



# Taiwan Cogeneration Corporation

## INVESTOR CONFERENCE

2018.8.28



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

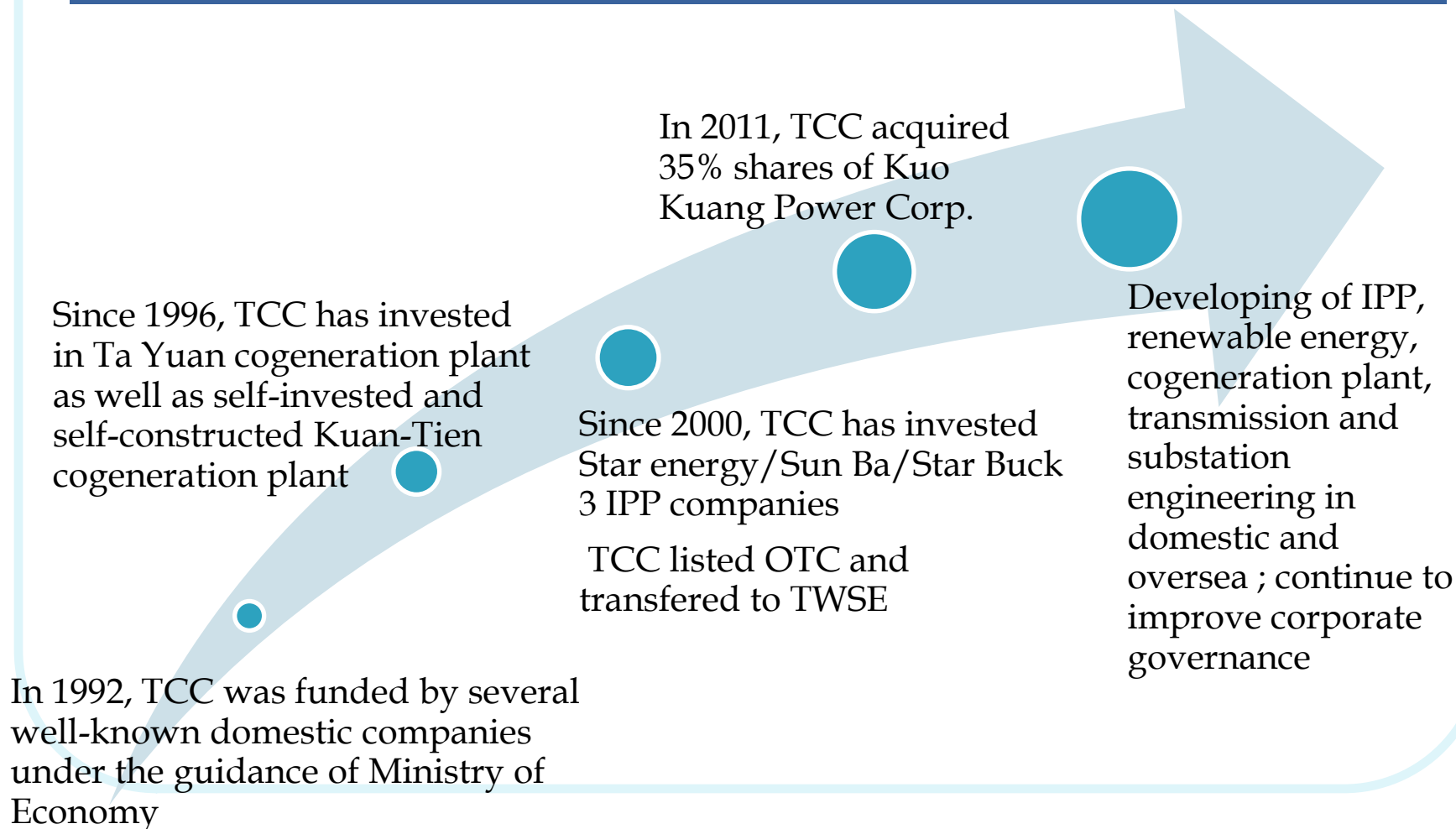
- **Company Name : Taiwan Cogeneration Corporation (TCC)**
- **Chairman : Michael, Min-Chieh Chang**
- **Date of establishment : 1992**
- **Date of Listing : 2003 ( Code: 8926 )**
- **Capital : NT\$5.89 Billions**
- **Main business : Power Industry**
  - ✓ Power generation business
  - ✓ Engineering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

