

Fortune Electric Co., Ltd.

Stock Code :1519

2019/12/16

ISO 9001 14001
Six Sigma
OHSAS 18001

Safe Harbor Notice

- This Presentation contains certain forward-looking statements that are based on current expectation and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.
- Except as required by laws, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

1、Company Overview



Industry	Heavy Electric	Type	Public listed
Founded	Aug 26th, 1969	Date Listed	April 16th, 1997
Chairman	Pedro Hsu	President/CEO	Ted Hsu/Ithen Hsu
Capital	TWD 2.61 Billion	Employees	Taiwan 800 Group 950
Products	Equipment: Transformers, Switchgear, PV BOX, Panel, Transformer Smart Monitoring System, EV Charging Station EPC: Substation, Power Plant, Renewable Energy, Offshore Wind Farm, Construction of charging station system, Smart Substation Maintenance 24 hours emergency recovering service throughout the year		

2. Company Overview(二)—Chung-Li Factory



Pad-mount transformer



Pole-mount transformer



Oil type amorphous metal core distribution transformer



Rectifying cast resin transformer

2. Company Overview(三)—Guanyin II Factory



The only domestic manufacturer passed KEMA 230kV 240MVA short circuit test as of 2012.



In 2011, a 500kV class (1,300kV BIL), 400kV 200MVA power transformer that suitable for ambient temperature of -50°C operation was delivered to a US utility.

2. Company Overview(四)—Guanyin III Factory



24kV GIS



23kV Switchgear

2. Company Overview(四)—Guanyin III Factory



Exported Australian PV BOX



Matsu Power Plant was completed & energized with an expedited lead time



**DC Switch gear for Taipei MRT System
(DC 750V 6,000A)**

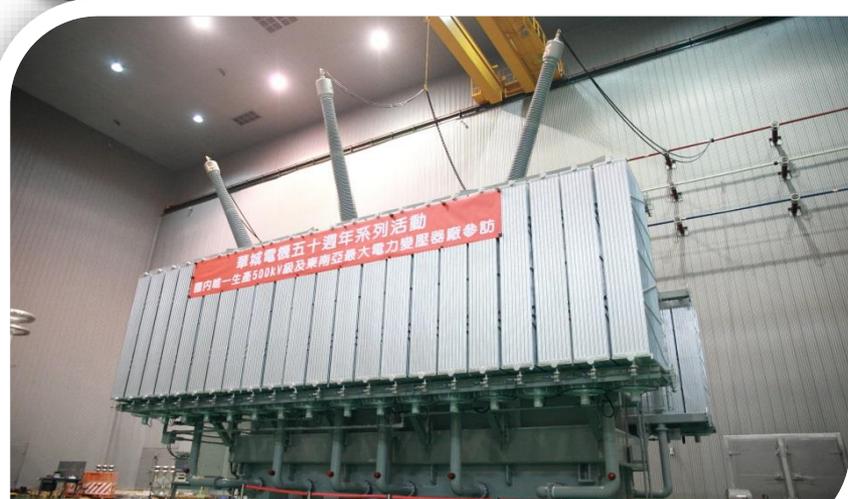


PV BOX

2. Company Overview(五)—Taichung Factory 華城電機

【In April 2019, 100% equity of Fortune Electric Extra High Voltage Co., Ltd. was acquired from the joint venture with Hitachi.】

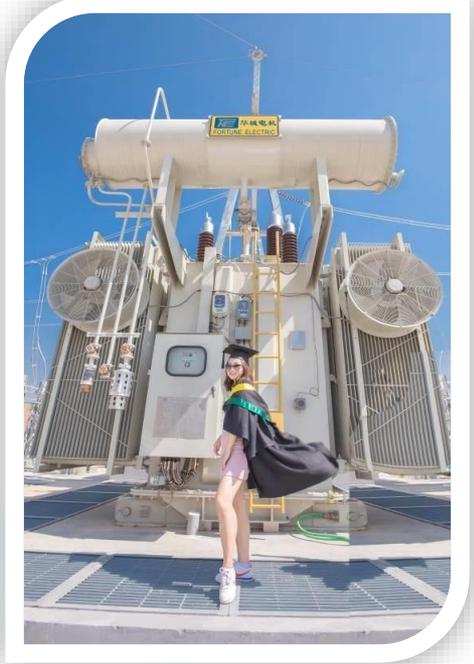
The only domestic transformer manufacturer with 500kV class capability & the largest power transformer shop in Southeast Asia



In August 2019, completed and exported a record-breaking 530kV 775MVA power transformer to an US utility.

The largest and only 500kV transformer shop in Southeast Asia passed KEMA short circuit test as of 2018.

