



# Taiwan Cogeneration Corporation

## INVESTOR CONFERENCE

2021.5.27



# Presentation Content

- 1 | Company Profile
- 2 | Financial Statement
- 3 | Operating Situation
- 4 | Business Overview

# 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

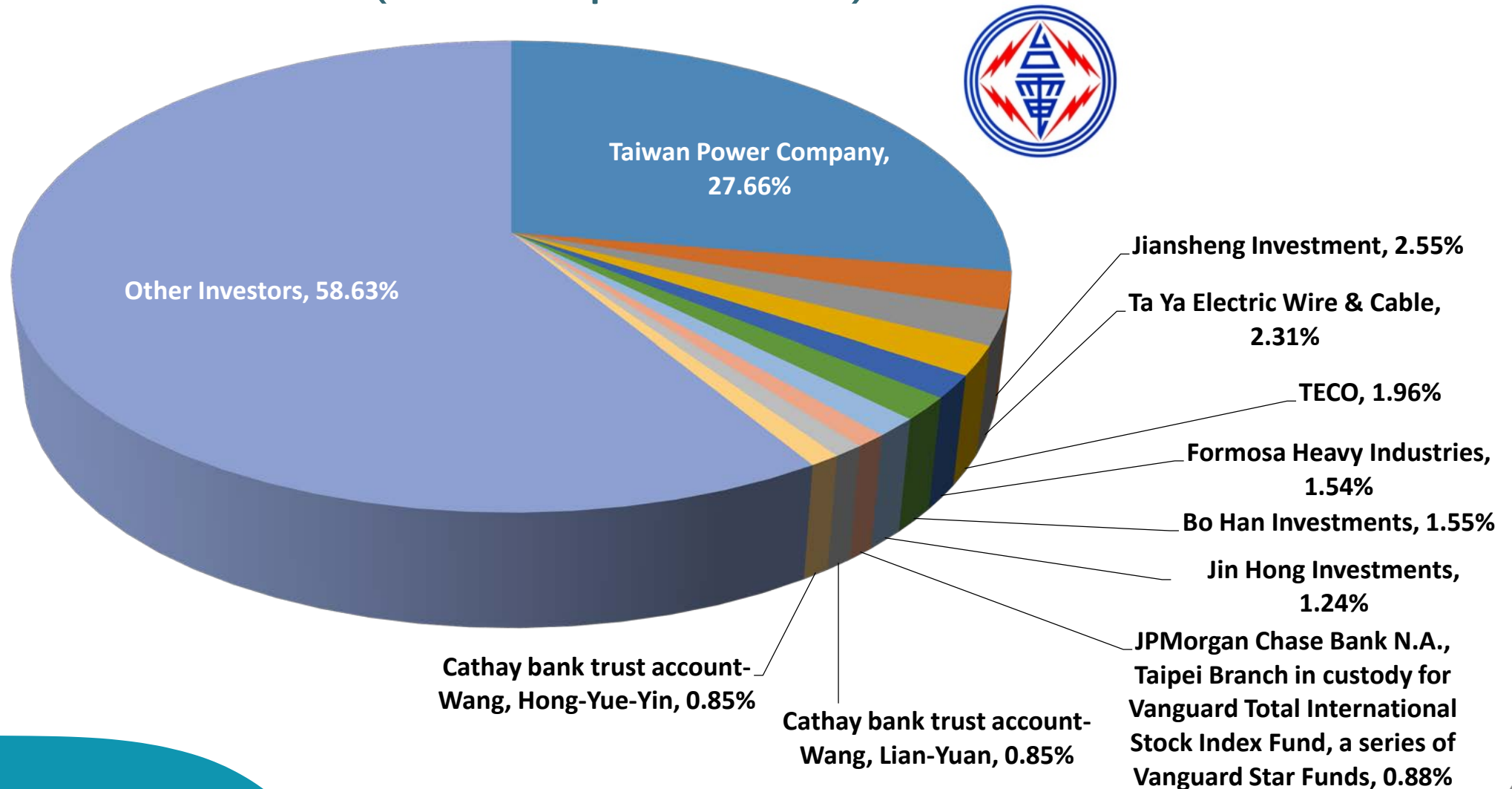
TCC was funded by several well-known domestic companies under the guidance of Ministry of Economy.

