



Taiwan Fertilizer Co., Ltd. (1722 TT)
Company Introduction

November 20th, 2018

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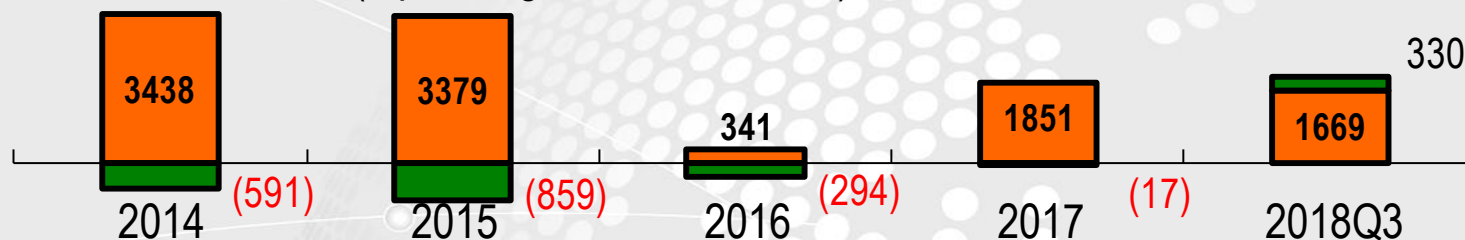
History and Milestones

- 1946** → TFC was established by the government and initiated to produce fertilizer & chemical products
- 1980** → Established a 50:50 JV, Jubail JV with SABIC Co. in Saudi Arabia to produce Urea & Ammonia
- 1993** → Agreed to invest in 2-EH project in Al-Bayroni and to extend JV contract until 2013
- 1999** → TFC was privatized, but the government is still the largest shareholder with 24% stake
- 2009** → Agreed to extend JV contract for another 20 years after 2013
- 2013** → Taichung plant was formally operated. Focus on the fertilizer chemical production business, and conducted land activation policies.
- 2016** → In coordination with government “the New Southbound policy”, the Board of Directors passed the “Construction of Taichung Harbor West Dock 10” project to expand the international market.
- 2017** → Cooperated with government fertilizer policies, TFC has accomplished the goal of total “Biotec-organic” solution.



TFC's Financial – Breakdown(1)

■ Core Business(Operating Profit+ Jubail JV)
 ■ Others
 NT\$ Million



NT\$ Million

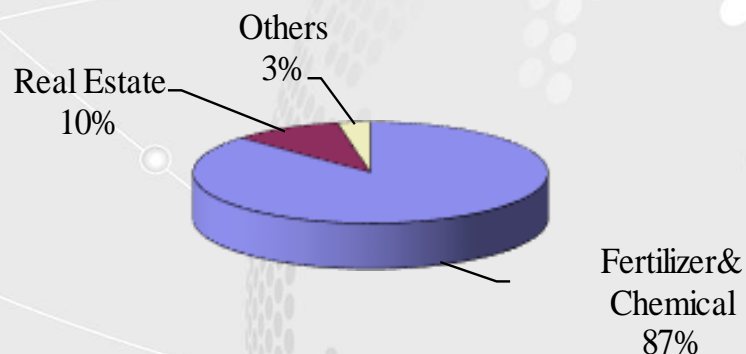
Year	2014	2015	2016	2017	2018Q3
Operating Income	1,660	2,345	596	1,228	1,084
Jubail JV	1,778	1,034	(255)	623	585
Core Business	3,438	3,379	341	1,851	1,669
Others	(591)	(859)	(294)	(17)	330
Income before Tax	2,847	2,520	47	1,834	1,999



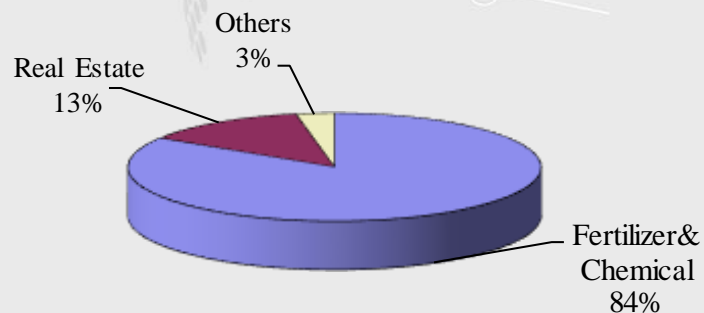
TFC's Financial – Breakdown(2)

