
Sinochem agrees to acquire Australia's Nufarm

BEIJING, Sept. 29 (Xinhua) -- Sinochem Corp. (Sinochem), the country's leading agrochemicals producer, has agreed in principle to buy Australia's Nufarm Ltd. for 2.8 billion Australian dollars (2.44 billion U.S. dollars), in a move to expand its farm chemicals business overseas, China Daily reported Tuesday.

Sinochem Monday signed agreements with Nufarm, under which the company would offer 13 Australian dollars per Nufarm share, the newspaper said, citing a statement of the Australian company. The price is a near 17-percent premium to Nufarm's last traded price.

The acquisition of Nufarm, should it proceed, is consistent with Sinochem's strategy to become a leading global company in the total crop protection value chain including research and development, production, distribution and services, the newspaper said, citing Sinochem's statement.

The deal is subject to approval from regulators in both China and Australia, Nufarm shareholders, the Australian court and to no material adverse change in Nufarm's business prior to completion of a transaction.

Sinochem is being assisted by the Royal Bank of Scotland as financial adviser and Blake Dawson as legal adviser.

Analysts said the deal would expand Sinochem's manufacturing facilities of pesticides and herbicides, as well as extend its overseas network.

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