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

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

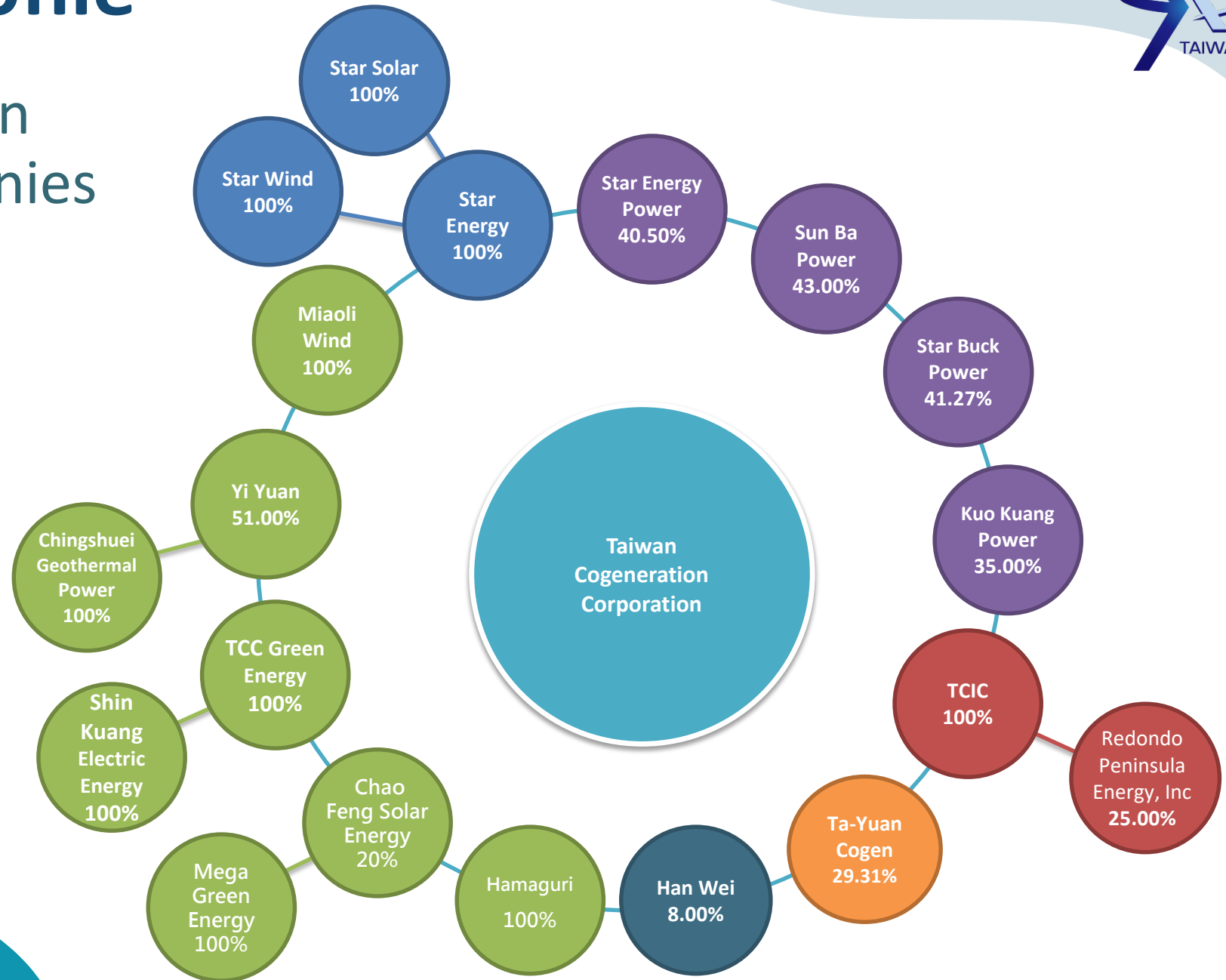
# Company Profile

## 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 (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	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	2020 Q1	YOY
Revenues	1,994,998	2,615,701	(620,703) -24%
Costs	1,819,330	2,480,540	(661,210) -27%
Realized gain on transactions with associates	6,506	4,397	2,109 48%
Realized Gross Profit	182,174	139,558	42,616 31%
Gross Margin	9%	5%	4%
Operating Expense	78,217	63,786	14,431 23%
Operating net profit	103,957	75,772	28,185 37%
Operating net profit margin	5%	3%	2%
Non-operating items	223,190	351,109	(127,919) -36%
Pre-tax net profit	327,147	426,881	(99,734) -23%
Income tax expense	(28,052)	(13,626)	(14,426) 106%
Net profit	299,095	413,255	(114,160) -28%
Net profit_Owners of the Corporation	298,665	404,665	(106,000) -26%
EPS (NT\$)	0.51	0.70	(0.19) -27%



