



Taiwan Fertilizer Co., Ltd. (1722 TT)

Company Introduction

November 22th, 2019

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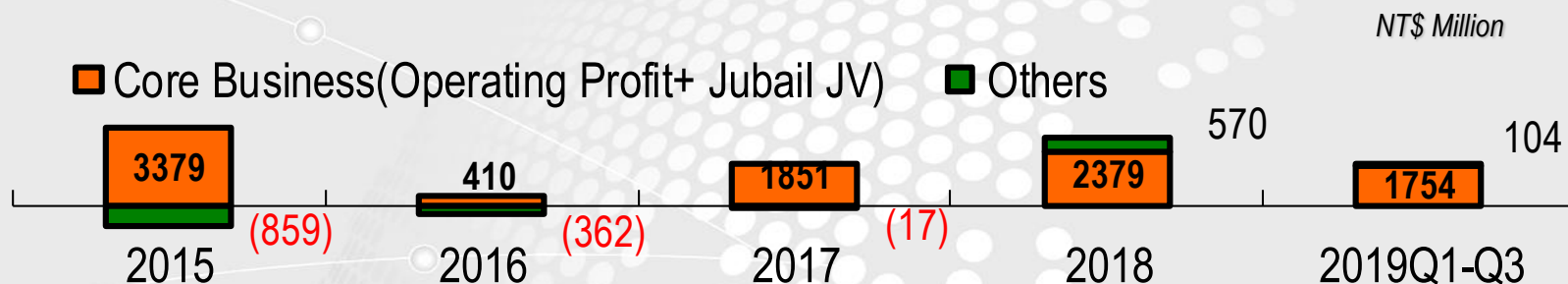


History and Milestones

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.
2018	➔	Cooperated with the government organization to set up the National Marine Resource Museum.
2018	➔	TFC won the "Platinum Award of Top 50 Corporations Sustainability Report", and was included in the FTSE4Good Index Series .



TFC's Financial – Breakdown(1)



NT\$ Million

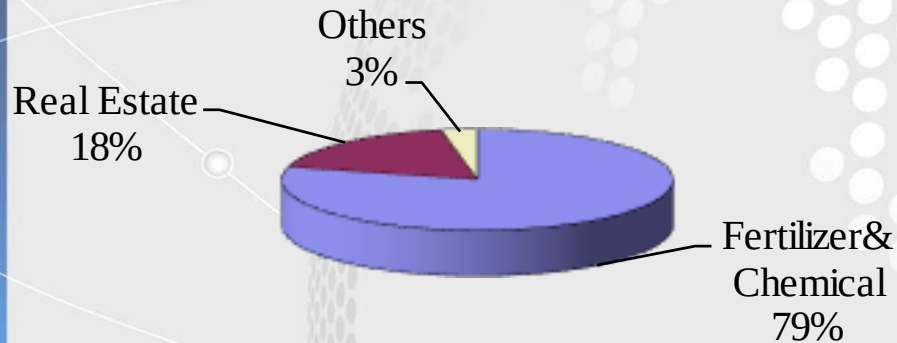
Year	2015	2016	2017	2018	2019Q1-Q3
Operating Income	2,345	596	1,228	1,286	1,104
Jubail JV	1,034	(186)	623	1,093	650
Core Business	3,379	410	1,851	2,379	1,754
Others	(859)	(362)	(17)	570	104
Net Income	2,427	(73)	1,619	2,281	1,545
Earning per share (dollar)	2.48	(0.07)	1.65	2.33	1.58



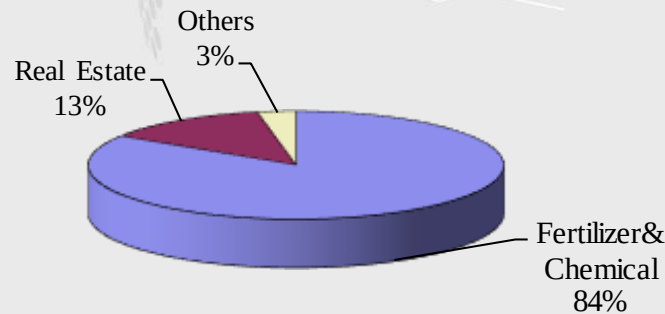
TFC's Financial – Breakdown(2)

