



Taiwan Cogeneration Corporation

INVESTOR CONFERENCE

2020.5.29



TAIWAN COGEN

Presentation Content



- 一、Company Profile
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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

Since 1996, TCC has invested in Ta Yuan cogeneration plant as well as self-invested and self-constructed Kuan-Tien cogeneration plant

In 1992, TCC was funded by several well-known domestic companies under the guidance of Ministry of Economy

In 2011, TCC acquired 35% shares of Kuo Kuang Power Corp.

Since 2000, TCC has invested Star energy/Sun Ba/Star Buck 3 IPP companies

TCC listed OTC and transferred to TWSE

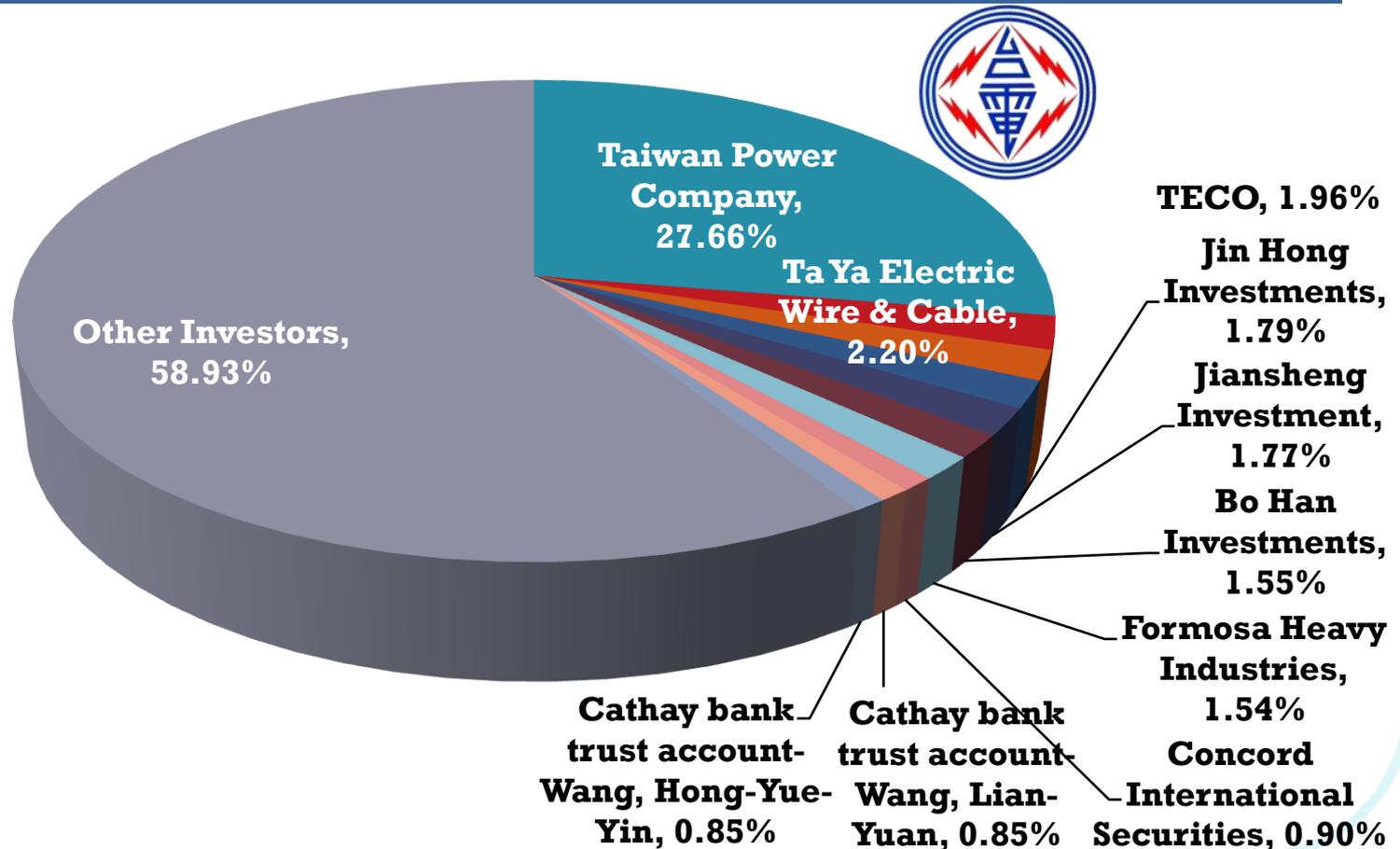
Developing of IPP, renewable energy, cogeneration plant, transmission and substation engineering in domestic and oversea ; continue to improve corporate governance

