Note： The Accountant's Report will be issued in Chinese. This Accountant's Report is English translations prepared for the Company's management review purpose only and cannot be provided to third parties for other purpose. If there is any conflict between the Chinese and English version, the Chinese version shall prevail.

ADAMA Ltd.

Explanation of the Difference between
Actual Net Profit and Committed Net Profit of
ADAMA Agricultural Solutions Ltd.

Accountant's Report

For the year ended December 31, 2019

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Accountant's Report

De Shi Bao (He) Zi (20) No. E00020

To Shareholders of ADAMA Ltd.:

We have attested the accompanying Explanation of the Difference between Actual Net Profit and Committed Net Profit of ADAMA Agricultural Solutions Ltd. ("Solutions") for the Year 2019 (hereinafter referred to as "Explanation of the Difference between Actual Net Profit and Committed Net Profit") prepared by the management of ADAMA (Former name: Hubei Sanonda Co., Ltd. hereinafter referred to as "ADAMA").

1. Board of directors' responsibilities for the Explanation of the Difference between Actual Net Profit and Committed Net Profit

The board of directors of ADAMA is responsible for the preparation of the Explanation of the Difference between Actual Net Profit and Committed Net Profit in accordance with relevant regulations of *Management Measures for Significant Asset Restructuring of Listed Companies (2019 Amendment)* (CSRC Ling No. 159) (hereinafter referred to as "Management Measures") and published by CSRC and the *Performance Compensation Agreement*, *Supplementary Agreement of Performance Compensation Agreement* and *Supplementary Agreement (II) of Performance Compensation Agreement* (hereinafter referred to as "Compensation Agreement") signed between ADAMA and China National Agrochemical Co., Ltd. and ensuring its authenticity, validity and completeness.

2. Auditor's responsibilities

Our responsibility is to issue an attestation opinion for the Explanation of the Difference between Actual Net Profit and Committed Net Profit on the basis of our special procedures. We conducted our certain procedures in accordance with China Standard on Other Assurance Engagements No.3101-Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, which requires us to comply with the code of professional ethics and design and implement the special procedures to obtain reasonable assurance about whether the Explanation of the Difference between Actual Net Profit and Committed Net Profit are free from material misstatement.

During the attestation, we performed the procedures that we deem necessary to obtain the evidence on the amounts and disclosures in the Explanation of the Difference between Actual Net Profit and Committed Net Profit. We believe that our procedures provide a reasonable basis for our opinion.

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3. Attestation Opinion

We believe that the Explanation of the Difference between Actual Net Profit and Committed Net Profit is prepared, in all material respects, in accordance with relevant regulations of Management Measures and Compensation Agreement, and presents, in all material respects, the difference between Actual Net Profit and Committed Net Profit of Solutions based on the preparation basis.

4. Scope of the report

This report can be only used by ADAMA to disclose the difference between Actual Net Profit and Committed Net Profit of Solutions in the annual report of 2019 in accordance with Management Measures and Compensation Agreement, and cannot be used for other purposes.

Deloitte Touche Tohmatsu CPA LLP

Shanghai, China

Chinese Certified Public Accountant: Hu Ke

Chinese Certified Public Accountant: Ma Renjie

27 April 2020

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Explanation of the Difference between Actual Net Profit and Committed Net Profit of ADAMA Agricultural Solutions Ltd. for the Year 2019

In accordance with relevant regulations of *Management Measures for Significant Asset Restructuring of Listed Companies (2019 Amendment)* (CSRC Ling No. 159) by CSRC and the *Performance Compensation Agreement*, *Supplementary Agreement of Performance Compensation Agreement* and *Supplementary Agreement (II) of Performance Compensation Agreement* (hereinafter referred to as "Compensation Agreement") signed between ADAMA Ltd. (Former name : Hubei Sanonda Co.,Ltd., herein after referred to as "ADAMA") and China National Agrochemical Co., Ltd. (Former name: China National Agrochemical Corporation, hereinafter referred to as "China Agrochemical"), ADAMAprepared the *Explanation of the Difference between Actual Net Profit and Committed Net Profit of ADAMA Agricultural Solutions Ltd. for the year 2019* (hereinafter referred to as "Explanation of the Difference between Actual Net Profit and Committed Net Profit").

