

# POCS

## Prime Oil Chemical Service Corporation Press Conference

August 25, 2020



# Outline

- Company Profile and Financial Snapshots
- Tank Storage Service Division update
- Energy Division update
- Summary
- Q&A

# Company Profile and Financial Snapshots

# About POCS

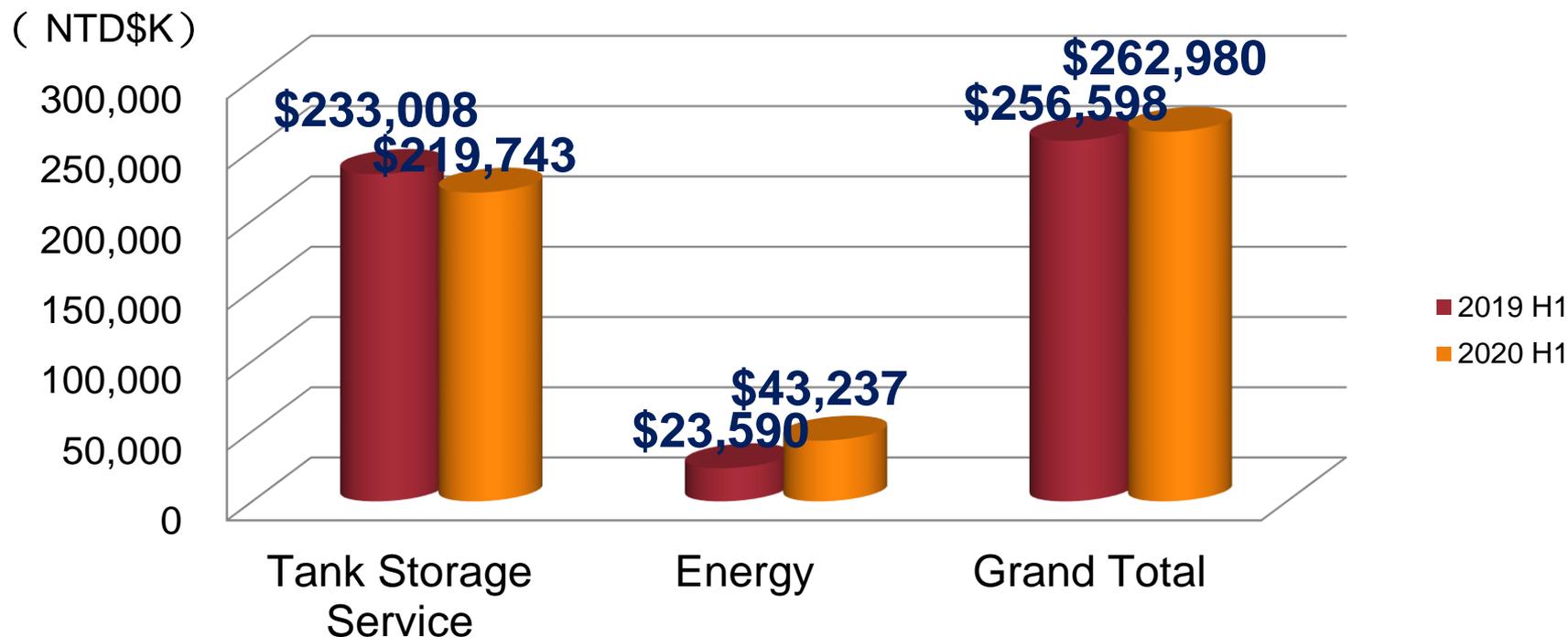
Prime Oil Chemical Service Corporation (POCS) was founded in 1978. We are a listed company on the Taiwan Stock Exchange (Stock Symbol 2904.tw). We have two main business divisions now.

