



# Taiwan Cogeneration Corporation

## INVESTOR CONFERENCE 2022.8.25



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# Company Profile



## 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

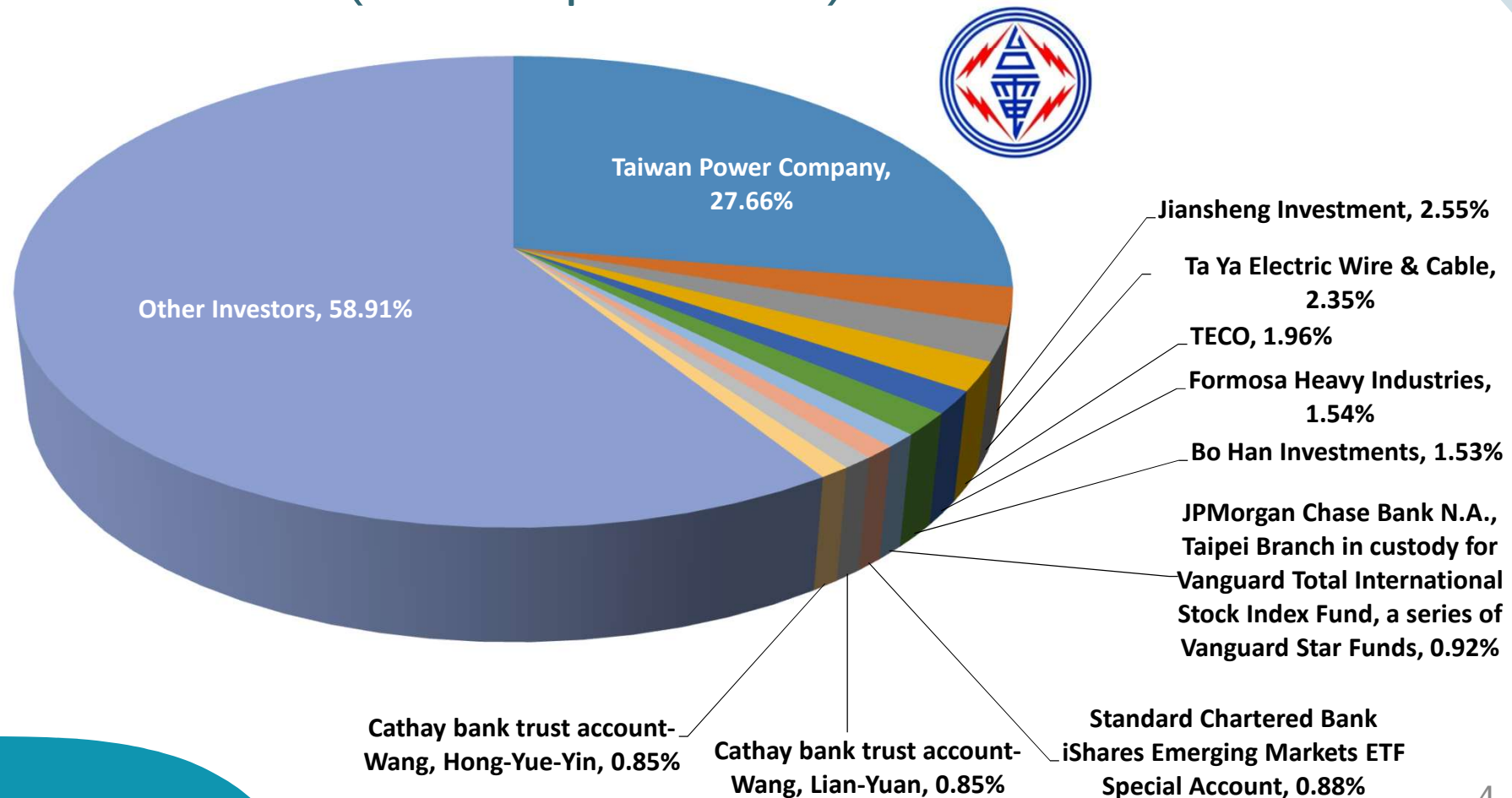
TCC was funded by several well-known domestic companies under the guidance of Ministry of Economy.