Total Revenue

2019Q1-Q3: 9.54Billion

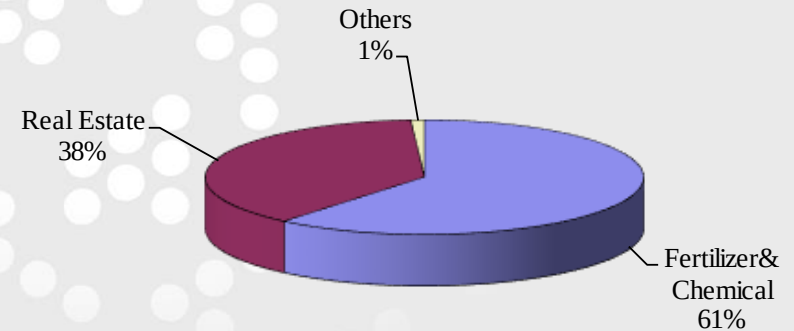


2018: 12.22 Billion

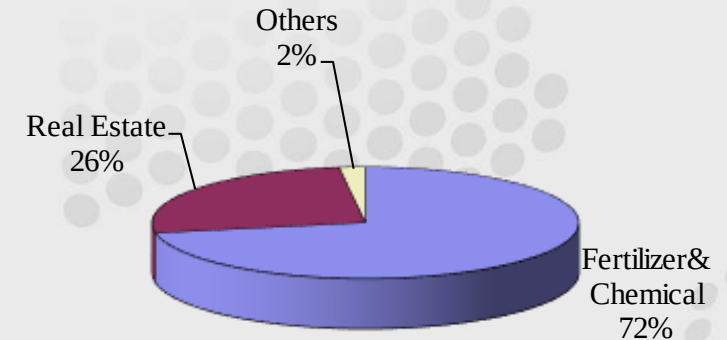


Gross Profit

2019Q1-Q3: 1.97Billion



2018: 2.8 Billion



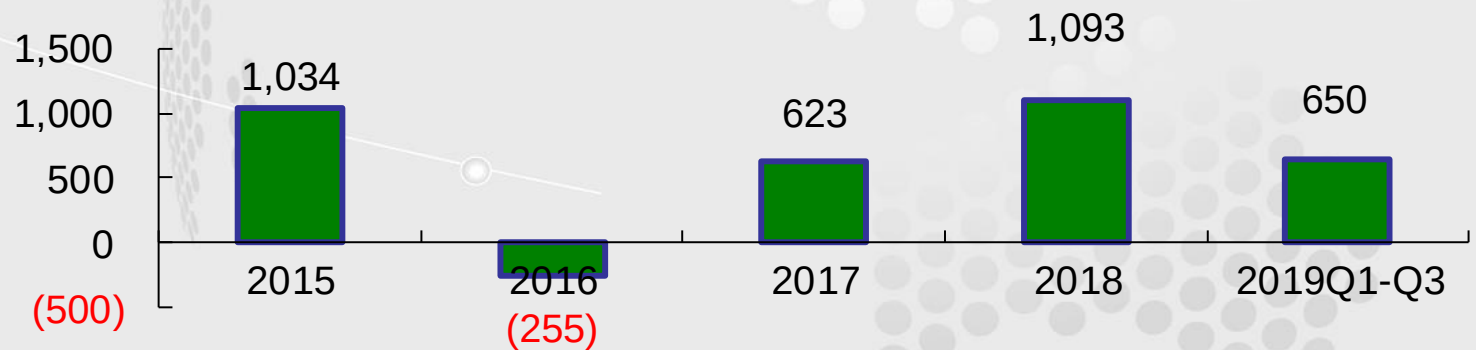
TFC's Financial – Overseas investment

■ Saudi Arabia- Jubail JV

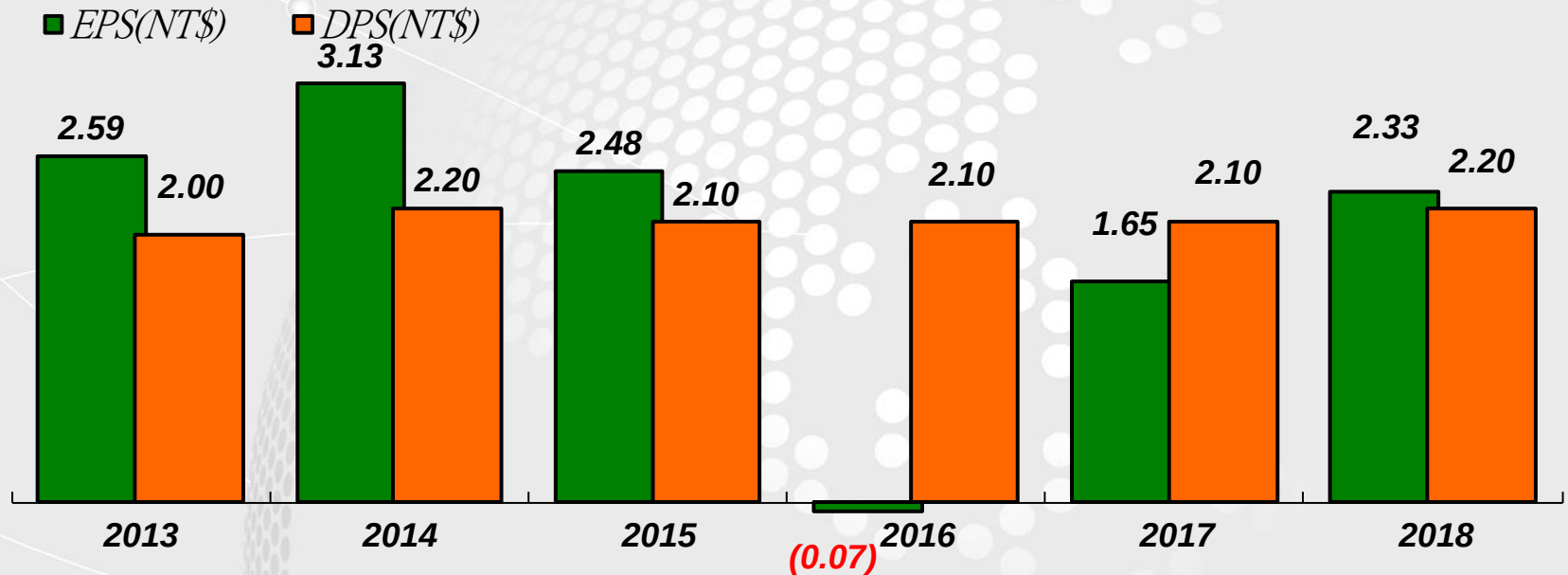
Four Main Products: Urea, Ammonia, 2-EH, DOP

