

Keeping Pace with The Times

Penetrate into China Agrochemical Supply Chain

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Export of China Agrochemicals



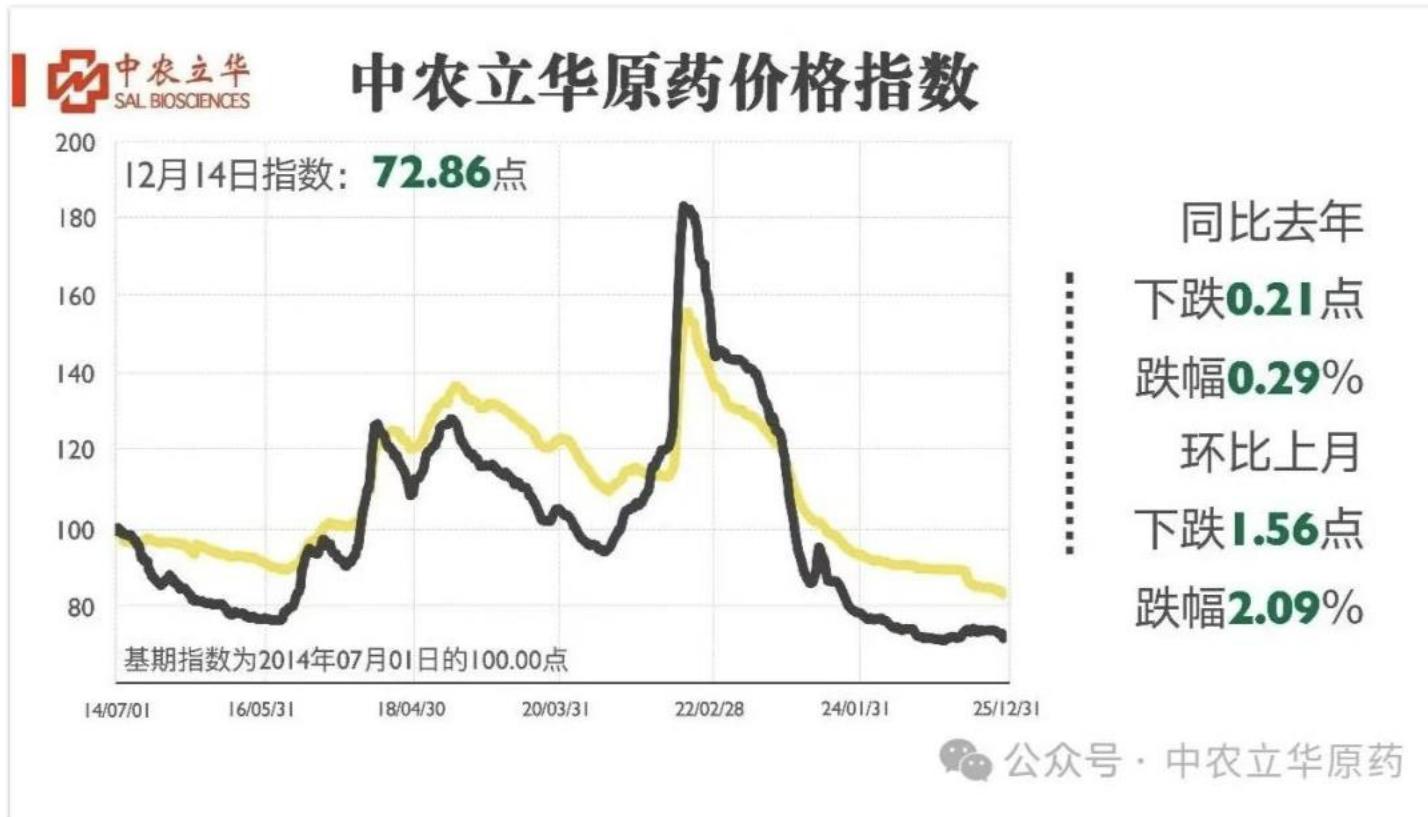
Rebalance of Supply and Demand

Supply shortages in 2022 lead to price spikes. The 2024 demand grown but prices remained depressed due to investment mismatches. The 2025 demand recovered with stable pricing.