# Financial Statement

## Consolidated Balance Sheet

Unit: Thousand NTD	2021.3.31		2020.3.31	
<b>Current Assets</b>	6,576,120	27.2%	6,306,330	29.1%
<b>Non Current Assets</b>	17,564,759	72.8%	15,371,327	70.9%
<b>Available-for-sale financial assets</b>	248,400	1.0%	258,000	1.2%
<b>Investments accounted for using equity method</b>	12,979,611	53.8%	13,033,603	60.1%
<b>Property, plant and equipment</b>	2,919,326	12.1%	1,594,770	7.4%
<b>Other assets</b>	1,417,422	5.9%	484,954	2.2%
<b>Total Assets</b>	24,140,879	100.0%	21,677,657	100.0%
<b>Current Liabilities</b>	5,222,000	21.6%	4,899,785	22.6%
<b>Non Current Liabilities</b>	6,431,187	26.6%	4,270,685	19.8%
<b>Total Liabilities</b>	11,653,187	48.2%	9,170,470	42.4%
<b>Shareholders Equity</b>	12,348,177	49.8%	12,369,775	57.0%
<b>Non-Controlling Interests</b>	139,515	0.6%	137,412	0.6%
<b>ROA</b>	5%		8%	
<b>ROE</b>	10%		13%	
<b>Current Ratio</b>	126%		129%	
<b>Quick Ratio</b>	58%		30%	

# Financial Statement

## Consolidated Cash Flow

Unit: Thousand NTD	2021 Q1	2020 Q1	YOY
From Operating Activities	138,793	(443,998)	582,791
From Investing Activities	(303,854)	(148,605)	(155,249)
From Financing Activities	195,949	631,450	(435,501)
Effect of Exchange rate	(9,316)	883	(10,199)
Net Change in Cash	21,572	39,730	(18,158)
Beginning Balance	<u>1,603,210</u>	<u>962,019</u>	641,191
Ending Balance	<u>1,624,782</u>	<u>1,001,749</u>	623,033

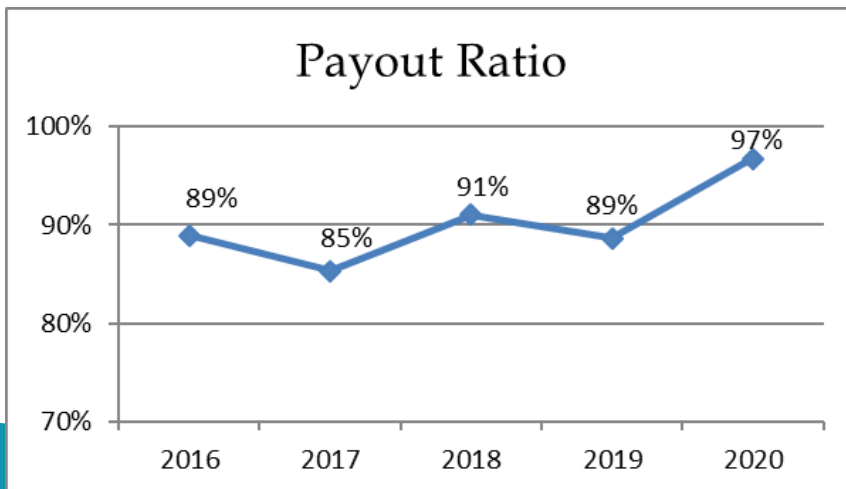
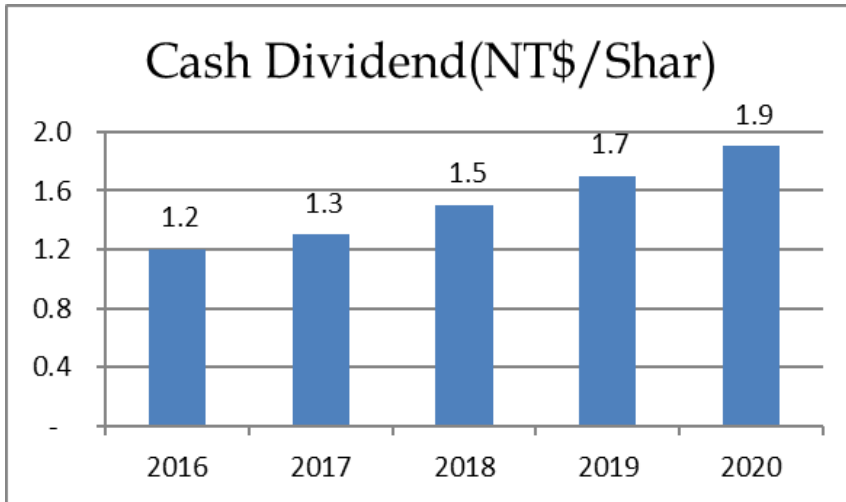
# Financial Statement

