



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

November 27th, 2020

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History and Milestones

1946



TFC was established by the R.O.C government and initiated to produce fertilizer & chemical products.

1980



Established Jubail JV, a 50/50 joint venture between TFC and SABIC Co. which is located in Saudi Arabia, to produce Urea & Ammonia.

1993



Agreed to invest in 2-EH project in Al-Bayroni and to extend JV contract with SABIC Co. for 20 years (1993~2013)

1999



TFC was privatized while the R.O.C government still being the largest shareholder with its 24% share.

2009



Agreed to extend JV contract with SABIC Co. for another 20 years (2013~2033)

2013



TFC's Taichung plant officially began its operation, focusing on the fertilizer chemical production business, and starting its conducting land activation project.

2016



In coordination with the R.O.C government's "New Southbound policy", "Construction of Taichung Harbor West Dock 10" project was adopted by the Board of Directors of TFC in order to expand global market.



History and Milestones

2017



Cooperated with the R.O.C government's fertilizer policies, TFC had accomplished the goal of comprehensively "Biotec-organic" solution.

2018



Set up the National Marine Resource Museum in cooperation with the R.O.C government after Prsident Tsai visited TFC's Hualien Deep Sea Water Park.

2018



Won the "Platinum Award of Top 50 Corporations Sustainability Report" award, and was selected by the "2019 FTSE4Good TIP Taiwan ESG Index".

2019



Held the Beaming Ceremony of "Nangang C2 Project".

2020



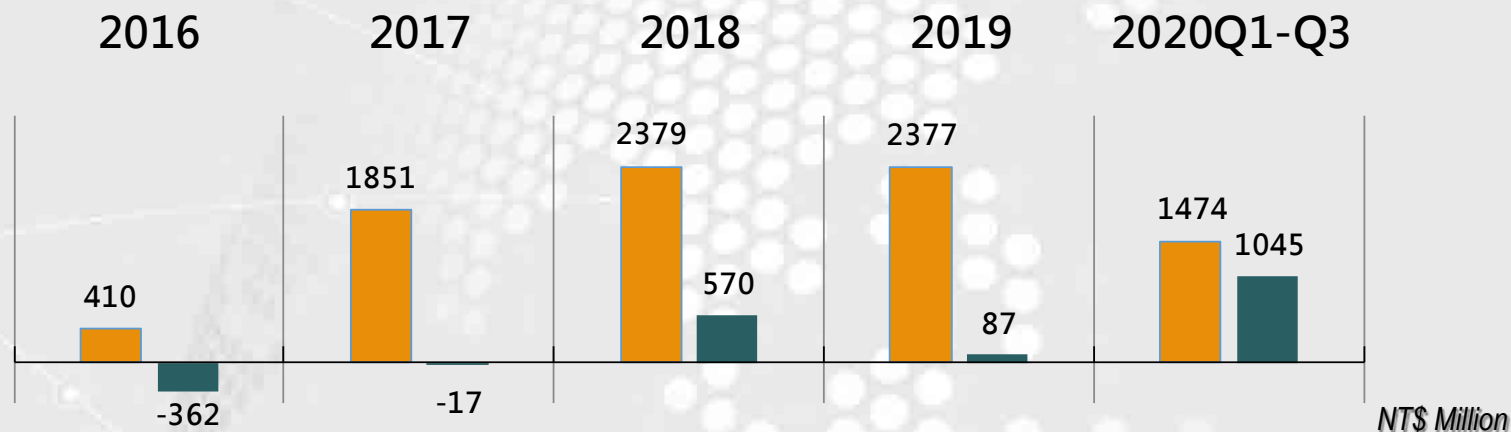
The Company was once again selected by "2020 FTSE4Good TIP Taiwan ESG Index".



TFC's Financial – Breakdown(1)

■ Core Business(Operating Profit+ Jubail JV) ■ Others

NT\$ Million



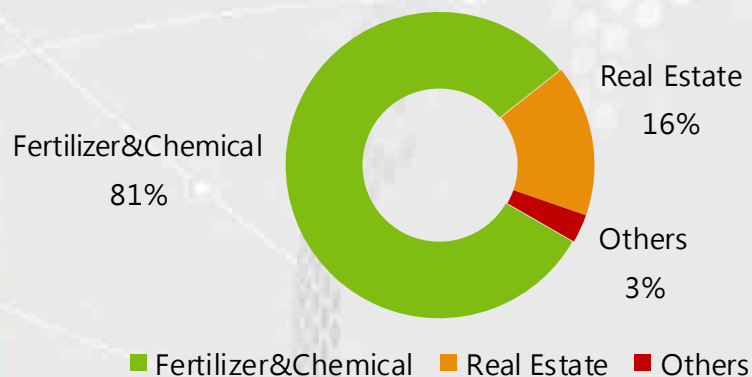
Year	2016	2017	2018	2019	2020Q1-Q3
Operating Income	596	1,228	1,286	1,626	1,068
Jubail JV	(186)	623	1,093	751	406
Core Business	410	1,851	2,379	2,377	1,474
Others	(362)	(17)	570	87	1,045
Net Income	(73)	1,619	2,281	2,064	2,090
Earning per share (dollar)	(0.07)	1.65	2.33	2.11	2.13