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.

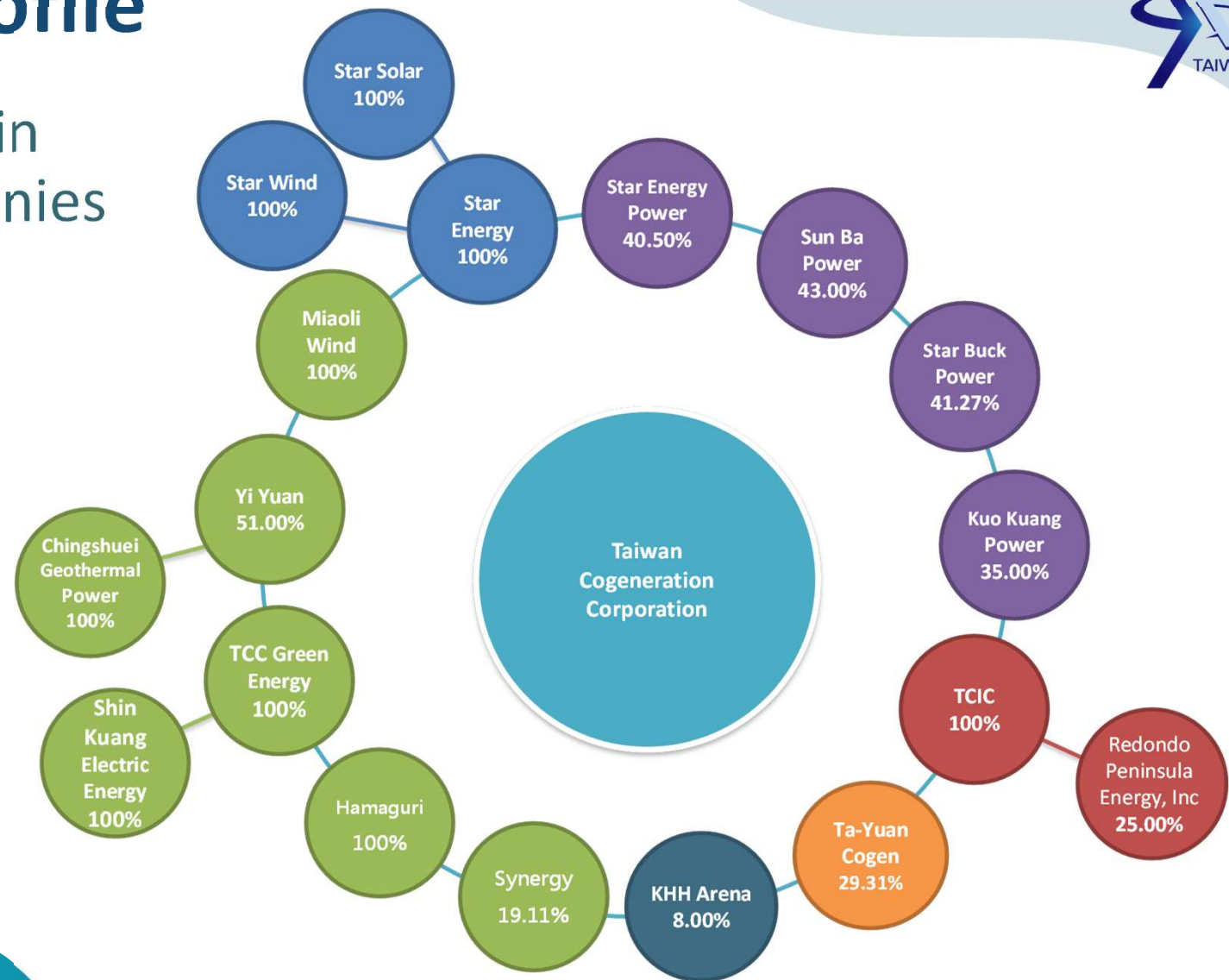
# Company Profile

## TCC's Shareholders ( As of April 2022 )



# Company Profile

TCC has invested in total of 18 companies



# Company Profile



Name of the investee company	Capital (NT\$ Millions)	Shareholding by TCC (%)	Main business
Ta Yuan Cogeneration Corporation	1,223	29%	Operation of Cogeneration Plant (82MW)
Star energy Power Corporation	3,000	41%	Operation of gas-fired Power plant (507MW)
Sun Ba Power Corporation	10,000	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	1,427	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 power plant in Subic Bay, Philippines
KHH Arena Corporation	2,500	8%	Operation of Kaohsiung Arena and its related facilities
Yi Yuan Corporation	300	51%	Investment of geothermal power
Chingshuei Geothermal Power Corp.	257	51%	Geothermal power
TCC Green Energy Corp.	185	100%	Retailer of renewable energy and provide ancillary services
Shin Kuang Electric Energy Co. Ltd.	170	100%	Solar power
Miaoli Wind Co., LTD.	714	100%	Wind power
Hamaguri Co., Ltd.	66.5	100%	Investment of aquavoltaics
Synergy Co., Ltd.	100	19%	Development and maintenance of renewable energy

# Financial Statement

## Consolidated Income Statement

Unit: Thousand NTD	2022 Q1~2	2021 Q1~2		YOY
Revenues	1,861,379	3,272,140	(1,410,761)	-43%
Costs	1,652,930	2,885,996	(1,233,066)	-43%
Realized gain on transactions with associates	5,673	14,186	(8,513)	-60%