■ 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	600,000
		Deep Ocean Water Production Park	
Real estate & Investment	(Former Nangang)	Nangang Business-Trade Park	
	(Former Hsinchu)	Hsinchu Tech Business Park	
	(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

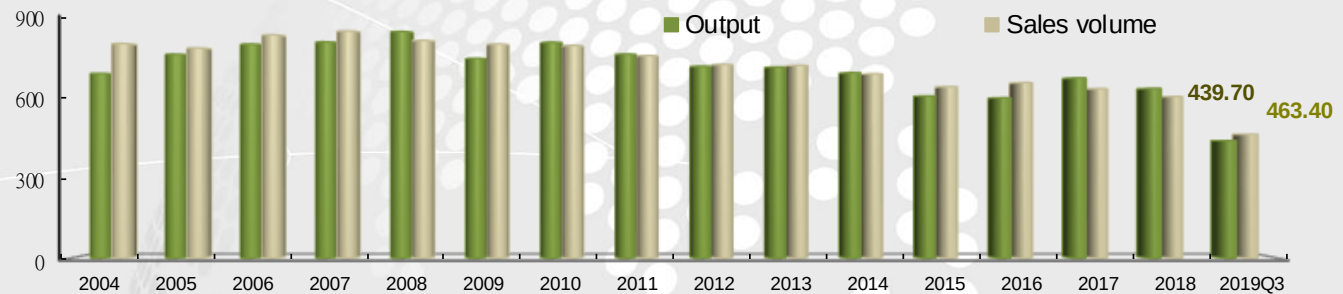
■Seeking logistic & trading Opportunities in Southeast Asia

■New Southbound Policy

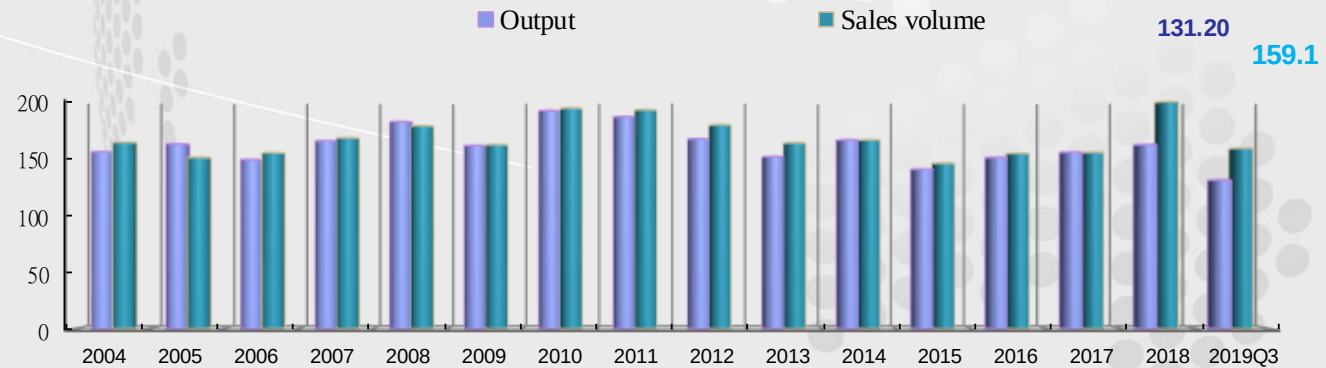


Production & Sales

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: 2.367 Billion



Source from: Google earth



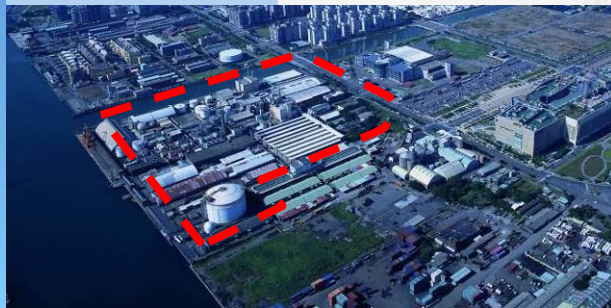
Land Development- Map of Significant Projects



