166 | 45.4% | 6,415,037 | 35.0% |
| Shareholders Equity | 11,871,139 | 54.1% | 11,798,690 | 64.2% |
| Non-Controlling Interests | 138,830 | 0.6% | 137,778 | 0.8% |
| ROA | 6% | | 7% | |
| ROE | 10% | | 10% | |
| Current Ratio | 119% | | 147% | |
| Quick Ratio | 36% | | 71% | |

Financial Statement(continued)

Consolidated Cash Flow



| Unit: Thousand NTD | 2020 Q1~3 | 2019 Q1~3 | YOY |
|---------------------------|------------------|------------------|-----------|
| From Operating Activities | 1,441,558 | 1,067,334 | 374,224 |
| From Investing Activities | (1,098,757) | (734,036) | (364,721) |
| From Financing Activities | (117,993) | (370,684) | 252,691 |
| Effect of Exchange rate | (2,803) | 2,826 | (5,629) |
| Net Change in Cash | 222,005 | (34,560) | 256,565 |
| Beginning Balance | <u>962,019</u> | <u>1,096,720</u> | (134,701) |
| Ending Balance | <u>1,184,024</u> | <u>1,062,160</u> | 121,864 |

Financial Statement(continued)

Consolidated revenue



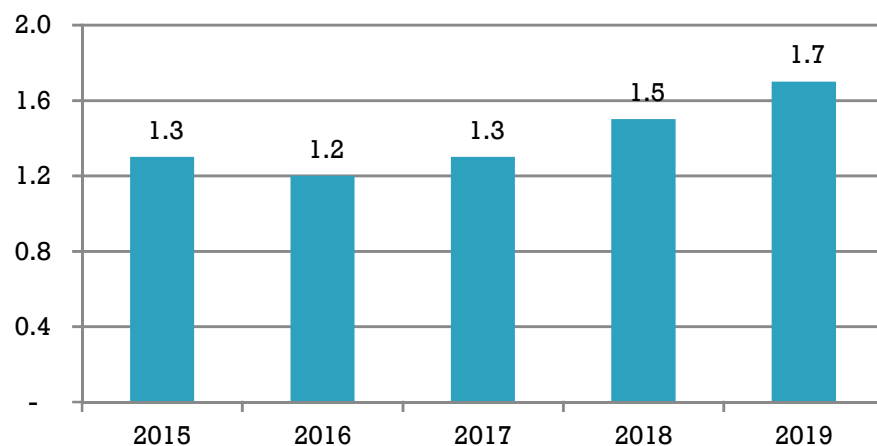
| Unit: Thousand NTD | 2020/1-10 | 2019/1-10 | YOY | |
|--|-----------|-----------|-----------|------|
| Sales | 843,466 | 801,834 | 41,632 | 5% |
| Research, consulting and construction services | 6,924,176 | 3,429,056 | 3,495,120 | 102% |
| Total | 7,767,642 | 4,230,890 | 3,536,752 | 84% |

Financial Statement(continued)

Dividend

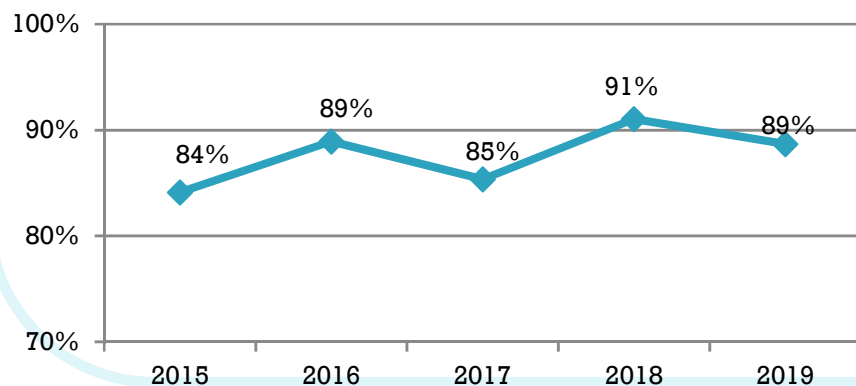


Cash Dividend(NT\$/Shar)