2. Company Overview(五)—Wu Han Factory



230kV Power Transformer exported to Myanmar Power Company



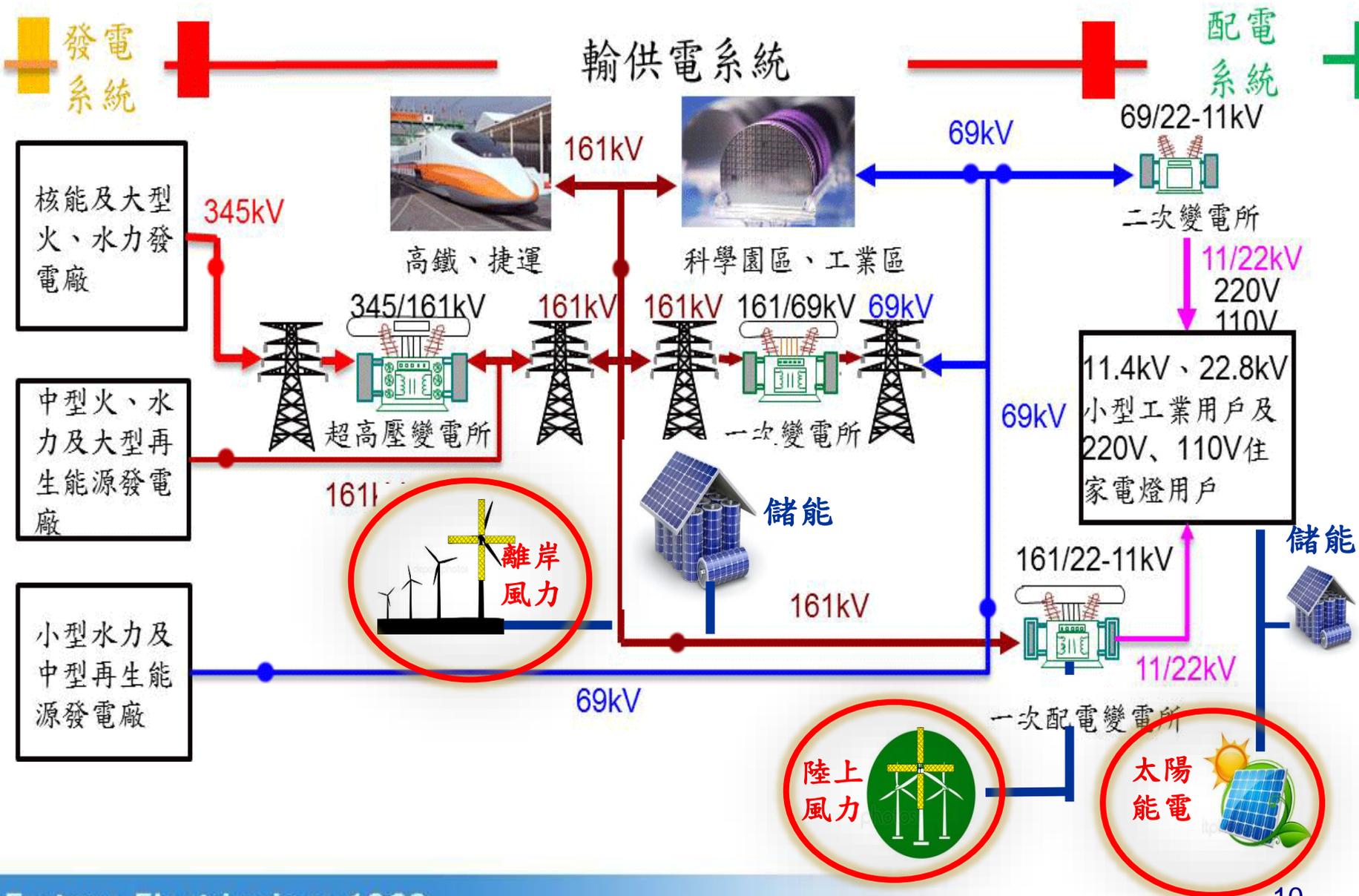
110kV Power Transformer



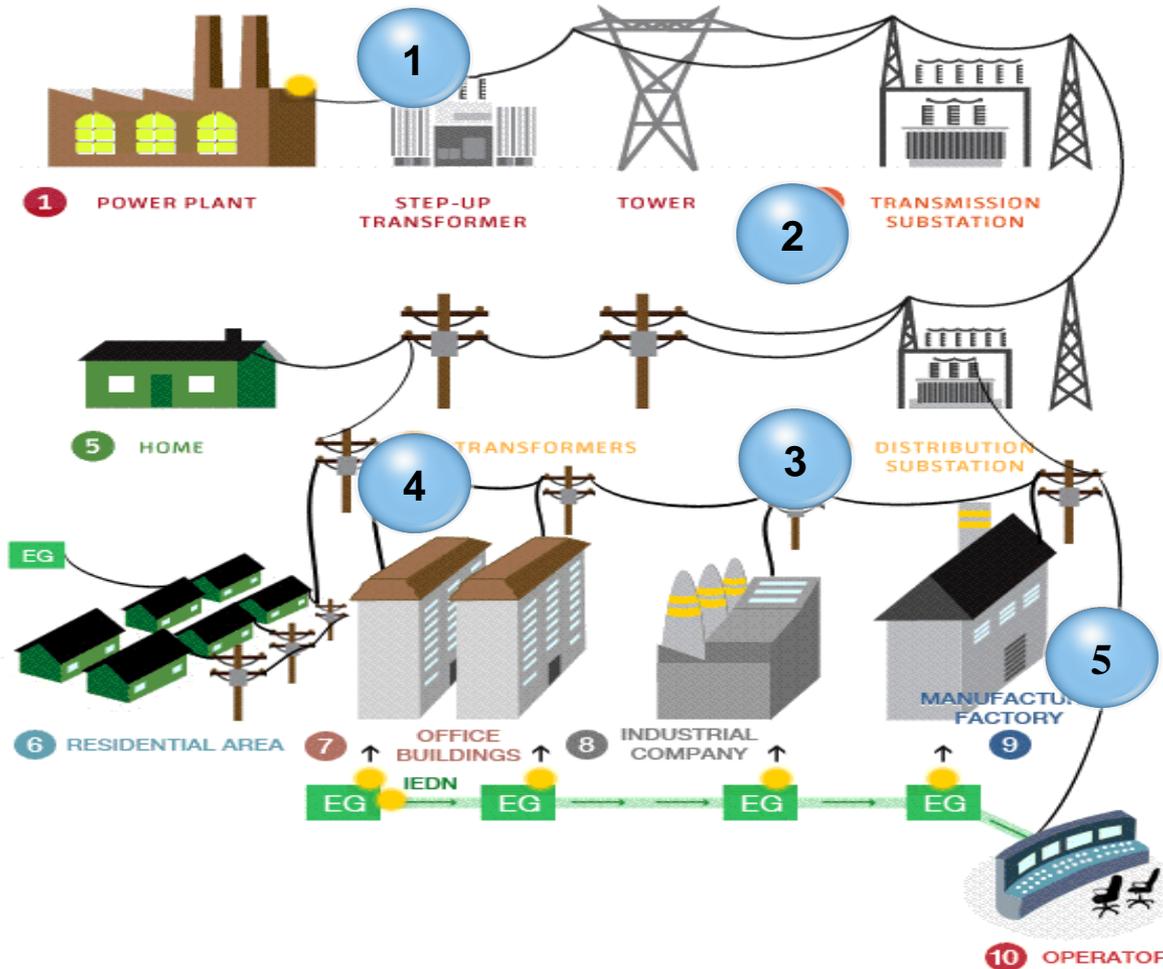
FR3 Transformer



3、Transmission and Distribution Power System Diagram



4. The Most Completed Product Line



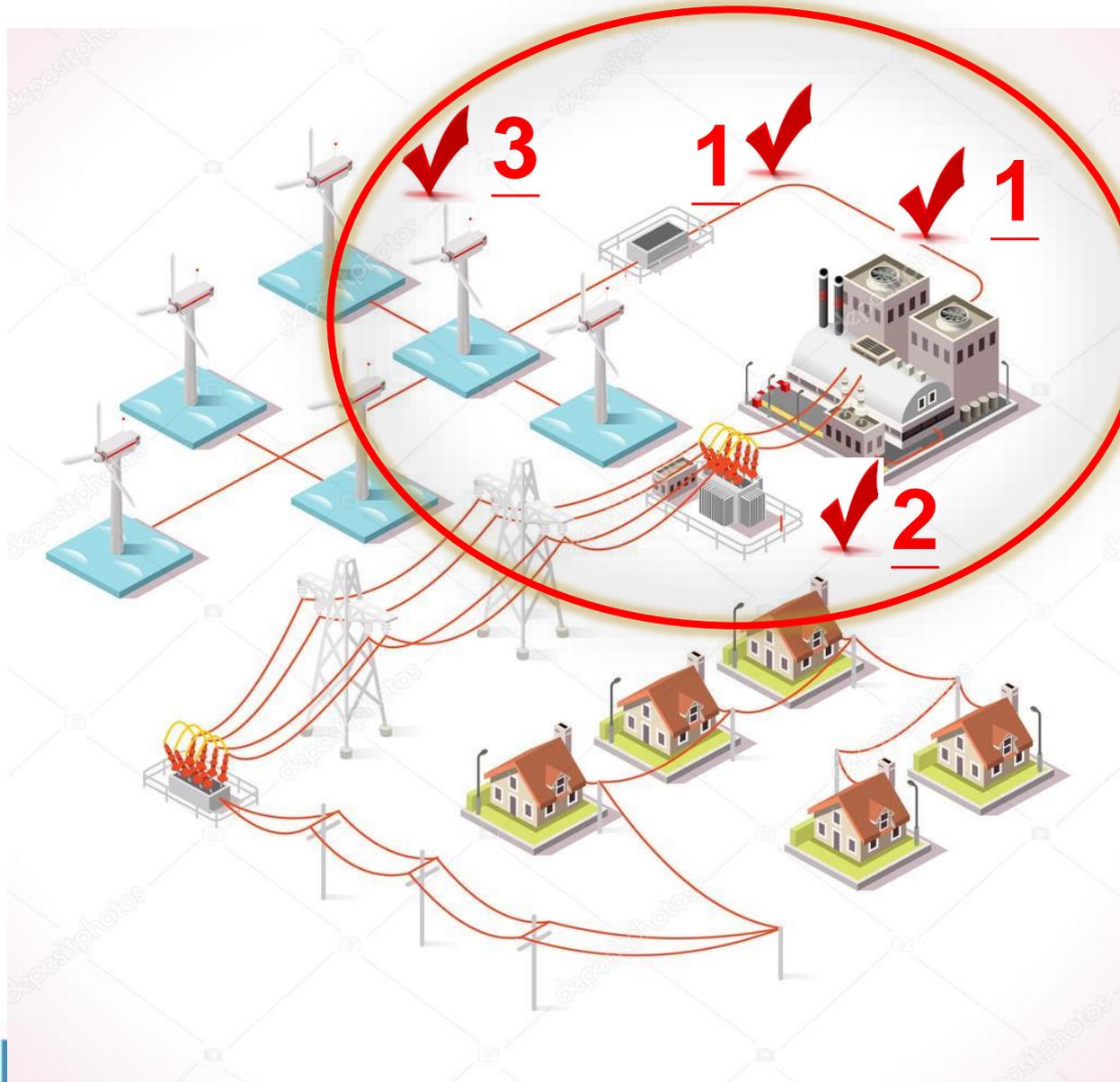
1. Step-up 345k ~ 500V power transformers
2. Substation type 161kV power transformers
3. Substation type 69kV power transformers
4. Distribution pole/pad transformers
5. Transformers for industrial applications
6. System pre-planning, replacement & specification requirement service

