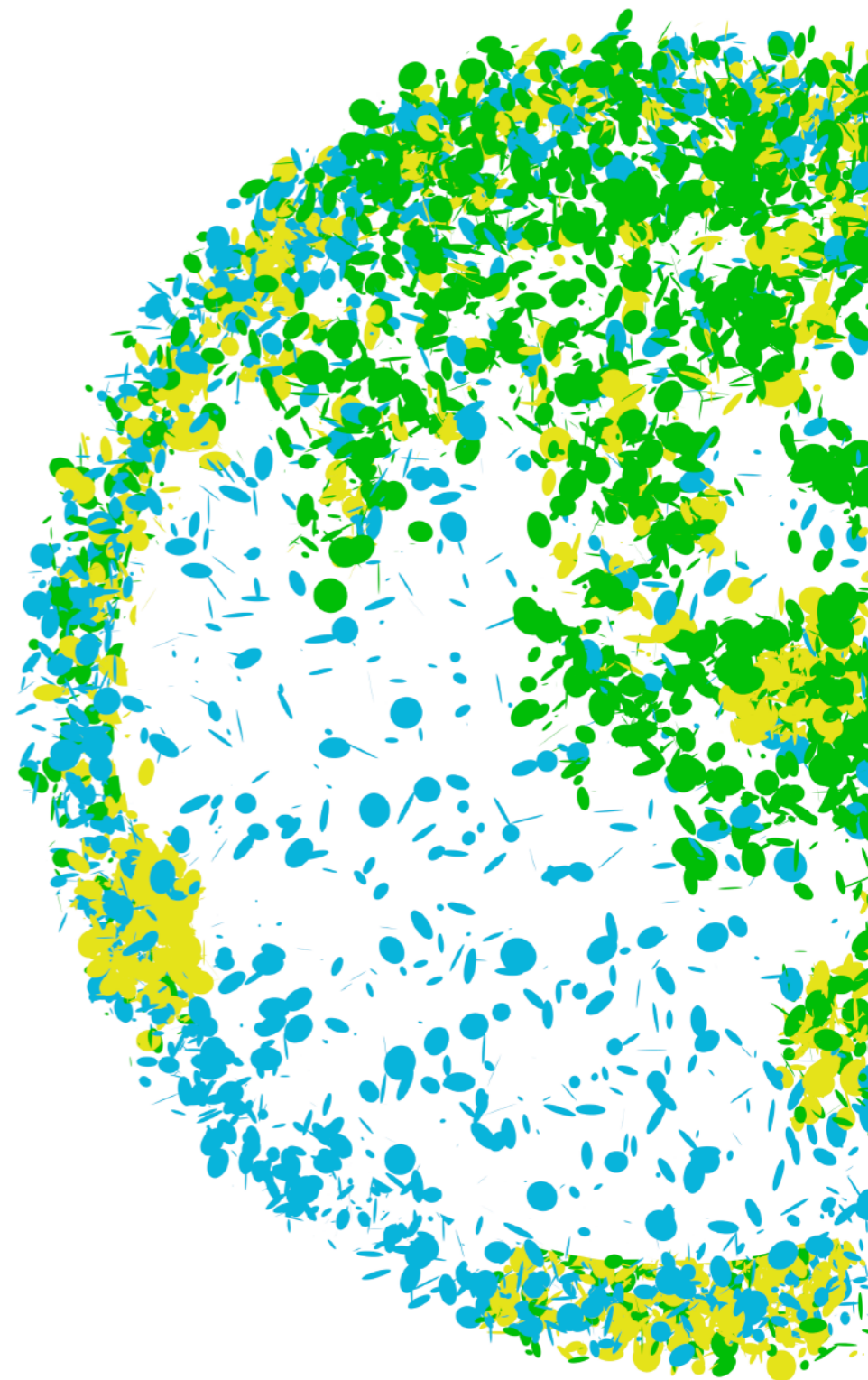


ECOVE Environment 2018 2nd Investor/Press Conference

2018.9.6





Agenda

- **Review of 2018 Jan. - July**
- **Future Outlook**
- **Summary of 2018 H1
Financial Report**