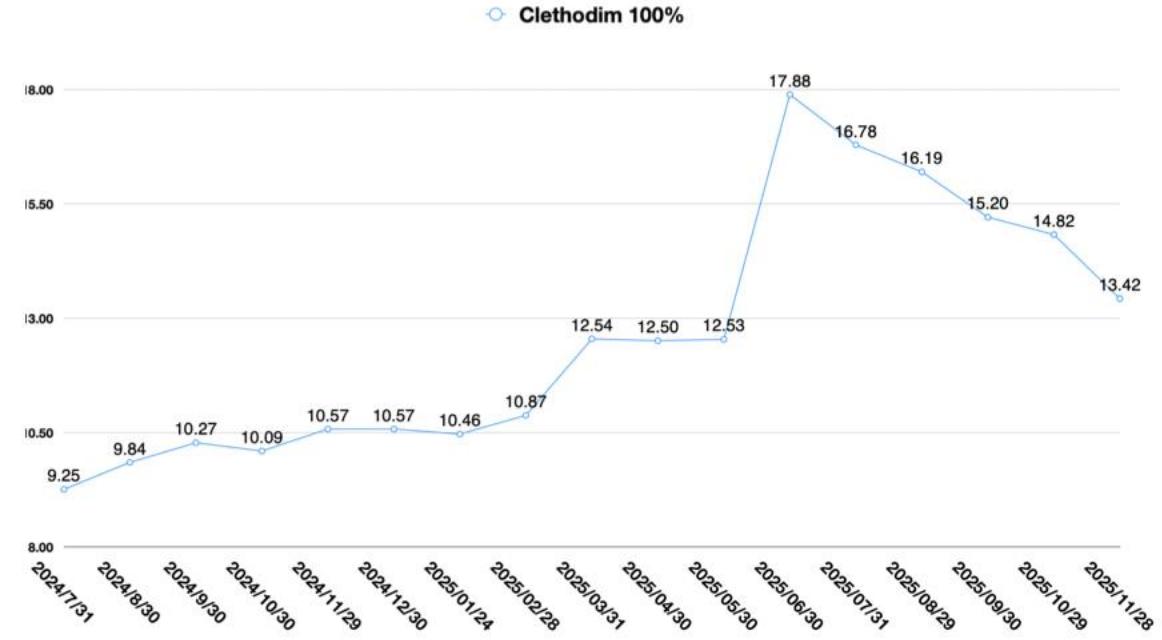
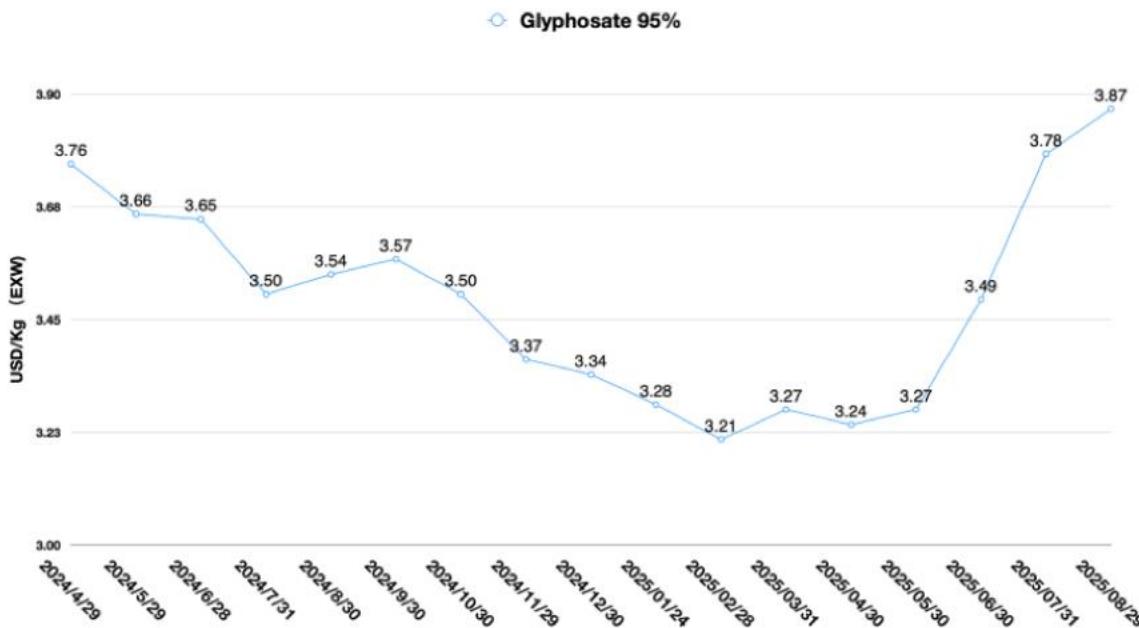
Price Fluctuation along with Long-term Stable

China Agrochemical Price Index by SinoAgri

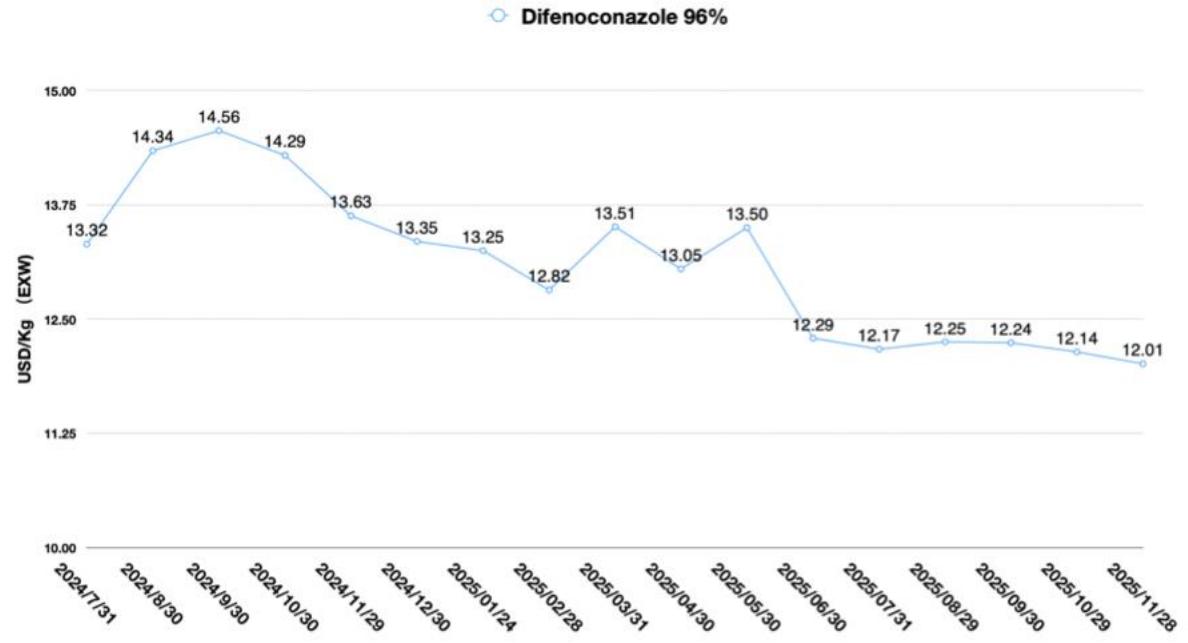
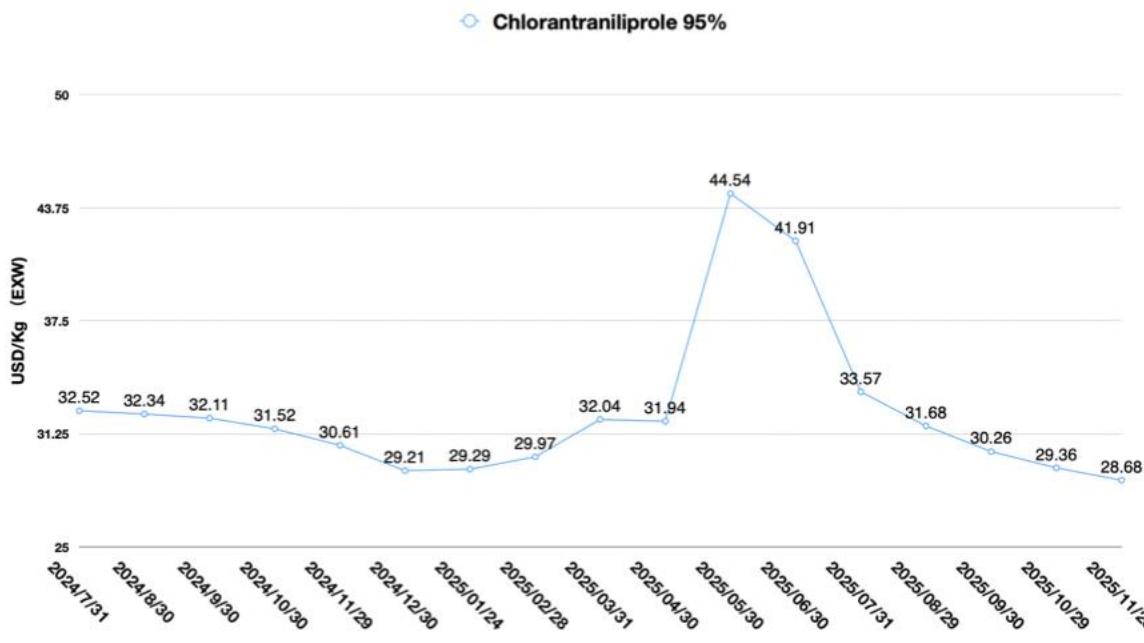