5. FE's Green Power—

Products in Offshore Wind Farm



Fortune Wind Power Products



1. 161kV UHV step-up substations and onshore power system turnkey projects



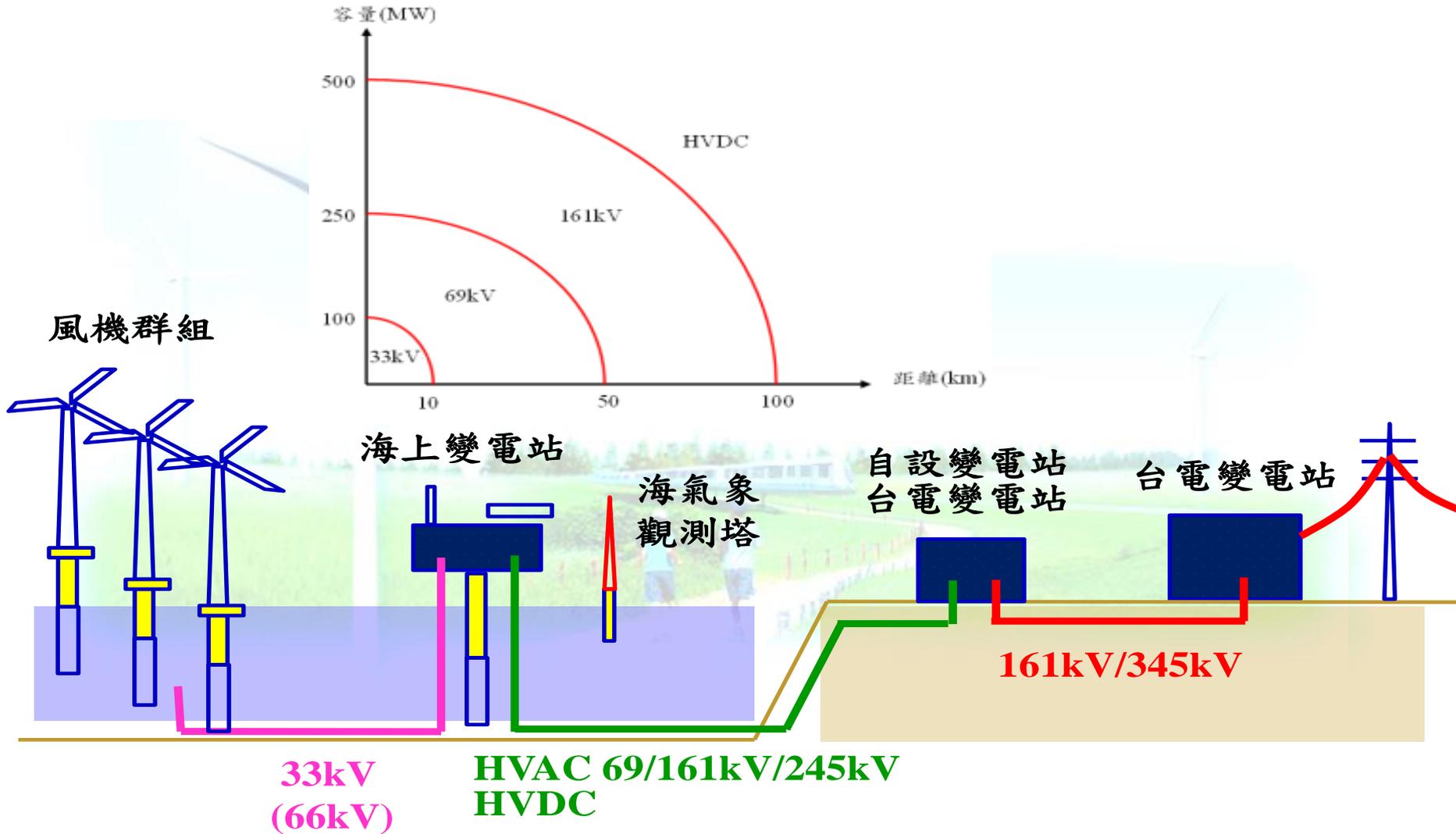
2. Main transformers and switchgears used in wind power applications



3. Step-up transformers and power modules for wind turbines

5. FE's Green Power — Offshore Wind Power Project

Offshore wind power systems: planning concepts



6. Offshore Wind-Land Project Performance (一) 華城電機

In 2017, Fortune completed the first phase of Taiwan's first offshore wind power project, Formosa I's onshore substation.