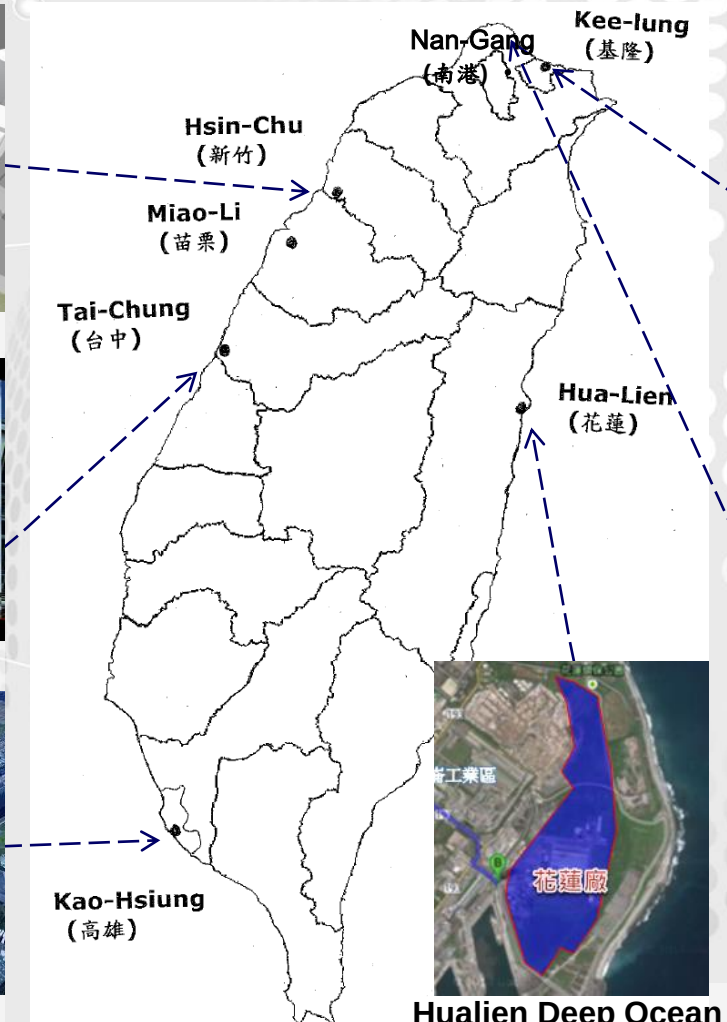
Hsinchu Tech Business Park



Taichung Relocation Plant



**Kaohsiung Multifunctional
Commerce and Trade Park**



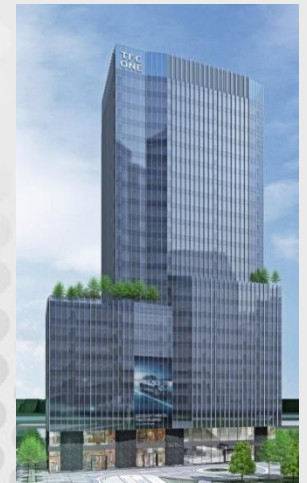
**Hualien Deep Ocean
Water Production Park**



Keelung Medical Park



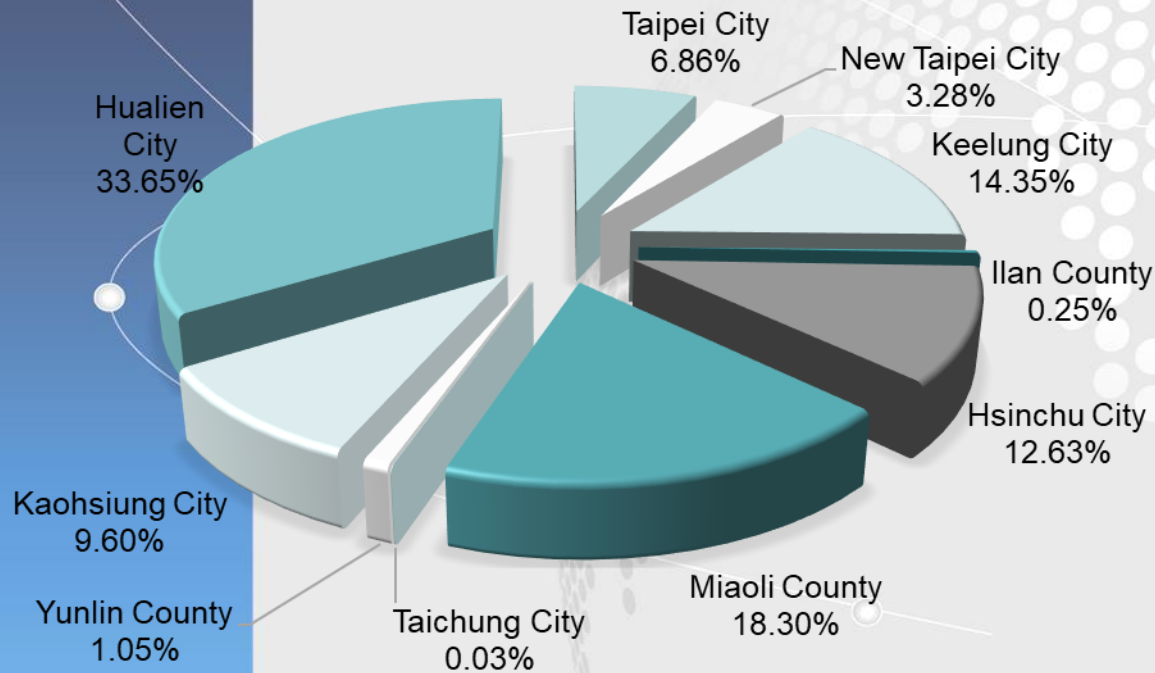
**Nangang
Business-Trade
Park No.C2
Project**



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



List of Land Assets



Location	Lot of land	size(m ²)
Taipei City	74	114,240.78
New Taipei City	109	54,602.56
Keelung City	227	238,763.12
Ilan County	8	4,116.75
Hsinchu City	52	210,146.13
Miaoli County	112	304,530.33
Taichung City	1	581.62
Yunlin County	1	17,510.00
Kaohsiung City	22	159,735.68
Hualien County	44	560,082.00
Total	650	1,664,308.97

Remarks : The data collection date is September,30, 2019.

