



Taiwan Cogeneration Corporation

**INVESTOT
CONFERENCE**
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Company Profile



Company basic information

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

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

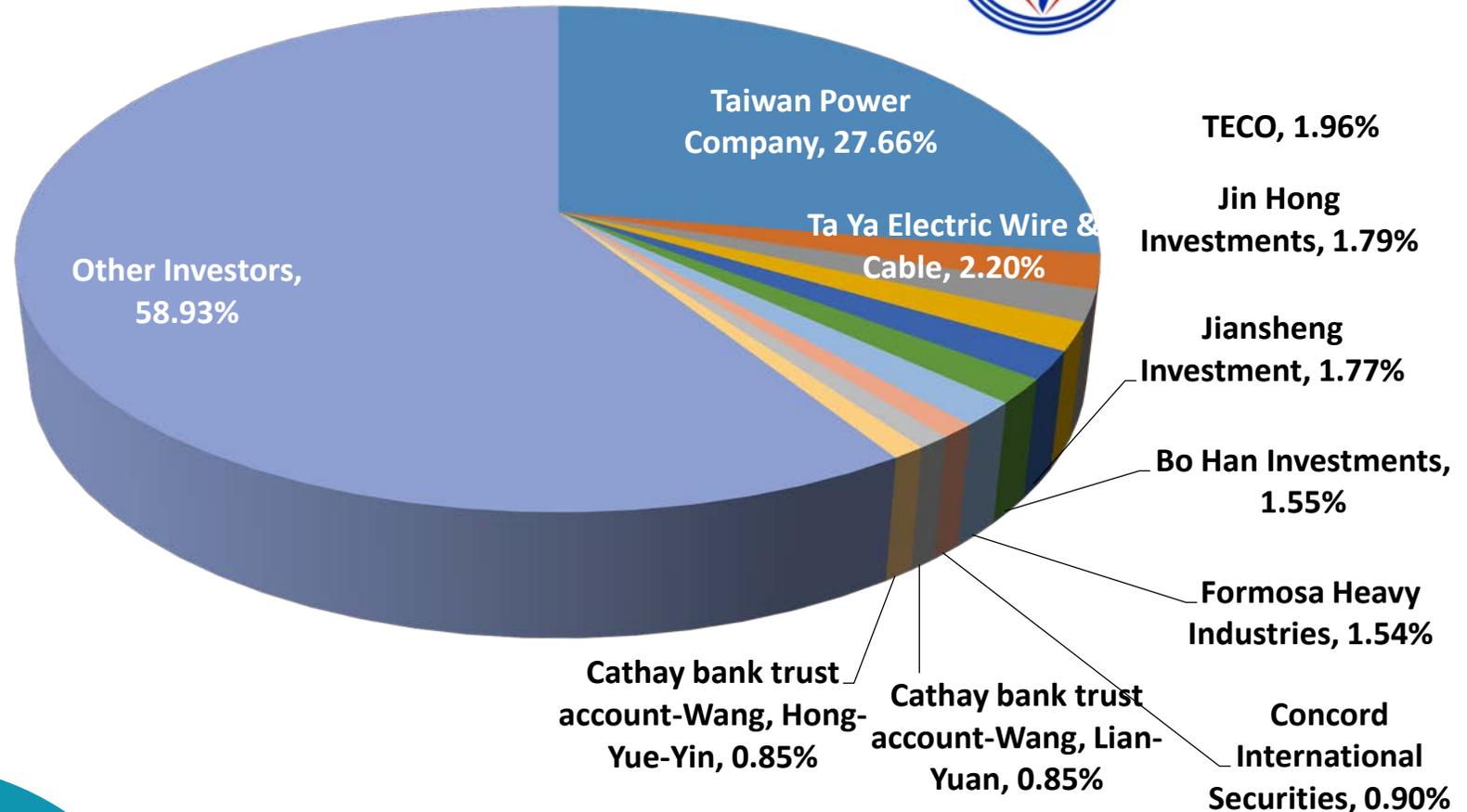
TCC was funded by several well-known domestic companies under the guidance of Ministry of Economy.

