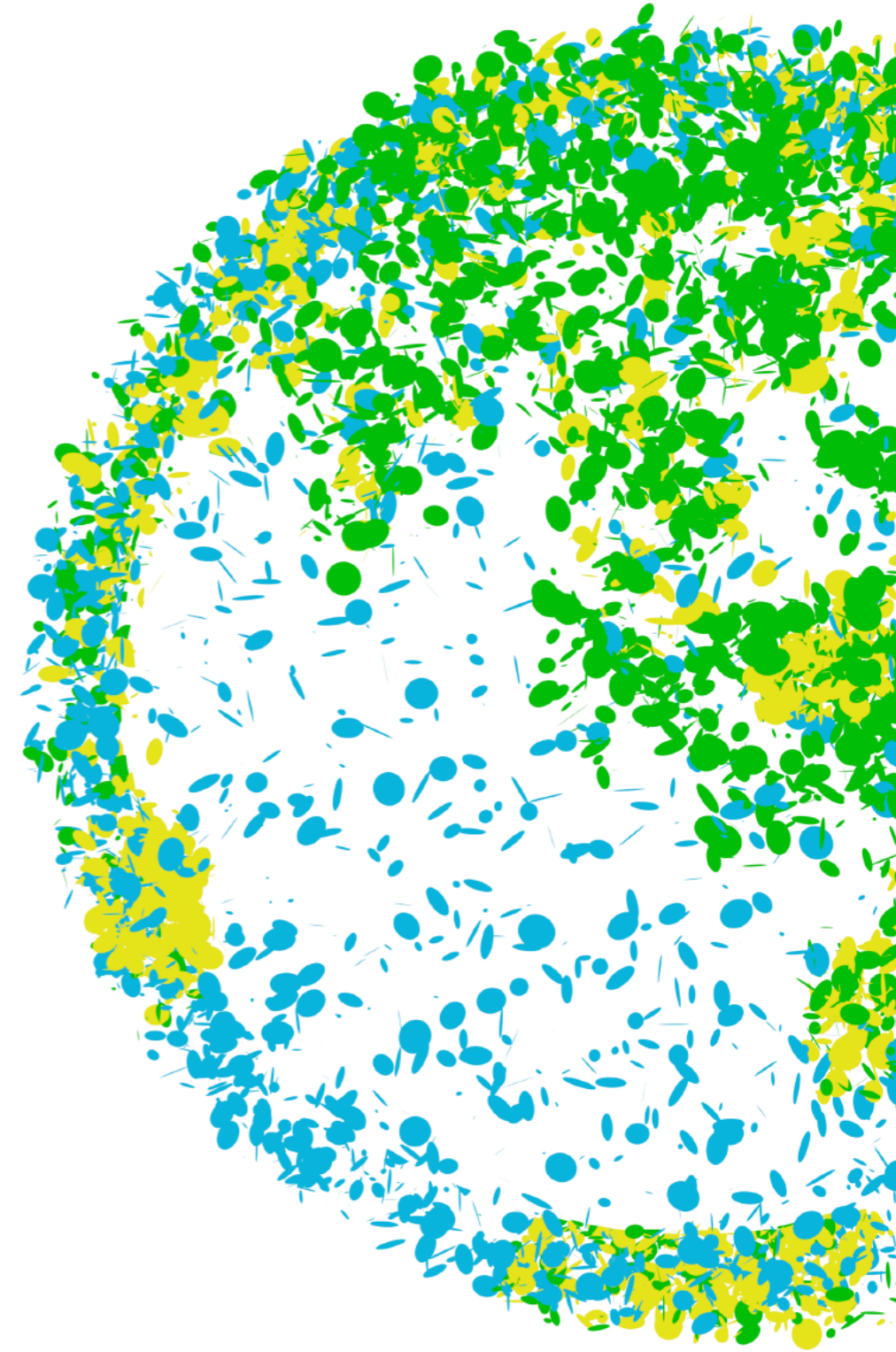


ECOVE Environment 2019 2nd Investor/Press Conference

2019.09.25





Agenda

- **Review of 2019 H1**
- **Future Outlook**
- **Summary of
Financial Report**

Review of 2019 H1



Award

Corporate Governance and CSR

Top 5% Companies of
1st to 5th Corporate
Governance Assessment
FSC

1st in 2019 Excellence in
CSR medium-size enterprise
sector
Commonwealth

2018 Sustainability Report
AA1000 Certificate
SGS

Keelung Plant won
2018 EfW Premium
Performance Award
EPA

Miaoli Plant won
2018 EfW Excellent
Performance Award
EPA

Taoyuan Plant won
2018 EfW Excellent
Performance Award
EPA

Tainan Plant won
2018 EfW Most Improved Plant
Award
EPA

Tainan Science Park Resource
Recycling Center won Team
won
Technical Contribution Award
CTCI

ISO 45001:2018
SGS

Major Projects Awarded

EfW and Waste Management

- **Domestic**

- ✓ 2019 Kaohsiung South District EfW Plant annual overhaul
- ✓ 2019 Kaohsiung Central District EfW Plant annual overhaul
- ✓ Taoyuan City Waste Collection
- ✓ Nantou County Household Waste Treatment

- **Overseas**

- ✓ Macau EfW Plant O&M
- ✓ Macau EfW Plant Equipment Improvement
- ✓ Macau EfW Plant Sludge and Fly Ash Packing and Treatment
- ✓ Shanghai Laogang I & II EfW Plant O&M supervision

Major Projects Awarded

Photovoltaic Power

- **12 Projects in operation**

- ✓ Ground-mounted: Tainan Landfill*3, Juchi Landfill, Kaohsiung Port*4
- ✓ Rooftop: Taipei MRT Beitou Depot, CTCL-Mech Dalin Plant, Changxing Water Purification Plant , Taoyuan MRT Luzhu Depot

- **17 Projects in construction**

