



Taiwan Cogeneration Corporation

INVESTOR CONFERENCE

2019.5.24



TAIWAN COGEN

Presentation Content



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一、Company Profile



(一) Company basic information

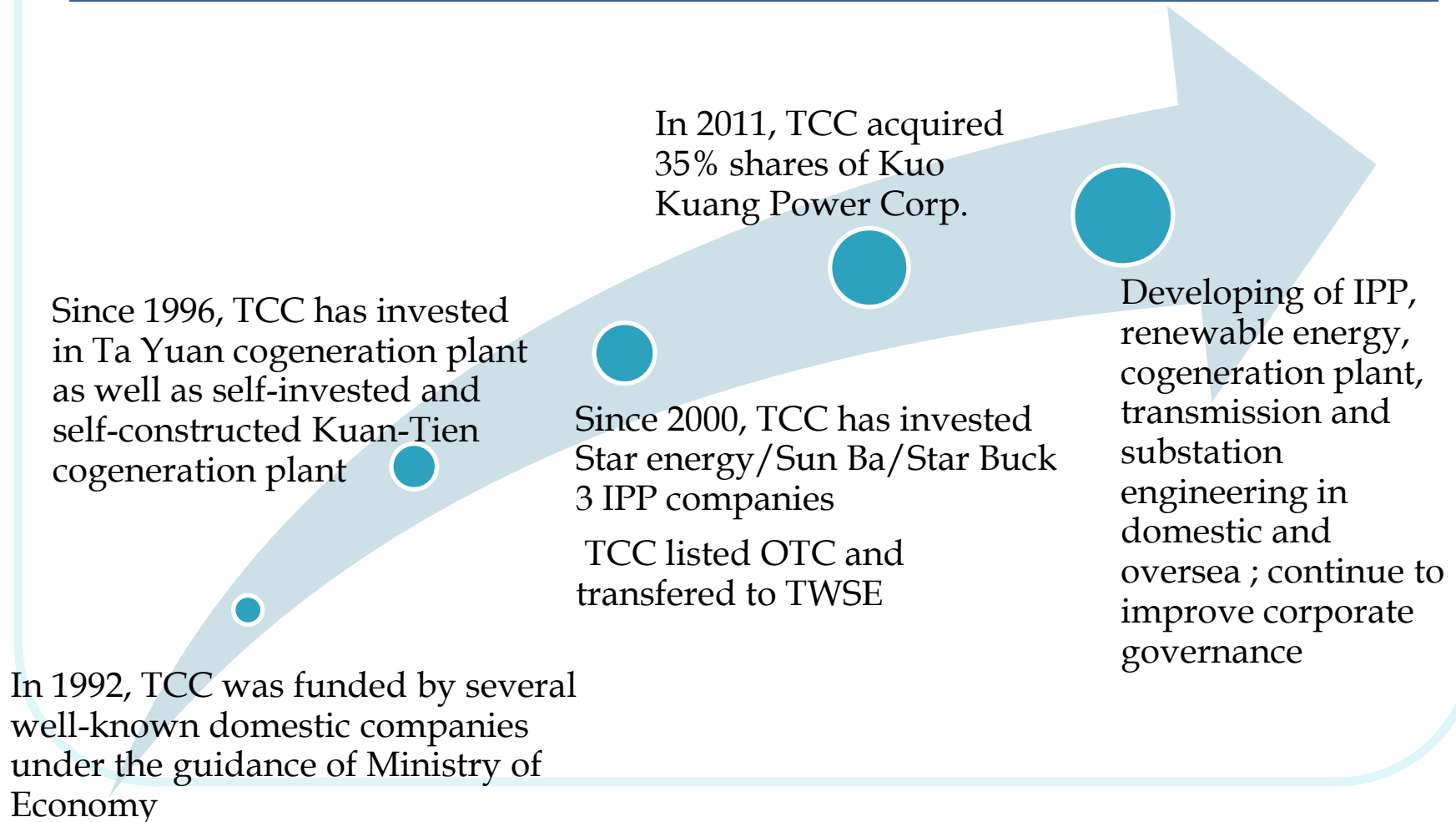
- **Company Name : Taiwan Cogeneration Corporation (TCC)**
- **Chairman : Michael, Min-Chieh Chang**
- **Date of establishment : 1992**
- **Date of Listing : 2003 (Code: 8926)**
- **Capital : NT\$5.89 Billions**
- **Main business : Power Industry**
 - ✓ Power generation business
 - ✓ Engineering business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

