



Taiwan Fertilizer Co., Ltd. (1722 TT)

Company Introduction

Mar. 12th, 2013

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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, Al-Bayroni 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**

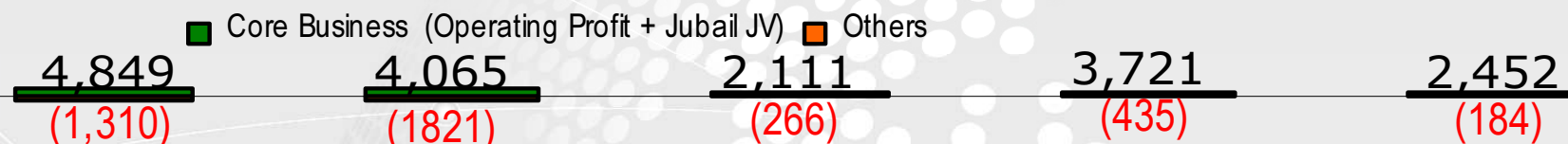
**Overseas
Investment**

Property



TFC's Financial – Breakdown(1)

NT\$ Million



NT\$ Million

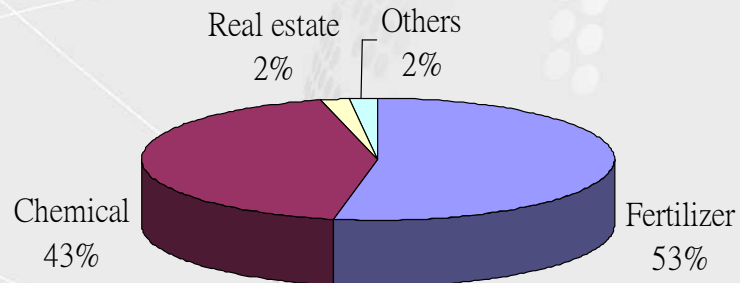
Year	2008	2009	2010	2011	2012.1Q~3Q
Operating Profit	384	1,771	846	447	20
Jubail JV	4,465	2,294	1,265	3,274	2,432
Core Business	4,849	4,065	2,111	3,721	2,452
Others	(1,310)	(1,821)	(266)	(435)	(184)
Pre-tax Profit	3,539	2,244	1,845	3,286	2,268



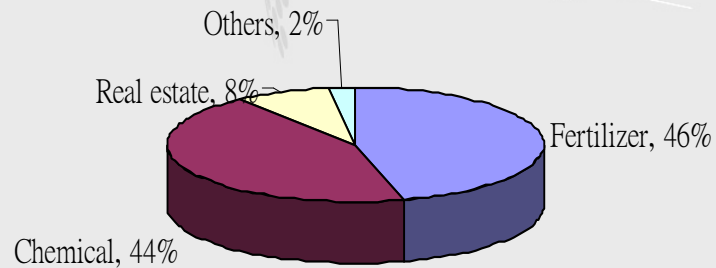
TFC's Financial – Breakdown(2)