- ✓ Ground-mounted: Jingliu Landfill, Hualian Landfill, Miaoli Civil Aviation Authority
- ✓ Rooftop: THSR Taoyuan Station, THSR Liougu Depot, Taoyuan MRT Chingpu Depot, Port Company 7 campus
- ✓ Floating: THSR Wujih and Tzuoying Station, Kaohsiung Metro North and Daliau Depot

Major Projects Awarded

Others

- ✓ Taoyuan Metro Utility System maintenance
- ✓ Kaohsiung General Hospital Air Conditioning System maintenance

Future Outlook



Future Outlook

EfW and Waste Management

- **Domestic**

- ✓ The government promotes the EfW plant revamping for life extension
- ✓ Waste multi-purpose treatment plan, such as total solution treatment facility, MBT, etc.
- ✓ Special wastes treatment plant efficiency improvement and revamping

- **Overseas**

- ✓ Macau EfW Plant O&M contract extension
- ✓ Strive for China supervision business, expand to new area like Changsha, Guangzhou
- ✓ In conjunction with the government's southward policy, participate in Southeast Asian regional tenders, such as Vietnam, India, etc.

Future Outlook

Photovoltaic Power

- **Domestic**

- ✓ The government revised the regulations on renewable energy development this year. The target of 20GW solar by 2025 is written into the law. Government launch various awards and bidding opportunities, to show its commitment
- ✓ Future
 - Continue to fight for government tenders to expand business scope, such as MRT, landfill, etc.
 - Combined with policy trends, such as industrial park roofs, unfavorable farming areas, state-owned idle land and other large projects