**Tank Storage Service Division** contributes the majority of the revenues. With over 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 91% and 84% of consolidated sales revenue in 2019H1 and 2020H1

# Financial Snapshots (1)

Consolidated F/S	2020H1	2019	2018
Sales Revenue	<b>262,980</b>	<b>505,225</b>	<b>475,680</b>
Gross profit %	<b>46%</b>	<b>46%</b>	<b>43%</b>
Operating Income %	<b>33%</b>	<b>33%</b>	<b>30%</b>
Net Income %	<b>31%</b>	<b>27%</b>	<b>25%</b>
EPS	<b>1.18</b>	<b>1.96</b>	<b>1.72</b>

Stable profitability and scale-up

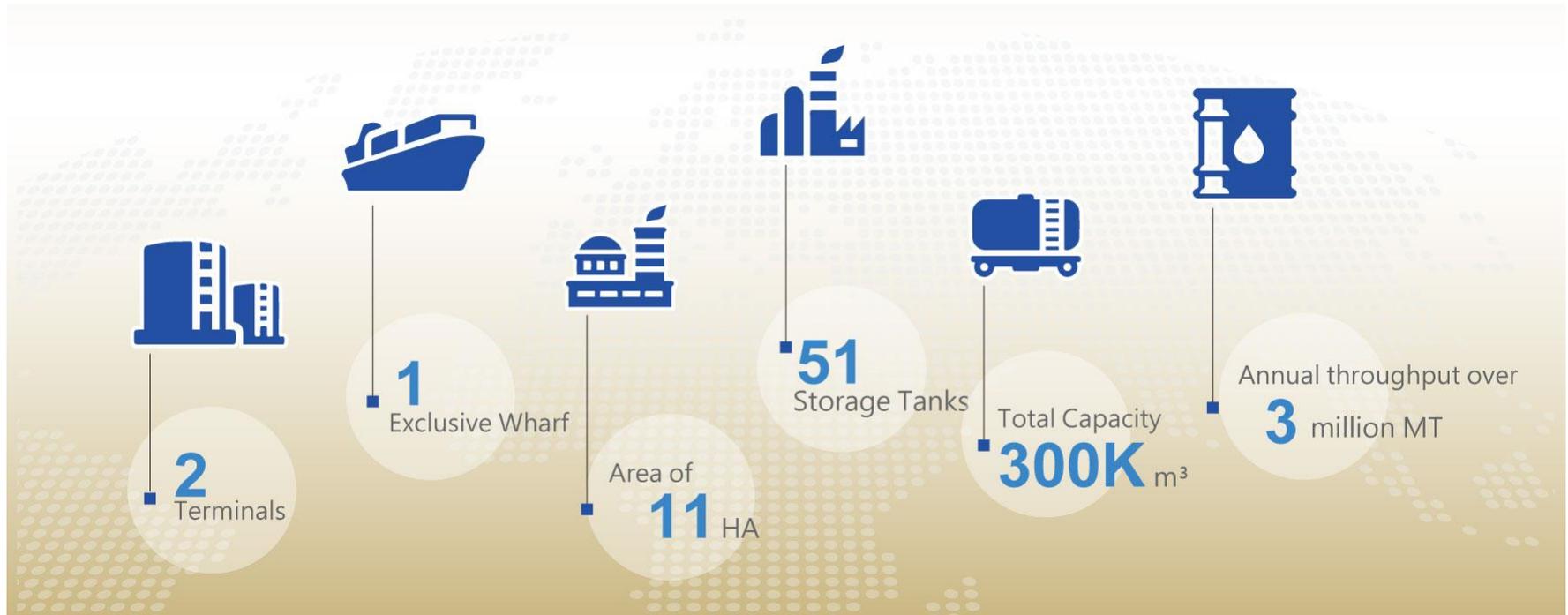
# Financial Snapshots (2)

Consolidated F/S	2020H1	2019	2018
Current assets	243,685	228,460	252,279
Non-current assets	1,393,918	1,196,604	1,013,512
Total assets	1,637,603	1,425,064	1,265,791
Current liabilities	420,115	241,805	194,267
Non-current liabilities	255,912	179,771	97,286
Total liabilities	676,027	421,576	291,553
Shareholders' equity	961,576	1,003,488	974,238
Liabilities + Shareholders' equity	1,637,603	1,425,064	1,265,791

The major difference of 2020H1 is the escalated installed capacity in Energy Division