Realized Gross Profit	214,122	400,330	(186,208)	-47%
Gross Margin	12%	12%		-1%
Operating Expense	176,800	168,358	8,442	5%
Operating net profit	37,322	231,972	(194,650)	-84%
Operating net profit margin	2%	7%		-5%
Non-operating items	125,827	357,057	(231,230)	-65%
Pre-tax net profit	163,149	589,029	(425,880)	-72%
Income tax expense	(38,669)	(44,493)	5,824	-13%
Net profit	124,480	544,536	(420,056)	-77%
Net profit_Owners of the Corporation	116,261	544,103	(427,842)	-79%
EPS (NT\$)	0.20	0.92	(0.72)	-78%



# Financial Statement

## Consolidated Balance Sheet

Unit: Thousand NTD	2022.6.30		2021.6.30	
<b>Current Assets</b>	5,883,012	25.0%	6,205,638	25.9%
<b>Non Current Assets</b>	17,632,319	75.0%	17,726,045	74.1%
<b>Available-for-sale financial assets</b>	269,310	1.1%	252,200	1.1%
<b>Investments accounted for using equity method</b>	12,343,566	52.5%	13,162,561	55.0%
<b>Property, plant and equipment</b>	3,225,404	13.7%	2,915,524	12.2%
<b>Other assets</b>	1,794,039	7.7%	1,395,760	5.8%
<b>Total Assets</b>	23,515,331	100.0%	23,931,683	100.0%
<b>Current Liabilities</b>	6,181,225	26.3%	4,363,425	18.2%
<b>Non Current Liabilities</b>	6,291,814	26.8%	6,817,943	28.5%
<b>Total Liabilities</b>	12,473,039	53.1%	11,181,368	46.7%
<b>Shareholders Equity</b>	10,887,483	46.2%	12,610,797	52.7%
<b>Non-Controlling Interests</b>	154,809	0.7%	139,518	0.6%
<b>ROA</b>	1%		5%	
<b>ROE</b>	2%		9%	
<b>Current Ratio</b>	95%		142%	
<b>Quick Ratio</b>	53%		70%	

