

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

2 Performance of pesticide listed enterprises in H1 2014

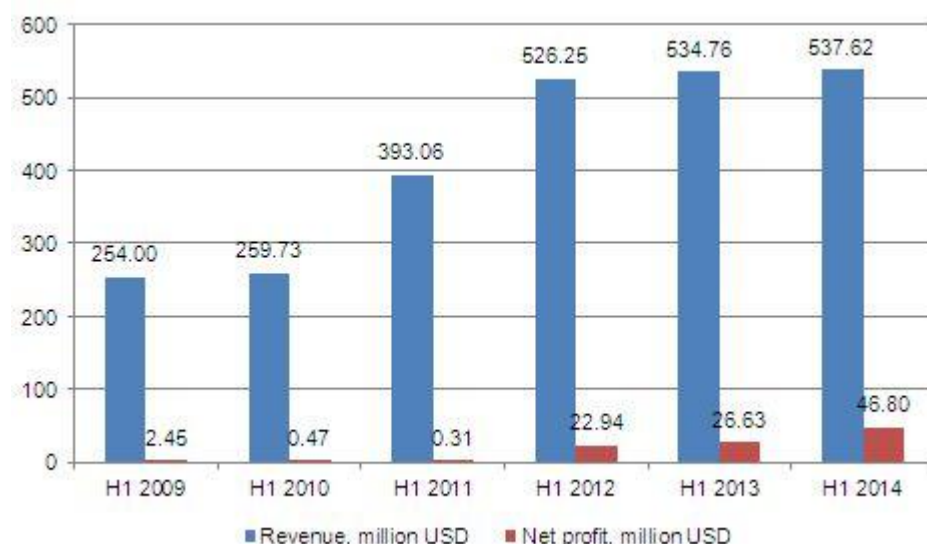
2.1 Nanjing Redsun

As one of the largest domestic pesticide enterprises, Nanjing Redsun experienced a slight revenue growth in H1 2014, up 0.53% YoY, reaching USD537.62 million. Unlike its revenue growth, the company's net profit witnessed a larger increase hitting USD46.80 million, with a YoY growth of 75.76%, due to the rising price of pesticides compared with that in H1 2013.

Specifically, the revenue and gross profit margin of its pesticide business reached USD314.45 million and 30.48%, up 39.01% and 5.35 percentage points respectively in H1 2014.

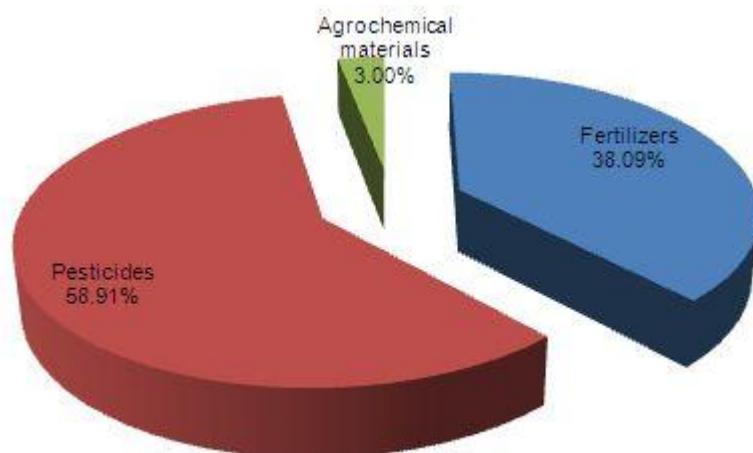
Because of the toxicity of paraquat, the policies restricted the expansion of capacity, which has not been expanded since 2012. However, the demand of paraquat kept an annual growth rate of 10%, thus its price also continued to rise. The paraquat capacity of Nanjing Redsun is 20,000 t/a (converted to 100%), ranking the first in China, and is in nearly full utilization. Besides, the raw material of paraquat—pyridine, which accounts for more than 60% of the total production cost, had realized self-supply completely in Nanjing Redsun. This had largely promoted the gross profit margin of paraquat.

Figure 2.1-1 Revenue and net profit of Nanjing Redsun, H1 2009-H1 2014



Source: Nanjing Redsun

Figure 2.1-2 Main business structure of Nanjing Redsun by revenue, H1 2014



Source: Nanjing Redsun

Table 2.1-1 Revenue from the top five customers of Nanjing Redsun, H1 2013 and H1 2014

No.	H1 2013		H1 2014	
	Sales revenue, million USD	Share by total revenue	Sales revenue, million USD	Share by total revenue
1	16.88	3.16%	16.56	3.10%
2	12.20	2.28%	13.27	2.49%
3	11.87	2.22%	10.08	1.89%
4	11.42	2.13%	9.64	1.81%
5	10.73	2.01%	9.29	1.74%
Total	63.10	11.80%	58.85	11.03%

Source: Nanjing Redsun