# Tank Storage Service Division

# About Tank Storage Service Division

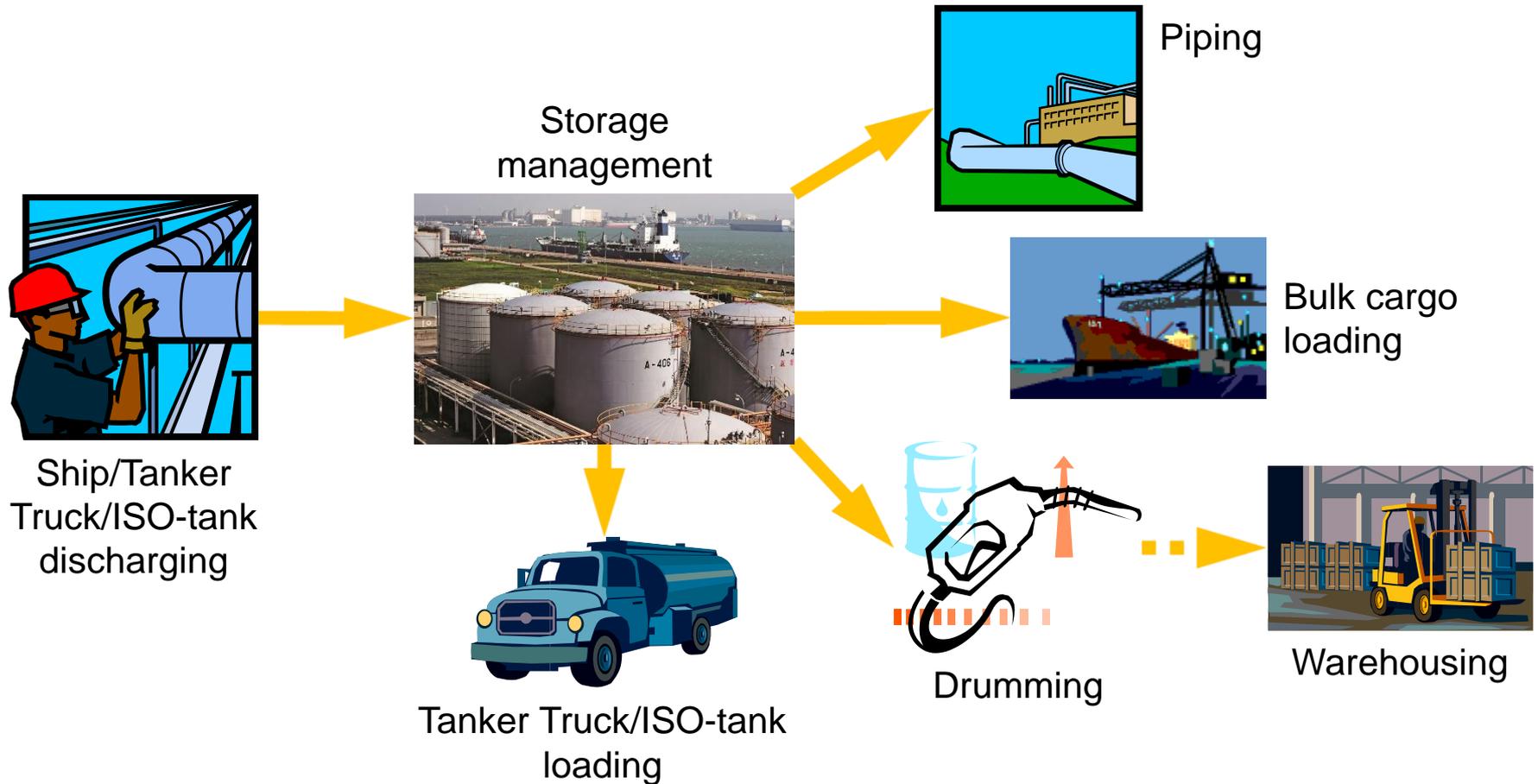


# Terminal Profile

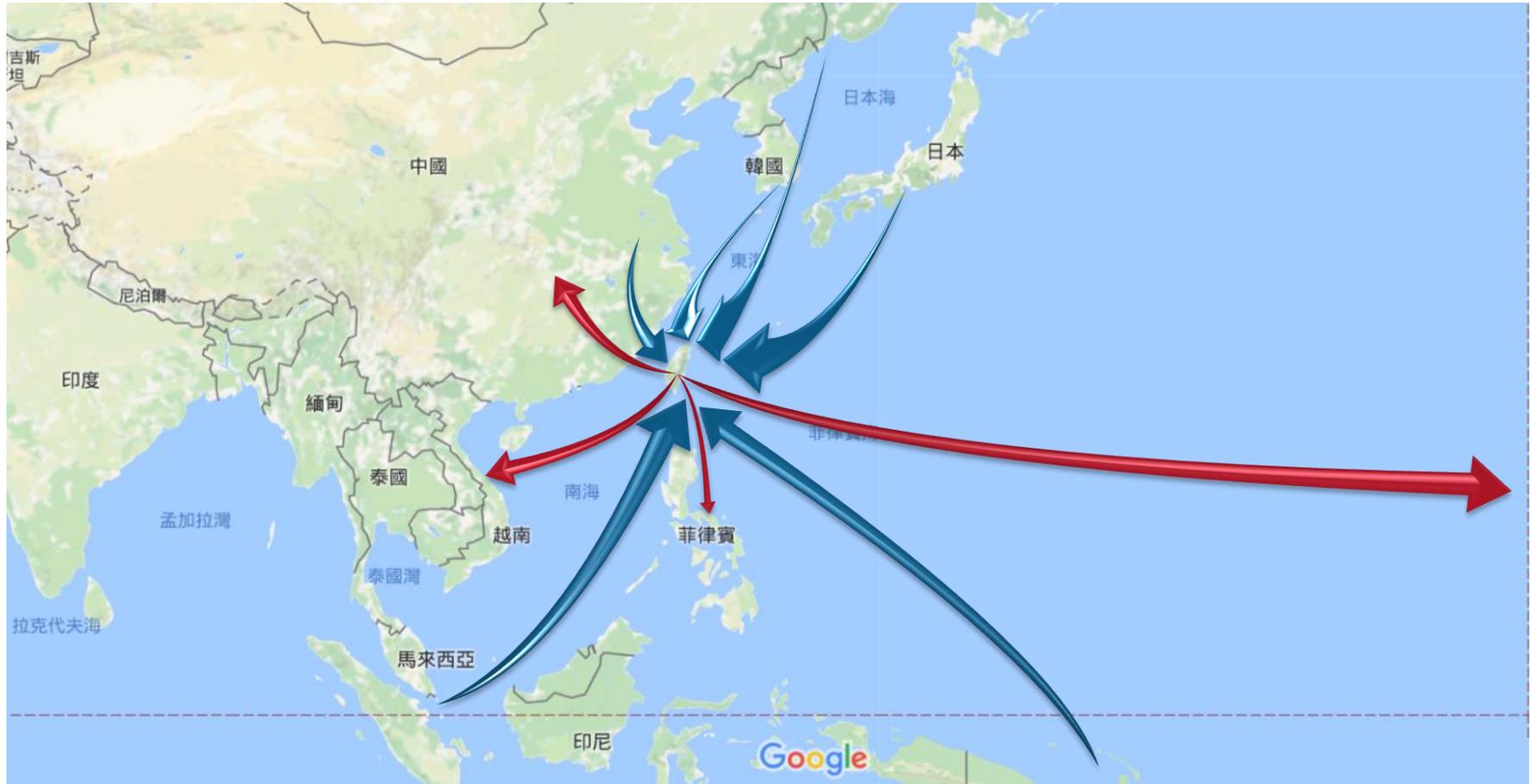
	West #5	West #2
Area (M <sup>2</sup> )	81,054	29,223
Number of Tanks	20	31
Capacity (KL)	242,200	63,450
Loading bays	12	18
Employees	26	23
Throughput (MT/2019)	2,452,014	388,423
Cargos	Oils & chemicals	Chemicals
Key clients	Global oil traders, chemical manufacturers & traders	



