



Taiwan Cogeneration Corporation

INVESTOR CONFERENCE

2018.3.30



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

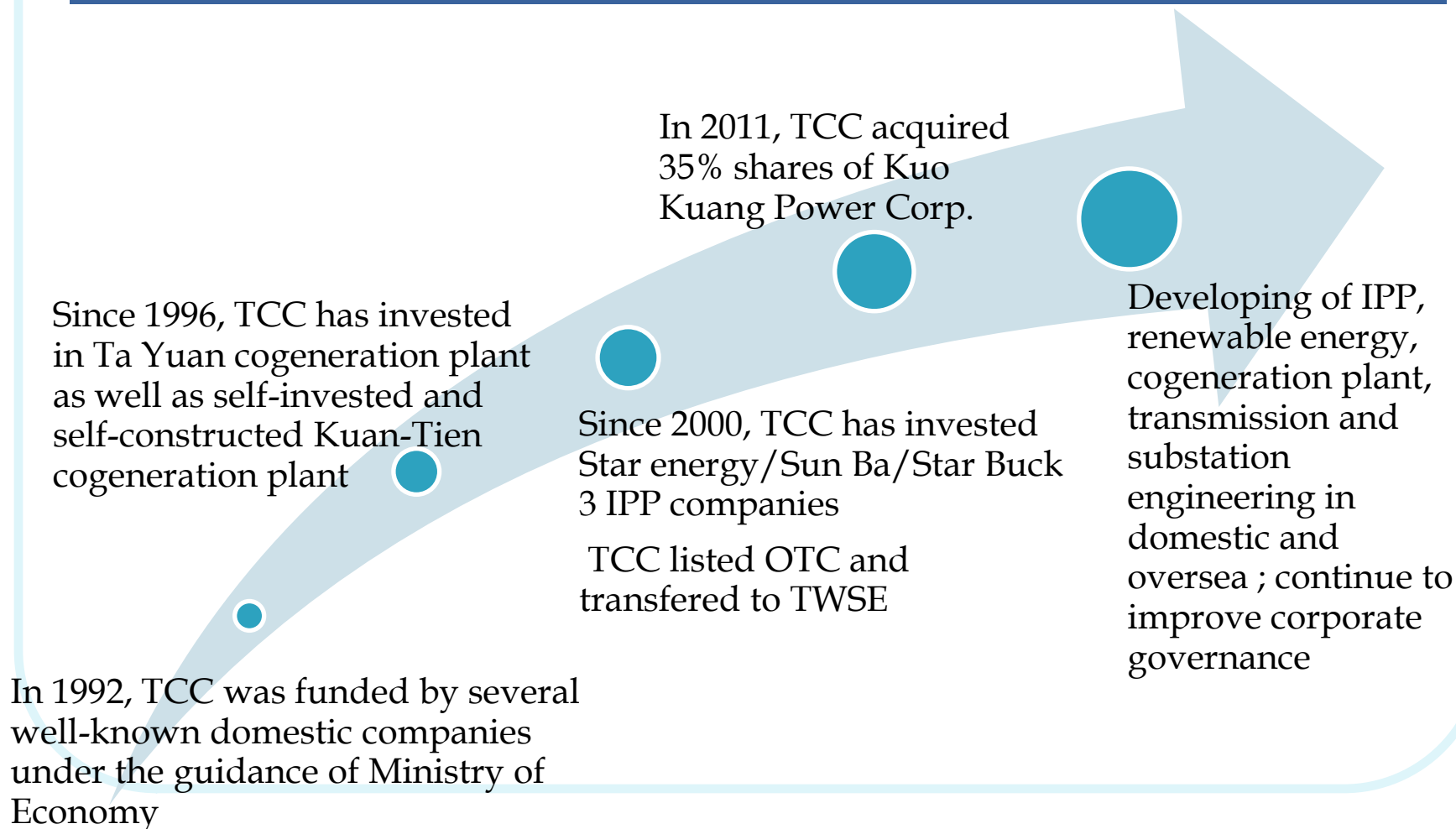
- **Company Name : Taiwan Cogeneration Corporation (TCC)**
- **Chairman : Michael, Min-Chieh Chang**
- **Date of establishment : 1992**
- **Date of Listing : 2003 (Code: 8926)**
- **Capital : NT\$5.89 Billions**
- **Main business :**
 - ✓ Power generation business
 - ✓ Engineering business
 - ✓ Investment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

一、Company Profile (continued)