# 一、Company Profile (continued)



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## (二) Development track

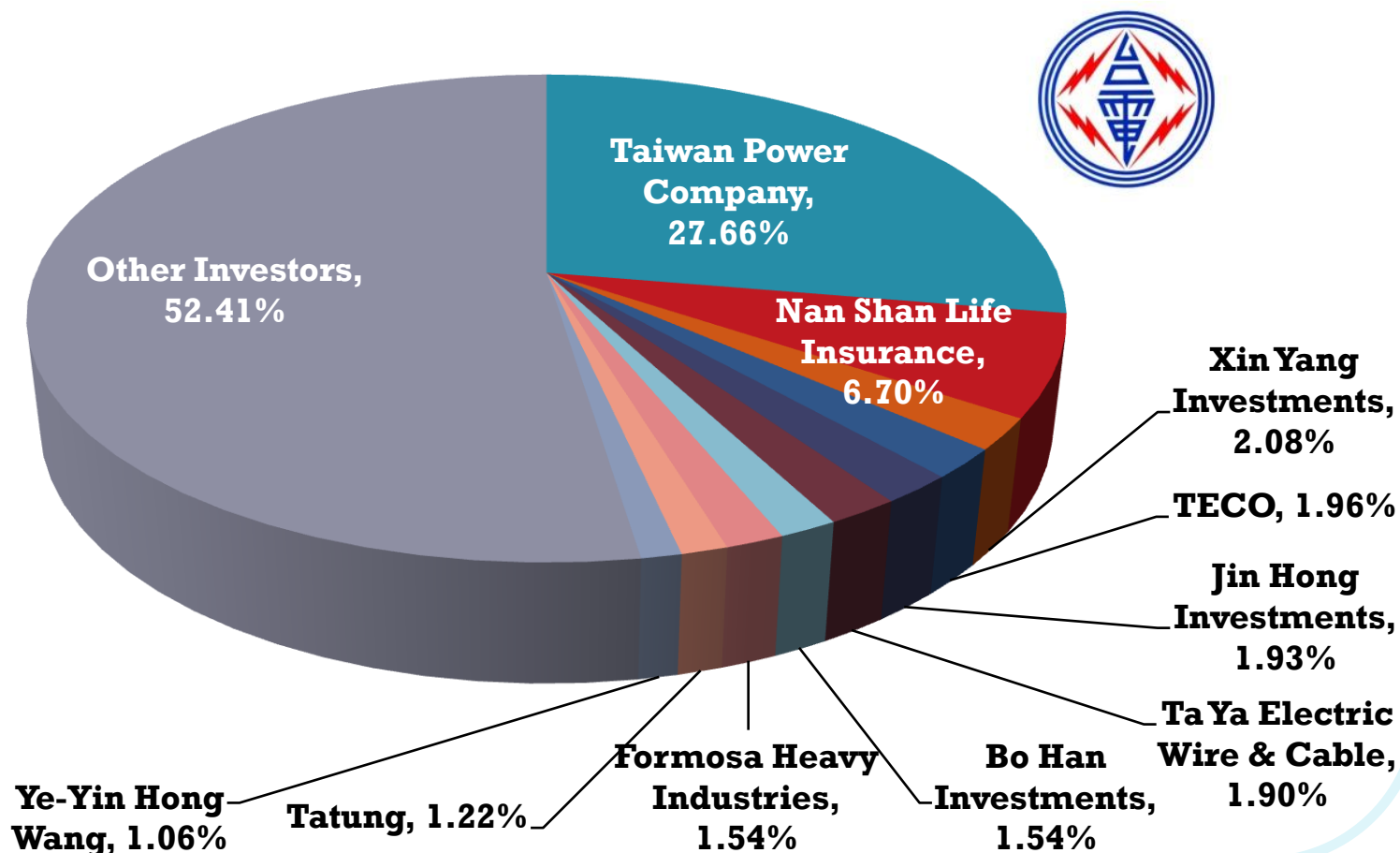


# 一、Company Profile (continued)



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

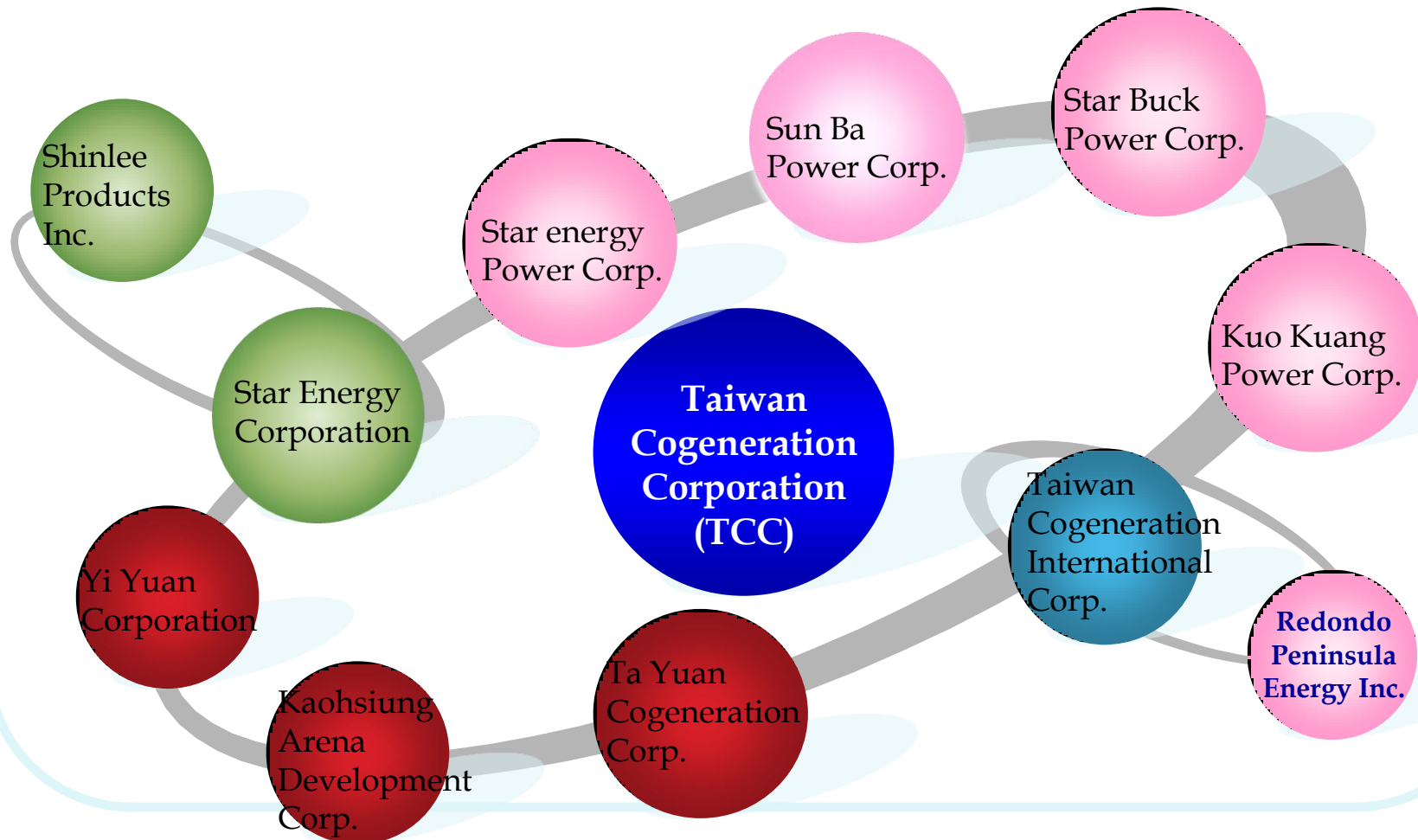


# 一、Company Profile (continued)



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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 June 2018)

## 二、Financial Statement

### (一) Consolidated Income Statement



Unit: Thousand NTD	2018 Q1~2	2017 Q1~2	YOY	
Revenues	1,786,662	499,442	1,287,220	258%
Costs	1,591,212	387,950	1,203,262	310%
Realized gain on transactions with associates	15,938	15,914	24	0%
Realized Gross Profit	211,388	127,406	83,982	66%
Gross Margin	12%	26%	-14%	
Operating Expense	97,599	97,201	398	0%
Operating net profit	113,789	30,205	83,584	277%
Operating net profit margin	6%	6%	0%	
Non-operating items	337,256	417,001	(79,745)	-19%
Pre-tax net profit	451,045	447,206	3,839	1%
Income tax expense	(12,700)	(19,455)	6,755	-35%
Net profit	438,345	427,751	10,594	2%
Net profit_Owners of the Corporation	438,788	427,770	11,018	3%
EPS (NT\$)	0.74	0.73	0.01	1%