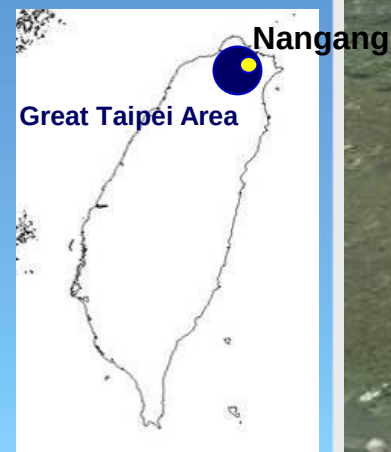


2019 Land Development Plan

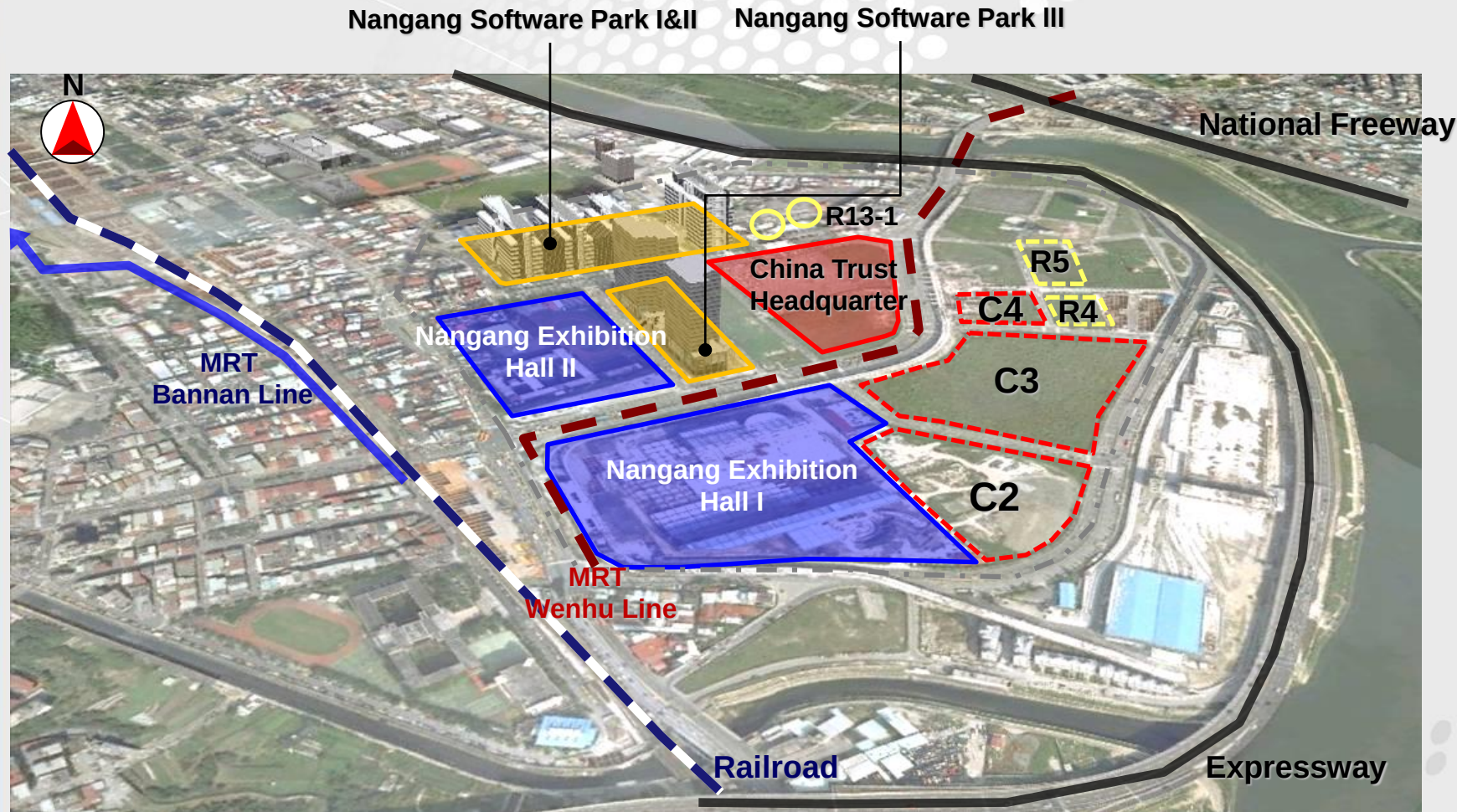
Area	Size(ping)	Size(m ²)	Current Status
Nangang Business-Trade Park No.C2 (Taipei)	7,051	23,310	1. All leased out. 2. Building permit approved. Diaphragm wall construction completed. Building under construction.
Nangang Business-Trade Park No.C3 (Taipei)	12,565	41,537	The right of superficies has been 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 architectural design and urban design are under review.
Hsinchu Tech Business Park No.D7 (Hsinchu)	17,790	58,810	1. TFC ONE is well constructed and now leasing. 2. Remaining land is still in the planning stage.
Keelung Medical Park (Keelung City)	9,448	31,235	Planning for a Medical Park, it's now under negotiation.
Kaohsiung Multifunctional Commerce and Trade Park (Kaohsiung City)	48,779	161,253	"Urban land Readjustment " implemented by Kaohsiung City government.
Hualien Deep Ocean Water Production Park (Hualien Factory)	138,734	458,627	Focusing on the program of Deep Ocean Water Production, and inviting the investment.



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 : Business Office/ 28F
- Tower C : Hotel/ 17F
- 4 Floors below ground

Strategy : Rental Management/Develop by TFC

Status :

1. Building permit approved in 2017.
2. Diaphragm wall construction completed in May, 2018. Main structure is under construction. The whole project is estimated to be completed in 2023.
- 3.All leased out.



