

POCS

Prime Oil Chemical Service Corporation Press Conference

August 29, 2019



About POCS

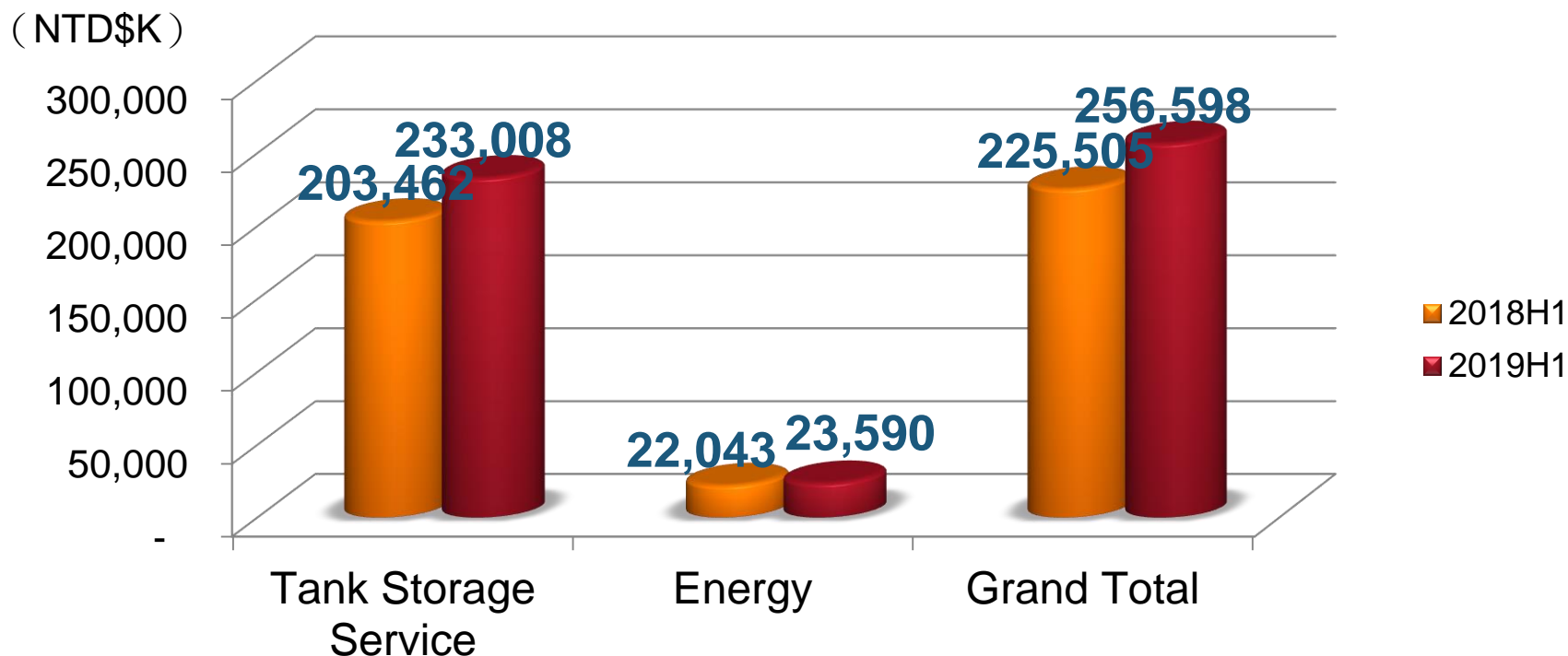
Prime Oil Chemical Service Corporation (POCS) was founded in 1978. We are a listed company on the Taiwan Stock Exchange (Stock Symbol 2904.tw). We have two main business divisions now.

Tank Storage Service Division contributes the majority of the revenues. With nearly 30-year experience, we are the largest-scale and the most well-managed petrochemical shore tank storage service provider in Taiwan.

Tank Storage Service Division primary clients are well-known petrochemical manufacturers and traders. Our service quality has earned the trust of our clients by obtaining ISO 9001, ISO 14001, OHSAS 18001 certifications and participating in CDI-T.

POCS started its **Energy Division** in 2016. Together with our subsidiary POCS Power Co., Ltd, we look for suitable locations to build photovoltaic power generation systems as a way to collect long-term electricity sales or receive rental revenues, as our main business model.