In 2018, the second phase of Formosa I's 161kV substation and onshore system were awarded to Fortune.



6. Offshore Wind-Land Project Performance (二) 華城電機

In June 2019, the second phase of Formosa I's 161kV substation and onshore system were completed and integrated into the grid.

In November 2019, Taiwan's first commercial-scale offshore wind farm, Formosa I started its commercial operation.



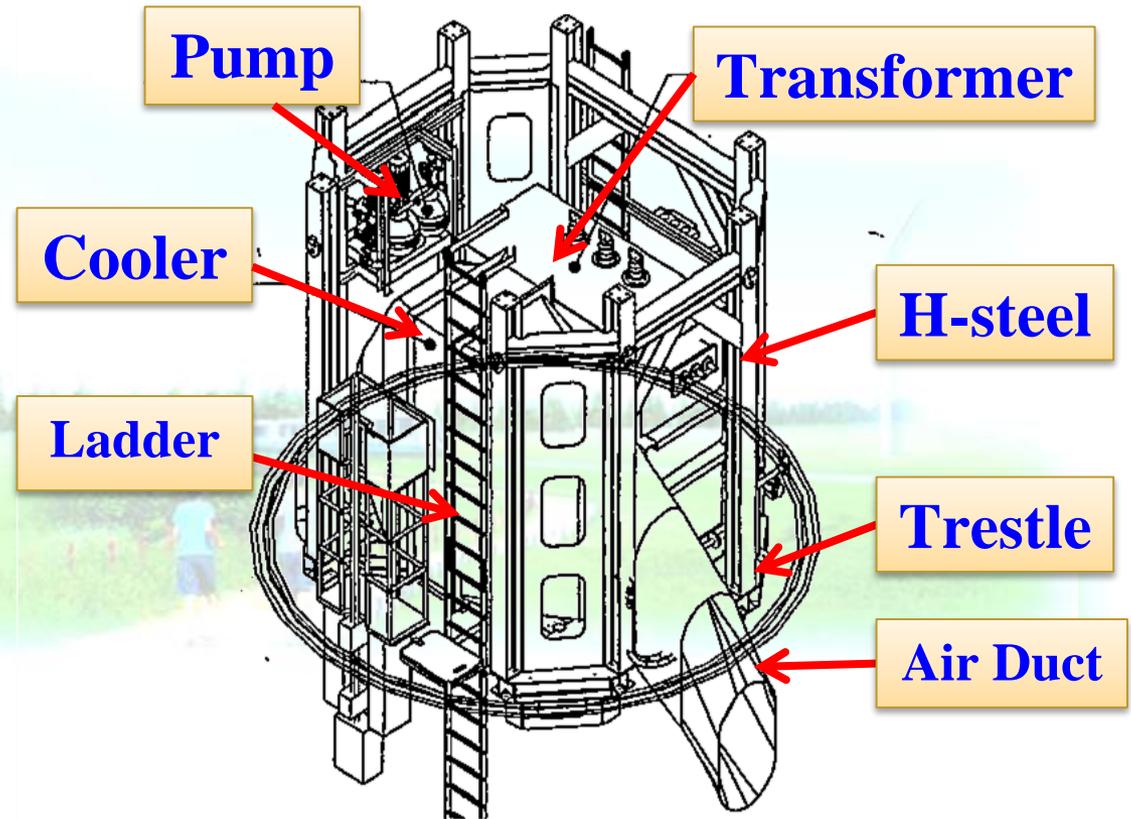
6. Offshore Wind-Land Project Performance (三)

1. In March 2019, President Hsu attended the Contract Signing Ceremony for Formosa II's 161kV substation and onshore system.
2. In June 2019, Chairman Hsu attended the Stamp Duty Signing Ceremony for Formosa II.
3. The Groundbreaking Ceremony of Formosa II Wind Power Project, Onshore Portion in November 2019. It is scheduled to be completed in 2021.

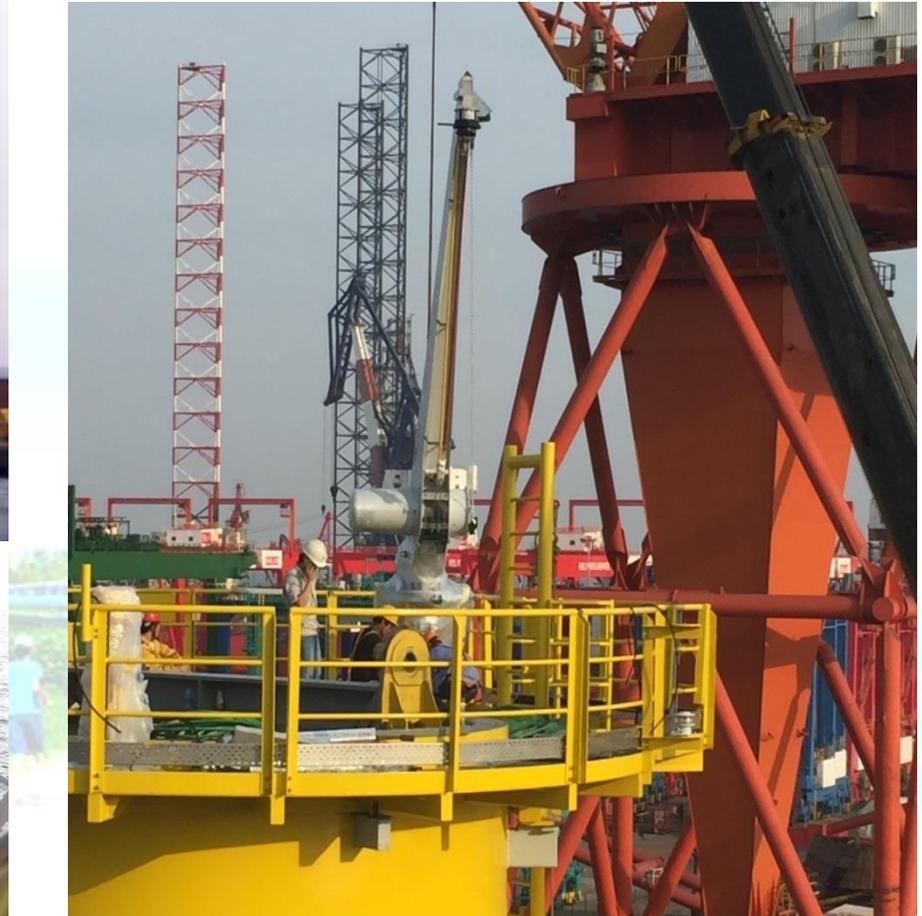


6. Offshore wind power— electrical equipment in wind turbine towers(一)

In 2019, Fortune received an order of 21 Hitachi turbine packages from phase 1 of Taiwan Power's offshore wind power project. The package includes the transformers, power modules and other equipment. The delivery is expected in 2020.

