

ADAMA Ltd.

Announcement on Providing Guarantees in favor of a Controlled Subsidiary

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

In order to meet the daily operation and business development needs of ADAMA Huifeng (Jiangsu) Ltd. (hereinafter referred to as "ADAMA Huifeng"), a controlled subsidiary of ADAMA Ltd. (hereinafter referred to as the "Company"), the Company intends to provide joint liability guarantees in favor of certain banks that are to provide banking facilities to ADAMA Huifeng. Under such guarantees, the Company will guarantee ADAMA Huifeng's repayment of such debt up to a total amount up to RMB 330 million.

According to the Listing Rules of the Shenzhen Stock Exchange, the 1st meeting of the 9th session of the Board of Directors of the Company approved the *Proposal on Providing Guarantees in favor of a Controlled Subsidiary*. The decision to provide such guarantees is within the rights of the Board of Directors. No additional approval for the aforesaid guarantees is required from the shareholders of the Company.

II. Basic Information of the Warrantees

1. Basic Information of ADAMA Huifeng

Name of the Warrantee: ADAMA Huifeng (Jiangsu) Co., Ltd.

Established Date: June 11, 2018

Registered Address: South of Wanggangzha, Dafeng District, Yancheng City, Jiangsu Province

Legal Representative: Weng Botao

Registered Capital: RMB 1,000 million

Business Scope: Sales of pesticides (except hazardous chemicals), chemical products (except pesticides and hazardous chemicals), knitted textiles, Wujinjiaodian (except electric tricycles), daily necessities (except electric tricycles), wood, building materials, electronic products, computers and accessories, agricultural products (unless packaged seeds) and packaging materials; grain planting; self-operated and agency import and export business of various commodities and technologies (except for commodities and technologies that are restricted by the state or prohibited for import and export) (any business which legally requires approval(s) shall be conducted after obtaining the approvals issued by relevant authorities.) Licensed items: production of hazardous chemicals; pesticide production (any business which legally requires approval(s) shall be conducted after obtaining the approvals issued by relevant authorities.) General projects: research and development of biological pesticide technology; software development; information consulting services (excluding licensed information consulting services) (except for businesses subject to approval according to law, business activities are carried out independently according to law within the business license)

Relationship with the Company: The Company holds a 51% equity stake in ADAMA Huifeng, which is a controlled subsidiary of the Company.

Credit status: After inquiring on the China enforcement information disclosure website, ADAMA Huifeng is not a dishonest person who has the ability to perform but intentionally avoids performing the obligations specified in the effective judgement of the court.

The most recent financial situation of the Warrantee is as follows:

Unit: '0000 RMB

	At Mar 31, 2021 (unaudited)	At Dec 31, 2020 (audited)
Total Assets	193,994.17	173,190.12
Total Liabilities	39,502.07	18,842.20
Bank Loans	0	0
Other Current Liabilities	25.70	676.82
Contingency	0	0
Net Assets	154,492.10	154,347.92
	January to March 2021	2020

	(unaudited)	(audited)
Revenue	27,826.39	2,331.78
Total Profit	192.23	-678
Net Profit	144.18	-669.95

III. Main Contents of the Guarantees

ADAMA Huifeng intends to apply for financing facilities in a total amount of up to RMB 330 million (including working capital loans, bank acceptance bills, trade finance, letters of credit, letters of guarantee, factoring business, etc.) from certain banks, as listed below, to meet its daily operation and business development needs.

Banks	Amount (RMB, Ten thousand)	Period
Jiangsu DaFeng RCB	10,000	One year
ICBC Yancheng Dafeng Sub-branch	15,000	One year
SPD Bank Yancheng Dafeng Sub-branch	8,000	One year

The Company intends to provide the financing banks joint liability guarantees for the above-mentioned banking facilities.

IV. Opinion of the Board of Directors

With regard to the guarantees to be provided by the Company in favor of ADAMA Huifeng, the Board of Directors is of the opinion that: (i) the guaranteed funds are to be used for the daily operation and business development needs of the Company's controlled subsidiary, ADAMA Huifeng; (ii) although Jiangsu Huifeng Agrichemical Co., Ltd., the minority shareholder of ADAMA Huifeng, holding 49% equity stake, (hereinafter referred to as "Jiangsu Huifeng"), did not provide a respective guarantee in proportion to its capital contribution, and in view of (1) ADAMA Huifeng stable operation and actual debt repayment ability; (2) the control that the Company has over ADAMA Huifeng, its understanding of ADAMA Huifeng's business condition and the Company's ability to make decisions on certain major issues of ADAMA Huifeng; (3) the guarantee fee of 0.3% per annum that the Company will charge Jiangsu Huifeng, according to the shareholders agreement, on its respective share covered by the Company (49%), the financial risk provided by the guarantees is within the Company's control. The guarantees neither significantly impact the

regular operations of the Company, nor violate the relevant provisions of the CSRC and the Articles of Association of the Company and do not harm the legitimate interests of the Company and its minority shareholders.

V. Accumulated Balance of External Guarantees and Overdue Guarantees

Currently the balance of the guarantees that have been provided by the Company and/or its subsidiaries is RMB 5,111.69 million. After providing the above guarantees, the balance of the guarantees provided by the Company and its subsidiaries will be RMB 5,441.69 million, accounting for approximately 25.48% of the latest audited net assets of the Company.

No guarantee is 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.

VI. List of Reference Documents

1. Resolutions of the 1st Meeting of the 9th Session of the Board of Directors of the Company.

The Announcement is hereby made.

The Board of Directors of ADAMA Ltd.

June 29, 2021