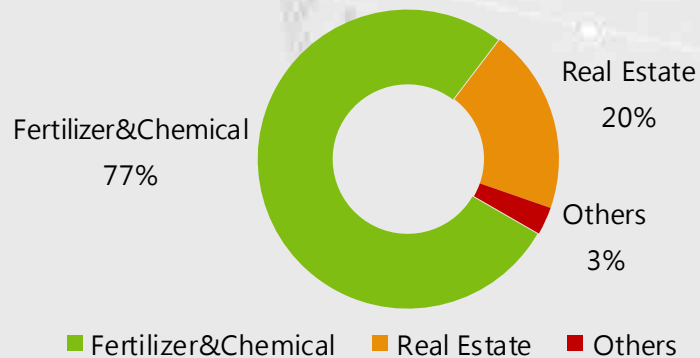
TFC's Financial – Breakdown(2)

Total Revenue

2020Q1-Q3: 8.019 Billion

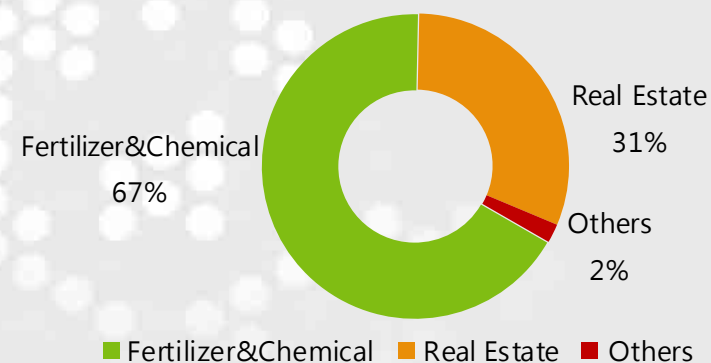


2019: 12.89 Billion

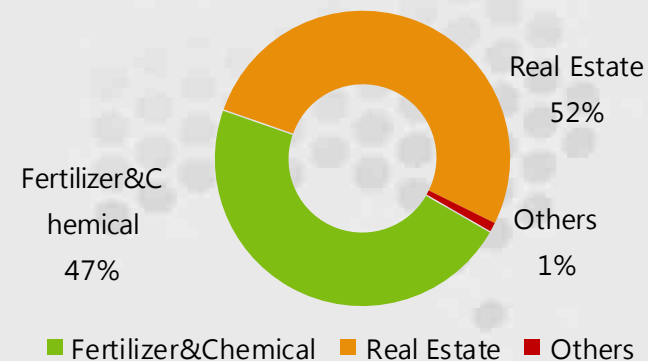


Gross Profit

2020Q1-Q3: 1.98 Billion



2019: 3 Billion



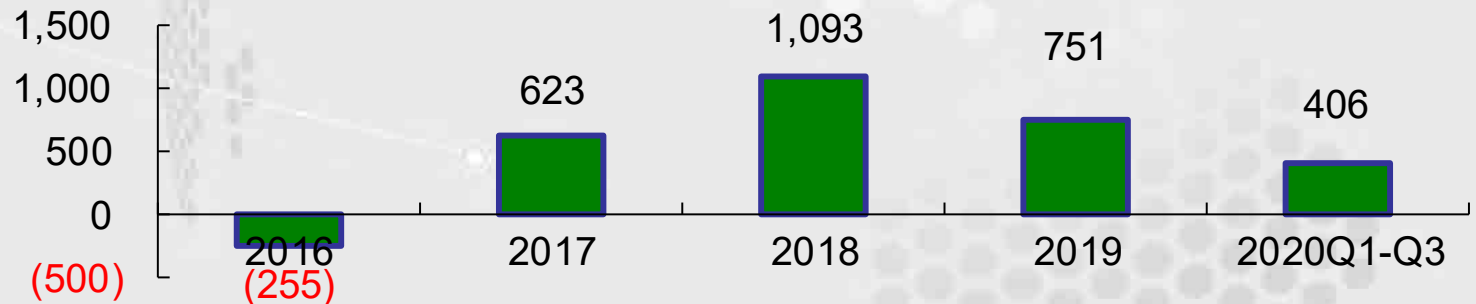
TFC's Financial – Overseas investment

■ Saudi Arabia- Jubail JV

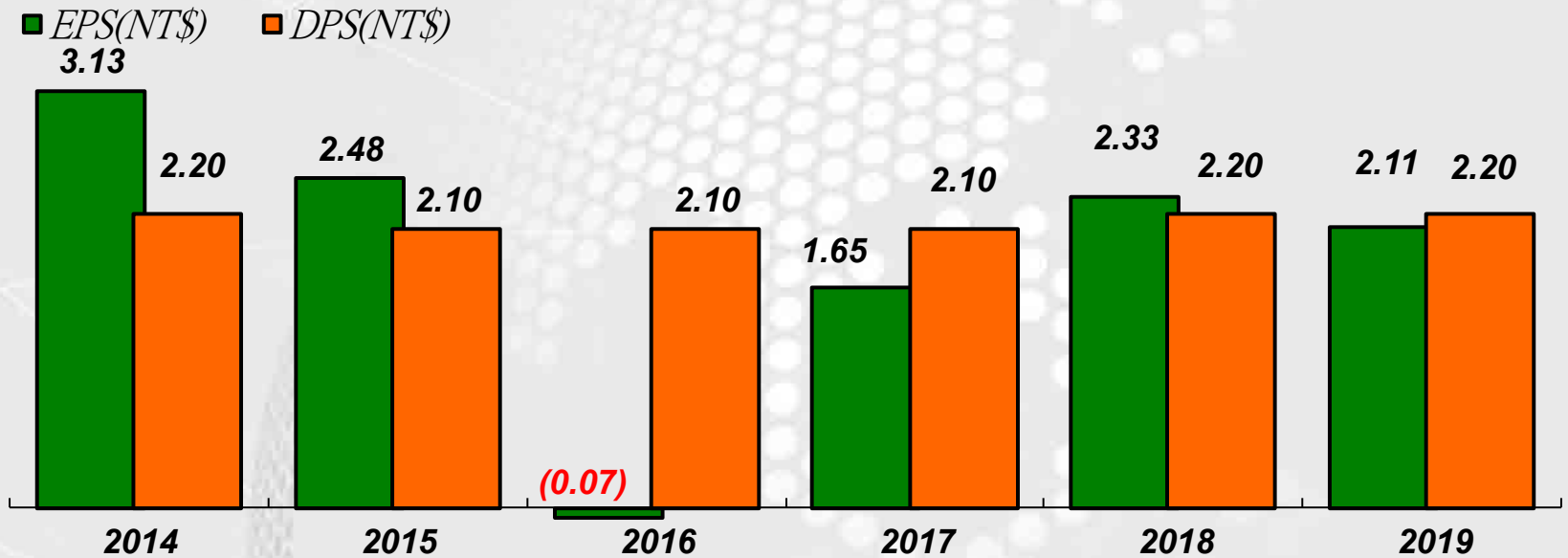
Four Main Products: Urea, Ammonia, 2-EH, and DOP.

■ Share of profits of Jubail JV(TFC Account)

NT \$ million



TFC Dividend Policy



- TFC maintained a high payout ratio in the past few years.
- Dividend policy: Primary focusing on stable growth and cash dividend.



Production capacity&Location

Business	Factory	Product Item	Capacity (mt/kl)
Fertilizer & Chemical	Taichung	nitrate-based compound fertilizer	325,000
		nitrate-based compound fertilizer(PEIFENG)	150,000
		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	3,600
		electronic-grade nitric acid	7,200