# Financial Statement

## Consolidated Cash Flow

Unit: Thousand NTD	2022 Q1~2	2021 Q1~2	YOY
<b>From Operating Activities</b>	317,877	788,045	(470,168)
<b>From Investing Activities</b>	(117,711)	(393,806)	276,095
<b>From Financing Activities</b>	(288,504)	594,590	(883,094)
<b>Effect of Exchange rate</b>	599	(10,096)	10,695
<b>Net Change in Cash</b>	(87,739)	978,733	(1,066,472)
<b>Beginning Balance</b>	2,763,822	1,603,210	1,160,612
<b>Ending Balance</b>	2,676,083	2,581,943	94,140

# Financial Statement

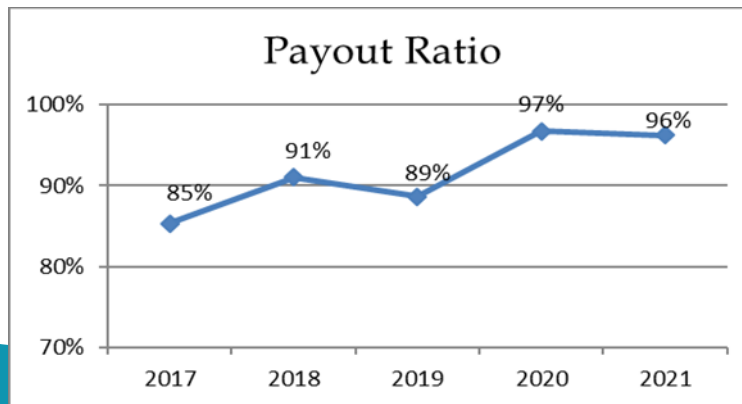
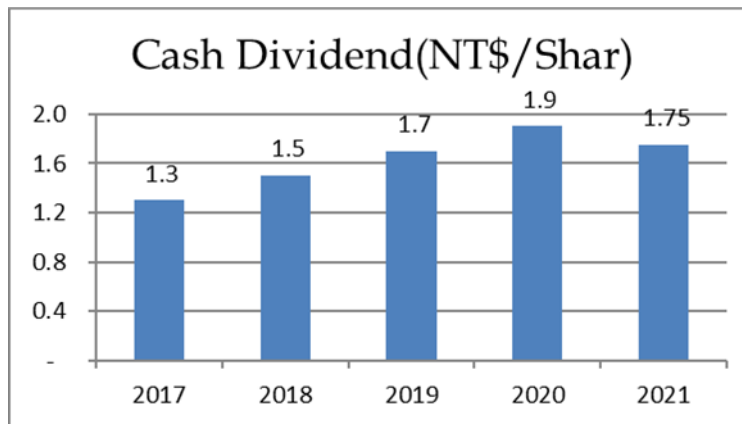
## Consolidated Revenue



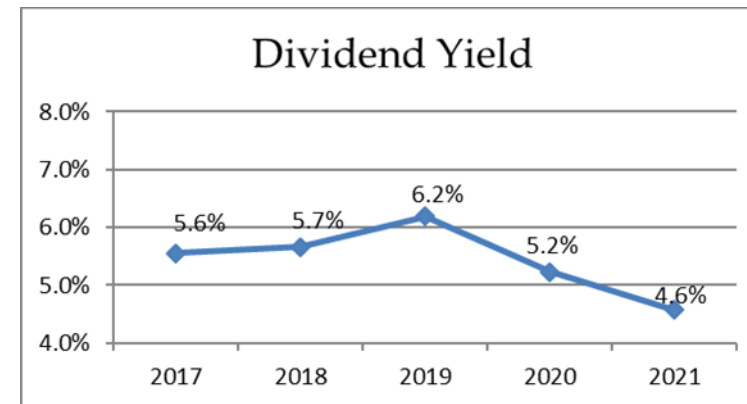
Unit: Thousand NTD	2022/1-7	2021/1-7	YOY	
<b>Sales</b>	746,241	731,875	14,366	2%
<b>Research, consulting and construction services</b>	1,316,660	2,869,350	-1,552,690	-54%
<b>Total</b>	2,062,901	3,601,225	-1,538,324	-43%

# Financial Statement

## Dividend



- Dividends are paid in cash and maintain a certain level
- Payout Ratio more than 80%
- Dividend yielding 4.6%~6.2%



# Operating Situation

## Guantian Cogeneration Plant

- Optimize the burning of scrap tires.
- Evaluating alternative fuels.
- Upgrade and extend the service life of generator sets.