Total Revenue

2018Q3: 9.08Billion

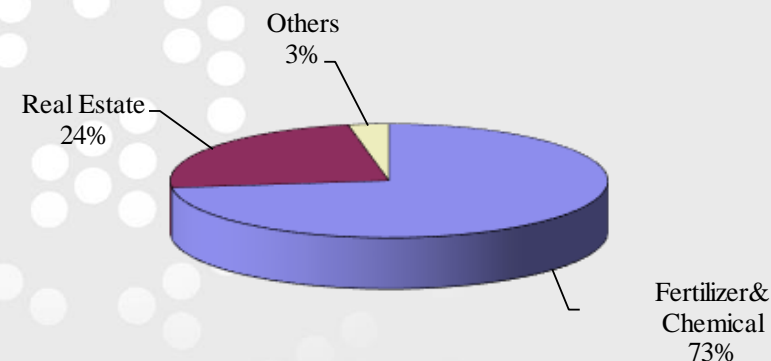


2017: 11.66 Billion

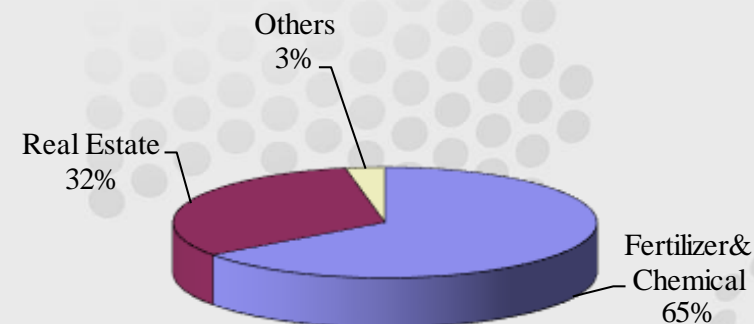


Gross Profit

2018Q3: 2.06Billion



2017: 2.6 Billion



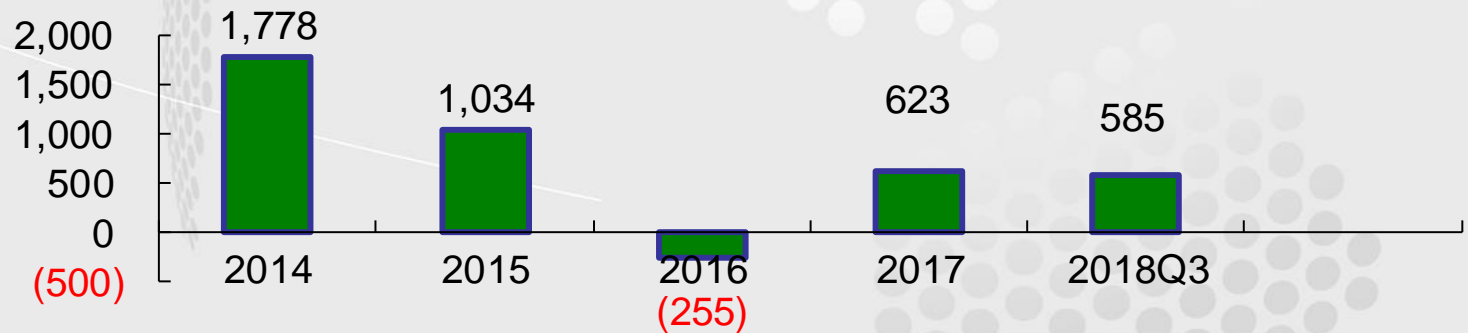
TFC's Financial – Overseas investment

■ Saudi Arabia- Jubail JV

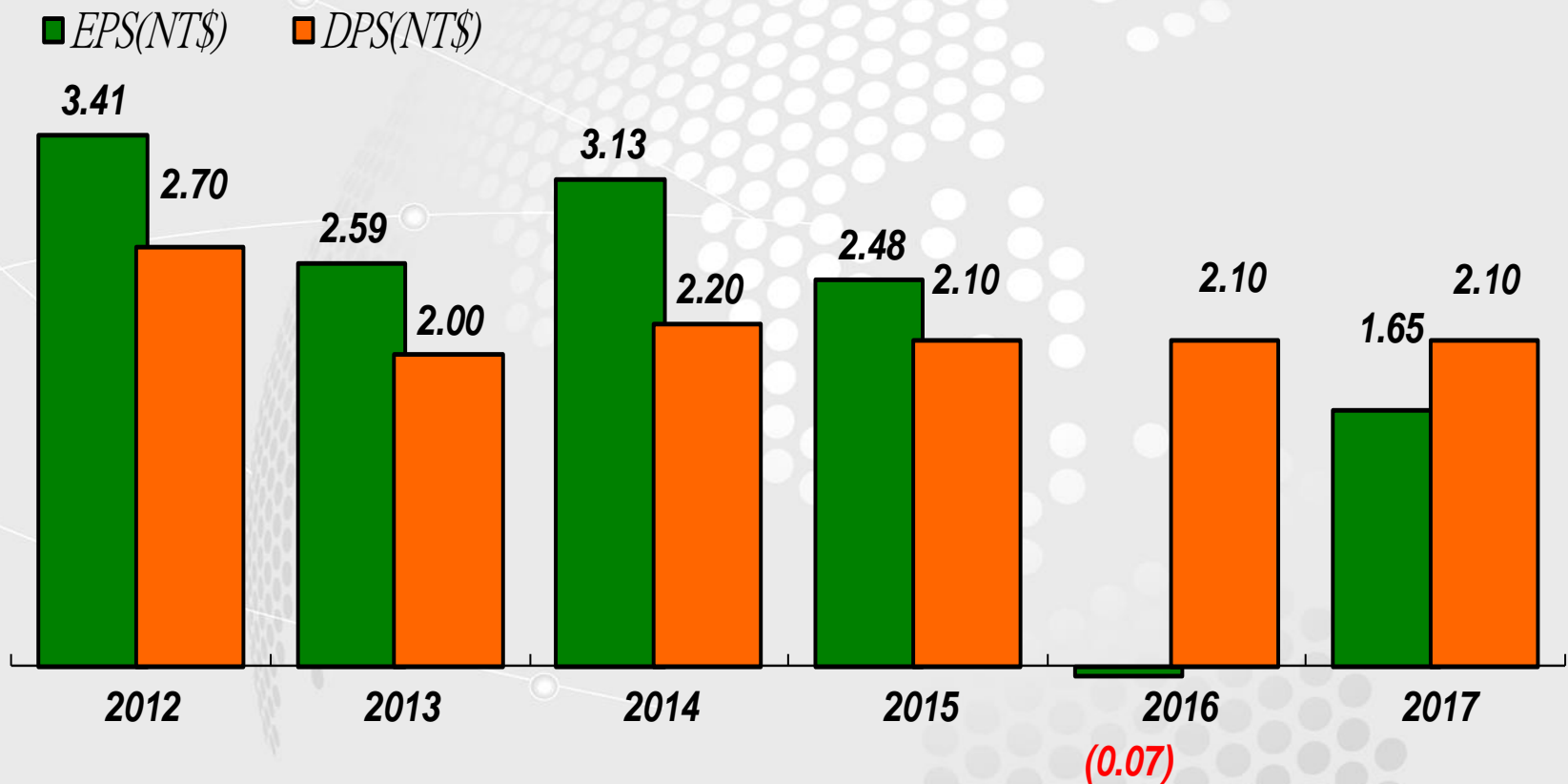
Four Main Products: Urea, Ammonia, 2-EH, DOP

■ Share of profits of Jubail JV(TFC Account)

NT \$ million



TFC Dividend Policy



- TFC historically maintained a high cash payout ratio.
- Dividend policy: stable growth and mainly paid out with cash dividend.