- **Oversea**

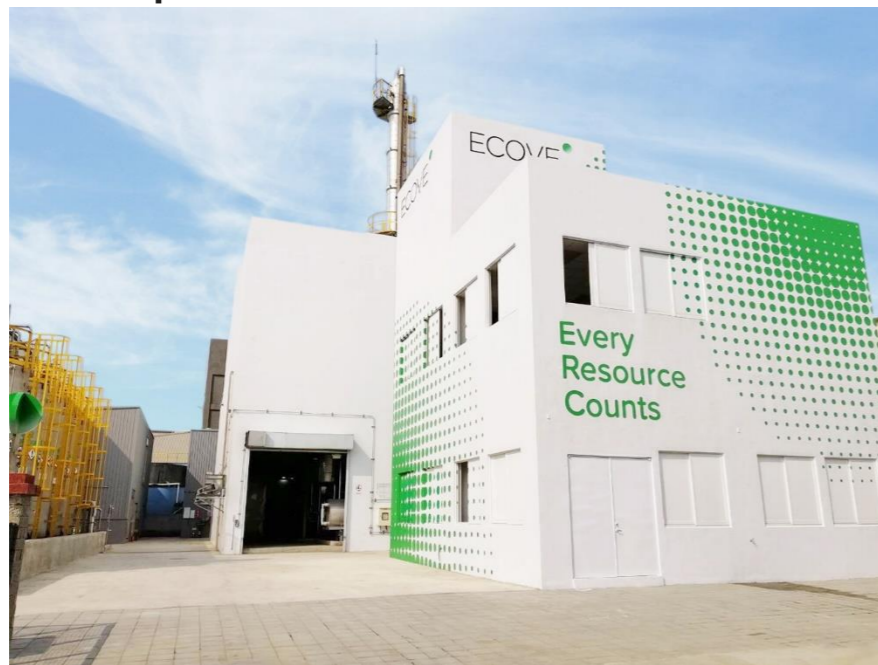
- ✓ Large global companies and their supply chains are committed to using 100% renewable energy to expand market demand
- ✓ The U.S. and Southeast Asian countries have actively promoted renewable energy policies. We have successively contacted projects in Vietnam and California, and all are under evaluation

Future Outlook

Recycling

- **Waste Solvent**

- ✓ Recycling waste solvent, and turning it into industrial raw materials and sell back to market
- ✓ It has begun to accept TSMC W-IPA for recycling and reuse. It is expected to cooperate with semiconductor manufacturers outside the science park in H2 to apply for the Ministry of Economic Affairs waste reuse permit.
- ✓ Waiting for the launch of TSMC 5nm wafer production next year, W-IPA revenue is expected to increase



Future Outlook

Recycling

- **Water Treatment**

- ✓ In conjunction with the Group's business development plan, participates in the Fengshanxi Reclaimed Water Plant BTO Project and the Linhai Reclaimed Water Plant BTO project within 2-3 years
- ✓ Pay attention to the contract of the wastewater treatment plant after the expiration of the recent contract, and will evaluate it

- **Bottom Ash Recycling**

- ✓ Cooperate with technical provider who have mature technology
- ✓ New Taipei City Bottom Ash BOT Project is announced, will strive for it

- **Organic Waste**

- ✓ Affected by the African swine fever, the government actively promoted kitchen AD power generation facilities or aerobic treatment to produce organic fertilizers

Future Outlook

Others

- Traffic station and track

- ✓ Active development of track construction everywhere, such as Taoyuan, Taichung, New Taipei City and other MRT planning. Will continue strive for business
- ✓ Will extend the success experience of the air bridge and strive for other maintenance work at T3 and expand service to other core equipment

