TAIWAN FERTILIZER CO., LTD.

The Overview of Land Development

2015.03.05

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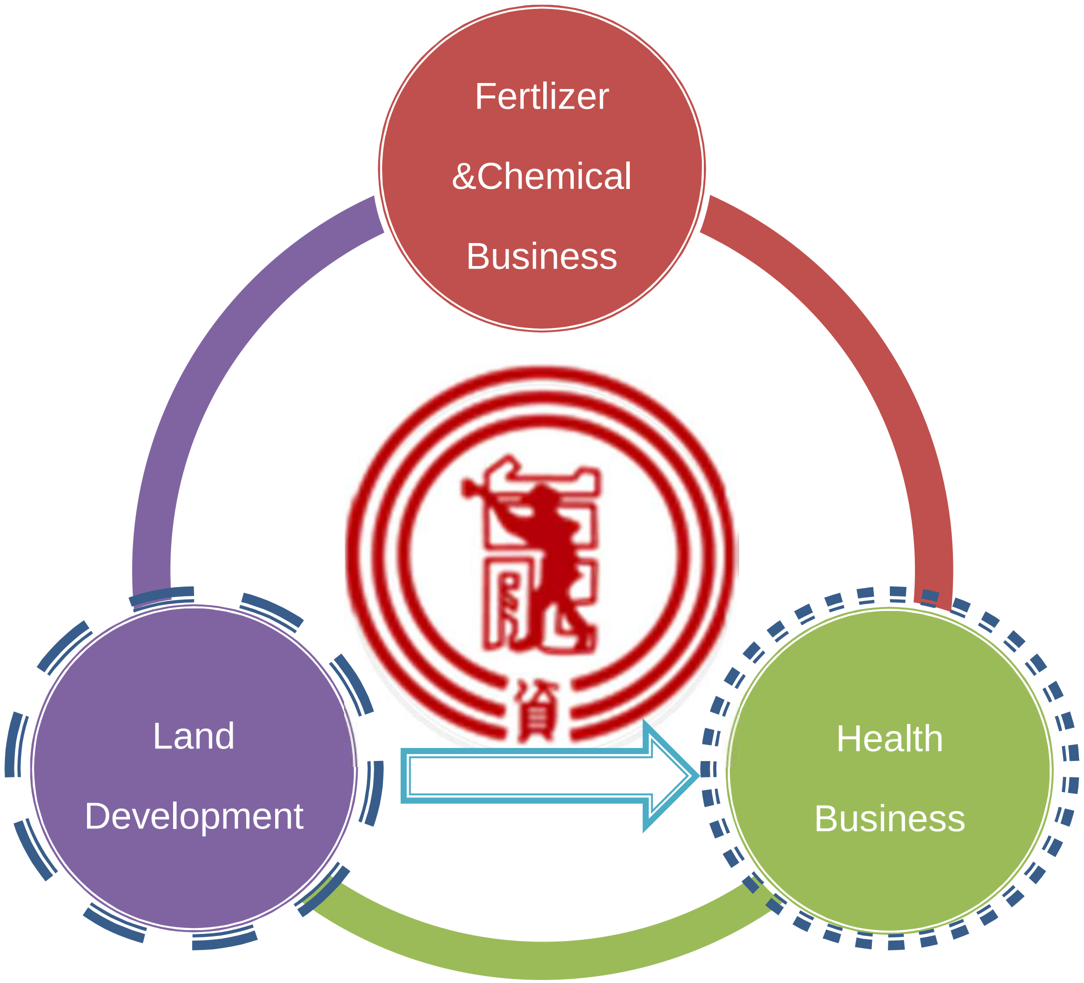
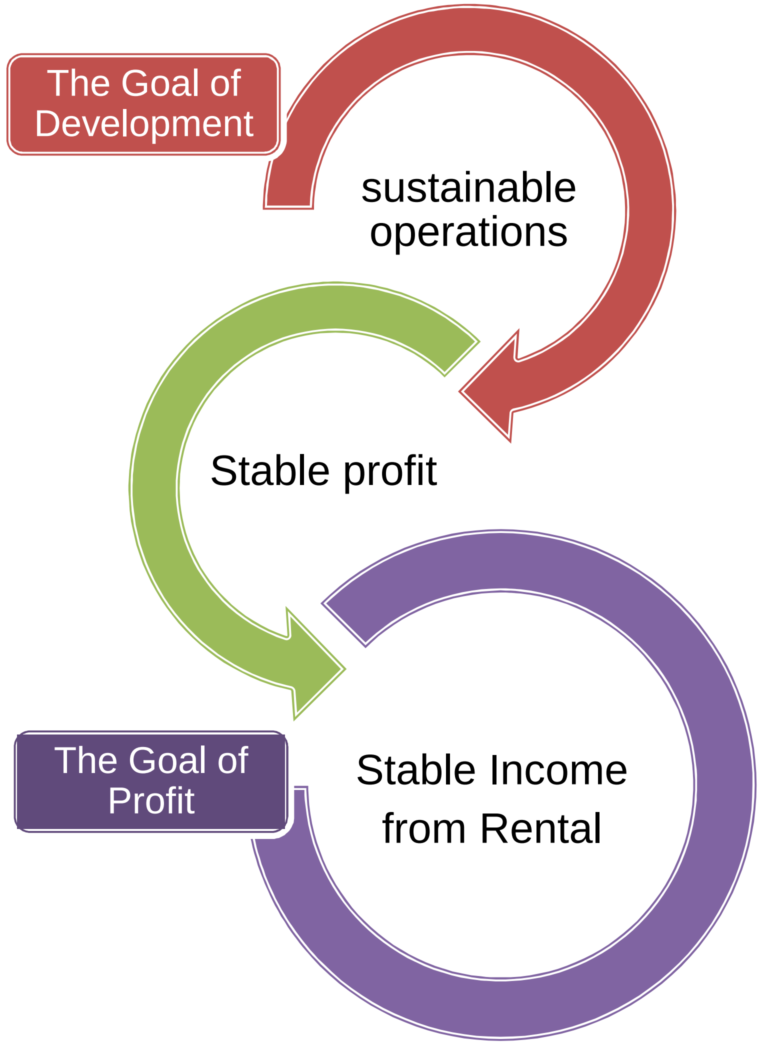
1、Vision and Goal

