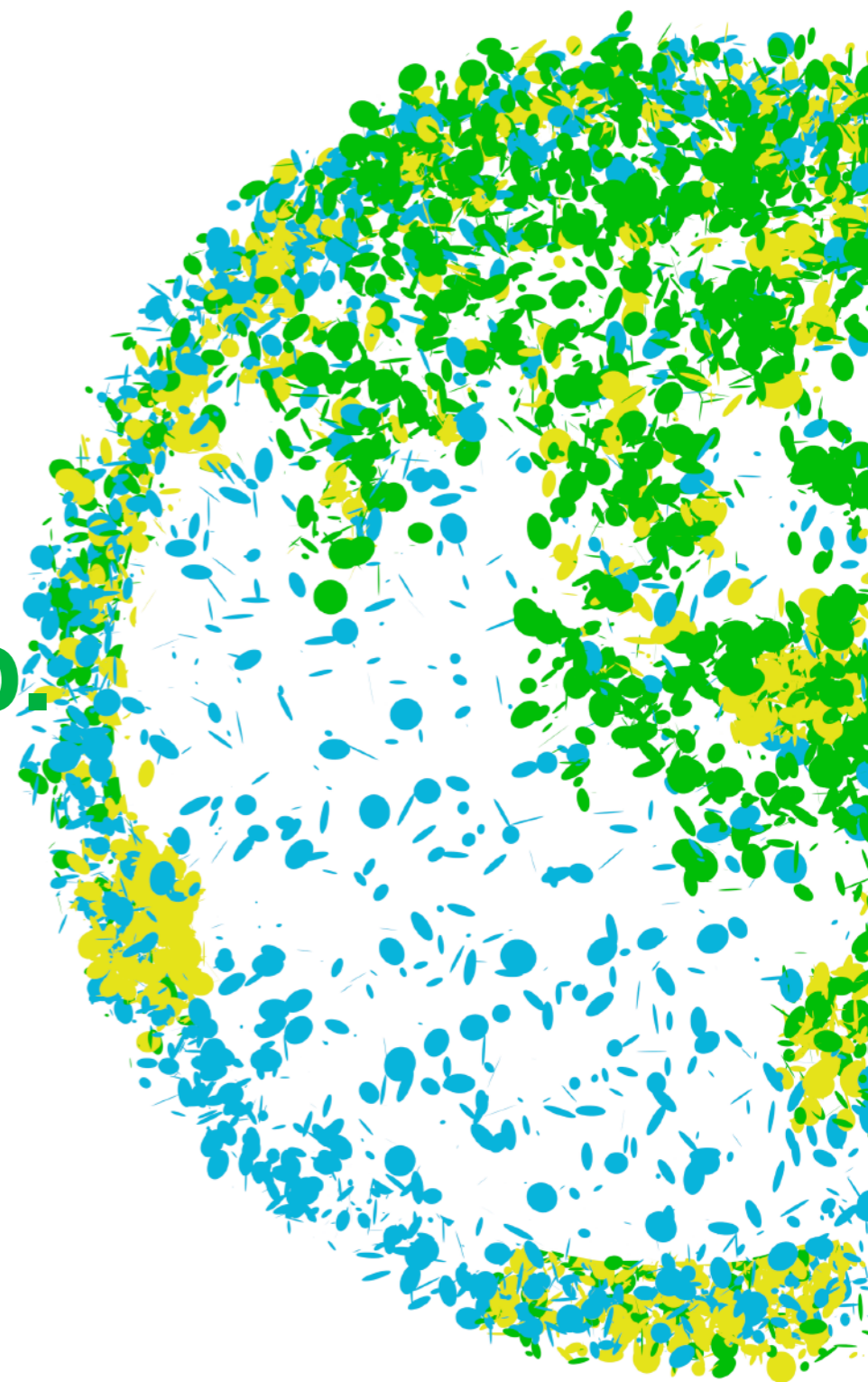


**2018 Q1 Performance
Presentation held by Taipei
Exchange
ECOVE Environmental Corp.**

2018.05.16





Agenda

- Review of 2017~2018 Q1
- Business Outlook
- Summary of 2018 Q1
Financial Report