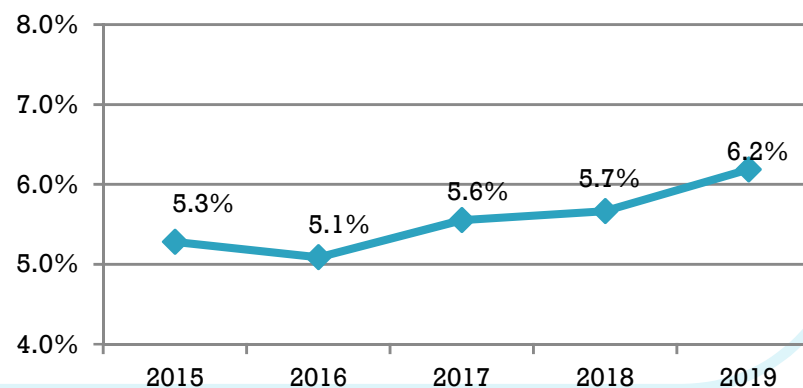


- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding more than 5%

Payout Ratio



Dividend Yield



Operating Situation

Guantian Cogeneration Plant



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



Operating Situation(continued)

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 passed the preliminary review of the amendment of EIA report on Oct.20 .
- The 2th review meeting of amendment of EIA report of Kuo Kuang Power Corp. has been held in Oct.
- Sun Ba Power Corp. has submit the EIA report in Sep.



2. 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 case of Star Buck and Kuo Kuang is ongoing, and the case of Sun Ba and Star Energy is suspended.

Operating Situation(continued)

Corporate Governance and Corporate Social Responsibility



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- TCC was ranked as No.1 in CommonWealth – 2020 FAST 100 and 14th in 2020 Excellence in Corporate Social Responsibility Award.

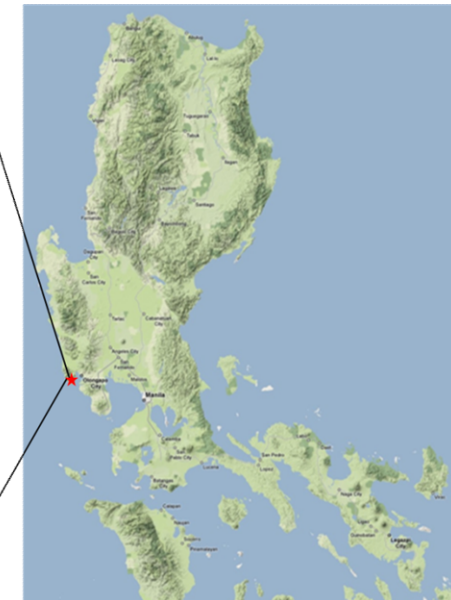
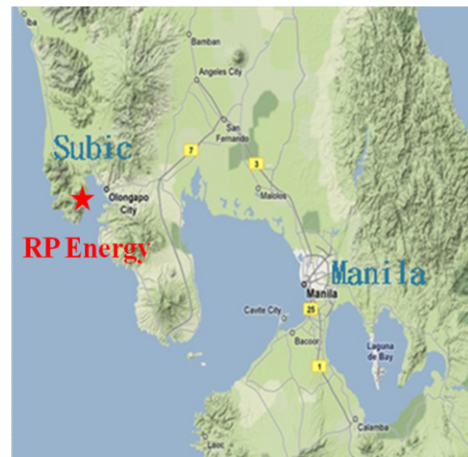


Business Overview

Overseas Business



- The Philippine RP Energy coal-fired power plant project
 - We are now urging RP Energy to complete the documents for the next round of bidding for the power purchase.



- Development of other overseas business

Business Overview(continued)

IPP



- Sun Ba Power Plant Phase II (1000MW) has obtained the EIA Verification and Backup from Environment Protection Administration on 8th Sep. 2020.



Business Overview(continued)

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..
 - Star Energy is constructing a renewable energy operation and maintenance center to strive for opportunities of engineering and work of operation and maintenance in relevant offshore wind power. A groundbreaking ceremony has been held on 2019/12/16.