Total Revenue

2012.1Q~3Q: 12.41 Billion

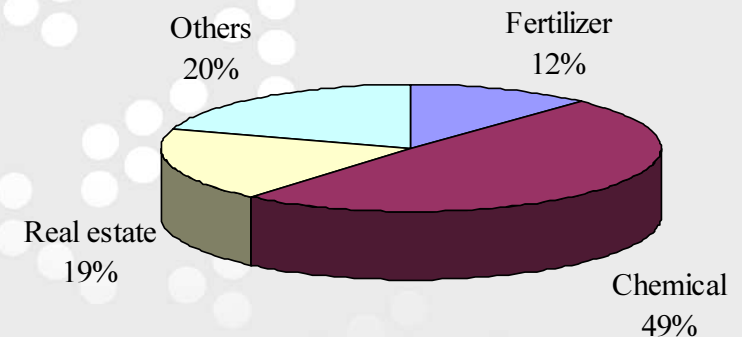


2011: 16.97 Billion

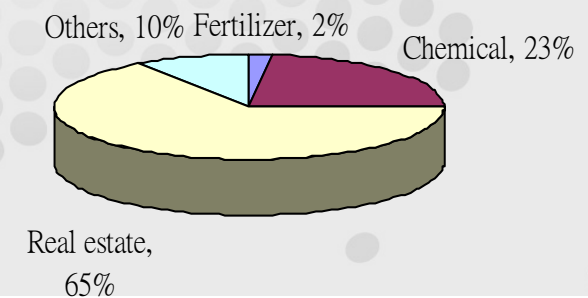


Gross Margin

2012.1Q~3Q: 0.86 Billion



2011: 1.74 Billion

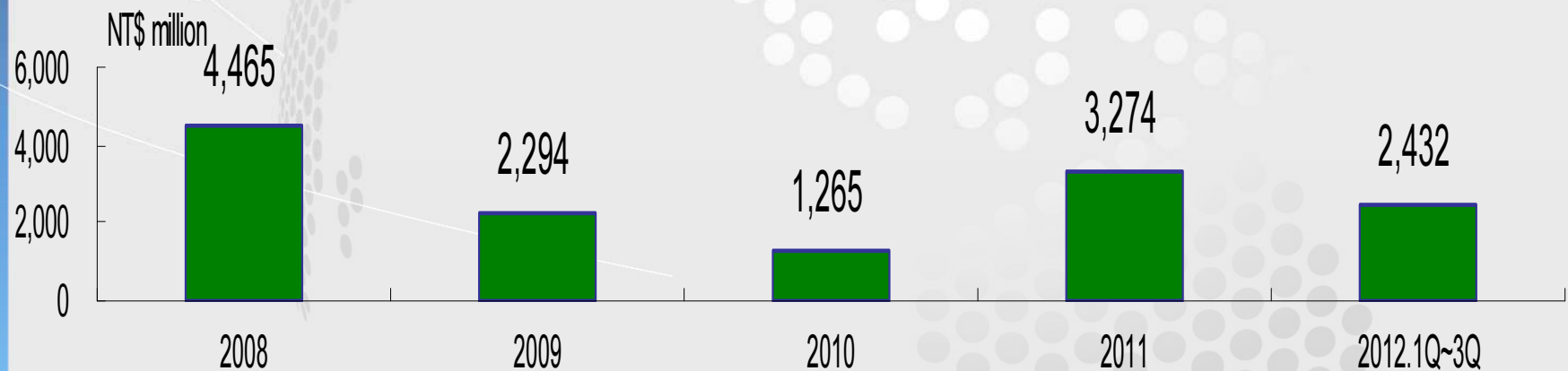


TFC's Financial – Overseas investment

■ Saudi Arabia- Al-Bayroni JV

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

■ Profit Contribution from Al-Bayroni JV(TFC' account)

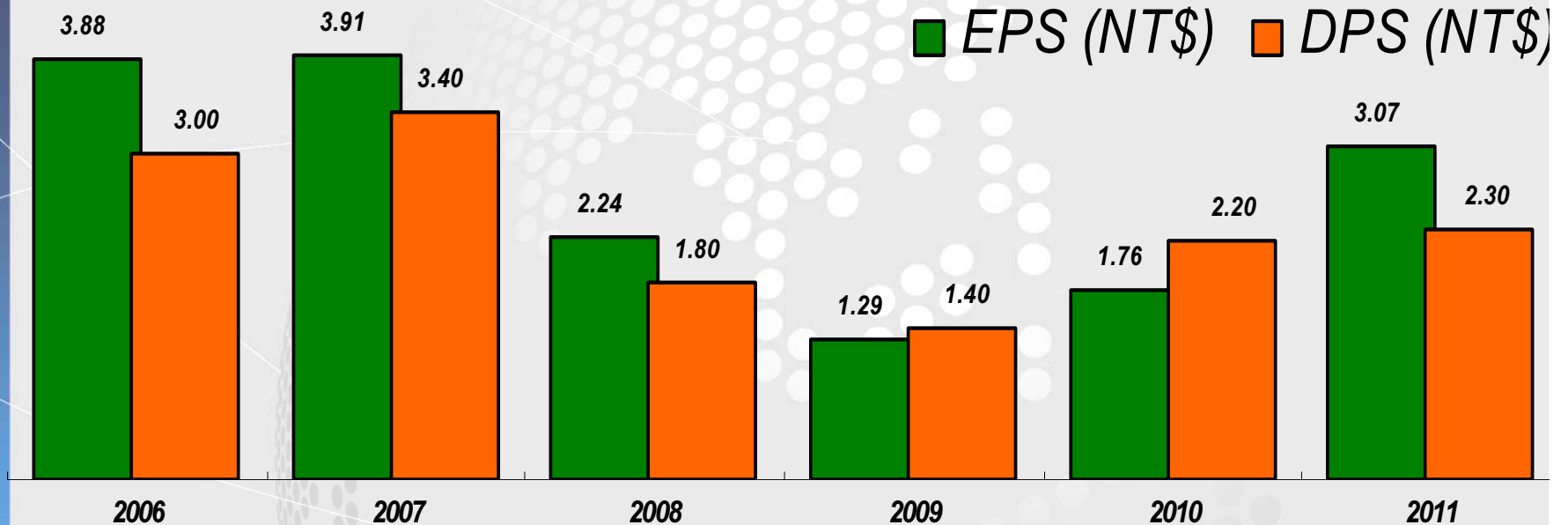


Note:

According to the overseas income tax non-deductible 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.

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.