Production capacity&Location

Business	Factory	Product Item	Capacity (mt/kl)
Fertilizer & Chemical	Taichung	nitrate-based compound fertilizer	325,000
		cerium-phosphorus compound fertilizer	140,000
		ammonium sulfate	150,000
		superphosphate	120,000
		nitric acid(65%)	165,000
	Miaoli	organic compound fertilizer	6,000
		instant compound fertilizer	3,500
		biotechnology nutrient solution	600
		phosphoric acid	5,500
		NMP	3,000
		electronic-grade nitric acid	7,200
		electronic-grade ammonia water	7,200
		Hualien	Deep Ocean Water
Deep Ocean Water Production Park			
(Former Nangang)	Nangang Business-Trade Park		
(Former Hsinchu)	Hsinchu Tech Business Park		
Real estate & Investment	(Former Kaohsiung)	Kaohsiung Multifunctional Commerce & Trade Park	



Fertilizer & Chemical Business

Fertilizer Business in Taiwan

■ What we supply—

Compound and single nutrient fertilizer products.

■ Where our market—

Fully supply to domestic farmers

■ Who we are—

Leading company in fertilizer market, taking 70% of market share in general.

Chemical Business in Taiwan

■ What we supply—

Ammonia, sulfamic acid, untreated urea, nitric acid, electronic and precision chemicals, oleum, melamine, etc.

■ Where our market—

Except some portions of sulfamic acid and nitric acid products sold to overseas, mainly for domestic industries in Taiwan.

New Directions—

■ Construction of Taichung Harbor West Dock 10 Project

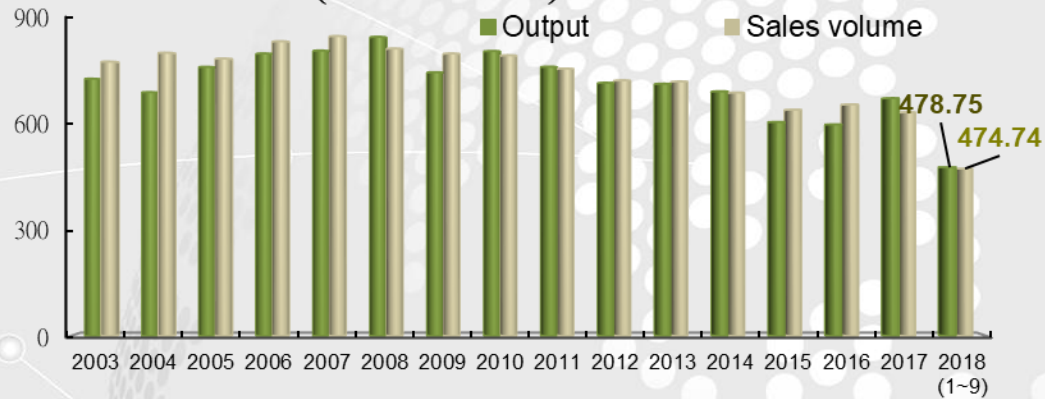
■ Seeking logistic & trading Opportunities in Southeast Asia

■ New Southbound Policy

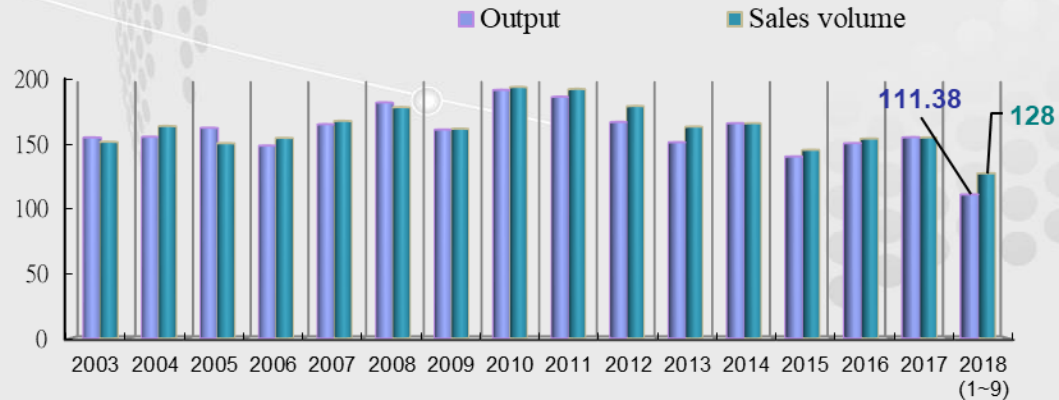


Production & Sales

Fertilizer Production and sales trend chart
(thousand tons)



Chemical Production and sales trend chart
(thousand tons)



Construction of Taichung Harbor West Dock 10 Project

Purpose—

1. Supplying compound fertilizer for domestic market , and in coordination with government New Southbound Policy.

2. Seeking new investment opportunities in logistic & trading business, engaged in chemical trading market.

Area—

TFC set up the new subsidiary enterprise of Pei Feng Technological Co., Ltd. , the Corporation leased from the Taichung Harbor Bureau, a 43,000-square meter lot in a special petrochemical industry zone in Taichung.

Schedule—

Construction period: 2016.11~2020.6

Scheme I : Land leasing , preparing and allocation plan.

Scheme II: Set up the utility system , chemical tanks , storage and transportation system.

Scheme III: Apply for the factory registration.

Scope—

Including Fertilizer & Chemical Products.

Total Investment—

Total Investment: 23.67 Billion



Source from: Google earth



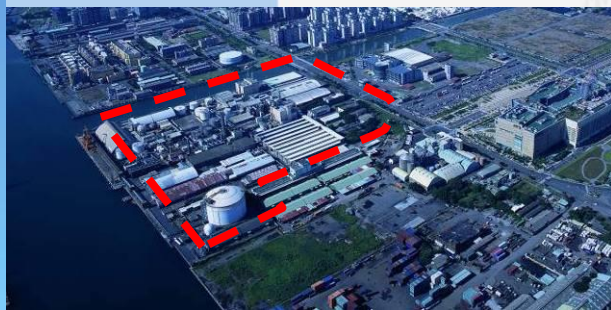
Land Development- Map of Significant Projects