1. General information about significant asset restructuring

According to the resolutions of the Fifteenth Meeting of the Seventh Board of Directors, the Seventeenth Meeting of the Seventh Board of Directors, the Eighteenth Meeting of the Seventh Board of Directors, the First Provisional Meeting in 2017 and resolution of the Seventh Provisional Meeting of the Seventh Board of Directors in 2017 and after *approval of China Securities Regulatory Commission on agreeing Hubei Sanonda Co., Ltd. to issue shares to China National Agrochemical Co., Ltd. to acquire assets and raise supporting funds* (CSRC Permits [2017] No.1096), ADAMA issued 1,810,883,039 shares of A-share with RMB 1 per share to China Agrochemical, increasing the registered capital by RMB 1,810,883,039.00, which became RMB2,404,806,259.00 after the change. The details are as below:

- China Agrochemical paid RMB 1,810,883,039.00 of new registered capital and paid-in capital (share capital) with its 100% equity in ADAMA Agricultural Solutions Ltd. ("Solutions") in the form of equity contribution. The assessed value of China Agrochemical's 100% equity in Solutions is USD 2,825,733,200, equivalent to RMB 18,738,002,200 (calculated at the central parity rate of interbank foreign exchange market on the base date of evaluation of 30 June 2016, i.e. USD 1 =RMB 6.6312). After the base date of the assets appraisal, Solutions announced, on September 15, 2016, distribution of dividends in the amount of USD 40,263,482.00, and through negotiation between both parties, the final price of this transaction is determined as CNY 18,471,006,998.16 by reducing such dividends of CNY 266,995,201.84 (calculated at the central parity rate of interbank foreign exchange market on the base date of evaluation of 30 June 2016, i.e. USD 1 =RMB 6.6312) from the appraised value of CNY 18,738,002,200.

- According to the *Agreement of Share Issuance and Asset Purchasing between Hubei Sanonda and China Agrochemical* and its Supplementary Agreement, the original issuance price of the shares is RMB 10.22 per share, not lower than 90% of the average price of the shares on the 20 trading days prior to the resolution date of the Fifteenth Meeting of the Seventh Board of Directors of ADAMA. On 18 April 2016, ADAMA held the annual general meeting of shareholders for 2015, and approved the *Pre-arranged Planning of Profit Distribution for the Year of 2015*. On the basis of the total amount of the share capital as at 31 December 2015, all shareholders were distributed RMB 0.25 of cash bonus (including tax) for every 10 shares. The execution of this profit distribution planning has been completed on 17 June 2016. According to *Detailed Rules for the Implementation of the Private Issuance of Shares for Listed Companies* of CSRC and the resolution of the Fifteenth Meeting of the Seventh Board of Directors of ADAMA, ADAMA should adjust the price of the shares issued for the current transaction if there

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1. General information about significant asset restructuring - (cont'd)

   are dividend matters during the pricing benchmark date and issuance date of the shares, therefore, the price of the shares issued for the current transaction is adjusted from RMB 10.22 per share to RMB 10.20 per share. Accordingly, the above-mentioned 100% of equity in Solutions is purchased by ADAMA by issuing 1,810,883,039 shares of RMB A-share to China Agrochemical.

   As at 4 July 2017, the 100% of equity in Solutions originally held by China Agrochemical has been transferred to ADAMA and the relevant registration procedure of equity changes has been completed. The accumulated registered capital and paid-in capital (share capital) of ADAMA as at 6 July 2017 is RMB 2,404,806,259.00.

   According to the resolutions of the Fifteenth Meeting of the Seventh Board of Directors and the First Provisional Meeting in 2017, ADAMA repurchased 62,950,659 shares of equity from the shareholder ADAMA CELSIUS B.V. at the consideration of HKD 7.7 per share, with a total consideration of RMB 411,818,175.13 (calculated at the central parity rate of interbank foreign exchange market on the base date of evaluation of 24 October 2017, i.e. HKD 1 = RMB 0.8496) and cancelled the repurchased shares accordingly. It applied for reduction of RMB 62,950,659.00 in registered capital, which became RMB 2,341,855,600.00 after the change.

   According to the resolutions of the Fifteenth Meeting of the Seventh Board of Directors, the Seventeenth Meeting of the Seventh Board of Directors, the Eighteenth Meeting of the Seventh Board of Directors, the First Provisional Meeting in 2017 and resolution of the Seventh Provisional Meeting of the Seventh Board of Directors in 2017 and after *approval of China Securities Regulatory Commission on agreeing ADAMA Ltd. to issue shares to China National Agrochemical Co., Ltd. to acquire assets and raise supporting funds* (CSRC Permits [2017] No.1096), ADAMA issued 104,697,982 shares of A-share with RMB 1 per share to specific investors to raise supporting assets. Thus, it applied for increase of RMB 104,697,982.00 in registered capital, which became RMB 2,446,553,582.00 after the change.