# Services Offered by POCS



# Coverage of Cargo Transportation

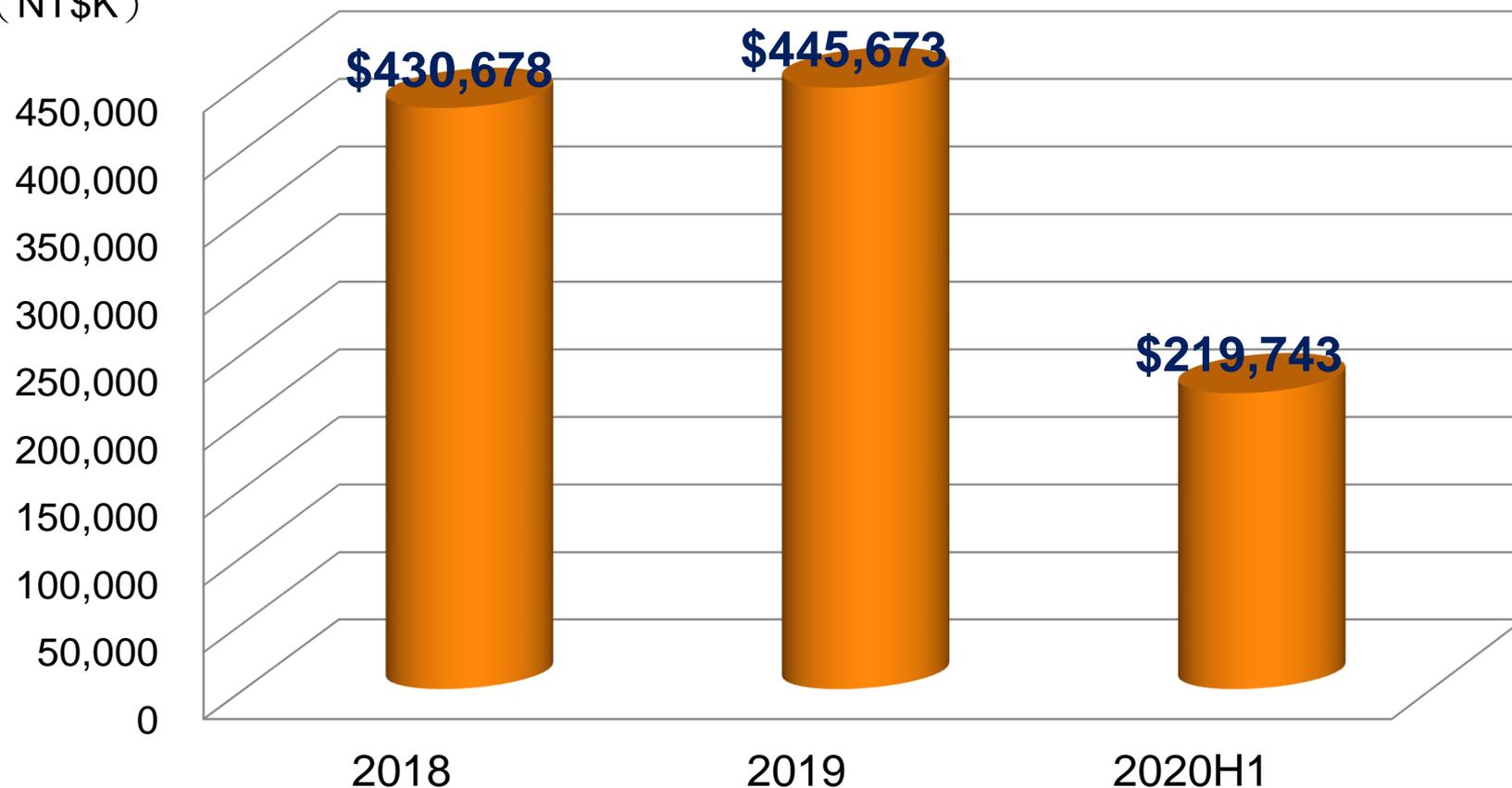


# Our Advantages

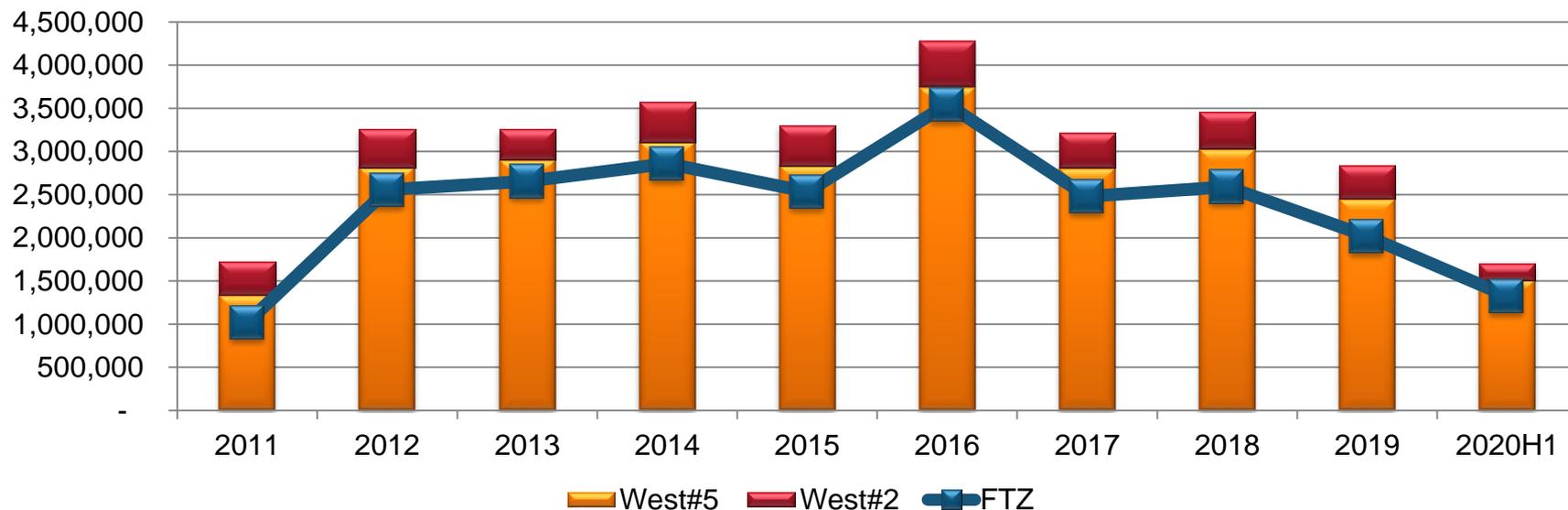
- Own a various range of capacity and types of shore tanks to meet different needs
- Can provide customized services
- Have had 30-year experiences in handling all kinds of petrochemical cargos
- Offer comprehensive services by in-house staff
- Focus on our core business to provide the most professional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

# Revenues of Tank Storage Service Division

(NT\$K)



# Cargo Throughput



POCS has started the business of Free Trade Zone in Port of Taichung since 2007. We have offered our services to the global leading oil traders for several years. The annual cargo throughput are around 3 million metric tons since 2012. The throughput in 2020H1 is slightly bigger than 2019H1.

# Outlook

- The COVID-19 pandemic has had a serious impact on the global economy. The recovery of the economy in the Asia-Pacific region is the key factor of the demand for oil products and the willingness of the clients to lease tanks.
- The tension between US and China will still affect the global petrochemicals market.
- 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