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

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

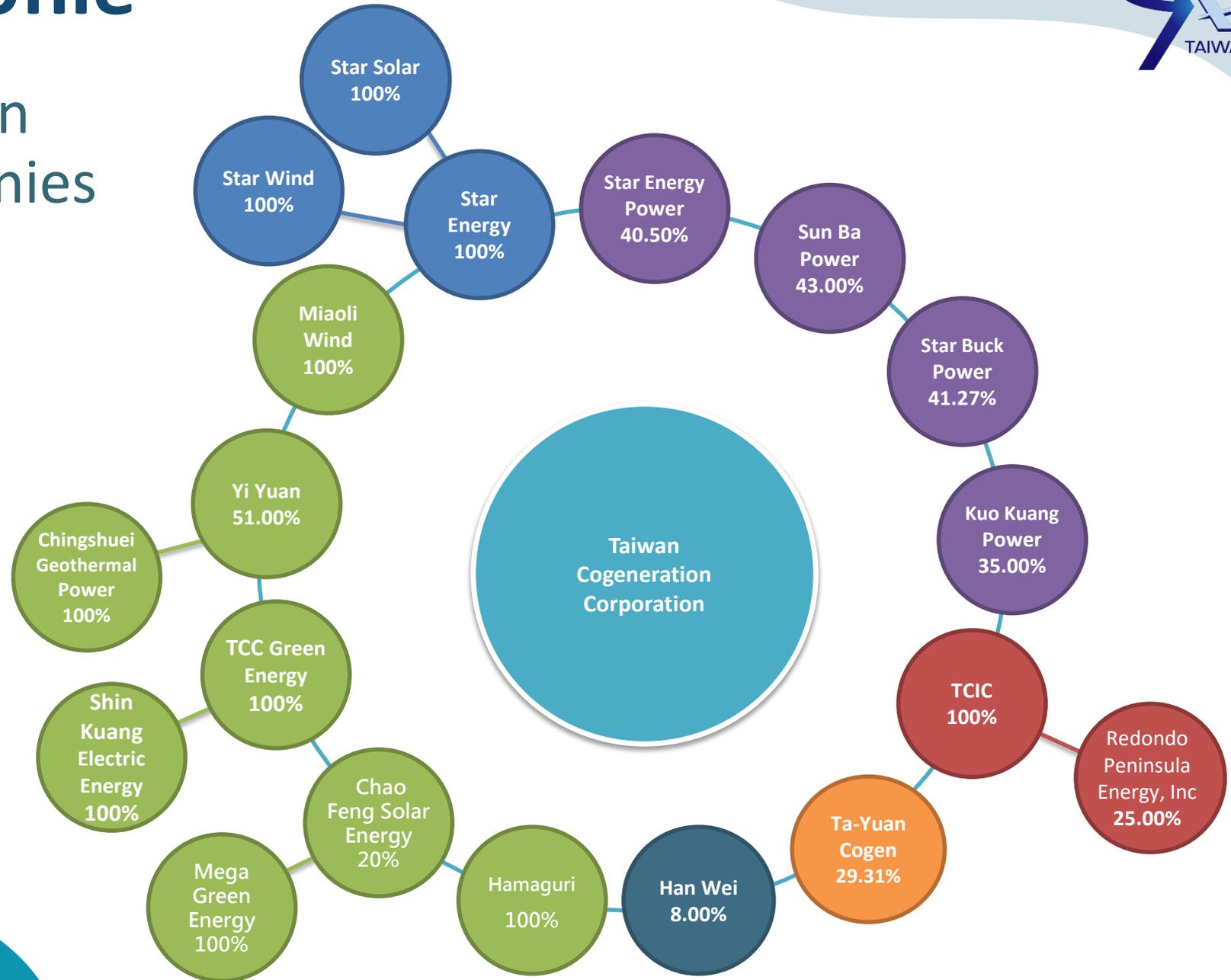
Company Profile

TCC's Shareholders (As of April 2019)



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 (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	1,081	100%	Construction and engineering service for power, renewable energy related
Star Wind Corporation	178	100%	Wind power
Star Solar Corporation	120	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	2020 Q1~4	2019 Q1~4		YOY
Revenues	9,313,724	7,186,086	2,127,638	30%
Costs	8,592,737	6,671,356	1,921,381	29%
Realized gain on transactions with associates	30,856	28,389	2,467	9%
Realized Gross Profit	751,843	543,119	208,724	38%
Gross Margin	8%	8%		1%
Operating Expense	282,558	240,178	42,380	18%
Operating net profit	469,285	302,941	166,344	55%
Operating net profit margin	5%	4%		1%
Non-operating items	651,839	799,697	(147,858)	-18%
Pre-tax net profit	1,121,124	1,102,638	18,486	2%
Income tax expense	(50,541)	(6,303)	(44,238)	702%
Net profit	1,070,583	1,096,335	(25,752)	-2%
Net profit_Owners of the Corporation	1,068,547	1,098,048	(29,501)	-3%
EPS (NT\$)	1.81	1.86	(0.05)	-3%