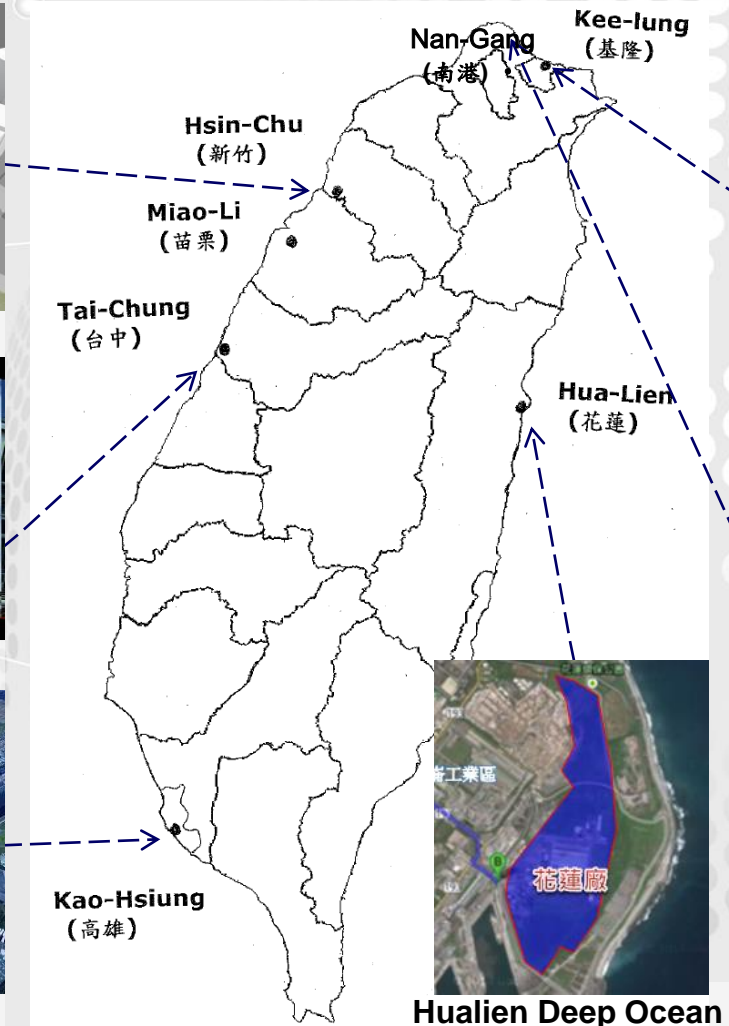
Hsinchu Tech Business Park



Taichung Relocation Plant



**Kaohsiung Multifunctional
Commerce and Trade Park**



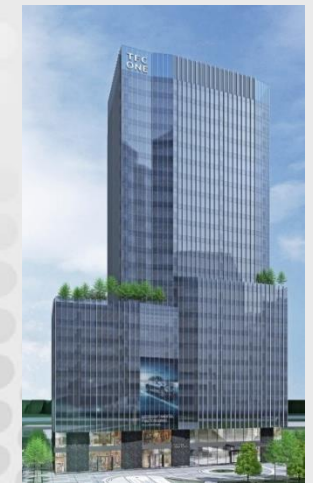
**Hualien Deep Ocean
Water Production Park**



Keelung Medical Park



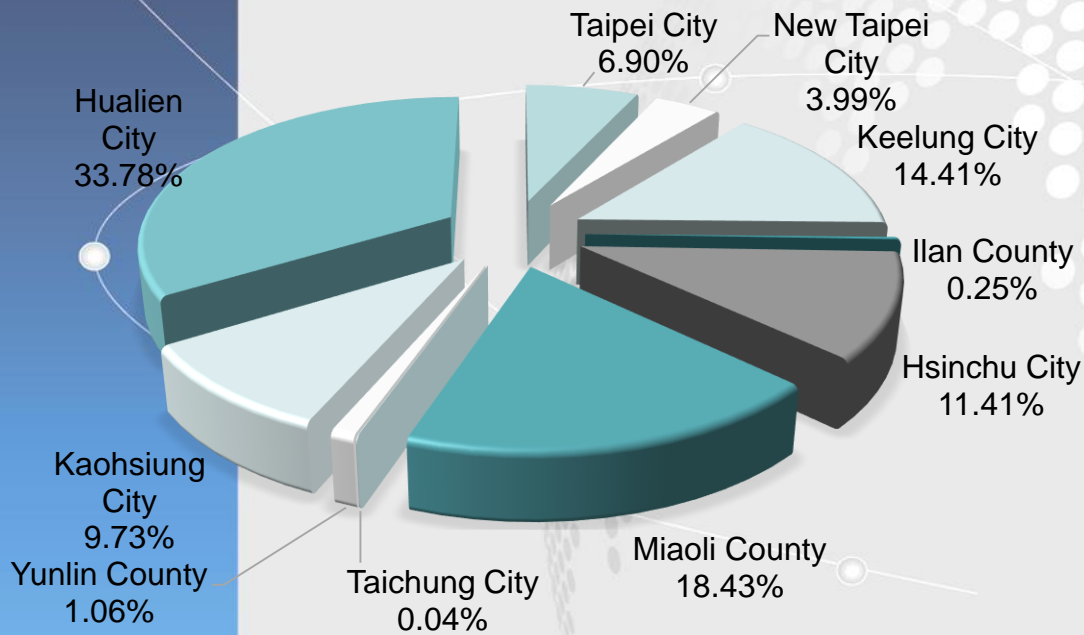
**Nangang
Business-Trade
Park No.C2
Project**



**Nangang
Business-Trade
Park No.C4
Project**



Land Bank



Location	Lot of land	size(m ²)
Taipei City	74	114,468.64
New Taipei City	123	66,229.64
Keelung City	234	239,000.12
Ilan County	8	4,116.75
Hsinchu City	39	189,199.35
Miaoli County	118	305,667.65
Taichung City	1	581.62
Yunlin County	1	17,510.00
Kaohsiung City	26	161,375.10
Hualien County	44	560,082.00
Total	668	1,658,230.87

