



# Taiwan Cogeneration Corporation

## INVESTOR CONFERENCE 2021.8.26



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# Company Profile



## Company basic information

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

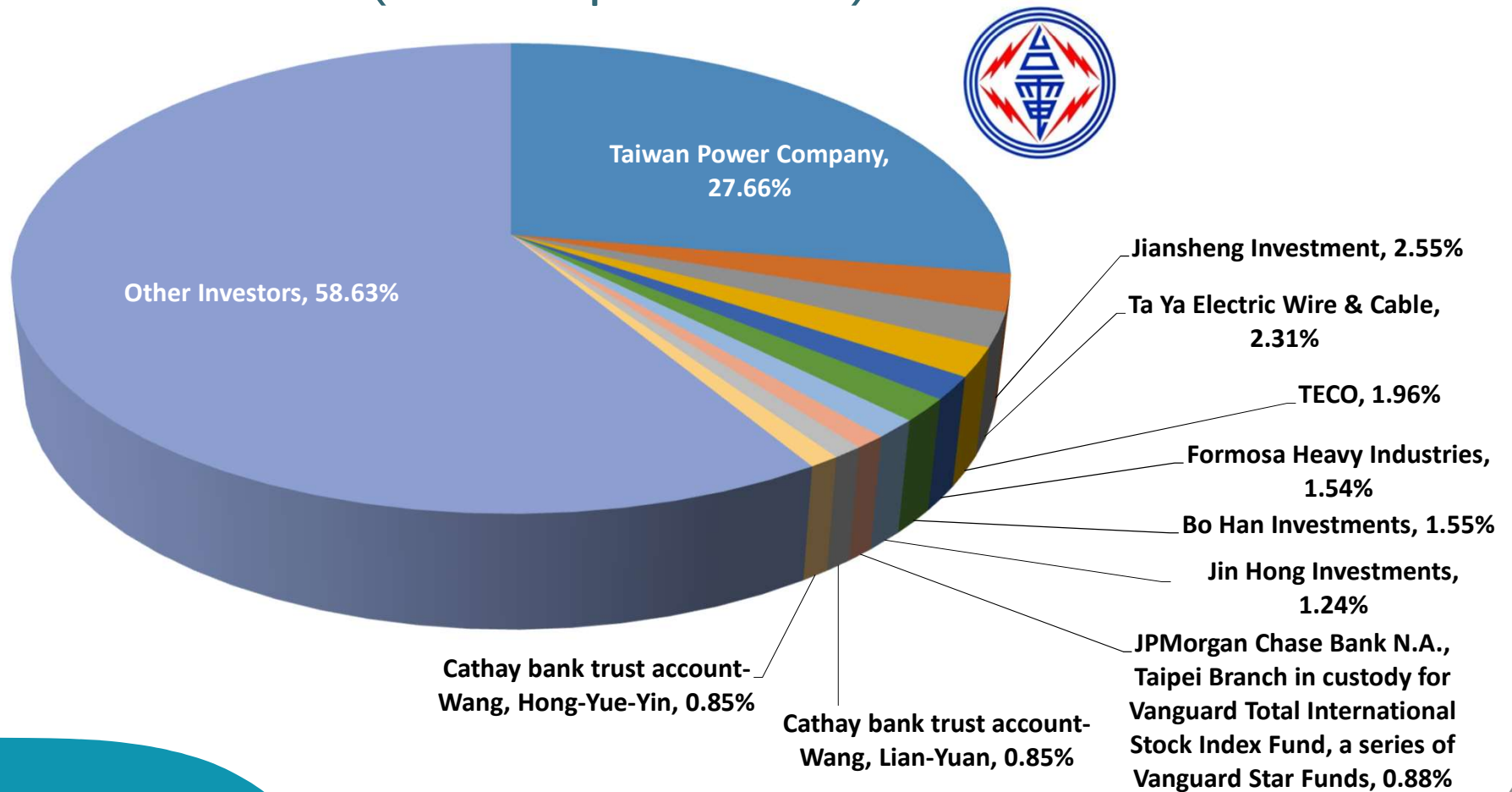
TCC was funded by several well-known domestic companies under the guidance of Ministry of Economy.

