



Taiwan Cogeneration Corporation

INVESTOR CONFERENCE

2018.11.22



TAIWAN COGEN

Presentation Content



台灣汽電
TAIWAN COGEN

- 一、Company Profile
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- 三、Operating Situation
- 四、Business Overview

一、Company Profile



(一) Company basic information

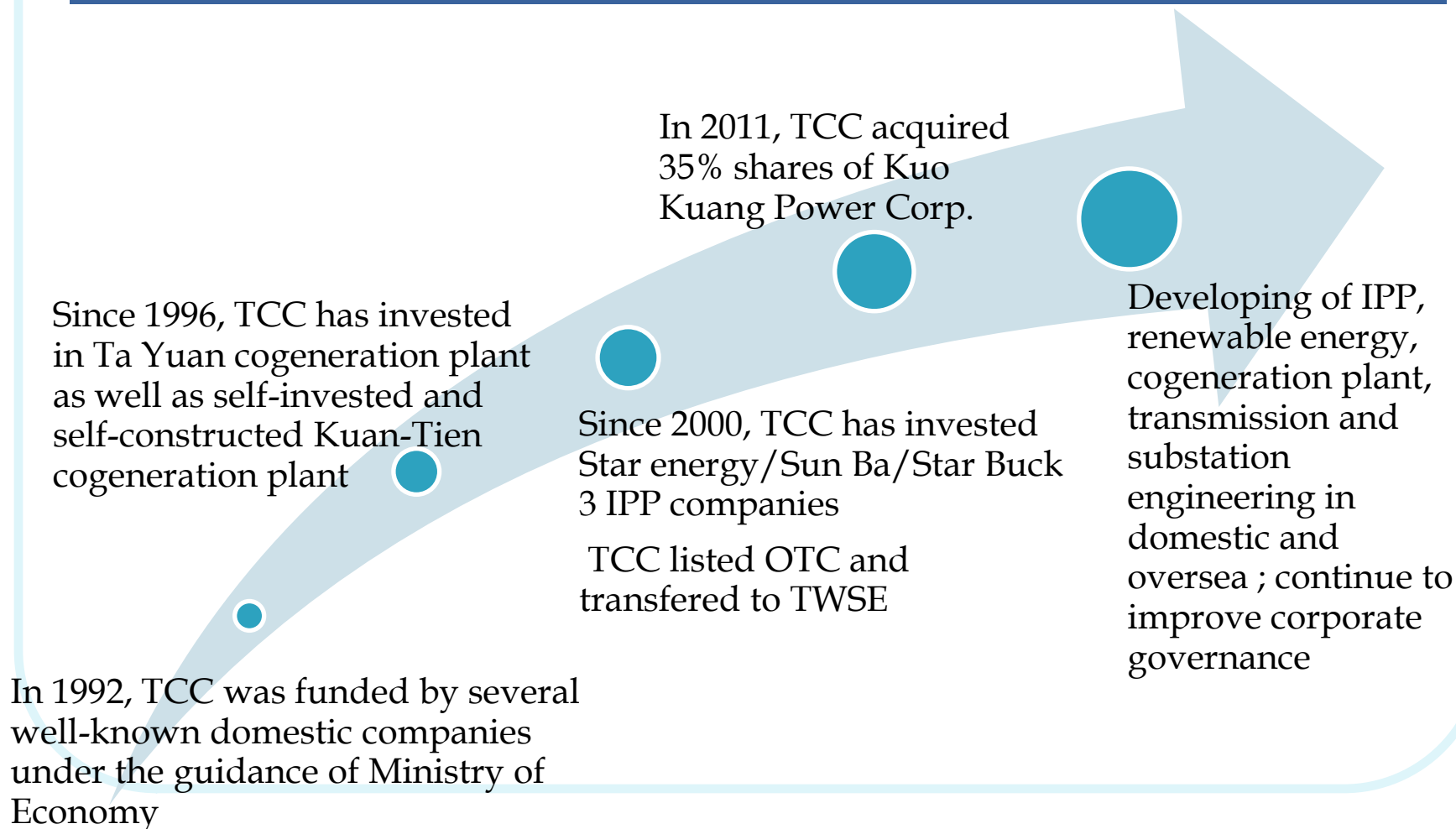
- **Company Name : Taiwan Cogeneration Corporation (TCC)**
- **Chairman : Michael, Min-Chieh Chang**
- **Date of establishment : 1992**
- **Date of Listing : 2003 (Code: 8926)**
- **Capital : NT\$5.89 Billions**
- **Main business : Power Industry**
 - ✓ Power generation business
 - ✓ Engineering business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