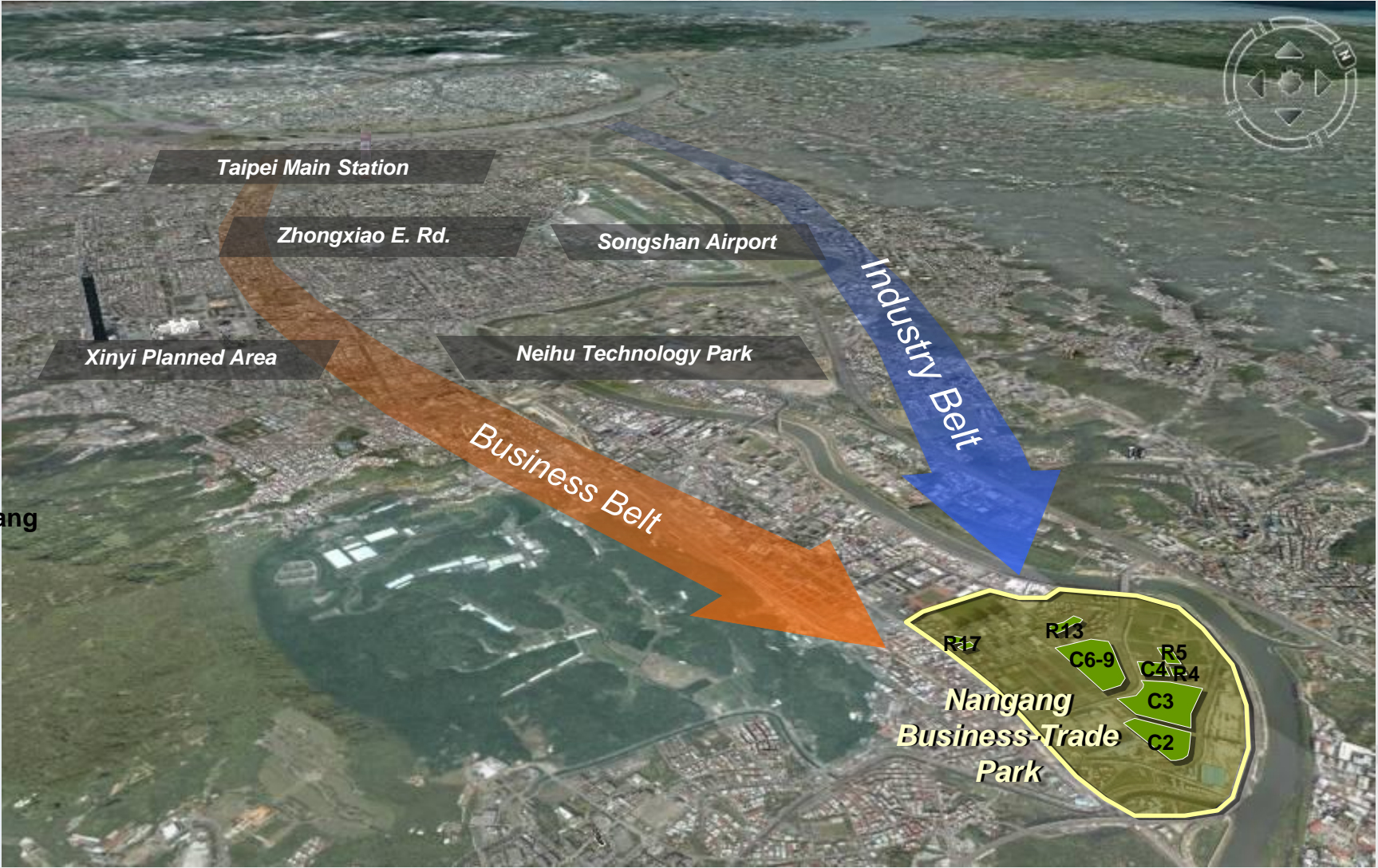
Remarks : The data collection date is September 30, 2018.