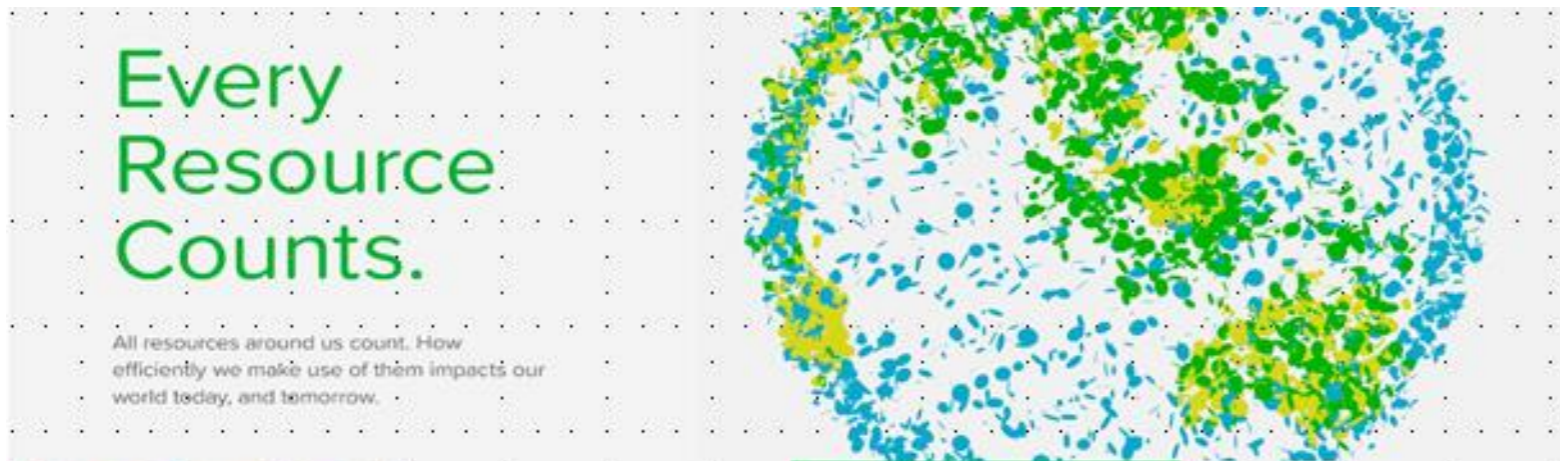
Review of 2017~2018 Q1



Performance

New Brand

- All affiliates share the same English name and logo
- Established brand structure, envision future, core purpose and corporate culture
- Promoted corporate culture
- Launched new website, issued newsletter, participated international forum to build brand awareness



Brand Strategy

策略 Strategy	定義 Definition	描述 Description
願景 Envisioned Future	我們希望創造的未來 The future we will create	最值得信賴的永續資源循環領導者 The most reliable provider of industry-leading 'resource cycling' services
使命 Core Purpose	引領我們工作的力量 What brings us to work each day	精進技術整合應用，優化資源循環效能 Apply technical knowhow to advance efficiencies in 'resource cycling'
企業文化 Corporate Culture	公司成員的思考與行為模式 The ideals that guide our behavior	專業、誠信、團隊、創新 Professionalism, Integrity, Teamwork, Innovation
品牌催化劑 Brand Catalyst	驅策我們一切行動的想法 The idea that drives our actions	最值得信賴 Most reliable
品牌聯想 Brand Associations	我們希望外界對企業形成的印象 What we want people to think about our company	資源循環效能、善用智能系統和數據管理、積極參與國家和地區的環境政策及議題、社群的合作與貢獻 'Resource cycling' efficiency (™), Active participation in national/regional agenda and policy, Intelligent, data-driven operational systems, Community collaboration and contribution
品牌標語 Slogan	表達我們企業的核心理念 Communicates the core belief of our company	珍惜每一分資源 Every Resource Counts.

Performance

Safety and Health

- Keelung, Shulin, Houli, and Wujih EfW Plants received “Badge of Accredited Healthy Workplace” from Ministry of Safety and Health
- Tainan Science Park EfW Plant received “Health Promotion Award” from Ministry of Science and Technology
- Tainan Chengxi EfW Plant received “SH family Certificate of Appreciation” from Tainan Labor Affairs Bureau
- Among the 25 excellence ISH employee announced by Ministry of Labor, two are from ECOVE
- Two ECOVE’s employee received “Excellence SH Employee” and “Excellence Environmental Protection Employee” from Ministry of Science and Technology



Performance

Quality

- GDDC received “4th Top Solar System Award” from Ministry of Economic Affairs
- GDDC received “2017 Kaohsiung Photovoltaic Intelligent Building Certificate Special Performance Award” from Kaohsiung City Government
- GDDC received “18th Chin Feng Award” Top 10 Outstanding Enterprise
- Keelung, Miaoli, Houli and Wujih EfW Plants received “2016 EfW Excellent Performance and Special Performance Award” from EPA
- Tainan Chengxi EfW Plant received “Product Carbon Labelling and Excellence Carbon Footprint Emission Coefficient” from EPA
- Tainan Chengxi EfW Plant received “Excellence Waste Management of Carbon Footprint Labeling Award” from Tainan City Government



Performance

Corporate Governance and CSR

- Listed in Top 5% Companies for 4th Corporate Governance Assessment
- Ranked the 250th in the CommonWealth Magazine 2016 Top 2000 Enterprises Survey
- Ranked the 3rd in medium-size enterprise sector of Wealth Magazine 2017 Excellence in CSR
- Listed in Top 40 for 13rd Global Views Monthly CSR Award
- Sustainability Report is certified with AA1000
- Received the world's first BSI 8001 circular economy certification from BSI
- Received with four achievements in 2017 TCSA
 - Taiwan Top 50 Corporate Sustainability Award
 - Gold Award in service industry sector of Taiwan CSR Award
 - Transparency and Integrity Award
 - Circular Economy Leadership Award



Performance

Corporate Governance and CSR

- Received “Circular Economy Sustainability Award” from BSI
- Tainan Science Park EfW Plant received “26th Corporate Environment Protection Silver Award” and consecutive 3 years received “Environmental Protection Honor Award” from EPA
- Keelung, Shulin, Miaoli, Houli, Tainan and Tainan Science Park EfW Plants received Environmental Education Facility Certification
- Keelung EfW Plants received “2017 Environmental Education Evaluation”. Miaoli EfW Plant received “2017 Environmental Education Evaluation Excellence and Five Star Award”
- Keelung EfW Plants received “Corporate and Group Green Purchasing Award”
- SINO GAL sponsor “Marcha de Caridade” to help those needy



