Stock Code: 000553(200553) Stock Abbreviation: ADAMA A (B) NO. 2019-31

ADAMA Ltd.

Announcement on New Expected Related-Party Transactions in the Ordinary Course of Business in 2019

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. Basic Information on the New Related Party Transactions in the ordinary course of business

(I) Overview of the new related-party transactions in the ordinary course of business

On February 22, 2019 the Company disclosed the Expected Related-Party Transactions in the Ordinary Course of Business in 2019 (announcement number 2019-11).

Following the closing of the acquisition of Jiangsu Anpon Electrochemical Co., Ltd. (hereinafter referred to as "Anpon") by the Company on March 29, 2019 (see announcement number 2019-24), Anpon is now being consolidated into the financial statements of the Company as of the Q1 2019 financial statements.

The Company expects that in 2019 Anpon will sell raw materials and/or products, in a total amount that will not exceed RMB 231.38 million, to subsidiaries controlled by China National Chemical Co., Ltd ("ChemChina"); and that Anpon will purchase products and commodities, services, in a total amount that will not exceed RMB 342.23 million, from subsidiaries controlled by ChemChina. Such transactions hereinafter referred as the "Related-party Transactions".

These estimations were performed based on the current available data and may change, inter alia, as a result of changes to the Company's business, and Anpon in particular, and/or due to market conditions as well as due to further cooperation to be negotiated between the Company and Syngenta.

The Related-party Transactions matter has been reviewed and approved at the 14th Meeting

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of the 8th session of the Board of Directors of the Company. Among the five directors of the Company, there were four affirmative votes, zero negative votes and zero abstentions, while the one related-party director (Mr. Yang Xingqiang) refrained from voting.

The Related-party Transactions matter shall be further approved by the Shareholders Meeting. China National Agrochemical Co., Ltd., and Jingzhou Sanonda Holdings Co., Ltd. will refrain from voting.

(II) The types and amounts of the new expected related-party transactions in the ordinary course of business

RMB10,000

Type of related-party transaction	Related party	Content of related-party transaction	The pricing principle of related-party transaction	Contract amount or estimated amount not to exceed	Amount incurred in the previous year
Selling raw materials and/or products to related parties	Jiangsu Huaihe Chemicals Co., Ltd.	Selling products	Market price	23,138	0
	Sub-total	-	-	23,138	0
Purchasing raw materials and/or products from related parties	Jiangsu Huaihe Chemicals Co., Ltd.	Purchase of products	Market price	20,099	0
	Zhonglan International Chemical Co., Ltd.	Purchase of commodities	Market price	11,983	0
	Bluestar (Beijing) Chemical Machinery Co., Ltd.	Purchase of commodities	Market price	1,428	0
	Sub-total	-	-	33,510	0
Receiving services from related parties	Shanghai Branch of Zhonglan Lianhai Design Institute Co.,	Design services	Market price	712	0

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	Ltd.				
	Sub-total	-	-	712	0

(III) Actual related-party transactions in the ordinary course of business performed in the previous year

From the Company perspective, as Anpon was a wholly owned subsidiary of ChemChina in 2018, any transactions between Anpon and subsidiaries controlled by ChemChina performed in 2018, do not constitute related party transactions for the Company.

II. Introduction to the Related Parties and Their Relationships with the Company

1. Jiangsu Huaihe Chemical Co., Ltd. (legal representative: Chen Hongbo; registered address: Yutai County, Jiangsu Province) has registered capital of RMB 24.7million and mainly undertakes the businesses related to manufacturing and sale of chemical products. The main financial data as of December 31, 2018 are: operating revenue of RMB818.01 million, net profit of RMB7.6 million, total assets of RMB532.86 million, net assets of RMB126.63 million.

   Relationship with the Company: It is a legal person controlled by ChemChina, the actual control holder of the Company. According to the Article 10.1.3(2) of the *Rules of Shenzhen Stock Exchange for the Listing of Stocks*, it is a related party of the Company.

   Analysis of performance capability: To the best knowledge of the Company, Jiangsu Huaihe Chemical Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

2. Zhonglan International Chemical Co., Ltd. (legal representative: Yang Hongbin; registered address: No. 1202-1207, 12/F, No.62 North 4th Ring West Road, Haidian District, Beijing) has registered capital of RMB 100 million and mainly undertakes the wholesale chemical products, technology import and export, technology and information consulting services. The main financial data as of December 31, 2018 are: operating revenue of RMB 3,995.68 million, net profit of RMB12.21 million, total assets of RMB729.89 million, net assets of RMB-17.53million.