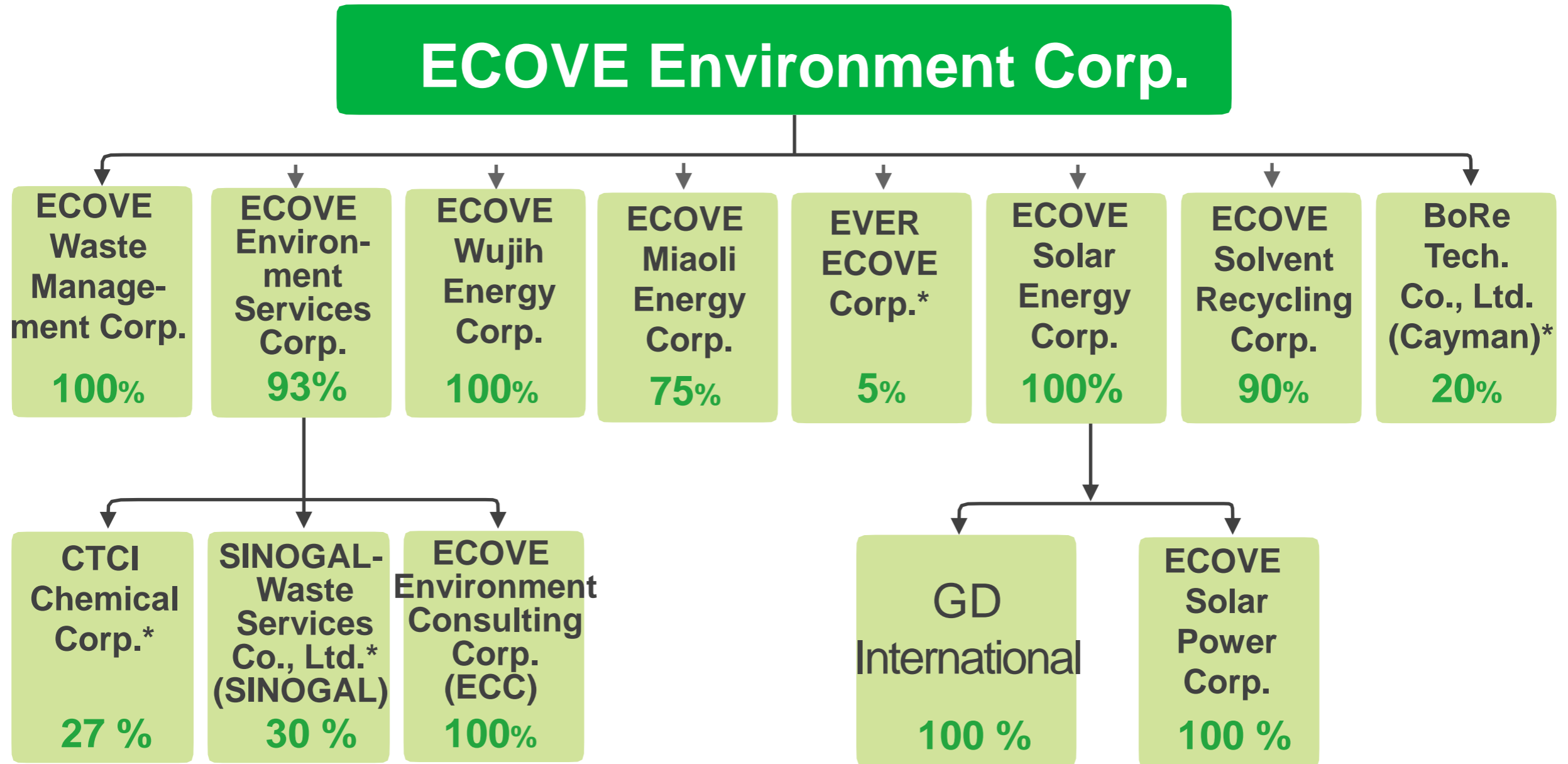
- Wind power

- ✓ Combine with the Group's business development plan, and strive for maintenance work