一、Company Profile (continued)



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(二) Development track

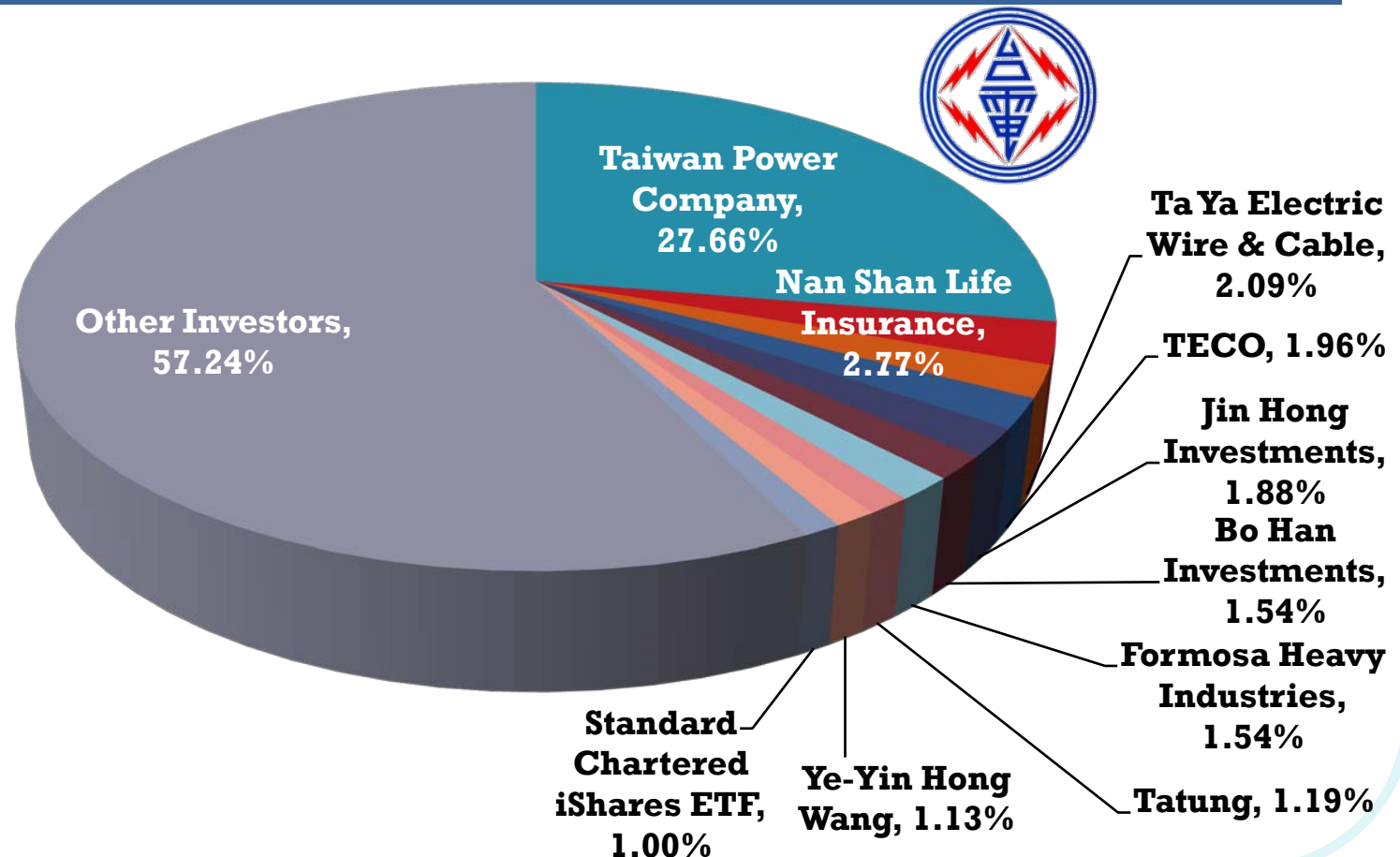


一、Company Profile (continued)



