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

*November 17th, 2014* 

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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

## **Line of Business**

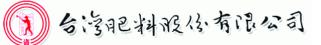
### **Fertilizer & Chemical**

### **New Business**

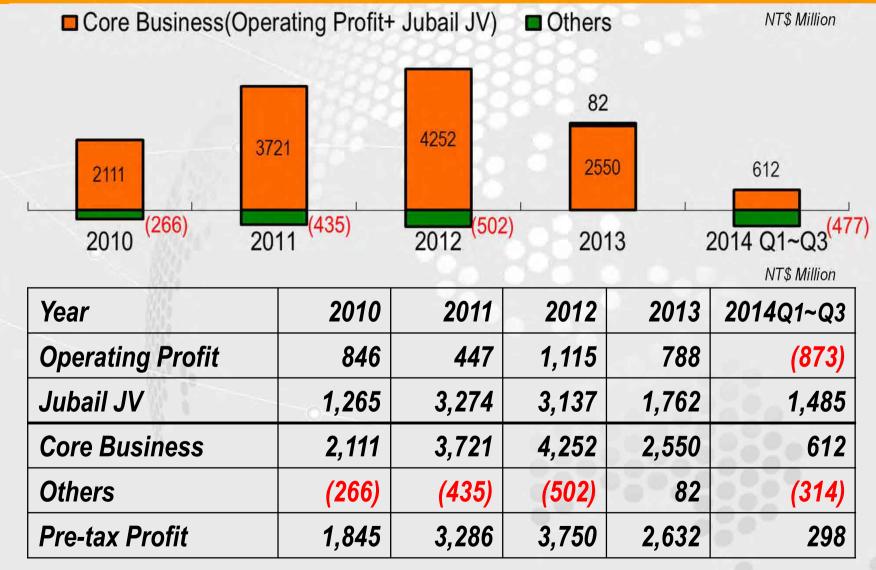
### Domestic Market

### **Property**

### Overseas Investment



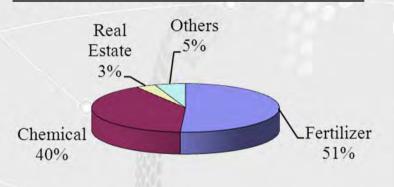
# TFC's Financial – Breakdown(1)



## TFC's Financial – Breakdown(2)

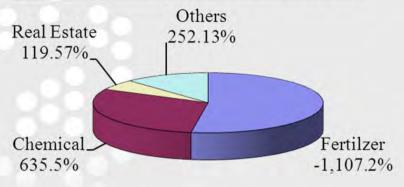
### **Total Revenue**

#### 2014 Q1~Q3: 10.22 Billion

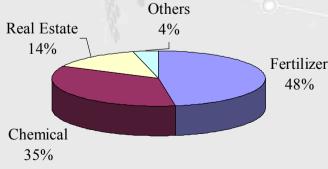


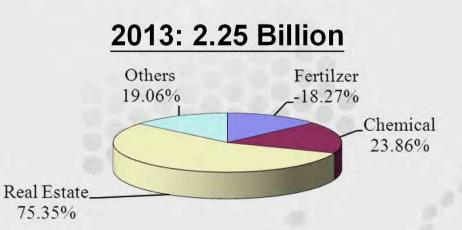
### **Gross Margin**

### 2014 Q1~Q3: -0.05 Billion





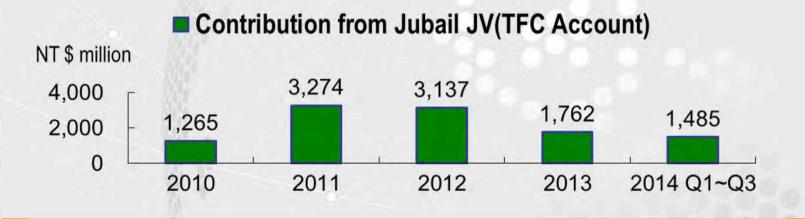




## TFC's Financial – Overseas investment

### Saudi Arabia- Jubail JV

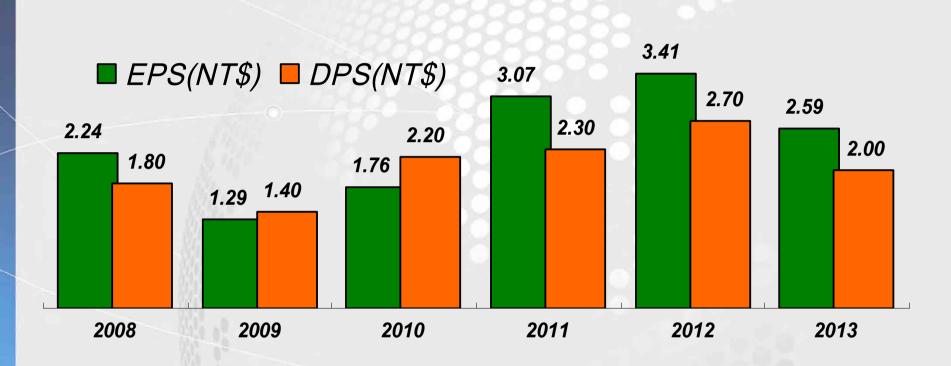
Four Main Products: Urea, Ammonia, 2-EH, DOP