# 三、Financial Statement(continued)

## (二) Consolidated Balance Sheet



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Unit: Thousand NTD	2018.6.30		2017.6.30	
Current Assets	2,856,360	17.4%	1,995,795	13.0%
Non Current Assets	13,527,576	82.6%	13,363,798	87.0%
Available-for-sale financial assets	243,400	1.5%	263,400	1.7%
Investments accounted for using equity method	12,443,881	76.0%	12,455,744	81.1%
Property, plant and equipment	698,167	4.3%	536,001	3.5%
Other assets	142,128	0.8%	108,653	0.7%
Total Assets	16,383,936	100.0%	15,359,593	100.0%
Current Liabilities	2,311,362	14.1%	1,346,527	8.8%
Non Current Liabilities	2,542,114	15.5%	2,664,575	17.3%
Total Liabilities	4,853,476	29.6%	4,011,102	26.1%
Shareholders Equity	11,511,210	70.3%	11,324,010	73.8%
Non-Controlling Interests	19,250	0.1%	24,481	0.1%
ROA	6%		6%	
ROE	8%		7%	
Current Ratio	124%		148%	
Quick Ratio	103%		128%	

# 三、Financial Statement(continued)

## (三) Consolidated Cash Flow



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Unit: Thousand NTD	2018 Q1~2	2017 Q1~2	YOY
From Operating Activities	514,125	72,705	441,420
From Investing Activities	(137,719)	(269,405)	131,686
From Financing Activities	7,460	35,328	(27,868)
Effect of Exchange rate	14,224	(1,933)	16,157
Net Change in Cash	398,090	(163,305)	561,395
Beginning Balance	<u>832,418</u>	<u>1,017,893</u>	(185,475)
Ending Balance	<u>1,230,508</u>	<u>854,588</u>	375,920

### 三、Financial Statement(continued)

#### (四) Consolidated revenue



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Unit: Thousand NTD	2018/1-7	2017/1-7	YOY	
Sales	605,614	467,530	138,084	30%
Research, consulting and construction services	1,584,736	143,767	1,440,969	1002%
Total	2,190,350	611,297	1,579,053	258%

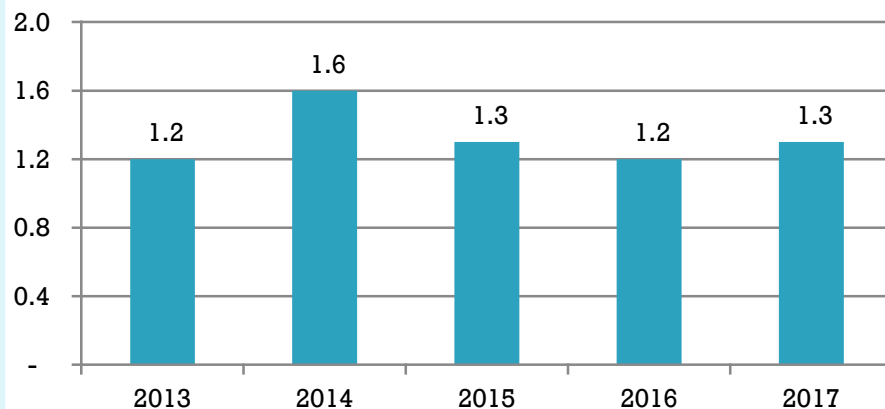
# 三、Financial Statement(continued)

## (五) Dividend



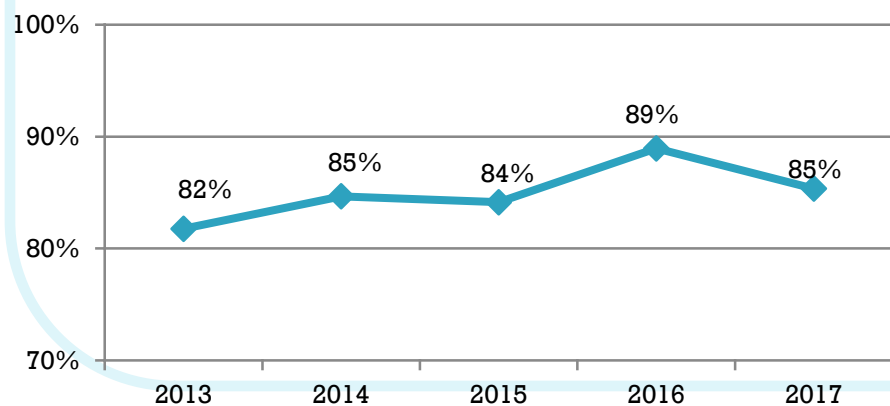
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Cash Dividend(NT\$/Shar)