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



Land Size : 6,911m² (2,091 ping)

Plot Ratio : 360%

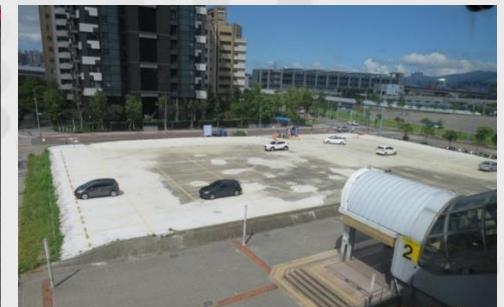
Building Coverage Ratio: 60%

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

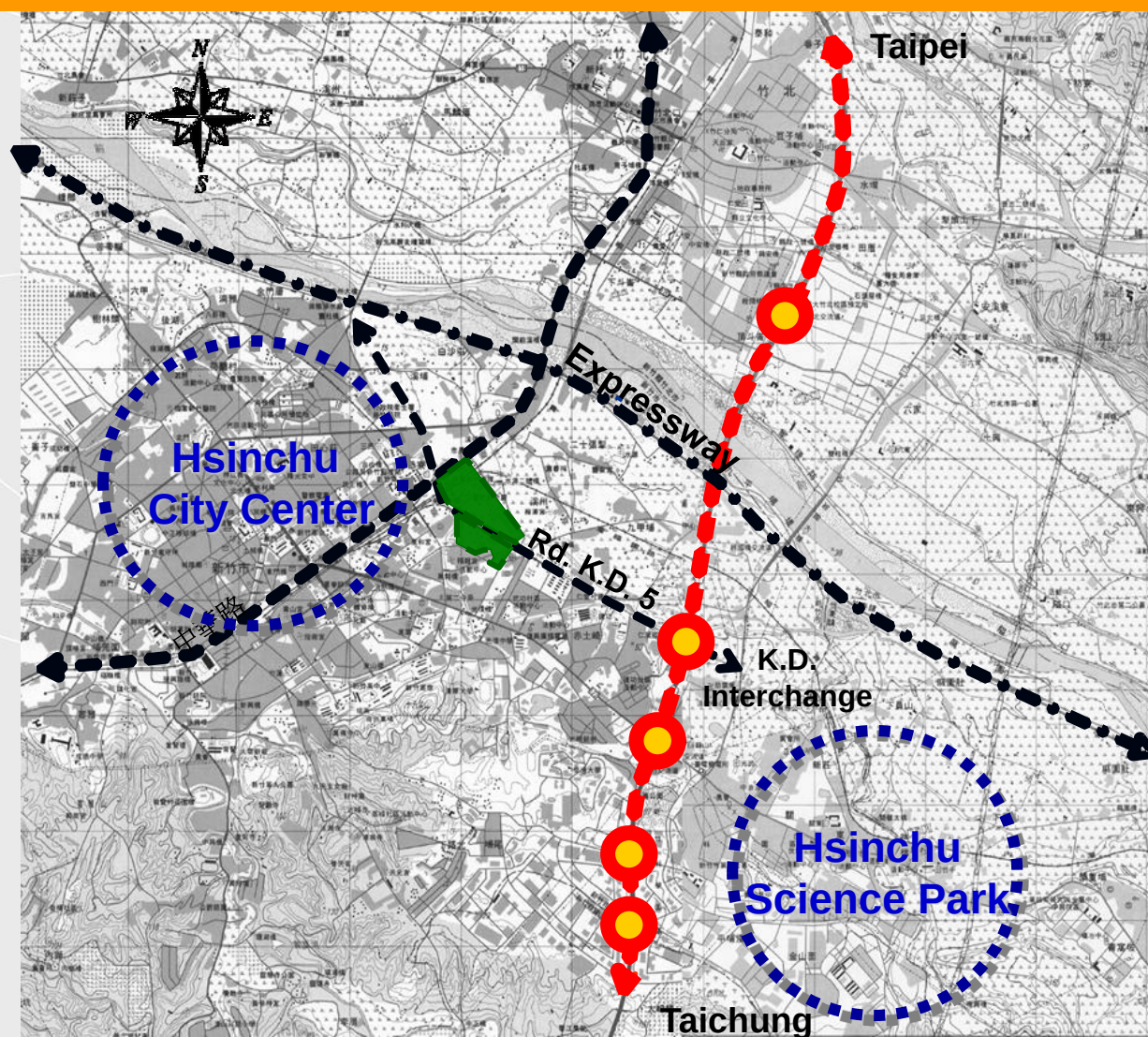
Policy : Rental Management/Develop by TFC

Status:

- 1.The project is planning to build one commercial building and the architectural design and urban design review is permit. Whole project's estimated to be done in 2024.
2. Connecting bridge will be designed to connect MRT Nangang Software Park Station, the base of C3 and C4.



Location of Hsinchu Science Park



Hsinchu Science Park— Urban Land Consolidation

Land Size : 269,115m² (81,407ping)

Land reservation for public facilities :

78,534 m²(23,756 ping)