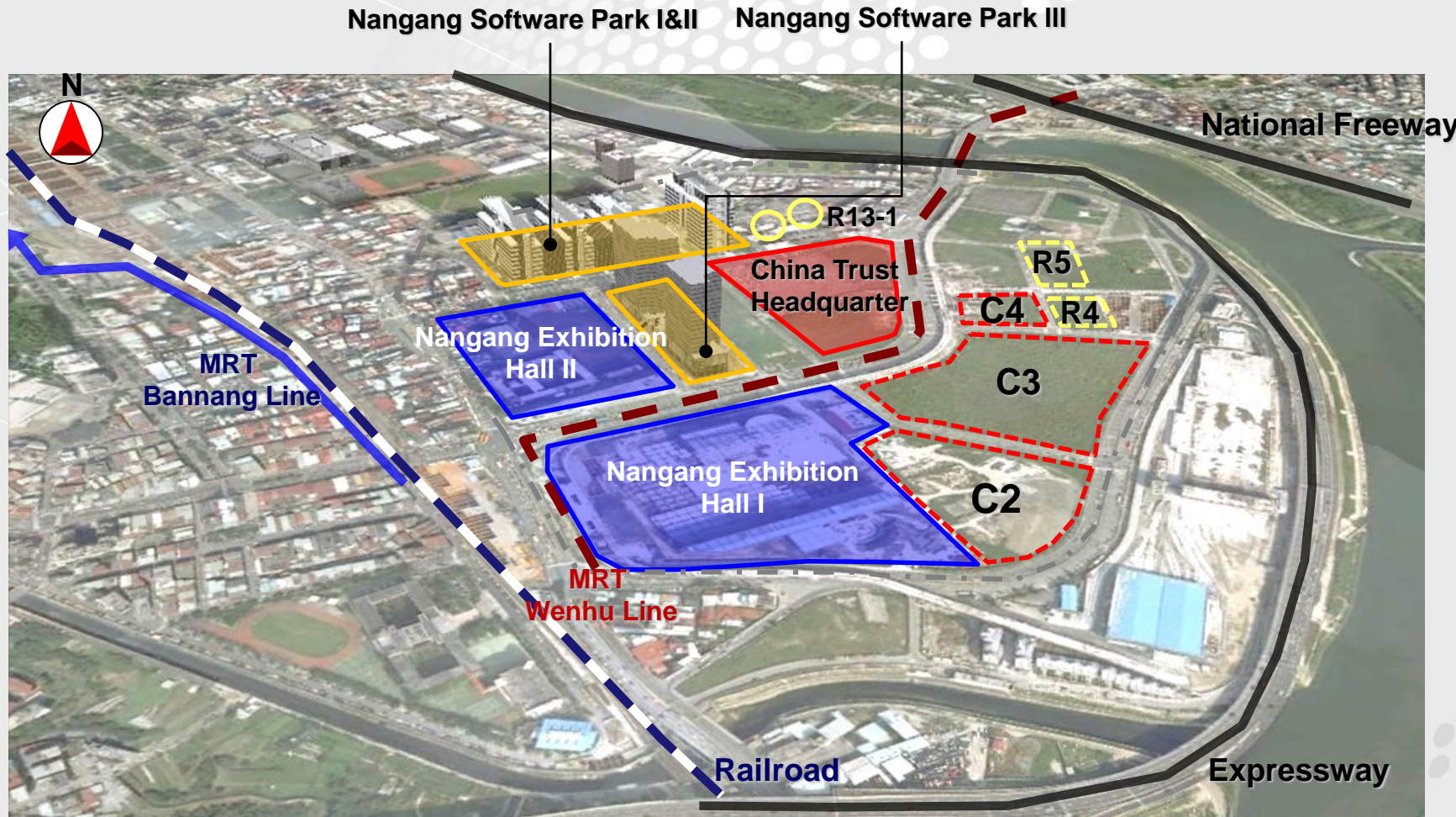
2018 Land Development Plan

Area	Size(ping)	Size(m ²)	Current Status
Nangang Business-Trade Park No.C2 (Taipei)	7,051	23,310	1. All leased out. 2. Building permit approved. Diaphragm wall construction completed.
Nangang Business-Trade Park No.C3 (Taipei)	12,565	41,537	The right of superficies has been given to Taiwan Life Insurance Co., Ltd. for 45 years.
Nangang Business-Trade Park No.C4 (Taipei)	2,091	6,911	1. Construct and operate the Commercial building by TFC 2. The project complete architectural design and urban design review committee permit.
Hsinchu Tech Business Park No.D7 (Hsinchu)	17,790	58,810	1. D7-A Commercial building has completed in 2017 and ready for recruiting the tenants. 2. Remaining land is still in the planning stage.
Nangang Business-Trade Park R5(Taipei)	2,045	6,759	Except three households, the rest have been sold out.
Nangang Business-Trade Park No.R13-1(Taipei)	336	1,110	Urban renewal review permit and Building permit Approved.
Keelung Medical Park (Keelung City)	9,448	31,235	Our company, government and Potential investor have worked together to plan for a Medical Park .
Kaohsiung Multifunctional Commerce and Trade Park (Kaohsiung City)	48,779	161,253	“Urban land Readjustment ” Implementation by Kaohsiung City.
Hualien Deep Ocean Water Production Park (Hualien Factory)	138,734	458,627	Starting the program of Deep Ocean Water Production Park from April,2011, 14 and taking a Staged Development Plan .

Location of Nangang



Significant Developments in Nangang Business-Trade Park



Nangang Business-Trade Park No.C2 Development Plan—Hotels and Commercial Building



Land size : 23,310 m² (7,051ping)

Plot Ratio : 440%

Building Coverage Ratio: 60%

Program :

- GFA : Around 199,172.15m² (around 60,000 ping)
- Tower A : Hotel/26F
- Tower B : office space/ 28F
- Tower C : Hotel/ 17F
- 4F below ground

Strategy : Rental Property Development

Status :

1. Building permit approved in 2017.
2. Diaphragm wall construction completed in May, 2018. Main structure is under construction. The whole project estimated to be completed in 2023.
3. All leased out, Tower C lease is in the progress of reaching an agreement.



Nangang Business-Trade Park No.C4 Development Plan—Commercial Building



Land Size : 6,911 m² (2,091 ping)

Plot Ratio : 360%

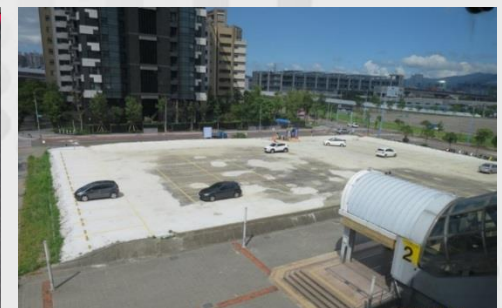
Building Coverage Ratio: 60%

Total Floor area : 59,541.87m² (about 18,011.4 ping) ; 24 floors
/5 floors below ground.

Policy : Rental Property Development

Status:

- 1.The project planning one commercial building and complete architectural design and urban design review committee permit. It estimated to be completed in 2026.
2. Connecting bridge will be designed to connect Nangang Software Park Station ,C3 and C4.



Nangang Business-Trade Park No. R13-1 Development Plan—Residential



Land Size : 1,110 m²

Building Coverage Ratio : 45%

Plot Ratio : 225%

(Urban renewal reward+Floor area transfer
→ 370.98%)

Policy :

