

BDA advises AgFeed on divestiture of US and China operations

Written by Australian Business

(PRLEAP.COM) Business Development Asia ("BDA") is pleased to announce that its client, AgFeed Industries Inc. ("AgFeed"), has closed the sale of the outstanding capital stock of AgFeed Industries Inc. (British Virgin Islands), the holding company for AgFeed's Chinese subsidiaries ("AgFeed China"), through a sale under Section 363 of the U.S. Bankruptcy Code to Ningbo Tech-Bank Co Ltd ("NTB") and its subsidiary Good Charm International Development Ltd. At the closing of the China transaction, AgFeed received net cash proceeds, after fees and expenses of the transaction, of approximately US\$44.5m.

This follows the sale of substantially all the assets of AgFeed subsidiary AgFeed USA LLC ("AgFeed USA") through an asset sale under Section 363 of the U.S. Bankruptcy Code, to a consortium of Murphy Brown LLC (a subsidiary of Smithfield Foods Inc.), and entities owned by TriOak Foods (Cohoma Pork and High Plains Pork), which closed in September 2013. The AgFeed USA transactions were valued at US\$79.4m, which included an upfront cash payment of US\$49.7m.

BDA acted as exclusive financial advisor on the China divestiture processes and BDA Advisors, BDA's FINRA-registered broker-dealer arm, acted as exclusive financial advisor on the sale of AgFeed USA. In both sale processes, BDA identified and approached the optimal buyers, and worked closely with AgFeed's restructuring advisors, Mackinac Partners.

AgFeed, through its former subsidiaries, engaged in animal nutrition and commercial hog producing businesses in China and USA. On July 15th, 2013, AgFeed Industries filed a voluntary petition for reorganization under Chapter 11, and announced that it would begin sale processes for all its assets in USA and in China.

AgFeed China has two business lines: animal nutrition (premix, concentrates and complete feeds), and hog production. AgFeed China, with an annual capacity of 400,000 hogs, is one of China's largest commercial hog producers from 16 traditional farms and two modern enterprise scale farrowing operations. The animal nutrition business operates from five locations in Southern China and is one of the largest specialist premix feed companies.

AgFeed USA is a leading US hog producer, finishing 1.3 million market hogs annually. The company was founded in 2002 and formerly known as M2P2, LLC. Based in Ames, Iowa, AgFeed USA operates farrowing operations in Colorado, Oklahoma, and North Carolina, supported by a network of independent contract finishing sites across Iowa. It is a leading producer in terms of efficiency and quality.

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Euan Rellie, Senior Managing Director at BDA, said, "AgFeed China and USA businesses are both well-respected, high quality hog production businesses, which have found strong future owners. Against a difficult industry backdrop, the hog production industry globally continues to consolidate. We appreciated the opportunity to work with multiple stakeholders and Mackinac to manage the complex sale of these leading agribusiness players."

BDA Deal Team Euan Rellie, Senior Managing Director, New York
Justine Mannering, Managing Director, New York
Kent Ng, Assistant Director, Shanghai
Ranga Covindassamy, Associate, New York
Doreen Dong, Analyst, New York
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About AgFeed Industries AgFeed Industries Inc. is an international agribusiness company which has operated in the US and China. AgFeed Industries has been active in animal nutrition products and hog production. AgFeed was one of China's largest commercial hog producers in terms of total annual hog production as well as one of the largest premix feed companies in terms of revenues. In the US, AgFeed's hog production unit, AgFeed USA, has been a market leader in setting new standards for production efficiency and productivity.

About Ningbo Tech-Bank Ningbo Tech-Bank Co Ltd ("NTB"), is headquartered in Shanghai and listed on the Shenzhen Stock Exchange, with market cap of US\$274m, and 2012 revenues of US\$335m. NTB manufactures and sells animal feed ingredients and health care products. It offers aquatic feed, livestock feed, feed ingredients, veterinary biologics, environmental microorganisms, and water quality products. NTB also provides formula feed, concentrated feed, premix feed, and high grade feed ingredients consisting of whole curing expanded feed and feed with milk replacer on cattle and sheep, feedstuff grade oils, live vaccines, and veterinary medicines. It sells its products primarily in China, and exports aquatic feeds to countries including Japan, Korea, Vietnam, and Sri Lanka. www.tia.nbang.com/en

About TriOak Foods TriOak Foods is a pork producer, feed manufacturer and grain marketer serving southeastern Iowa and western Illinois. Headquartered in Oakville, Iowa, TriOak Foods ranked among the Top 25 US Pork Powerhouses® in 2012. www.trioak.com

About Murphy-Brown Murphy-Brown LLC operates as a livestock production company in the United States. It owns and manages hog farms; partners with independent farmers and

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contract growers to raise hogs; and produces and markets pork products. The company was founded in 2001 and is based in Warsaw, North Carolina with an additional headquarters in Ames, Iowa. It has operations in North Carolina, Pennsylvania, South Carolina, Virginia, Illinois, Iowa, Missouri, Oklahoma, South Dakota, Utah, Texas, and Colorado. Murphy-Brown LLC operates as a subsidiary of Smithfield Foods, Inc. www.murphybrownllc.com

About BDA Business Development Asia LLC ("BDA") is a leader in cross-border investment banking in Asia. BDA advises on M&A, capital raising, and restructuring. BDA has been consistently owned and managed by the same team since 1996. BDA has a track record of providing independent advice to blue-chip corporate and financial sponsor clients from North America, Europe and Asia. BDA was named Investment Banking Firm of the Year by The M&A Advisor in both 2012 and 2010. BDA is headquartered in New York with offices in London, Bahrain, Mumbai, Ho Chi Minh City, Hong Kong, Shanghai, Beijing, Seoul and Tokyo. BDA formed a partnership with William Blair & Company in 2011. www.bdallc.com

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