Review of 2018 Jan. - July



Performance

Corporate Governance and CSR

- Listed in Top 5% Companies for 4th Corporate Governance Assessment
- Selected as the member of Taiwan Sustainability Index (TWSI)
- Ranked the 3rd in medium-size enterprise sector of Wealth Magazine 2018 Excellence in CSR
- Won the “Green Energy Model Award” from Tainan City Government
- 2017 Sustainability Report is certified with AA1000
- Ranked the 256th in the CommonWealth Magazine 2017 Top 2000 Enterprises Survey
- GDDC won the “Outstanding Green Building Award” from Tainan City Government
- Houli EfW Plant received Environmental Education Facility Certification (Keelung, Miaoli, Tainan EfW Plants and Tainan Science Park Resource Recycling Center have been certificated)



Performance

Safety and Health

- Keelung, Miaoli, Houli, Wujih, Tainan EfW plants and Tainan Science Park Resource Recycling Center received “Badge of Accredited Healthy Workplace” from Ministry of Safety and Health
- Tainan EfW Plant received “SH family Certificate of Appreciation” from Tainan Labor Affairs Bureau
- Two of ECOVE employees received “Excellence ISH Employee” from Ministry of Labor

Quality

- Keelung, Taoyuan, Miaoli, Houli and Wujih EfW Plants received “2017 EfW Premium/ Excellent Performance Award” from EPA
- GDDC won 2018 Chin-Fang Special Award” from TIPC



New Company Profile

- Invested ECOVE Solvent Recycling Corporation to develop W-IPA recycling business
 - Invested Yue-Tzung company and name change is completed
 - Applied concentration technology to recycle low-concentration IPA into 99.5% industrial grade
 - Expected facility revamping will be completed by the end of 2018 and recycling application will be approved in 2019 H1. After the environmental permit been approved, expected to start recycling business in 2019 H2.
 - Established the foundation of recycling business
 - ✓ The first self-created recycling project through M&A, establishing a development model and experience from scratch
 - ✓ Incorporating the brand and BS 8001 circular economy certification, being invited by large-scale waste producer to participate in establishing recycling facility
 - Future outlook
 - ✓ Copy this investment model and expand to other projects and overseas markets
 - ✓ Cooperate with other large-scale waste producer to promote waste recycling ideas and jointly carry out business



New Company Profile

- Won Taoyuan Biomass-energy Center BOT project and established EVER ECOVE CORP.
 - Concession period is 25 years. CTCI is in charge of construction and ECOVE is in charge of 22 years O&M
 - Features
 - ✓ The first biomass-energy center (including incineration, anaerobic digestion and landfill) matches zero-waste concept
 - ✓ Have more stringent air pollution emission standards than current EfW plants'
 - ✓ Designed power generation efficiency is more than 28%, in line with the regulations for the management of renewable energy power generation equipment
 - ✓ Implement circular economy (PVPP, green building, fly ash, and AD residue and liquid recycling)
 - ✓ In line with the world's most stringent EU operating criteria
 - Benefit
 - ✓ In the past 20 years, the first waste treatment plant applied international advanced technology which is beneficial to maintain the leading position
 - ✓ The investigation work of the case can be applied to the future business



Major Investment/ Projects Awarded

EfW & Waste Management

- Domestic
 - Taoyuan Biomass-energy Center BOT contract negotiation is completed
 - Kaohsiung Central Region EfW Plant annual overhaul
 - Kaohsiung Central Region EfW Plant west side of the main building fire restoration
 - Tai-Sugar Kanding EfW Plant annual overhaul
 - Mioli EfW Plant waste management
- Oversea
 - Shanghai Chinshan EfW Plant O&M supervision
 - Beijing Haidian EfW Plant O&M supervision
 - Macau Hazardous Waste Treatment Plant O&M and equipment upgrade
 - Macau EfW Plant major equipment upgrade
 - Macau EfW Plant food waste treatment facility O&M



Major Investment/ Projects Awarded

Photovoltaic Power

- 2 floating type PVPPs are completed (Chia-Nan Irrigation Association)
- 3 roof type PVPPs are under construction (Taipei MRT depot, Water purification plant, CTCI-M)
- Won 4 roof type PVPP development rights (Kaohsiung Port)
- Won a ground type PVPP development rights (Chiayi environmental protection land)