2017~2018 Business Development

EfW & Waste Management

- EfW O&M, Revamping and Waste Management

- Domestic

- ✓ Tai-Sugar Gangshan EfW Plant O&M
- ✓ Tai-Sugar Kanding EfW Plant revamping
- ✓ Kaohsiung South EfW Plant boiler tube cladding upgrade
- ✓ Kaohsiung South EfW Plant equipment and overhead crane maintenance
- ✓ Kaohsiung Central EfW Plant annual overhaul
- ✓ Tai-Sugar Kanding EfW Plant annual overhaul
- ✓ Taoyuan Airport EfW Plant O&M
- ✓ Kaohsiung Central EfW Plant west building emergency repairs
- ✓ Miaoli EfW Plant waste management

ECOVE Environment Services Corp. Receives Praise from Owner for Upgrading the Efficiency of Gangshan EfW Plants

Written by: Huang Ming-Te, the Manager of Gangshan EfW Plant, Environmental Protection Business Operation Center, Taiwan Sugar Corporation

The scope of this project covers an overall upgrade of EfW equipment and the main incineration processes. In the first stage of equipment upgrade (Jul. to Nov. 2017), improvement of the furnace bed and combustion system has been completed. Compared to the condition before the upgrade, the daily processing volume increased by nearly 300 tons, and the operating rate was increased from 73% to now full capacity. This upgrade has effectively relieved the City from the pressure of waste treatment and the neighboring counties and cities have begun to seek regional cooperation from the Kaohsiung City EPA. In this project, ECOVE demonstrated high-level of professionalism and dedication from the initial manpower arrangement and seamless integration of daily operations and maintenance work to introducing patented technology, intelligent systems and equipment evaluation and improvement. It is indeed not an easy task to achieve such a remarkable improvement in just six months. Our on-site staff observed that ECOVE's field staffs were very focused and that is why they were able to improve equipment efficiency in such scale and significantly ahead of the schedule. We are very pleased with such results and recommend highly of their services.



ECOVE

2017~2018 Business Development

EfW & Waste Management

- EfW O&M, Revamping and Waste Management
 - Oversea
 - ✓ Macau Hazardous Waste Treatment Plant equipment upgrade and O&M
 - ✓ Macau EfW Plant major equipment upgrade
 - ✓ Macau EfW Plant overhead crane monitoring and cooling water system upgrade
 - ✓ Macau EfW Plant food waste treatment facility O&M
 - ✓ Guangdong Zhongshan South EfW plant O&M supervision
 - ✓ Guangdong Zhongshan North EfW plant O&M supervision
 - ✓ Shanghai Fengxian EfW Plant O&M supervision
 - ✓ Shanghai Jinshan EfW Plant O&M supervision
 - ✓ Beijing Haidian EfW Plant O&M supervision



2017~2018 Business Development

EfW & Waste Management

- Track/ Transportation Station Service
 - Taoyuan Airport T1 and T3 air bridge maintenance
 - New Taipei City circular line T&C
 - Taichung Rapid Transit System T&C
 - Kaohsiung Rapid Transit System AC power system O&M
- Mechatronics System Service
 - Taichung Port Quarantine Station Fumigation Plan O&M
 - Kaohsiung City Common Ducts O&M



2017~2018 Business Development

Photovoltaic Power

- 8 ground-type PVPP are under operation and 2 projects are under construction (Environmental protection land)
- 1 roof-type PVPP is under development(Taipei MRT workshop)
- 2 floating-type PVPP are under commissioning