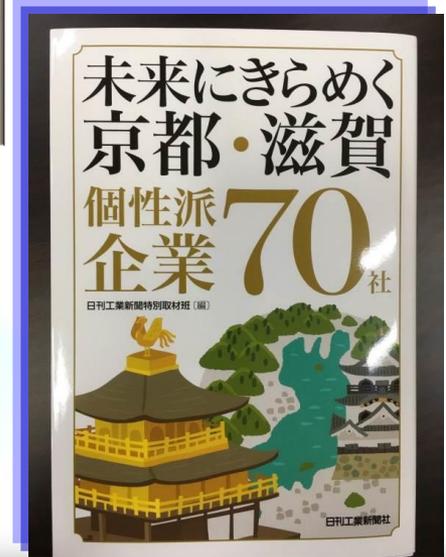


6. Offshore wind power— electrical equipment in wind turbine towers(二)



7. Ground-mounted solar project(一)—PV BOX

Fortune's PV BOX was listed as 1 of 70 businesses to watch in Shiga, Kyoto



Fortune's PV Box in operation in Japan in 2016.



7. Ground-mounted solar project(二)

In October 2018, Taiwan Power's Changbin 100MWp solar project was completed.

In 2019, Fortune received orders for Taiwan's largest solar project 150MWp in Tainan Yantian.



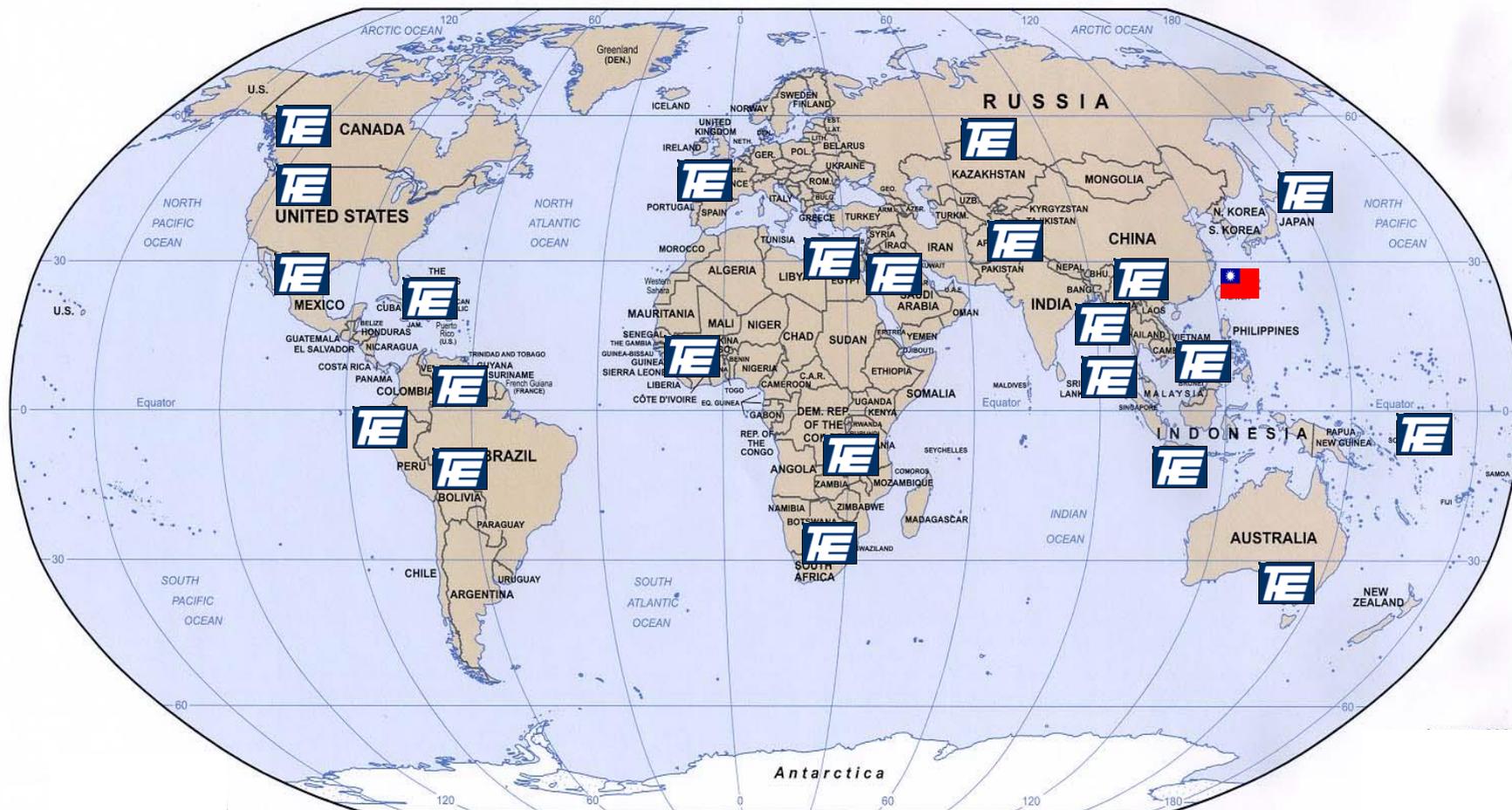
8. Floating type solar projects

In 2018 to 2019, several floating type solar projects were completed.



9. Export market leader(一)

Continue key customers cultivation, localization & renewable energy development



9. Export market leader(二)



**345kV/118kV 448MVA
Low Noise Transformer to America**



**262kV 65MVA Transformer
to Japan**



**400kV/115kV 200MVA Transformer to
America(ambient temperature - 50 °C)**



**PV BOX for solar power (amorphous
transformer) to Japan**

9. Export market leader(三)



**220kV 260MVA
Power Transformer to Australia**



**230kV/145MVA
Power Transformer to Pakistan**



PV BOX to Australia



**230kV 75MVA
Power Transformer to Canadian**



**220kV 210MVA 11 Units
Power Transformer to Peru**



**161kV 141MVA
Power Transformer to Africa Ghana**

9. Export market leader(四)

345KV 560MVA 陸上運輸



Inland heavy hauling



Manufactured and delivered multiple power transformers to US utilities.



Extra heavy barge operation at Datan Wharf



Ultra-Low Noise 132kV 45MVA Power Transformer to Australia

10. Ensure the Existing Markets, Grasp the Opportunities of Green Energy

10-1.

Domestic Market : Increase Market Share by Focusing on Mass Production & Power Plant Projects.

10-2.

Exporting Markets : Improve Margins by Key Customers Cultivations & Localizations.