- **Herbicide:** Expect 2,4D, burn-down herbicides' price weak; clethodim price down turn;
- **Fungicide:** Moncozeb price stabel up, prothioconazole price stable down;
- **Insecticides:** CTPR price drops.

Rebalance of Supply and Demand



Rebalance of Supply and Demand



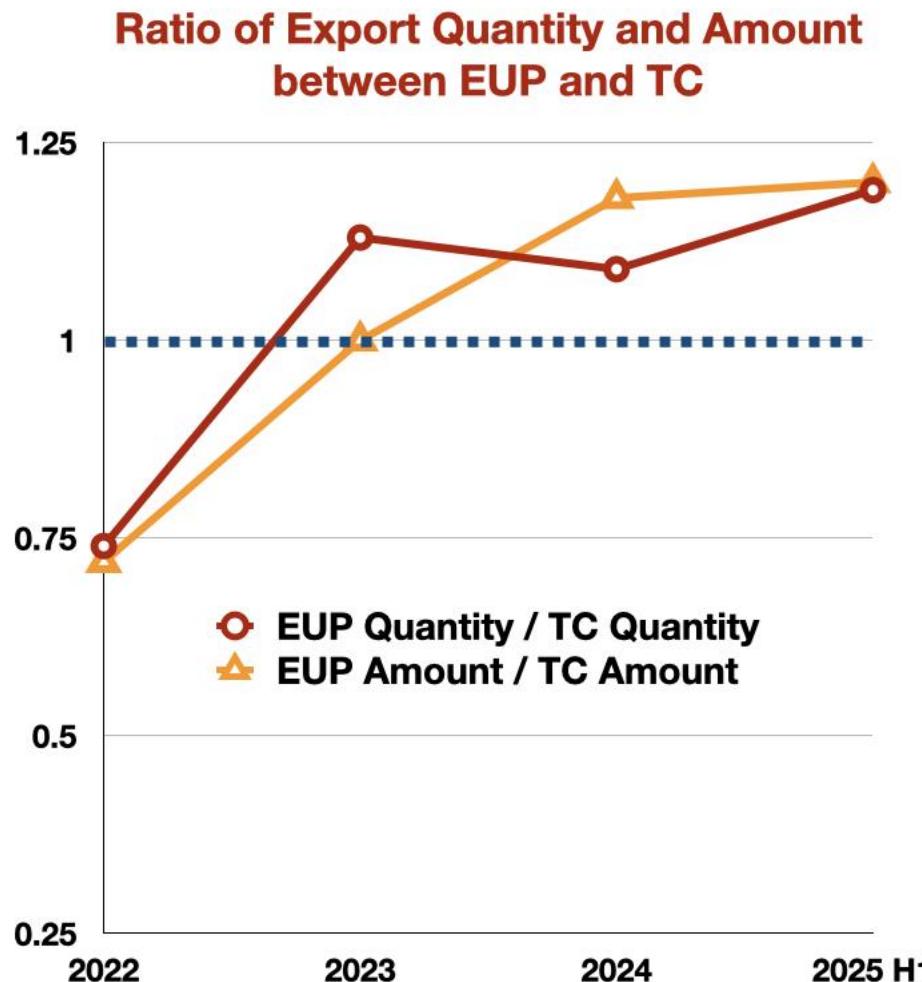
How to monitor China
Supply Change?



Agrochemicals ▾ Agtech Sustainability

China Price Index: Asset Revaluation and Innovation Breakthrough – The Journey of Mutual Empowerment Between Syngenta Group and China's Industrial Chain

2022-2023 Export Structure Changed: Reversal in Formulation Sales Volume and Sales Value Comparing to TC



Since 2023, the export volume and value of China's formulations (EUP) have surpassed those of active ingredients (AIs) for the first time.

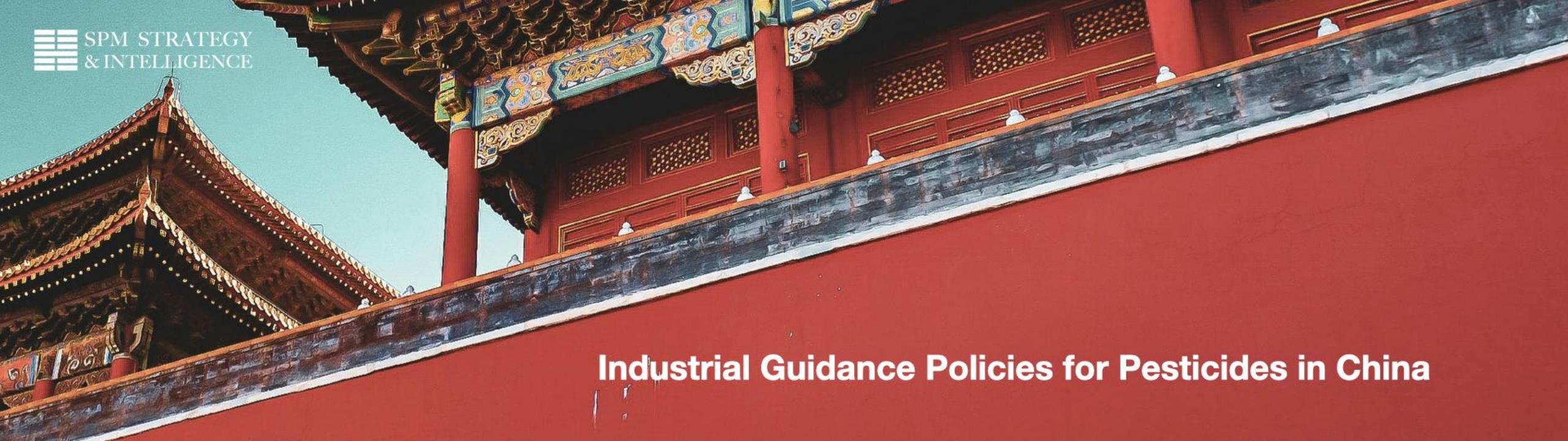
It indicates that Chinese enterprises have made significant breakthroughs in overseas market registration and have a strong willingness to extend their reach to downstream end-users through formulations.