Recycling

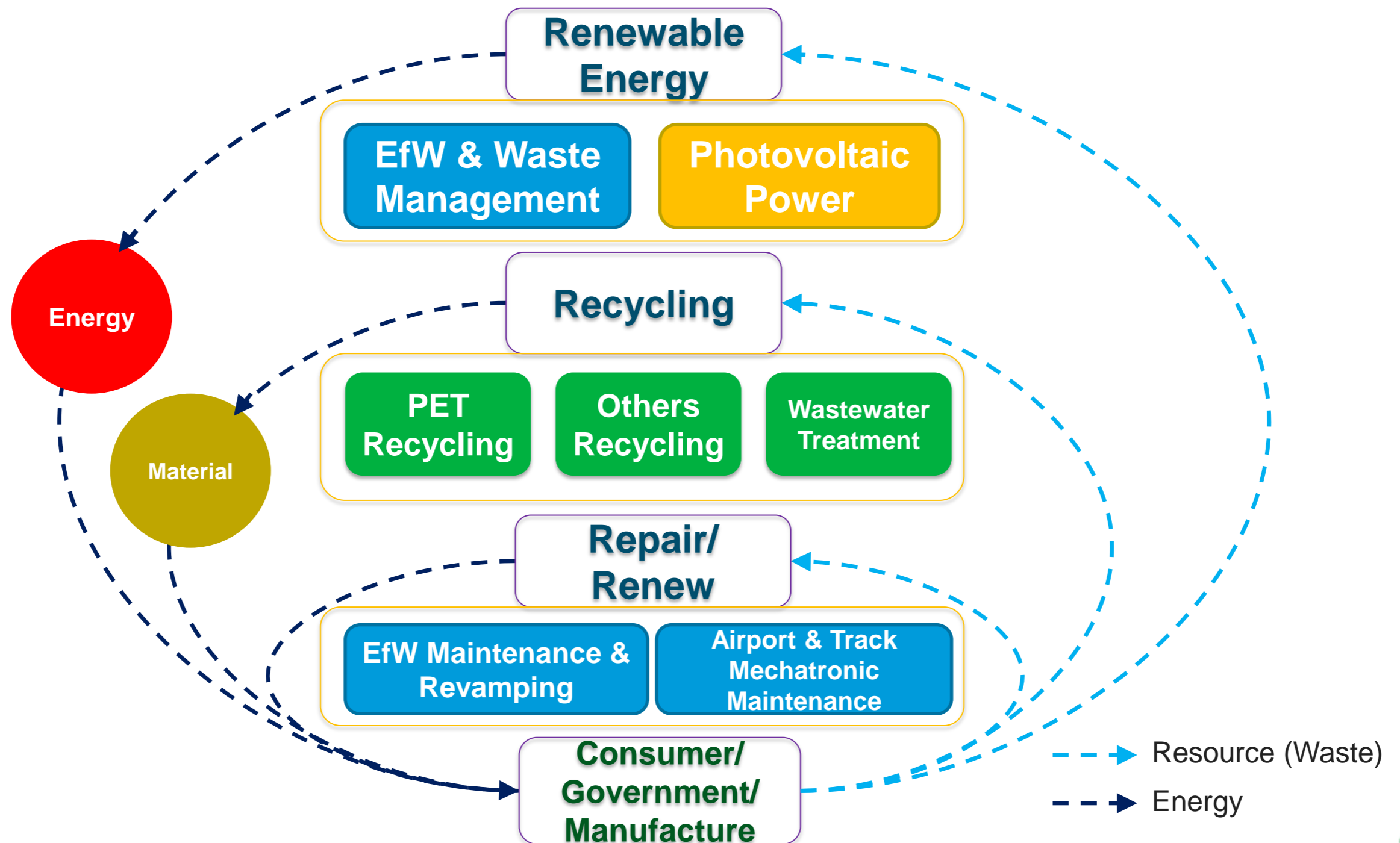
- Water Treatment
 - New Taipei City gravel contact oxidation treatment facility and Zhonggang Water Center O&M
 - New Taipei City Linkou Water Resource Recycling Center O&M
- PET Bottle Recycling
 - Due to stricter environment protection policy in China, large-scale and high-tech PET recycling equipment has great business opportunities
 - Award technology from Czech Republic and establish Bottle-to-Bottle R&D center in Taiwan
 - In response to China foreign waste import ban, we expand our product line to high added-value flame retardant fiber and establish R&D center in Taiwan to produce pellet

Business Outlook

Business Strategy

Resource cycling is the global trend and become advanced country policy

Continuously expands 3 business areas and provides waste management service and solution



Business Outlook

EfW & Waste Management

- EfW O&M and Upgrade Service
 - Domestic
 - ✓ Government promotes EfW Plant life extension and waste diversification treatment plan. We will strive for related business opportunities
 - ✓ Strives for new waste treatment plant investment and O&M tender
 - Oversea
 - ✓ Cooperates with local enterprise on tender, and strives for O&M, investment and M&A opportunity
 - Following south bound policy, actively strives for O&M and investment opportunity
 - Cooperates with international company to strive for DBO project (provide O&M service)
 - ✓ Strives for China EfW Plant consulting work
- Track/ Transportation Station Service
 - Government infrastructure plan will bring track and electric maintenance work
 - Following successful experience, strives for other service at Taoyuan Airport T3

Business Outlook

Photovoltaic Power

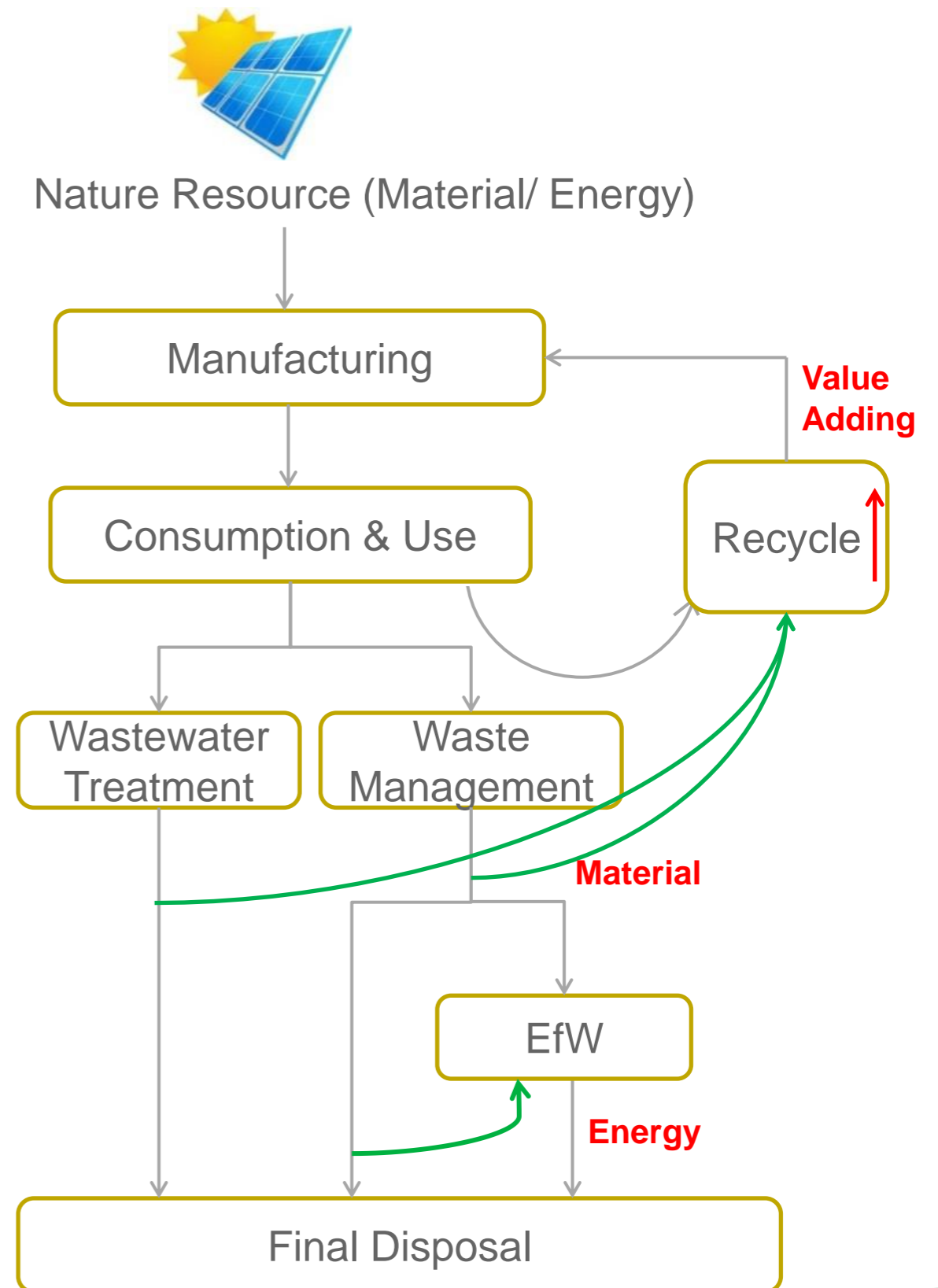
- Following the target of 20GW solar by 2025, central and local government continuously announce large scale tenders and revised related regulation to promote roof-type, ground-type and floating-type project.
- Continuously watch U.S.A. and Southeast Asia market and strive for investment opportunities



