

**Note: Key data/information in this sample is hidden, while in the report they are not.**

## **1 Anhui Guangxin Agrochemical Co., Ltd.**

### **1.1 Company info**

#### **1.1.1 Basic info**

Table 1.1.1-1 Basic info of Anhui Guangxin, 2012

<b>Company name</b>	Anhui Guangxin Agrochemical Co., Ltd.		
<b>Business address</b>	Peng Cun Country, Xinhang Town, Guangde County, Xuanzhou City 242234, Anhui Province		
<b>Website</b>	http://www.chinaguangxin.com/		
<b>Tel.</b>	+86-563-6038999		
<b>Fax</b>	+86-563-6038999		
<b>Establishment date</b>	March 2000		
<b>Registered capital</b>	USD ■ million (RMB ■ million)		
<b>Company type</b>	<input type="checkbox"/> State owned <input checked="" type="checkbox"/> Private <input type="checkbox"/> Joint <input type="checkbox"/> Exclusively foreign-owned <input type="checkbox"/> Listed corporation <input checked="" type="checkbox"/> Unlisted joint stock <input type="checkbox"/> Limited liability		
<b>Main business</b>	Production and sale of pesticides & pharmaceutical intermediates, pesticide technical materials and their formulations		
<b>Employee</b>	■		
<b>Import-export right</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Party ID</b>	■

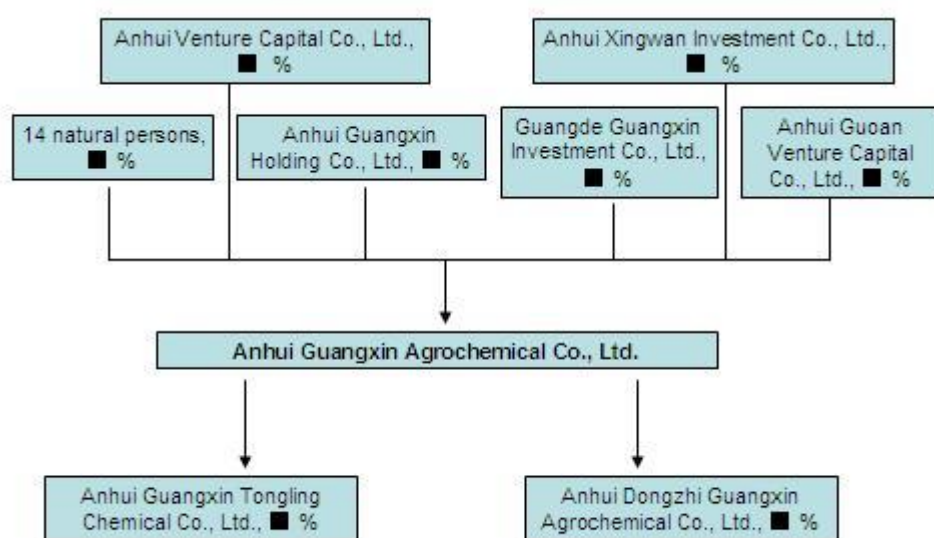
Source: Anhui Guangxin

#### **1.1.2 Key points in company history**

- ✓ In March 2000, Anhui Guangxin Agrochemical Co., Ltd. (Anhui Guangxin) was set up as a limited company.
- ✓ In 2001, Anhui Guangxin Tongling Chemical Co., Ltd. was founded by Anhui Guangxin as its main production base in Tongling County, Anhui Province.
- ✓ In March 2006, Anhui Guangxin was listed among the top 100 enterprises of comprehensive benefit and top 100 enterprises of sales revenue.
- ✓ In 2008, Anhui Guangxin was the most valuable growth-oriented enterprise in Anhui Province, and the company and its subsidiaries were national high-tech enterprises.
- ✓ In Sept. 2009, Anhui Guangxin was transformed to run with joint stock system.
- ✓ October 2009: The first phase of Anhui Guangxin's phosgene production base was put into production. Anhui Guangxin is also the first Chinese private enterprise in producing phosgene and phosgenation products. These products take the lead in Anhui Province.
- ✓ 2010: The series of carbendazim won the Gold Medal of Shanghai World Expo Anhui Week Theme Exposition.
- ✓ 2011: The Deputy Chief of Guangde County, Ge Jiangrong, spot checked the construction progress of the phosgene production base, hoping that Anhui Guangxin could further accelerate the construction according to the county government's targets.
- ✓ In Oct. 2011, Anhui Guangxin started the application for getting listed on the stock market.