#### Note:

According to the overseas income tax non-deductable claimed by TNTA, the difference caused from 2005~2009,1.63 billion, was deducted from profit contribution of 2010 Jubail.

# **TFC Dividend Policy**



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

## **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 75% of market share in general.

### **New Directions**—

Taichung Consolidating and Relocation ProjectSeeking Investment Opportunities in Southeast Asia

#### **Chemical Business in Taiwan**

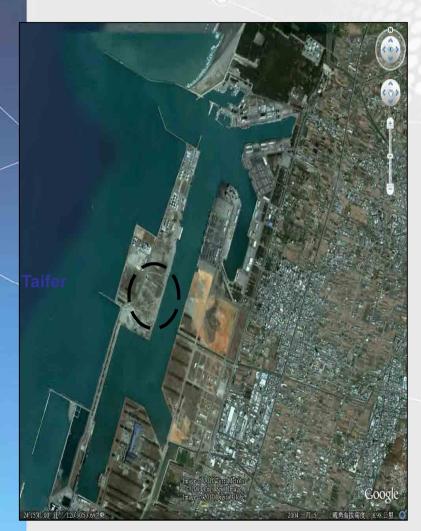
#### What we supply—

Ammonia, sulfamic acid, untreated urea, nitric acid, oleum, melamine, etc.

#### Where our market—

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

# Taichung Consolidated & Relocated Project



Source from: Google earth

#### **Benefits**—

1.To Save operating and transportation costs2.Taking advantages of Taichung harbor 's location to Invest new projects3.Land Redeveloping will be in progress at existing plant site after this project

### Total Investment—

Total Investment: 12.43 Billion

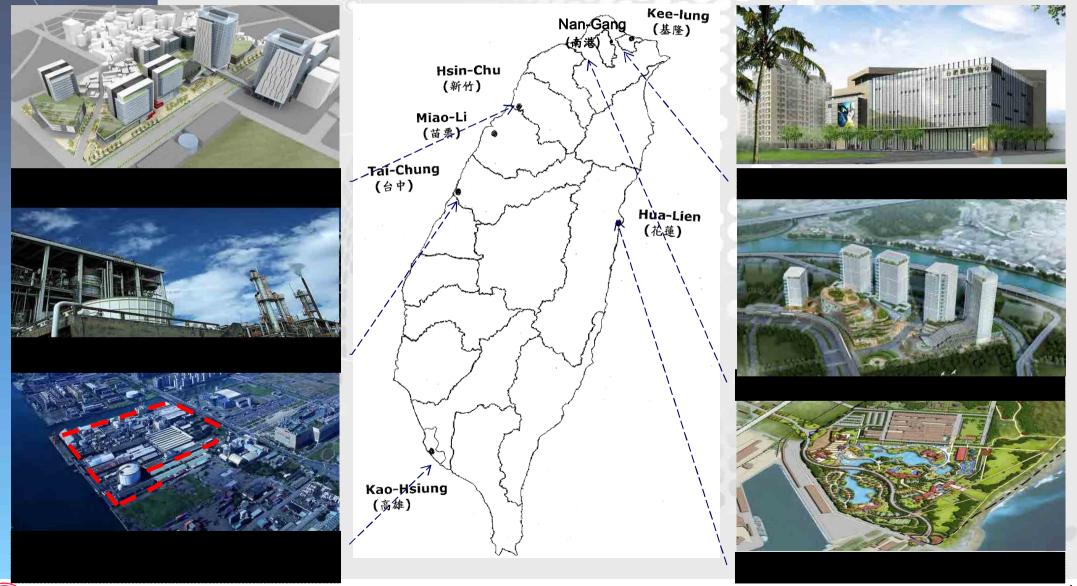
### Scope—

Including Fertilizer & Chemical Products.

#### Schedule—

Construction duration: 2007.4~2015.6 Construction in 3 phases Phase 1 completed- factory opens.