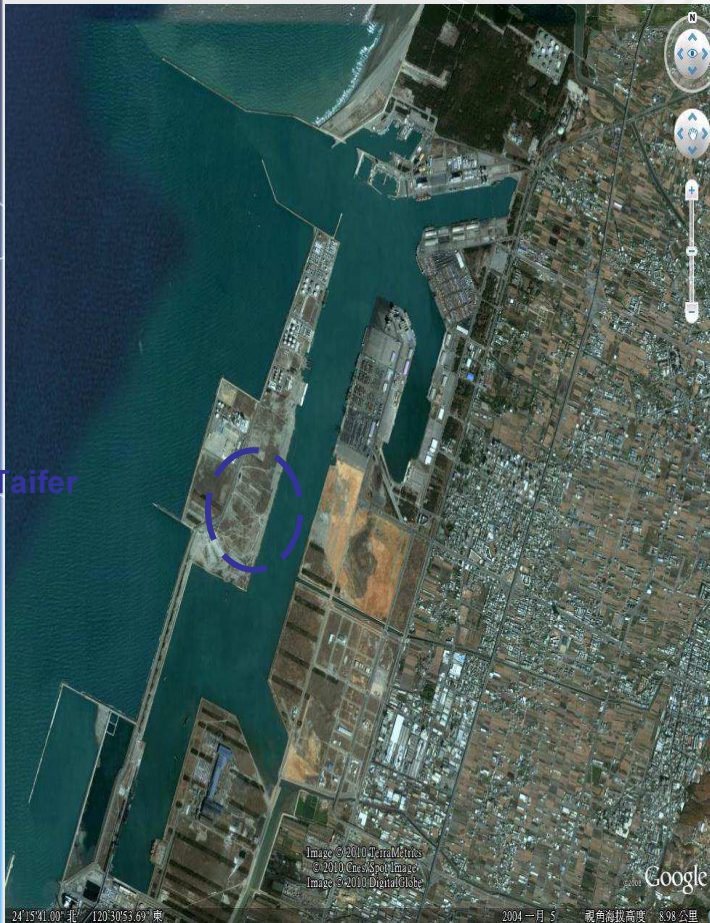
New Directions—

■Taichung Consolidating and Relocation Project

■Seeking Investment Opportunities in China



Taichung Consolidated & Relocated Project



Source from: Google earth

Benefits—

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

Total Investment—

Total Investment:12.5 Billion

Scope—

Including Fertilizer & Chemical Products.

Schedule—

Construction duration:

Phase 1 & 2: 2007.4~2012.12

Phase 3: 2012.1~2014.10



台灣肥料股份有限公司

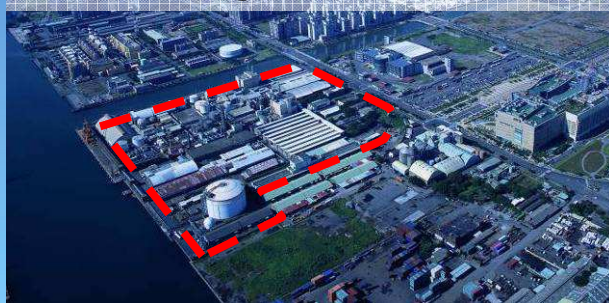
Land Development– Map of Significant Projects