Vision



Fertlizer
&Chemical
Business
Land
Development
Health
Business

Goal

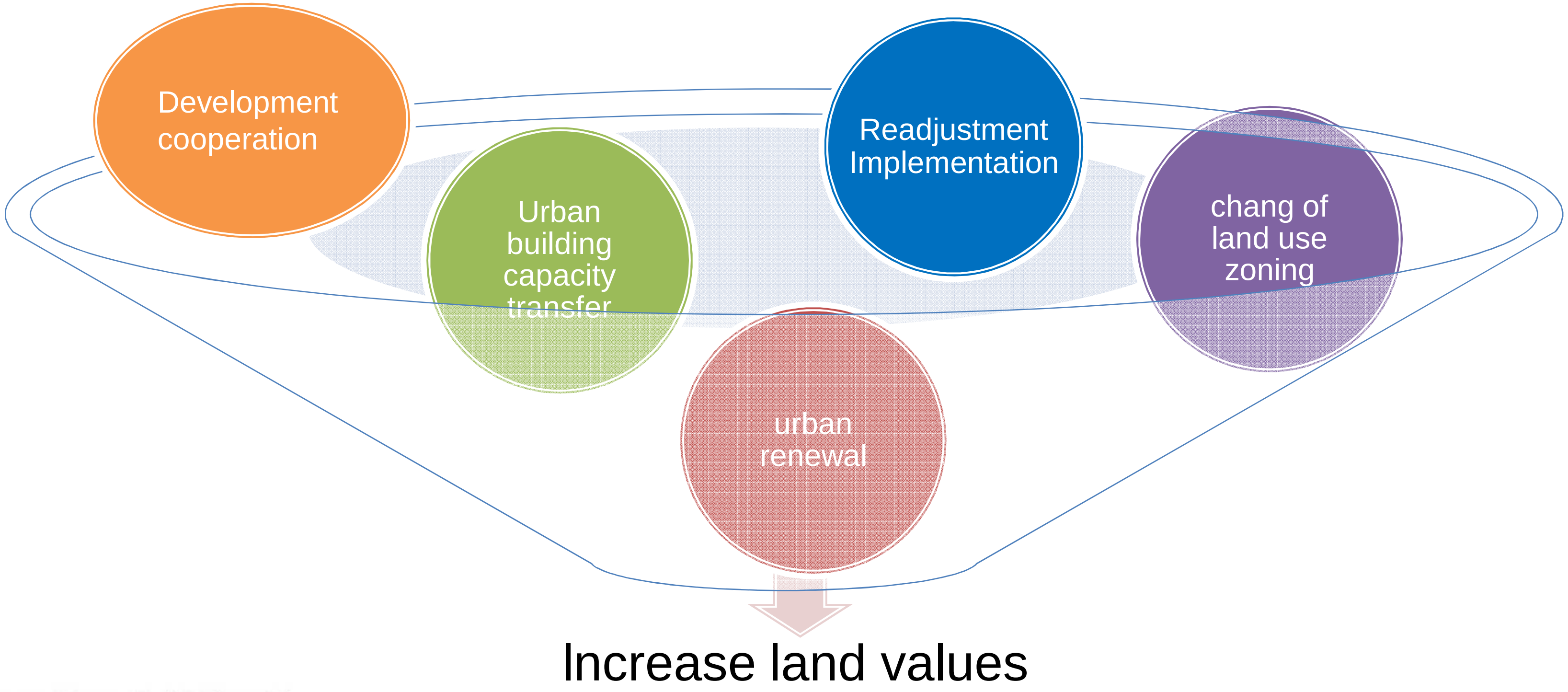


The Goal of Development
sustainable operations
Stable profit
The Goal of Profit
Stable Income from Rental

2、Land Development Strategy

Land Development Strategy(1/5)

- 一、**Increase Profit and Value Creation**
  - Evaluate the best development plan , and implement the plane on schedule .
  - Increase land values by (1) joint development(2) Urban building capacity transfer (3) Readjustment Implementation(4) chang of land use zoning(5)urban renewal ,



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Land Development Strategy(2/5)

Profit

Size of Land

Land use zoning

Profit?

Potential of Land

Trend of Market

- Potentially profitable land — Deveolpment planning
- The time of land development is not ripe — Short term lease
- Fragmental land — Lease/Urban renewal/for Sale

Schedule of Land Development

Land Development Strategy(3/5)

- 二、 Activation of assets, creating a steady profit

Priority development areas

- Self-development
- Superficies
- Lease/Commissioned or self-management
- Stable rental income

Land with development potential

- Temporary land use police
- 10-15 year lease
- Waiting till the time is ripe

Hotel & Health Business

Office & Property Management

Land Investment

Land Development Strategy(4/5)

- 三、 **Safeguard assets, reduce management costs**

Safeguard assts

- Land patrol
- Exclude occupation
- Use of information technology

Reduce management costs

- Tax savings
- Lease
- Lending
- Sale

Land reserved for the public facilities

- Tax savings
- Land Expropriation
- Urban building capacity transfer
- reviewing of urban planning and land use change

Land Development Strategy(5/5)

- 四、**Stable cash flow & Land reserve policy**

Stable cash flow	• Residential revenue (short-term) supports the need of commercial office investment (long-term) . • Commercial office rental provides a stable income and cash inflows .
Land reserve policy	• Maintain a certain scale of land assets as the basis for sustainable operation . • Accomplish asset allocation based on economic boom cycle .