Business Outlook

Recycling

- Energy Recovery(I): By applying new technology, recovers energy from waste which was sent to final disposal (e.g. biogas)
- Material Recovery(II): By applying new technology, recovers material from waste which was sent to EfW/ final disposal (e.g. wastewater, waste solvent)
- Value-adding(III): By upgrading process, increases recycling efficiency and product value
- Water Treatment
 - CPAMI plans to establish 6 regenerated water treatment plants. Has won the Fengshan project
 - Won Linkou water resource center project and expand to wastewater treatment business
 - Develops other water resource technology and service
 - Cooperates with foreign company and strives for investment and O&M opportunities



Future Outlook

Recycling

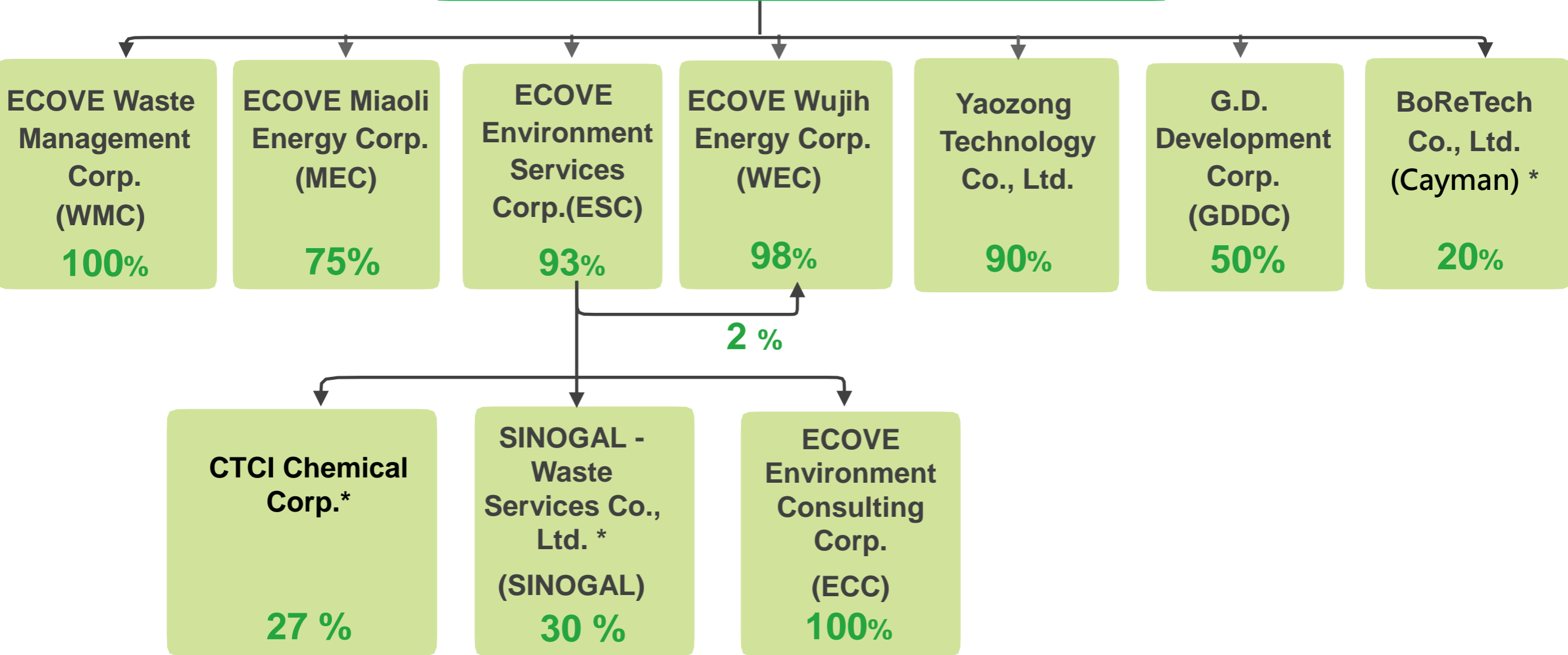
- W-IPA Recycling Project Investment and Development
 - Quantity of waste low concentration IPA increased with semiconductor process improvement
 - The function of IPA is to remove organic from wafer and IPA will not be replaced by other chemical easily
 - By applying concentration technology, the low concentration IPA will be concentrated to 99.5% IPA as an industrial products
 - ECOVE's acquisition of Yao-tzung is completed on May 10th and the revamping is undergoing
 - In the future, we will evaluate to establish an integrated waste solvent and waste treatment plant. Moreover, by cooperating with foreign company to develop this business oversea