Meanwhile, Chinese enterprises are increasing their investments in branding and product promotion.

Price Fluctuations Happens But Long-term Stable

- Clethodim price driven Cynda and Lansheng's performance;
- Rainbow still with high efficient return of asset;
- Jiangshan, Xingfa focus on raw material utilization;
- Yangnong with strong growth rely on full upstream investment.

Company Name	Weighted Average Return on Net Assets (%)	YOY (%)	Sales Revenue (100 million CNY)	YOY (%)	Net Profit (100 million CNY)	YOY (%)	Net Profit Margin
Noposin	14.39	2.22	40.86	4.92	5.76	18.03	14.10%
Guoguang	13.82	-0.87	15.23	6.09	2.78	3.06	18.25%
Rainbow	12.69	7.49	109.11	11.51	8.9	160.49	8.16%
CAC Nantong	11.05	7.7	38.9	28.69	3.67	120.56	9.43%
Jiangshan	10.86	6.23	45.16	5.2	4.25	147.91	9.41%
SinoAgri	9.73	-2.05	89.5	5.11	1.51	-13.63	1.69%
Yangnong	9.63	-0.59	91.56	14.23	10.55	2.88	11.52%
Cynda	9.48	9.17	20.08	6.11	1.96	3064.56	9.76%
NeoAgri	8.84	2.45	8.37	10.77	1.03	38.91	12.31%
Xingfa Group	6.00	-0.21	237.81	7.85	13.18	0.31	5.54%
Guangxin	5.34	-0.62	26.63	-23.69	5.2	-9.36	19.53%
Suli	5.25	4.9	20.64	25.39	1.39	1522.38	6.73%
Lier	4.86	3.11	67.09	29.31	3.81	189.07	5.68%
LianheTech	4.69	4.18	47.18	8.25	3.16	871.65	6.70%
Qianjiang Bio	4.53	0.5	11.99	-7.83	1.51	17.49	12.59%
Meibang	3.18	-0.63	6.09	-2.23	0.36	-16.36	5.91%
GreatChem	2.56	N/A	5.5	13.53	0.35	47.1	6.36%
BSM	1.81	3.78	11.1	14.29	0.31	1257.94	2.79%
Changqing	1.23	-2.24	29.68	11.33	0.52	19.27	1.75%
Wynca	0.57	-0.46	116.99	-1.11	0.71	-46.21	0.61%
Hebang	0.50	-0.66	59.27	-13.02	0.93	-57.93	1.57%
Nutrichem	-0.19	3.35	44.34	2.47	-0.096	95.14	0.22%
ABA	-0.34	-2.49	9.96	6	-0.069	87.81	0.69%
Sino-Agri Union	-3.36	0.51	15.08	-1.21	-0.45	20.05	2.98%
FlagChem	-6.78	-8	18.72	5.23	-1.38	-622.16	7.37%
RedSun	-9.64	-12.29	23.28	-13.87	-2.72	-1115.05	11.68%



Industrial Guidance Policies for Pesticides in China

According to the “Guidance Catalog for Industrial Structure Adjustment (2024)” issued by the China Development and Reform Commission (DRC), the Chinese government will take measures to restrict new construction of the following pesticide products.

Restricted products:

Glyphosate, chloropyrifos, triazophos, paraquat, chlorothalonil, abamectin, imidacloprid, acetochlor, chloropicrin, alachlor, 2,4-D, acetamiprid, thiamethoxam, atrazine, butachlor, MCPA, ametryn, dicamba, diqua, glufosinate, clethodim, mancozeb, trichlorfon, triadimenol, propiconazol, iprodione, paclobutrazol, lime sulfur.

Key Investment in 2024: Concentration of Categories

Ranking	Portfolios	Underlying Logic of Investment.
1	cyantraniliprole	Replace chlorantraniliprole; The industrial layout in China has just begun, presenting early stage market opportunity.
2	pyroxasulfone	Gradually replace acetochlor, metolachlor, and S-metolachlor; relatively high market prices.
3	trifloxystrobin	It has reasonable profits and mix with fluopyram.
4	flumioxazin	Control pernicious weeds and conduct resistance management; mix with pyroxasulfone.
5	fluroxypyrr-meptyl	Matura stage of life cycle for cash flow; economy of scale.
6	prothioconazole	Key and effective AI for controlling soybean rust in Brazil, and it commands a relatively high market price overseas.
7	fluopyram	The brand value of the Bayer's "Luna" series; mix trifloxystrobin.
8	indoxacarb	Higher margin
9	tembotrione	Cover America market
10	boscalid	Higher margin and economy of scale

2026-2030: Fierce Competition Continues

Manufacturers	Pyroxasulfone Capacity (Mt/a)
Seven Continent (Jining)	5,000
Hubei Shengkang (Greatchem)	2,000
Jingbo	2,000
Zanhua Guochang (Binnong)	2,000
Rainbow	Future 2,000
Anhui Ningyitai (Flag Chem)	1,200
Gansu Huashi (Beijing Purpana)	1,000
Yifan	1,000
Inner Mongulia Zhong Gao	1,000
Zanhua Yonghao Pharm	1,000
Jiangsu Fuding Chemical	800
Jiuyi	600
Hebi Bao Rui De Chemical (Kingtai Chemicals Co., Ltd)	500
Shandong Cheng Hui	500
Chengxin	N/A
CAC Nantong	N/A
Total	18,600 to 20,600