3、Process and Division of Work

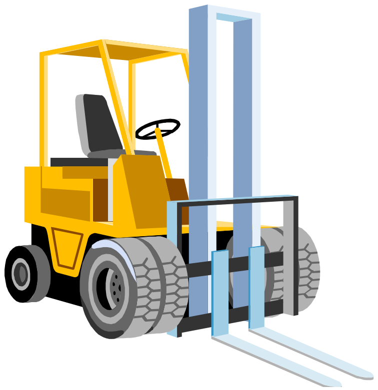
Land Development Department

Planning
- Planning & Positioning
- Tactic
- Urban renewal

Design
- Architectural design
- License application

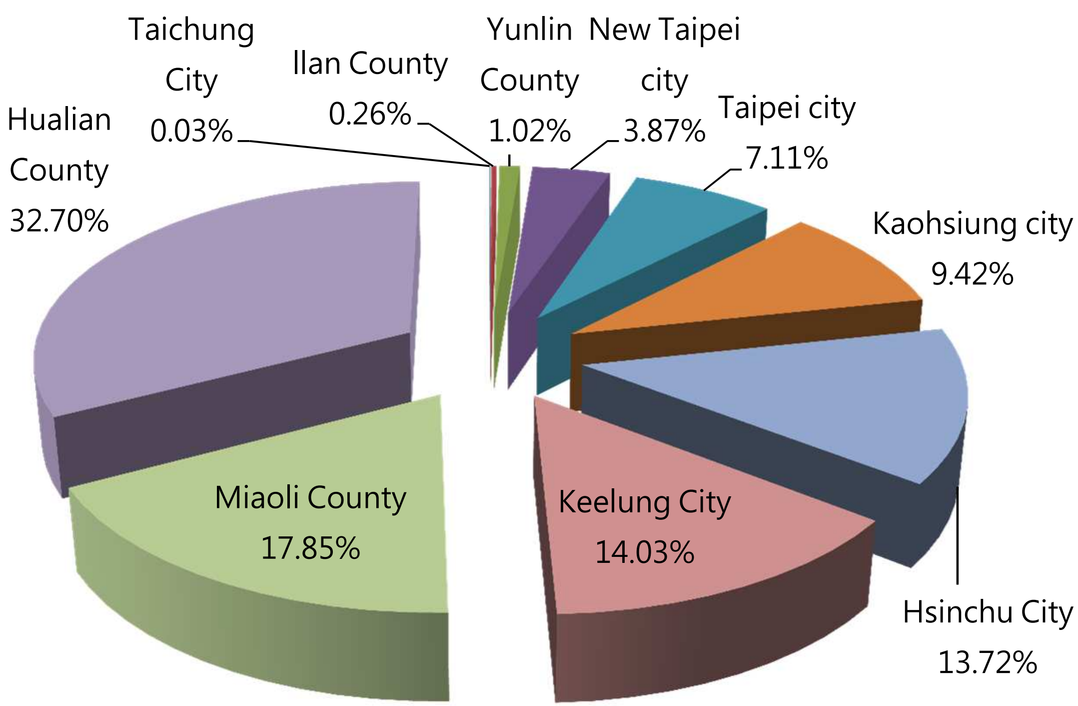
Construct
- Supervision
- Acceptance
- Warranty & Repairs

Sales
- Marketing
- Rental
- Sales & Services



4、Land Bank and Position

Land Bank



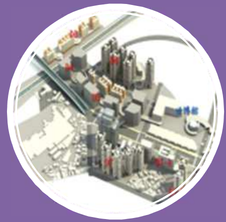
Location	Lot of land	size(m2)
Taichung city	1	581.62
Ilan County	10	4,382.88
Yunlin County	1	17,510.00
New Taipei City	125	66,201.62
Taipei City	77	121,855.59
Kaohsiung City	20	161,302.10
Hsinchu City	64	235,005.91
Keelung City	235	240,347.27
Miaoli County	117	305,706.27
Hualian County	44	560,082.00
total	**694**	**1,712,975.26**