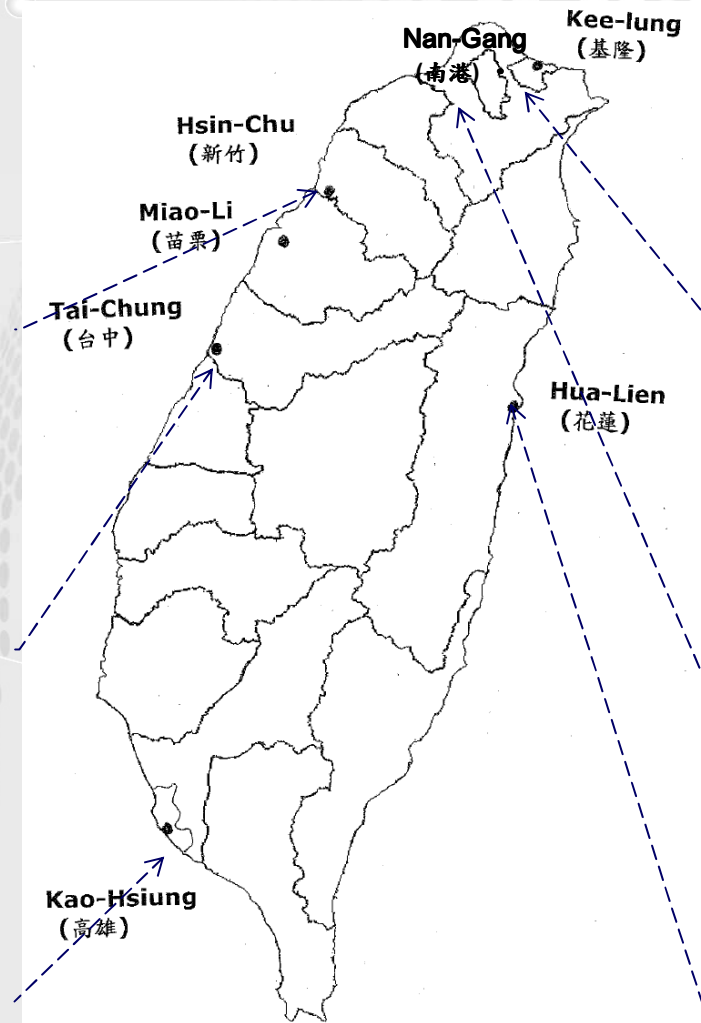
Hsinchu Tech Business Park



Taichung Relocation Plant



**Kaohsiung Multifunctional
Commerce and Trade Park**



Keelung Mixed-Use Development



Nangang C2C3C4 Development



Hualien DSW & Ocean Holiday Park



Land Bank

Location	Lot of Land	Size(m ²)	Book Value (NT\$ mm)	Percent(%)
Taipei City	79	126,375	13,490	40.29%
New Taipei City	125	66,000	1,114	3.33%
Taichung City	1	582	79	0.24%
Yunlin County	1	17,510	91	0.27%
Keelung City	243	240,394	4,729	14.13%
Ilan County	10	4,383	110	0.33%
Hsinchu City	58	234,989	4,253	12.70%
Miaoli County	113	305,706	1,798	5.37%
Kaohsiung City	12	161,253	5,153	15.39%
Hualien County	43	560,082	2,661	7.95%
Total	685	1,717,274	33,478	100.00%

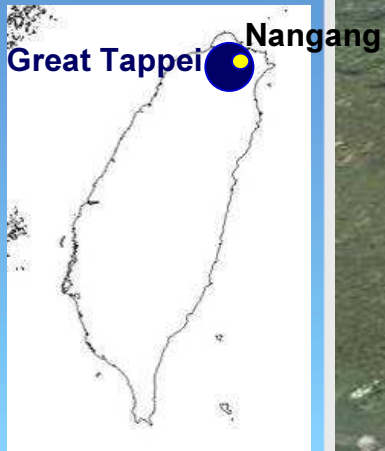
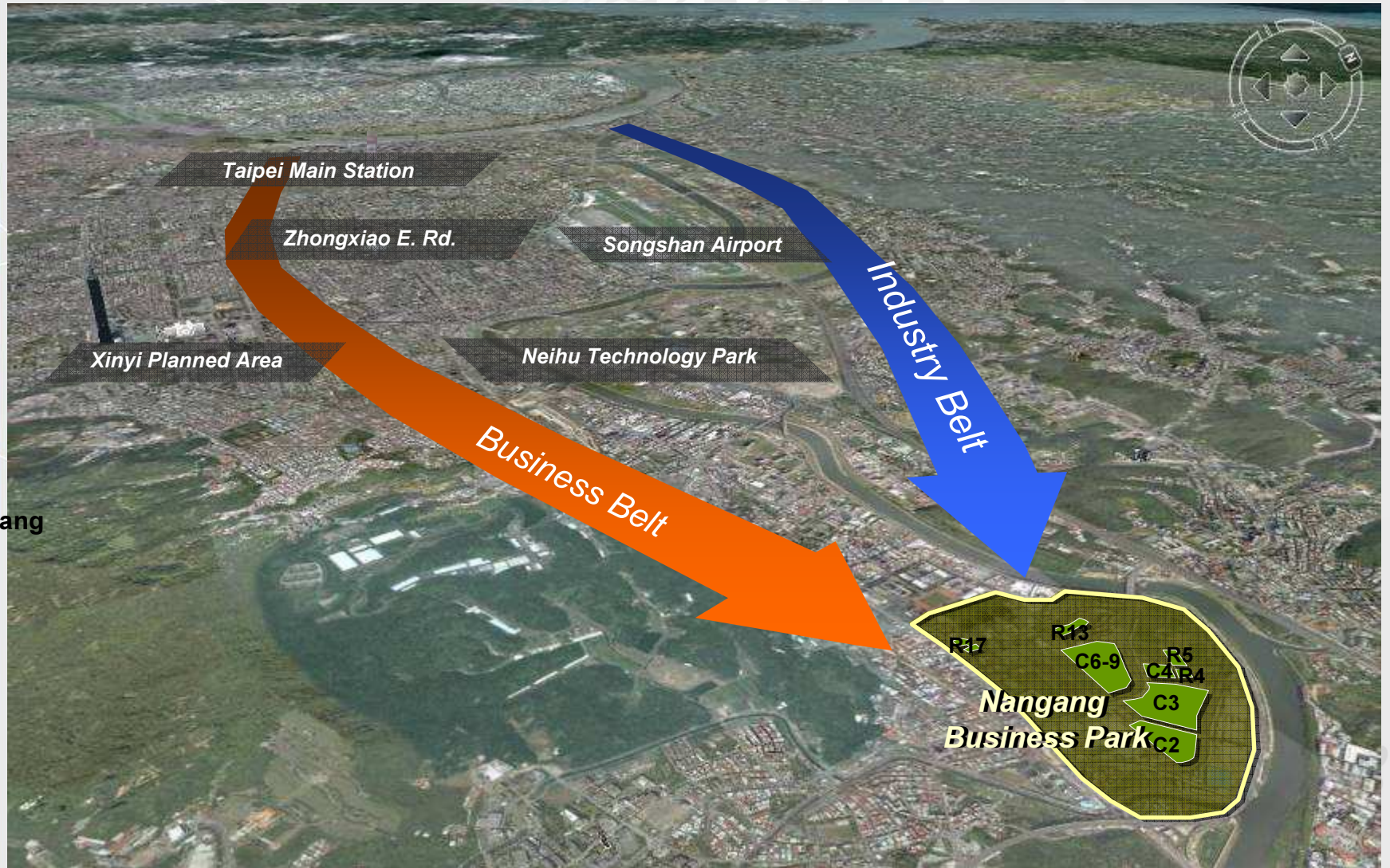


