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ADAMA Ltd.

Announcement on the Termination of the Use of Raised Funds for Certain Designated Projects

The Company and all members of its Board of Directors confirm that all the information disclosed herein is true, accurate, and complete with no false or misleading statement or material omission.

On April 27 , 2020, the 25th meeting of the 8th session of the Board of Directors, and the 12th meeting of the 8th session of the Board of Supervisors of ADAMA Ltd. (the "Company") approved a Proposal on the Termination of the Use of Raised Funds for Certain Designated Projects included in the Project of Share Issuance for Assets Purchase and Supporting Finance. The Company plans to cease the use of the raised funds for the following previously designated projects: Projects of product development and registration and fixed-asset Investment of ADAMA Agricultural Solutions Ltd. (the "Solutions"). The above proposal shall be submitted to the Company's shareholders for approval.

I. General Information About the Raised Funds

1. Receiving of the Raised Funds

After receiving the approval of China Securities Regulatory Commission for the issuance of shares to China National Agrochemical Co., Ltd. to acquire assets and raise supporting funds (CSRC Permits [2017] No.1096), the Company issued 104,697,982 ordinary A shares in December 2017, at an issue price of RMB14.90 per share, raising a total amount of RMB1,559,999,931.80. After deducting the underwriting fees of RMB28, 079,998.78, the net amount received by the Company was RMB1, 531,919,933.02. The net amount was

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received on 27 December 2017 and was verified by Deloitte Touche Tohmatsu Certified Public Accountant LLP, who issued a capital verification report (De Shi Bao (Yan) Zi (17) No.00540).

According to the Report of the Company on Share Issuance for Assets Purchase and Supporting Funds & Connected Transactions published by the Company on July 5, 2017, the Company planned to issue no more than 118,784,644 shares and raise no more than RMB 1,982.91 million in funds. The Company planned to use the raised funds for the following projects:

Unit: RMB'0000

	Designated Projects	Expected Raised funds to be used
1	Project of Huai'an Pesticide Formulation Center	24,980
2	Projects of product development and registration	93,507
3	Fixed-asset Investment of Solutions	66,204
4	Fees for the intermediary agencies and transaction taxes	13,600
	Aggregated figure	198,291(Note1)

Note 1: The figure is the maximum amount planned to be raised, while the actual funds raised amounted 1,559.99 million.

2. Previous Change of Certain Designated Projects

On March 19, 2019 and April 10, 2019, respectively, the 12th Meeting of the 8th Session of the Board of Directors and the 2018 Annual Shareholders Meeting approved a proposal on the change of certain designated projects originally designated. Consequently, the Company ceased to use the raised funds for the construction of Huai'an pesticide formulation center project and for a project (product A 600t/a) of investment in fixed-assets. Instead, the Company used the corresponding RMB 400.08 of the raised funds to pay the consideration for the acquisition of 100% equity of Jiangsu Anpon Electrochemical Co., Ltd. The above change of the raised funds was completed in May 2019.

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3. Balance of the Raised Funds

As at December 31, 2019, the Company had used RMB 717,372,647.40 of the raised funds, and the balance that had not yet been used was RMB 883,606,873.56 (including interest income after deducting bank charges RMB37,888,958.56).

II. Information on the Designated Projects which the Raised Funds will not be Used for

1. Projects of Products Development and Registration

The project was planned to be implemented by ADAMA Makhteshim Ltd., ADAMA Agan Ltd. and ADAMA Brazil S/A, all indirectly wholly-owned subsidiaries of the Company. The project covers the development and registration of insecticides, herbicides and fungicides. RMB 1,644.44 million were planned to be invested in this project among which RMB 935.07 million of the raised funds were planned to be used as capital expenditure for this project. For details, please see the Major Assets Restructuring Report published by the Company on July 5, 2017.

As at February 29, 2020, the raised funds invested in this project were as follows.

Unit: RMB ’0000

	Investment Committed	Raised funds invested by February 29, 2020	Proportion
Projects of product development and registration	93,507	13,103	14%

2. Fixed-Assets Investment

The Company planned to invest an amount of RMB 662.04 million on the following overseas fixed-assets investment projects: production capacity expansion of a certain pesticide product, investment in equipment for the production of a certain fungicide for the Brazilian market, investment in equipment for liquid product packaging[], production capacity expansion of a certain aromatic product and the project of relocation of the plant in

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Beer Sheva and its integration into the plant in Neot Hovav in Israel. The details of the projects are as follows.

