



## Angel Yeast to acquire yeast relevant assets of Shandong Bio Sunkeen

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Angel Yeast Co., Ltd a listed high-tech yeast company in China, has recently announced it has established a joint venture company to invest RMB 100 million (\$15.4 million) to acquire yeast relevant assets of Shandong Bio Sunkeen Co, Ltd ("Bio Sunkeen"). In doing so, the company seeks to optimize its production capacity and further consolidate and strengthen its position in the industry.

Angel Yeast has partnered with Shandong Lufa Holding company ("Shandong Lufa") to establish Angel Yeast (Jining) Co., Ltd. Angel Yeast (Jining) will acquire the relevant assets of Bio Sunkeen's yeast product production, while simultaneously transforming and upgrading its technological capabilities.

"Angel Yeast will utilize Bio Sunkeen's existing facilities, with further expansion plans in the future. This joint venture project is in line with Angel Yeast's 2025 strategy focusing on yeast biotechnology, nutrition and health products, and food ingredients," said Chen Hongwei, General Manager of Angel Yeast (Jining).

As a national high-tech enterprise, Bio Sunkeen currently has an annual capacity of 15,000 tons of yeast and yeast extract (YE) through its production facilities. Its main products include yeast and YE, edible sweet potato starch, feeding products, compound seasoning, and other yeast augmented products. Angel Yeast will acquire Bio Sunkeen's yeast and yeast extract-related assets group in order to implement technological transformation and upgrade its processes and facilities. Eventually, the company hopes to build it into an important production base for its yeast products and related raw materials for food, organic feed, and organic fertilizer.

Angel Yeast's acquisition of Bio Sunkeen will help the company rapidly address potential capacity gaps as the market continues to grow. According to analysis and predictions of the period between 2021 to 2025, there will be an increasingly prominent gap between the growth rate of the yeast market and the available supply based on the group's annual production capacity. By acquiring Bio Sunkeen's biological products, Angel Yeast can rapidly increase its production capacity by 15,000 tons for yeast and YE— reducing its construction period by nearly two years and increasing the ratio of input to output when compared to building a new factory.

At the same time, the acquisition will assist in consolidating the yeast industry and enhancing China's position on the global stage. Angel Yeast's acquisition of Bio Sunkeen's assets will strengthen its position in the industry as it reduces market competition by converting competitors into partners. Together with the capabilities of Bio Sunkeen, Angel Yeast (Jining) will also be able to expand its channels for the production of yeast from hydrolyzed corn glycogen, in order to fully leverage the abundance of local corn resources and address the industry's molasses shortage.

Angel Yeast has contributed RMB 60 million (\$9.2 million) to the acquisition costs and Shandong Lufa has contributed RMB 40 million (\$6.2 million). After the acquisition goes into effect, Angel Yeast has guaranteed employment in principle for all of Bio Sunkeen's current on-the-job employees related to the operation of its underlying assets.