Business Overview(continued)

Wind & Solar Power



- Solar Power Engineering: Taipower Tainan salt fields 150MW solar PV Project has been completed and is currently being commissioned. 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 and the license of the water surface type PV project (about 13MW) of Wushantou Reservoir. We are developing a 5.2MW ground-type PV project in Gukeng Township, Yunlin, and 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 completed the commissioning and connect in parallel of Star Wind 11MW (3.6*3) onshore wind farm in Changhua. The opening ceremony was held on November 11, 2020.

Business Overview(continued)

Geothermal Power



- Qingshui Geothermal Project
 - All major power generation equipment arrived on site on September 28th and work is continuing on the site.

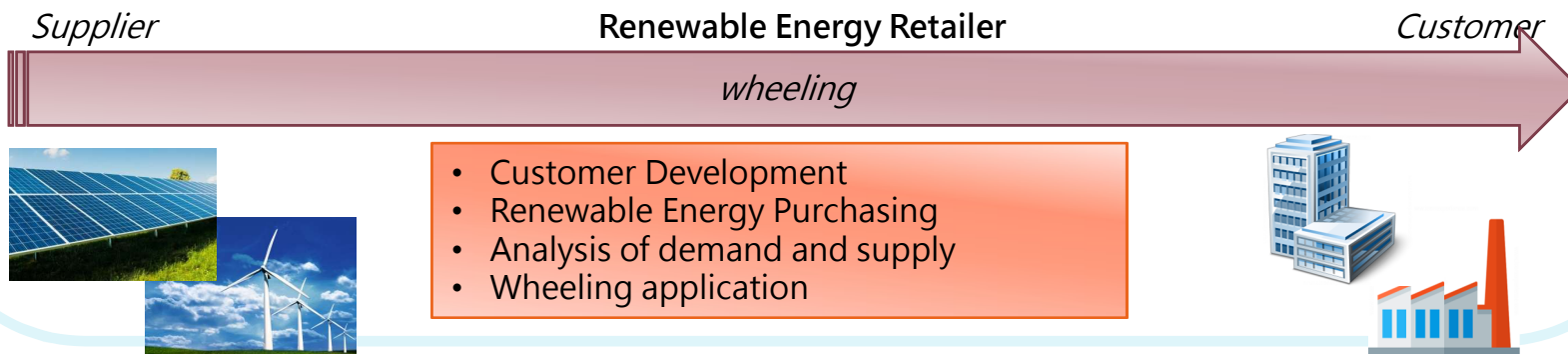


Business Overview(continued)

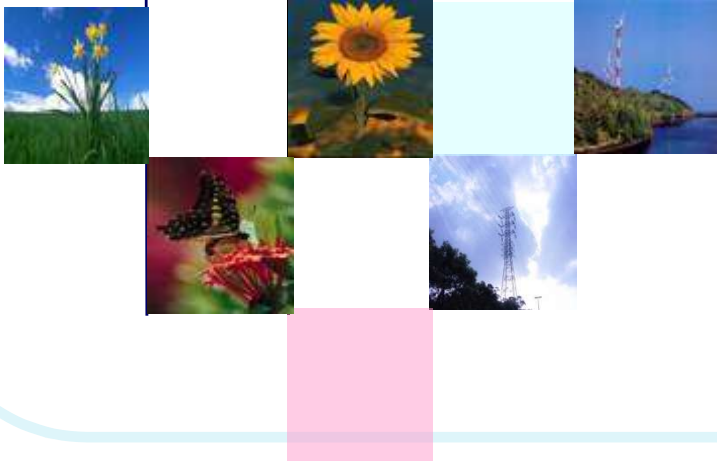
Retailer of Renewable Energy



- TCC Green Energy Corp., which 100% owned by TCC, has obtained the license of the Renewable-Energy-Based Electricity Retailing Enterprise in 2019. The sale of renewable energy has started in October.
- On October 30 this year, TCC Green Energy has wheeled the renewable energy from Miaoli Wind(100% owned by TCC) to the user.
- TCC Green Energy will wheel the renewable energy to Taiwan Mobile and Taiwan Research Institute in December.



Please Advise



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