### 1.1.3 Current ownership structure

Figure 1.1.3-1 Current ownership structure of Anhui Guangxin, 2012



Source: Anhui Guangxin

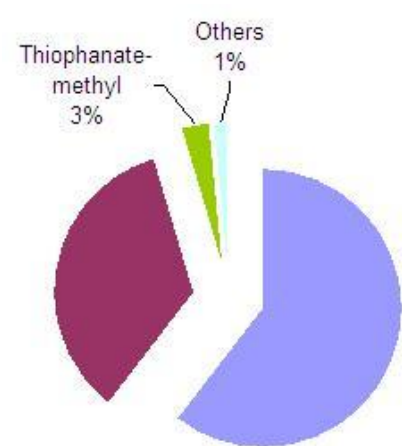
### 1.1.4 Overall business performance

Table 1.1.4-1 Overall business performance of Anhui Guangxin, 2009-2011

<b>Company name</b>	Anhui Guangxin Agrochemical Co., Ltd.
<b>Main business</b>	Production and sale of pesticide & pharmaceutical intermediates, pesticide technical and formulations
<b>Total assets</b>	2009: USD ■ million 2010: USD ■ million 2011: USD ■ million
<b>Annual revenue</b>	2009: USD ■ million 2010: USD ■ million 2011: USD ■ million
<b>Total profit</b>	2010: USD ■ million 2011: USD ■ million
<b>Export/domestic business</b>	2009: ■ % / ■ % 2010: ■ % / ■ % 2011: ■ % / ■ 0%

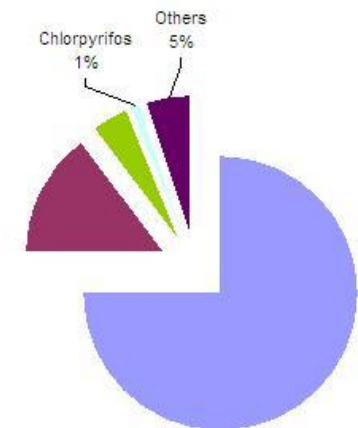
Source: CCM

Figure 1.1.4-1 Pesticide export of Anhui Guangxin by market value and variety, H1 2012



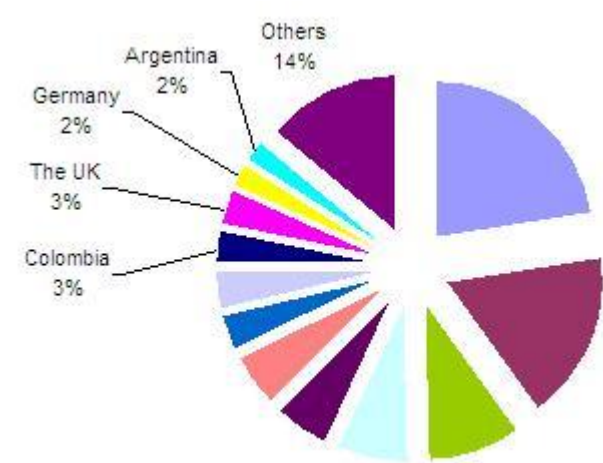
Source: China Customs & CCM

Figure 1.1.4-2 Pesticide export of Anhui Guangxin by market value and variety, 2011



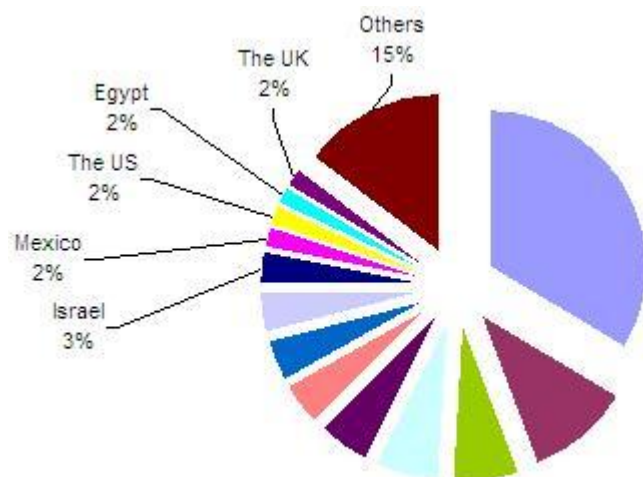
Source: China Customs & CCM

Figure 1.1.4-3 Pesticide export of Anhui Guangxin by market value and region, H1 2012