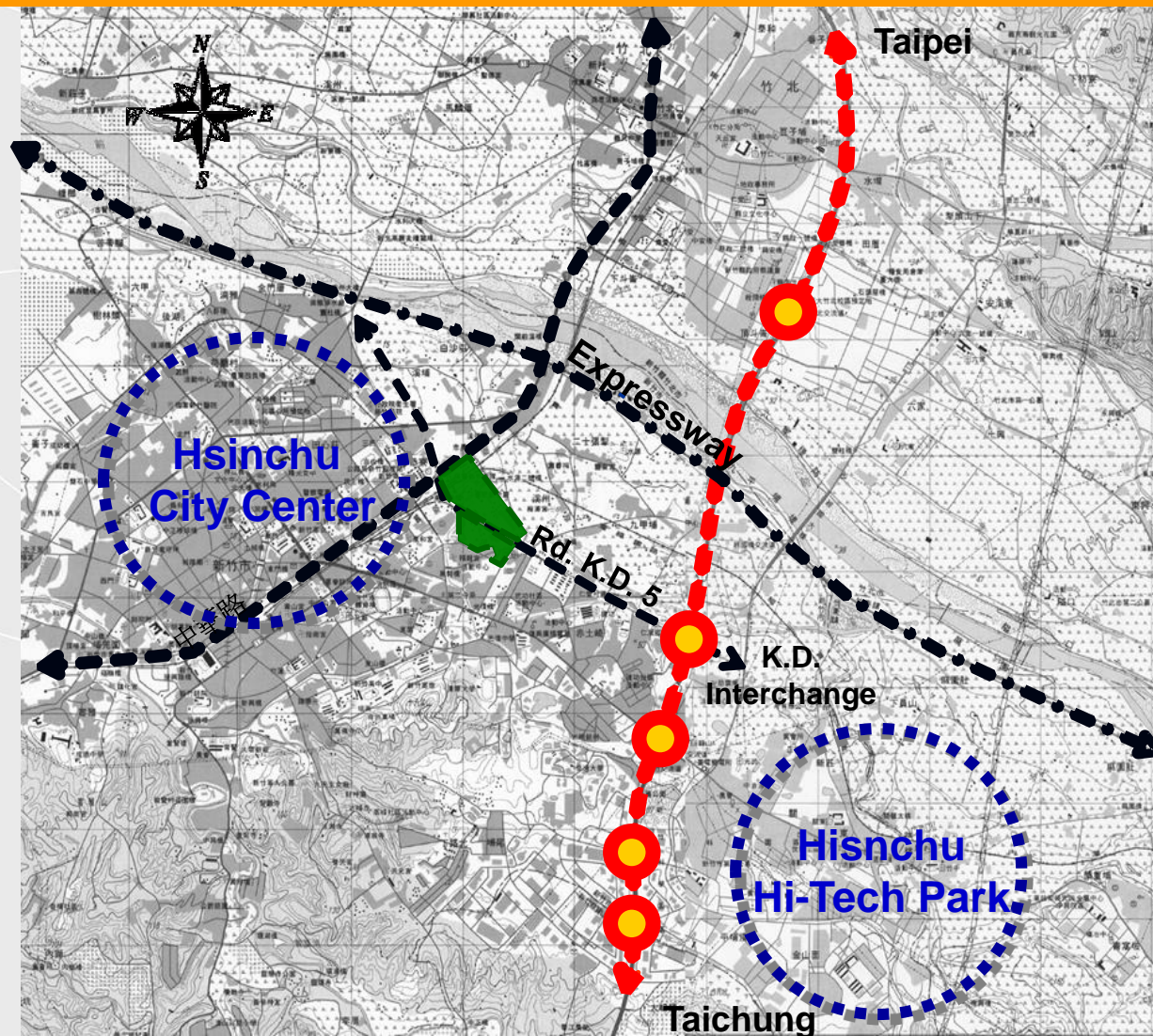
1. Total Floor area 6,993.38m².
13 floors /3 floors below ground.
2. Residential production for sale.
Applied to the Regulations of Right
Transfer of Urban Renewal °

Status:

1. GFA : 1,901ping(59units)/ 46 parking
spaces
2. GFA(for sale) : 1,873ping(58units)/
46parking spaces
3. Urban renewal and Building permit
Approved in 2017 and Construction
Registration approved in 2018.



Location of Tech Business Park



Hsinchu Tech Business Park



Land Size : 269,115m² (81,407ping)

Land reservation for public facilities :

78,534 m²(23,756 ping)

Plot Ratio : 210%

Status : Urban Land Readjustment Implementation
by the Private Sector

1. First stage (D3, D4, D7)

- In the progress of property registration.
- The project will begin once approved by Hsinchu City Government.

2. Second stage (D5, D6)

- A documentary review of land replotting Construction Specification.
- The Construction is going to begin. It estimated to be completed in 2020.



Hsinchu Tech Business Park



Hsinchu Tech Business Park(D3-D7)

Land Size : 162,578m² (49,180 ping)

Plot Ratio : 210%

Building Coverage Ratio : 65%

Hsinchu Tech Business Park(D7-A)

Land Size : 70,756m² (21,404 ping)

Plot Ratio : 210%

Building Coverage Ratio : 65%

Program : Office 、 Residential

Status :

1. D7-A Construction has completed in 2017 and ready for recruiting the tenants.
2. Rest of the land is still at the planning stage.



Hsinchu Tech Business Park

D3 Mobile City (short-term use)

Land Size : 22,715.29m² (6,871 ping)

Plot Ratio : 210%

Building Coverage Ratio: 65%

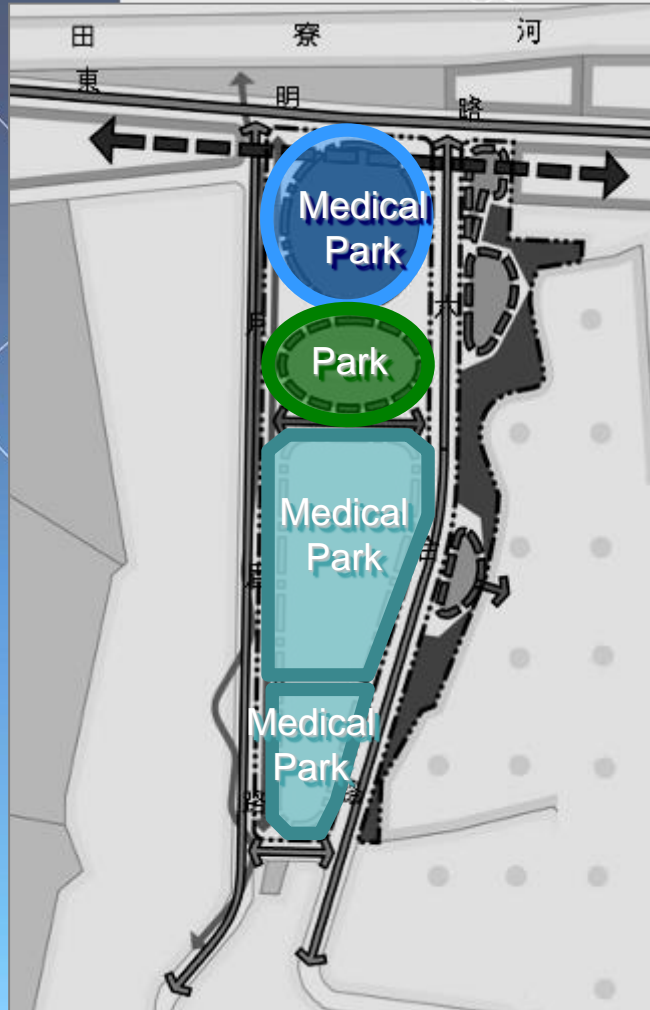
Program : Mobile showroom & maintenance station

Status :

1. Leased 6,871 ping to Audi, Toyota, Volkswagen.
2. Current annual rental income is NTD \$37 million.



Keelung Medical Park



Land Size : 31,235m² (9,448 ping) (Type Yi Industrial land)

