



**玖源生態農業科技(集團)有限公司**  
Ko Yo Ecological Agrotech (Group) Limited

(Stock Code: 827.HK)

# **New Growth Momentum ——Dazhou New Plant**

**Feb 2011**



# Production Capacity Increase



# Product Production Capacity

- ✓ Production capacities increase: Urea increases 2.8 times, Ammonia increases 2.85 times
- ✓

Production Capacity (tons)		
	2009	2011 (% increase)
Urea	160,000	610,000 (+280%)
Ammonia*	140,000	540,000 (+285%)

# Production Capacity Forecasting

After the completion of 2<sup>nd</sup> Phase , the total annual production capacity of Dazhou plant will reach:

Urea 800,000tons

Ammonia 500,000tons

Melamine 40,000tons



2010 (1<sup>st</sup> Phase)

- Ammonia: 400,000 tons
- Urea : 450,000 tons

2<sup>nd</sup> Phase (additional)

- Ammonia : 500,000 tons
- Urea : 800,000 tons
- Melamine : 40,000 tons



# Plant Operation



# Plant Operation

As at February 2011

## □ The plant is running well

- ✓ the average loading rate of ammonia and urea can reach 87.6% and 96% respectively, over the design standard ( 70% with six months);
- ✓ The highest daily production volume of ammonia and urea is 1051.52 tons and 1382.87 tons respectively, above the design standard.

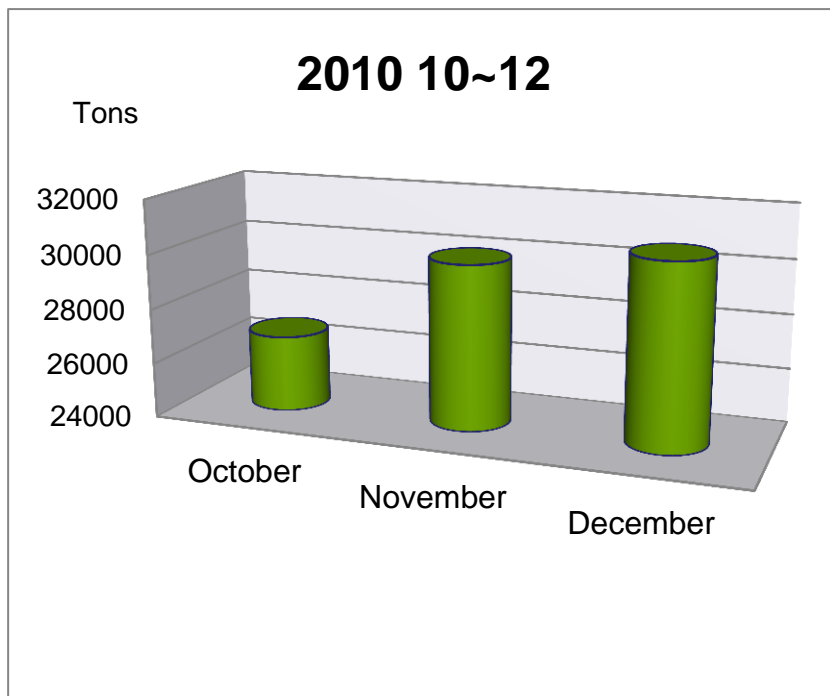
## □ Product Quality

Urea achieve the excellent quality grading.