Sales Revenue by Division



Tank Storage Service Division accounts for 90% and 91% of consolidated sales revenue in 2018H1 and 2019H1.

Financial Snapshot (1)

Consolidated F/S	2019H1	2018	2017
Sales Revenue	256,598	475,680	442,440
Gross profit%	49%	43%	40%
Operating Income%	36%	30%	25%
Net Income%	28%	25%	22%
Earnings Per Share	1.05	1.72	1.39

The profitability increases as sales revenue goes up.

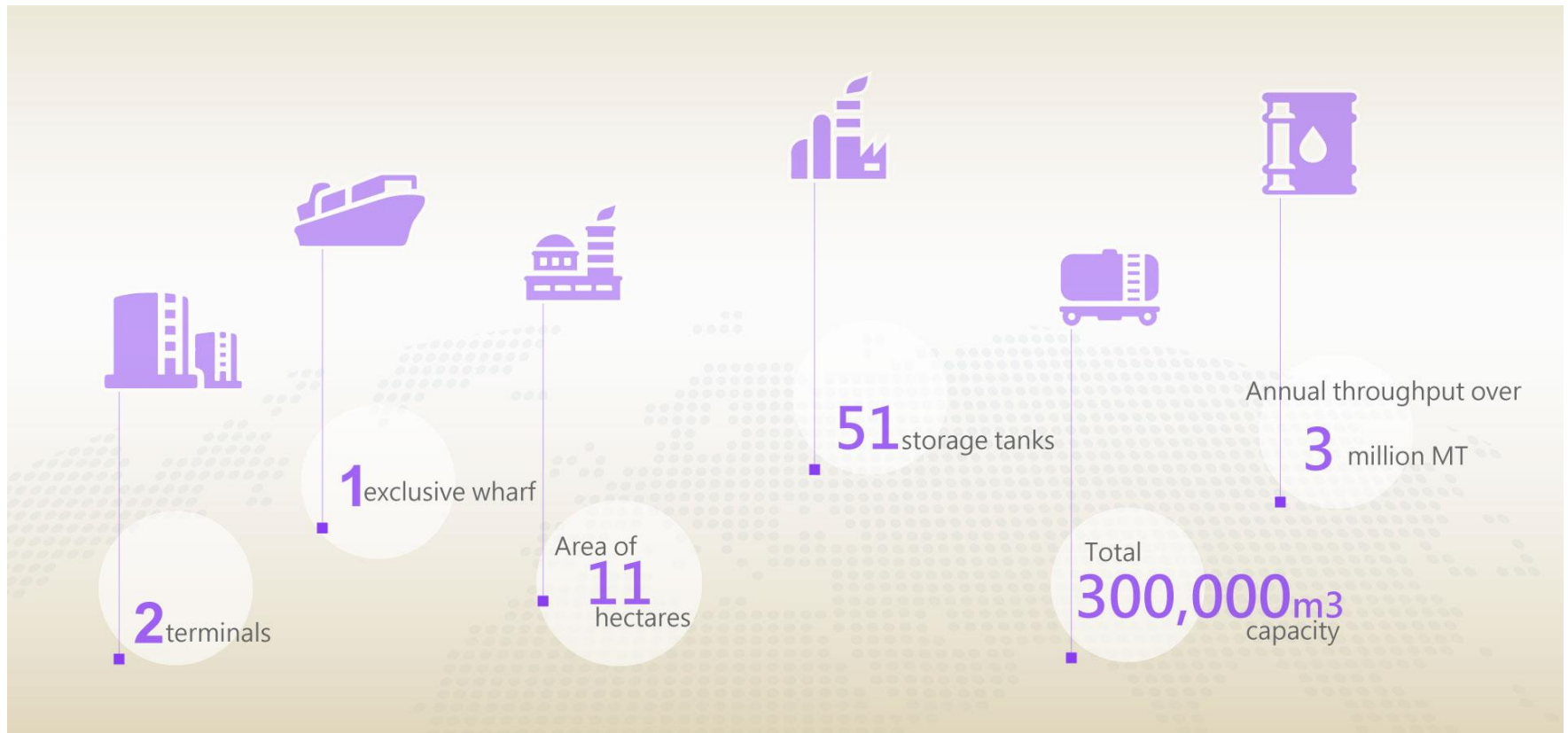
Financial Snapshot (2)