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TAIWAN COGEN

(二) Development track

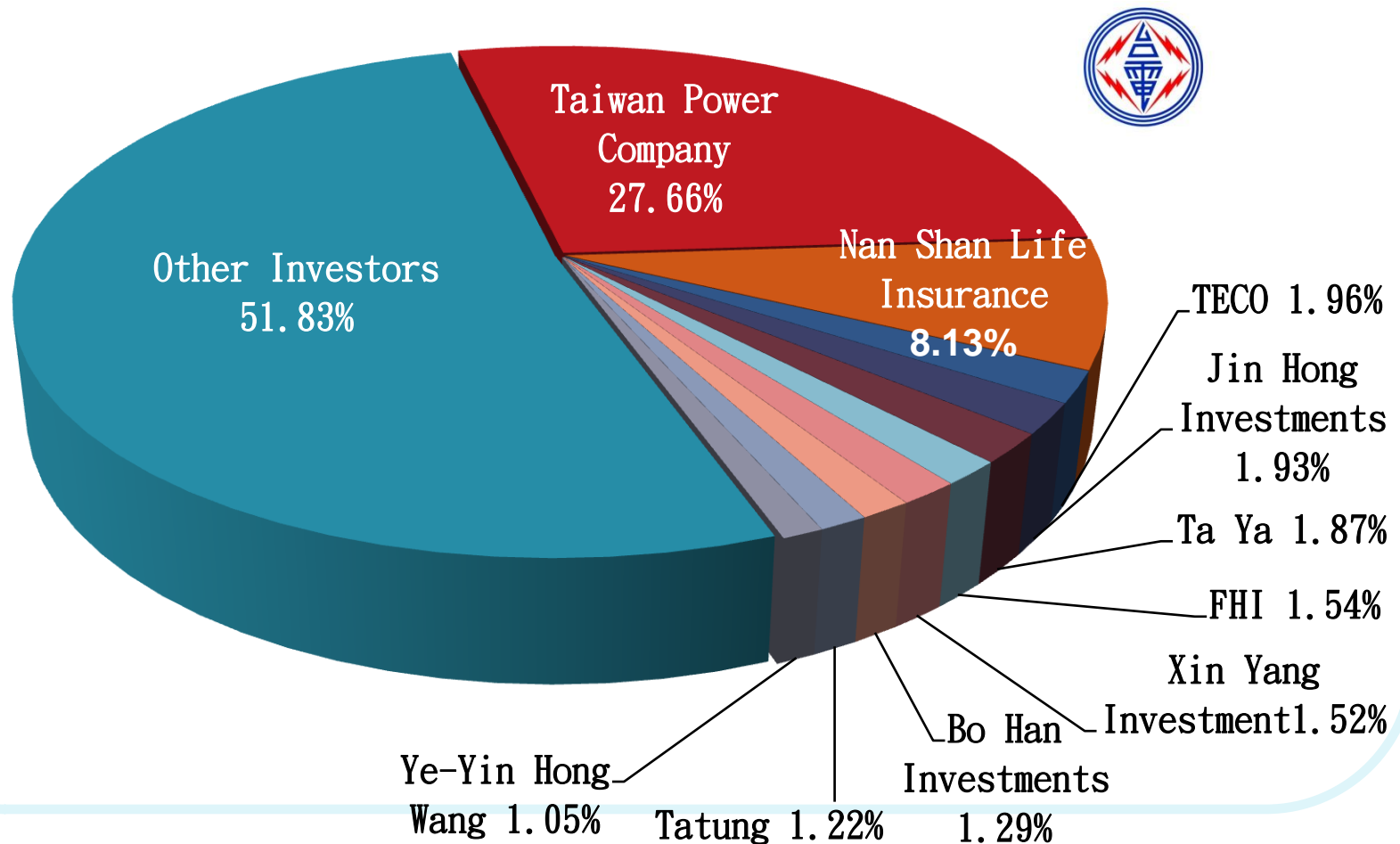


一、Company Profile (continued)



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(三) TCC's Shareholders (As of April 2017)

