



## **ADAMA acquiring majority stake in Huifeng's crop protection synthesis and formulation facilities**

*Acquisition of one of China's leading crop protection producers and a key player in the Chinese crop protection market*

*Significantly bolsters ADAMA's commercial presence in China and its global product offering*

**TEL AVIV, ISRAEL and BEIJING, CHINA, October 29, 2020** – ADAMA Ltd. (“ADAMA”) (SZSE 000553) and Jiangsu Huifeng Bio Agriculture Co., Ltd (“Huifeng”) (SZSE 002496) today announced that they have entered into an agreement in terms of which ADAMA will acquire a majority stake in the vast majority of Huifeng's synthesis and formulation facilities.

### **Transaction Overview:**

- Phase I: As previously announced in November 2019, ADAMA will acquire a 50% stake in Shanghai Dibai Plant Protection Co., Ltd. (“Dibai”), a wholly-owned subsidiary of Huifeng focused on the sale and distribution of key formulated crop protection products in China;
  - Closing of Phase I is expected to occur in the coming weeks subject to customary approvals and Closing conditions
- Phase II: Under the agreement now executed, ADAMA will acquire:
  - a 51% equity stake in Jiangsu Kelinong Co., Ltd. (“Kelinong”), a newly established, wholly-owned subsidiary of Huifeng, to which Huifeng is to transfer its key crop protection synthesis and formulation facilities; and
  - an additional 1% in Dibai;
- Following the completion of these transactions, ADAMA will hold 51% of the equity in both Kelinong and Dibai, providing ADAMA with a majority stake in one of China's leading crop protection manufacturers, and significantly bolstering ADAMA's commercial presence in the China crop protection market
- The total cash consideration for both phases of the transaction is approximately RMB 1,224 million (approximately \$175 million);
- Closing of Phase II is subject to customary Closing conditions, including regulatory and other corporate approvals, and is further subject to full resumption of production at the relevant facilities of Huifeng. Huifeng has made significant progress in the rectification of its environmental issues and is in the process of obtaining approvals to resume production activities.

### **Enhancing ADAMA's commercial reach in China:**

In China, the acquisition of Dibai will significantly bolster ADAMA's position and offering in this key market. Dibai has an attractive portfolio of crop protection formulations, exclusive license to more than 150 products registered by Huifeng and an experienced sales team of approximately 170 employees across China.



In Phase I of the transaction, ADAMA will obtain the exclusive, indefinite, royalty-free rights to license Huifeng's existing and future registrations in China and following Phase II, ADAMA will own all registrations, with all sales of formulated products in China to be managed by ADAMA.

### **Gaining access to backward-integrated and competitive positions in key molecules:**

Through the acquisition of Kelinong, ADAMA aims to significantly enhance its business both globally and in China, adding key backward-integrated molecules with competitive positions, including Prochloraz, Bromoxynil, MCPA, Epoxiconazole, and Trinexapac, expected to drive significant growth through ADAMA's worldwide market reach.

Ignacio Dominguez, President and CEO of ADAMA, said: "Through this acquisition, we continue to accelerate our growth strategy both in the Chinese market as well as globally, gaining significant competitive advantage in worldwide markets through key backward-integrated molecules. Mr. Zhong Hangen, Chairman of Huifeng, has built Huifeng into one of the leading crop protection manufacturers in China, and we are excited to bring it into the ADAMA fold as a key part of our global operational and commercial infrastructure."

Mr. Zhong Hangen, Chairman of Huifeng, added: "We are very pleased that our collaboration with ADAMA has reached this crucial stage. We believe this commercial and operational partnership between two strong companies – a leading company in the China market with a strong product portfolio and established sales force, together with one of the world's leading crop protection companies – will lead to significant new opportunities for expansion into the global market for Huifeng's leading crop protection products."

### **About ADAMA**

ADAMA Ltd. is a global leader in crop protection, providing solutions to farmers across the world to combat weeds, insects and disease. ADAMA has one of the widest and most diverse portfolios of active ingredients in the world, state-of-the art R&D, manufacturing and formulation facilities, together with a culture that empowers our people in markets around the world to listen to farmers and ideate from the field. This uniquely positions ADAMA to offer a vast array of distinctive mixtures, formulations and high-quality differentiated products, delivering solutions that meet local farmer and customer needs in over 100 countries globally. For more information, visit us at [www.ADAMA.com](http://www.ADAMA.com) and follow us on Twitter® at @ADAMAAGri.

### **About Huifeng**

Jiangsu Huifeng Bio Agriculture Co., Ltd. (SZSE 002496) engages in the research, development, production and sale of agrochemical products as well as in the storage and transportation of petrochemical products in China. It is a producer of key active ingredients, most notably Prochloraz, Epoxiconazole, Trinexapac, Bromoxynil, MCPA and 2,4-D, as well as Glufosinate which is to commence operations in a newly built facility. The company had total 2018 revenues in 2018 of RMB 2,519 million (approximately \$370 million). Sales of agrochemicals (active ingredients and intermediates as well as formulated crop protection products) in 2018 were RMB 1,946 million (close to \$300 million). The company was founded in 1989 and is headquartered in Dafeng, Jiangsu Province, China.

### **About Dibai**

Shanghai Dibai Plant Protection Co., Ltd. is a wholly owned subsidiary of Huifeng, and with its head office in Shanghai. The company was founded in 2001 and is focused on the sale and distribution of crop protection products in China.

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