Consolidated F/S	108/6/30	107/12/31	106/12/31
Current assets	281,004	252,279	282,213
Non-current assets	1,212,698	1,013,512	920,769
Total assets	1,493,702	1,265,791	1,202,982
Current liabilities	354,663	194,267	162,746
Non-current liabilities	204,000	97,286	101,559
Total liabilities	558,663	291,553	264,305
Shareholders' equity	935,039	974,238	938,677
Liabilities + Shareholders' equity	1,493,702	1,265,791	1,202,982

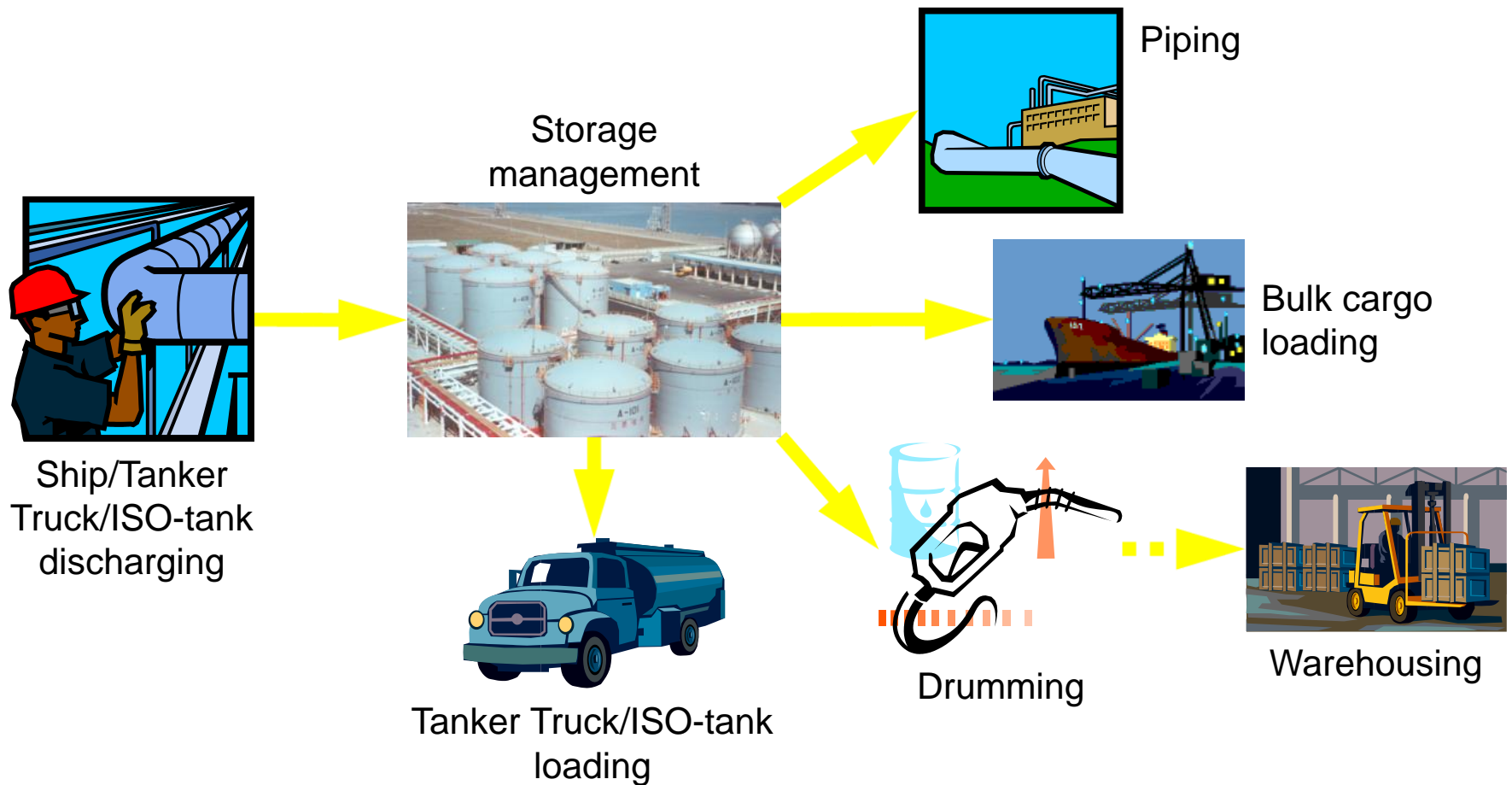
The 108H1 major change is the recognition of the right-of-use asset and the lease liability in accordance with IFRS 16 Leases.