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

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

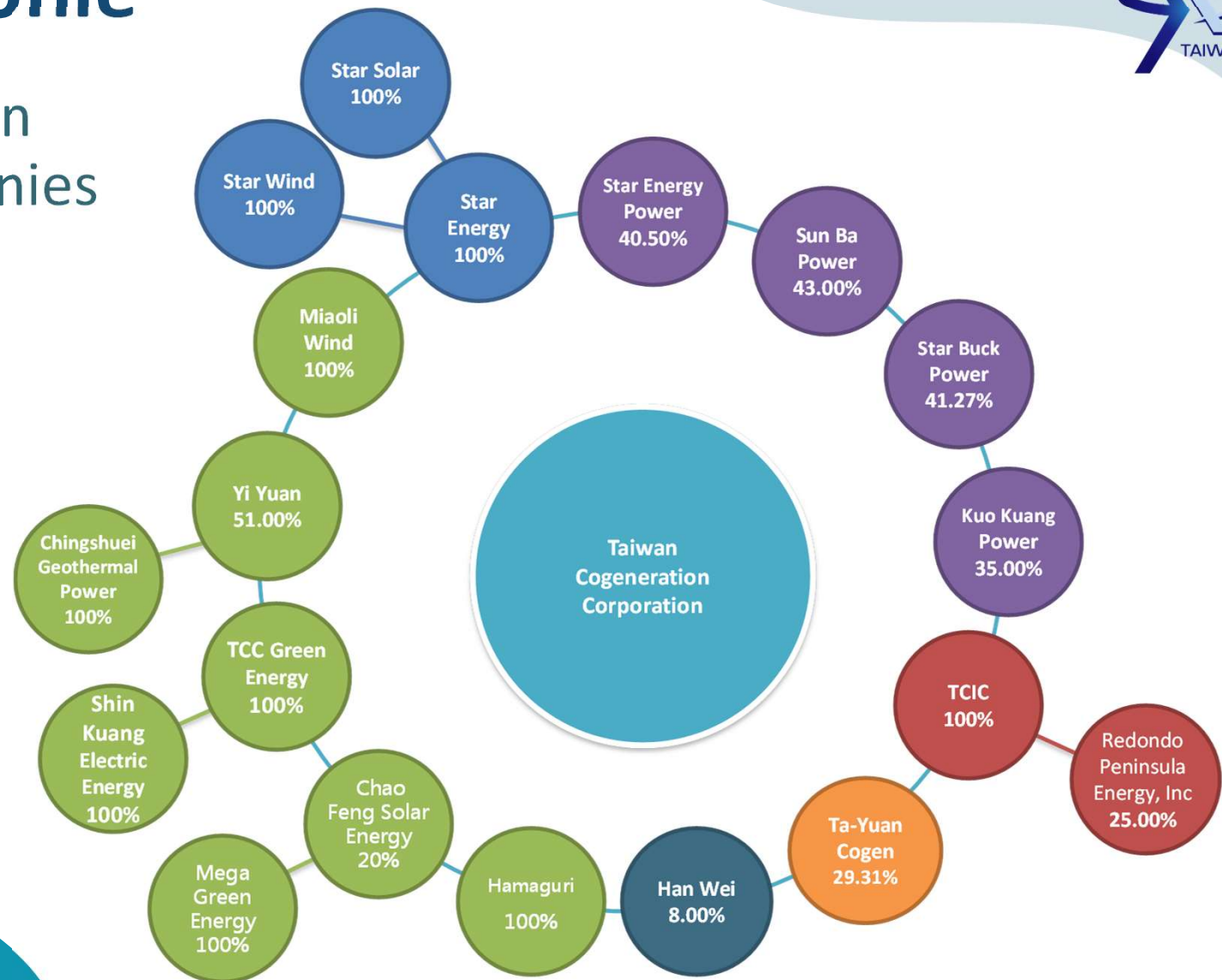
# Company Profile

## TCC's Shareholders ( As of April 2021 )



# Company Profile

TCC has invested in total of 19 companies



# Company Profile



Name of the investee company	Capital	Shareholding	Main business
	(NT\$ Millions)	by TCC (%)	
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
Chao Feng Solar Energy	800	20%	Solar power
Mega Green Energy	800	20%	Solar power
Hamaguri	66.5	100%	Investment of fish farm solar plant