Source: China Customs & CCM

Figure 1.1.4-4 Pesticide export of Anhui Guangxin by market value and region, 2011



Source: China Customs & CCM

### 1.1.5 Product registration

Table 1.1.5-1 Anhui Guangxin's valid technical registrations in China, as of Nov. 2012

No.	Registration No.	Product	Content	Effective date	Expiration date
1		Buprofezin			
2		Carbendazim			
3		Chlorpyrifos			
4		Diuron			
5		Glyphosate			
6		Hexazinone			
7		Imidacloprid			
8		Isoprocab			
9		Isoproturon			
10		Thiamethoxam			
11		Thiophanate-methyl			

Source: ICAMA

Table 1.1.5-2 Anhui Guangxin's valid formulation registrations in China, as of Nov. 2012

No.	Registration No.	Product	Content	Formulation	Effective date	Expiration date
1		Carbendazim				
2		Carbendazim				
3		Carbendazim				
4		Diuron				
5		Diuron				
6		Glyphosate IPA				
7		Glyphosate IPA				
8		Thiophanate-methyl				

Source: ICAMA

## 1.2 Products & investment

Table 1.2-1 Fields of business in Anhui Guangxin, 2011-H1 2012

Category	Share by revenue 'H1 12	Share by revenue '11	Product
Fungicides	■ %	■ %	■
Herbicides	■ %	■ %	■
Fine chemicals & intermediates	■ %	■ %	-

Source: CCM

Table 1.2-2 Major pesticide products in Anhui Guangxin, 2011-H1 2012

Product	Capacity '12, t/a	Output 'H1 12, tonne	Output '11, tonne
Carbendazim technical	■	■	■
Thiophanate-methyl technical	■	■	■
Glyphosate technical	■	■	■
Diuron technical	■	■	■

Source: CCM

Table 1.2-3 New projects in Anhui Guangxin, Q3 2012

Product	Designed capacity, t/a	Process
Albendazole	■	■
Sulfonyl isocyanate series	■	■
Methyl carbamate	■	■
Diuron	■	■
Thiophanate-methyl	■	■

Source: Anhui Guangxin

Table 1.2-4 Anhui Guangxin's investments, 2011-Q3 2012

Time	Investment
Dec. 2010	Anhui Guangxin set out construction of ■ t/a ion film caustic soda.
2011	Plants of ■ t/a phosgene and phosgene products.
Oct. 2011	Anhui Guangxin announced to get listed and then to invest in four IPO projects, covering sulfonyl isocyanate series, methyl carbamate, diuron and thiophanate-methyl.

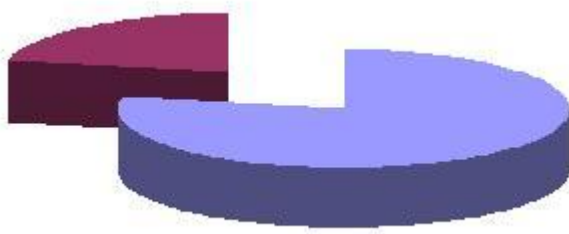
Source: Anhui Guangxin

## 1.3 Marketing, sales mode and commercial activities

### 1.3.1 Marketing and sales mode

Anhui Guangxin is a market-oriented enterprise, whose products cover domestic and overseas markets. Anhui Guangxin has set up Shanghai Office, which is responsible for the export and sales. Most of its products are exported to America, Europe, Southeast Asia, etc. As for the domestic market, Anhui Guangxin established a sales department of formulations to manage the market participants, including dealers, direct-cooperated manufacturers, and so on.

Figure 1.3.1-1 Distribution structure of Anhui Guangxin, 2011



Source: CCM

### 1.3.2 Commercial activities

2008: Anhui Guangxin Tongling Chemical Co., Ltd., a subsidiary of Anhui Guangxin, adjusted management strategy in response to the financial crisis. It started to focus on the development of the domestic market. Prior to the adjustment, about █% of its products had been exported, compared with the ratio of █% after the adjustment, contributed to the good sales performance of the company.