# Operating Situation

## IPPS

### 1) Increasing of capacity factor and reliability

- Sun Ba Power Corp., Star energy Power Corp., Star Buck 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.



# Operating Situation

IPPS

## 2) Concerted action decision made by Fair Trade Committee

- The Supreme Administrative Court render the final and binding judgment "Reverse the original judgment. Appellee's appeal in the first trial is dismissed. " to Star Buck power, Kuo Kuang Power, Star Power, Sun Ba power in 6/16, 6/20, 6/30 and 8/11.
- Impact on the Company's investment income of NTD 540 million.

	Star Power	Sun Ba power	Star Buck power	Kuo Kuang Power
pecuniary fine	392 million	489 million	1 million	371 million

# Operating Situation

## 3) 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 for Sun Ba Power, Star Power, Kuo Kuang Power have been transferred to the Supreme Court for trial, and the case of Star Buck is on going.



# Operating Situation

## Corporate Governance and Corporate Social Responsibility

- TCC was ranked 5% in the 8th (2021) Corporate Governance Evaluation Results
- TCC was ranked 13th in 2021 Excellence in Corporate Social Responsibility Award.
- TCC was ranked in 2021 FAST 100.
- TCC received National Occupational Safety and Health Award.
- TCC received the 13<sup>th</sup> Taiwan Corporate Sustainability Awards :
  - TOP50 Corporate Sustainability Awards
  - Corporate Sustainability Report Awards

# 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.
- Kuo Kuang Power Plant
  - KKPC will keep making an effort to obtain the bid of power procurement tender of gas-fired power plant from 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.
- The renewable energy operation and maintenance center has obtained the usage license and will strive for opportunities of engineering and work of operation and maintenance in relevant offshore wind power.
- Continue to strive for offshore wind power onshore substation EPC projects.

# Business Overview

## Wind & Solar Power

### **Onshore Wind Power Investment**

- The wind power plant project in Changhua Fangyuan is currently undergoing environmental impact assessment survey.
- Due to the age of wind turbines, it is planned to accelerate the repowering of Miaoli Wind Co., Ltd. The environmental impact assessment survey is undergoing.

# Business Overview

## Wind & Solar Power

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

- Developing the investment of Fishery and electricity symbiosis in Changhua.
- The floating PV project (about 13MW) of Wushantou Reservoir has connected in parallel on 5/23 and the renewable energy will be sold by TCC Green.

# Business Overview



## Investigation of common substation

- To cooperate with government renewable energy policy and solve the insufficiency of feeder lines in solar PV designated area, Star Energy Corp., the subsidiary company of TCC, is planning to build two common substations with hosting capacity of 250 MW and PV systems in both Qigu District, Tainan City and Yizhu Township, Chiayi County.

# Business Overview



## Investigation of Grid-connected Energy Storage Systems

- To cooperate with the government's energy policy, and elevate TCC Group's operational efficiency and increase revenues, TCC is planning to install Grid-connected Energy Storage Systems in Yunlin.
- Projected monetary amount of the investment:NTD 0.7 billion



# Business Overview



## Retailer of Renewable Energy

- Develop new customers with renewable energy needs in the manufacturing, telecom, financial and retail industries
- TCC Green Energy is the first company of renewable energy electricity retailing enterprise to supply wind power, solar power and hydroelectric power, and has sold more than 2.36 million kWh of renewable energy.
- Participate in the Energy Trading Platform and provide ancillary services.
- Guantian cogeneration plant is participating in the Energy Trading Platform via TCC Green Energy.

# Please Advise



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