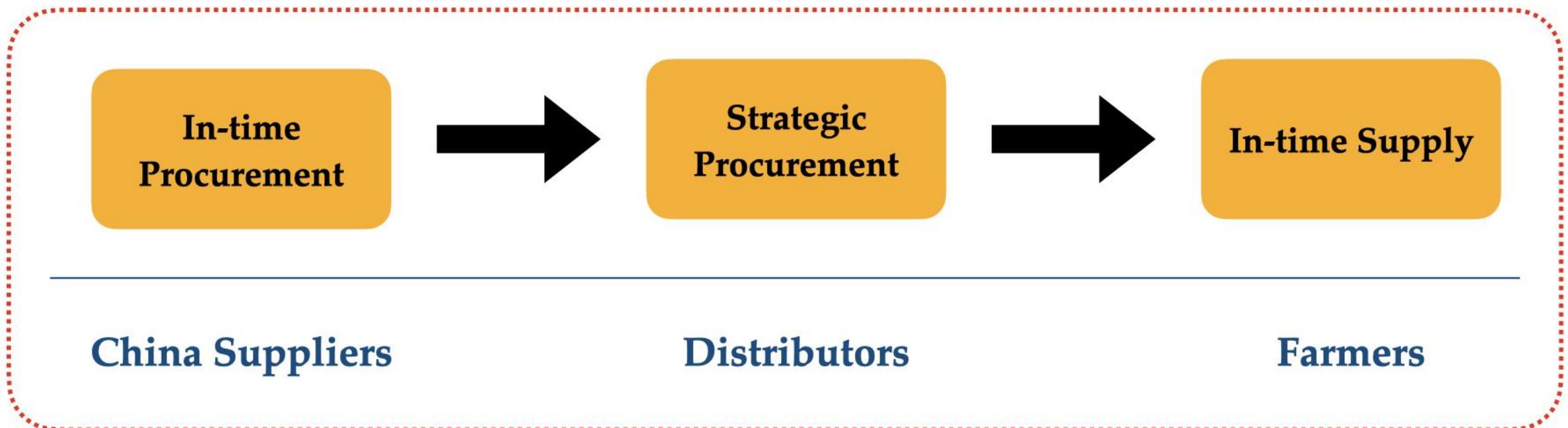
Toward Additional 5-10% Cost Savings in Full Industry Value Chain investments

The Recent Key Projects for Intermediates

Company	Projects	Location	Investment	Items
Lansheng (兰升生物科技集团股份有限公司)	Expansion of 23,700 Mt/a fine chemical project	Jinzhou, Hebei Province	593 million CNY (83.52 million USD)	Phase I: 1,500 Mt/a topramezone TC 1,000 Mt/a tembotrione TC 15,000 Mt/a (E)-O-(3-Chloro-2-propenyl)hydroxylamine (Key intermediate of clethodim) 3,000 Mt/a 4-Bromochlorobenzene Phase II: 2,000 Mt/a cyprosulfamide
Inner Mongolia Lange Bio (内蒙古兰格生物科技有限公司, subsidiary of Lansheng)	Adjustment of 8,000 Mt/a pesticide intermediates project (EIA)	Tenggeli, Inner Mongolia	52 million CNY (7.32 million USD)	7,000 Mt/a 3,5,5-trimethyl-2-cyclohexen-1-ol (intermediate of clethodim) 1,000 Mt/a butanoylacetone (intermediate of sethoxydim)
Jiangxi Tianyu (江西天宇化工有限公司, subsidiary of CAC Nantong)	Intermediate project (Phase I) completion	Jian, Jiangxi Province	--	5,000 Mt/a benzeneacetonitrile series 2,300 Mt/a intermediate of prothioconazole 1,600 Mt/a intermediate of trifloxystrobin
Tianjin Tiancheng New Materials (天津天诚新材料有限公司)	30,000 Mt/a of glycine from hydrocyanic acid by-product of acrylonitrile project (Completion)	Tianjin City	700 million CNY (98.59 million USD)	100,000 Mt/a aldehyde 56,000 Mt/a cyanoalcohol 130,000 Mt/a glycine (20 thousand Mt/a industrial glycine, 10 thousand Mt/a food grade glycine) 7,000 Mt/a Sodium cyanide
Jiangshan Xinlong Chemical (江山鑫隆化工有限公司)	Relocation and technical reform project of production line with 5,000 Mt/a of trifluoroacetic acid series products and 3,000 Mt/a of hexafluoropropylene series products (EIA)	Jiangshan, Zhejiang Province	345.8 million CNY (48.7 million USD)	5,190 Mt/a Trifluoroacetyl chloride 4,027 Mt/a Trifluoroacetic acid (TFA) 2,500 Mt/a Ethyl trifluoroacetate (TFAE) 2,400 Mt/a Hexafluoropropene trimer 600 Mt/a Perfluoro(4-methylpent-2-ene)
Sinochem Lantian Fluorine Material (中化蓝天氟材料有限公司)	4,000 Mt/a of fluorine fine chemicals project (EIA)	Shaoxing, Zhejiang Province	297 million CNY (41.83 million USD)	1,100 Mt/a of trifluoro(trifluoromethyl)oxirane 300 Mt/a of hexafluoroacetone 500 Mt/a of hexafluoroacetone trihydrate, 1,100 Mt/a of hexafluoro-2-propanol 50 Mt/a of carbon-based fluorine 50 Mt/a of perfluoroacetyl fluoride 200 Mt/a of perfluoropolyether derivatives 700 Mt/a trifluoroacetic acid (TFA)