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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)



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
Starbao Power Corporation	20	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
Qingshui Geothermal Power Corp.	250	51%	Geothermal power
TCC Green Energy Corporation	85	100%	Investment of green energy
Shin Kuang Electric Energy Co. Ltd.	80	100%	Solar power

二、Financial Statement

(一) Consolidated Income Statement



Unit: Thousand NTD	2019Q1	2018 Q1		YOY
Revenues	542,855	773,873	(231,018)	-30%
Costs	500,619	706,899	(206,280)	-29%
Realized gain on transactions with associates	6,235	7,969	(1,734)	-22%
Realized Gross Profit	48,471	74,943	(26,472)	-35%
Gross Margin	9%	10%	-1%	
Operating Expense	60,405	44,976	15,429	34%
Operating net profit	(11,934)	29,967	(41,901)	-140%
Operating net profit margin	-2%	4%	-6%	
Non-operating items	294,317	48,762	245,555	504%
Pre-tax net profit	282,383	78,729	203,654	259%
Income tax expense	(3,355)	12,133	(15,488)	-128%
Net profit	279,028	90,862	188,166	207%
Net profit_Owners of the Corporation	279,139	90,930	188,209	207%
EPS (NT\$)	0.47	0.15	0.32	213%

三、Financial Statement(continued)

(二) Consolidated Balance Sheet



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Unit: Thousand NTD	2019.3.31		2018.3.31	
Current Assets	2,793,794	16.3%	2,092,969	13.0%
Non Current Assets	14,318,587	83.7%	14,041,766	87.0%
Available-for-sale financial assets	258,400	1.5%	230,200	1.4%
Investments accounted for using equity method	12,855,614	75.1%	13,027,226	80.7%
Property, plant and equipment	950,342	5.6%	650,962	4.0%
Other assets	254,231	1.5%	133,378	0.9%
Total Assets	17,112,381	100.0%	16,134,735	100.0%
Current Liabilities	2,059,671	12.0%	1,455,165	9.0%
Non Current Liabilities	2,887,872	17.0%	2,735,949	17.1%
Total Liabilities	4,947,543	29.0%	4,191,114	26.1%
Shareholders Equity	12,026,187	70.3%	11,923,996	73.9%
Non-Controlling Interests	138,651	0.7%	19,625	0.0%
ROA	7%		5%	
ROE	9%		6%	
Current Ratio	136%		144%	
Quick Ratio	84%		111%	

三、Financial Statement(continued)

(三) Consolidated Cash Flow



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Unit: Thousand NTD	2019Q1	2018 Q1	YOY
From Operating Activities	784,284	696,720	87,564
From Investing Activities	(120,016)	(91,760)	(28,256)
From Financing Activities	(608,589)	2,740	(611,329)
Effect of Exchange rate	(1,146)	(7,577)	6,431
Net Change in Cash	54,533	600,123	(545,590)
Beginning Balance	<u>1,096,720</u>	<u>832,418</u>	264,302
Ending Balance	<u>1,151,253</u>	<u>1,432,541</u>	(281,288)

三、Financial Statement(continued)

(四) Consolidated revenue



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Unit: Thousand NTD	2019/1-4	2018/1-4	YOY	
Sales	264,041	296,154	-32,113	-11%
Research, consulting and construction services	526,621	770,129	-243,508	-32%
Total	790,662	1,066,283	-275,621	-26%