## Consolidated Revenue

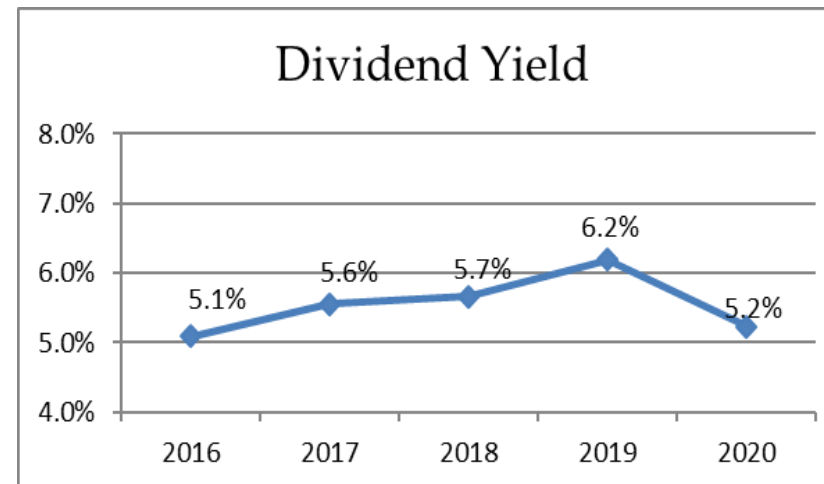
Unit: Thousand NTD	2021/1-4	2020/1-4	YOY	
Sales	403,557	298,645	104,912	35%
Research, consulting and construction services	2,165,472	2,958,940	-793,468	-27%
Total	2,569,029	3,257,585	-688,556	-21%

# 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 3th review meeting of amendment of EIA report of Sun Ba Power Corp. was postponed due to the impact of the epidemic.

# 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.

There were no casualties, the cause of the fire will be investigated and clarified. Star Buck Power is under emergency repairs, and expecting 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

- Ranked Top 5% in 7<sup>th</sup> Corporate Governance Evaluation.
- TCC received the 13<sup>th</sup> Taiwan Corporate Sustainability Awards :
  - TOP50 Corporate Sustainability Awards
  - Corporate Sustainability Report Awards

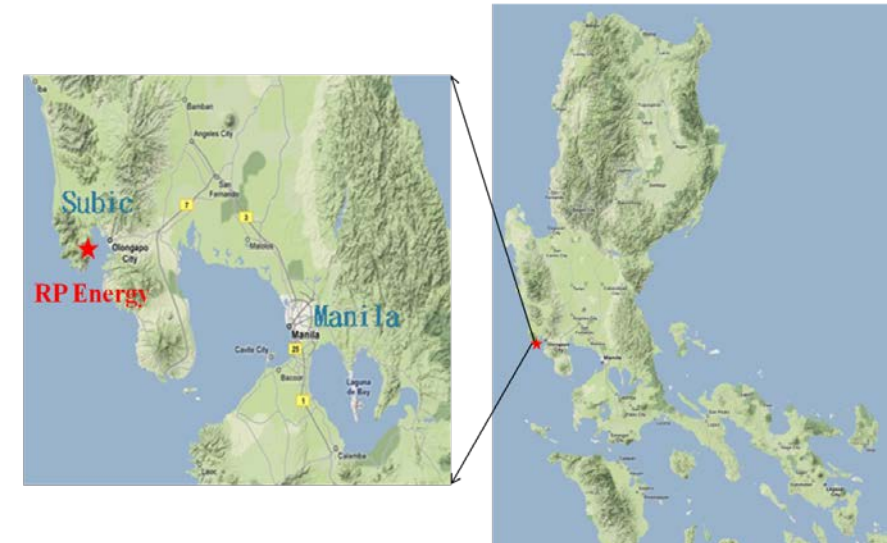


# Business Overview

## 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 Power Plant Phase II(1000MW) has obtained the EIA Verification and Backup from Environment Protection Administration on 8th Sep. 2020.
  - The building applications of the electricity enterprise are expected to be obtained by the end of May 2021.
  - 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 July.



# 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



Address : 6F, 392, Rui Guang Road, Neihu , Taipei

TEL : 886-2-8798-2000

FAX : 886-2-8798-2066

Website : [www.cogen.com.tw](http://www.cogen.com.tw)