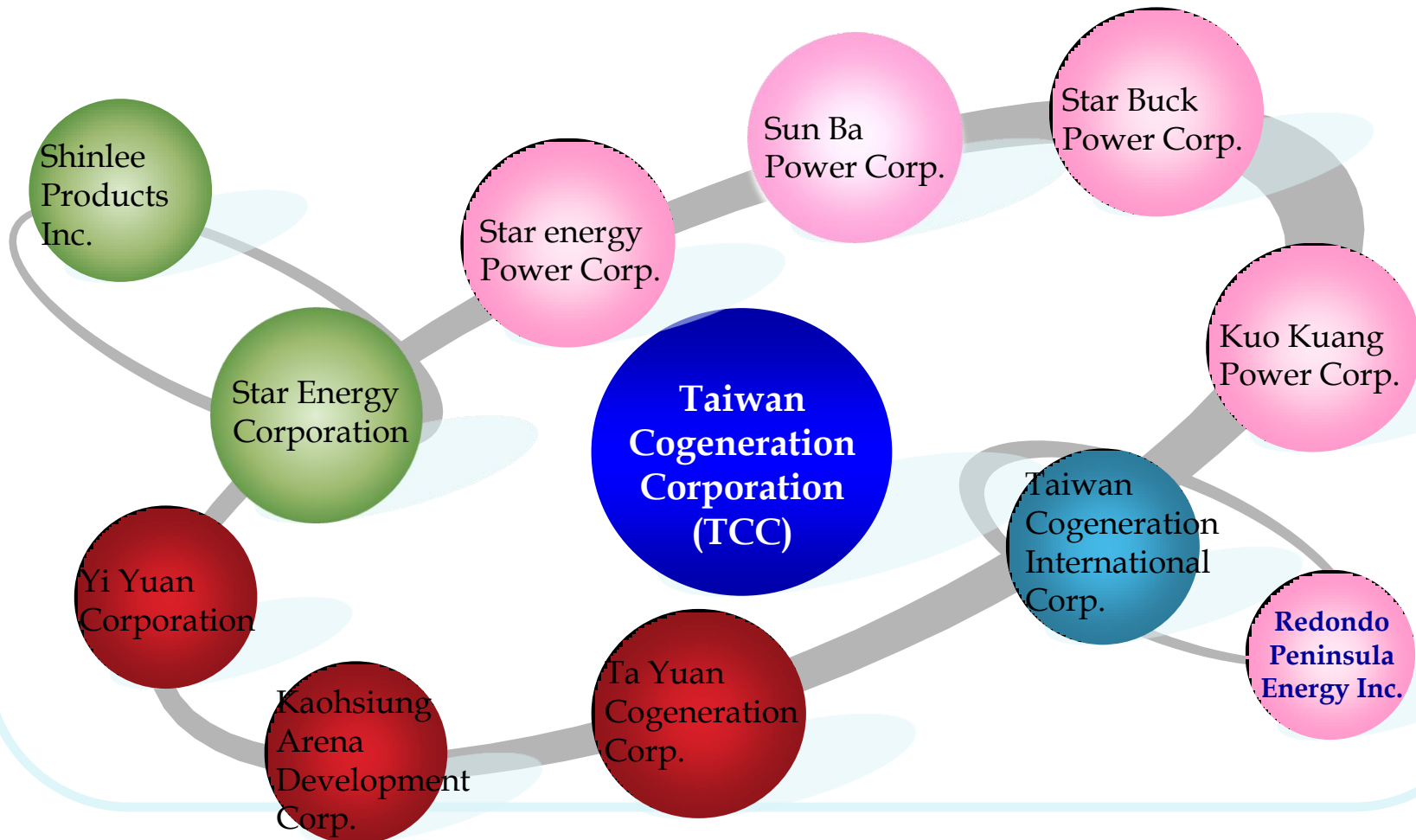


一、Company Profile (continued)



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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 December 2017)

二、Financial Statement

(一) Consolidated Income Statement



Unit: Thousand NTD	2017	2016	YOY	
Revenues	1,209,414	1,178,012	31,402	3%
Costs	931,140	883,020	48,120	5%
Realized gain on transactions with associates	31,871	39,068	(7,197)	-18%
Realized Gross Profit	310,145	334,060	(23,915)	-7%
Gross Margin	26%	28%	-3%	
Operating Expense	210,882	180,601	30,281	17%
Operating net profit	99,263	153,459	(54,196)	-35%
Operating net profit margin	8%	13%	-5%	
Non-operating items	888,279	836,791	51,488	6%
Pre-tax net profit	987,542	990,250	(2,708)	0%
Income tax expense	(20,475)	(41,284)	20,809	-50%
Net profit	967,067	948,966	18,101	2%
Net profit_Owners of the Corporation	971,874	948,966	38,910	4%
EPS (NT\$)	1.65	1.61	0.04	2%

三、Financial Statement(continued)

