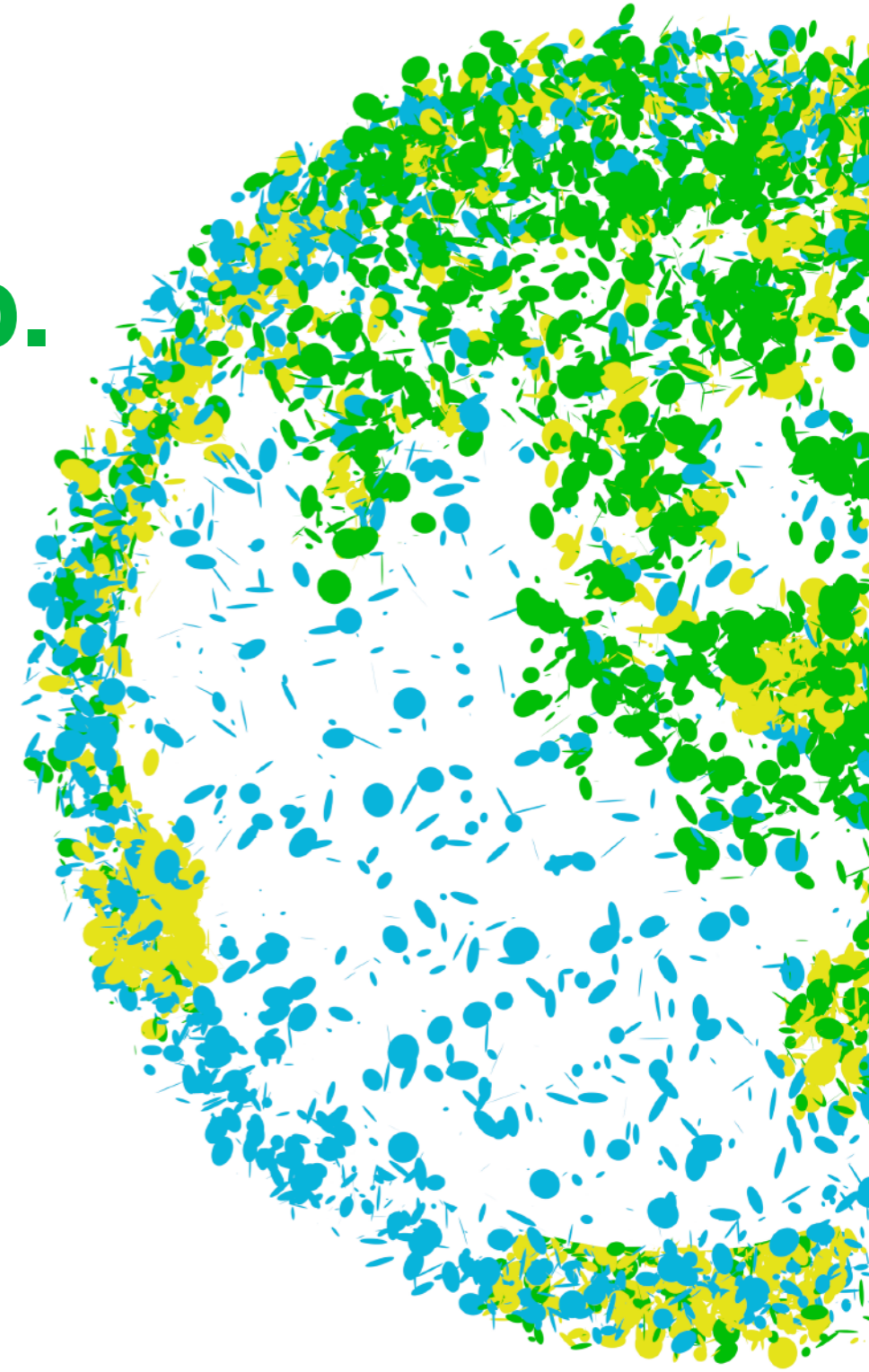


**ECOVE Environment Corp.
2018 Q3 Performance
Conference held by the
Taipei Exchange**

2018.11.15





Agenda

- **Review of 2018 Jan. ~ Oct.**
- **Future Outlook**
- **Summary of 2018 Q1~Q3
Financial Report**

Review of 2018 Jan. ~ Oct.