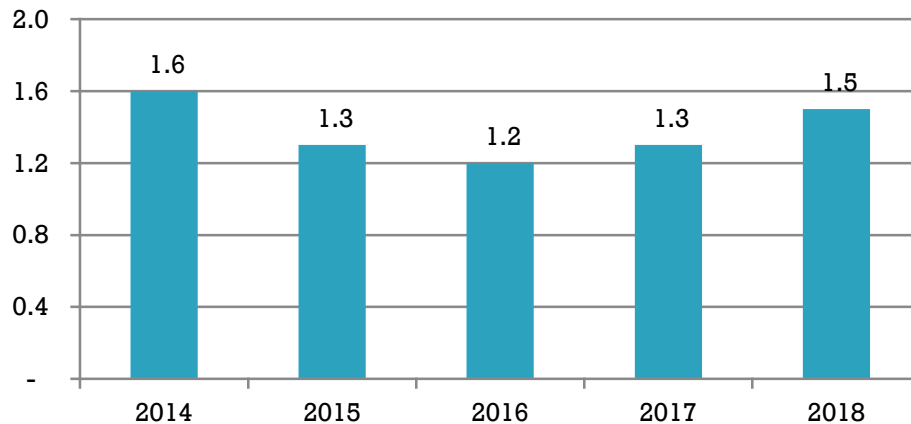
三、Financial Statement(continued)

(五) Dividend



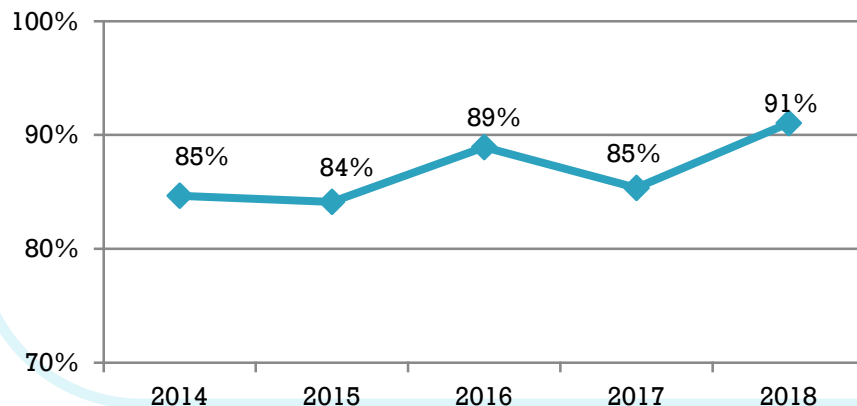
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Cash Dividend(NT\$/Shar)

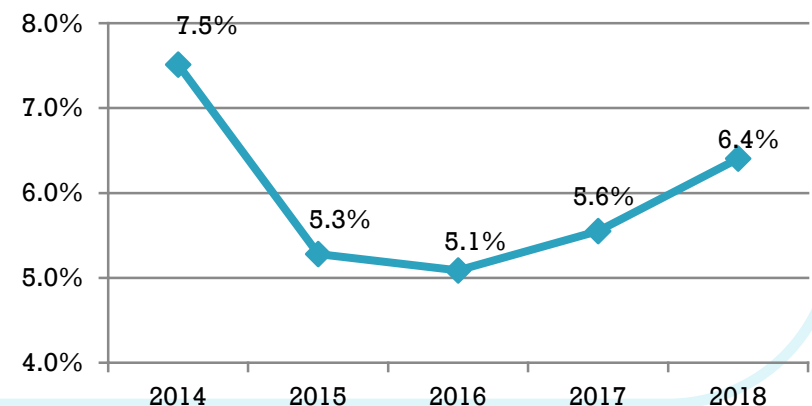


- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding more than 5%

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



三、 Operating Situation(continued)

(二) IPPs

1. Increasing of capacity factor and reliability
 - The EIA amendment for increasing capacity factor of Star Buck Power corp. to 70% has been reviewed by review committee, and will keep working on replying the opinion from review committee.
 - 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.



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, and is currently in on suspended.
 - The civil lawsuit currently is on hold or suspended.



三、 Operating Situation(continued)

(三) Corporate Social Responsibility



- In the 5th (2018) Corporate Governance Evaluation, we was ranked 6-20% in the 868 listed companies.
- Participate in and sponsor the charity market on 5/5 held by Genesis Social Welfare Foundation.
- TCC was awarded the Green Leadership of 2019 Asia Responsible Entrepreneurship Awards.