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	175	100%	Investment of green energy
Shin Kuang Electric Energy Co. Ltd.	170	100%	Solar power

二、Financial Statement

(一) Consolidated Income Statement



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Unit: Thousand NTD	2020 Q1	2019 Q1		YOY
Revenues	2,615,701	542,855	2,072,846	382%
Costs	2,480,540	500,619	1,979,921	395%
Realized gain on transactions with associates	4,397	6,235	(1,838)	-29%
Realized Gross Profit	139,558	48,471	91,087	188%
Gross Margin	5%	9%		-4%
Operating Expense	63,786	60,405	3,381	6%
Operating net profit	75,772	(11,934)	87,706	-735%
Operating net profit margin	3%	-2%		5%
Non-operating items	351,109	294,317	56,792	19%
Pre-tax net profit	426,881	282,383	144,498	51%
Income tax expense	(13,626)	(3,355)	(10,271)	306%
Net profit	413,255	279,028	134,227	48%
Net profit_Owners of the Corporation	404,665	279,139	125,526	45%
EPS (NT\$)	0.70	0.47	0.23	49%

三、Financial Statement(continued)

(二) Consolidated Balance Sheet



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Unit: Thousand NTD	2020.3.31		2019.3.31	
Current Assets	6,306,330	29.1%	2,793,794	16.3%
Non Current Assets	15,371,327	70.9%	14,318,587	83.7%
Available-for-sale financial assets	258,000	1.2%	258,400	1.5%
Investments accounted for using equity method	13,033,603	60.1%	12,855,614	75.1%
Property, plant and equipment	1,594,770	7.4%	950,342	5.6%
Other assets	484,954	2.2%	254,231	1.5%
Total Assets	21,677,657	100.0%	17,112,381	100.0%
Current Liabilities	4,899,785	22.6%	2,059,671	12.0%
Non Current Liabilities	4,270,685	19.8%	2,887,872	17.0%
Total Liabilities	9,170,470	42.4%	4,947,543	29.0%
Shareholders Equity	12,369,775	57.0%	12,026,187	70.3%
Non-Controlling Interests	137,412	0.6%	138,651	0.7%
ROA		8%		7%
ROE		13%		9%
Current Ratio		129%		136%
Quick Ratio		30%		84%

三、Financial Statement(continued)

(三) Consolidated Cash Flow



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Unit: Thousand NTD	2020 Q1	2019 Q1	YOY
From Operating Activities	(443,998)	784,284	(1,228,282)
From Investing Activities	(148,605)	(120,016)	(28,589)
From Financing Activities	631,450	(608,589)	1,240,039
Effect of Exchange rate	883	(1,146)	2,029
Net Change in Cash	39,730	54,533	(14,803)
Beginning Balance	<u>962,019</u>	<u>1,096,720</u>	(134,701)
Ending Balance	<u>1,001,749</u>	<u>1,151,253</u>	(149,504)

三、Financial Statement(continued)

