



Press Release

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DSM Engineering Plastics
30 Pasir Panjang Road, Mapletree Business
City #13-31, Singapore 117440

www.dsm.com

DSM and NHU form joint venture to add PPS compounds to DSM's global portfolio of high performance engineering plastics

Royal DSM, the global Life Sciences and Material Sciences company, and NHU announce the formation of a new joint venture company for the market development and manufacturing of high performance plastics compounds based on polyphenylene sulphide, PPS. The compounds will further enhance DSM's offering in the high performance engineering plastics space, adding to its leadership positions with Stanyl[®] polyamide 46 and Stanyl[®] ForTii[™] polyamide 4T. All sales at the joint venture, including those in China, will be handled by DSM's Marketing and Sales organization with the brand name of Xytron[™] PPS.

The joint venture, DSM NHU Engineering Plastics (Zhejiang) Co Ltd, in which DSM will hold a 60% share and NHU 40%, will be located at Zhejiang, Peoples Republic of China. It will produce a range of high performance engineering plastic compounds based on PPS polymer produced by NHU. The partners do not disclose financial details of the agreement or information on the capacity of the new operation. Products will be targeted principally at Automotive, as well as in Electrical and Electronics, and Industrial markets.

Subject to anti-trust and other approvals from the relevant authorities the transaction is expected to close within a few months.

The partnership will benefit from a commitment by NHU to long-term supply of PPS polymer from its existing plant in Zhejiang. This plant uses proven technology to provide high quality base polymer for compounds. NHU will also contribute its existing compounding capacity to the JV. DSM for its part brings its long-standing expertise in application development and materials science, as well as access to its global customer network.

"The new joint venture will help DSM deliver on its growth strategy, and will reinforce its High Performance Plastics portfolio as a key growth driver", says Roelof Westerbeek, President DSM Engineering Plastics. "PPS fits very well alongside our current range of materials, and will be particularly useful for us in presenting complete solutions for customers operating in key markets, especially automotive, electrical and electronics. PPS has a long and successful track record and a promising future, and we are very excited about presenting it to existing and new customers. We already know that the addition of PPS products into our product portfolio will be highly appreciated by our existing global key customers. It will strengthen DSM's position as a preferred solutions provider and strengthen our current product portfolio."

Jiang Weiming, President DSM China commented: *"DSM is very pleased to establish co-operation with a very capable partner such as NHU, which has demonstrated a strong technology base and ability to develop new polymers like PPS. This major step shows our commitment to develop long term business relationships with our Chinese partners."*

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Mr Bai Shan Hu-CEO NHU listed company says that NHU has found an ideal partner to bring the new PPS compound range to market. *"NHU is looking forward to cooperating with DSM. We already have considerable experience in PPS polymerization technology, and high quality of our PPS polymers has been recognized and acknowledged by clients world widely. We believe that the combination of DSM's strength in materials science and our technology of PPS Polymerization will bring more potentials of the product"* he says. *"And of course DSM's global presence means that whole new markets are now opening up for us."*

DSM - Bright Science. Brighter Living.™

Royal DSM is a global science-based company active in health, nutrition and materials. By connecting its unique competences in Life Sciences and Materials Sciences DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders simultaneously. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials. DSM and its associated companies deliver annual net sales of about €10 billion with approximately 25,000 employees. The company is listed on Euronext Amsterdam. More information can be found at www.dsm.com.

NHU—Innovating Chemical Technology, Improving Life Quality

Zhejiang NHU Co.,Ltd is established in 1999 and headquartered in Xinchang Zhejiang Province. NHU specializes in the production of food additives, feed additives, polymers & materials, and flavors & aromas. In 2004, NHU was listed as the first enterprise in Small-and Medium-sized Enterprises Board in Shenzhen with the stock code of 002001.

Zhejiang NHU Special Materials Co.,Ltd is a subsidiary committed to develop high performance engineering plastics. It now has successfully launched Polyphenylene Sulfide (PPS) and Polyphthalamid (PA6T) with polymerization annual capacity 5000 MT and 2000 MT respectively.

NHU will adhere to the professional way, focus in the fine chemicals business, strive for the aim of "Innovating Fine Chemical Technology, Improving the Quality of Human Life", and make NHU a well respectable fine chemical company in the world. More information can be found at www.cnhu.com.

For more information:

Mirelle van der Kreeft
DSM Engineering Plastics
Tel.: +31 46 477 3051
Fax: +31 46 477 3959
E-mail: Mirelle.Kreeft-van-der@dsm.com

Mr. Wang Lifeng
Zhejiang NHU Special Materials Co.,Ltd
Tel.: + 86 575 86029717
Fax: + 86 57586215251
E-mail: w.lifeng@cnhu.com

Inka Finne
EMG
Tel.: +31 164 317 019
Fax: +31 164 317 039
E-mail: ifinne@emg-pr.com

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