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
- ECOVE SEC 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
- Keelung EfW Plant received “Keelung Coast Clean Excellent Entity” from Keelung Government
- Tainan Science Park Resource Recovery Center received the “Excellent entity for promoting environmental protection and occupational safety and health” from Southern Taiwan Science Park.
- Two of ECOVE employees received “Excellence ISH Employee” from Ministry of Labor

Quality

- ECOVE SEC won the 5th Guang-Duo Award from Bureau of Energy, MEA
- ECOVE SEC won 2018 Chinfang Special Award” from TIPC
- Keelung, Taoyuan, Miaoli, Houli and Wujih EfW Plants received “2017 EfW Premium/ Excellent Performance Award” from EPA
- Taoyuan EfW Plant received “Taoyuan waste treatment facility A grade” from Taoyuan Government

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 reuse permission will be approved in 2019 H1 and 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 waste reuse plan
- 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. CTCL 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



New Investment Project

Acquired 100% equity of GDDC and expanded the development of solar photovoltaic

- Completed 50 projects and earned comprehensive experience in developing, construction and O&M
 - ✓ Domestic : 31.3 MWp
 - ✓ Oversea : 9.5 MWp
 - ✓ Total : 40.8 MWp
- Track record and experience
 - ✓ Experience in power liberalization and SREC practice trading (U.S. Lumberton PVPP)
 - ✓ Rich experience in domestic transportation station (THSR, MRT), total 9.7MWp
 - ✓ Rich experience in domestic landfill, total 11.7MWp
 - ✓ Maximum capacity of a single unit
 - Ground-Mounted: U.S. Lumberton PVPP 9.5 MWp
 - Roof top: THSR Yanchau Depot PVPP 3.3MWp



Major Investment/ Projects Awarded

EfW & Waste Management

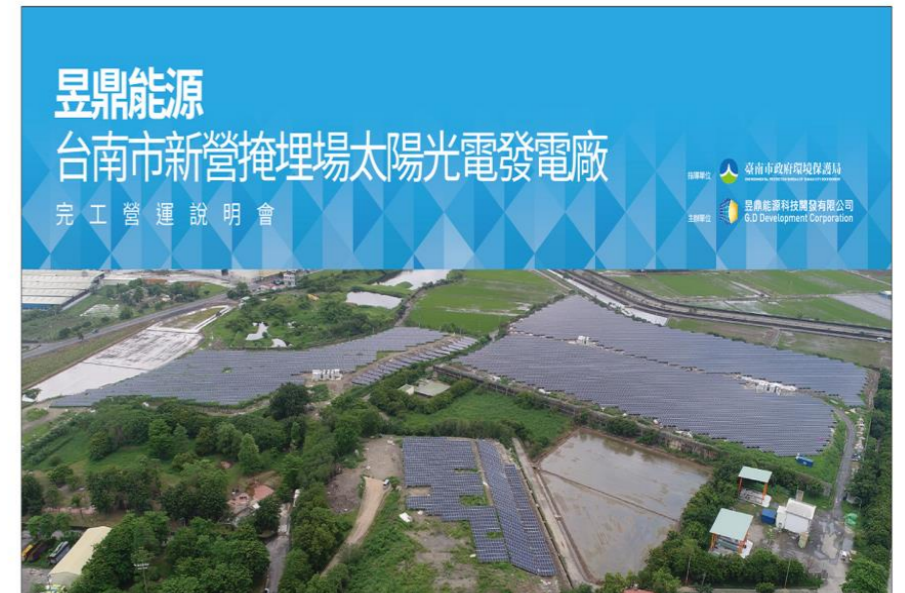
- Domestic
 - ✓ Taoyuan Biomass-energy Center BOT contract negotiation is completed
 - ✓ Taoyuan Airport incinerator pollution control equipment upgrade
 - ✓ Tainan Science Park Resource Recycling Center 5-year O&M project price negotiation right
 - ✓ Kaohsiung Central Region EfW Plant annual overhaul
 - ✓ 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 EfW Plant major equipment upgrade
 - ✓ Macau EfW Plant food waste treatment facility O&M