**37**

PV projects have been installed in Taiwan  
with a capacity of **12.75MW**



**1**

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



Total installed capacity

**17.95<sub>MW</sub>**

In 2019, the Energy Division created an aggregate of solar power of 9.05 million kWh Domestically  
Carbon fixation of 13 Da'an Forest Parks  
Carbon dioxide emissions reduction of approximately 4,824 metric tons  
Coal consumption reduction of 3,349 metric tons

# PV Systems Status (1)

- Completed

- Domestic: 12.75MWp

Year	Capacity (MWp)	Type	Remark
2019	7.75	Roof-mounted	As of Dec 31 <sup>st</sup> 2019
2020	3.01	Roof-mounted	Via sale and purchase agreement
2020	1.99	Ground-mounted	Construction completed
<b>Total</b>	<b>12.75</b>		

- Overseas: 5.2MWp (Cambodia)

- Grand Total: 17.95MWp

# PV Systems Status (2)

- Under Construction

- Six projects obtained in the first half of 2020; details are as below

Project name	Capacity (MWp)	Type	Estimated complete date
Taoyuan (1)	0.62	Ground-mounted	Dec 2020
Taoyuan (2)	0.43	Ground-mounted	Dec 2020
Tainan (4)	1.26	Ground-mounted	Feb 2021
Taichung (4)	1.51	Ground-mounted	Mar 2021
Kaohsiung (21)	0.50	Covered playground	Apr 2021
Kaohsiung (22)	0.88	Covered playground and Ground-mounted	Apr 2021
<b>Total</b>	<b>5.2</b>		