(四) Consolidated revenue



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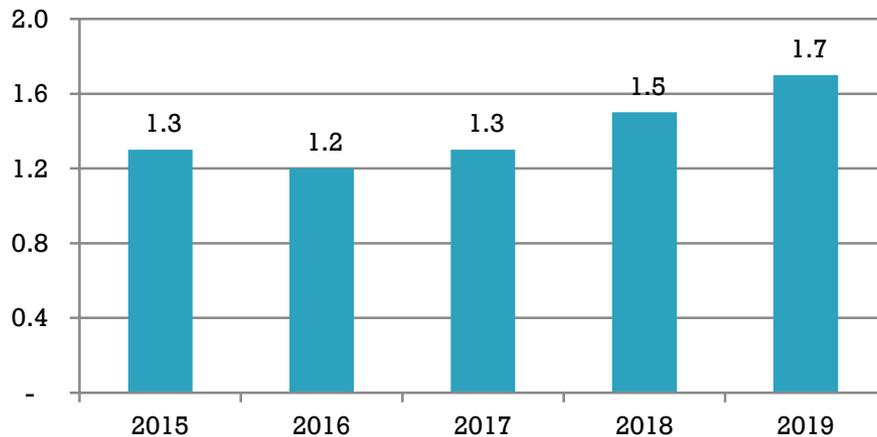
Unit: Thousand NTD	2020/1-4	2019/1-4		YOY
Sales	298,645	264,041	34,604	13%
Research, consulting and construction services	2,958,940	526,621	2,432,319	462%
Total	3,257,585	790,662	2,466,923	312%

三、Financial Statement(continued)

(五) Dividend

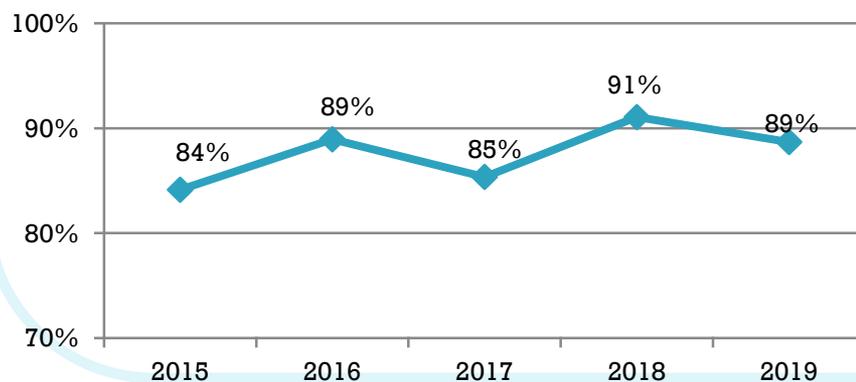


Cash Dividend(NT\$/Shar)

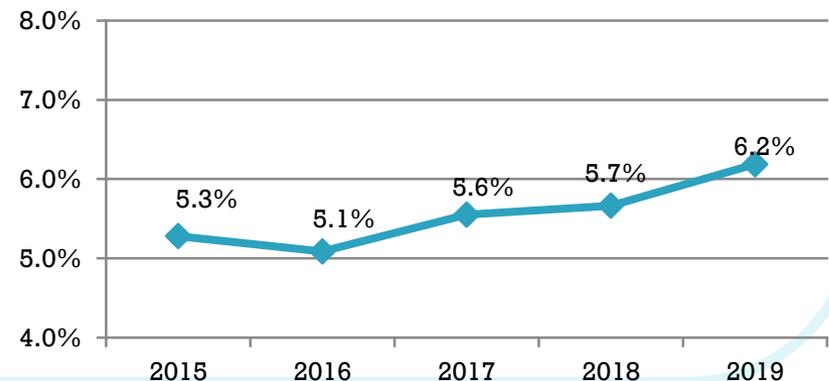


- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding more than 5%

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. Kuo Kuang Power Corp. is under processing at EIA amendment. Sun Ba Power Corp. is evaluating 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. For civil lawsuits, the case of Star Buck is ongoing, and the case of Sun Ba and Star Energy is suspended.



三、Operating Situation(continued)

(三) Corporate Governance and Corporate Social Responsibility



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- We was ranked in the top 5% of listed companies in 2019 annual Corporate Governance Evaluation.
- The 2019 CSR Report is expected to be released in June.