Summary of Financial Report

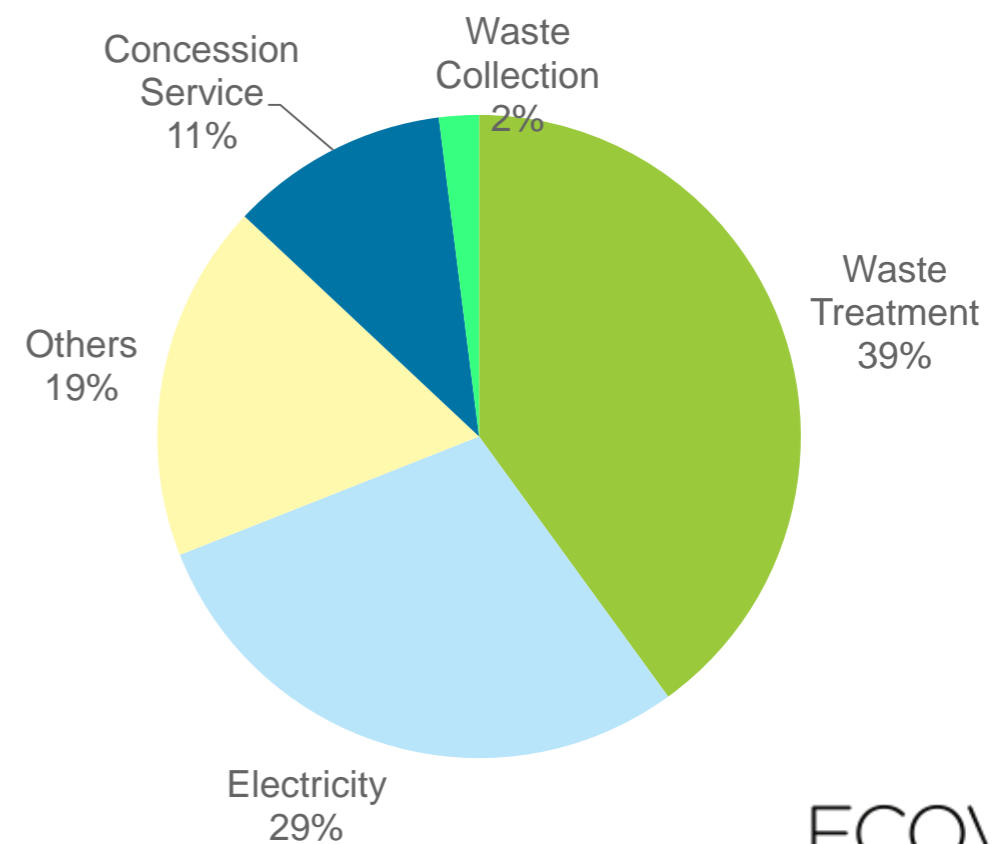