Tank Storage Service Division

About Tank Storage Service Division



Services Offered by POCS

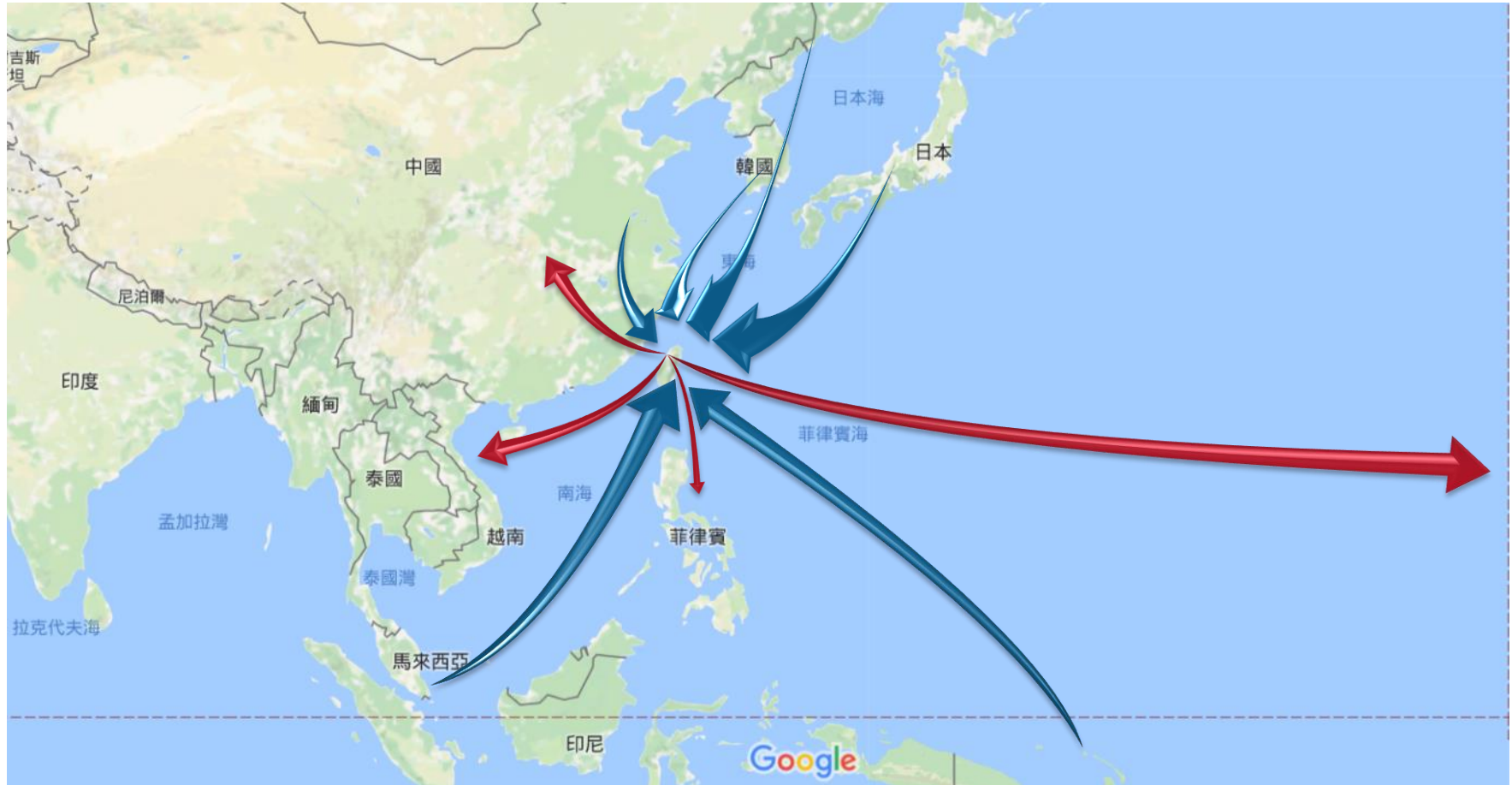


Terminal Profile

	West #5	West #2
Area (M ²)	81,054	29,223
Number of Tanks	20	31
Capacity (KL)	242,200	63,450
Loading bays	12	18
Employees	30	18
Throughput (MT/2018)	3,030,796	425,413
Cargos	Oils & chemicals	Chemicals
Key clients	Global oil traders, chemical manufacturers & traders	