一、Company Profile (continued)



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(二) Development track

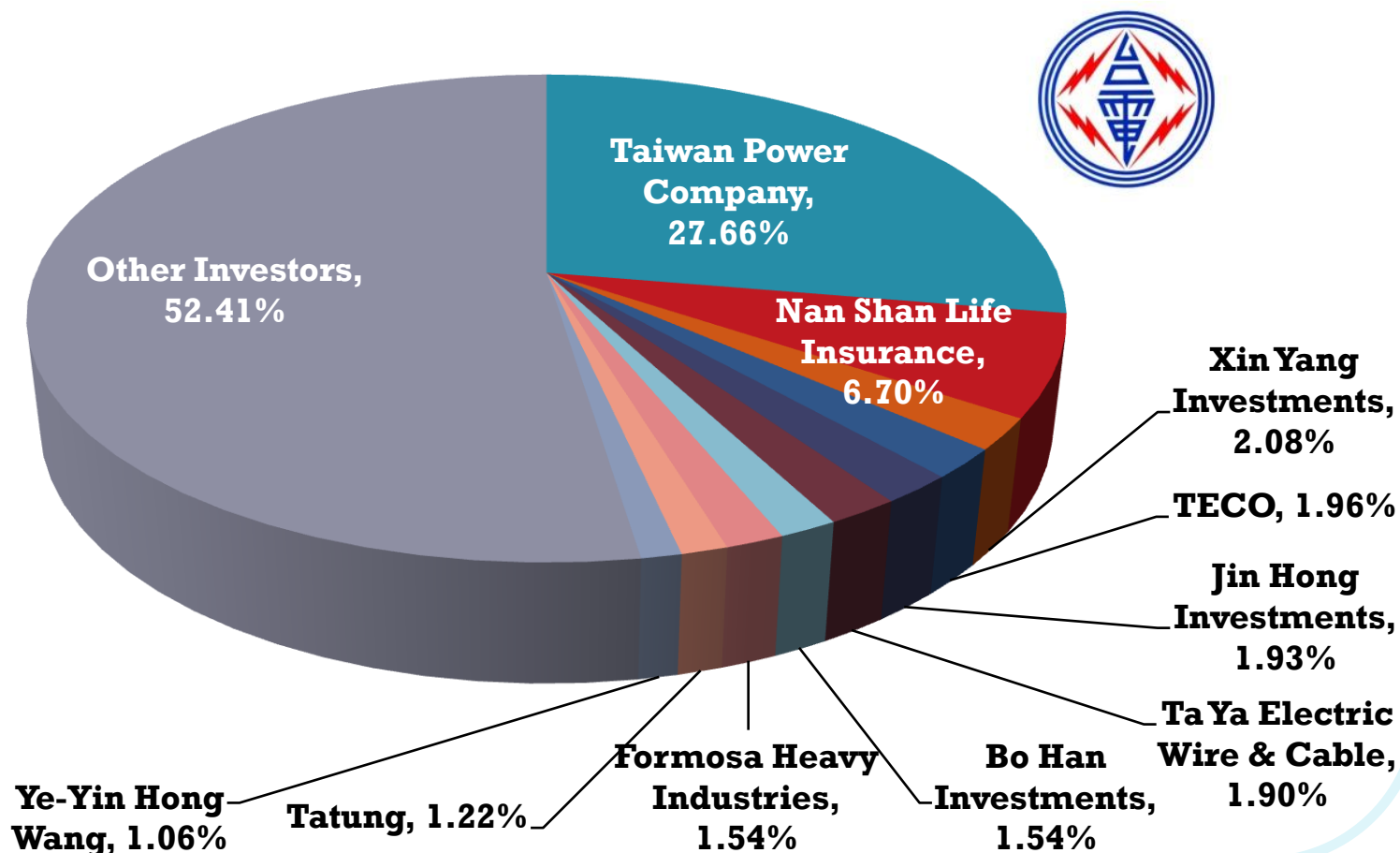


一、Company Profile (continued)