		electronic-grade ammonia water	7,200
Real estate & Investment	Hualien	Deep Ocean Water	600,000
	(Former Nangang)	Nangang Business-Trade Park	
	(Former Hsinchu)	Hsinchu Tech Business Park	
	(Former Kaohsiung)	Kaohsiung Multifunctional Commerce & Trade Park	



台肥事業分布區域
TFC Business Distribution



Fertilizer & Chemical Business

Fertilizer Business in Taiwan

■ **What we supply—**

Compound and single nutrient fertilizer products.

■ **Whom we supply—**

Fully supplying to Taiwan domestic farmers.

■ **Who we are—**

As the leading company of Taiwan fertilizer market, holding approximately 70% market share.

New Directions—

■ **Construction of Taichung Harbor West Dock 10 Project**

■ **Seeking logistic & trading Opportunities**

Chemical Business in Taiwan

■ **What we supply—**

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

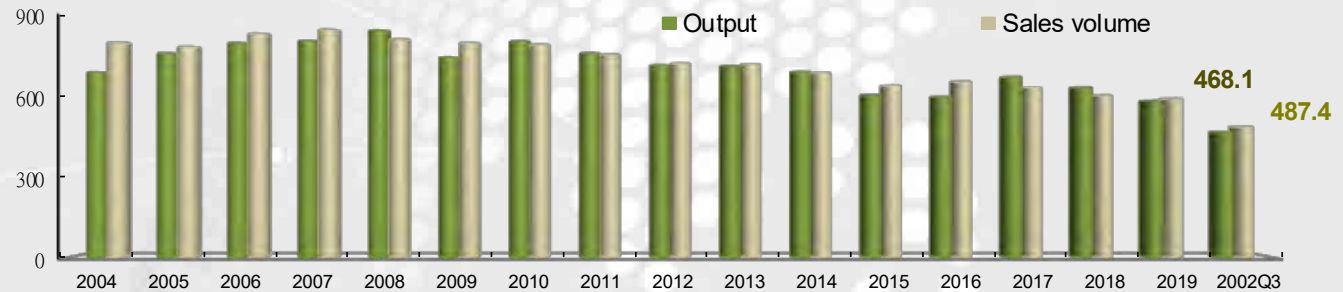
■ **Whom we supply—**

Mainly supplying to Taiwan domestic industries while selling some sulfamic acid and nitric acid products overseas.