Major Investment/ Projects Awarded

Recycling

- Waste IPA
 - Invest W-IPA project and plans to start recycling business in 2019 H1
- Waste PET bottle
 - China foreign waste import ban brings equipment demand in oversea market
 - Improve the polyester fiber application. Develop high value-adding flame retardant fiber and hygiene products fiber

Others

- Taoyuan Airport T3 air bridge maintenance



Future Outlook



Future Outlook

EfW & Waste Management

- Domestic
 - Following government promoted EfW Plant life extension and waste diversification treatment plan, strive for related business opportunities
- Oversea
 - Following south bound policy, cooperates with local enterprise on tender and strives for O&M, investment and M&A opportunity
 - Strives for China EfW Plant consulting work

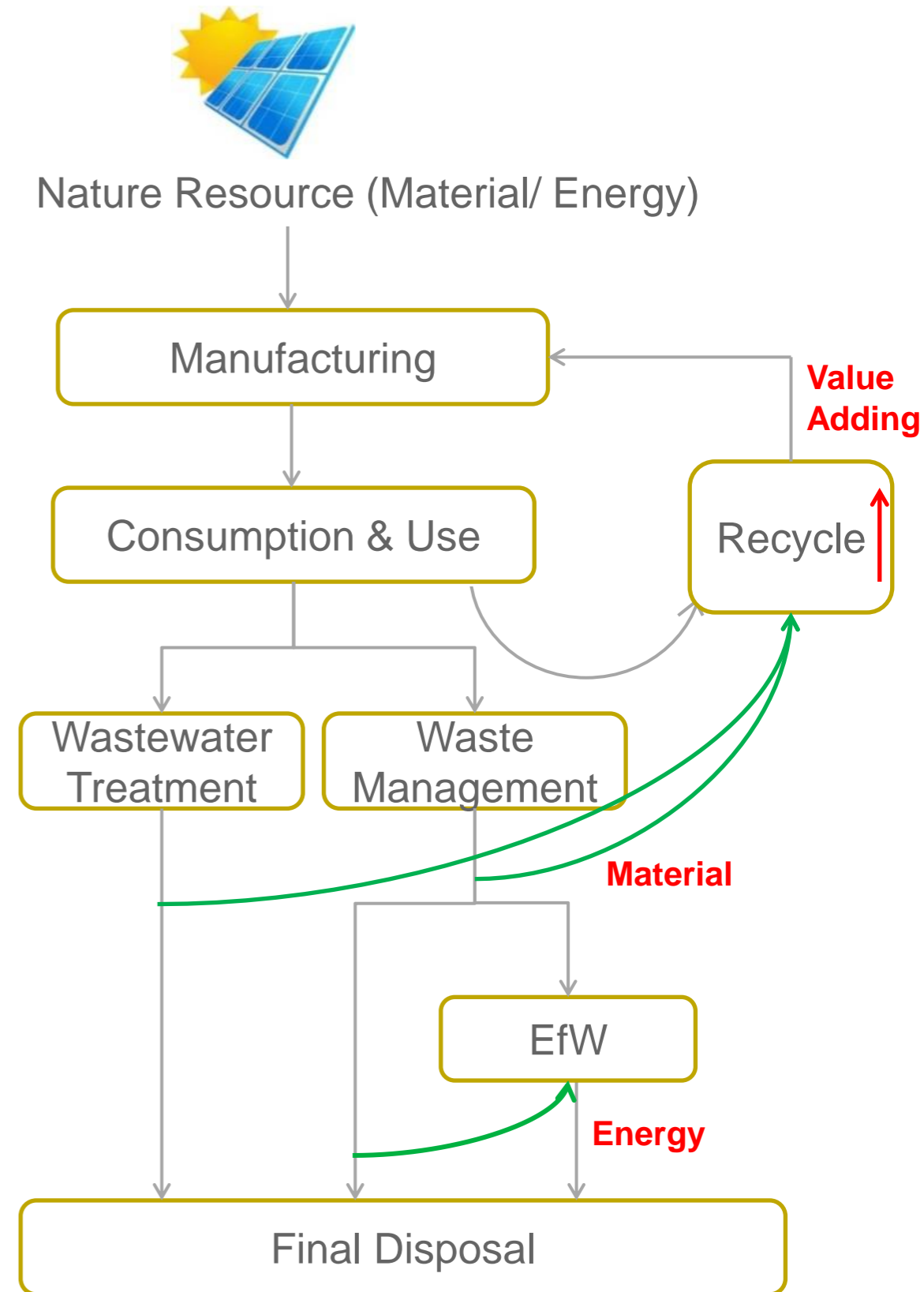
Photovoltaic Power

- Completed 50 projects and earned comprehensive experience in developing, construction and O&M
- Following the target of 20GW solar by 2025, evaluate the potential target and strive to invest mega PVPP project
- Continue to pay attention to market trends in the U.S. and Southeast Asia, carefully select investment opportunities