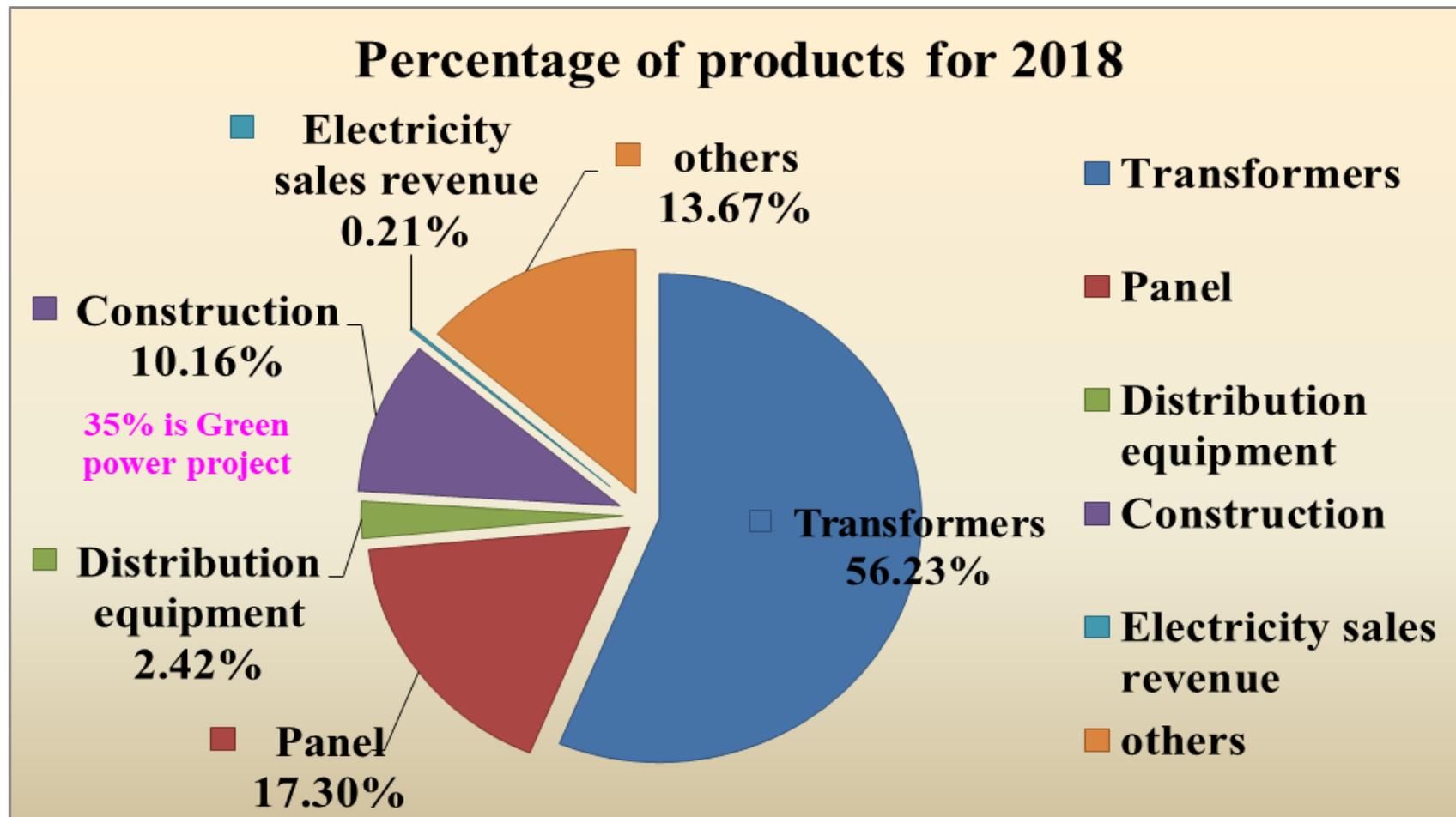
10-3.

Renewable Energy : Capitalize Opportunities in All Aspects of Energy Policy Transition.

10-4.

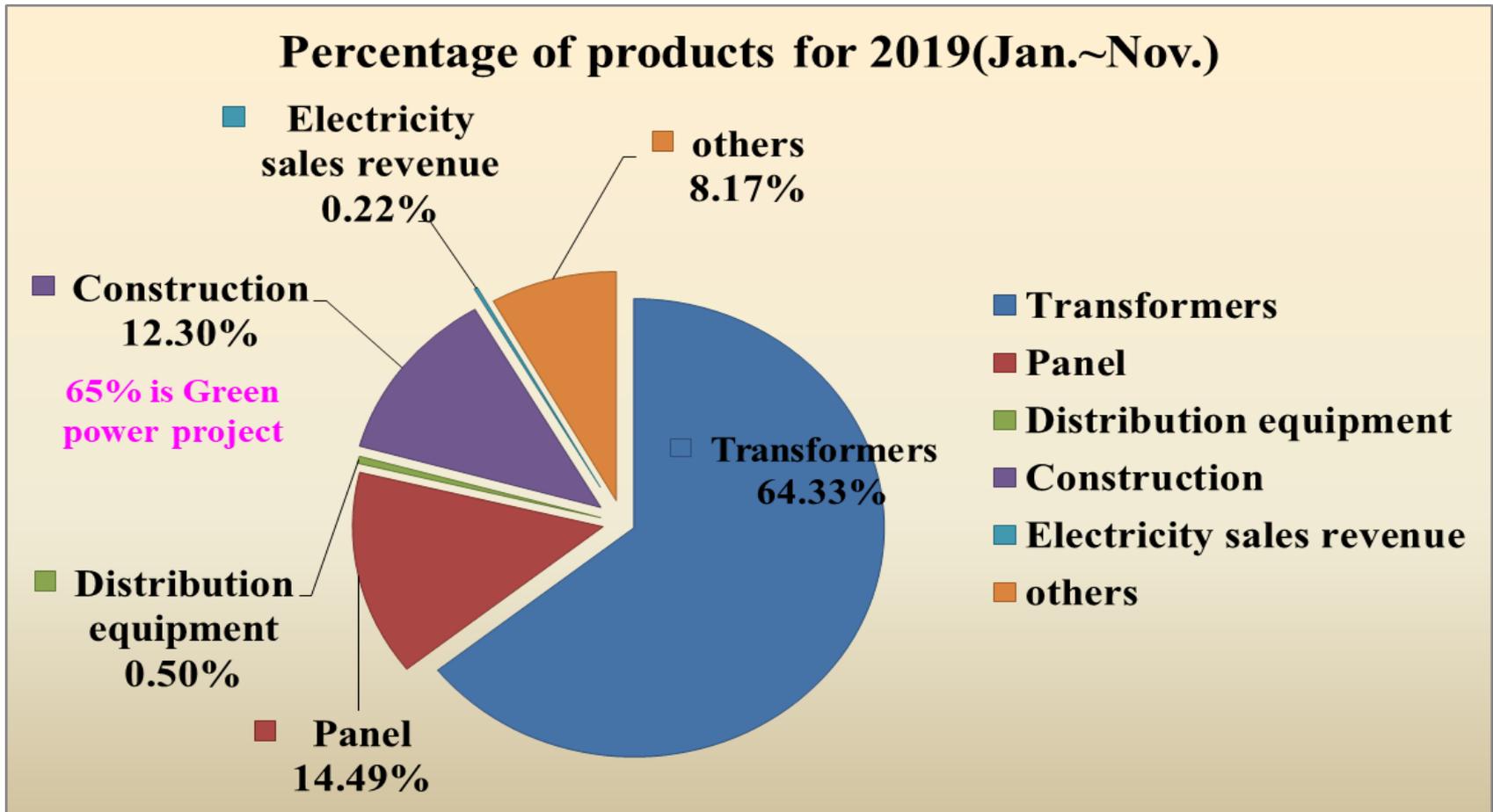
Smart Grid : Continue Development in Smart Metering, Battery Storage & Electric Vehicle Charging Stations.