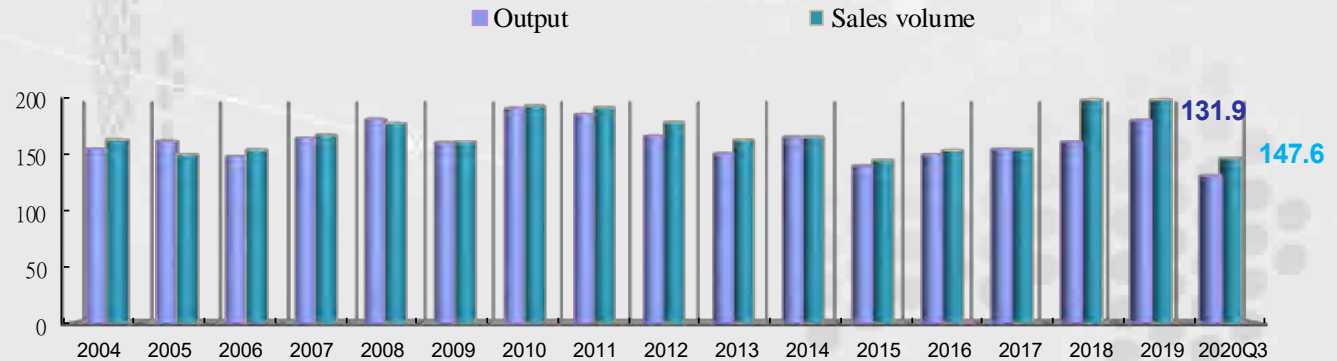


Production & Sales

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 , while coordinating with government's 'New Southbound Policy'.
2. Seeking new investment opportunities in Trade and Logistics business, as well as engaging in Chemical Trading market.

Area of land—

Pei Feng Technological Co., Ltd, a newly set up subsidiary which TFC has a 100% shareholding in, rents approximately 43,000 square meter land at Taichung Harbor West Dock 10, a special petrochemical industry zone in Taichung, from TIPC(Port of Taichung Taiwan International Ports CO., Ltd).

Schedule—

Construction period: Nov, 2016~June, 2020.

Scheme I : Preceding works including land lease, land preparation and allocation plan.

Scheme II: Setting up utility system, chemical tanks, storage and transportation systems.

Scheme III: Constructing Nitro-phosphate factory and Applying for license for the factory.

Scope—

Including Fertilizer & Chemical Products.

Total Investment—

2.367 Billion NTD.



Source from: Google earth



Land Development- Map of Significant Projects



Nangang Business-Trade Park No.C2 and C4 Project



Kaohsiung Multifunctional Commerce and Trade Park



Hualien Deep Ocean Water Production Park



Development plan of Dongming Rd, Keelung



Hsinchu Tech Business Park



List of Land Assets

Area ratio chart



Location	Lot of land	size(m ²)
Taipei City	67	110,279.61
New Taipei City	109	54,602.56
Keelung City	227	238,763.12
Ilan County	8	4,116.75
Hsinchu City	49	218,890.57
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	640	1,669,092.24

Remarks : The data collection date is Oct. 30, 2020.