March 2009: Anhui Guangxin held a meeting about ordering and product launch in Shangshan City, Anhui Province. In this promotion meeting, Anhui Guangxin not only invited experts to demonstrate knowledge of pesticide products, but also introduced related details, including products' performance, enterprises' investment, capability and operating conditions.

2009: Anhui Guangxin founded Anhui Dongzhi Guangxin Agrochemical Co., Ltd., which is mainly engaged in the production and R&D of agrochemicals and intermediates. It's aim is to put the agreement signed with the Government of Dongzhi County into practice.

Oct 2010: Anhui Guangxin took part in the 10th National Agrochemicals Product Exhibition which held by CCPIA in Shanghai. At the expo, Anhui Guangxin displayed the highlighted advantage product, aiming to keep up with the development trend of global agricultural industry and to win much more gains.

Oct. 2011: Anhui Guangxin started the application for getting listed on the stock market, but relative details are not available now. This action will enhance the company's brand popularity in a large degree.

#### - Overseas market expansion

It's too early to discuss Anhui Guangxin's overseas market expansion currently. As an unlisted private enterprise, the company prefers to aim at domestic market temporarily, because its phosgene specialty is actually dominant in domestic rather than in global scale. What's more important is that significant capital burden in overseas market expansion is a little heavy for Anhui Guangxin now.

## 1.4 SWOT analysis

### - Strength

Anhui Guangxin is the largest carbendazim and thiophanate-methyl producer in China, and owns large production capacity in raw materials for the two fungicides.

Anhui Guangxin is also China's first private enterprise in producing phosgene and phosgene products. Its products take the lead in Anhui Province. Its other main products, like thiophanate-methyl, diuron, glyphosate, chlorpyrifos and isoproturon also hold certain market share, and are widely used and accepted. Anhui Guangxin has passed both ISO 9001 and ISO 14001 certifications.

Through more than one decade's growth, Anhui Guangxin now owns three major manufacturing plants which are situated in Guangde County and Tongling City of Anhui Province. Its headquarters stands in the Guangde County of southeast Anhui and is adjacent to eight counties of three provinces, namely Jiangsu, Zhejiang and Anhui. It faces Hangzhou, Jiaxing and Huzhou to the east, and Suzhou, Wuxi and Changzhou to the north.

Anhui Guangxin is a large-scale enterprise covering diverse business fields, including pesticide & pharmaceutical intermediates, pesticide technical and formulations.

Anhui Guangxin has a promising research team. Also it has invested and built an equipped R&D Center in Shanghai. Strong technical support for the products injects new vitality to develop the international market.

### - Weakness

Anhui Guangxin has relatively simple pesticide product mix. The company only produces carbendazim and thiophanate-methyl (fungicide), glyphosate, diuron and isoproturon (herbicide).

Anhui Guangxin is a large domestic pesticide production enterprise with phosgene as raw material. Phosgene is a chemical compound with the formula  $\text{COCl}_2$ . Phosgene is a highly toxic, irritating and corrosive gas and inhalation can cause fatal respiratory damage. The company may have the risk of accidental safety accidents for the deficient equipment and technology as well as improper storage and operation.

### - Opportunity

In the next few years, Anhui Guangxin can take advantage of its phosgene resources and enlarge the phosgene industry chain. It can also feature in phosgene pesticide products and fine chemical intermediate products.

Phosgene and phosgene products are indispensable raw materials for the national economic development. Since phosgene can not be transported, it is very strict in space building during the production. The phosgene production base of Anhui Guangxin is well located for transferring the related phosgene products to Shanghai, Jiangsu, Zhejiang and other domestic and international destinations.

#### - Threat

About one third of the revenue of Anhui Guangxin comes from export business. If the RMB exchange rate fluctuates, the price advantage of Anhui Guangxin may also be altered in the international market, which will affect the company's business performance.

China has adjusted the export rebate of pesticide products in different degrees successively. For example, as for the main products of Anhui Guangxin, carbendazim TC and thiophanate-methyl TC, they have witnessed a reduction of export rebate from 11% in 2006 to 9% at present. If Chinese export rebate policy for pesticide products changes in the future, the export income and business performance of Anhui Guangxin will also vary largely.

Pesticide production enterprise will produce waste water, waste gas, solid waste and noise in production, and Anhui Guangxin is no exception. If the company is poor in environmental protection through the production and operation process, and thus cause water pollution, atmospheric pollution or other environmental pollution accidents, Anhui Guangxin will take the risk of being punished by regulatory authorities.