2014.11.30

Position

Keelung

Taipei



Hsinchu

Kaohsiung

Hualian

Industrial districts& Dong Ming Rd.,

- Industrial district reuse
- Housing
- Offic&Retail

Nangang Business-Trade Park

- Hotel
- Retail
- Office
- Housing

Hsinchu Tech Business Park

- Business and R&D Center
- Retail and Entertainment
- Housing

Kaohsiung Multifunctional Commerce and Trade Park

- Corporate headquarters
- Hotel

Industrial districts

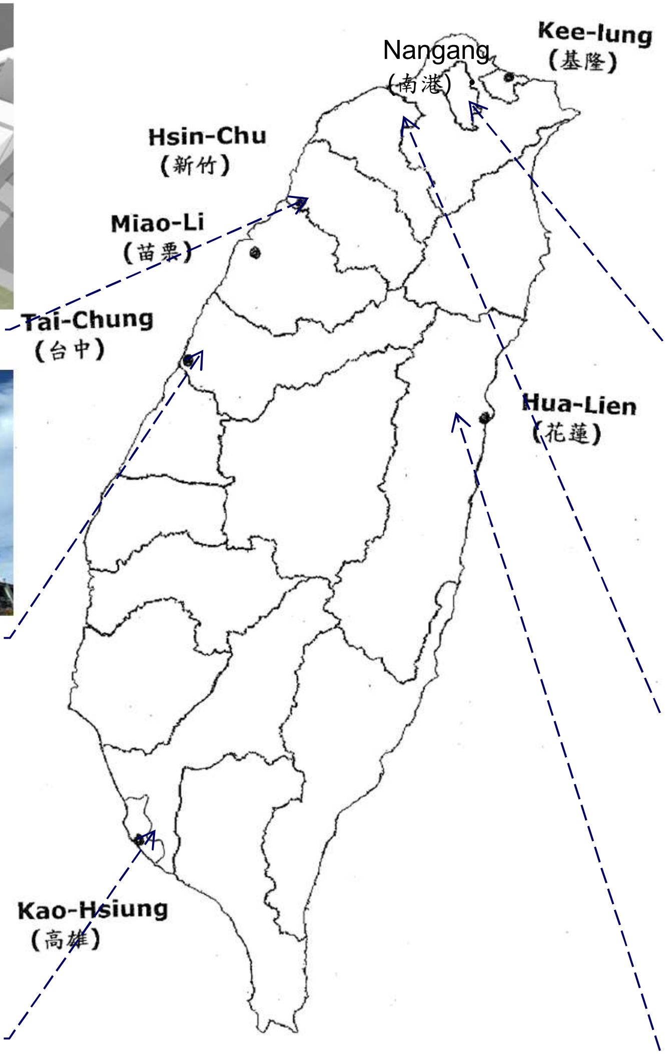
- Health Business
- Leisure Facilities
- Housing

