

ADAMA Ltd.

Preliminary Announcement on the Intended Acquisition of 100% of the Equity Interests in Jiangsu Anpon Electrochemical Co., Ltd., in a Related-Party Transaction

The Company and all members of the Company's Board of Directors confirm that all information disclosed herein is true, accurate and complete, with no false or misleading statement or material omission.

Please be aware:

1. All relevant parties have reached initial understandings regarding this intended transaction. These understandings have not yet been submitted to the Board of Directors for deliberation. The details (including the purchase price) of this Transaction are still subject to the definitive equity purchase agreement to be signed by all parties.
2. This Transaction is subject to requisite decision-making and customary approval procedures. Therefore, this Transaction remains subject to uncertainty.

I. Overview of the Transaction

ADAMA Ltd. ("Company") intends to acquire 100% of the equity interests ("Target Equities") in Jiangsu Anpon Electrochemical Co., Ltd. ("Anpon") from CNAC International Company Limited ("Seller" or "CNAC International") ("Transaction").

The Seller is a wholly owned subsidiary of China National Agrochemical Corporation ("Seller Parent" or "CNAC") and it is deemed as a related party of the Company. Therefore, the Transaction will be a related-party transaction.

This Transaction will not constitute a material assets restructuring as stipulated by the Administrative Measures on Significant Asset Restructuring of Listed Companies.

II. Basic information of the counterparties

(I) CNAC International Company Limited

1. Basic information

- (1) Company name: CNAC International Company Limited
- (2) Nature of enterprise: Private limited company
- (3) Registered address: 17/F, SHING LEE COMMERCIAL BUILDING, 6-12 WING KUT STREET, CENTRAL, HK
- (4) Director: Chen Hongbo
- (5) Registered capital: RMB 7,178,289,345.11
- (6) Business registration certificate No.: 53630355-000-01-18-9
- (7) Main business: holding and investment
- (8) Controlling shareholder: CNAC
- (9) Credit status: After searching on the website of disclosure of enforcement information of China, the Seller is not a dishonest party subject to enforcement.

2. Related-party relationship: The Seller is a wholly owned subsidiary of CNAC, the controlling shareholder of the Company. The Seller and the Company are under common control of CNAC, in which case the Seller is a related party of the Company.

(II) China National Agrochemical Corporation

1. Basic information

- (1) Company name: China National Agrochemical Corporation
- (2) Nature of enterprise: Limited liability company (sole proprietorship by legal person)
- (3) Registered address: No.62, Beisihuan West Road, Haidian District, Beijing
- (4) Legal representative: Chen Hongbo
- (5) Registered capital: RMB 3,338,219,564.48
- (6) Unified social credit code: 91110000100011399Y
- (7) Business scope: Agrochemical and chemical products and chemical raw materials (excluding hazardous chemicals); procurements and sales of electromechanical equipment, electrical equipment, automatic control system, instrument, construction materials, industrial salt, natural rubber and products,

computer software and hardware, office automation equipment and textile raw materials; sales of fertilizer; cargo warehousing; import and export business; technical consultant, service, development and testing; production of genetically modified crop seeds (excluding the six central areas of Beijing city); sales of crop seeds, grass seeds and edible fungus strains. (The company shall lawfully and independently select its business projects and conduct business activities; the business activities which require approvals shall be conducted after obtaining such approvals from relevant authorities in accordance with the approved scopes; and the company is prohibited to involve in the business activities which is prohibited or restricted by the city's industry policies.)

(8) Controlling shareholder: China National Chemical Corporation (“ChemChina”)

(9) Credit status: After searching on the website of disclosure of enforcement information of China, CNAC is not a dishonest party subject to enforcement.

2. Related-party relationship: CNAC is the controlling shareholder of the Company, which is deemed as a related party of the Company.

III. Basic information of the target assets

1. Company name: Jiangsu Anpon Electrochemical Co., Ltd.

2. Shareholding structure: The Seller holds and owns 100% of the equity interests in Anpon.

3. Business scope: Producing chemical materials and chemical products (if business activities involve hazardous chemicals, precursor chemicals or controlled chemicals which require licenses, such activities are limited to the permitted scope as indicated in relevant licenses such as Safety Production License); producing chemical products (preparation); wholesaling hazardous chemicals (limited to the scope as indicated in Business License of Hazardous Chemicals); exploiting underground rock salt; exporting self-produced pesticides and chemical products; inspecting welded gas cylinder; producing steam and generating electricity with waste heat; producing and selling packaged goods; printing labels of carton; export business of self-produced products and technology; import business of raw materials, machinery equipment, components and technology which are needed for producing and research; supplying self-produced hot water (excluding drinking water); pesticide business (excluding

processing and repacking pesticides and pesticides for sanitary use); (projects which require regulatory approvals shall be operated after obtaining such approvals from relevant authorities).

4. Registered capital: RMB 251,380,000
5. Date of establishment: November 25, 1998
6. Registered address: No. 30, Huagong Road, Huai'an
7. Unified social credit code: 91320800139433337K
8. Legal representative: An Liru
9. Nature of enterprise: Limited liability company (sole proprietorship by legal person located in Taiwan region, HK or Macao)
10. Credit status: After searching on the website of disclosure of enforcement information of China, Anpon is not a dishonest party subject to enforcement.

IV. Main content and pricing basis of this Transaction

As of the date of this announcement, while the parties have reached initial understandings regarding this intended Transaction, this Transaction is still under negotiation. The parties have not yet signed a definitive equity interests transfer agreement in this regard. In the meanwhile, relevant agencies are conducting audit and appraisal processes on Anpon. The Company will convene a board meeting to deliberate on this Transaction and shall sign a definitive equity interests transfer agreement with the Seller and the Seller Parent after relevant conditions have been met. The purchase price of this Transaction will be determined by all parties on the basis of an appraisal report which shall be filed with ChemChina. The Company will perform its information disclosure obligations timely in accordance with the progress of this Transaction.

V. Purpose of this Transaction and the effects on the Company

1. Anpon's main business is highly synergistic with that of the Company.

Anpon's sales revenue in 2017 was RMB 1,643,455,859. The main business of Anpon is highly synergistic with that of the Company. Therefore, this Transaction is fully aligned with the Company's strategies of business operation and development and can help the Company grow its exports to global markets through the Company's worldwide distribution network and further improve the Company's core competitiveness, which are in the interests of the Company and its shareholders.

2. This Transaction will help the controlling shareholder perform its commitments with respect to eliminating horizontal competition, and reducing the related-party transactions.

The Company's acquisition of Anpon will help the Company and its indirect controlling shareholder ChemChina perform the public commitments with respect to avoiding horizontal competitions and reducing related-party transactions which were announced in the announcement (No. 2017-45) of the Company dated August 1, 2017 on the website (www.cninfo.com.cn).

It is hereby announced.

Board of Directors of the Company

January 2, 2019