Plot Ratio/Coverage Ratio : 210%、65%

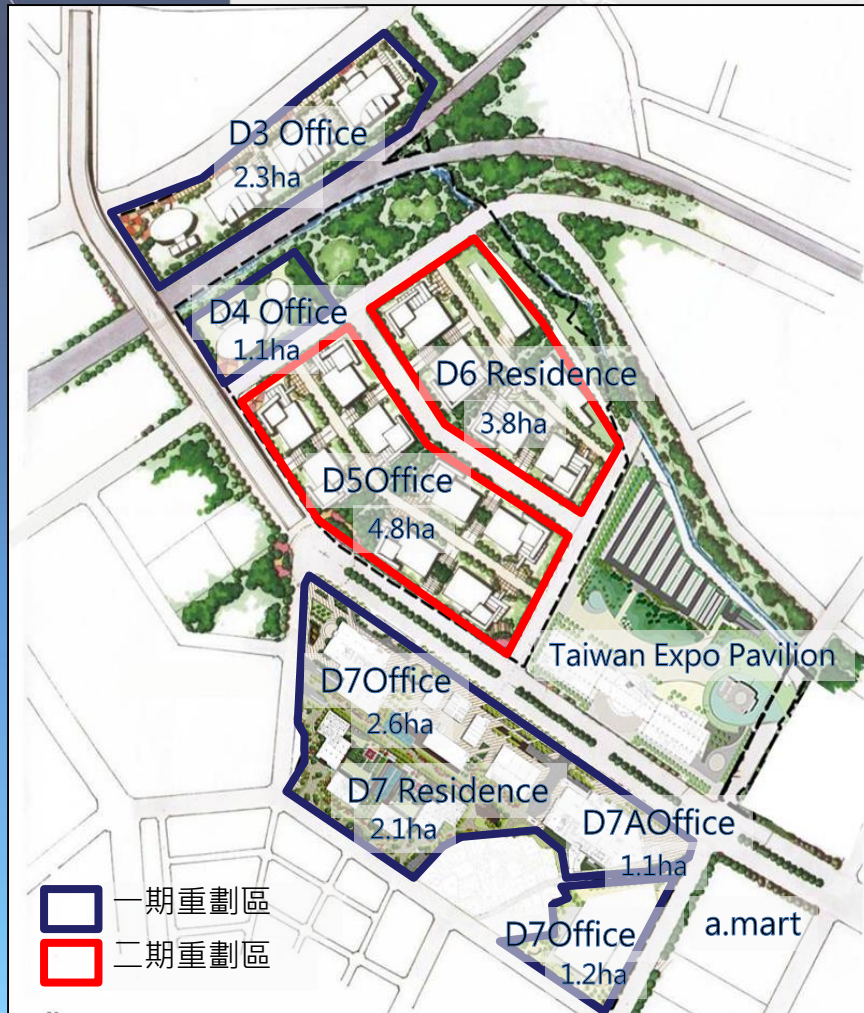
Status : Urban Land Readjustment Implemented by the
Private Sector

1.First stage of Readjustment (D3,D4,D7)

- Financial settlement and announcement of readjustment committee by HsinChu City Government are complete.
- Regain the land lot of TFC, land no.11 and the rest 9 lands, and working on the disposition of 1 offset-Expenditure land and profits.

2.Second stage of Readjustment (D5,D6)

- The city government had already put off the examination of engineering planning drawing and budget document because this readjustment area has been involved to Plan X and the plan of Forward-Looking Infrastructure.



Hsinchu Science Park D7 Block



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 、 Residence

Status :

1. D7-A construction was completed and the lease has been completed almost 90%
2. The remaining land is still at the planning stage.



Hsinchu Science Park

D3 Mobile City (short-term use)

Land Size : 22,715.29m² (6,871 ping)

Plot Ratio : 210%

Building Coverage Ratio: 65%

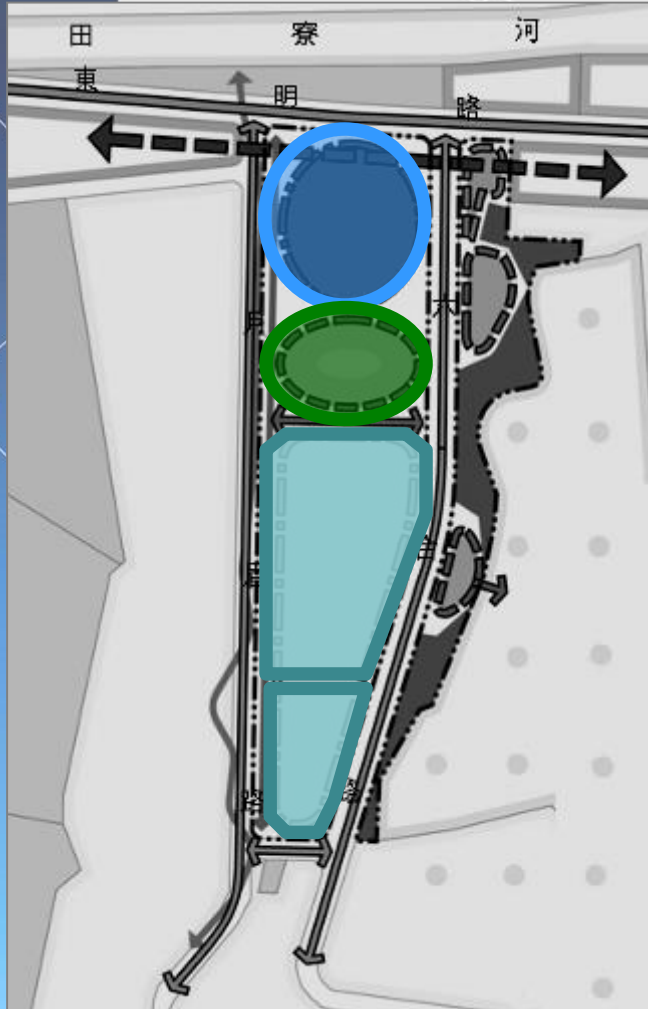
Program : Mobile showroom & basic maintenance station

Status :