Summary of 2018 Q1 Financial Report



Investment Structure

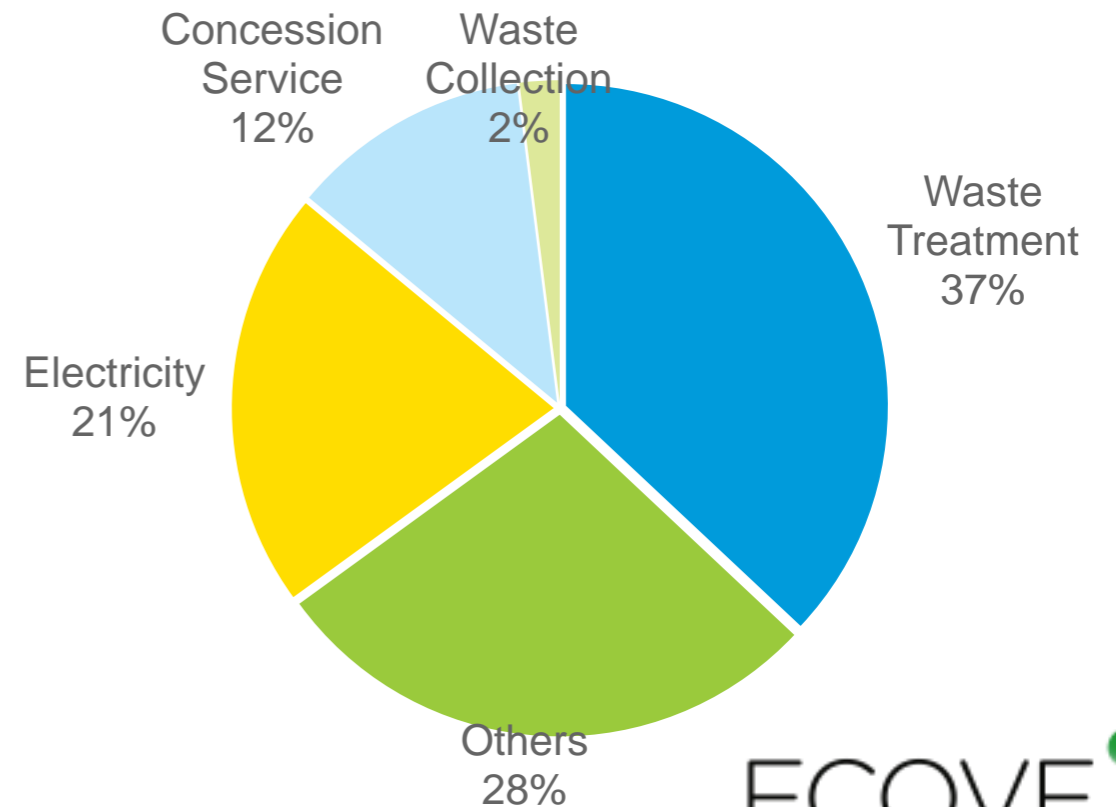