Major Investment/ Projects Awarded

Photovoltaic Power

- 8 cases in operation
 - ✓ Ground-Mounted: Tainan Yanshuei landfill*2, Tainan Medou landfill*4
 - ✓ Floating: Chianan Irrigation Association*2
- 8 cases in construction
 - ✓ Ground-Mounted: Chiayi Juchi landfill
 - ✓ Rooftop: Taipei MRT depot, Changshing water purification plant, CTCL-Mech, Kaohsiung Port*4
- Won 11 development rights
 - ✓ Ground-Mounted: Tainan landfill third phase*4
 - ✓ Rooftop: Taoyuan Metro Lujun depot, THSR Taoyuan station, THSR Liougu depot
 - ✓ Floating: THSR Wujih and Tzuoying station flood pond, Kaohsiung Metro north and Daliau depot flood pond



495245cm

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 Metro environment control system O&M project price negotiation right
- Airport T3 air bridge maintenance project
- Tainan mobile incinerator planning and O&M project



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

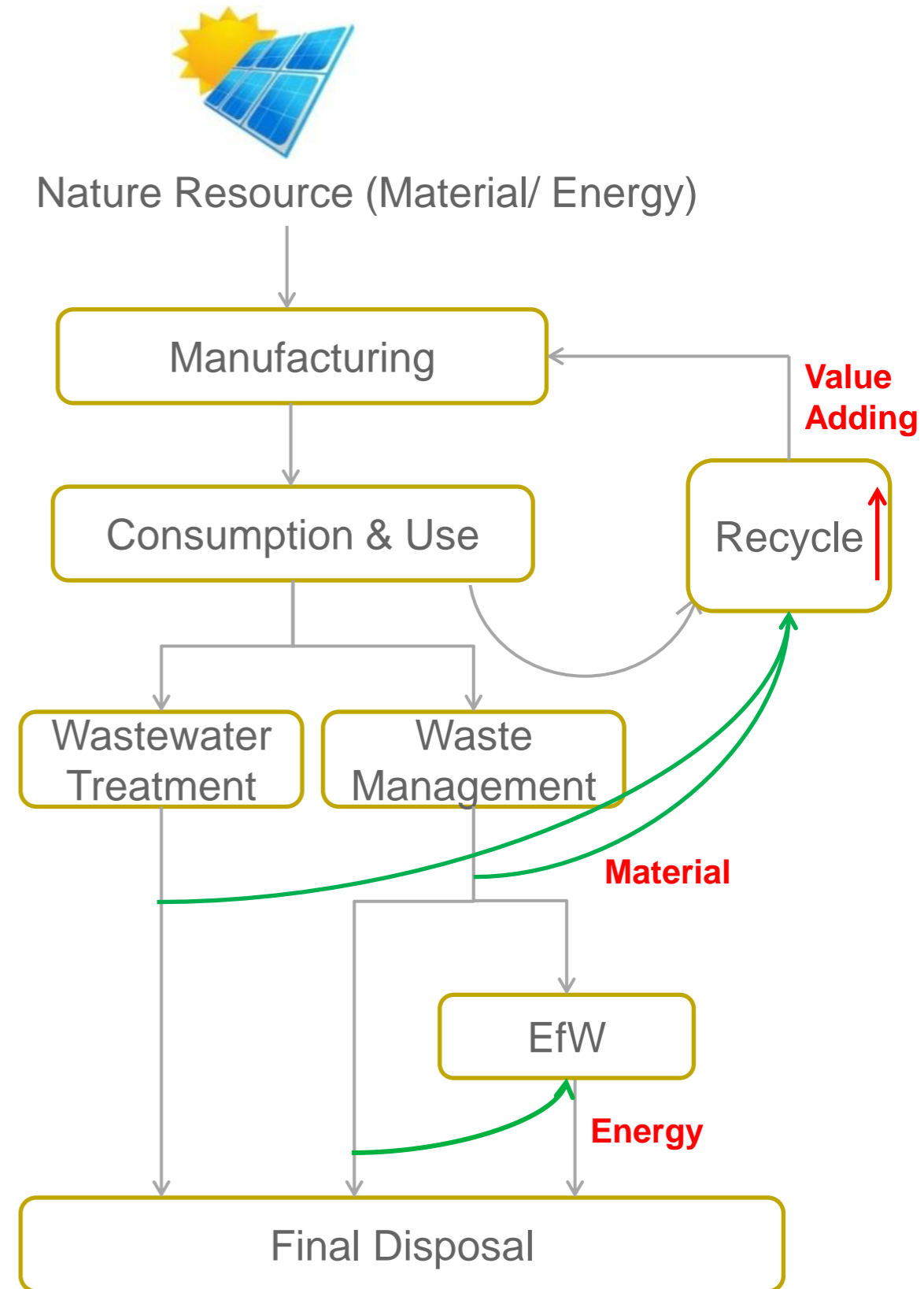
Photovoltaic Power