Financial Statement



Consolidated Balance Sheet

Unit: Thousand NTD	2020.12.31		2019.12.31	
Current Assets	6,234,012	27.1%	5,598,642	27.4%
Non Current Assets	16,745,678	72.9%	14,830,821	72.6%
Available-for-sale financial assets	249,200	1.1%	267,600	1.3%
Investments accounted for using equity method	12,578,430	54.7%	12,671,996	62.0%
Property, plant and equipment	2,817,061	12.3%	1,516,774	7.4%
Other assets	1,100,987	4.8%	374,451	1.9%
Total Assets	22,979,690	100.0%	20,429,463	100.0%
Current Liabilities	4,845,180	21.1%	4,298,564	21.0%
Non Current Liabilities	5,944,842	25.9%	4,028,740	19.7%
Total Liabilities	10,790,022	47.0%	8,327,304	40.7%
Shareholders Equity	12,050,583	52.4%	11,965,110	58.5%
Non-Controlling Interests	139,085	0.6%	137,049	0.8%
ROA		5%		6%
ROE		9%		9%
Current Ratio		129%		130%
Quick Ratio		45%		35%

Financial Statement

Consolidated Cash Flow

Unit: Thousand NTD	2020 Q1~4	2019 Q1~4	YOY
From Operating Activities	2,465,005	413,533	2,051,472
From Investing Activities	(1,243,815)	(767,034)	(476,781)
From Financing Activities	(582,979)	221,078	(804,057)
Effect of Exchange rate	2,980	(2,278)	5,258
Net Change in Cash	641,191	(134,701)	775,892
Beginning Balance	<u>962,019</u>	<u>1,096,720</u>	(134,701)
Ending Balance	<u>1,603,210</u>	<u>962,019</u>	641,191

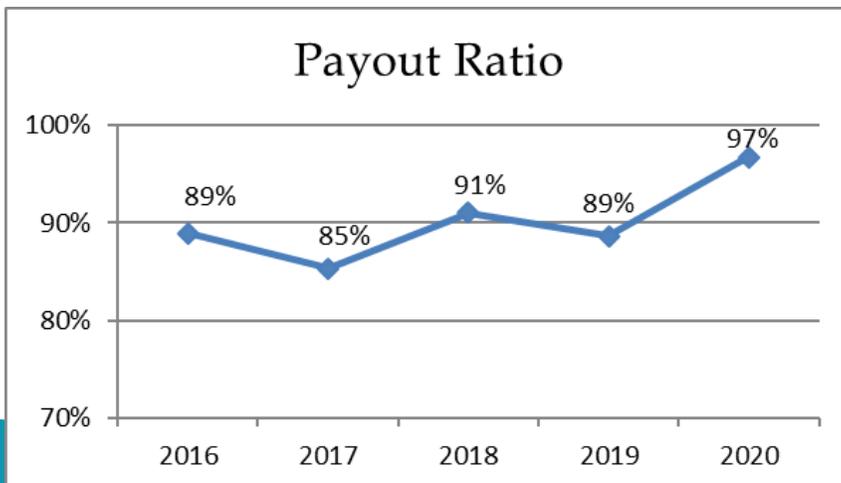
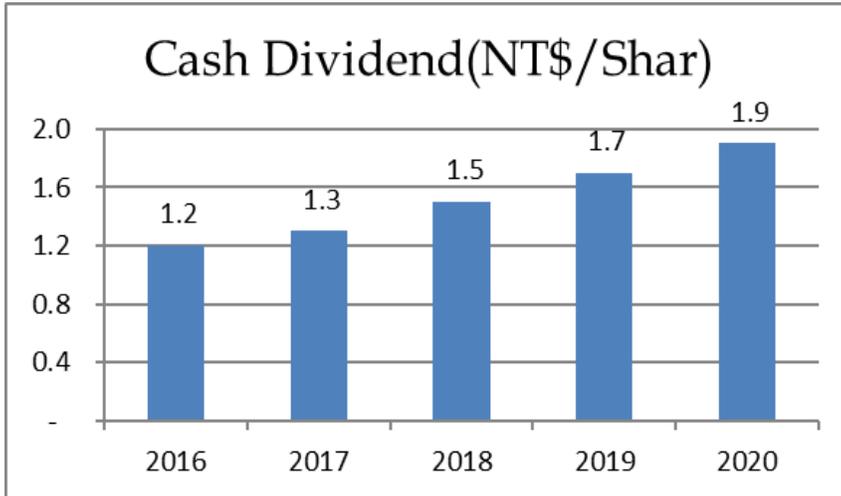
Financial Statement