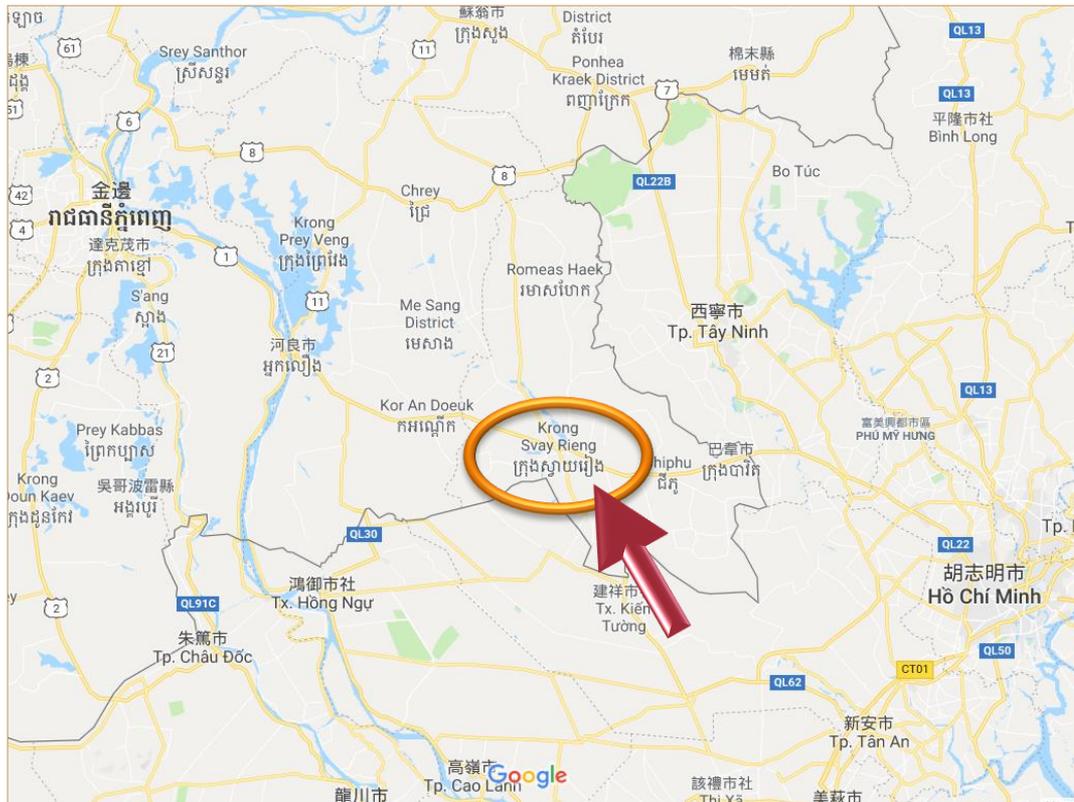
# Domestic PV Systems



Area	Plant no.	MW
Taichung	3	0.927
Nantou	1	0.397
Yunlin	2	2.494
Tainan	3	0.868
Kaohsiung	20	5.780
Pingtung	6	1.555
Hualien	2	0.731
<b>Total</b>	<b>37</b>	<b>12.75</b>

Note: Not inclusive of the power plant under construction.