# Financial Statement

## Consolidated Income Statement

Unit: Thousand NTD	2021 Q1~2	2020 Q1~2		YOY
Revenues	3,272,140	4,910,945	(1,638,805)	-33%
Costs	2,885,996	4,622,931	(1,736,935)	-38%
Realized gain on transactions with associates	14,186	17,963	(3,777)	-21%
Realized Gross Profit	400,330	305,977	94,353	31%
Gross Margin	12%	6%		6%
Operating Expense	168,236	127,056	41,180	32%
Operating net profit	232,094	178,921	53,173	30%
Operating net profit margin	7%	4%		3%
Non-operating items	357,057	517,184	(160,127)	-31%
Pre-tax net profit	589,151	696,105	(106,954)	-15%
Income tax expense	(44,517)	(23,478)	(21,039)	90%
Net profit	544,634	672,627	(127,993)	-19%
Net profit_Owners of the Corporation	544,201	670,662	(126,461)	-19%
EPS (NT\$)	0.92	1.14	(0.22)	-19%

# Financial Statement

## Consolidated Balance Sheet

Unit: Thousand NTD	2021.6.30		2020.6.30	
<b>Current Assets</b>	6,205,638	25.9%	6,128,346	27.7%
<b>Non Current Assets</b>	17,724,566	74.1%	16,018,742	72.3%
<b>Available-for-sale financial assets</b>	252,200	1.1%	254,000	1.1%
<b>Investments accounted for using equity method</b>	13,162,561	55.0%	12,403,433	56.0%
<b>Property, plant and equipment</b>	2,915,524	12.2%	2,499,321	11.3%
<b>Other assets</b>	1,394,281	5.8%	861,988	3.9%
<b>Total Assets</b>	23,930,204	100.0%	22,147,088	100.0%
<b>Current Liabilities</b>	4,363,425	18.2%	5,160,580	23.3%
<b>Non Current Liabilities</b>	6,816,366	28.5%	5,221,711	23.7%
<b>Total Liabilities</b>	11,179,791	46.7%	10,382,291	47.0%
<b>Shareholders Equity</b>	12,610,895	52.7%	11,625,783	52.4%
<b>Non-Controlling Interests</b>	139,518	0.6%	139,014	0.6%
<b>ROA</b>	5%		6%	
<b>ROE</b>	9%		11%	
<b>Current Ratio</b>	142%		119%	
<b>Quick Ratio</b>	70%		46%	

# Financial Statement

## Consolidated Cash Flow

Unit: Thousand NTD	2021 Q1~2	2020 Q1~2	YOY
From Operating Activities	788,045	351,859	436,186
From Investing Activities	(393,806)	(998,629)	604,823
From Financing Activities	594,590	860,385	(265,795)
Effect of Exchange rate	(10,096)	(2,614)	(7,482)
Net Change in Cash	978,733	211,001	767,732
Beginning Balance	<u>1,603,210</u>	<u>962,019</u>	641,191
Ending Balance	<u>2,581,943</u>	<u>1,173,020</u>	1,408,923

# Financial Statement

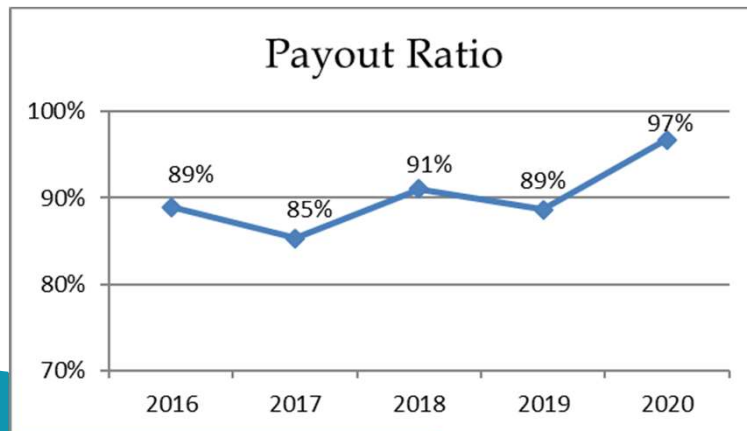
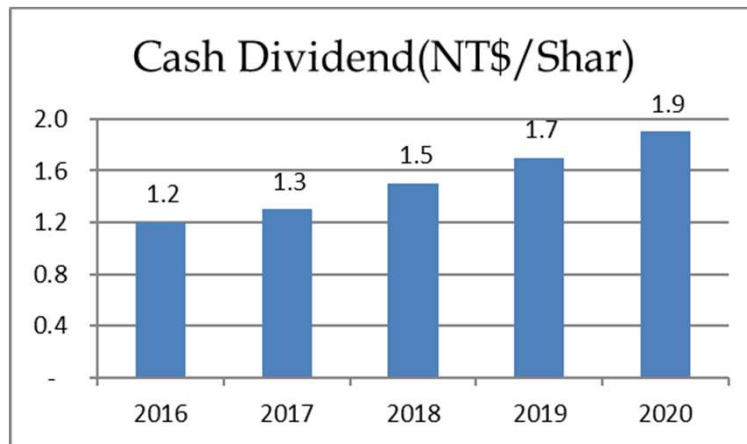
## Consolidated Revenue