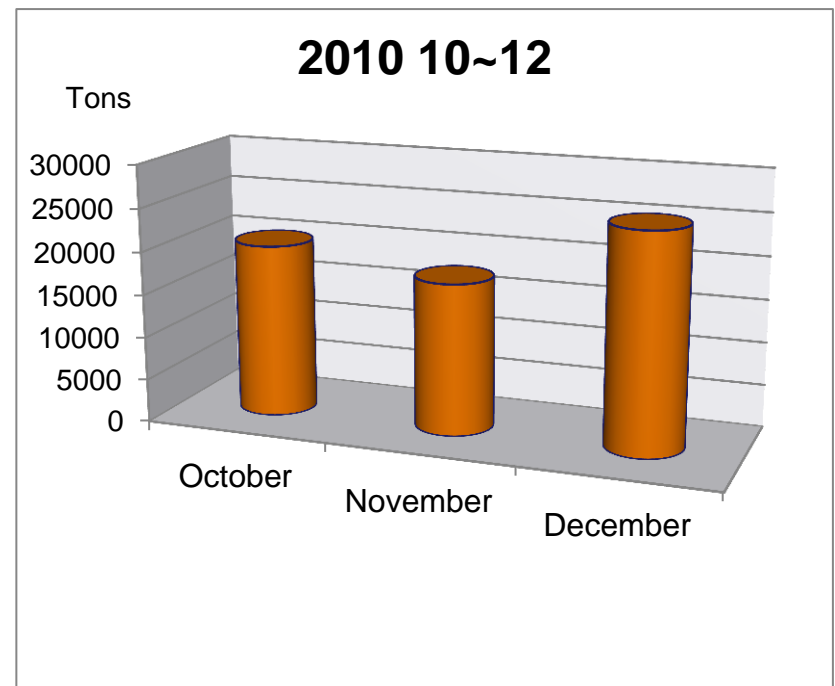
# Production Volume increasing

## Ammonia Production Volume



Ammonia 87,516 tons

## Urea Production Volume



Urea 63,109 tons

# Natural Gas Supply





# Natural Gas Supply

- ❑ Located close to the gas well
- ✓ Low pipe line fee : RMB0.06m<sup>3</sup>
- ✓ Stable gas supply : private pipe line
- ✓ High quality gas supply : high efficiency
  
- ❑ Annual usage 450Mm<sup>3</sup> (Sinopec)
  
- ❑ Gas Price
  - ✓ According to the local government and Sinopec's discussion, the price will be 10% lower than the reference price issued by the Central Government



# Recent Market Trend



# China Fertilizer Market

- Chemical fertilizer price remain strong
  - ✓ Production cost remain high (Coal, Electricity, Transportation)
  - ✓ High Food Price
  - ✓ Energy saving and emission reduction result in lower the industry operating rate
  
- Spring sowing season increase the demand of fertilizer
  - ✓ The demand of fertilizer in spring sowing season represent 60% of the whole year demand.
  - ✓ Urea is the most concern product in spring sowing season ( product production volume decrease 、 low inventory level for whole seller 、 cost of production's support )

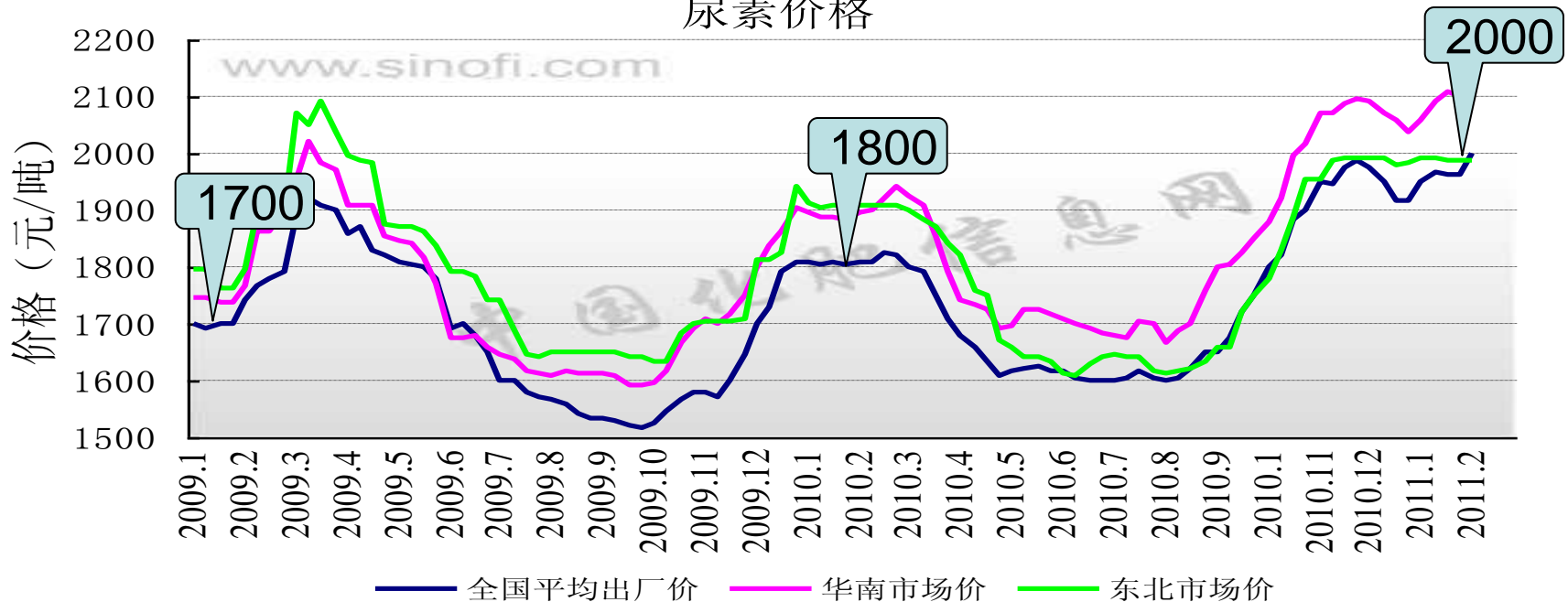
Source: [www.sinofi.com](http://www.sinofi.com)