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(三) TCC's Shareholders (As of April 2018)

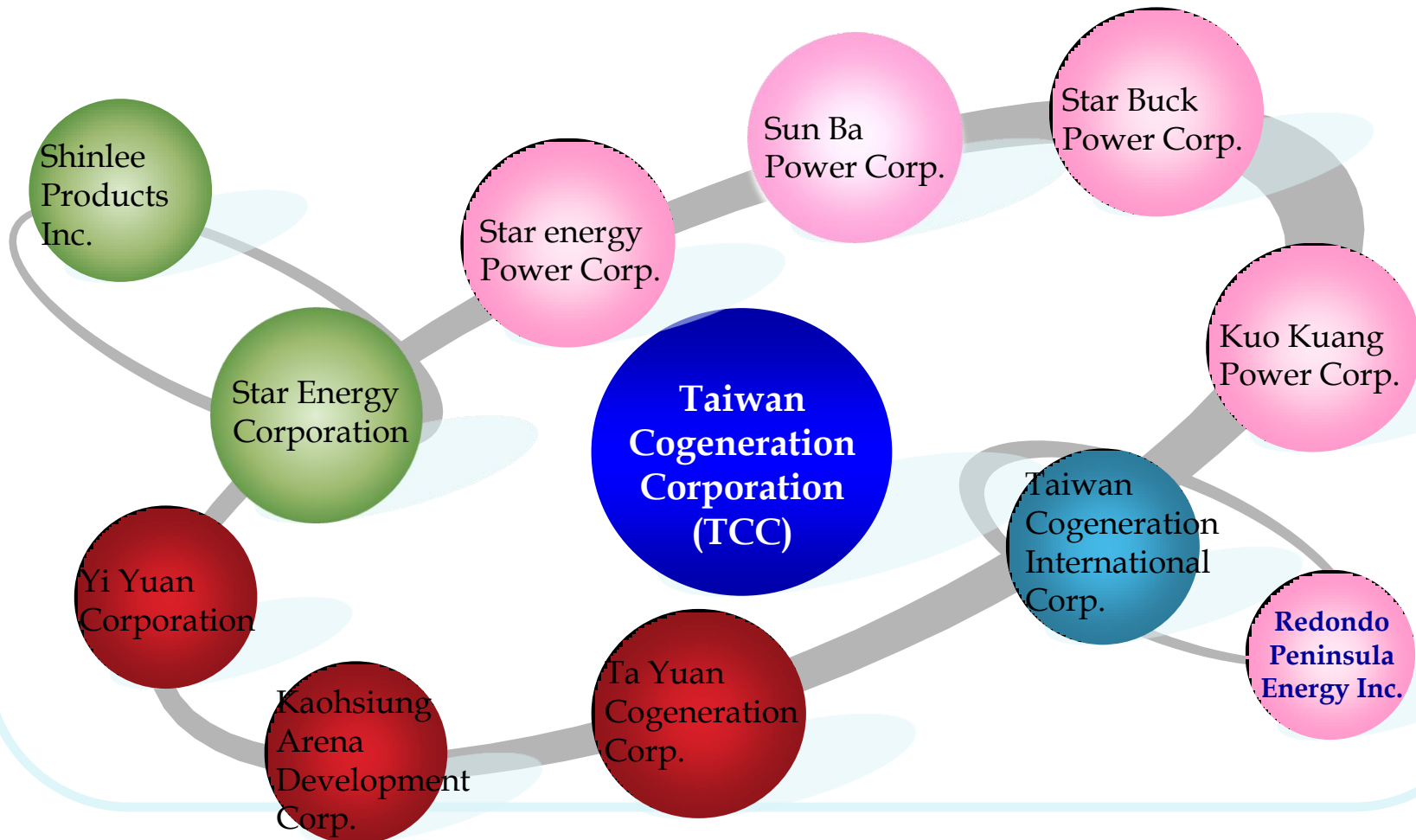


一、Company Profile (continued)



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TCC has invested in total of 11 companies



一、Company Profile (continued)