Future Outlook

Recycling

- Energy Recovery(I)
 - By applying new technology, recovers energy from waste which was sent to final disposal
 - Invest Taoyuan Biomass-Energy Center and will expand biogas work
- Material Recovery(II)
 - By applying new technology, recovers material from waste which was sent to EfW/ final disposal
 - Participated in water treatment, PET recycling, and W-IPA recycling. In the future, strive for other solvents recycling or establishing recycling facilities for waste producers
- Value Adding(III)
 - By upgrading process, increases recycling efficiency and product value
 - Evaluate value adding recycling technology and develop related business



Future Outlook

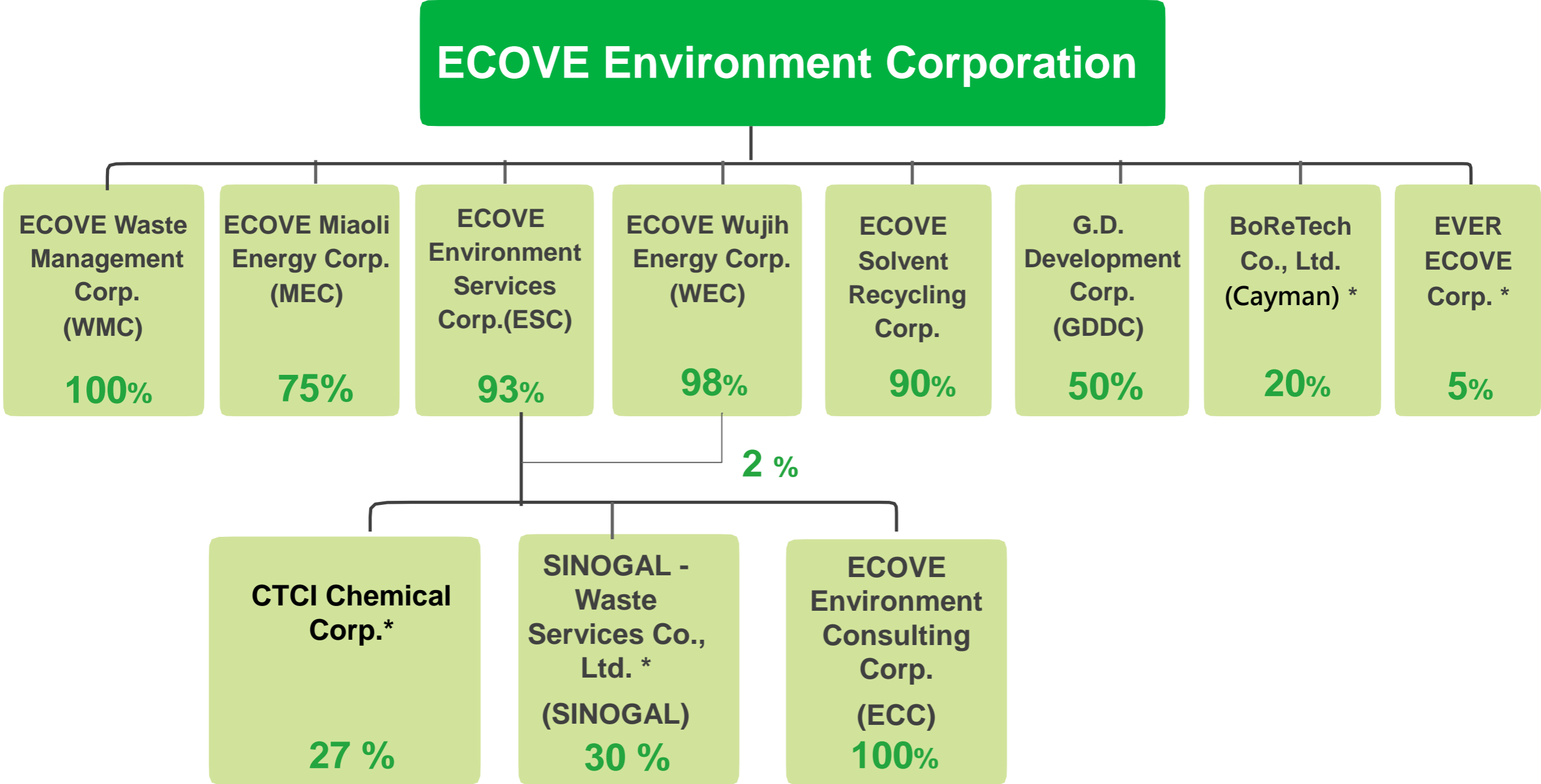
Others

- Taoyuan Airport T3 will release main equipment contract continuously. ECOVE strive for related service following the successful experience of air bridge service
- Government Forward-Looking Infrastructure Development Plan will bring track and electric maintenance work