Map of Significant Projects

Hsinchu Tech Business Park

Taichung Relocation Plant

Kaohsiung Multifunctional
Commerce and Trade Park



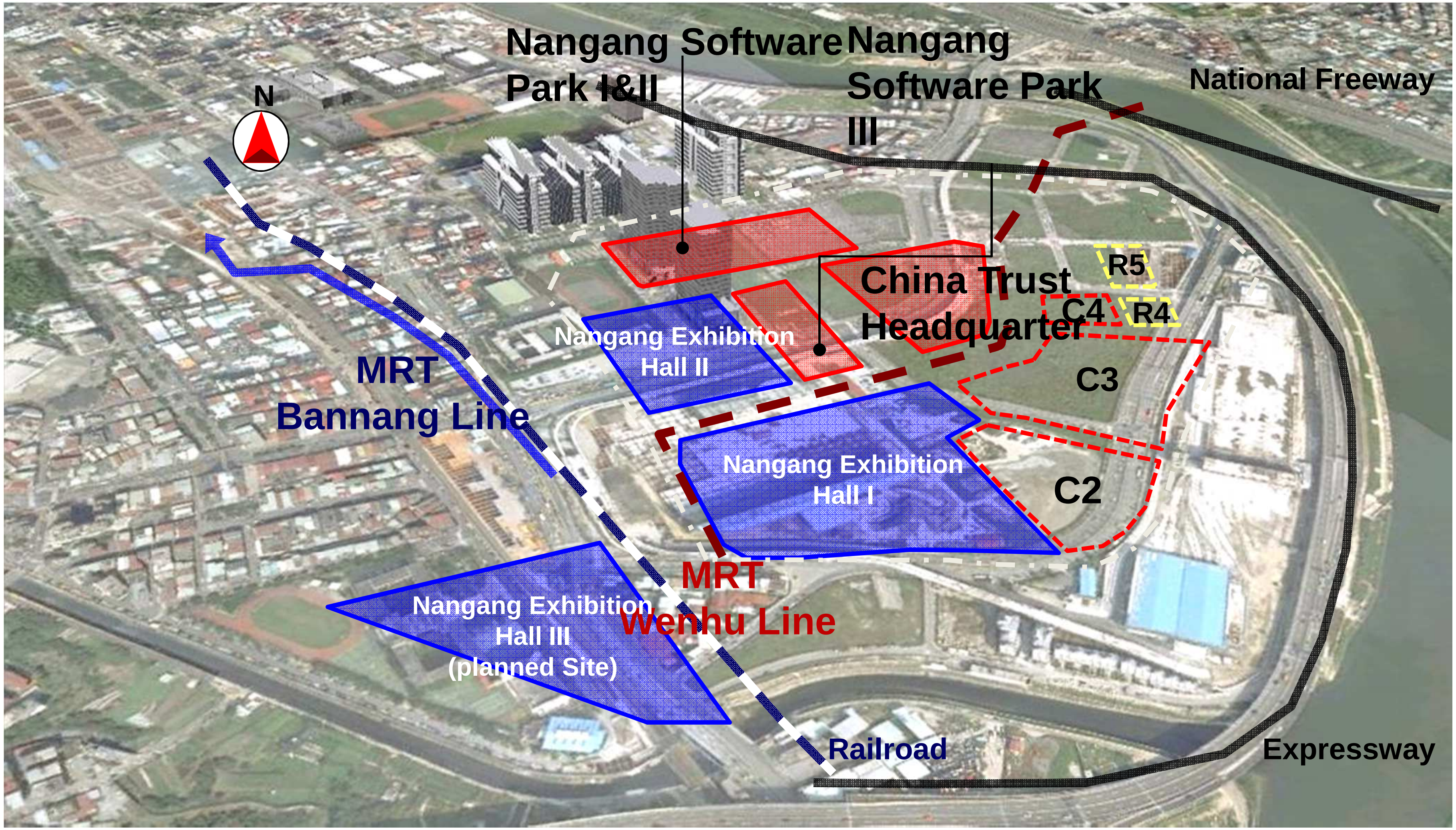
Keelung Mixed-Use Development

Nangang C2C3C4 Development

Hualien DSW & Ocean Holiday Park

5、The Current Situation of Land Develop.

Significant Developments in Nangang



Land Development Project– R5

- R5 (TFC′ s Portion)
- Land Size： 6,759㎡ (2,045 ping)
- Gross Floor Area：33,778㎡ (10,218 ping)
- Units：109 units & 250 parking lots
- Expected Revenue：NT$ 9.7 billion
- Schedule: Sold out in 2011 Q1, constructed in Q4
- Handover in 2014 Q4 & 2015 Q1