Name of the investee company	Capital (NT\$ Millions)	Shareholding by TCC (%)	Main business
Ta Yuan Cogeneration Corporation	1,164	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	630	100%	Construction and engineering service for power, renewable energy related
Shinlee Products Inc.	40	41%	Engineering service and international trading
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	50	51%	Investment geothermal power

(As of September 2018)

二、Financial Statement

(一) Consolidated Income Statement



Unit: Thousand NTD	2018 Q1~3	2017 Q1~3	YOY	
Revenues	3,288,468	871,940	2,416,528	277%
Costs	2,919,871	674,175	2,245,696	333%
Realized gain on transactions with associates	23,694	23,883	(189)	-1%
Realized Gross Profit	392,291	221,648	170,643	77%
Gross Margin	12%	25%	-13%	
Operating Expense	159,498	163,752	(4,254)	-3%
Operating net profit	232,793	57,896	174,897	302%
Operating net profit margin	7%	7%	0%	
Non-operating items	624,543	841,130	(216,587)	-26%
Pre-tax net profit	857,336	899,026	(41,690)	-5%
Income tax expense	(27,781)	(26,115)	(1,666)	6%
Net profit	829,555	872,911	(43,356)	-5%
Net profit_Owners of the Corporation	831,305	877,252	(45,947)	-5%
EPS (NT\$)	1.41	1.49	(0.08)	-5%

三、Financial Statement(continued)

(二) Consolidated Balance Sheet



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Unit: Thousand NTD	2018.9.30		2017.9.30	
Current Assets	2,586,875	15.7%	1,325,640	8.8%
Non Current Assets	13,930,147	84.3%	13,776,177	91.2%
Available-for-sale financial assets	246,200	1.5%	228,800	1.5%
Investments accounted for using equity method	12,745,171	77.2%	12,890,533	85.4%
Property, plant and equipment	783,750	4.7%	549,133	3.6%
Other assets	155,026	0.9%	107,711	0.7%
Total Assets	16,517,022	100.0%	15,101,817	100.0%
Current Liabilities	2,039,871	12.4%	1,069,625	7.1%
Non Current Liabilities	2,550,348	15.4%	2,275,984	15.1%
Total Liabilities	4,590,219	27.8%	3,345,609	22.2%
Shareholders Equity	11,908,860	72.1%	11,736,049	77.7%
Non-Controlling Interests	17,943	0.1%	20,159	0.1%
ROA	7%		8%	
ROE	9%		10%	
Current Ratio	127%		124%	
Quick Ratio	55%		89%	

三、Financial Statement(continued)

(三) Consolidated Cash Flow



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Unit: Thousand NTD	2018 Q1~3	2017 Q1~3	YOY
From Operating Activities	962,736	749,742	212,994
From Investing Activities	(231,281)	(323,830)	92,549
From Financing Activities	(746,543)	(670,790)	(75,753)
Effect of Exchange rate	(2,837)	(3,649)	812
Net Change in Cash	(17,925)	(248,527)	230,602
Beginning Balance	<u>832,418</u>	<u>1,017,893</u>	(185,475)
Ending Balance	<u>814,493</u>	<u>769,366</u>	45,127

三、Financial Statement(continued)

(四) Consolidated revenue



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Unit: Thousand NTD	2018/1-10	2017/1-10	YOY	
Sales	901,421	718,379	183,042	25%
Research, consulting and construction services	2,606,038	256,468	2,349,570	916%
Total	3,507,459	974,847	2,532,612	260%

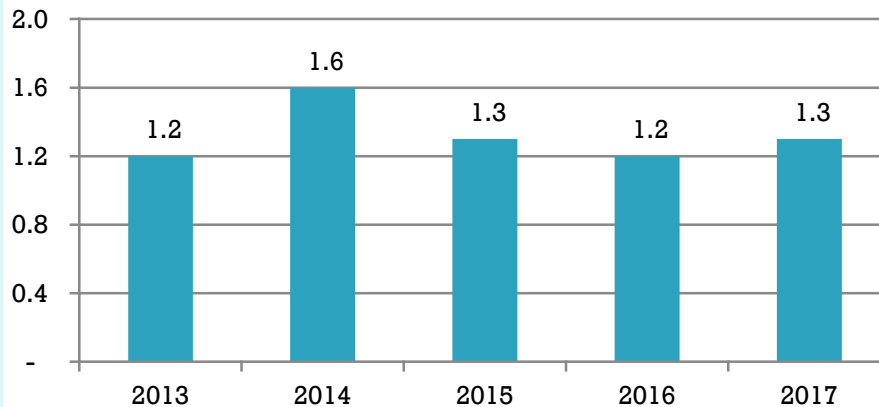
三、Financial Statement(continued)

