

ADAMA Ltd.

Announcement on Providing Guarantees in favor of two Wholly-owned Subsidiaries

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

On December 21, 2020, the 30th Meeting of the 8th Session of the Board of Directors of ADAMA Ltd. (hereinafter referred to as "the Company" and the "the Board") approved a *Proposal on Providing Guarantees in Favor of a Wholly-owned Subsidiary*, according to which the Company shall provide joint liability guarantees in favor of certain financing banks that provide annual loans to the Company's wholly-owned subsidiary, ADAMA Anpon (Jiangsu) Ltd. (hereinafter referred to as "Anpon"). For details, please refer to the Announcement published by the Company on the website www.cninfo.com.cn (Announcement No. 2020-72).

On April 28, 2021, the 33rd Meeting of the 8th Session of the Board approved the *Proposal on Providing Guarantees in Favor of two Wholly-owned Subsidiaries*, according to which the Company shall slightly increase the guaranteed amounts with regard to two of the loans mentioned in the above announcement based on the actual needs of Anpon, and shall provide joint liability guarantees in favor of the financing bank that provides credit line to Hubei Sanonda Foreign Trade Co., Ltd. (hereinafter referred to as "Foreign Trade Company"). For details, please refer to the Announcement published by the Company on the website www.cninfo.com.cn (Announcement No. 2021-14).

In light of the actual needs of project loans of Anpon, the Company intends to increase the guarantee amount with regard to two project loans of the above-mentioned guarantees. Regarding the above guarantee for Foreign Trade Company, the Company intends to adjust

the relevant financing bank that is to provide credit line to Foreign Trade Company according to its actual business needs.

According to the Listing Rules of the Shenzhen Stock Exchange, the 5th meeting of the 9th session of the Board approved the *Proposal on Providing Guarantees in favor of two Wholly-owned Subsidiaries*. 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 Anpon

Name of the Warrantee: ADAMA Anpon (Jiangsu) Ltd.

Established Date: November 25, 1998

Registered Address: No. 30, Huagong Road, Huai'an City

Legal Representative: Jiang Yutian

Registered Capital: RMB 251,380,000

Business Scope: Manufacture and sale of chemical products

Relationship with the Company: The Company's wholly owned subsidiary.

Credit status: After searching on the website of disclosure of enforcement information of China, Anpon is not a dishonest person subject to judicial enforcement.

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

Unit: '0000 RMB

	At Sep 30 2021 (unaudited)	At Dec 31,2020 (audited)
Total Assets	157,077.83	131,581.11
Total Liabilities	95,389.08	84,714.07
Bank Loans	35,000.00	28,000.00
Other Current Liabilities	-	-
Contingency	-	-
Net Assets	61,688.75	46,867.04
	January to September 2021 (unaudited)	2020 (audited)
Revenue	155,847.06	199,834.59

Total Profit	17,757.57	16,636.35
Net Profit	14,819.03	15,402.76

2. Basic Information of Foreign Trade Company

Name of the Warrantee: Hubei Sanonda Foreign Trade Co., Ltd.

Established Date: July 29, 1998

Registered Address: No.1, Beijing Donglu Road, Jingzhou City, Hubei Province.

Legal Representative: Liu Jianhua

Registered Capital: RMB 10,000,000

Business Scope: Import and export business.

Relationship with the Company: The Company's wholly owned subsidiary.

Credit status: After searching on the website of disclosure of enforcement information of China, Foreign Trade Company is not a dishonest person subject to judicial enforcement.

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

Unit: '0000 RMB

	At Sep 30, 2021 (unaudited)	At Dec 31, 2020 (audited)
Total Assets	13,603.57	54,641.25
Total Liabilities	1,872.77	44,249.35
Bank Loans	-	-
Other Current Liabilities	-	-
Contingency	-	-
Net Assets	11,730.80	10,391.89
	January to September 2021 (unaudited)	2020 (audited)
Revenue	20,852.19	47,460.59
Total Profit	1,785.23	2,688.04
Net Profit	1,338.91	2,016.00

III. Main Contents of the Guarantees

1. According to the *Proposal on Providing Guarantees in Favor of a Wholly-owned Subsidiary* approved by the 30th Meeting of the 8th Session of the Board and the *Proposal on Providing Guarantees in Favor of two Wholly-owned Subsidiaries* approved by the 33rd Meeting of the 8th Session of the Board, the Company provides joint liability guarantees in

favor of certain financing banks that provide annual loans to Anpon. In light of the actual needs of project loans of Anpon, the Board approves to increase the guarantee amount with regard to two project loans of the above-mentioned guarantees.

The details are as follows.

Current	Amended
<p>The Company intends to provide joint liability guarantees for the project loans of Anpon detailed below:</p> <p>Project loan which will not exceed RMB 264 million to be provided by Huai'an South City Branch of Industrial and Commercial Bank of China;</p> <p>Project loan which will not exceed RMB 42 million to be provided by Huai'an Rural Commercial Bank</p>	<p>The Company intends to provide joint liability guarantees for the project loans of Anpon detailed below:</p> <p>Project loan which will not exceed RMB 250 million to be provided by Huai'an South City Branch of Industrial and Commercial Bank of China;</p> <p>Project loan which will not exceed RMB 60 million to be provided by Huai'an Rural Commercial Bank</p>

2. According to the *Proposal on Providing Guarantees in Favor of two Wholly-owned Subsidiaries* approved by the 33rd Meeting of the 8th Session of the Board, the Company provides joint liability guarantees in favor of the financing bank that provides credit line to Foreign Trade Company with the guaranteed amount not exceeding RMB 150 million. According to the actual business needs of the Foreign Trade Company, the Board approves to transfer the guarantees from the previous to the current financing bank. The details are as follows.

Current	Amended
<p>The Foreign Trade Company, based on its operation needs, intends to apply to Jingzhou Branch of Bohai Bank for a working capital loan which will not exceed 150 million, with a term of one year. The Company intends to provide joint liability guarantees in favor of the above financing bank that is to provide loans to Foreign Trade Company.</p>	<p>The Foreign Trade Company, based on its operation needs, intends to apply to Wuhan Branch of Bohai Bank for a comprehensive credit line which will not exceed 150 million for bank acceptance bills, working capital loans, etc., with a term of one year. The Company intends to provide joint liability guarantees in favor of the above financing bank that is to provide credit line to Foreign Trade Company.</p>

IV. Opinions of the Board of Directors

The Board of Directors is of the opinion that: (i) the guaranteed funds are used for the daily operation needs of the Company's wholly owned subsidiaries; (ii) the financial risk of the guarantees is under the Company's control; and (iii) the guarantees neither significantly impact the normal operation of the Company, nor violate the relevant provisions of the CSRC and the Articles of Association of the Company.

V. 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 RMB 4,471.48 million. After providing the above guarantees, the balance of the guarantees provided by the Company and its subsidiaries will be RMB 4,931.48 million, accounting for approximately 23.01% 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

Resolutions of the 5th 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.

October 28, 2021