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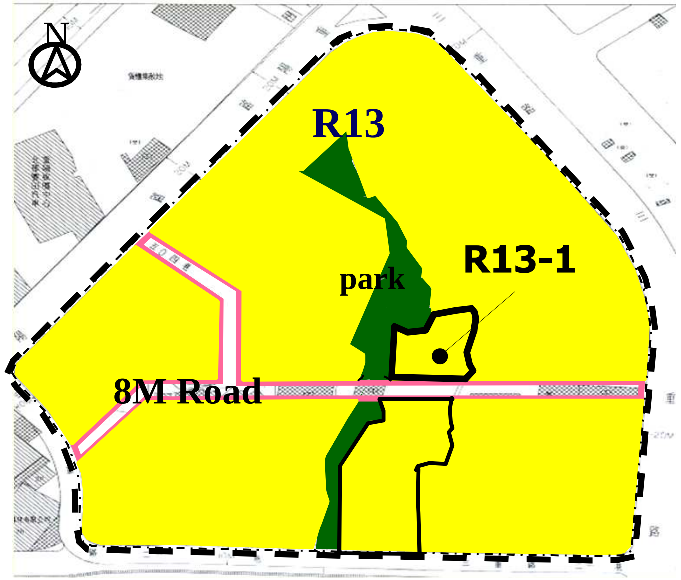
Land Development Project– C2、C3 & C4

- **C2、C3 & C4**
- Land Size：71,758㎡ (21,707 ping)
- Plot Ratio：440%(C2 & C3)；360%(C4)
- Policy :
  - C2 & C4：Rental Property Development
  - C3　　　：Superficies Releasing

- Schedule:
- Invite HCCH and Tange to design C2 architecture in 2011 Q4
- C2 hotel called for tender in 2012 Q4. Grand Hi-lai Hotel and Caesar Park Hotel are the bid winners. Applying for construction license.
- C3 superficies releasing project approved by the board of directors. Preparing to call for tender.