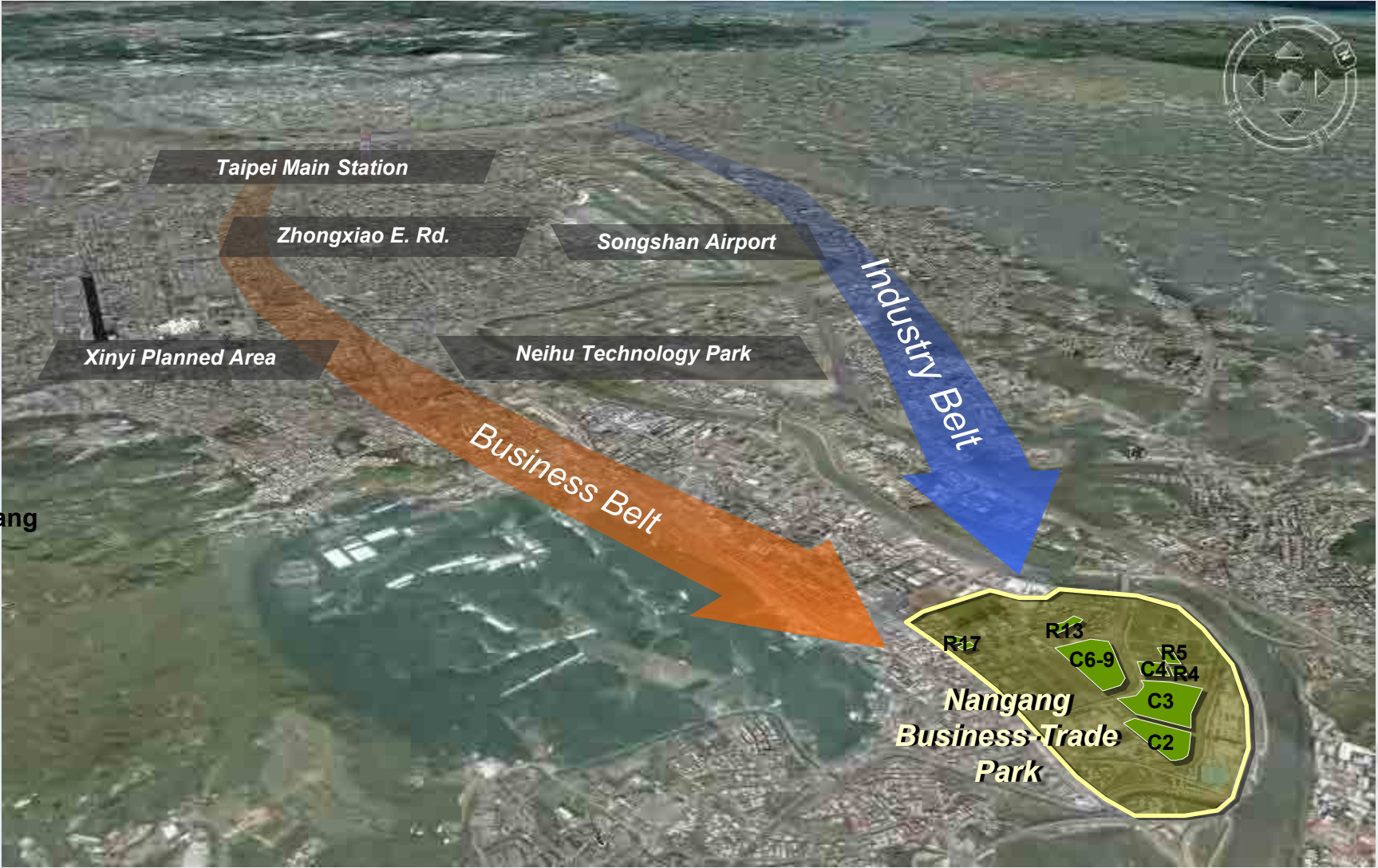


2020 Land Development Plan

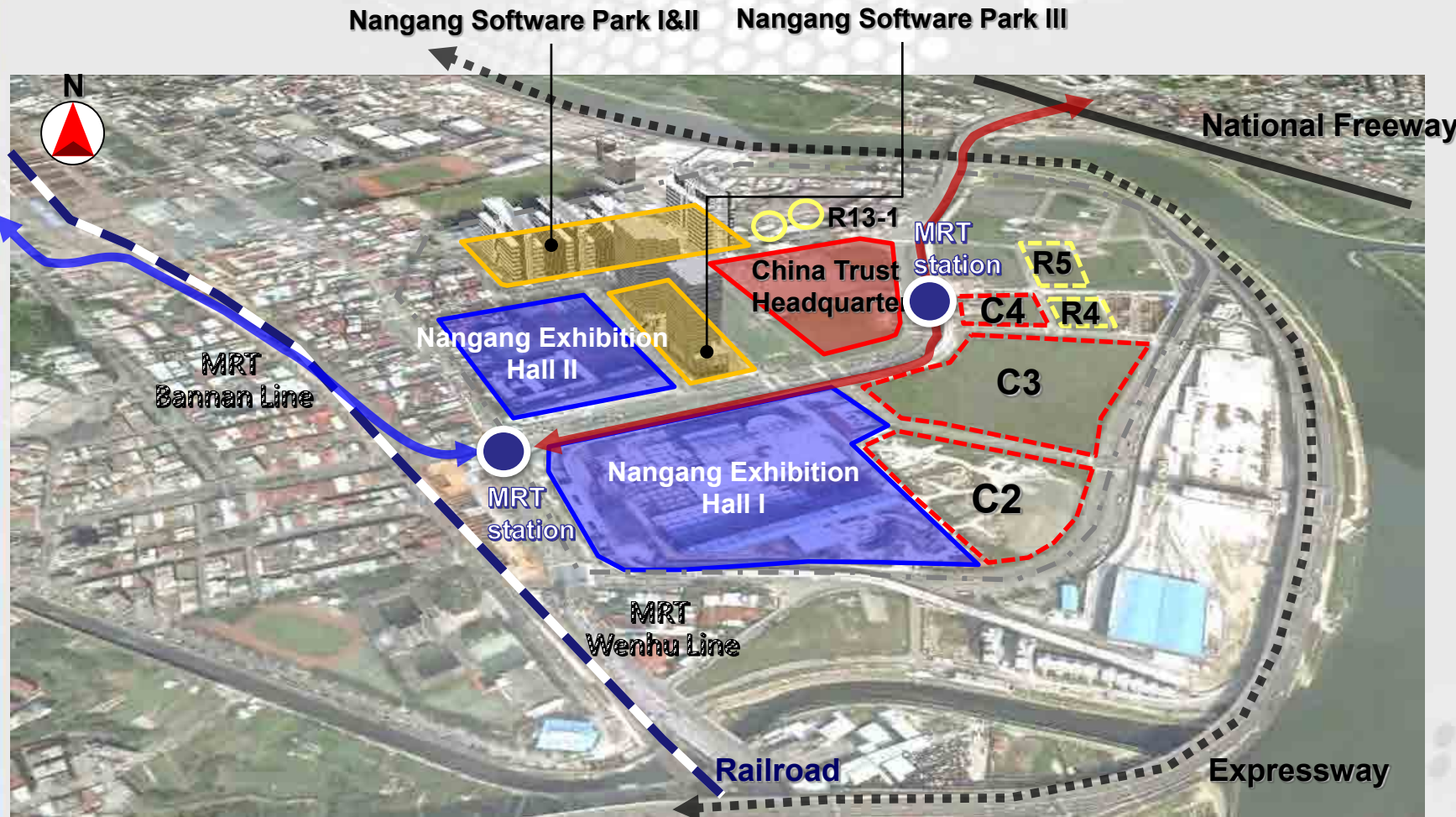
Area	Size(ping)	Size(m ²)	Current Status
Nangang Business-Trade Park No.C2 (Taipei)	7,051	23,310	<ol style="list-style-type: none"> 1. Construct and operate the Commercial building by TFC 2. Building permit approved. Building under construction.
Nangang Business-Trade Park No.C3 (Taipei)	12,565	41,537	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	<ol style="list-style-type: none"> 1. Construct and operate the Commercial building by TFC,and the construction is planned to commence.
Hsinchu Tech Business Park No.D7 (Hsinchu)	17,790	58,810	<ol style="list-style-type: none"> 1. TFC ONE is well constructed and now leasing. 2. Remaining land is still in the planning stage.
Keelung DongMing Road (Keelung City)	9,448	31,235	Project is under review and discussion with city government.
Kaohsiung Multifunctional Commerce and Trade Park (Kaohsiung City)	48,779	161,253	<ol style="list-style-type: none"> 1. "7C Urban land Readjustment " implemented by Kaohsiung City government. 2. The Land No. 7D is for lease now.
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 May 2017.
2. In June 2017, the positioning strategy was adjusted, the floor area of the office building was increased, the design of the building license was changed, increasing the benefit of the whole case.
3. The beaming ceremony was held in the end of 2019,it's estimated to be completed in 2022.