Land Development Plan in 2012

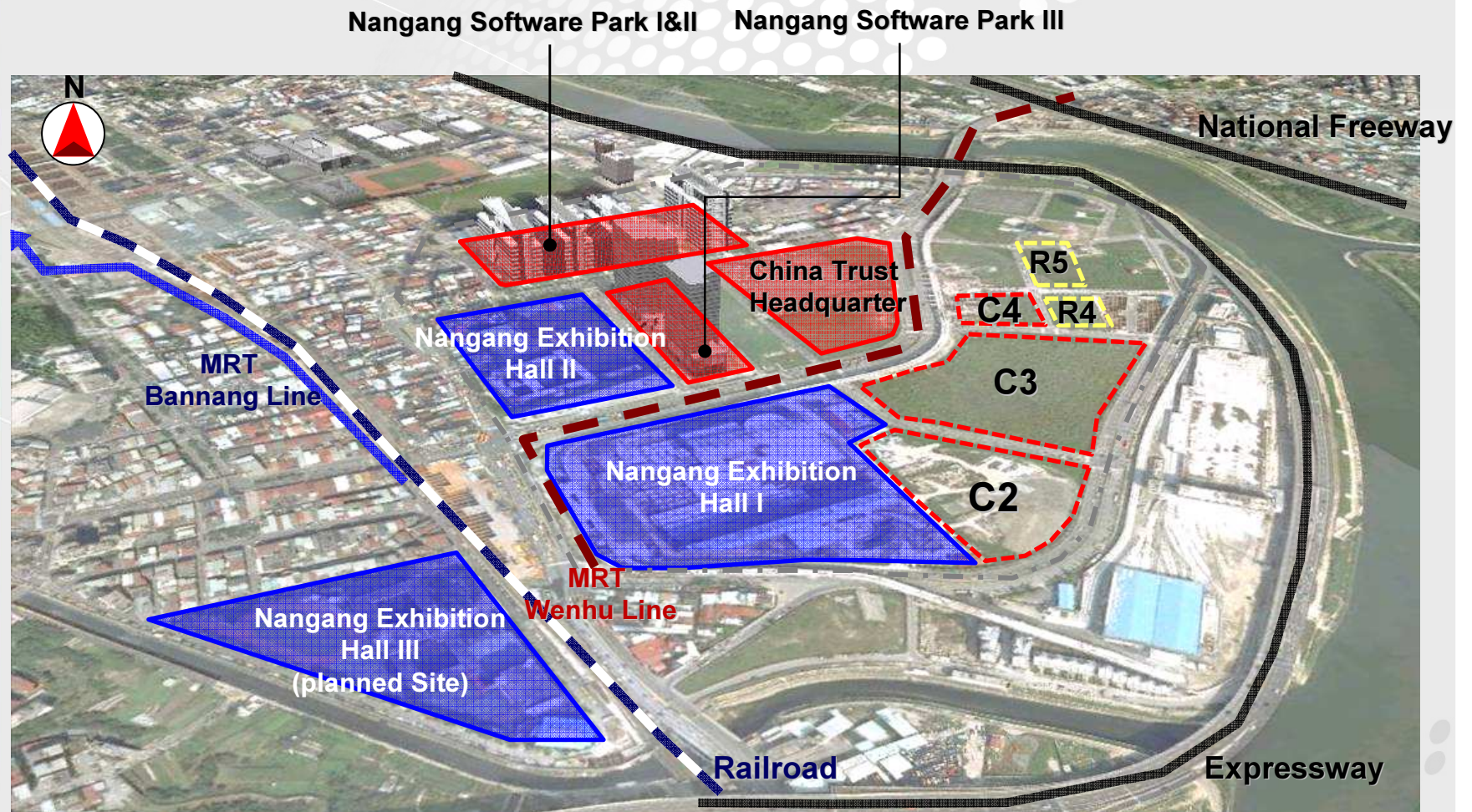
Area	Size (ping)	Size (m ²)	Current Status
Nangang Business-Trade Park No.R4-1 (Taipei)	1,367	4,520	1. JV with Huaku Corp. 2. Sold out & construction in progress 3. Handover in 2012Q4&2103Q1
Nangang Business-Trade Park No.R5 (Taipei)	2,045	6,759	Sold out & construction in progress
Nangang Business-Trade Park No.R13-1 (Taipei)	328	1,087	Planning
Nangang Business-Trade Park No.C2 (Taipei)	7,051	23,310	C2 Hotel leasing- end the bid in 2013 Q1 • Tender A → Grand Hi-lai Hotel • Tender B → Caesar Park Hotel
Nangang Business-Trade Park No.C3 (Taipei)	12,565	41,537	
Nangang Business-Trade Park No.C4 (Taipei)	2,091	6,911	
Hsinchu Tech Business Park No.D7-ABCDF (Hsinchu)	17,790	58,810	D7-A Applying for Construction License
Hsinchu Tech Business Park No.D3 (Hsinchu)	6,907	22,834	Leasing and construction in progress
Hualien Ocean Holiday Park (Hualien)	138,734	458,627	Landscape improvement in progress