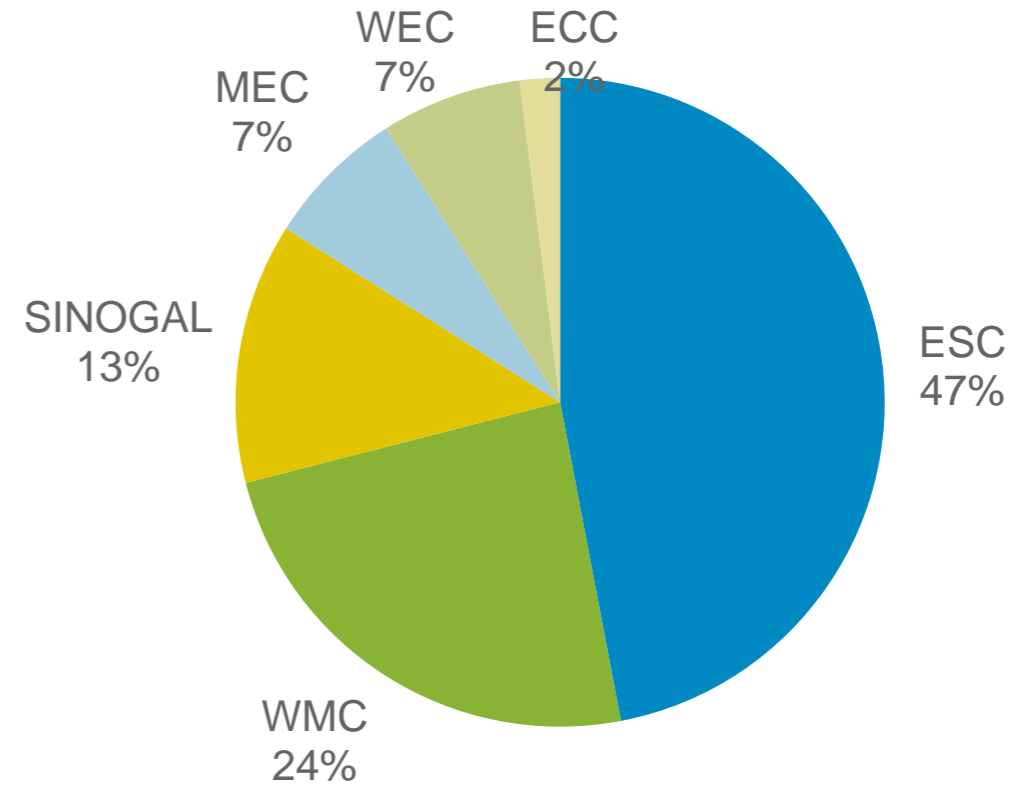
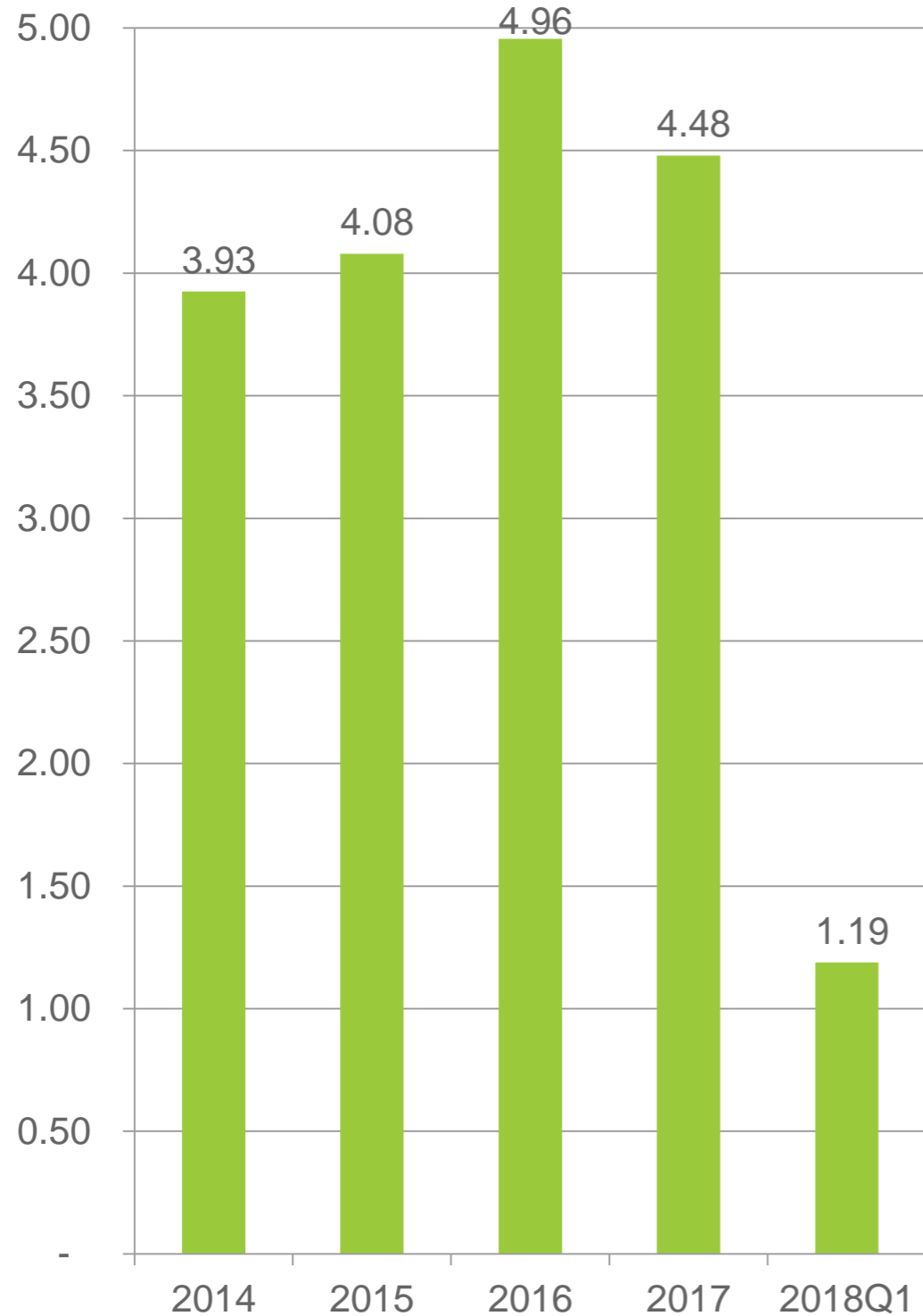
ECOVE Environment Corporation



