

ADAMA Ltd.

Announcement on the External Guarantees Provided by a Subsidiary

The Company and all members of its board of directors hereby guarantee that the contents of information disclosure are true, accurate, complete and without any false record, misleading statements or major omissions.

I. Overview

Following the Announcement on External Guarantees Provided by a Subsidiary published on October 31, 2018 on the website www.cninfo.com.cn, and in the context of the transaction whereby a US-based, majority-owned, indirect subsidiary ("Acquiring Subsidiary") of Adama Agricultural Solutions Ltd. ("Solutions"), a wholly-owned and controlled subsidiary of the Company, has acquired the entire equity of Bonide Products, Inc., a US corporation, the Acquiring Subsidiary is to finance a part of the transaction purchase price by way of a bank loan to be received from a banking institution.

According to the loan agreement signed between the Acquiring Subsidiary and Bank Leumi USA on January 7, 2019 (the "Bank" and the "Loan Agreement"), Solutions has provided the Bank with a limited guarantee letter, according to which it unconditionally and irrevocably guarantees the Acquiring Subsidiary's payment of any outstanding principal amount and interest under the Loan Agreement, not exceeding USD 40 million (RMB 275million).

The minority shareholder in the Acquiring Subsidiary is providing a back-to-back counter guarantee to Solutions, pro-rata to his holdings.

According to the Proposal on the External Guarantee Limit of 2018 approved by the 4th meeting of the 8th session of the Board and the Annual Shareholders Meeting 2017, guarantees provided by the Company or any of its controlled subsidiaries to any of their controlled subsidiaries and/or held companies in favor of their activities in bank accounts and/or other financial institutions, such as bank credit lines, financing and credit activities, shall not exceed RMB 2,250 million over the full year.

The aforesaid guarantee is provided by Solutions, the controlled subsidiary of the Company, in order to finance the acquisition being performed by its controlled subsidiary. As the guaranteed amount is within the amount approved by the

shareholders meeting, no additional approval for the aforesaid guarantee is required from the Board of Directors of the Company.

II. Basic Information of the Warrantee

Name of the Warrantee: Control Solutions, Inc.

Established Date: March 27th, 1985

Registered Address: 5903 Genoa Red Bluff Rd., Pasadena, Texas, USA

Chairman of the Board: Moshe Givon

Registered Capital: \$824.20

Business Scope: Chemical manufacturer in the Pest Control, Turf & Ornamental, Consumer Products and Professional Animal Health Care markets

Relationship with the Company: Indirect controlled subsidiary - Solutions, a wholly-owned subsidiary of the Company, holds 67.11% of the equity of Acquiring Subsidiary, while the rest is held by a private individual, serving as the President and CEO of Acquiring Subsidiary.

Recent financial situation of the Warrantee is as follows:

Period	Total Assets	Total Debts	Equity	Equity attributed to the Owner of the Parent Company	Assets Liability Ratio
By the end of Dec 31, 2017	USD129,401,044	USD 88,895,673	USD 40,505,472	USD 27,179,171	68.7%
By the end of September 30, 2018	USD 107,960,878	USD 70,050,731	USD 37,910,147	USD 25,437,709	64.9%

III. Main Contents of the Guarantee Contracts

The main contents of the Guarantee are as follows:

- (1) Maximum guaranteed amount: USD 40 million (RMB 275million), plus any applicable interest.
- (2) Type of Guarantee: unconditional and irrevocable.
- (3) Guarantee Scope: Guarantee of payment of any outstanding amount under the Loan Agreement.
- (4) Guarantee Period: The loan term (5 years) and any applicable statute of limitations period (generally 7 years).

The guarantee referred to herein is provided in favor of the actual acquisition needs

of Acquiring Subsidiary. The Warrantee is a controlled subsidiary of the Company that has stable business operations and there is no risk of it not being able to repay its debts or perform its obligations. Additionally, the Company can control the management risk and financial risk of Acquiring Subsidiary. Therefore, the Company's interests will not be harmed.

IV. Accumulated Quantity of External Guarantees and Overdue Guarantees

Currently the balance of the guarantees that have been provided by the Company and/or its subsidiaries is USD 181M (RMB 1,242M). After providing the above guarantee, the balance of the guarantees provided by the Company and/or its subsidiaries is USD 221M (RMB 1,517M). This amount accounts for approximately 8.08% of the latest audited net assets of the Company.

No guarantees were provided by the Company and/or its subsidiaries for the favor of entities not consolidated in the Company's financial statements.

The Company and its controlled subsidiaries do not have overdue guarantees.

V. List of Reference Documents

1. Guarantee Letter provided by Solutions to the Bank.

It is hereby announced.

Board of Directors of **ADAMA Ltd.**

January9, 2019