11. Percentage of products for 2018



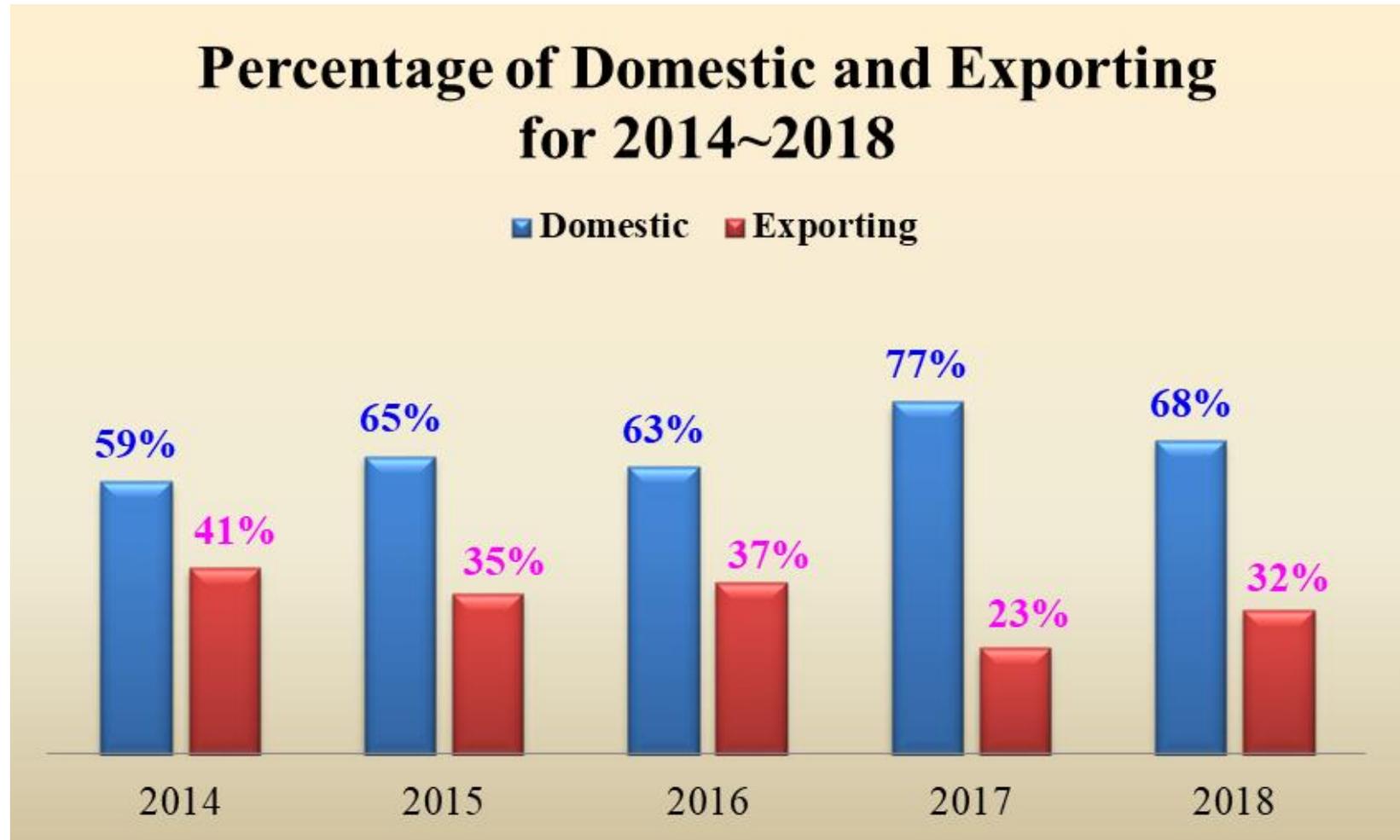
Others: including transformer installation / maintenance works, sale of materials / spare parts, etc.