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.

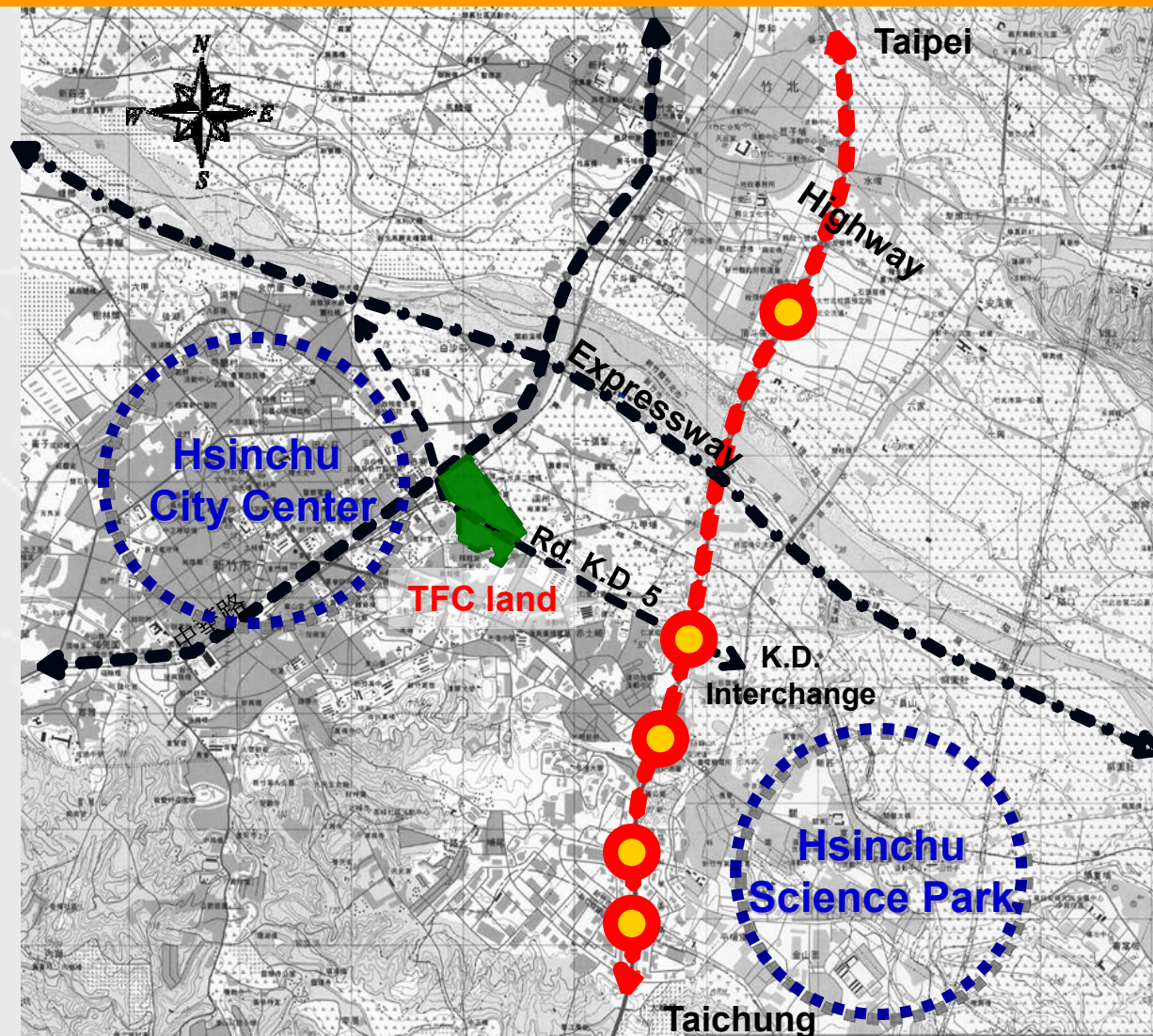
Policy : Rental Management/Develop by TFC

Status:

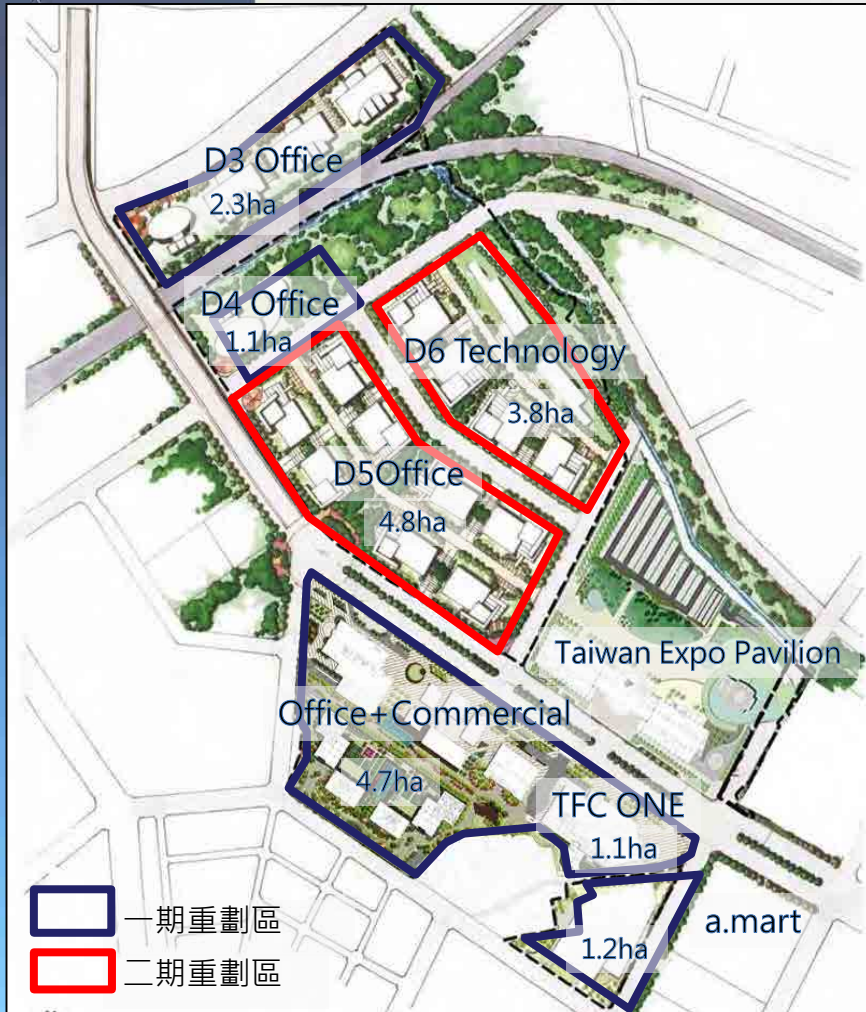
1. Obtained construction license in the middle of year 2020.
2. The major contractor contract was signed in the third quarter of 2020, and construction will begin by the end of the year.
3. The project is expected to be completed in 2024.



Location of Hsinchu Science Park



Hsinchu Science Park— Urban Land Consolidation



Land Size : 162,578m² (49,180ping)

Plot Ratio/Coverage Ratio : 210%、65%

Status :

1. First stage of Readjustment (D3,D4,D7 included, about 7.6HA)
 - Hsinchu City Government's financial settlement and Urban Land Readjustment Implemented announcement is completed, and the land and fee-paying land are allocated.
 - Urban Land Readjustment Implemented Committee disbanded process in November 2020.
2. Second stage of Readjustment (D5,D6 included, about 8.6HA)
 - The Hsinchu city government included this district into the scope of "X Plan", which will be developed into an "urban type" and "three-dimensional" science park. The National Development Council has reviewed and approved nearly 18.3 billion yuan in Expropriation land and development build.
 - The construction is scheduled to be completed in one year after the municipal government has reviewed and approved it.



Hsinchu Science Park D7 Block



Hsinchu Tech Business Park(D3-D7)

Land Size : 7HA

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. Office (4th-14th floor) 、 mall (1st -3rd floor),opened in August 2017.
2. Occupancy rate reaches 90%.
3. The remaining land of D7 block is at the planning stage, and designing of D7-B is in progress.



Hsinchu Science Park

D3 Mobile City (short-term use)

Land Size : 22,715.29m² (6,871 ping)