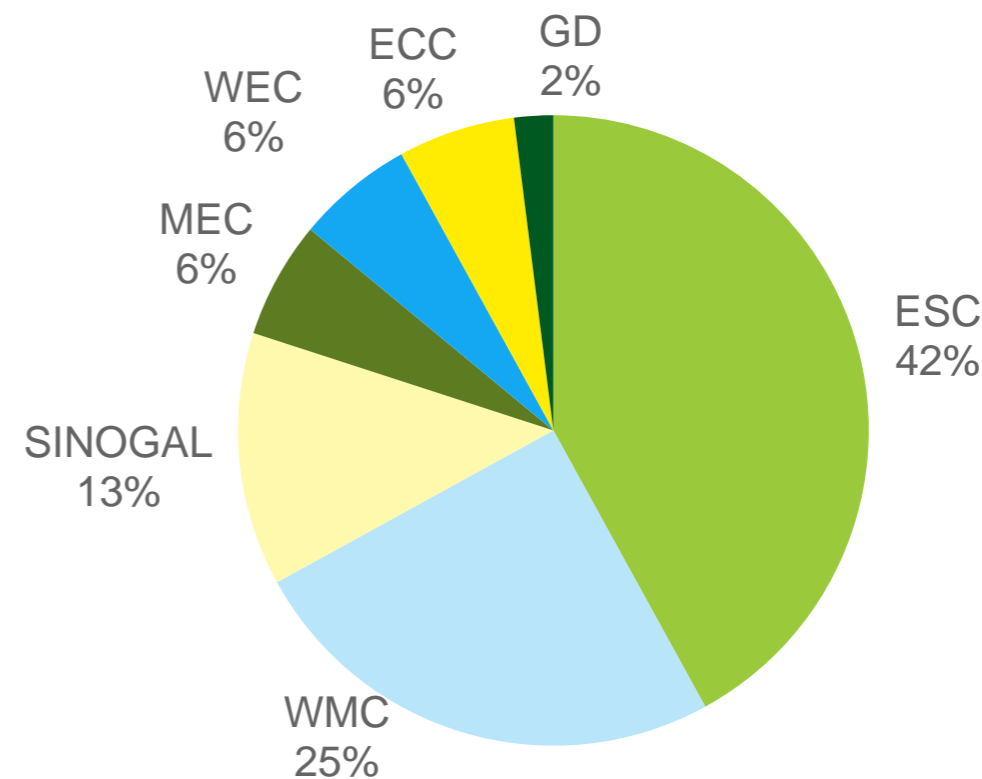
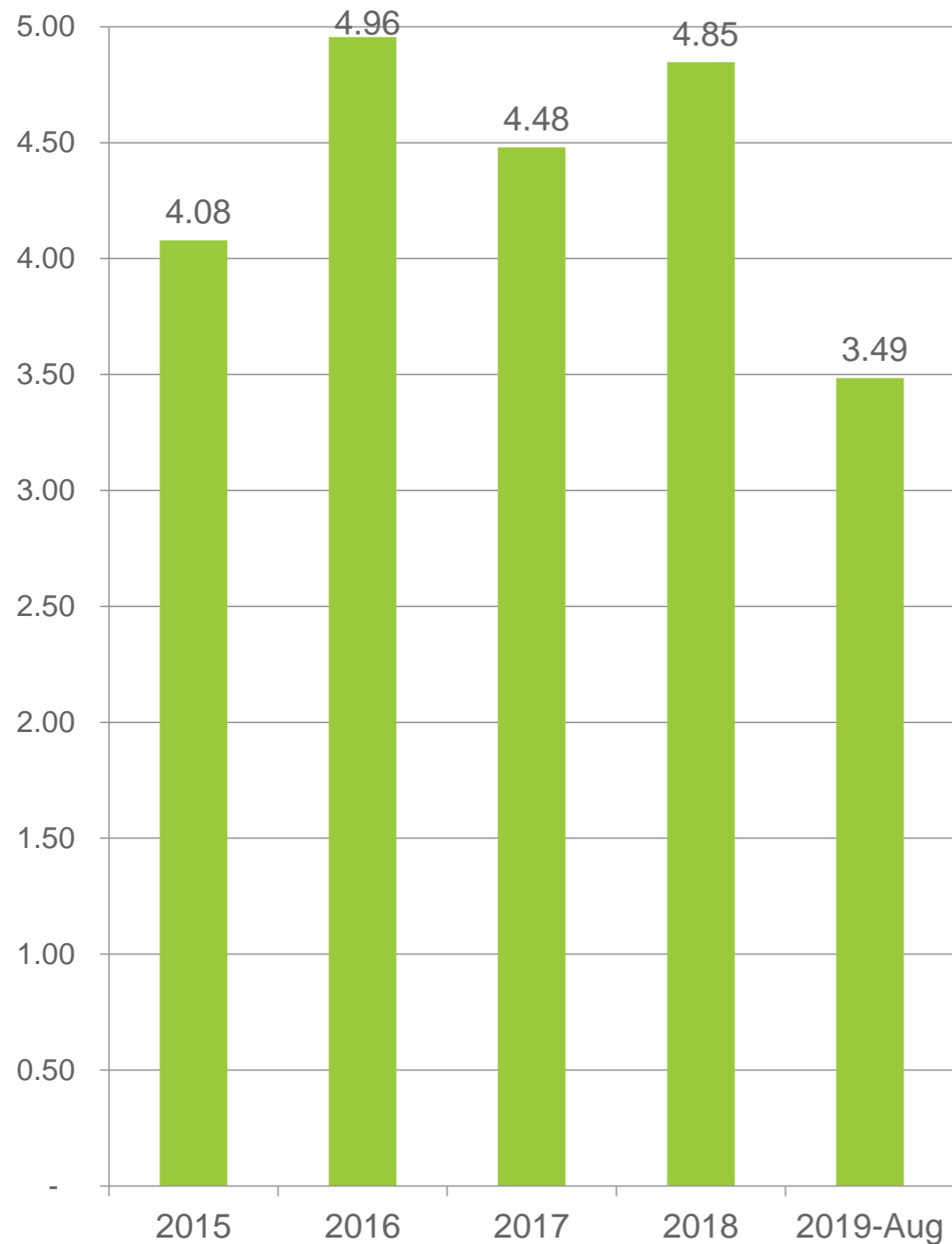
Investment Structure