(二) Consolidated Balance Sheet



台灣汽電
TAIWAN COGEN

Unit: Thousand NTD	2017		2016	
Current Assets	1,351,555	8.9%	1,592,410	10.6%
Non Current Assets	13,899,759	91.1%	13,444,033	89.4%
Available-for-sale financial assets	225,800	1.5%	295,200	2.0%
Investments accounted for using equity method	12,986,682	85.2%	12,596,263	83.8%
Property, plant and equipment	568,045	3.7%	442,729	2.9%
Other assets	119,232	0.7%	109,841	0.7%
Total Assets	15,251,314	100.0%	15,036,443	100.0%
Current Liabilities	640,532	4.2%	718,032	4.8%
Non Current Liabilities	2,732,562	18.0%	2,654,133	17.7%
Total Liabilities	3,373,094	22.2%	3,372,165	22.5%
Shareholders Equity	11,858,527	77.8%	11,664,278	77.5%
Non-Controlling Interests	19,693	0.1%	-	0.0%
ROA	7%		7%	
ROE	8%		8%	
Current Ratio	211%		222%	
Quick Ratio	159%		166%	

三、Financial Statement(continued)

(三) Consolidated Cash Flow



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Unit: Thousand NTD	2017	2016	YOY
From Operating Activities	782,995	923,225	(140,230)
From Investing Activities	(355,378)	(128,092)	(227,286)
From Financing Activities	(605,840)	(613,135)	7,295
Effect of Exchange rate	(7,252)	1,207	(8,459)
Net Change in Cash	(185,475)	183,205	(368,680)
Beginning Balance	<u>1,017,893</u>	<u>834,688</u>	183,205
Ending Balance	<u>832,418</u>	<u>1,017,893</u>	(185,475)

三、Financial Statement(continued)

(四) Consolidated revenue



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Unit: Thousand NTD	2018/1-2	2017/1-2	YOY	
Sales	123,843	91,148	32,695	36%
Research, consulting and construction services	273,252	30,457	242,795	797%
Total	397,095	121,605	275,490	227%

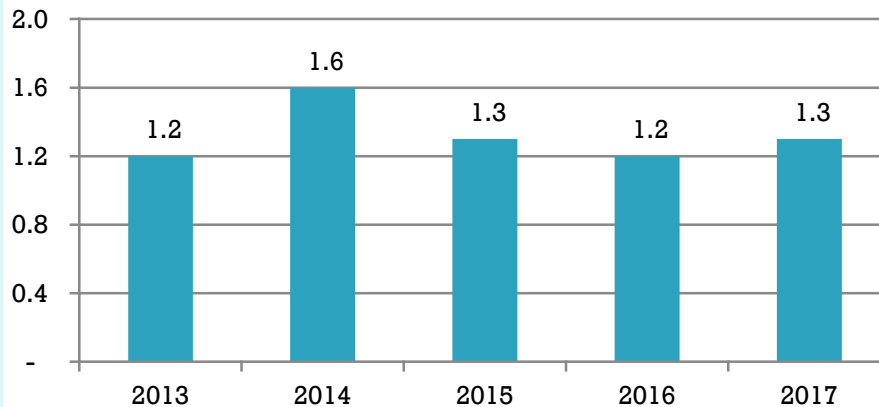
三、Financial Statement(continued)

(五) Dividend



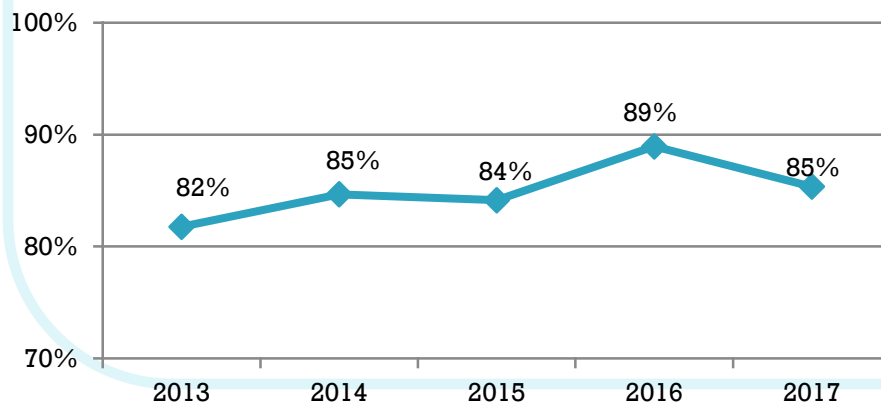
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Cash Dividend(NT\$/Shar)