Procurement Strategy and Product Category Transformation

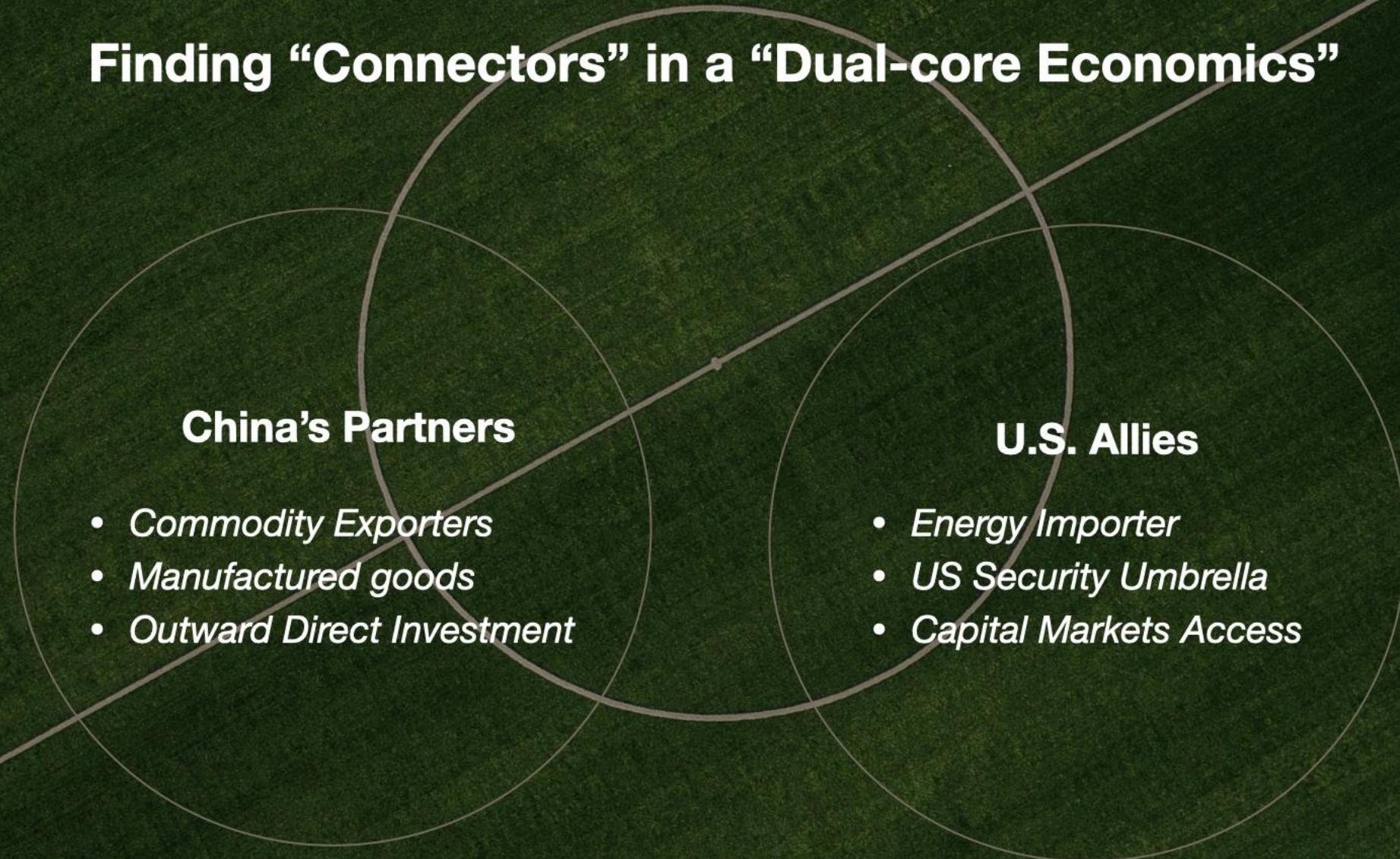
- **Shift in Procurement Strategy:** Procurement practices in the U.S. market have transitioned from “just-in-time procurement” to strategic procurement.
- Due to rising costs of agricultural inputs, farmers are increasingly opting for low-cost crop protection products.





Moving from the “China+1” Strategy to “China+N” Strategy

Finding “Connectors” in a “Dual-core Economics”



Strategic Country Strategy around Brazil: Chancay Port in Peru



“After a thorough analysis, they (China) finally understood our position and the idea now is to plan a southern route.” The railroad will pass through the states of Acre and Tocantins and eventually reach Bahia, where it will be connected to the West-East Integration Railway (FIOL), which is being constructed by China Railway and began construction in July 2023, she said. The line, which is about 1,500 kilometers long, is a major artery connecting Brazil's inland and coastal transportation, and will be linked to the North-South Railway, which is expected to begin operations in 2027.

- Simone Tebet, Minister of Planning and Budgeting of Brazil.

Strategic Country Strategy around Brazil: Soybean Procurement

Brazil accounts for 17.59% of China's pesticide exports

In 2024, China imported a record 105.03 million tons of soybeans, with more than 74 million tons coming from Brazil. A bumper 2025 Brazilian soybean harvest is expected to drive China's soybean imports to a record high in the second quarter.

Prior to Lula's visit to China in May 2025, the Chinese government officially lifted its ban on five Brazilian soybean exporters.