- 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

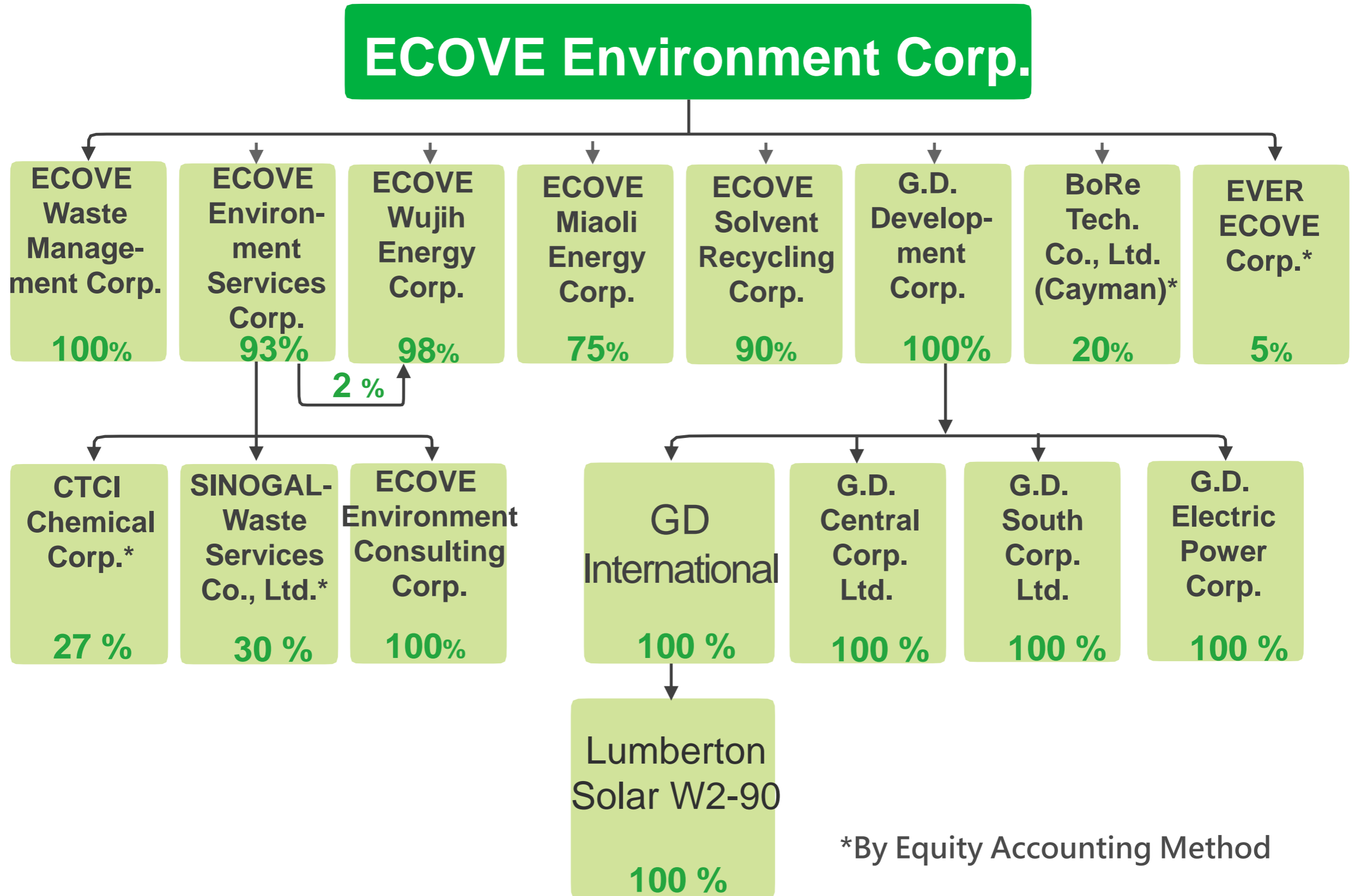
Others

- 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 Q1~Q3 Financial Report

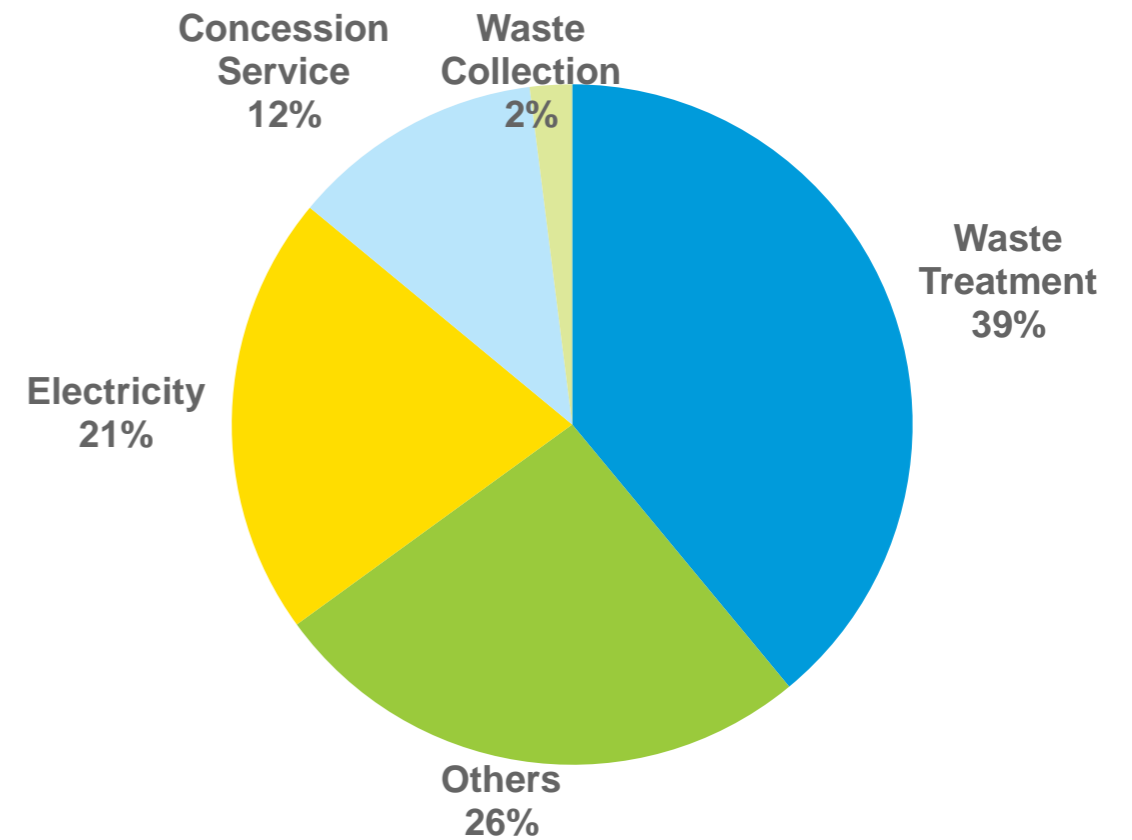
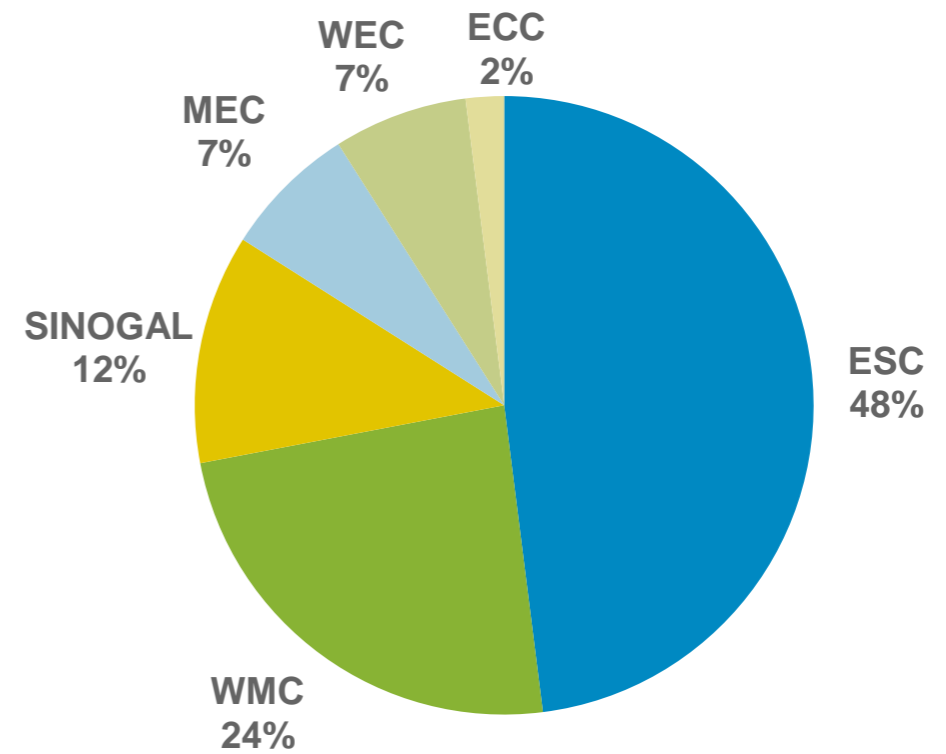
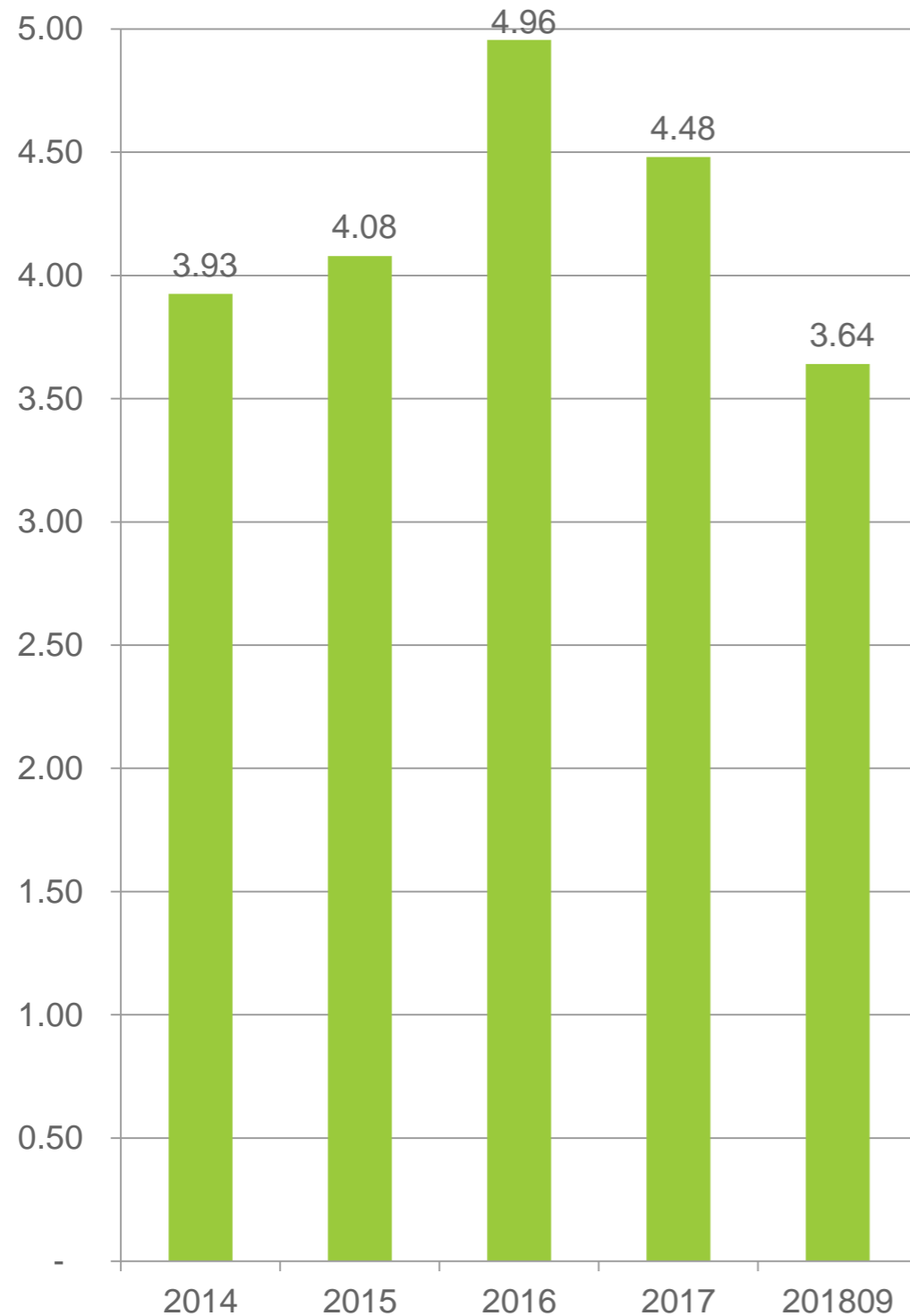
Investment Structure