# Land Development– Map of Significant Projects



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## Land Bank

Location	Lot of Land	Size(m²)	Book Value (NT\$ mm)	Percent(%)	
Taipei City	77	121,856	13,137	40.24%	
New Taipei City	125	66,201	1,114	3.41%	
Taichung City	1	582	79	0.24%	
Yunlin County	1	17,510	91	0.28%	
Keelung City	235	240,347	4,254	13.03%	
Ilan County	10	4,383	110	0.34%	
Hsinchu City	59	234,989	4,253	13.03%	
Miaoli County	113	305,706	1,798	5.51%	
Kaohsiung City	9	161,180	5,151	15.78%	
Hualien County	43	560,082	2,661	8.15%	
Total	673	1,712,836	32,648	100.00%	

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NOTE : The percentage is based on the book value of the land.  $^{12}\,$ 

# Land Development Plan in 2014

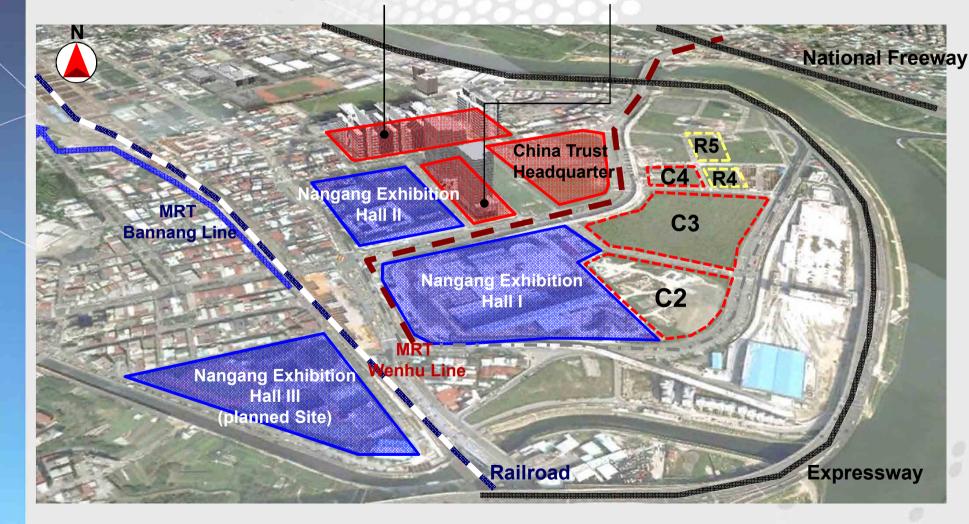
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Area	Size (ping)	Size (m²)	Current Status	
Nangang Business-Trade Park No.R5 (Taipei)	2,045	6,759	Sold out & construction in progress	
Nangang Business-Trade Park No.C2 (Taipei)	7,051	23,310	1. C2 Hotel leasing. Bid winners are Grand Hi-lai	
Nangang Business-Trade Park No.C3 (Taipei)	12,565	41,537	Hotel & Caesar Park Hotel.	
Nangang Business-Trade Park No.C4 (Taipei)	2,091	6,911	Applying construction license. 2. C3 superficies for release. Prepare to call for a bid.	
Hsinchu Tech Business Park No.D7-ABCDF (Hsinchu)	17,790	58,810	D7-A kicked off construction in March 2014.	
Hsinchu Tech Business Park No.D3 ( Hsinchu)	6,907	22,834	Leased 6,979 pins.	
Keelung Mix-Use Development (Keelung City)	9,772	35,563	Change of the industrial districts in urban planning	
Kaohsiung Multifunctional Commerce and Trade Park (Kaohsiung City)	48,779	161,253	Rezoning	
Hualien Ocean Holiday Park (Hualien)	138,734	458,627	<ol> <li>DOW Exploration Center opens</li> <li>Experience Area open soon</li> <li>SPA Resort under planning</li> </ol>	