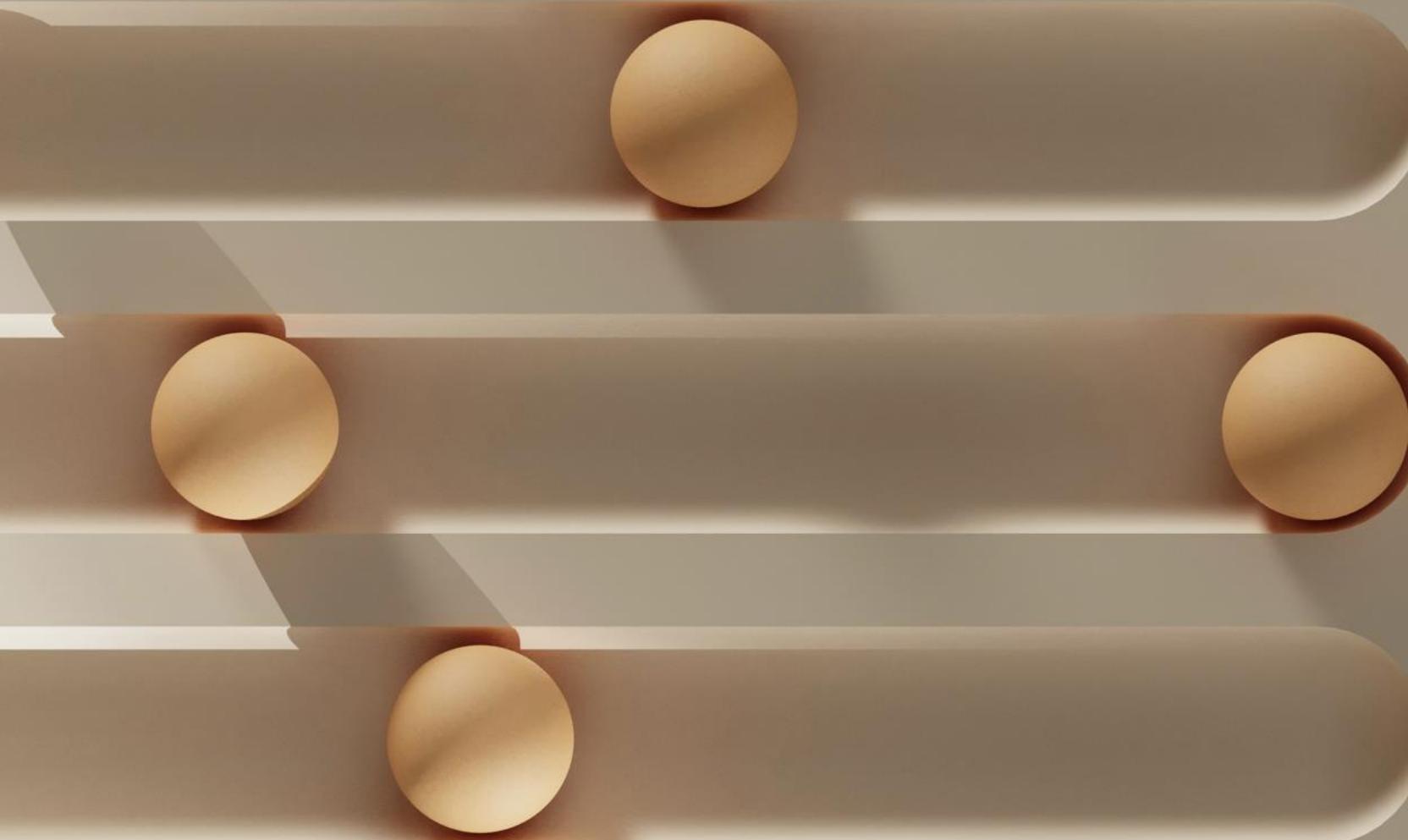
Terra Roxa Comercio de Cereais

Olam Brasil

C.Vale Cooperativa Agroindustrial

Cargill Agricola S.A.

ADM do Brasil.



Channel Reshaping

Competition from China Generic Products is Reshaping Global Distribution Channels

Rainbow acquired Apex Ag Chem and is actively expanding its registrations in North America.

Rainbow not only supplies branded formulation products but also actively develops commercial partnerships with U.S. distributors for contract manufacturing and active ingredient supply.

After 2026, Rainbow's portfolio will significantly impact the evolving landscape of the North American market.



Competition from China Generic Products is Reshaping Global Distribution Channels

Oct 1, 2025 3:00 PM Eastern Daylight Time

FBN Announces Strategic Spin-Off of Global Crop Solutions (GCS), Creating Two Independent Leaders in Digital Agriculture and Crop Protection

SAN MATEO, Calif.--(BUSINESS WIRE)--Farmers Business Network (FBN®) today announced the spin-off of its crop protection sourcing and first mile logistics subsidiary as a new independent company, Global Crop Solutions (GCS). The separation creates two distinct companies, each positioned to accelerate growth and better serve customers in their respective markets.

- **Farmers Business Network (FBN)** will expand its operations as an open, asset-light digital marketplace for farmers and ranchers, providing its 120,000+ farmer members with farm inputs & supplies, financial services, and data-driven intelligence.
- **Global Crop Solutions (GCS)** launches as an independent supplier of crop protection products, leveraging its leading registration portfolio to serve the full spectrum of wholesale and retail agricultural channels. GCS will continue to offer its products to FBN members on the FBN marketplace as a seller.

- FBN fails in China supply market: Suddenly change on sourcing strategy
- Questionable Growth Logic: Serving as a national importer to cater to North American distributors in pursuit of additional growth.