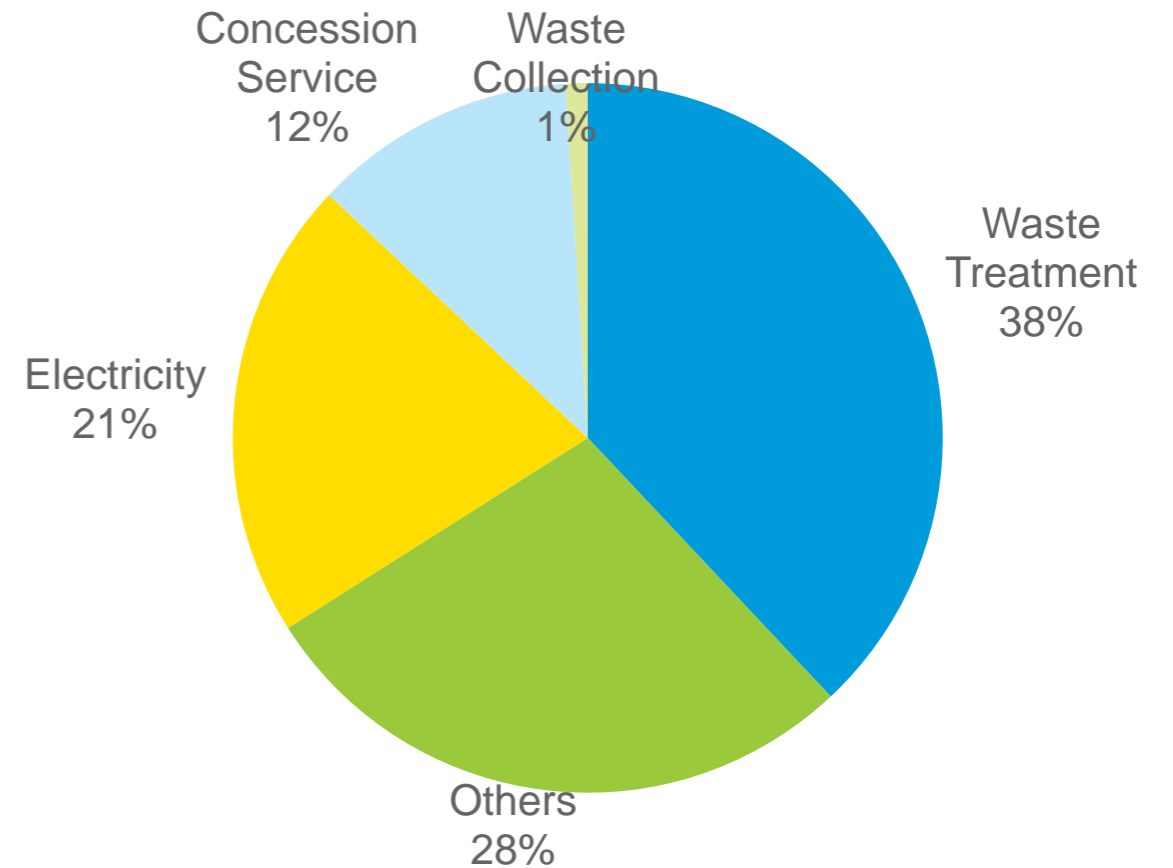
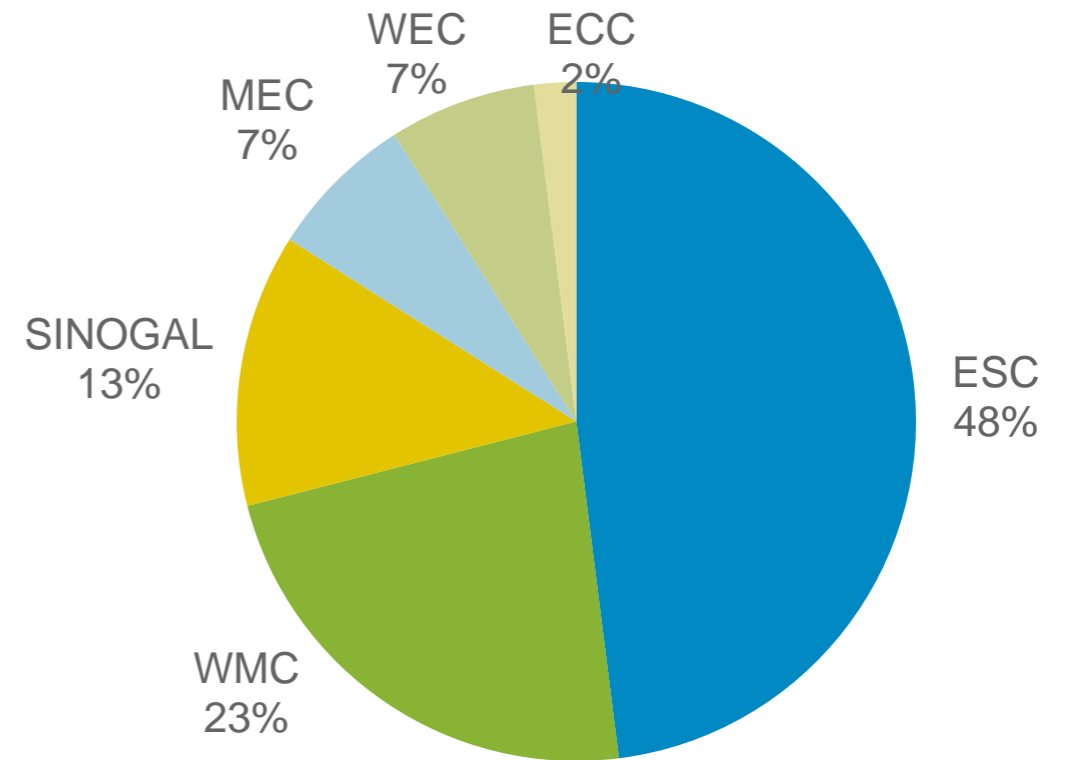