Plot Ratio : 150%

Building Coverage Ratio : 60%

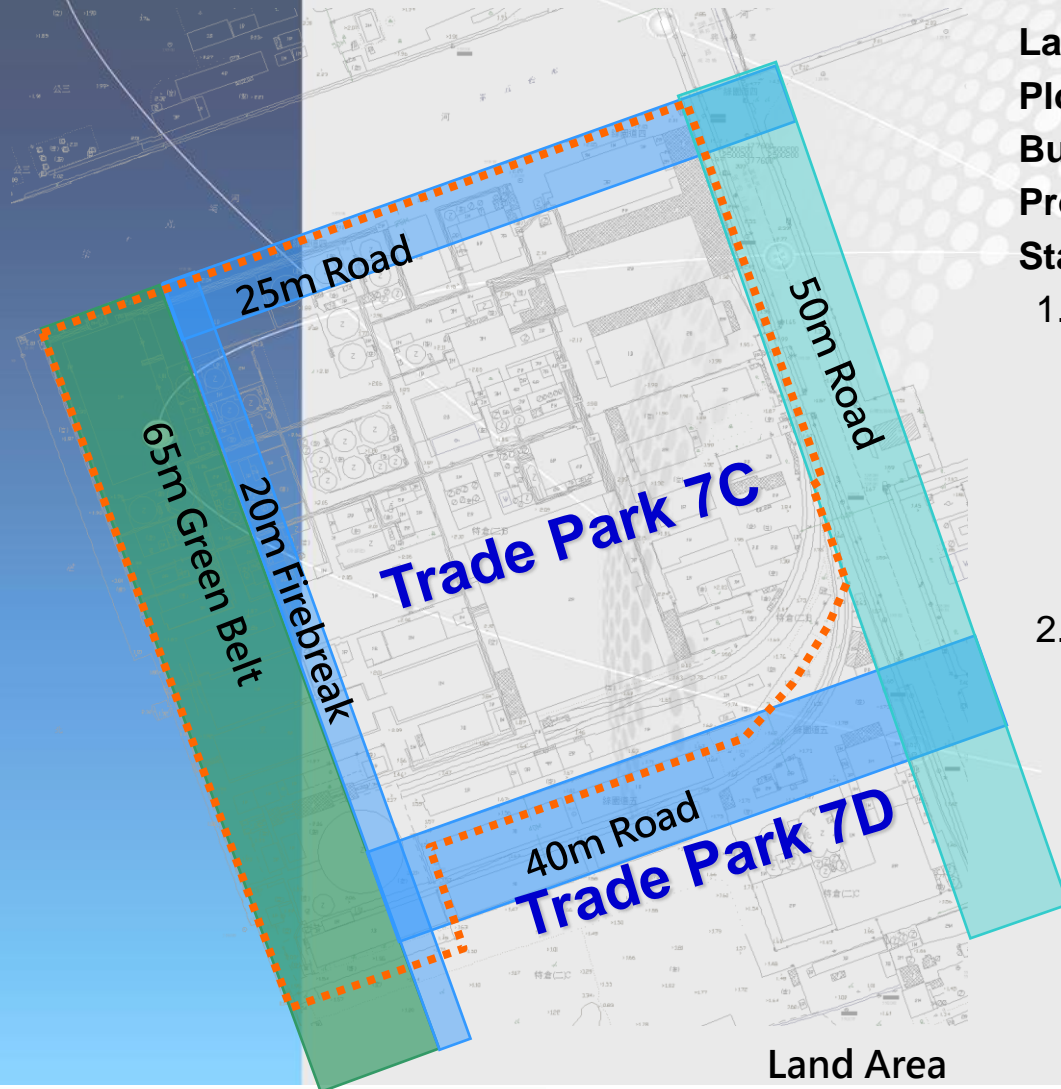
Program : Medical Park

Status :

1. Our company, government and Potential investor have constituted a task project team.
2. The expected occupier has applied for the evaluation of Feasibility of relocation. Currently, the investigation and the analysis of the base are accomplished, whereas the financial affair is still under evaluation.



Kaohsiung Multifunctional Commerce & Trade Park



Land Size : 161,253m² (48,779 ping)

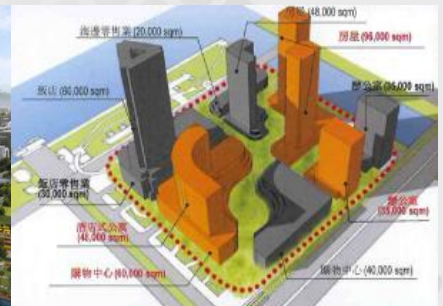
Plot Ratio : 490%

Building Coverage Ratio: 60%

Program: Mall 、 Office 、 Hotel 、 Cultural Construction

Status :

1. Trade Park 7C & 7D area have been torn down and cleared. Trade Park 7C is now developing “Urban Land Readjustment” ” Implementation by Kaohsiung City government and working on the procedure of Replotting Specification which would be reviewed by Ministry of Interior.
2. Trade Park 7D is still under replotting by government and estimated to be completed in 2020.



Hualien Deep Ocean Water Production Park

Land Size : About 46 hectare in Hualien Factory

Summary : Using the features of ocean deep water to develop diversified products and related value-added industry, and also to activate the land.

Program : Manufacturing and sale of bottled drink water 、 salt manufacturing 、 processed food additives 、 cosmetics and functional food ; aquaculture and its processing.

Status :

1. First Stage(2005~2011) :

- TFC invested 0.482 billion to draw deep ocean water by setting up drawing pipe and related facilities and established "Taiwan Yes Deep Ocean Water Co., Ltd. "in September,2006. TFC is running the business of bottled drink water, DOM salt, Nigari Concentrate and Cosmetics.

2. Second Stage(2011~2018) :

- Starting the program of Deep Ocean Water Production Park from April,2011, developing stage by stage.
- To draw the attention of investors, it's mainly divided into aquaculture area, manufacturing and processing area, experience area. At the same time, we are working on multiple-stage aquaculture and deep ocean water production through industry-university cooperative research project. We are dedicating to achieving three one-hundred-percent goals.
- On December 2, 2016 and October 3, 2017, the Premier and President inspected the park respectively, were expected to combine and upgrade the development of Hualien's tourism industry and marine resources industry.



President Tsai Ing-Wen, Hsin-Hong Kang, the Chairman of TFC and TFC colleagues, photo taken in front of Discovery Center of DOM.



Thank You !