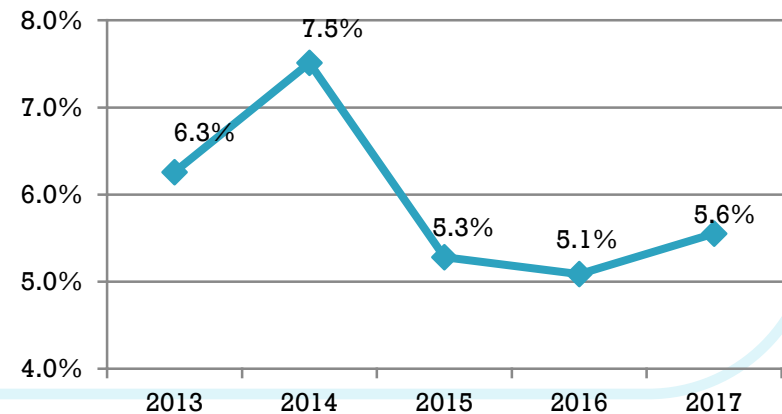


- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding more than 5%

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

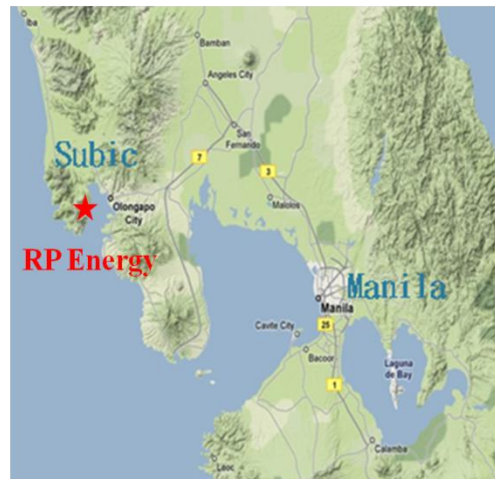


四、Business Overview

(一) RP Energy



- RP Energy coal-fired power plant project in the Philippines was originally scheduled to complete cash-call at the end of 2017, and issue the notice to proceed to start the construction of the plant. Eventually, the cash-call didn't be executed due to it failed to obtain approval from Energy Regulatory Commission for the purchase and sale of electricity contracts (PSA).



四、Business Overview(continued)



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(二) IPP

- Taipower announced on March 19 that it will purchase electricity of 500MW gas-fired CCGT power plant.
- Kuo Kuang Power Plant Phase II (500MW) is currently processing EIA amendment and pre-selection of contractors.
- Sun ba Power Plant Phase II (1000MW) is currently processing the land acquisition and EIA.



四、Business Overview(continued)



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(三) Wind Power

- Offshore Wind Power Investment: TCC, Taiwan Green Power, Marubeni Corporation and Tianli Offshore Wind Power Co. jointly developed a HAI-SIA wind power project. A signing ceremony was held on 3/28. It will actively prepare for the selection of offshore wind power capacity allocation. , and organize investment and construction teams.
- Offshore Wind Power Project Contracting: Star Energy corp. has signed a letter of intent for constructing of substation and transmission on 3/28 with Yushan Energy and Northland Power. And will continually seek business opportunities for offshore wind power projects.
- Onshore Wind Power Investment: Planning to develop and invest in the 18MW (6*3MW) onshore wind power project in the Xinbao district of Changhua.
- Onshore Wind Power O&M: In February of 2018, the company won the bid for O&M of 86 wind turbine units during 2018-2023 of Taipower. The total contracted amount was approximately 650 million NTD.



四、Business Overview(continued)



台灣汽電
TAIWAN COGEN

(四) Solar Power

- Star Energy corp. cooperated with Chunghwa Telecom and obtained the 100MW solar photovoltaic project of Taipower in November of 2017. The total contracted amount was approximately 5.8 billion NTD.
- 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)



台灣汽電
TAIWAN COGEN

(五) Geothermal Power

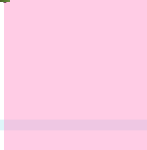
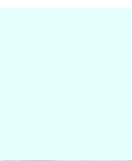
- Qingshui Geothermal Project
 - Geothermal capacity assessment and preparation of company establishment are currently underway.
- Hot water geothermal Project
 - We cooperate with Philippine Energy Development Corp., the company to complete 2G exploration hot water geothermal field in Taiwan in February of 2018. In the future, we will process the MT survey in potential site.





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Please Advise



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