Location of Nangang



Significant Developments in Nangang

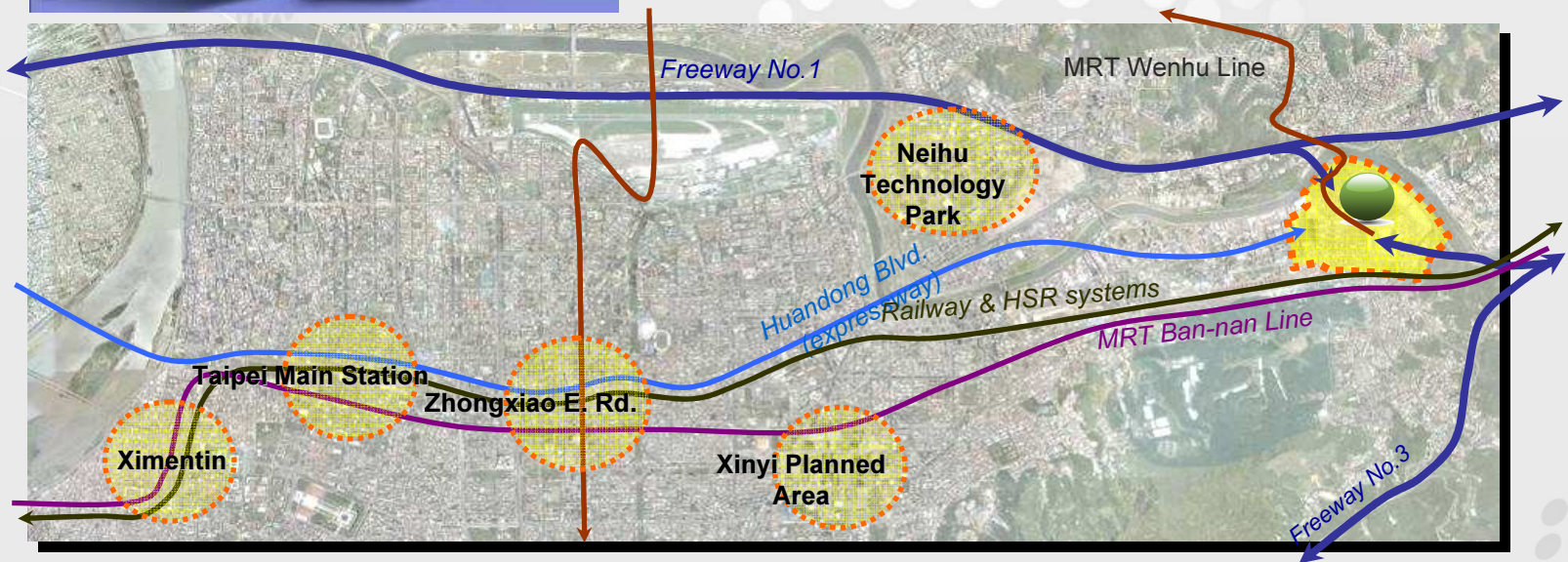


Accessibility



Situated at the major traffic node - in proximity to freeways, railway, HSR and MRT stations

- 20 mins drive to Taipei CBD and Keelung; 40 mins drive to Yilan and Taoyuan
- Two freeways, railroad, and HSR systems to connect with other cities
- Access Taipei CBD via Two MRT lines and one expressway