*By Equity Accounting Method

Consolidated Revenue Breakdown

Unit: NT\$, Billion



2018 Q3 Consolidated Income Statement

Unit: NT\$, Thousand

	<u>2018/09/30</u>		<u>2017/09/30</u>		<u>YOY</u>
Operating Revenue	3,641,149	100.0%	3,375,463	100.0%	7.9%
Operating Costs	(2,613,676)	-71.8%	(2,416,840)	-71.6%	8.1%
Gross Profit	1,027,473	28.2%	958,623	28.4%	7.2%
Operating Expenses	(133,703)	-3.7%	(130,105)	-3.9%	2.8%
Operating Profit	893,770	24.5%	828,518	24.5%	7.9%
Total Non-Operating Income and Expenses	96,411	2.6%	37,195	1.1%	159.2%
Profit before income tax	990,181	27.2%	865,713	25.5%	14.4%
Income Tax Expense	(208,766)	-5.7%	(114,253)	-3.4%	82.7%
Profit for the period	781,415	21.5%	751,460	22.2%	4.0%
Profit attributable to Owners of the parent	644,928	17.7%	591,327	17.5%	9.1%
EPS After Tax (TWD)	9.63		8.86		8.7%

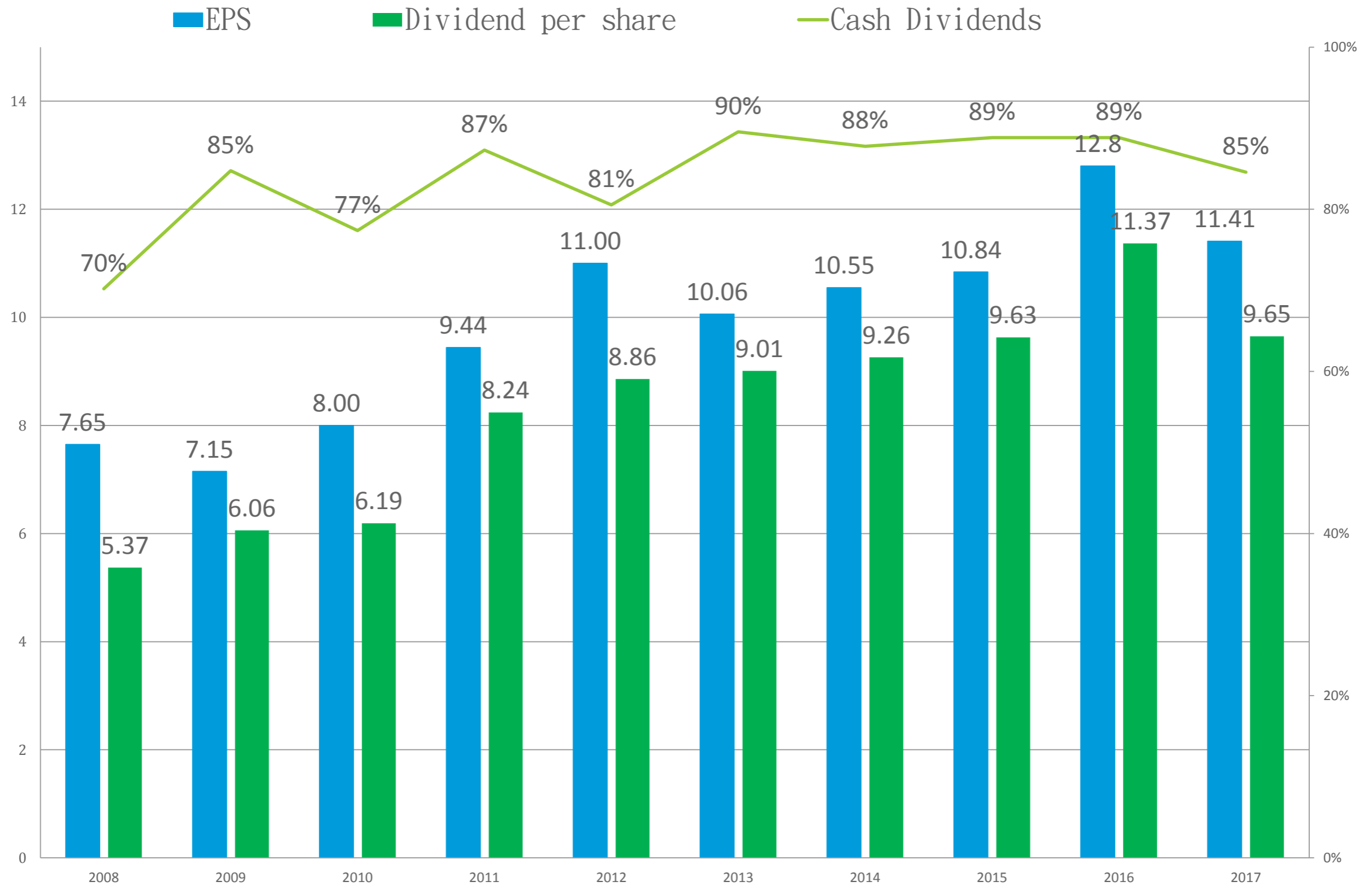
2018 Q3 Consolidated Balance Sheet

Unit: NT\$, Thousand

	<u>2018/9/30</u>	<u>2017/9/30</u>		<u>2018/9/30</u>	<u>2017/9/30</u>
Current assets*	3,267,950	3,081,059	Current liabilities	1,690,476	1,272,365
Financial assets	342,714	441,072	Non-current liabilities	197,001	169,460
Non-current assets	405,551	681,495	Long-term borrowings	1,338,313	92,000
Property, plant and equipment	1,719,706	61,039	Other non-current liabilities	520,669	302,994
Other non-current assets	3,240,690	2,601,149	Total Liabilities	3,746,459	1,836,819
			Total equity	5,230,152	5,028,995
Total assets	8,976,611	6,865,814	Total liabilities and equity	8,976,611	6,865,814

* Cash and cash equivalents:NT\$1.48bn.

Dividend Payout



ECOVE[®]