



## **ADAMA and Huifeng Commercial Joint Venture Milestone of Overall Transaction**

**TEL AVIV, ISRAEL and BEIJING, CHINA, November 6, 2019** – ADAMA Ltd. (“ADAMA”) (SZSE 000553) and Jiangsu Huifeng Bio Agriculture Co., Ltd (“Huifeng”) (SZSE 002496) today announced that, in the context of the prior announcement made on January 10, 2019, they have entered into a strategic joint venture for the commercialization of Huifeng's portfolio of formulated crop protection products in the Chinese market. Under the joint venture, ADAMA will be acquiring a 50% stake in Shanghai Dibai Plant Protection Co., Ltd. (“Dibai” or “the Company”), a wholly-owned subsidiary of Huifeng focused on the sale and distribution of formulated crop protection products in China. The entering into of this joint venture is a key milestone in advance of a larger transaction in which it is envisaged that ADAMA will acquire Huifeng’s agrochemical business located at its main site in Dafeng, Jiangsu (the “Overall Transaction”), as announced earlier this year.

The parties signed the joint venture agreement at a ceremony held today in Shanghai in the presence of Mr. Ning Gaoning (Frank Ning), Chairman of Sinochem and ChemChina, as well as Mr. Dai Yuan, CPC Party Secretary for Yancheng city where Huifeng is headquartered.

### **Transaction Highlights:**

- ADAMA to acquire a 50% equity stake in the Company for a cash consideration of RMB 370 million (\$53 million), subject to the completion of an appraisal report
- Closing of the transaction will be subject to the resumption of the majority of the formulation activities of Huifeng, as well as the entering into definitive agreements for the Overall Transaction
- Closing of the commercial joint venture is expected before the end of Q1 2020

With annual sales of around \$75 million, the Company has an attractive portfolio of formulated crop protection products providing solutions to Chinese farmers, comprised of more than 150 product registrations, as well as an experienced sales team of 180 employees. Under the terms of the transaction, the Company will obtain the exclusive, indefinite, royalty-free rights to license Huifeng’s existing and future registrations in China, with all its sales of formulated products in China to be conducted through the Company.

As equal shareholders until the Overall Transaction concludes, ADAMA and Huifeng will jointly manage the Company, and be entitled to equal representation on the Board of Directors. ADAMA will be responsible for setting the Company’s commercial, marketing and branding direction.

Mr. An Liru, SVP China for ADAMA, said: “Our joint-venture’s strong commercial presence, numerous differentiated, patented products and wide portfolio of product registrations are highly complementary to ADAMA’s. ADAMA has been one of the fastest growing companies in China since the launch of its commercial activities in 2015, while Huifeng has for many years been a leading producer of high-quality active ingredients and formulated products for the China market. This strategic commercial joint venture is a significant milestone in our ongoing, rapid expansion in China, and will significantly bolster our commercial activities, positioning and offering in this key crop protection market.”



Mr. Zhong Hangen, Chairman of Huifeng, added: “We are extremely pleased to reach this important milestone in our collaboration with ADAMA. This commercial joint venture brings a leading company in the China market with a strong portfolio of formulated, end-use products and an established sales force, together with the commercial guidance and direction of one of the world’s leading crop protection companies. We look forward to deepening and expanding our collaboration with ADAMA, which ultimately will also lead to the significant expansion of the global market for Huifeng’s innovative products and solutions.”

The transaction is subject to the completion of an appraisal report, the resumption of the majority of Huifeng’s formulation production activities, the entering into definitive agreements in respect of the Overall Transaction, as well as the receipt of all requisite corporate and regulatory approvals.

ADAMA and Huifeng continue to progress towards the Overall Transaction – the acquisition by ADAMA of Huifeng’s agrochemical business located at its main site in Dafeng, Jiangsu. With the Overall Transaction, ADAMA aims to significantly enhance its business both globally and in China, adding backward-integrated and competitive positions in key molecules, and driving significant growth through ADAMA’s worldwide market reach.

#### **About ADAMA**

ADAMA Ltd. (SZSE 000553) is one of the world's leading crop protection companies. We strive to Create Simplicity in Agriculture – offering farmers effective products and services that simplify their lives and help them grow. With one of the most comprehensive and diversified portfolios of differentiated, quality products, our more than 7,000-strong team reaches farmers in over 100 countries, providing them with solutions to control weeds, insects and disease, and improve their yields. 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.

#### **Contact:**

Ben Cohen  
Investor and Public Relations  
E-mail: [ir@ADAMA.com](mailto:ir@ADAMA.com)  
Tel: +972 73 232 1403

Zhujun Wang  
China Investor Relations  
E-mail: [irchina@adama.com](mailto:irchina@adama.com)  
Tel: +86 10 5671 8110