Market Demographics

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

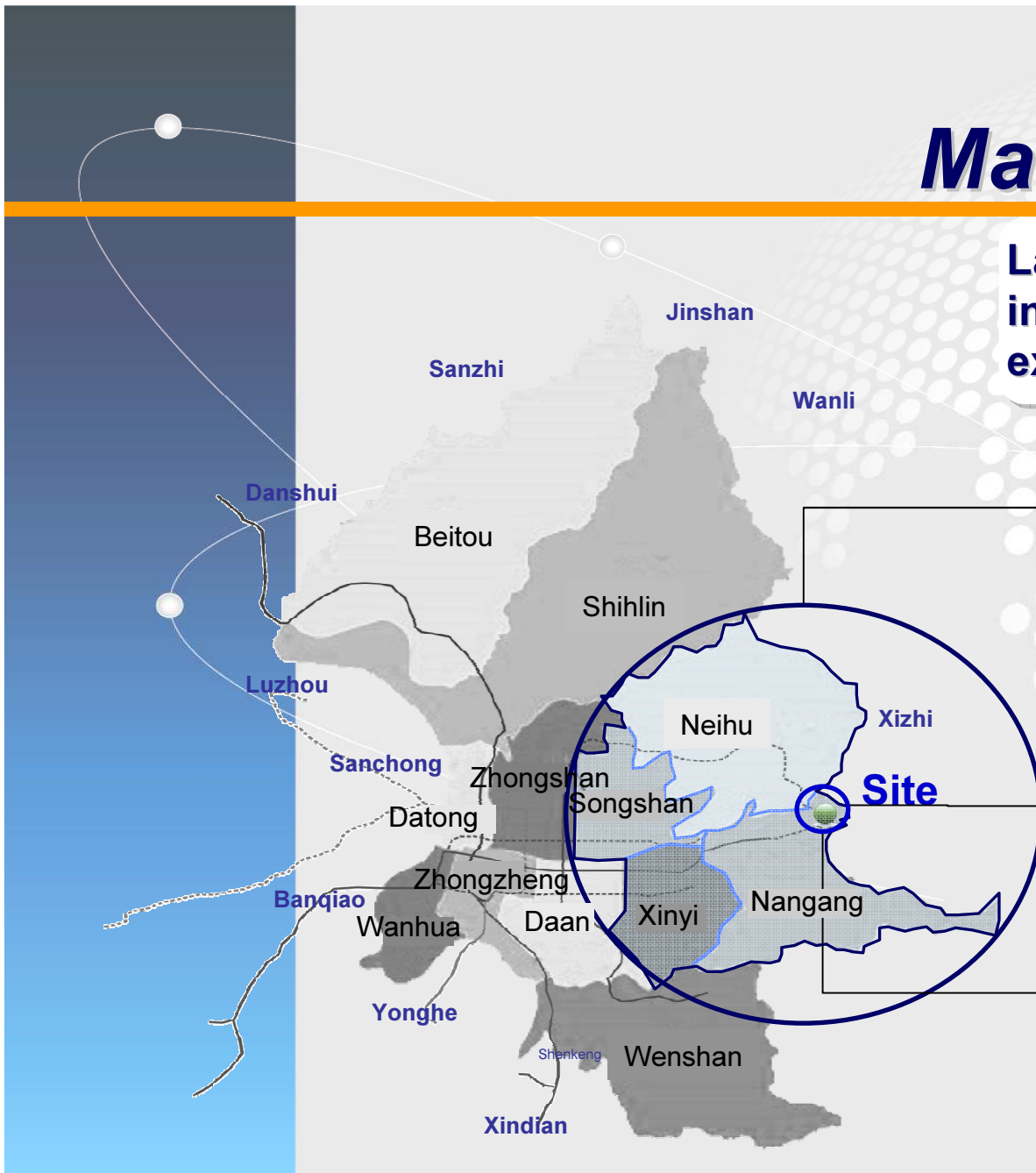
- Major catchment area within 20~30 mins drive to the site
- Population still growing, and diversified in different age groups

Workforces in Nangang Business Park

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

Foreign & local exhibitors and visitors

- 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– R4-1 & R5



R4-1 (JV with Huaku)

Land Size : 4,520m² (1,367 ping)

Gross Floor Area : 25,002m² (7,563 ping)

TFC Share : 53.57%(46 units & 92 parking lots)

Expected Revenue : NT\$ 3.2 billion

Schedule : 1.Sold out in 2010 Q3

2.Handover in 2012 Q4 & 2013 Q1

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



Land Development Project– C2 、C3 & C4

C2 、C3 & C4

Land Size : 71,758m² (21,707 ping)

Plot Ratio : 440%(C2 & C3) ; 360%(C4)

Expected Total Investment : NT\$40 billion

Program :

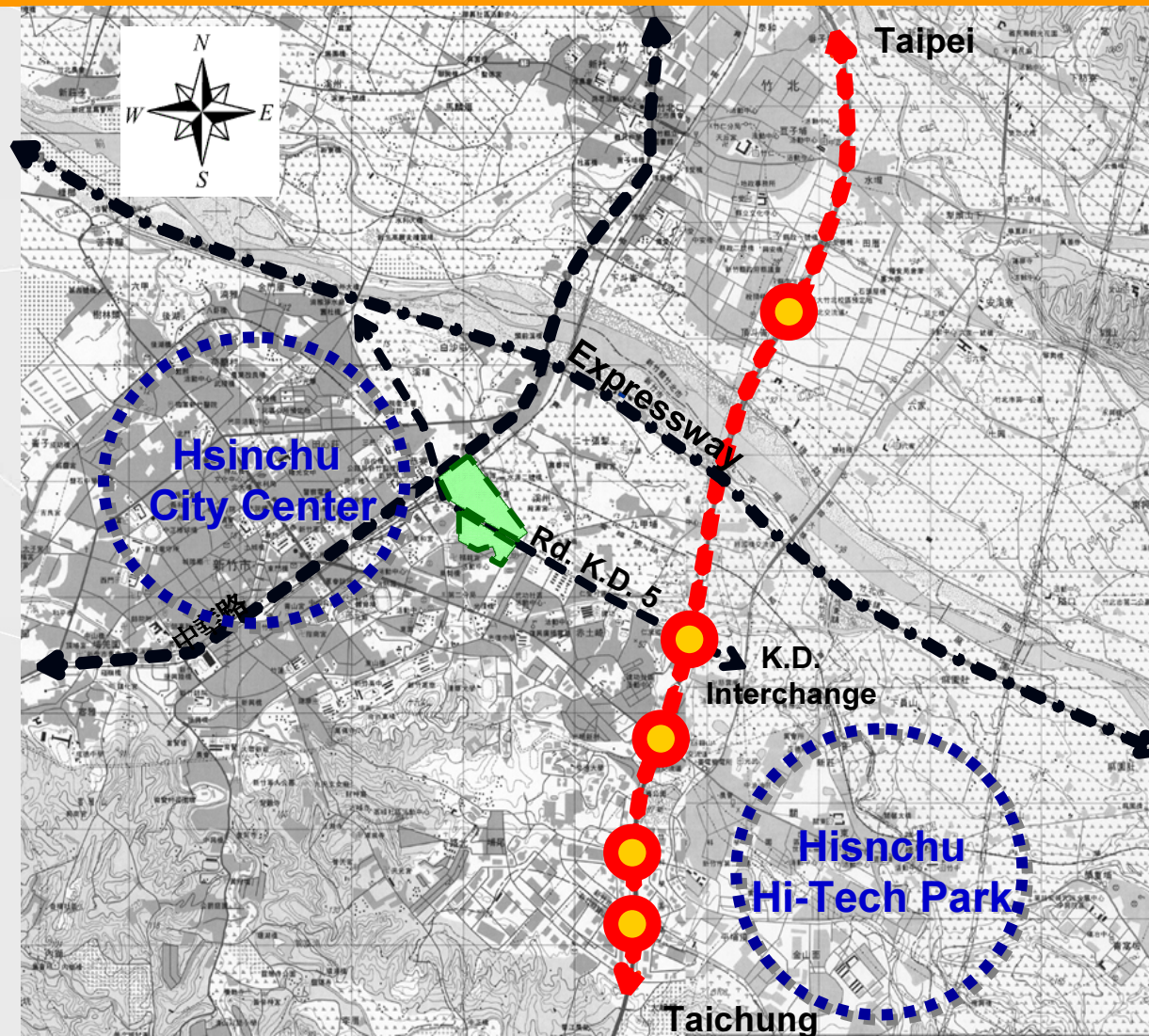
- C2 : Hotel & Office
- C3 : Mall & Office
- C4 : Office