(五) Dividend



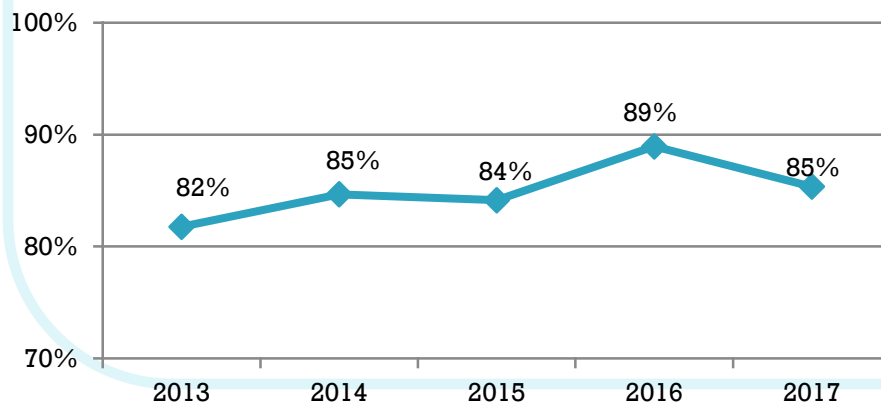
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Cash Dividend(NT\$/Shar)

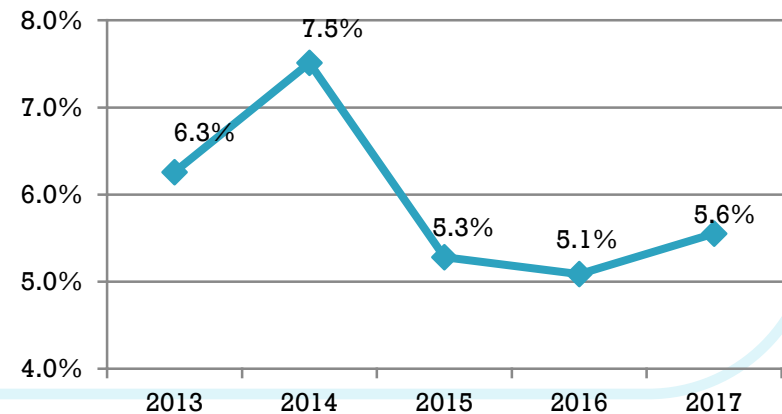


- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding more than 5%

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
- Effect of increasing of electricity tariff



三、 Operating Situation(continued)

(二) IPPs

- Increasing of capacity factor
 - Star Buck Power corp. has completed the EIA amendment in 2017 to increase the capacity factor to 60%; furthermore, Star Buck Power corp. plan to complete EIA amendment in 2018 to increase the capacity factor to 70%.
 - 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.
- Increasing of reliability and efficiency
 - The lifetime extension maintenance of KKPC at the end of this year will affect profitability.



三、Operating Situation(continued)

(三) Corporate Social Responsibility



- TCC participated in the "Excellence in Corporate Social Responsibility Award" and won the "Little Giant" award in the top 100 this year.
- TCC participated in the "2018 Taiwan Corporate Sustainability Awards" and won the Corporate Comprehensive Performance Award TOP 50 and the Corporate Sustainability Report Gold Award!