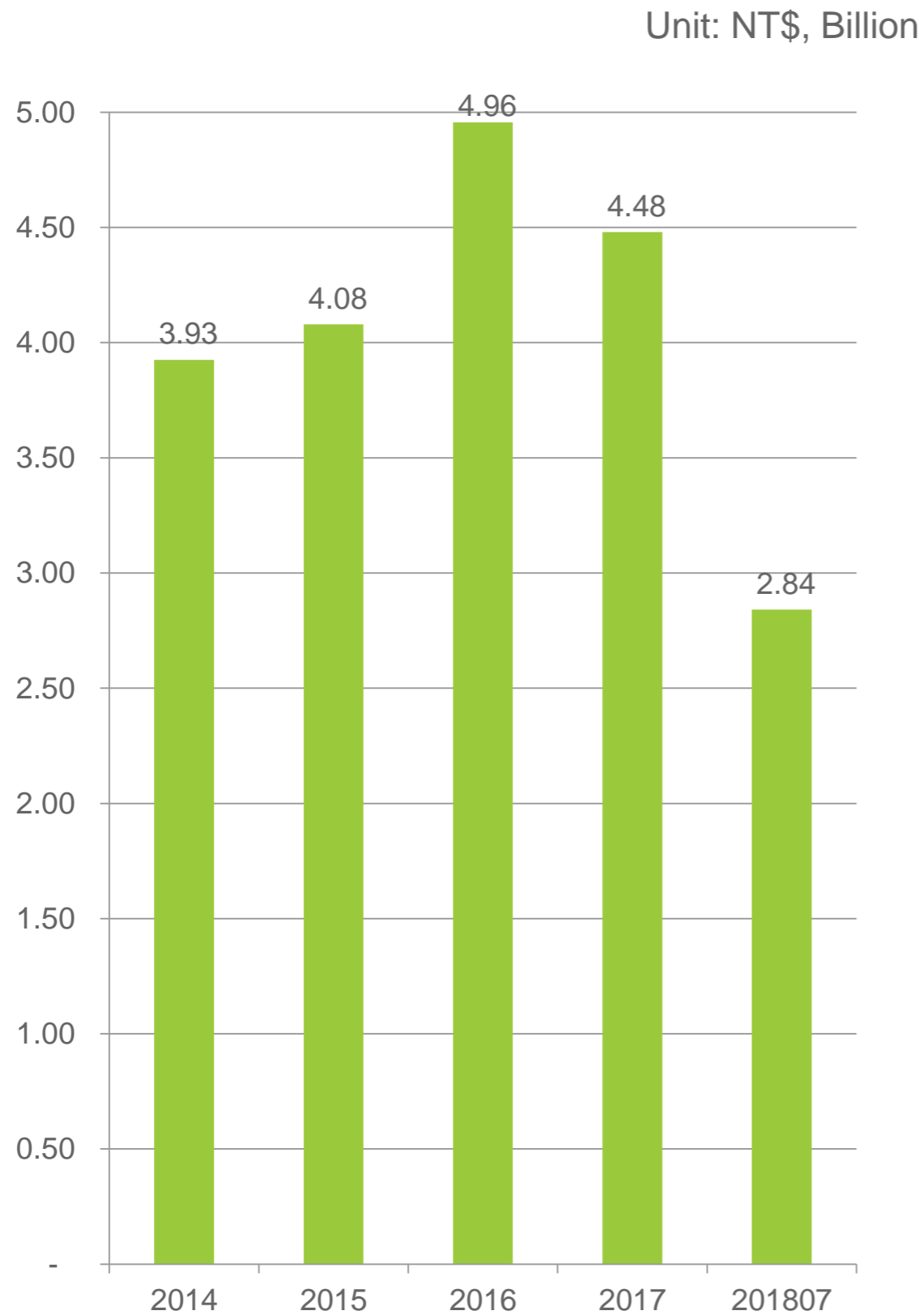
Summary of 2018 H1 Financial Report