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Relationship with the Company: It is a legal person controlled by ChemChina, the actual control holder of the Company. According to the Article 10.1.3(2) of the *Rules of Shenzhen Stock Exchange for the Listing of Stocks*, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Zhonglan International Chemical Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

3. Bluestar (Beijing) Chemical Machinery Co., Ltd. (legal representative: Kang Jianzhong; registered address: No. 5, Xingye Street, Beijing Economic and Development Zone) has registered capital of RMB200 million and mainly undertakes the businesses related to production of chemical machinery and equipment, production of type III pressure vessels, design, maintenance and installation of chemical machinery and equipment, technical consultation, technical services, technical training. The main financial data as of December 31, 2018 are: operating revenue of RMB470.21 million, net profit of RMB31.29 million, total assets of RMB1,196.24 million, net assets of RMB721.54 million.

Relationship with the Company: It is a legal person controlled by ChemChina, the actual control holder of the Company. According to the Article 10.1.3(2) of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Bluestar (Beijing) Chemical Machinery Co., Ltd. operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

4. Shanghai Branch of Zhonglan Lianhai Design Institute Co., Ltd. (Manager of Shanghai Branch: Liu Zhikui; registered address: 4/F, No.5656 East Huaxia Road, Pudong District, Shanghai) has registered capital of RMB128 million and mainly undertakes the businesses related to project consultation and evaluation, design and project management, engineering construction (excluding blasting), general

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contracting, technical services. The main financial data as of December 31, 2018 are: operating revenue of RMB373.58 million, net profit of RMB15.82 million, total assets of RMB957.27 million, net assets of RMB630.97million.

Relationship with the Company: It is a legal person controlled by ChemChina, the actual control holder of the Company. According to the Article 10.1.3(2) of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Shanghai Branch of Zhonglan Lianhai Design Institute Co., Ltd. operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

III. Main Content of Related-Party Transactions

1. Main content

(1) All related-party transactions between Anpon and the relevant related parties should be carried out based on market terms and according to the principles of voluntariness, equality, mutual benefit, justice and fairness and without prejudice to the interests of the Company.

(2) If there is any available state fixed price, then the state fixed price shall prevail; if the state fixed price is inapplicable or not applicable any more, then the market price shall prevail; if the market price is inapplicable or not applicable any more, then both parties shall determine the exact and fair pricing standards they believe to be based on relevant data.

2. Signing of transaction agreement

Anpon will conclude contracts with the relevant related parties according to its production and operation requirements and its ordinary course of business practices.

IV. Purpose of Related-Party Transaction and its Impact on the Company

These related-party transactions are entailed by the consolidation of the financial statements of the Company and are necessary for the daily business operation of Anpon.

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These related-party transactions follow the principle of fairness and justice and will not adversely affect the interests of the Company and its non-related party shareholders, as well as the independence of the Company.

V. Independent Directors' Opinions

The Company's independent directors have given separate opinions on the related party transactions matter: The Company makes reasonable expectation on the new related-party transactions according to the status of the acquisition of 100% of the Equity Interests in Anpon. All such transactions shall conform to relevant national laws and regulations, as applicable, and market-oriented principles, and shall not influence the independence of the Company or damage the interests of the Company and its other shareholders. The decision-making procedures for these related party transactions conform to the *Company Law of the People's Republic of China*, the *Rules of Shenzhen Stock Exchange for the Listing of Stocks*, the *Articles of Association* and other laws and regulations. The independent directors agree to submit the proposal to the shareholders for approval.

VI. Opinion of Guotai Jun'an Securities Co., Ltd as the Financial Consultant

After verification, the independent financial consultant is of the opinion that the new estimated related-party transactions in the ordinary course of business of ADAMA Ltd. are necessary for the daily business operation of the Company. Pricing of these related-party transactions follows the market price. These transactions do not harm the interest of small and medium shareholders of the Company or affect independence of the Company. Aforementioned transaction matters have been approved at the 14th Meeting of the 8th session of the Board of Directors of the Company, on which occasion related directors withdrew from the voting, independent directors expressed affirmative opinions and necessary procedures were implemented. The related-party transaction matter is subject to approval of the shareholders. CNAC and Jingzhou Sanonda Holding Co., Ltd as related shareholders will withdraw from the voting. Above deliberation procedures are in line with the Company Law, AoA of the Company and relevant rules. The independent financial consultant does not have objection to the matter of new estimated related-party transactions for 2019 in the ordinary course of business of the Company.

VII. Documents for Future Reference

1. The resolution made at the 14th Meeting of the 8th session of the Board of Directors of the Company;

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2. Independent directors' prior written approval; Independent directors' opinions;

3. Opinion of Guotai Junan Securities Co., Ltd on New Expected Related Party Transactions in the Ordinary Course of Business in 2019 of the Company.

The Announcement is hereby given.

The Board of Directors of ADAMA Ltd.

April 30, 2019

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