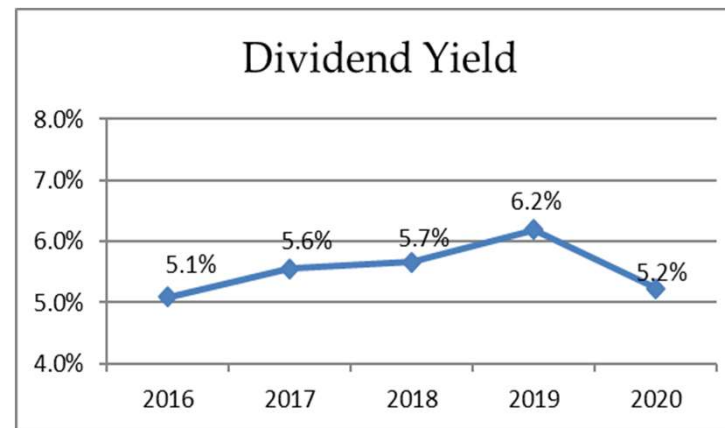
Unit: Thousand NTD	2021/1-7	2020/1-7	YOY	
Sales	731,875	560,445	171,430	31%
Research, consulting and construction services	2,869,350	5,123,254	-2,253,904	-44%
Total	3,601,225	5,683,699	-2,082,474	-37%

# 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. is on-going.

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

# Operating Situation



## Corporate Governance and Corporate Social Responsibility

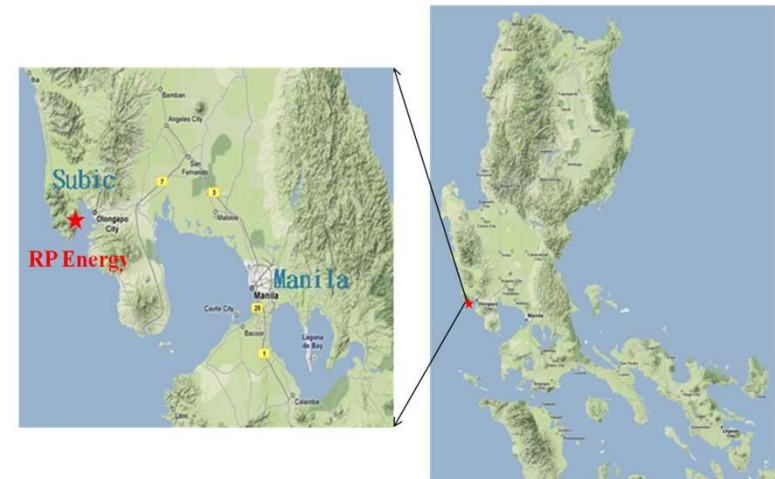
- TCC has been selected as TWSE Corporate Governance 100 ETF constituent for three consecutive years.
- TCC's "2020 CSR Report" was officially released after third-party verification and uploaded to the Market Observation Post system at the end of June.

# 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.
- 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.
- 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 of Miaoli Wind Co., Ltd. it is planned to accelerate the replacement of the wind turbines. The environmental impact statement has been commissioned.

# Business Overview

## Wind & Solar Power

### **Solar Power Engineering and Investment**

- The water surface type 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

- Full plant testing and parallel completed on June 9.
- Completed 96 hours of continuous operation on June 19.



# Business Overview



## Retailer of Renewable Energy

- 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 had started to wheel the renewable energy to Taiwan Mobile and Taiwan Research Institute since December 2020 .
- TCC Green Energy had started to wheel the renewable energy to Delta Electronics since August 2021.

# Please Advise



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