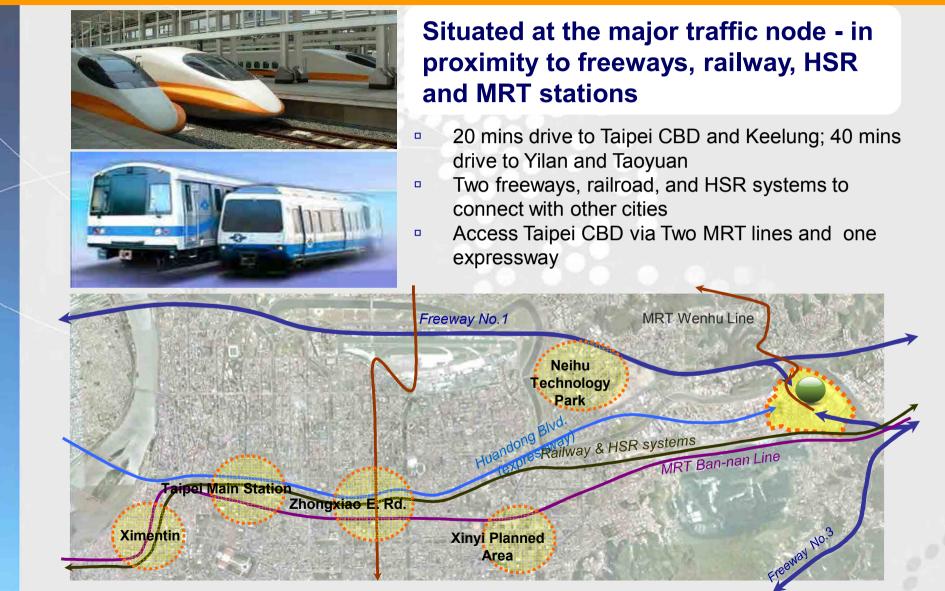


### Significant Developments in Nangang

Nangang Software Park I&II Nangang Software Park III



## Accessibility



# **Market Demographics**



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Large potential market for the Site incl. local residents, employees, and exhibition participants

#### 1 million residents in the major catchment area

#### Nangang, Neihu, Songshan, Xinyi & Xizhi

- Major catchment area within 20~30 mins drive to the site
- Population still growing, and diversified in different age groups

#### Workforces in Nangang Business Park

 About 15,000 employees in 2010, expected to exceed 40,000 people in near future

 The launch of the Hall 2 in 2015, together with the Hall 1, likely to attract millions of visitors and tens of thousands of exhibitors per annum



## Land Development Project– R5

R5 (TFC' s Portion)

Land Size : 6,759m² (2,045 ping) Gross Floor Area : 33,778m² (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







### Land Development Project- C2 · C3 & C4



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### C2 · C3 & C4

Land Size : 71,758 m<sup>2</sup> (21,707 ping) Plot Ratio : 440%(C2 & C3) ; 360%(C4)

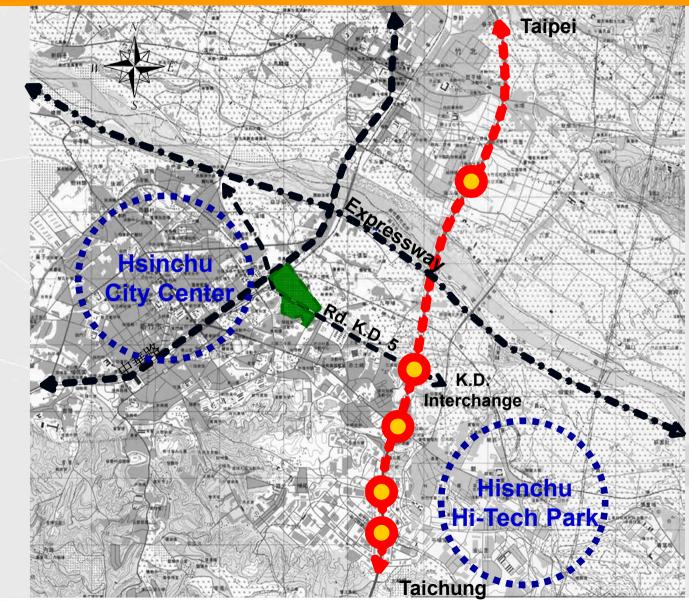
Policy :

- 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.

## **Location of Tech Business Park**



## Land Development Project–Hsinchu Tech Business Park



### Hsinchu Tech Business Park

Land Size : 191,800  ${\rm m}^{\circ}$  (58,020 ping) Plot Ratio : 210%

### Hsinchu Tech Business Park-D7-ABCDF

Land Size : 58,800 m<sup>2</sup> (17,787ping) Plot Ratio : 210% Program : Office \ Commercial Building Schedule :

- 1. D7-A Got Construction License & Started Construction in March, 2014
- 2. Designing D7 Offices & Houses

We want the second second

## Land Development Project–Hsinchu Tech Business Park

### D3 Mobile City (short-term use)

Land Size : 22,834 m<sup>2</sup> (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–Keelung Mixed-Use Development



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### Dong-ming Rd., Keelung

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





## **Hualien DSW & Ocean Holiday Park**

Land Size : 458,627  $\ensuremath{\mathrm{m}^{\!\!2}}$ 

Plot Ratio : 210%

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Schedule :

- DSW Project :
  - Draw deep ocean water from 2,200 feet under the Pacific Ocean and produce bottled water and deep ocean minerals extract named Taiwan Yes Co., Ltd..
- 2. Got Invention Patent in China (Patent No. 201110343711.5)
- Ocean Holiday Park :
  - 1. Landscape Improvement in the south of the site.
  - 2. DOW Exploration Center, a tourism factory, opens in 2013.
  - 3. DOW Experience Area will open in 2014.
  - 4. SPA Resort under planning

# Thank You !