2. Relevant regulations on Committed Net Profit

   According to the *Performance Compensation Agreement*, *Supplementary Agreement of Performance Compensation Agreement* and *Supplementary Agreement (II) of Performance Compensation Agreement* (hereinafter referred to as "Compensation Agreement") signed between ADAMA and China Agrochemical, it is agreed that the profit compensation period includes the years of 2017, 2018 and 2019. If the current transaction fails to be executed completely in 2017, the profit compensation period of China Agrochemical shall be adjusted accordingly and supplementary agreement shall be signed between the two parties in accordance with relevant regulations of CSRC. China Agrochemical promised that Solutions' yearly realized net profit (the "Actual Net Profit") attributable to ADAMA after deducting non-recurring profit or loss should not be lower than the net profit committed in the relevant agreement (the "Committed Net Profit"). The following impact and adjustments need to be considered for the determination of the difference between the Actual Net Profit and Committed Net Profit :

   When the management of Solutions forecasted the future cash flow, the impact of the raised supporting funds was not considered. In order to avoid the potential thickening impact that the investment of raised supporting funds in Solutions shall have on its performance, the Committed Net Profit of Solutions during the profit compensation period shall be increased after deducting income tax from the saved interests on borrowings due to the investment of the raised supporting

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funds in accordance with relevant agreement. The borrowing rate is referred in the calculation of the interests on borrowings of the same period.

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2. Relevant regulations on Committed Net Profit – (cont'd)

- According to the Asset Appraisal Report issued by China United Assets Appraisal Group Co., Ltd. on 31 October 2016 with the number of Zhong Lian Ping Bao Zi [2016] No.1728 (hereinafter referred to as "Appraisal Report"), the assessment failed to consider the revaluation gain/loss of put option and interest expenses of defined benefit obligation etc., therefore, the after-tax effect of the revaluation gain/loss of put option and interest expenses of defined benefit obligation shall be eliminated for the Actual Net Profit of Solutions to keep consistent with the Appraisal Report.

During the profit compensation period, if the Actual Net Profit of Solutions is lower than the Committed Net Profit , China Agrochemical shall compensate for ADAMA based on its shares in ADAMA after the disclosure of annual report after the completion of the significant asset restructuring in accordance with the Compensation Agreement except for the reasons that cannot be acquired before-hand and cannot be controlled afterwards, and the insufficient part should be compensated in cash. China Agrochemical promised the following Committed Net Profit for Solutions during the profit compensation period.

USD:0000'

Item	2017	2018	2019
Solutions	14,767.50	17,332.19	22,241.68

Both the Committed Net Profit and Actual Net Profit are valuated in USD for better understanding.

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3. Difference between Actual Net Profit for the year of 2019 and Accumulated Net Profit of Solutions from the 1 January 2017 to 31 December 2019 and Committed Net Profit for the year of 2019 and Accumulated Net Profit of Solutions from the 1 January 2017 to 31 December 2019

USD:0000'

Solutions	2019	From 1 January 2017 to 31 December 2019
Actual Net Profit	15,428.19	76,737.69
Adjustments::		
Non-recurring profit or loss (Note 1)	(1,665.64)	(26,689.74)
Revaluation gain/loss of put option	89.18	313.91
Interest expenses of defined benefit obligation	504.70	905.70
Actual Net Profit after adjustments	14,356.43	51,267.56
Committed Net Profit	22,241.68	54,341.37
Adjustment: Impact of raised supporting funds (Note 2)	-	-
Committed Net Profit after adjustment	22,241.68	54,341.37
Difference	(7,885.25)	(3,073.81)
Completion rate of Committed Net Profit	65%	94%

Note 1: The above statement of non-recurring profit or loss is consistent with relevant regulation of *Standard Questions & Answers for Information Disclosure of the Companies that Issue Securities Publicly No. 1- Non-recurring profit or loss* (CSRC Notice (2008) No. 43).

Note 2: Solution did not withdraw from the special accounts for raised supporting funds during the current year. Thus, there was no impact of raised supporting funds.

This Explanation of Difference has been approved in the 25th Meeting of the Eighth Board of Directors of ADAMA Ltd. on 27 April 2020.

Legal Representative: Chief of accounting work Chief of accounting organ

ADAMA Ltd.

27 April 2020

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