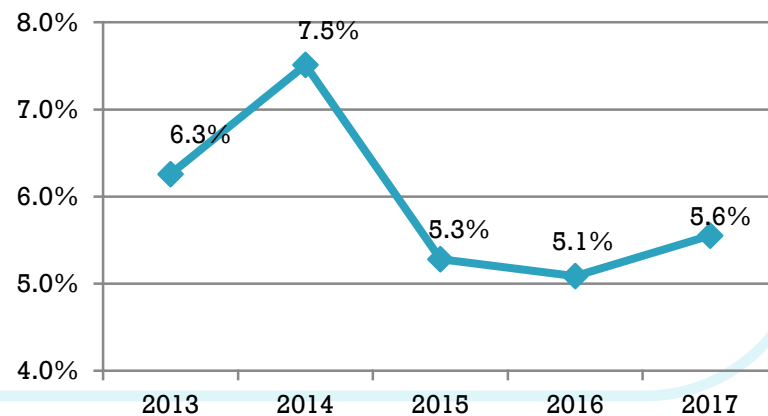


- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding more than 5%

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
  - Partial outage of Sun Ba Power during 5/14~6/16.
  - The lifetime extension maintenance of KKPC at the end of this year will affect profitability.



# 三、 Operating Situation(continued)

## (三) Corporate Social Responsibility



- The 2017 CSR report has been released in June this year.
- Participate in social welfare activities.



支持創世基金會到宅服務計畫

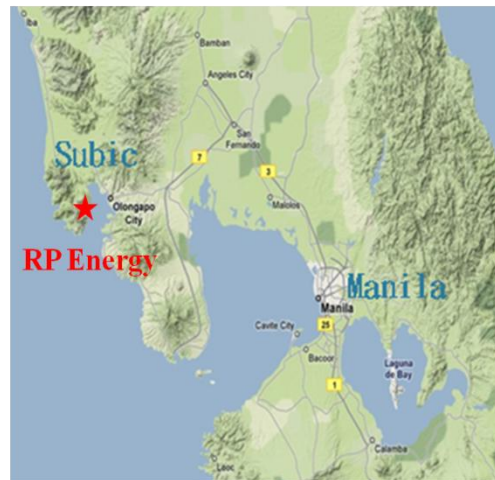


# 四、Business Overview

## (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).





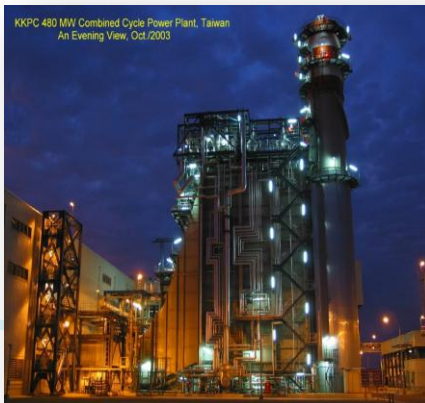
# 四、Business Overview(continued)



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## (二) IPP

- Taipower announced on Aug. 7 that Chiahui Power Corporation won the bidding of power purchasing of 500MW gas-fired power plant in 2020.
- Taipower, on Aug. 8, announced the bidding for power purchasing of 500MW gas-fired power plant in North Taiwan in 2021. The bid will be opened on Sep. 3.
- Kuo Kuang Power Plant Phase II (500MW) is currently processing EIA 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 & Solar Power

- Onshore Wind Power Investment: Planning to develop and invest in the 18MW (6\*3MW) onshore wind power project in the Xinbao district of Changhua. It is expected to be awarded this year.
- Offshore Wind Power: Star Energy has obtained the underground cable pipe project of the onshore transmission of Taipower offshore wind farm, and will continue to fight for relevant offshore wind power engineering business opportunities.
- 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

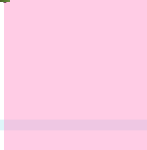
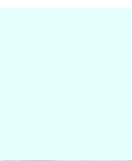
- Qingshui Geothermal Project
  - An exemption of EIA has been obtained at 8/1 and preparations for the company establishment are currently underway.
- Hot water geothermal Project
  - In the cooperation with Philippine Energy Development Corp.. We will process the MT survey in potential site.





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# Please Advise



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