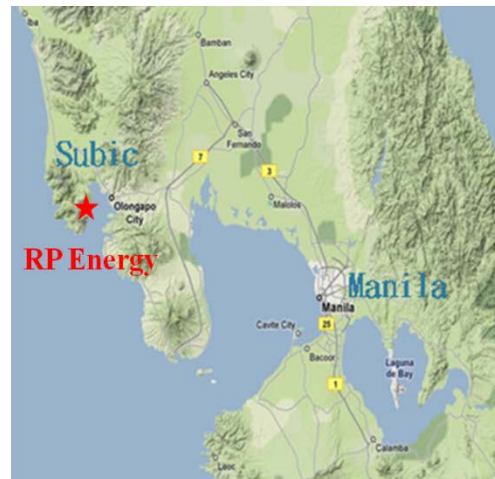


四、Business Overview

(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).



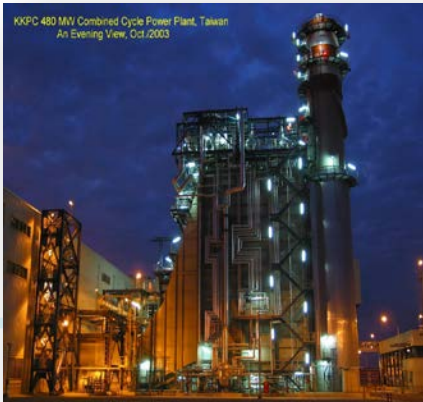
四、Business Overview(continued)



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(二) IPP

- Taipower continued to conduct bidding for 500MW CCGT IPP in north on 2021. The most recent bid was announced on 4/17 and was failed on 5/8.
- Sun Ba Power Plant Phase II (1000MW) is currently processing EIA.



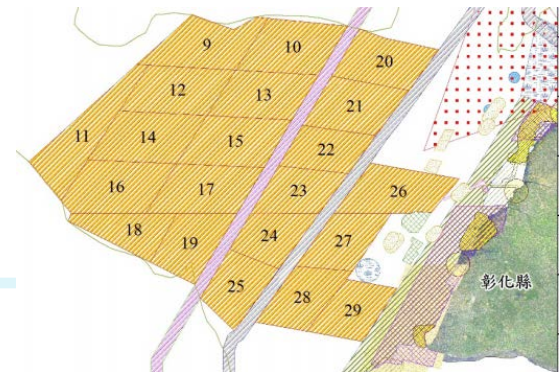
四、Business Overview(continued)



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(三) Wind & Solar Power

- Offshore Wind Power Engineering:
 - The Star Energy Corp. has undertaken the underground cable pipe project of the onshore transmission of Taipower offshore wind farm and the onshore transmission project of Swancor offshore wind farm.
 - The onshore substations EPC project of Ørsted offshore wind farm, which we undertakes, is temporarily suspended.
 - Star Energy will continue to strive for opportunities of engineering and work of operation and maintenance in relevant offshore wind power.



四、Business Overview(continued)



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(三) Wind & Solar Power

- Onshore Wind Power Investment: Star Energy has obtained Changhua 11MW (3.6*3) onshore wind farm license and established Starbao Power Inc. in December, 2018, and the second phase of the project is under preparation.
- Solar Power Engineering: Changhua Chang Bin solar PV project has completed 100MW grid connection in January this year, and is planned to be completed in June. Taipower Tainan salt fields 150MW solar PV Project has been obtained in 4/12, is currently in progress. We will keep striving for large-scale ground-type solar PV project, such as Taipower Tainan 150MW solar PV project, Taiyen Green Energy Fishery symbiosis PV project (285MW) and other opportunities.
- Solar Power Investment: Shin Kuang 5MW roof type PV was on line on 5/14. In 2019, TCC is expected to develop 30MW in solar PV project, including rooftop type, ground type, or water surface type.

四、Business Overview(continued)



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(四) Geothermal Power

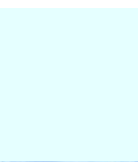
- Qingshui Geothermal Project
 - The establishment of Qingshui Geothermal Power Inc was completed on May 23.
- Hot water geothermal Project
 - In the cooperation with Philippine Energy Development Corp.. We will process the survey in potential site.





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Please Advise



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