Investment Structure



* By Equity Accounting Method

Consolidated Revenue Breakdown



2018 H1 Consolidated Income Statement

Unit: NT\$, Thousand

	<u>2018/06/30</u>		<u>2017/06/30</u>		<u>YOY</u>
Operating Revenue	2,394,854	100.0%	2,174,684	100.0%	10.1%
Operating Costs	(1,727,170)	-72.1%	(1,553,852)	-71.5%	11.2%
Gross Profit	667,684	27.9%	620,832	28.5%	7.5%
Operating Expenses	(85,678)	-3.6%	(79,631)	-3.7%	7.6%
Operating Profit	582,006	24.3%	541,201	24.9%	7.5%
Total Non-Operating Income and Expenses	44,716	1.9%	26,036	1.2%	71.7%
Profit before income tax	626,722	26.2%	567,237	26.0%	10.5%
Income Tax Expense	(142,723)	-6.0%	(96,056)	-4.4%	48.6%
Profit for the period	483,999	20.2%	471,181	21.6%	2.7%
Profit attributable to Owners of the parent	390,957	16.3%	383,781	17.6%	1.9%
EPS After Tax (TWD)	5.84		5.76		1.4%

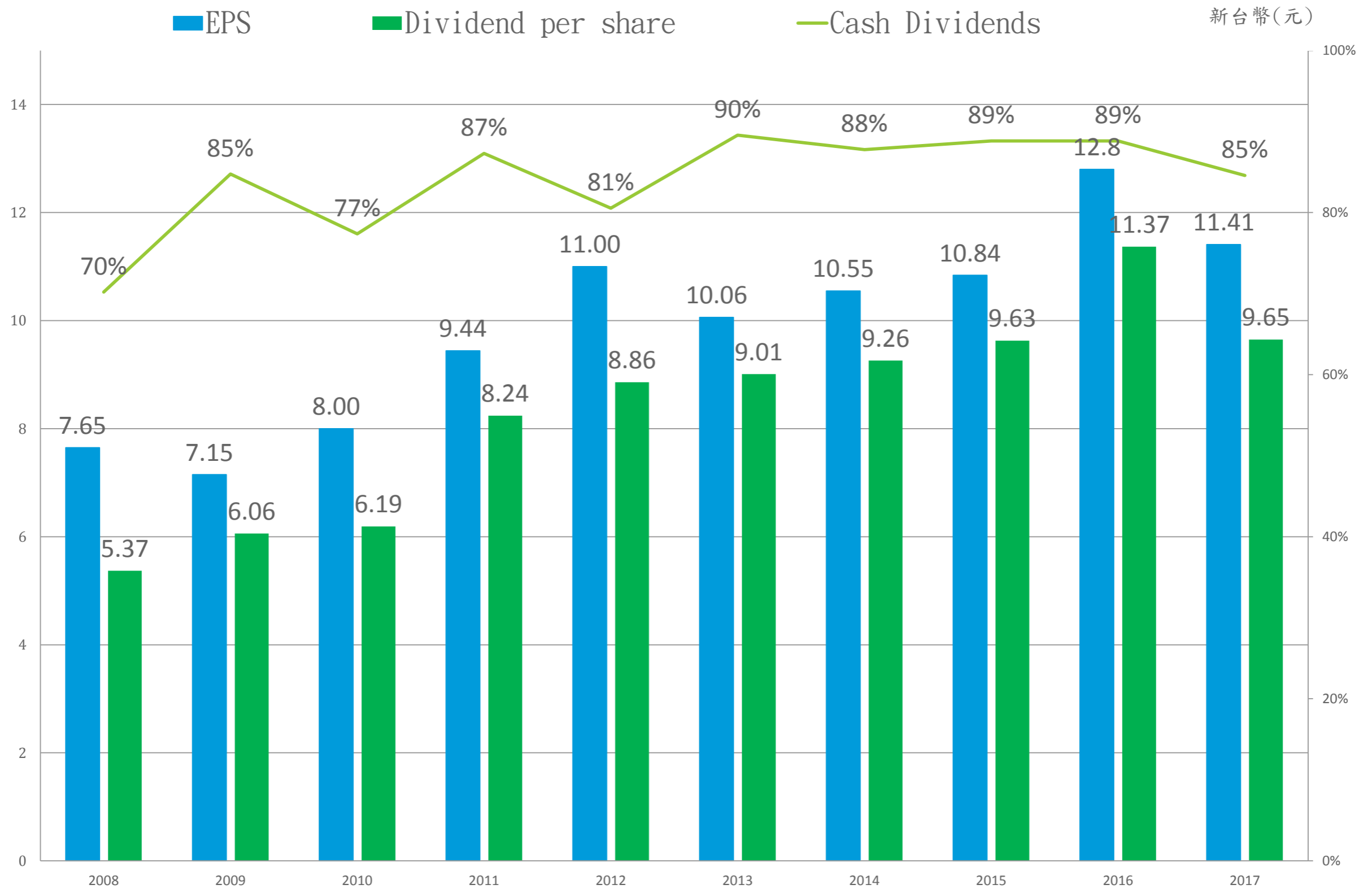
2018 H1 Consolidated Balance Sheet

Unit: NT\$, Thousand

	<u>2018/6/30</u>	<u>2017/6/30</u>		<u>2018/6/30</u>	<u>2017/6/30</u>
Current assets*	3,888,431	3,724,727	Current liabilities	2,201,711	2,179,015
Financial assets	456,264	347,432	Non-current liabilities	193,586	165,153
Non-current assets	715,705	680,664	Long-term borrowings	20,983	92,000
Property, plant and equipment	163,844	60,511	Other non-current liabilities	345,089	295,644
Other non-current assets	2,477,867	2,667,701	Total Liabilities	2,761,369	2,731,812
			Total equity	4,940,742	4,749,223
Total assets	7,702,111	7,481,035	Total liabilities and equity	7,702,111	7,481,035

* Cash and cash equivalents: NT\$1.67bn.

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