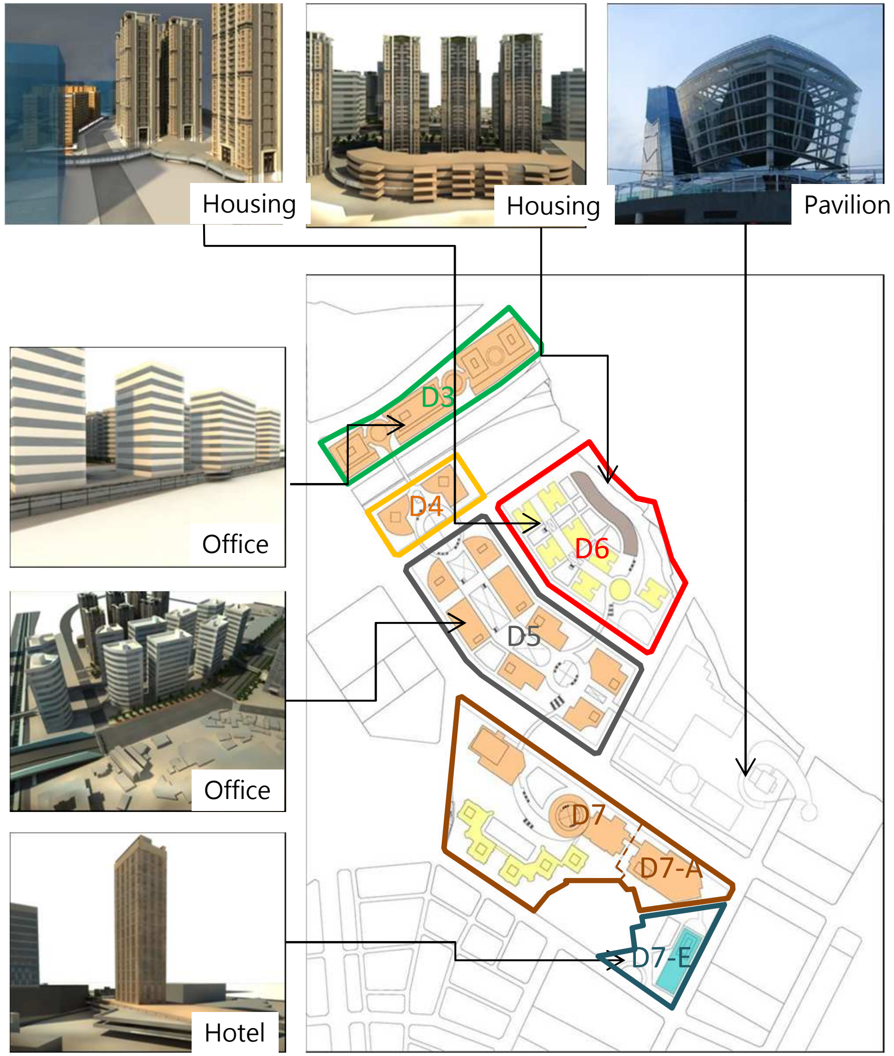
Land Development Project – R13-1

- **Nangang R13-1**
  - Land Size ： 1,110㎡ (335.78 ping)
  - Gross Floor Area ：3,968.05 ㎡
  - Program ：Housing
  - Schedule ：
    - In the progress of urban renewal .



Urban Land Readjustment Implementation by the Private Sector-Hsinchu

- First stage：
  - 11.6 hectares of land which will be completed in 2015 。
- Second stage：
  - 10.4 hectares of land which is in progress。



Land Development Project– Hsinchu Tech Business Park

- **D7-A & D7**
  - Land Size ：58,800㎡ (17,787ping)
  - Plot Ratio ：210%
  - Program ：Office(D7-A) and Housing(D7)
  - Schedule ：
    - The construction of office began on 2014 Q1。
    - Residential program is planning。

Land Development Project–
Hsinchu Tech Business Park

- ***D3Mobile City (short-term use)***
- Land Size：22,834㎡ (6,907 ping)
- Plot Ratio ：210%
- Expected Total Investment：NT$25 million
- Program：Mobile showroom & maintenance station

- Schedule：
- 1. Leased 6,979 pins.
- 2. Current annual rental income is NT$37.9 million.