(1) Production Capacity Expansion of a certain Pesticide

The project was planned to be implemented by ADAMA Makhteshim Ltd., an indirect wholly-owned subsidiary of the Company. It was planned to invest US$ 15 million to expand the annual production capacity of a certain product to 300 tons and 600 tons in Israel, where ADAMA Makhteshim Ltd. is located

(2) Investment in Equipment for the production of a certain Fungicide for the Brazilian market

The project was planned to be implemented by ADAMA Brazil S/A, an indirect wholly-owned subsidiary of the Company. It was planned to invest US$ 8.5 million to complete the production line for the last two manufacturing processes.

(3) Investment in Equipment for Liquid Product Packaging

The project was planned to be implemented by ADAMA Agan Ltd., an indirect wholly-owned subsidiary of the Company. It was planned to invest US$ 7 million to complete the project in Israel where ADAMA Agan Ltd. is located.

(4) Production Capacity Expansion for a Certain New Fragrance Ingredient

The project was planned to be jointly implemented by Agan Aroma &Fine Chemicals Ltd. and ADAMA Agan Ltd., indirect wholly-owned subsidiaries of the Company. It was planned to invest US$ 9.58 million to complete the production capacity expansion t in the plants of the above subsidiaries in Israel.

(5) Investment in the Relocation of the Beer Sheva Plant and Its Integration with the Neot Hovav Plant in Israel

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The project was planned to be implemented by ADAMA Makhteshim Ltd., an indirect wholly-owned subsidiary of the Company. According to the needs of urbanization development of the city of Beer Sheva, it was planned to invest US$55.5 millionto relocate the plant in Beer Sheva to Neot Hovav and accordingly integrate the plants there.

For the expected return on Fixed-Assets Investment, please see the Major Assets Restructuring Report published by the Company on July 5, 2017. As at February 29, 2020, the invested raised funds on Fixed-Assets Investment is as follows.

Unit: RMB ’0000

	Adjusted Investment Committed	Invested raised funds by February 29, 2020	Proportion
Fixed-Assets Investment	51,176	5,913	12%

III. Reasons for the Termination of the Use of the Raised Funds for Certain Designated Projects

The investments required for the original designated projects referred to above will be done by the Company from its own capital. The reasons for not using the raised funds are as follows:

1. Projects of Products Development and Registration

Since ADAMA Makhteshim Ltd., ADAMA Agan Ltd. and ADAMA Brazil S/A, all subsidiaries of Solutions, are the entities that implement the products development and registration project, the Company initially needs to increase the capital of Solutions, and then increase the capital of these subsidiaries by Solutions. The time and process required for the relevant approval process, such as funds outbound, is complicated. In order to avoid delays of the projects, the Company used its own capital on the projects. In addition, the Company actual raised funds was less than the amount planned and needed. To terminate the use of raised funds on overseas projects will assist the Company in providing better financial

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support for the implementation of subsequent domestic related projects. Meanwhile, as the Company is actively launching product development and registrations projects in China, it does not rule out investment of raised funds on domestic development and registration projects subject to the relevant procedures and approval processes.

2. Fixed-Assets Investment

(1) Production Capacity Expansion for a certain Pesticide

Since the product is a newly developed product, it takes time to develop its market. In this context, the management made changes to the time schedule of the original expansion plan and suspended the investment in the second phase after careful deliberations. While adjusting the capacity expansion of the first stage in accordance with the needs of the market, the process is optimized to further enhance the product's market advantage. Based on the above situation and in order to reduce the investment risk of raised funds, the Company decided that the follow-up investment of this project will be carried out by the Company using its own capital.

(2) Investment in Equipment for the Production of a certain Fungicide for the Brazilian market & Production Capacity Expansion of a New Fragrance Ingredient

The above two projects started in 2017,both involving cross-border investment by the Company. In order to meet the increasing demand of the market for the certain Fungicide and the New Fragrance Ingredient , the Company decided that its overseas subsidiaries shall be responsible for meeting project investment needs through their own funds and local financing. The fungicide project for the Brazilian market was carried out in accordance with the original investment plan and officially delivered for use in January 2020 while the fragrance ingredient project is expected to be completed in May 2020.

(3) Investment e in Equipment for Liquid Product Packaging

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The project aims to increase liquid packaging capacity to cope with expected future incremental demand and make inventory management more flexible and effective. However, due to the continuous climate change in Europe and North America in the past two years, there has been some change in the incremental demand of the market. Based on the principle of prudence, the Company postponed the investment progress of the project and planned not to use raised funds for the project.