* By Equity Accounting Method

Consolidated Revenue Breakdown

Unit: NT\$, Billion



2018 Q1 Consolidated Income Statement

Unit: NT\$, Thousand

	<u>107Q1</u>		<u>106Q1</u>		<u>YOY</u>
Operating Revenue	1,188,112	100.0%	1,058,881	100.0%	12.2%
Operating Costs	(847,654)	-71.3%	(734,274)	-69.3%	15.4%
Gross Profit	340,458	28.7%	324,607	30.7%	4.9%
Operating Expenses	(48,388)	-4.1%	(45,190)	-4.3%	7.1%
Operating Profit	292,070	24.6%	279,417	26.4%	4.5%
Total Non-Operating Income and Expenses	14,141	1.2%	(3,389)	-0.3%	517.3%
Profit before income tax	306,211	25.7%	276,028	26.0%	10.9%
Income Tax Expense	(85,459)	-7.2%	(48,828)	-4.6%	75.0%
Profit for the period	220,752	18.5%	227,200	21.4%	-2.8%
Profit attributable to Owners of the parent	179,286	15.1%	177,919	16.8%	0.8%
EPS After Tax (TWD)	2.68		2.67		0.4%

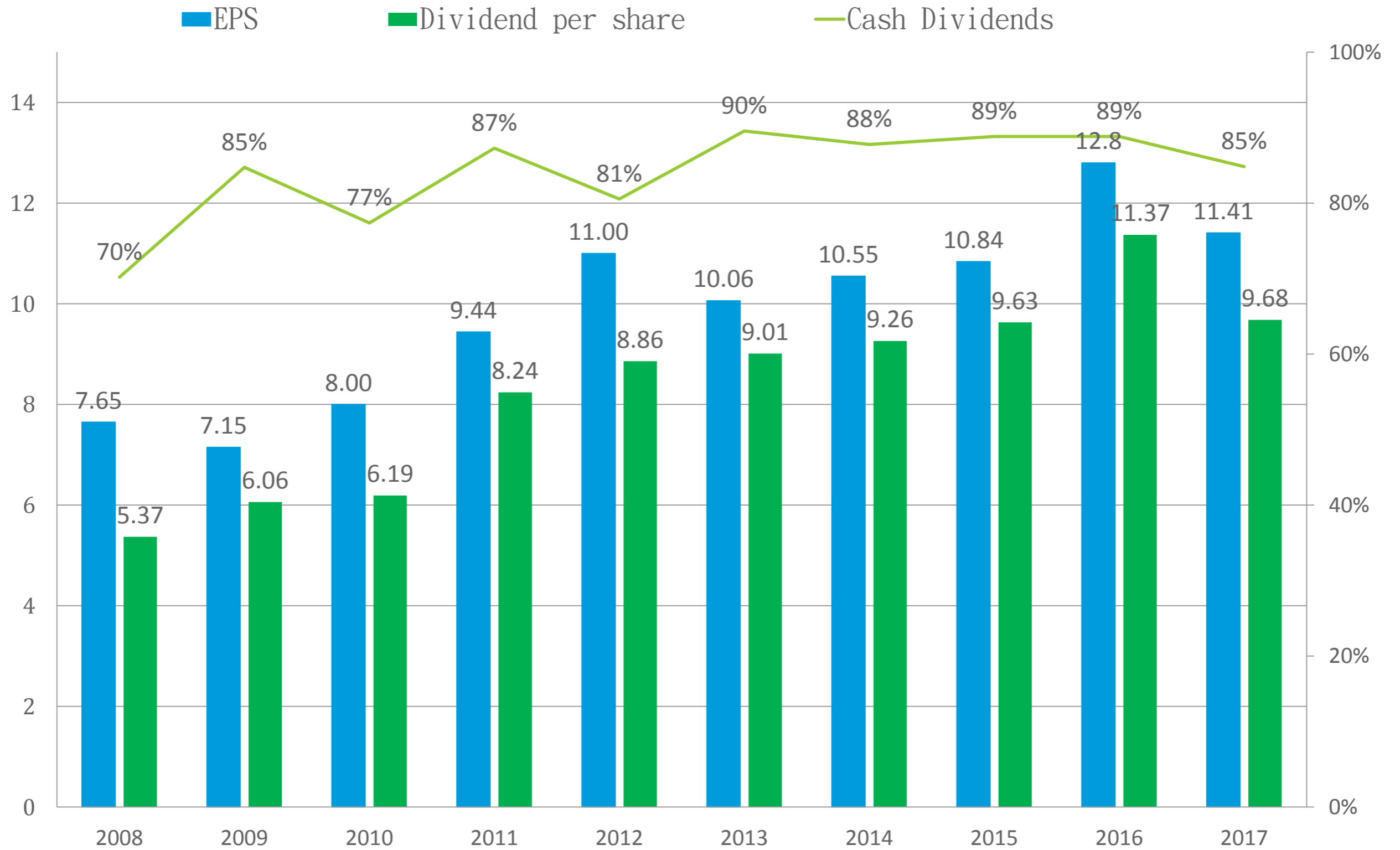
2018 Q1 Consolidated Balance Sheet

Unit: NT\$, Thousand

	<u>2018/3/31</u>	<u>2017/3/31</u>		<u>2018/3/31</u>	<u>2017/3/31</u>
Current assets*	3,784,401	3,677,179	Current liabilities	1,706,724	1,304,201
Financial assets	418,332	298,685	Non-current liabilities	201,643	174,466
Non-current assets	702,016	667,753	Long-term borrowings	4,000	180,000
Property, plant and equipment	74,948	56,392	Other non-current liabilities	332,846	299,282
Other non-current assets	2,582,360	2,722,260	Total Liabilities	2,245,213	1,957,949
			Total equity	5,316,844	5,464,320
Total assets	7,562,057	7,422,269	Total liabilities and equity	7,562,057	7,422,269

* Cash and cash equivalents: NT\$1.68bn.

Dividend Payout



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A CTCI Company