*By Equity Accounting Method

Consolidated Revenue Breakdown

Unit: NT\$, Billion



2019 H1 Consolidated Income Statement

Unit: NT\$, Thousand

| | <u>2019Q2</u> | | <u>2018Q2</u> | | <u>YOY</u> |
|--|---------------|--------|---------------|--------|------------|
| Operating Revenue | 2,539,391 | 100.0% | 2,394,854 | 100.0% | 6.0% |
| Operating Costs | (1,885,076) | -74.2% | (1,727,170) | -72.1% | 9.1% |
| Gross Profit | 654,315 | 25.8% | 667,684 | 27.9% | -2.0% |
| Operating Expenses | (80,427) | -3.2% | (85,678) | -3.6% | -6.1% |
| Operating Profit | 573,888 | 22.6% | 582,006 | 24.3% | -1.4% |
| Total Non-Operating Income and Expenses | 30,594 | 1.2% | 44,716 | 1.9% | -31.6% |
| Profit before income tax | 604,482 | 23.8% | 626,722 | 26.1% | -3.5% |
| Income Tax Expense | (103,284) | -4.1% | (142,723) | -6.0% | -27.6% |
| Profit for the period | 501,198 | 19.7% | 483,999 | 20.1% | 3.6% |
| Profit attributable to Owners of the parent | 402,617 | 15.9% | 390,957 | 16.3% | 3.0% |
| EPS After Tax (TWD) | 6.00 | | 5.84 | | 2.7% |