(4) Investment in the Relocation of Beer Sheva Plant and Its Integration with the Neot Hovav Plant in Israel

The purpose of this project is to improve the overall production efficiency and product quality through the integration and optimization of the two plants in production and operation. Since the integration of the plants involves a wide range of matters, it will take a long time to carry out master planning procedures in Israel. At present, the project is in the planning and design stage. The Company believes that there will be some differences in the implementation time of the project and the schedule of use of raised funds. Meanwhile, as the Company's domestic subsidiaries also require investment in integration and optimization, the Company intends to terminate the use of raised funds for this project and to consider investing the raised funds on domestic projects after performing relevant approval processes.

IV. Impact on the Company

The Company will complete the required investments in the Products' Development and Registration project and the relevant Fixed-Assets using its own capital. The prudent decision of the Company of not using the raised funds for such projects is based on the actual progress of the projects. The decision supports the Company's wish to avoid risk relating to the use of the raised funds and promote the efficiency of the use of raised funds. It will not adversely impact the operation of the Company and is in the overall interests of the Company and its shareholders.

V. Plan for the Use of the Remaining Raised Funds

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After the termination of the use of the raised funds for the certain designated projects, the remaining unused raised funds (including the resulting interest) will continue to be deposited in the corresponding raised funds account. The Company will actively deliberate on new investment projects which the remaining raised funds can be used for. Under the premises of ensuring the good market prospects of new investment projects and being able to effectively manage investment risks, the Company will perform the corresponding approval procedures for use of the remaining raised funds in accordance with relevant laws and regulations.

VI. Opinions of the Independent Directors, the Board of Directors, the Board of Supervisors and the Independent Financial Advisor

1. Opinion of the Independent Directors

The Independent Directors are of the opinion that the termination of the use of raised funds for certain designated projects is a prudent decision based on the business needs of the Company which considered the actual status of the raised funds and the projects. The decision supports the Company's wish to avoid risk relating to the use of the raised funds and promote the efficiency of the use of the raised funds. It will not adversely impact the operation of the Company and is in the overall interests of the Company and its shareholders. The necessary procedures performed for the termination are in line with the relevant provisions of the "Guidelines for the Standard Operation of Listed Companies on the Main Board of Shenzhen Stock Exchange" and do not violate the relevant provisions of the China Securities Regulatory Commission, the Shenzhen Stock Exchange and the Company's Policy on the Use of the Raised Funds. When the Board of Directors considered this matter, the deliberation procedure was in line with the regulations and effective, and there was no situation that harmed the legitimate interests of the Company and its minority shareholders. Therefore, the independent directors approved to terminate the use of raised funds for certain designated projects and agreed to submit the relevant proposal to the shareholders for further approval.

2. Opinion of the Board of Directors

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The 25th meeting of the 8th session of the Board of Directors approved to terminate the use of raised funds for certain designated projects. The termination is a prudent decision based on the business needs of the Company which considered the actual status of the raised funds. The decision assists the Company in avoiding risk relating to the use of the raised funds, promoting the efficiency of the use of the raised funds, and facilitating the long-term development of the Company. The termination meets the overall interests of the Company and its shareholders. The contents of the proposal and the deliberation procedure are in line with the relevant provisions of the China Securities Regulatory Commission and Shenzhen Stock Exchange. Therefore, the Board of Directors approved to submit the relevant proposal to the shareholders for approval.

2. Opinion of the Board of Supervisors

The Board of Supervisors is of the opinion that the termination of the use of raised funds for certain designated projects is based on the actual status of the designated projects, which is conducive to avoiding risk to the use of the raised funds, improving the efficiency of the use of the raised funds, promoting the long-term development of the Company, and in line with the interests of all shareholders of the Company. The contents of the proposal and the decision-making procedures are in accordance with the requirements of the relevant laws and regulations and regulatory documents of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, and there is no harm to the legitimate interests of the Company and its minority shareholders.

3. Opinion of the Independent Financial Advisor

The Proposal on the Termination of the Use of Raised Funds for Certain Designated Projects has been approved by the 25th meeting of the 8th session of the Board of Directors and the 12th meeting of the 8th session of the Board of Supervisors. Independent directors have issued their opinions. The termination itself and its deliberation procedures are in line with the laws and regulations and will be effective upon the approval of the shareholders of the Company. The termination is conducive to avoiding the risk relating to the use of the raised

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funds, improving the efficiency of the use of the raised funds. The Company's shareholders' interests are not adversely impacted by the termination. The independent financial advisor has no disagreement on the termination.

VII. Documents for Reference

1. Resolution of the 25th Meeting of the 8th Session of the Board of Directors of the Company;
2. Resolution of the 12th Meeting of the 8th Session of the Board of Supervisors of the Company;
3. Opinion of the Independent Directors;
4. Verification Report issued by Guotai Junan Securities Co., Ltd.

Board of Directors of ADAMA Ltd.

April 28, 2020

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