TCSA 2018 第11屆

綜合績效類-TOP50 台灣企業永續獎

電子資訊製造業		金融及保險業		傳統製造業		服務業		電信傳播業		大學、醫院	
ASE GROUP 日月光半導體	力成科技	富邦金控 富邦金控		TECO 東元電機		遠東SOGO		遠傳電信		亞東醫院	
GIGABYTE 技嘉科技	英業達	國泰金控		TCC 台灣水泥		ECOVE 崑崙投資投控		榮成紙業		弘光科大	
MEDIATEK 聯發科技	Eink 元太科技	新光人壽		亞洲水泥		和泰汽車		中華紙漿		瑞助營造	
HIWIN 上銀科技	ChipMOS 南茂科技	中華開發金控		WUSHI 華新麗華		遠東百貨		能源產業		餐飲業	
NANDU 南亞科技	定穎電子	中國人壽		台糖		Acter 聖輝工程		台灣電力		安心食品	
Qisda 佳世達科技		中租控股		HOPAX 聚和國際		CTCI 新鼎系統		台灣汽電共生		中國通運	
		台新金控									

台灣企業永續獎志工評審員 熱烈招募中

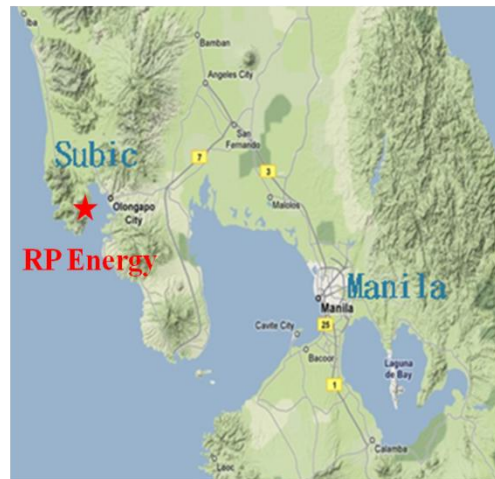
獲獎名單 各產業別依名次排序

四、Business Overview

(一) RP Energy



- 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).



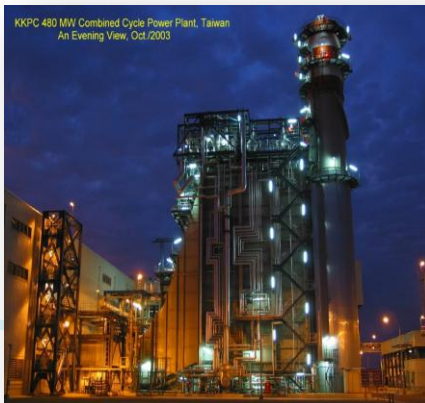
四、Business Overview(continued)



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(二) IPP

- Taipower announced on Aug. 7 that Chiahui Power Corporation won the bidding of power purchasing of 500MW gas-fired power plant in 2020.
- The power procurement for 500MW gas-fired power plant in the North Taiwan in 2021 was unable to be finalized for the second time, pending the third announcement of Taipower.
- Kuo Kuang Power Plant Phase II (500MW) is currently processing EIA and negotiation with contractors.
- 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:
 - Star Energy has obtained the underground cable pipe project of the onshore transmission of Taipower offshore wind farm
 - Global offshore wind leader Ørsted awarded a onshore substations EPC Contract to TCC on Nov. 6. The contract amount is more than 7 billion NTD. It is estimated that construction will begin in the second quarter of next year. Star Energy, 100% owned by TCC, will be responsible for the EPC work.
 - Star Energy will continue to fight for relevant offshore wind power engineering business opportunities.



四、Business Overview(continued)



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(三) Wind & Solar Power

- Onshore Wind Power Investment: Planning to develop and invest in the 18MW onshore wind power project in the Xinbao district of Changhua. It is expected to be awarded this year.
- Solar Power: Star Energy has acquired a new solar PV project in Taipower's five reservoirs (about 7.5MWp), and Changhua Chang Bin solar PV project continues to work; and continues to fight for other solar PV projects.
- In 2018, TCC is expected to develop 25MW in solar photovoltaic project, including rooftop type, ground type, or water surface type.



四、Business Overview(continued)



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(四) Geothermal Power

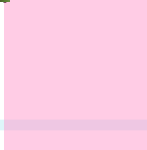
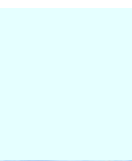
- Qingshui Geothermal Project
 - An exemption of EIA has been obtained and preparations for the company establishment are currently underway.
- Hot water geothermal Project
 - In the cooperation with Philippine Energy Development Corp.. We will process the MT survey in potential site.





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Please Advise



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