



Gadot Biochemical Industries Ltd.

News Release

For immediate release

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Gadot Teams with Jiangsu Nuobei Biochemical to Build New Citric Acid Plant

Gadot Biochemical Industries Ltd., Israel, has established a joint venture with Jiangsu Nuobei Biochemical Co. Ltd, China, for building and operating a new citric acid and citrate salts production plant in China. Jiangsu Nuobei Biochemical is owned by Mr. Wan Kunlin, also owner of Lianyungang Best Biochemistry & Technology Co. Ltd., China. Total investment in the new plant by both companies will be approximately US\$30 million.

The citric acid plant, with a capacity of 60,000 tons, will be built in Chenjiagang Chemical Industry Park at Jiangsu Province. It will produce anhydrous citric acid, citric acid monohydrate and tri-sodium citrate. The production will be based on Lianyungang Best Biochemistry & Technology superior fermentation technology, coupled with Gadot's extensive know-how in purification technology and will provide high-value products with the highest quality standards. The plant is designed to have the most advanced environment protection facilities. Joint-venture shares will be held 51% by Gadot and 49% by Jiangsu Nuobei Biochemical.

"In this collaboration, we combine the strengths of the two partners to create one strong player in the global citric acid market," says Ronny Hacham, VP Business Development & Marketing at Gadot. "It will maximize growth opportunities for both companies and will enable us to offer cost-effective, premium quality products in the marketplace."

Most of the production will be exported, with a smaller percentage made available to the local Chinese market.

The plant is expected to be completed and online within one year from commencement of construction.

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