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China resources double-crane to acquire controlling stake in Lier Chemical in RMB 5.66 Bn deal

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Pharmaceutical company bets on agrochemical manufacturing platform as state-backed ownership of one of China's leading glufosinate producers shifts

China's agrochemical sector is poised for a significant ownership reshuffle after China Resources Double-Crane Pharmaceutical Co., Ltd. agreed to acquire a controlling stake in Lier Chemical Co., Ltd. in a transaction valued at approximately RMB 5.656 billion ($790 million). Under a conditional share transfer agreement signed on July 29, China Resources Double-Crane will purchase 188.1 million shares, representing a 23.5 per cent stake in Lier Chemical, from the company's current controlling shareholder and its concert party at RMB 30.07 per share. Following completion, the sellers will retain an 8.7 per cent stake, while ultimate control of Lier Chemical will transfer from the China Academy of Engineering Physics to China Resources Co., Ltd., one of China's largest centrally owned state enterprises.

The acquisition marks a strategic diversification move rather than a conventional consolidation within the agrochemical industry. While Lier Chemical is one of China's largest manufacturers of glufosinate and L-glufosinate technicals and a major producer of chloropyridine herbicides, the buyer is primarily a pharmaceutical company seeking to strengthen its presence in agricultural biologicals. According to the company's announcement, China Resources Double-Crane possesses technologies spanning synthetic biology-based insecticides, fungicides and biostimulants, but lacks the manufacturing infrastructure, regulatory registrations and commercial network needed to industrialize those innovations. Acquiring Lier Chemical is expected to provide immediate access to established production facilities, product registrations and distribution capabilities.

The transaction comes after a competitive public solicitation process launched in May 2026, during which 10 qualified bidders expressed interest. The agreed acquisition price of RMB 30.07 per share represents a 138 per cent premium over the minimum bid price of RMB 12.62 established during the auction. The valuation places Lier Chemical's equity at approximately

RMB 24.07 billion, nearly double its market capitalization of around RMB 12.9 billion following the company's daily price-limit rally on July 30. Based on the company's reported 2025 net profit of RMB 581 million, the deal values the business at roughly 41 times annual earnings, reflecting strong strategic value attached to its manufacturing assets and crop protection portfolio.

Despite the change in ownership, China Resources Double-Crane has pledged operational continuity during the initial transition period. Under the agreement, the company will not inject additional assets into Lier Chemical for 36 months, nor dispose of the acquired shares for 60 months. It has also stated that there are no definitive plans to alter Lier's core business within the first 12 months following completion. However, the new controlling shareholder reserves the right to restructure the company's governance, with plans to reconstitute Lier Chemical's board of directors and senior management within 30 working days after the transaction closes.

The acquisition remains subject to multiple regulatory approvals, including state-owned asset supervision clearance, antitrust review, Shenzhen Stock Exchange confirmation and shareholder approval. Under the agreement, the transaction will lapse if all closing conditions are not satisfied within 120 days of signing unless both parties agree to extend the deadline. For China's agrochemical industry, the transaction reflects a growing convergence between pharmaceutical innovation, synthetic biology and crop protection manufacturing, as companies increasingly pursue cross-sector acquisitions to accelerate commercialization and expand technological capabilities.