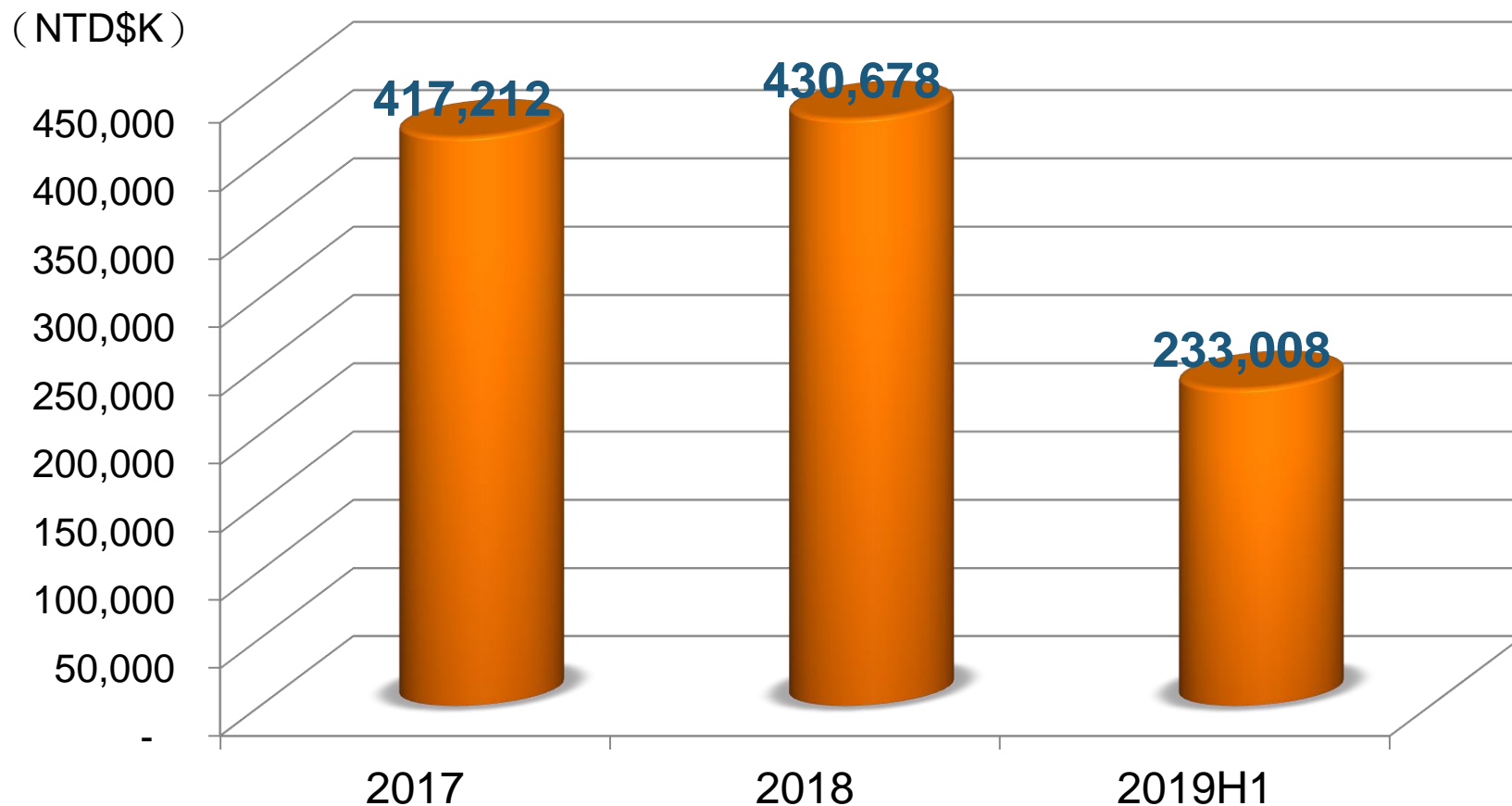
Coverage of Cargo Transportation



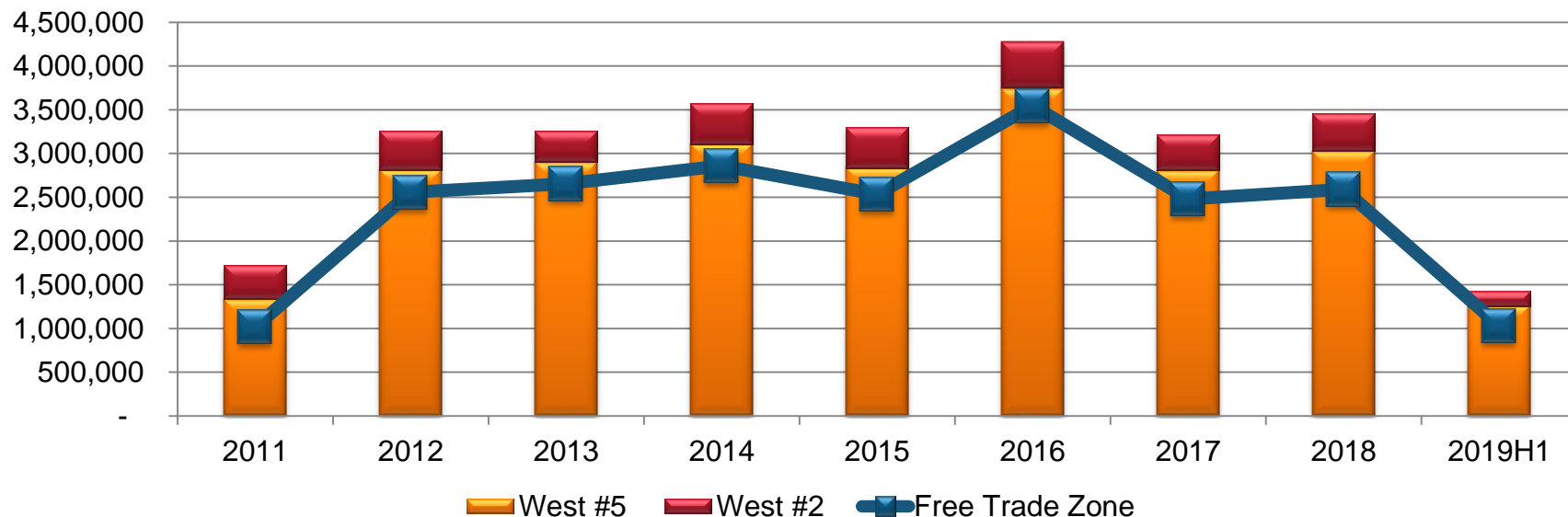
Our Advantages

- Own a various range of capacity and types of shore tanks to meet different needs
- Can provide customized services
- Have had nearly 30 year experiences in handling all kinds of petrochemical cargos
- Offer comprehensive services by in-house staff
- Focus on our core business to provide the most professional services to clients

Revenues of Tank Storage Service Division



Cargo Throughput



POCS has started the business of Free Trade Zone in Port of Taichung from 2007. We have offered our services to the global leading oil traders for several years. The annual cargo throughput are maintained above 3 million MT from 2012. The throughput in 2019H1 is slightly bigger than 2018H1.

Outlook

- The market of petrochemicals and the willingness of clients to lease tanks will be affected by the tension of international situation and US-China trade war.
- The economy in the Asia-Pacific region will be the key factor of oil demand.
- The strategy of oil traders may be influenced by global oil price and market supply & demand.
- The operating costs of our terminals are on the rise due to stricter relevant regulations.