Plot Ratio : 210%

Building Coverage Ratio: 65%

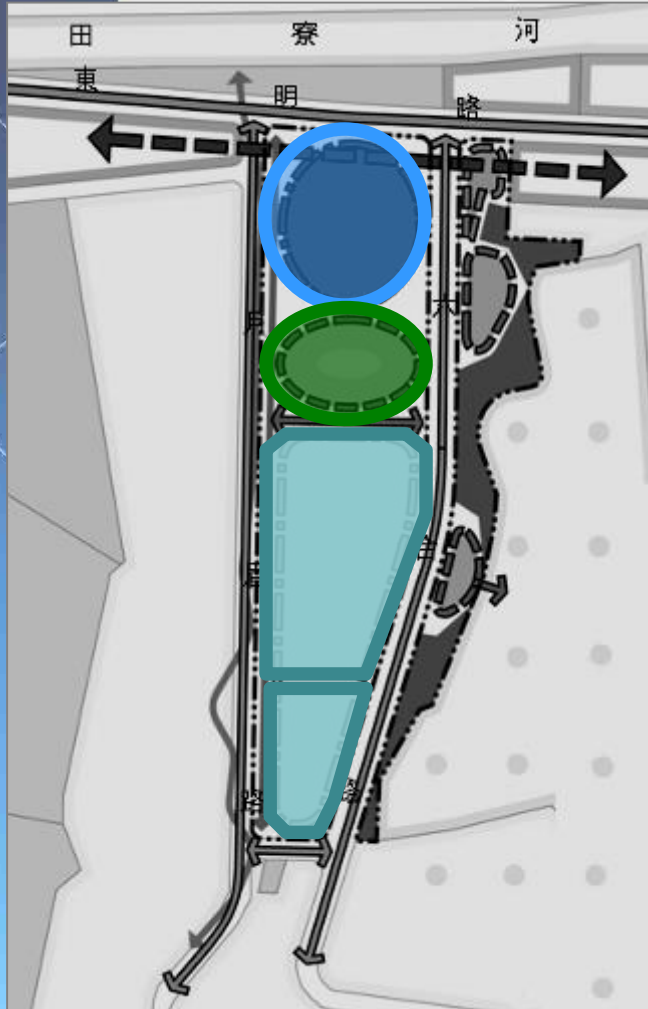
Program : Mobile showroom & basic maintenance station

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%

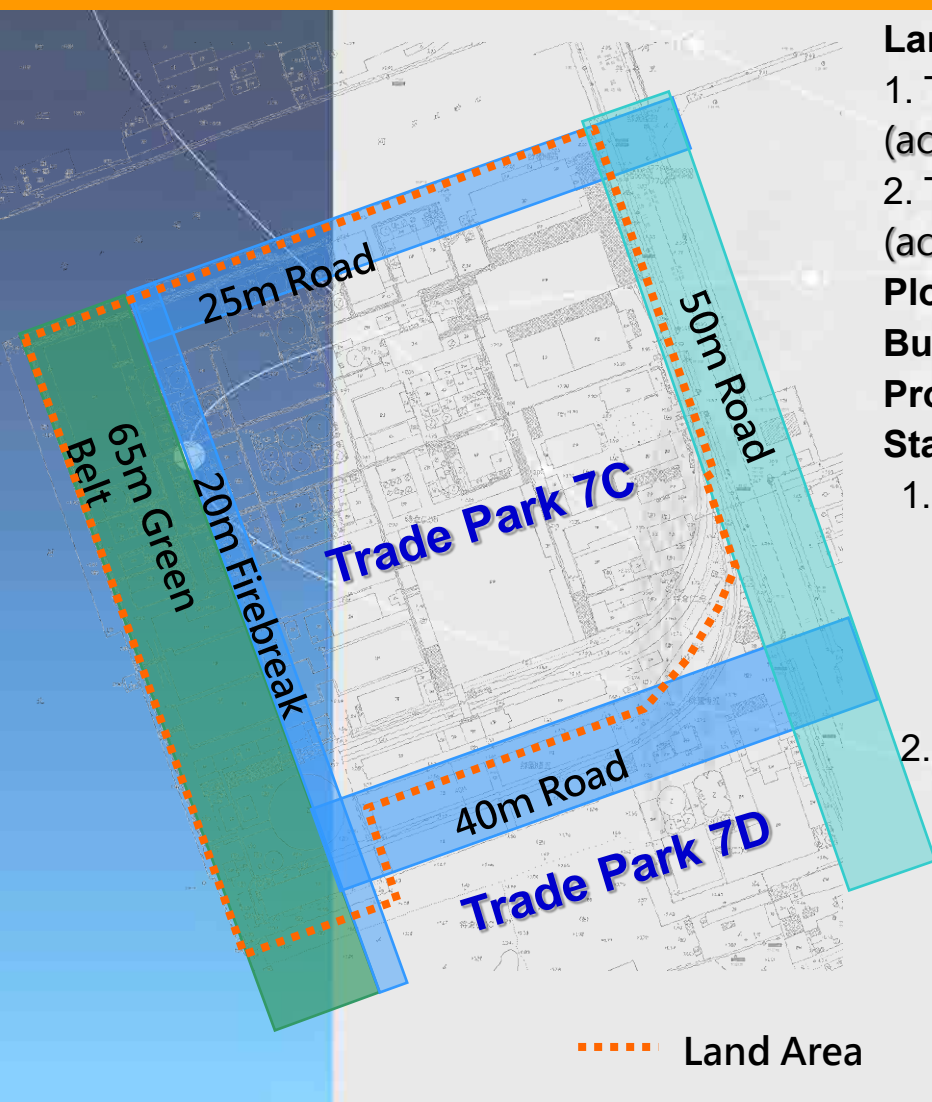
Program : Coordinating with city government for the plan

Status :

1. Keelung City government and we have held second meeting and third meeting on March 9th 2020 and July 9th 2020, respectively .
2. After Keelung city government discuss the issue of expropriated but undeveloped roads and other topic, this case would proceed to the review process of Urban Planning Division.



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 the 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, report to Ministry of the Interior to decide.
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.



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 :

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.



Thank You !