11. Percentage of products for 2019

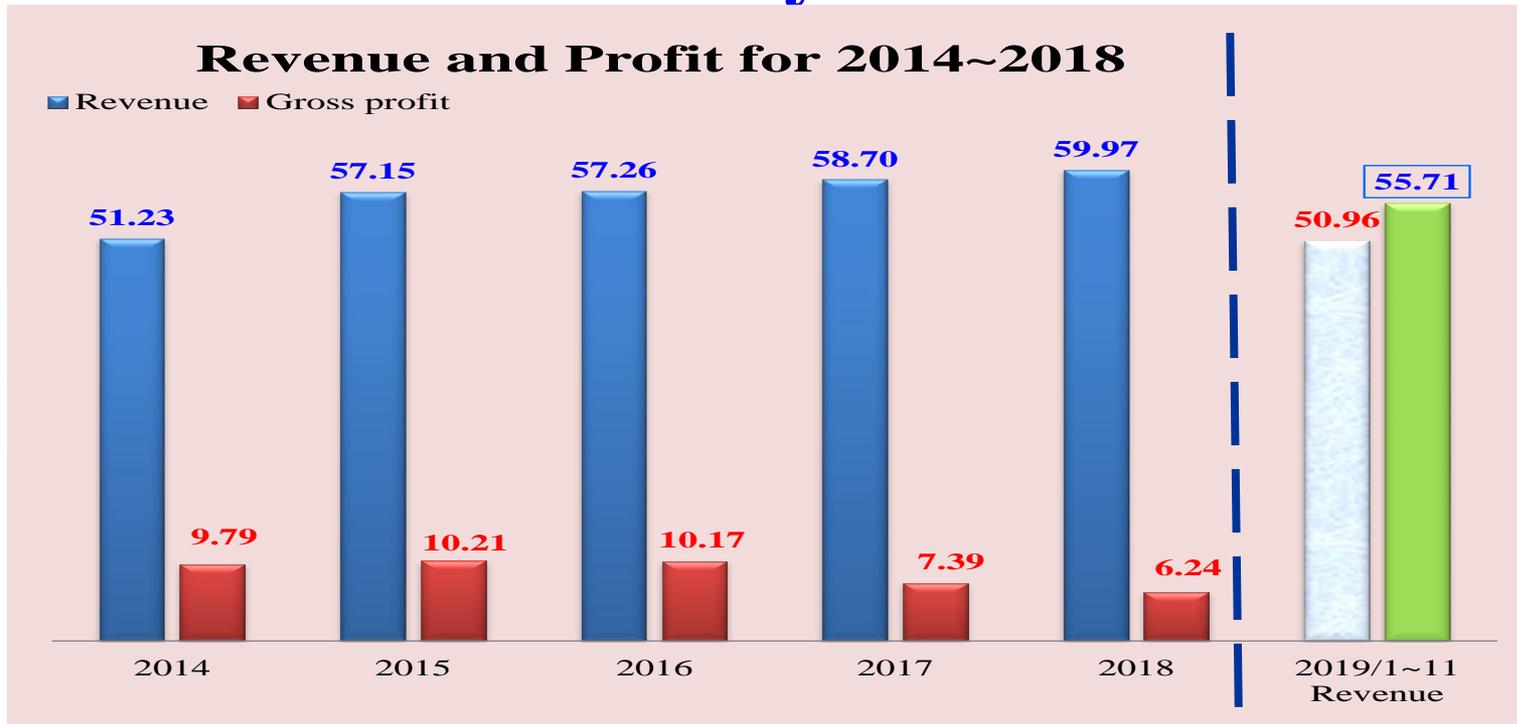


Others: including transformer installation / maintenance works, sale of materials / spare parts, etc.

12. Percentage of Domestic and Exporting



13. Revenue Grew Steadily



14. Consolidated Financial Simple Highlights

Fortune Electric Co., Ltd. and Subsidiaries Consolidated Financial Simple Highlights

Unit : NTD in Thousands

Item	2019Q3		2018Q3	
	Amount	%	Amount	%
Property, plant and equipment	2,067,359	22%	1,335,239	19%
TOTAL Assets	9,278,907	100%	7,085,483	100%
Interest-bearing Debt	2,830,295	31%	1,614,382	23%
Total Liabilities	6,110,359	66%	4,201,193	59%
Total Equity	3,168,548	34%	2,884,290	41%
Operating Revenues (for the Nine Months Ended September 30)	4,118,456	100%	4,184,918	100%
GROSS PROFIT	657,130	16%	343,049	8%
NET PROFIT FOR THE PERIOD	220,289	5%	(104,223)	-2%
Key Indices				
Current Ratio	139%		168%	
Acid Test Ratio	67%		89%	
Total Liabilities to Equity Ratio	193%		146%	
Net profit rate	5%		-2%	
EPS (NTD dollar)	0.83		(0.39)	

Note:

The Company originally owned 40% shares of Hitachi Fortune Transformer, Inc. On March 28, 2019, the board of directors signed the joint venture termination agreement with Hitachi, Ltd., which transferred their total 84,720 thousand shares of Hitachi Fortune Transformer, Inc. to the Company without compensation on March 30, 2019. After transferring, Hitachi Fortune Transformer, Inc. renamed as Fortune Electric Extra High Voltage Co., Ltd. on June 24, 2019.

15. Electrical/Power control /MRT power system Construction

1 Electrical and Mechanical Construction(Public/Private)

Construction in Process

Administration Building and Parking Lot
Construction project of Yangmei District Office,
Taoyuan City



2 Green Power and Electric Power Control Construction in Process

- 1. Installation Project of Distributed Generation Power System & Energy Storage System for the R&D Building in Hsinchu Biomedical Science Park
- 2. Taipower Substation Power SCADA Update



3 MRT power system Construction Construction in Process

Replacement of AC / DC equipment
in Traction Power Substation



16. FE's Design Goods & Innovation 華城電機



電力變壓器冷卻...
華城電機股份有限...

2019 Taiwan Innotec Expo Bronze Medal Award



配電級免保養呼...
華城電機股份有限...

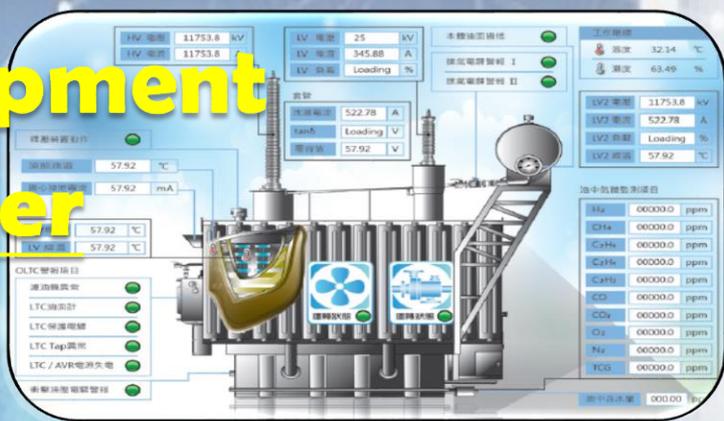
Distribution Self-Dehydrating Breather & Smart Cooling System Won the 2019 Taiwan Excellence Award



Has the Invention patents at Taiwan(2019)
a. Air-drying system for transformer and control method of air-drying device thereof.
b. Intelligent air-drying system and method.

2019 New development Smart Transformer

- ◆ Intellectual TR
- ◆ Big data analysis
- ◆ Accident prevention
- ◆ Smart maintenance
- ◆ Life diagnosis
- ◆ Mobile remote monitoring



Cloud & Big data



Mobile remoting



Big data analysis

Accident prevention

Smart maintenance

Life diagnosis

Technology level leading domestic and foreign

18. Establish basis of charging operation and smart energy storage construction in 2019



Service

Create mobile service interface and integrate various payment solutions



Knowledge
Build up EV knowledge platform. Provide EV promotional animation.



Product

The 3rd generation AC charger passes CNS certification. DC chargers also join our product line.



Energy Storage

Win the bid of decentralized power and energy storage system construction in Hsinchu Science Park.



Charging Construction

Expanding cooperation with international car manufacturers in home charging, destination charging, DC fast charging construction.

19. Establish EV charging service network in 2020



Charging station
Build up trans-city fast charging and urban destination charging stations.



Charging rescue
Provide mobile charging service.



Smart Energy management
Develop smart energy management system to increase using efficiency.

 The logo for EVALUE, with "E" in blue and "VALUE" in orange.

Cooperation with car manufacturers in developing charging service network to fulfill charging demands of end customers

20. Fortune Smart Factories

Quickly respond to market

Precise production

Enhance quality



Smart quote

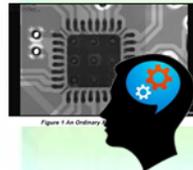


Data Center
Deep learning

**DEEP
LEARNING**

Use A.I. to Parse Customer Specification

Product design optimization



Main materials and purchasing decisions

Suggest the best design solution by Key factors

Smart manufacturing



IIoT
Digital streaming

Production Flow digitization
Production Management Visualization

Dashboard



production and management information

Data visualization
Mobile management

Thank You for Your Attention!

科技技術頂尖的華城寶寶！