# Urea

- After the Chinese New Year, the urea price increase by RMB50/tons and the average ex-factory urea price increase from RMB1950/tons to RMB2000/tons
- The beginning of Spring sowing season represent the starting demand of urea and will lead the price even higher.

## Urea Price Trend

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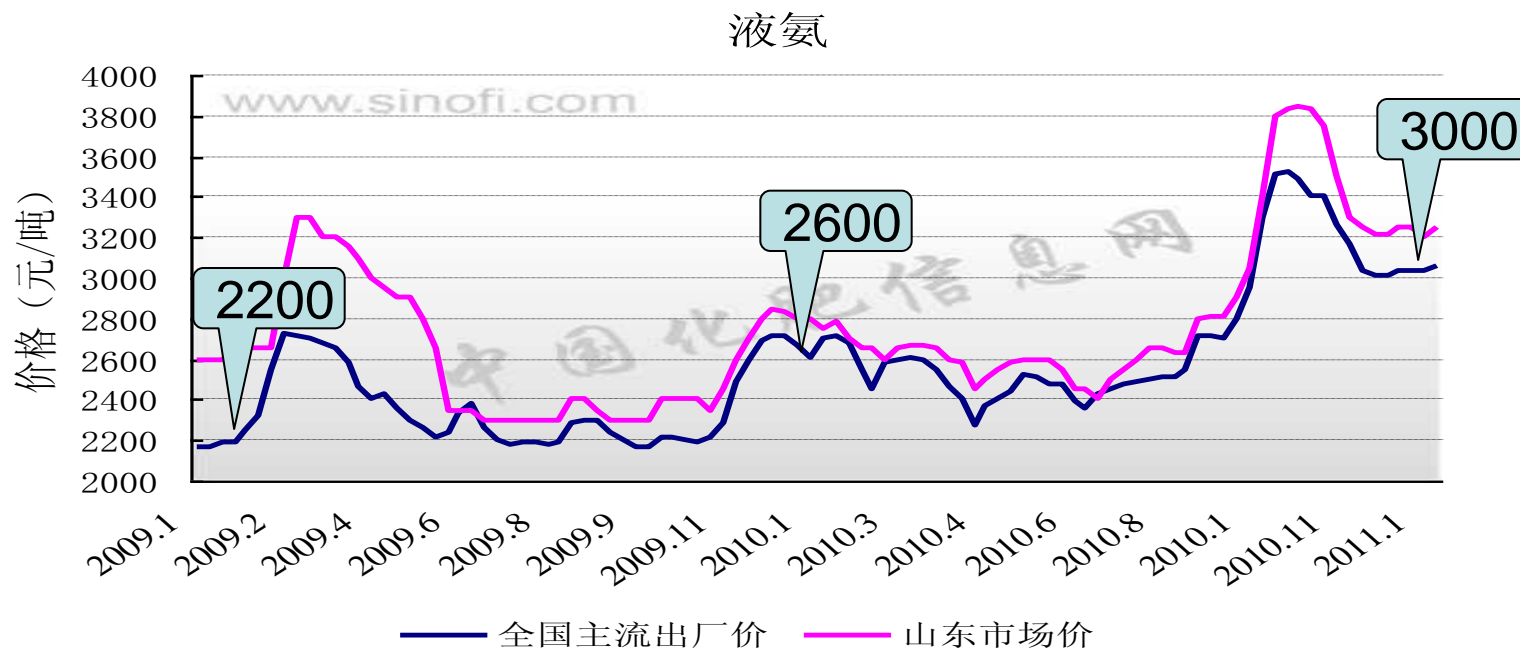


Source: www.sinofi.com

# Ammonia

- After the Chinese New Year, Ammonia price is increasing.
- Affect by the urea, DAP and MAP market, ammonia is look better afterward.

## Ammonia Price Chart



Source: www.sinofi.com



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**Thank You!**