Schedule :

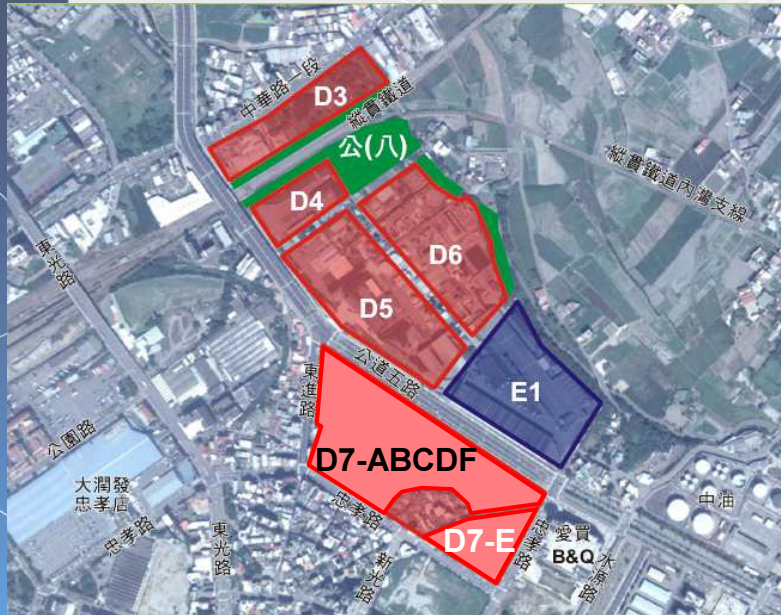
1. Approved by Board of Directors to develop C2 in 2010 Q4
2. Invite HCCH and Tange to design C2 architecture in 2011 Q4
3. C2 hotel call for tender in 2012 Q4. End the bid in 2013 Q1. Grand Hi-lai Hotel and Caesar Park Hotel are the bid winners.



Location of Tech Business Park



Land Development Project–Hsinchu Tech Business Park



Hsinchu Tech Business Park

Land Size : 191,800m² (58,020 ping)

Plot Ratio : 210%

Hsinchu Tech Business Park-D7-ABCDF

Land Size : 58,810m² (17,790ping)

Plot Ratio : 210%

Program : Housing 、 Factory 、 Office 、 Retail

Schedule :

D7-A Applying for Construction License

Land Development Project–Hsinchu Tech Business Park

D3 Mobile City (short-term use)

Land Size : 22,834m² (6,907 ping)

Plot Ratio : 210%

Expected Total Investment : NT\$120 million

Program : Mobile showroom & maintenance station

Schedule :

- 1.3 units have been opened up, 1 unit under construction, 2 units in leasing process.
2. Current annual rental income is NT\$25 million. Estimated rental income is NT\$41 million when full operation.



Hualien DSW & Ocean Holiday Park

Land Size : 458,627m²

Plot Ratio : 210%

Schedule :

- DSW Project : JV with " Young Energy Source Co., Ltd." (Brand name " Yes") to produce bottled water named Taiwan Yes Co., Ltd..
- Ocean Holiday Park : Landscape Improvement in the south of the site.





Thank You !