Consolidated Revenue

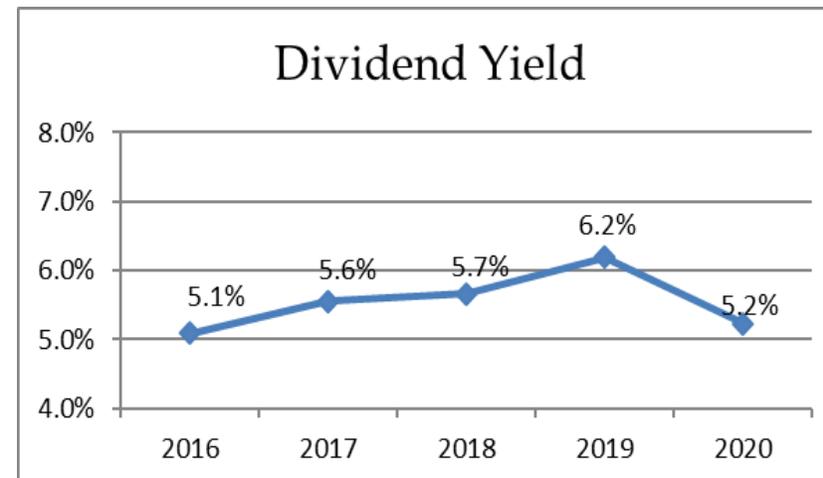
Unit: Thousand NTD	2021/1-2	2020/1-2	YOY	
Sales	194,517	128,752	65,765	51%
Research, consulting and construction services	1,021,607	1,390,864	-369,257	-27%
Total	1,216,124	1,519,616	-303,492	-20%

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. has obtained a license to increase the capacity factor to 70%, and the actual capacity factor will depend on the dispatch of Taipower.
- Star energy Power Corp. has passed the Environmental Impact Comparative Analysis Report on Dec.19 2020.
- Kuo Kuang Power Corp. has passed the Environmental Impact Comparative Analysis Report on Feb.24 2021.
- The 2th review meeting of amendment of EIA report of Sun Ba Power Corp. has been held in Feb 2021.

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 investigated by the company, on January 24.

There were no casualties, the cause of the fire will be investigated and clarified. Star Buck Power is under emergency repairs, and expecting to be restored as soon as possible, and the impact amount is currently being estimated.

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 received the 13th 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 Power Plant Phase II(1000MW) has obtained the EIA Verification and Backup from Environment Protection Administration on 8th Sep. 2020.
 - Already applied for the building applications of the electricity enterprise in March.
 - Sun Ba will participate in 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

Solar Power Engineering and Investment

- The water surface type PV project (about 13MW) of Wushantou Reservoir is currently under construction.
- Gukeng Township, Yunlin 5.2MW ground-type PV project is currently under construction.
- Acquired 100% equity interest in Hamaguri Co., Ltd. to develop the investment of fish farm solar plant.
- Acquired 20% equity of Chao Feng Solar Energy Co., Ltd. Star Energy is negotiating for the contract of the EPC project of Chao Feng Solar Energy solar power plant.
- Taipower Tainan salt fields 150MW solar PV Project has been completed and is currently being commissioned.

Business Overview



Wind & Solar Power

Onshore Wind Power Investment

- Star Energy Corp. has completed the commissioning and connect in parallel of Star Wind 11MW (3.6*3) onshore wind farm in Changhua. The opening ceremony was held on November 11, 2020.
- The wind power plant project in Changhua Fangyuan is currently undergoing environmental impact assessment and environmental investigation.

Business Overview

Qingshui Geothermal Project

- The power plant is currently under construction.
- We expect to obtain the electricity enterprise licenses by the end of June.



Business Overview



Retailer of Renewable Energy

- TCC Green Energy Corp., which 100% owned by TCC, has obtained the license of the Renewable-Energy-Based Electricity Retailing Enterprise in 2019. The sale of renewable energy has started in October.
- 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 will wheel the renewable energy to Taiwan Mobile and Taiwan Research Institute in December.
- TCC Green is negotiating with potential customers about the selling of renewable energy from Star Wind.

Please Advise



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