Energy Division

About Energy Division



28

PV projects have been installed in Taiwan
with a capacity of 7.75MW



1

One PV project has been installed in an overseas market.
with a capacity of 5.2MW



Total installed capacity

12.95_{MW}

In 2018, the Energy Division created an aggregate of solar power of 8.5 million kWh

Carbon fixation of 12.7 Da'an Forest Parks

Carbon dioxide emissions reduction of approximately 4,709 metric tons

Coal consumption reduction of 3,145 metric tons

PV Systems Status

- Completed
 - Domestic: 7.75MWp
 - Overseas: 5.2MWp (Cambodia)
 - Total: 12.95MWp
- Under Construction
 - Domestic: 0.498MWp (will be completed in Oct. 2019)

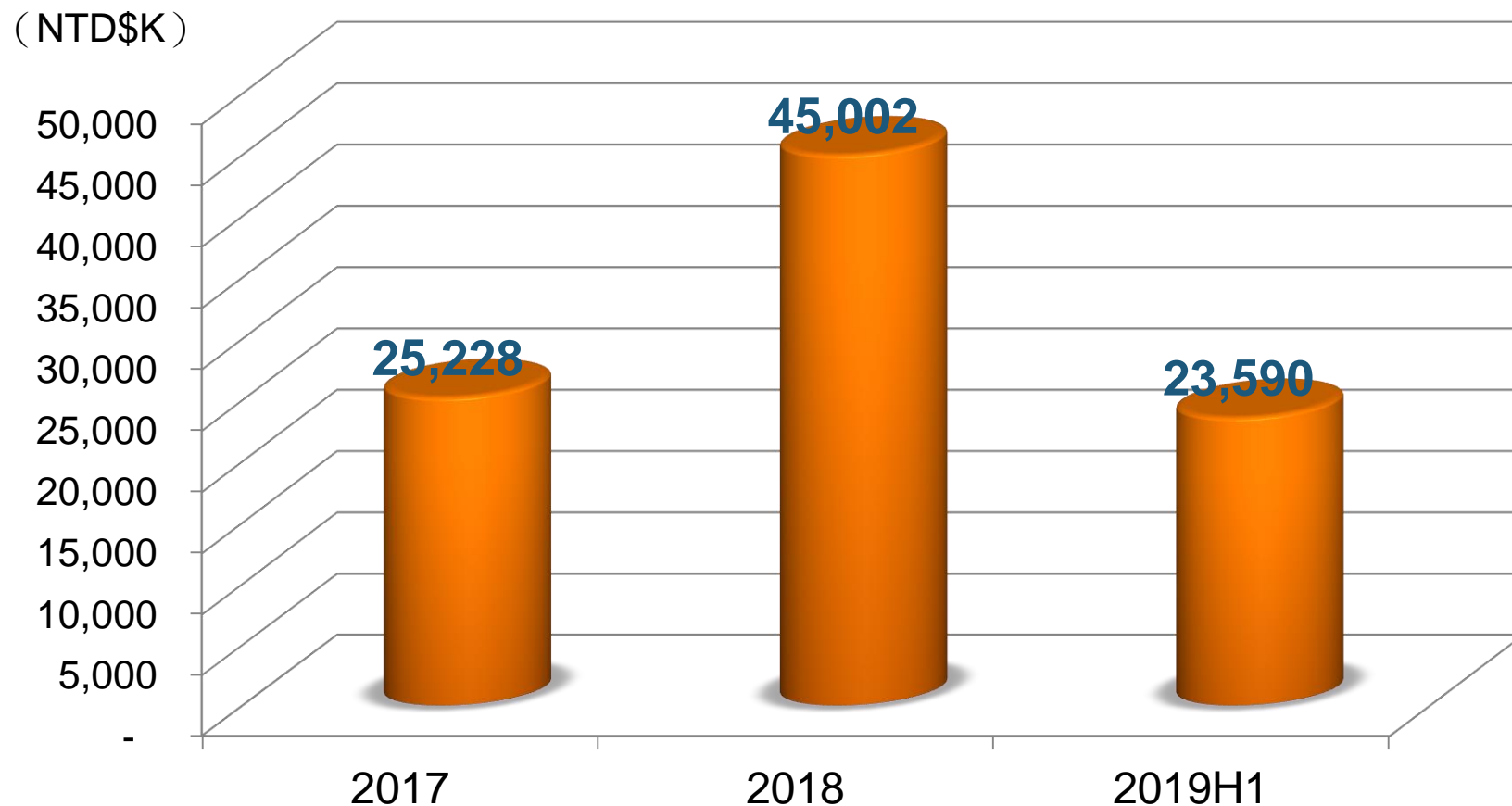
Domestic PV Systems



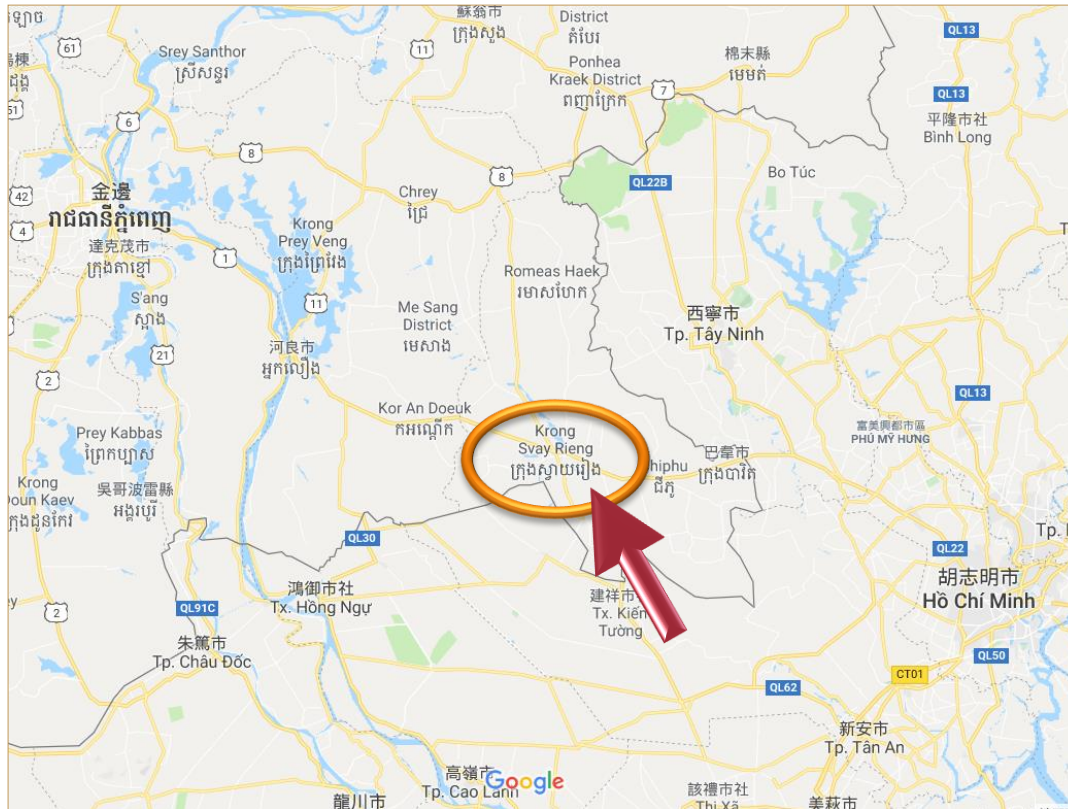
Area	Plant no.	MW
Taichung	3	0.927
Nantou	1	0.397
Tainan	1	0.156
Kaohsiung	15	3.988
Pingtung	6	1.555
Hualien	2	0.731
Total	28	7.75

Note: Not inclusive of the power plant under construction.

Revenues of Energy Division



Overseas Solar Power Plant - Cambodia



No. of Power Plant

- 1

Capacity

- 5.2MW

Future Plans

- Expand to large-scale solar power plants, such as agriculture-PV co-existence, aquaculture-PV co-existence, ground-mounted and floating solar.
- Evaluate the feasibility of acquiring existing solar power plants to scale up.
- Evaluate overseas solar power business opportunities.

PV Project Developed (1)

Wun-Shan Elementary School,
Kaohsiung



Sing-Ren Junior High School,
Kaohsiung



PV Project Developed (2)

Zong-Lien Industry Co., Ltd.
Kaohsiung



Super-Cheng Industrial Co., Ltd.
Kaohsiung



PV Project Developed (3)

Dahan Institute of Technology
Hualien



Ta-Ming High School
Taichung



PV Project Developed (4)

Tai Seng Bavet SEZ, Cambodia



Summary

- For 2019H2, the revenue of Tank Storage Service Division will be affected by many uncertain factors such as the US-China trade war, so the outlook is conservative.
- The revenue of Energy Division will increase as the number of project increases.

Q & A