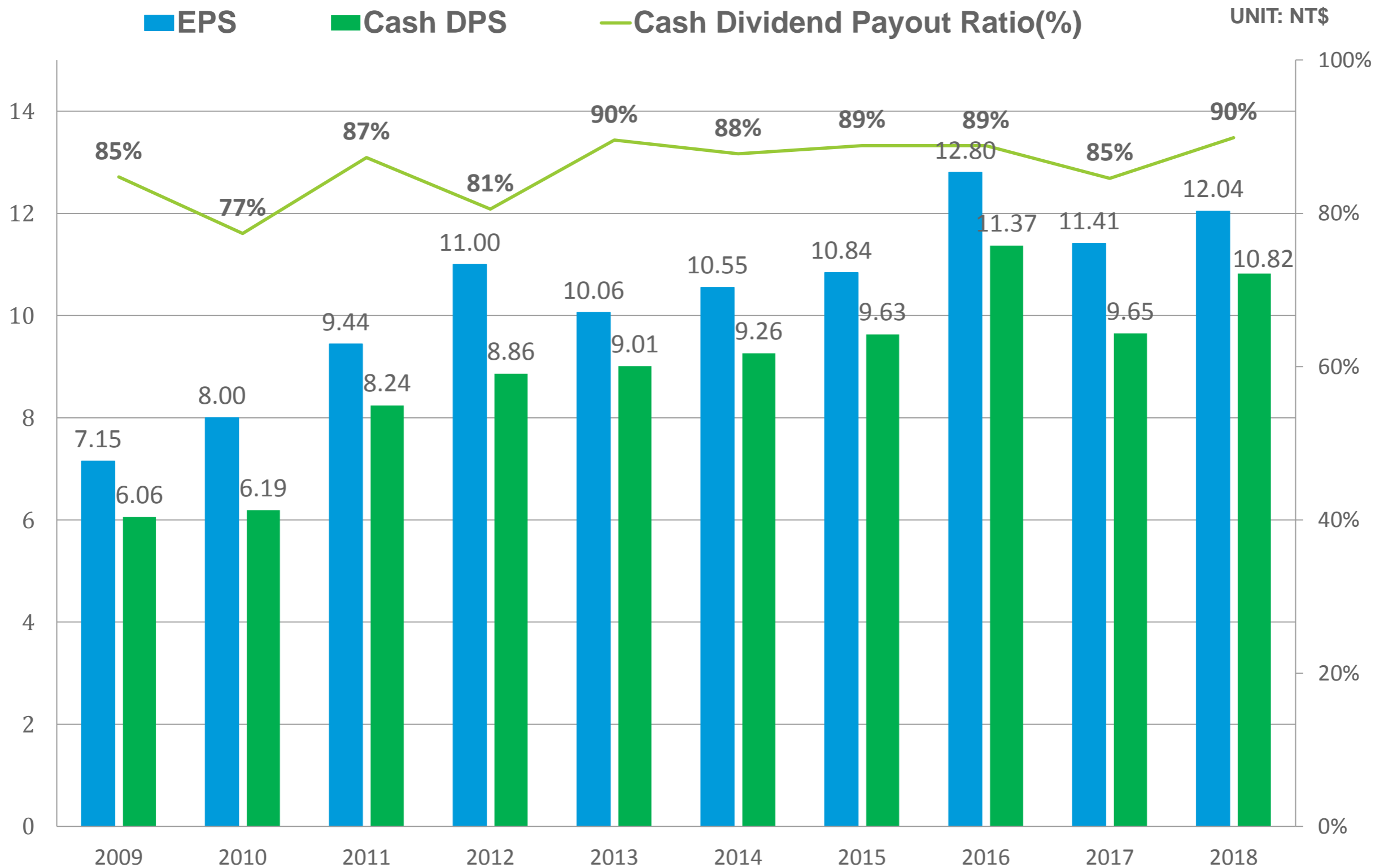
2019 H1 Consolidated Balance Sheet

Unit: NT\$, Thousand

| | <u>2019/6/30</u> | | <u>2018/6/30</u> | |
|--|------------------|------|------------------|------|
| Current assets* | 3,959,024 | 40% | 4,344,695 | 56% |
| Non-current assets | 5,937,924 | 60% | 3,357,416 | 44% |
| Total assets | 9,896,948 | 100% | 7,702,111 | 100% |
| Current liabilities | 2,532,865 | 26% | 2,201,711 | 29% |
| Non-current liabilities | 2,326,581 | 23% | 559,658 | 7% |
| Total Liabilities | 4,859,446 | 49% | 2,761,369 | 36% |
| Equity attributable to owners of the parent | 4,578,676 | 46% | 4,478,422 | 58% |
| Non-controlling interest | 458,826 | 5% | 462,320 | 6% |
| Total equity | 5,037,502 | 51% | 4,940,742 | 64% |
| Total liabilities and equity | 9,896,948 | 100% | 7,702,111 | 100% |

* Cash and cash equivalents:NT\$2.07bn.

Dividend Payout



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