Land Development Project–Kaohsiung Multifunctional Commerce & Trade Park

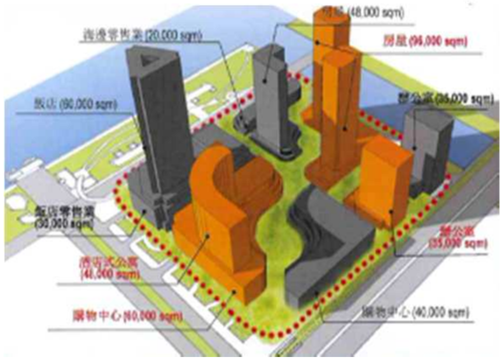
Kaohsiung Multifunctional Commerce &Trade Park

Land Size：161253㎡
(48,779 ping)

Plot Ratio ：490％

Program ：Retail、Office、
Hotel、Condotel、
Cultural Facilities

Schedule ：Rezoning of Trade
Park 7C & 7D



Land Are
a

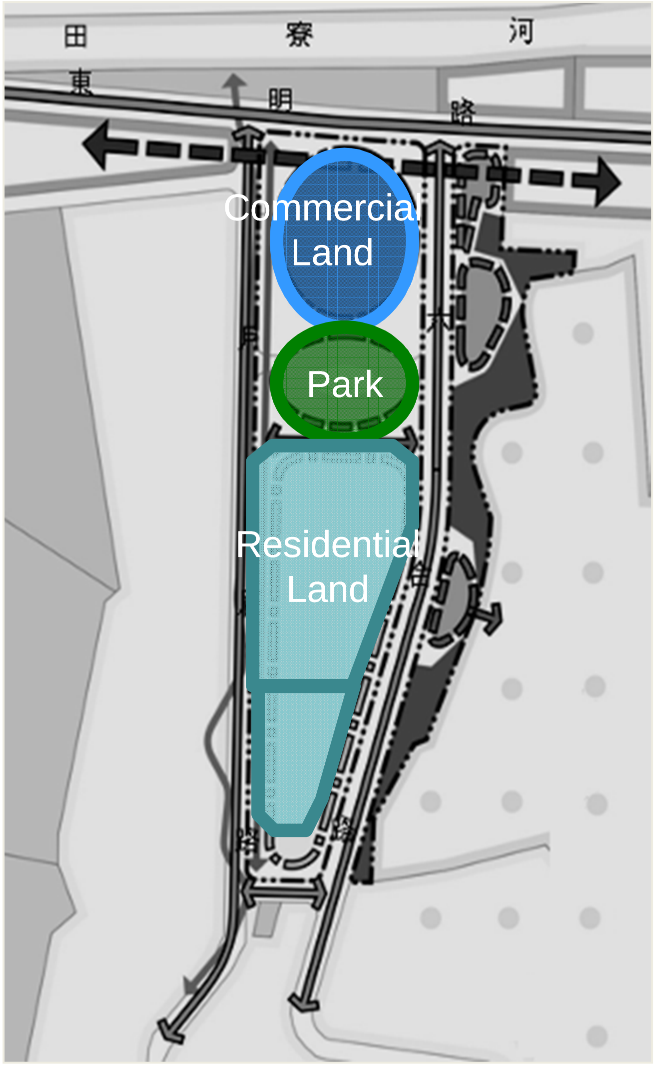
Hualien DSW & Ocean Holiday Park

- DSW & Ocean Holiday Park
  - Land Size ：458,627㎡
  - Plot Ratio ：210%
  - Schedule ：
    - D-PARK has opened in 2014 .
  - Mei-Lun , Hualien：
    - Hotel investment plan has been approved by the Board in 2014 .

Land Development Project–Keelung Mixed-Use Development

Dong-ming Rd., Keelung

Land Size：35,563㎡ (9,772pin)
Plot Ratio ：150%
Program ：Housing、Office、Retail
Schedule ：Change of the industrial districts in urban planning



6、Conclusion and Future Direction

- Priority Development Areas ：
  - Surrounding environment and market conditions is ready for development , we will step by step to develop .
  - (1)houseing、(2)office、(3)hotel or (4) superficies .
- Land with development potential：
  - In initial stage , we will lease the land to someone . When the time is ripe , the company will try to develop .
- Fragmental land：
  - At the appropriate time , the company will (1)lease、(2)participate in urban renewal、(3) development cooperation or (4)sale .
- Land reservation for public facilities ：
  - The company will , (1)apply for tax savings、2)land expropriation、(3)urban building capacity transfer or (4)change of land use zoning .
- Propose future planning .

Thank You !