# Overseas Solar Power Plant - Cambodia



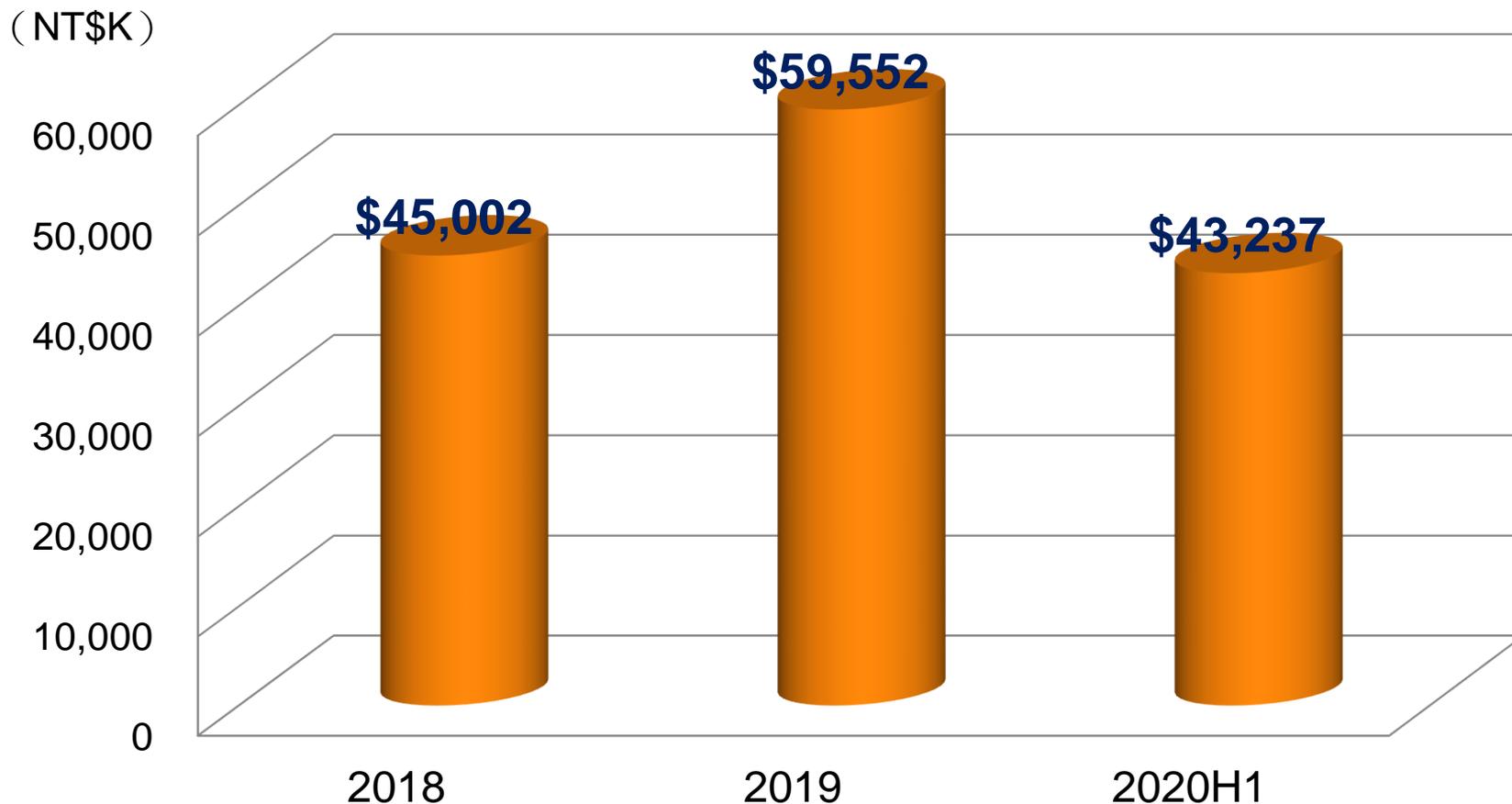
No. of Power Plant

- 1

Capacity

- 5.2MW

# Revenues of Energy Division



# Future Plans

- Expand large-scale roof-mounted, ground-mounted (activity center, parking lot and outdoor aquaculture-PV coexistence), and covered playground projects.
- Bid in various tenders from the government.
- 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)

Veterans General Hospital-  
Parking lot



Veterans General Hospital-  
Dormitory Phase I & II



# PV Project Developed (5)

Yunlin Gukeng Ground-mounted



Tainan Liujia Farmers Association



# PV Project Developed (6)

Tai Seng Bavet SEZ, Cambodia



# Summary

# Tank Storage Service Division

- Outlook: Stable
- Goal: To earn management-oriented benefit by sustainable advancing of professional storage services
- Key Management Success Factors :
  - Upgrading expertise of all staff
  - Continuous upgrading of hardware and software
  - Management System Optimization

# Energy Division

- Outlook: the key revenue driver as installed capacity grows in the coming years
- Goal: To integrate relevant resources to create a reasonable rate of return IRR
- Key Management Success Factors:
  - Proficient Project development and project management capabilities
  - EPC and PV systems maintenance management
  - To develop new business opportunities in renewable energy

# Q & A