1. All leased, to Audi, Toyota, Volkswagen, etc.
2. Current annual rental income is about NTD \$ 37 million.



Keelung Medical Park



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

Plot Ratio : 150%

Building Coverage Ratio : 60%

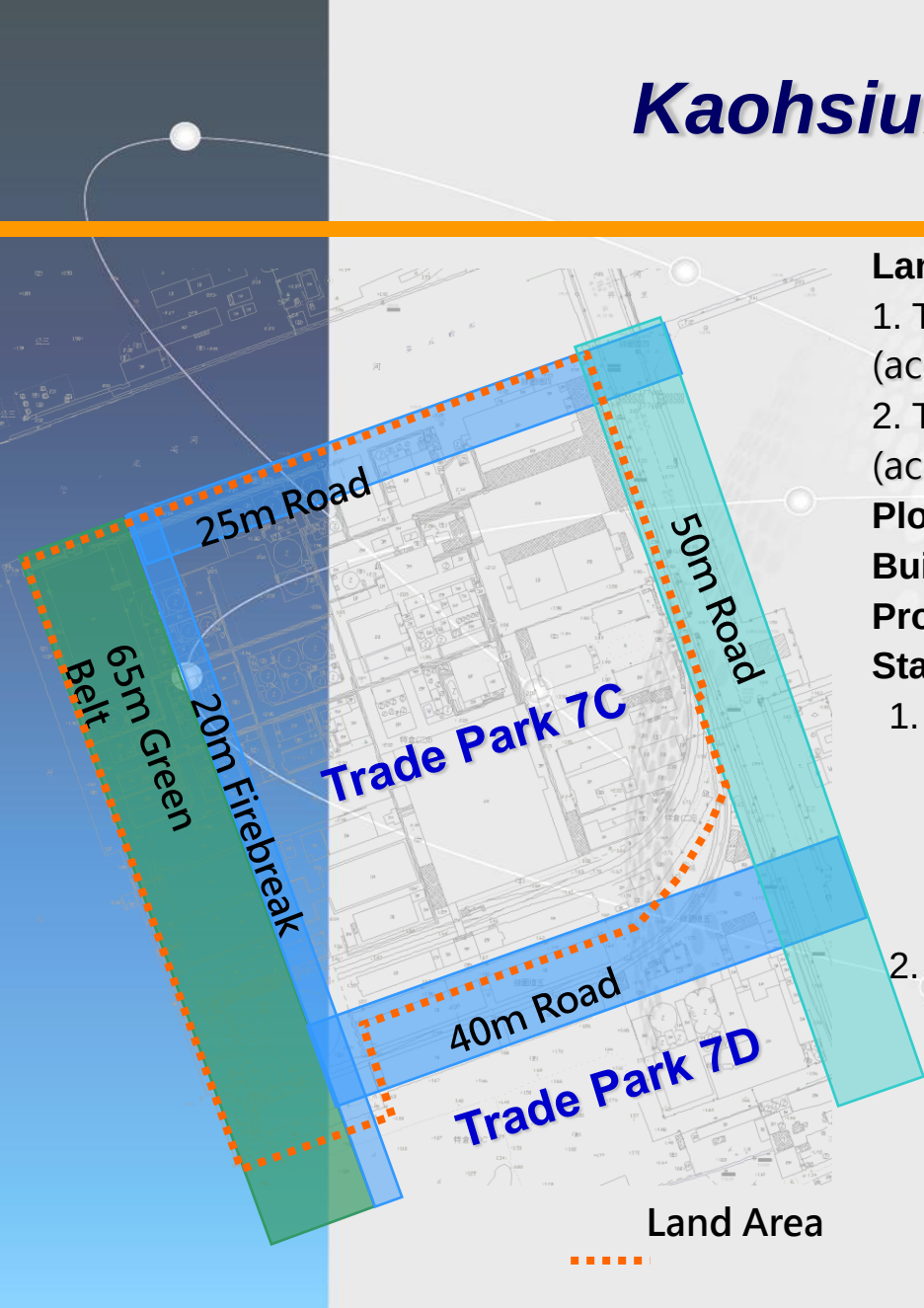
Program : plan for the Medical Park due to city government policy

Status :

1. Our company, city government and vendors have constituted a professional team to discuss the project.
2. The expected occupier has applied for the evaluation of feasibility of relocation, the financial affair is under evaluation. Now, it's still under negotiation because the policy of city government and occupier is still in the air.



Kaohsiung Multifunctional Commerce & Trade Park



Land Size : 161,253m² (48,779 ping)

1. Trade 7C (16.91 HA) Land size of TFC:158,008 m² (account for 93.58% of whole area)
2. Trade 7D (7.09 HA) Land size of TFC:3,245 m² (account for 4.57% of whole area)

Plot Ratio : 490%

Building Coverage Ratio: 60%

Program: Mall, Office, Hotel and Cultural Construction

Status :

1. Trade Park 7C & 7D area have been torn down and cleared. Trade Park 7C is now developing “Urban Land Readjustment” implemented by Kaohsiung City government and working on the procedure of Replotting Specification and dispute resolution, expected to be finished in 2020 .
2. Land registration of Trade Park 7D is done, already gained the lot of the land number 9, the land size is 1,605.58 m². Currently, it's for renting.



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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 in Hualien factory.

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



Status :

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

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 Lai and President Tsai inspected the park respectively, expected to combine and upgrade the development of Hualien's tourism industry and marine resources industry.
- The image promotion area in the park had been selected as the reservation for the National Marine Resource Museum and the center of Hualien Deep ocean water industry corridor by Executive Yuan. It is currently under the early-stage plan coordinating with the National Academy of Marine Research.





Thank You !