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



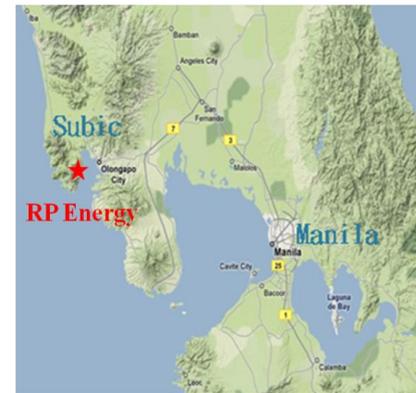
邁向低碳循環
領導再生能源



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

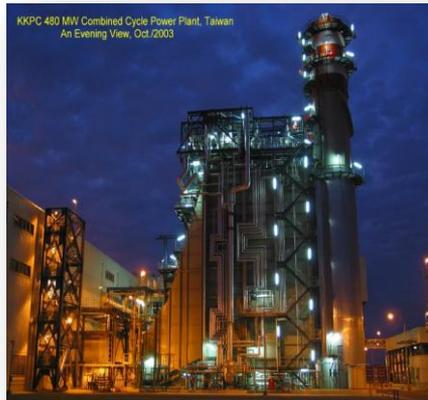
四、Business Overview(continued)



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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.
- The EIA of Sun Ba Power Plant Phase II (1000MW) has been reviewed and approved by preliminary review meeting, and will be submitted to EIA committee after adding the supplementary information.



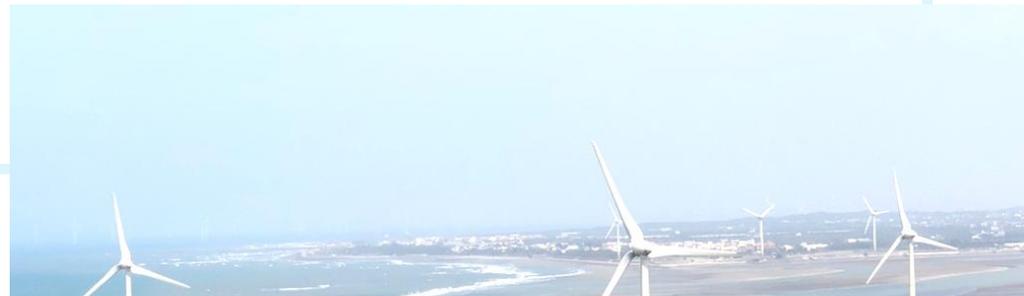
四、Business Overview(continued)



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(三) Wind & Solar Power

- Acquisition of 100% equity of Miaoli Wind Co., Ltd:
 - Our board of directors approved the acquisition of 100% equity of Miaoli Wind Power on May 8.
 - Miaoli Wind Farm is located in Zhunan and Houlong areas, with a total installed capacity of 49.8MW.
 - We will strengthen the operation of wind farm. After the decommissioning of existing units, we will evaluate the replacement of more advanced wind turbines, make good use of wind energy, and produce clean renewable energy based on our CSR purpose. The electricity will provide users and corporate by wholesaling or transferring directly, and contribute to the promotion of low-carbon sustainable life.



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. 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.



四、Business Overview(continued)



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(三) Wind & Solar Power

- 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 developing a 6MW ground-type PV project, and expected to be on grid at 2021 Q3. 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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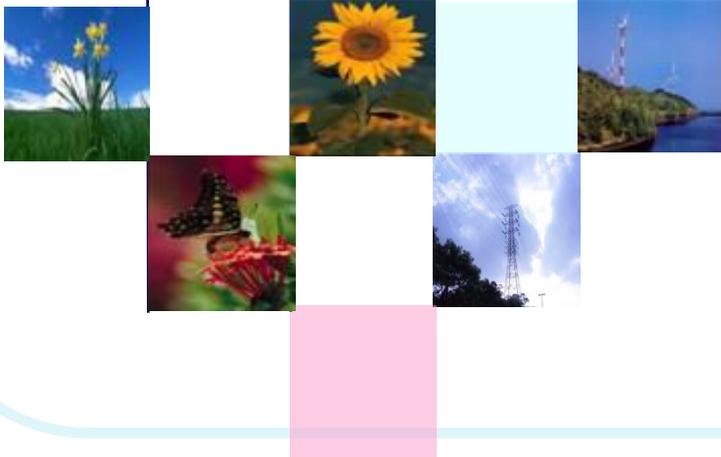
(四) Geothermal Power

- 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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