

## **ADAMA Ltd.**

# **Announcement on Signing the Supplemental Agreement to the Equity Purchase Agreement**

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.

### **I. Overview of the Transaction**

On November 5, 2019, the 18<sup>th</sup> Meeting of the 8<sup>th</sup> session of the Board of Directors of the Company approved the Proposal and Context of the Acquisition of 50% of the Equity Interests in Shanghai Dibai Plant Protection Co., Ltd. ("Dibai"), the domestic distribution arm of Jiangsu Huifeng Agrochemical Co., Ltd. ("Huifeng"). On November 6, 2019, the Company executed Equity Purchase Agreement ("EPA") with Huifeng to acquire the 50% of the equity interests in Dibai held by Huifeng. The estimated purchase price is RMB 370 million, with the final purchase price to be determined based on the net debt of Dibai at Closing Date in accordance with the EPA and is subject to the Appraisal Report. The EPA can be terminated if any closing condition is not met by February 29, 2020 by either the Company or Huifeng where applicable, sending written notice to the other.

For details, please see the Announcement on the Resolutions of the 18<sup>th</sup> meeting of the 8<sup>th</sup> session of the Board (announcement No. 2019-53) and the Announcement on the Acquisition of 50% of the Equity Interests in Shanghai Dibai Plant Protection Co., Ltd.(announcement No. 2019-54) which disclosed by the Company on the website [www.cninfo.com.cn](http://www.cninfo.com.cn) on November 7, 2019.

Due to the reason that the closing conditions haven't been met yet, on February 26, 2020, the 21<sup>st</sup> meeting of the 8<sup>th</sup> session of the Board approved a Proposal on Signing

the Supplemental Agreement to the Equity Purchase Agreement according to which the Company is entitled to sign the Supplemental Agreement to the Equity Purchase Agreement (“Supplemental Agreement”) with Huifeng.

## **II. Key Terms of the Supplemental Agreement**

1. The Company and Huifeng agree that, after Closing, if the actual business between Dibai and Nongyi E-commerce (Beijing) Co., Ltd. (and its subsidiaries), a non-controlled subsidiary of Huifeng, does not reach the agreed business target, the purchase price for the equity interest will be reduced according to an agreed formula.
2. The Company and Huifeng agree to extend the date, on which if any closing condition is not met, either the Company or Huifeng is entitled to terminate the EPA with a written notice where applicable from February 29, 2020 to June 30, 2020.
3. The Supplemental Agreement is part of the EPA. Unless the revisions made by the Supplemental Agreement, contents of the EPA will remain the same.

## **III. Impact of the Supplemental Agreement on the Company**

The Supplemental Agreement is the result of negotiations between the Company and Huifeng. It will have no adverse impact on the performance and business operations of the Company. It will also not impact the future development strategy and business plan of the Company. The interests of the shareholders will not be harmed.

## **IV. Filing Documents**

1. The Resolutions of the 21<sup>st</sup> Meeting of the 8<sup>th</sup> Session of the Board.
2. The Supplemental Agreement to the Equity Purchase Agreement

It is hereby resolved.

Board of Directors of ADAMA Ltd.

February 27, 2020