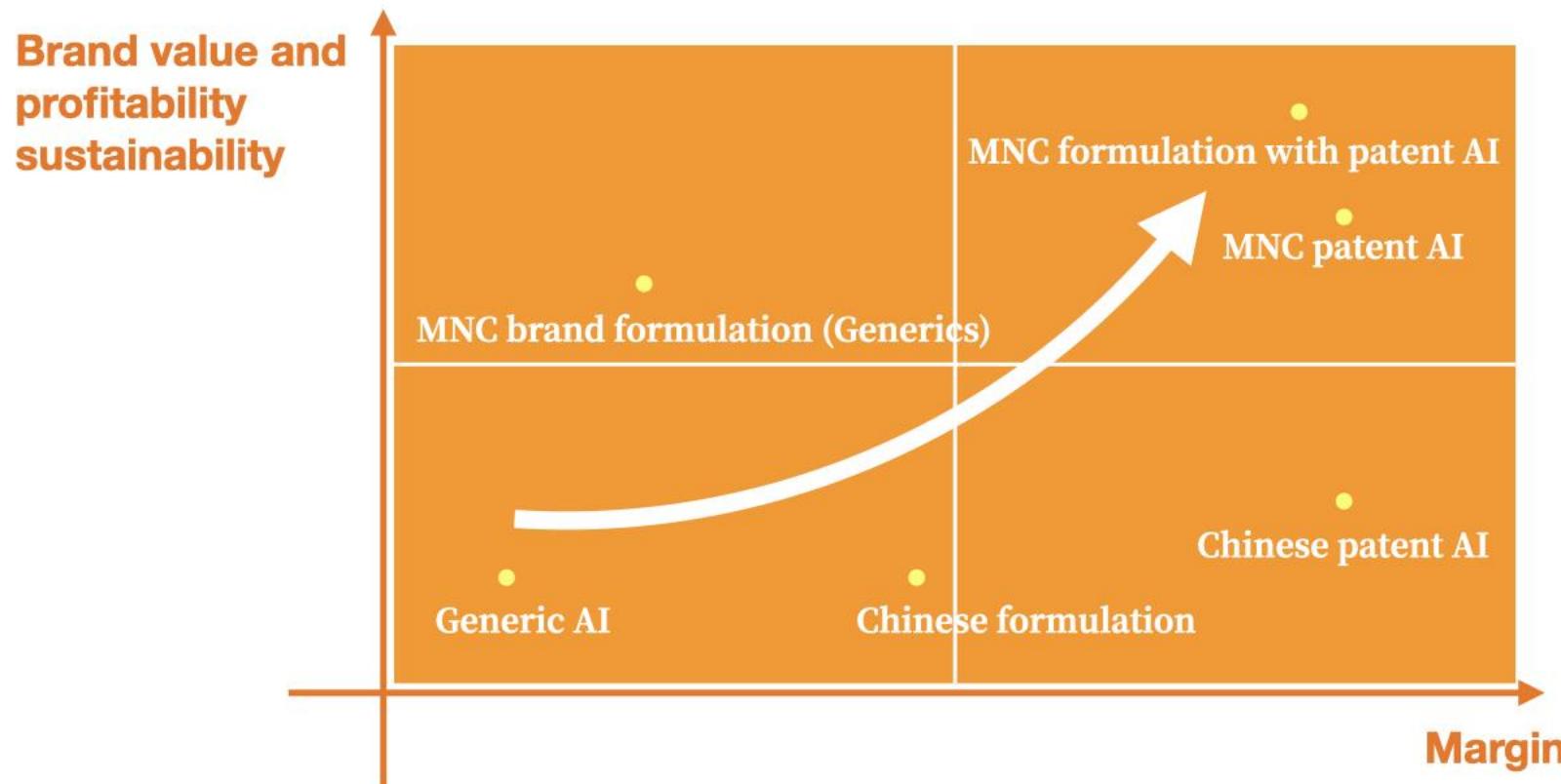
China's Adaption

CHANGE

Increasing the Awareness of China Brand to Life Cycle Management

Future Global Crop Protection Market Landscape:

80% Chinese generic products, **20%** MNC branded products



One-Belt-One Road Strategy: Action Program for Green and Low Carbon Development of Manufacturing Industry (2025-2027)



中华人民共和国中央人民政府

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李强主持召开国务院常务会议 审议通过《制造业绿色低碳发展行动方案（2025- 2027年）》等

2025-05-23 19:10 来源：新华社

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李强主持召开国务院常务会议
审议通过《制造业绿色低碳发展行动方案（2025- 2027年）》
研究进一步健全横向生态保护补偿机制有关举措
讨论《中华人民共和国食品安全法（修正草案）》

CSRC's "8 Policy of Innovation": Support the Acquisition of Unprofitable "Substantial Innovation" Companies



中国证券监督管理委员会
CHINA SECURITIES REGULATORY COMMISSION

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中国证监会关于深化科创板改革 服务科技创新和新质生产力发展的八条措施

日期：2024-06-19 来源：证监会 【字号： 大 中 小】    +

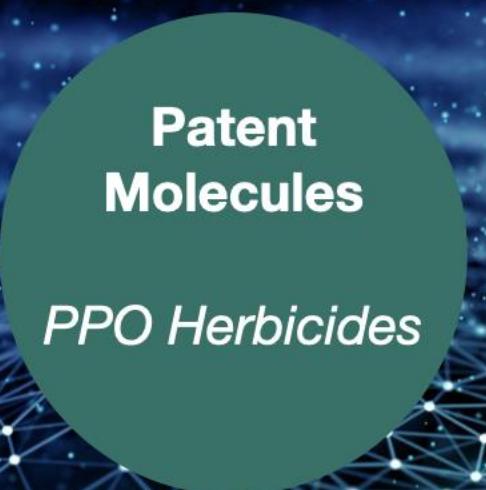
中国证监会各派出机构，各交易所，各下属单位，各协会，会内各司局：

在上海证券交易所设立科创板并试点注册制，是习近平总书记亲自宣布、亲自部署、亲自推动的重大改革。经过五年多的努力，上交所科创板和注册制的效应不断放大，在支持高水平科技自立自强、促进完善资本市场基础制度等方面发挥着日益重要的作用。为深入贯彻中央金融工作会议精神和《国务院关于加强监管防范风险推动资本市场高质量发展的若干意见》（国发〔2024〕10号）部署，完善资本市场“1+N”政策体系，进一步全面深化资本市场改革，推动股票发行注册制走深走实，积极发挥科创板“试验田”作用，促进新质生产力发展，支持上海加快“五个中心”建设等国家战略，服务中国式现代化大局，现提出如下措施。

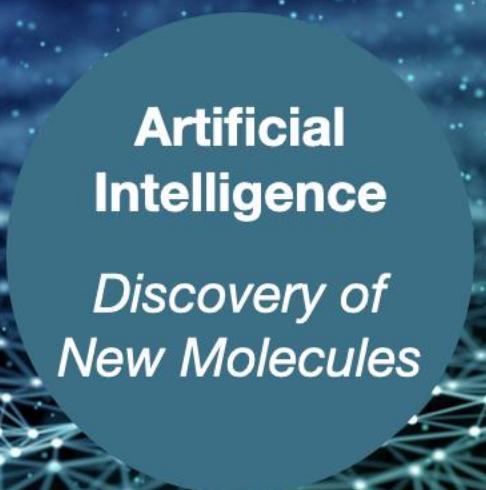
Future Trend: New Targets for Chinese Capital



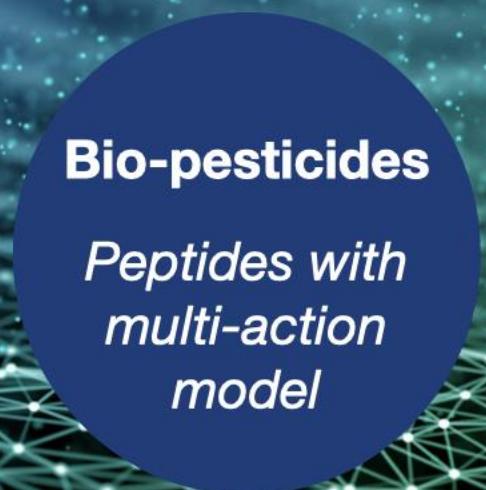
**Process
Enhancement**
*Micro-channel
Reaction*



**Patent
Molecules**
PPO Herbicides



**Artificial
Intelligence**
*Discovery of
New Molecules*



Bio-pesticides
*Peptides with
multi-action
model*



Leading China Strategic Sourcing Consulting Firm