Stock Code: 000553(200553) Stock Abbreviation: ADAMA A (B) Announcement NO. 2020-43

ADAMA Ltd.

Announcement on Providing Guarantees in favor of 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 March 30, 2020, the 1st Interim Shareholders Meeting of ADAMA Ltd. (hereinafter referred to as "the Company") approved a *Proposal on Providing Guarantees in Favor of a Wholly-owned Subsidiary*, according to which the Company shall, among others, provide guarantees in favor of certain financing banks that are to provide project loans to 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.2020-8). Based on the actual needs of Anpon, the Company intends to adjust the above approved guaranteed amounts and replace one of the financing banks.

Additionally, in order to meet the daily operation and business development needs of Hubei Sanonda Foreign Trade Co., Ltd. (hereinafter referred to as "Foreign Trade Company"), a wholly-owned subsidiary of the Company, the Company intends to provide joint liability guarantees in favor of certain financing banks that are to provide credit lines to Foreign Trade Company. Under these guarantees, the Company will guarantee Foreign Trade Company's repayment of such loans up to a total amount not exceeding RMB 200 million.

According to the Listing Rules of the Shenzhen Stock Exchange, the 26th meeting of the 8th session of the Board of Directors of the Company approved the *Proposal on Providing Guarantees in favor of Wholly-owned Subsidiaries*. Since the debt-to-assets ratio of both Anpon and Foreign Trade Company exceed 70%, the guarantees shall be further submitted to the shareholders for approval.

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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 judgement debtor subject to enforcement.

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

Unit: '0000 RMB

	At Jun 30, 2020 (unaudited)	**At Dec 31,2019 (audited)**
Total Assets	153,354	128,789
Total Liabilities	105,683	97,300
Bank Loans	52,600	57,400
Other Current Liabilities	0	0
Contingency	0	0
Net Assets	47,671	31,489
	January to June 2020 (unaudited)	2019 (audited)
Revenue	115,936	159,891
Total Profit	19,023	-11,399
Net Profit	16,285	-9,715

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: Dong Jiahui

Registered Capital: RMB 10,000,000

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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 judgement debtor subject to enforcement.

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

Unit: '0000 RMB

	At Jun 30, 2020 (unaudited)	**At Dec 31,2019 (audited)**
Total Assets	42252.65	38691.20
Total Liabilities	31691.32	30315.30
Bank Loans	0	0
Other Current Liabilities	0	0
Contingency	0	0
Net Assets	10561.33	8375.90
	January to June 2020 (unaudited)	2019 (audited)
Revenue	23508.49	9542.08
Total Profit	2939.62	711.10
Net Profit	2185.43	533.20

III. Main Contents of the Guarantees

1. According to the *Proposal on Providing Guarantees in Favor of a wholly-owned Subsidiary* approved by the 1st Interim Shareholders Meeting, the Company provides, among others, joint liability guarantees in favor of certain financing banks which are providing project loans for Anpon. In light of the actual needs of Anpon, the Company intends to adjust relevant guaranteed amounts and replace one of the financing banks as follows.

Current	**Amended**
Project loan, not exceeding RMB 210 million, to be provided by Huai'an South City Branch of Industrial and Commercial Bank of China.	Project loan, not exceeding RMB *300* million, to be provided by Huai'an South City Branch of Industrial and Commercial Bank of China.
Project loan, not exceeding RMB 105 million, to be provided by Qinghe Branch of Huai'an Rural Commercial Bank.	Project loan, not exceeding RMB *170* million, to be provided by *Huai'an Qingpu Sub-branch of China Construction Bank.*
Project loan, not exceeding RMB 84 million, to be provided by Huai'an Qing Jiangpu Branch of Agricultural Bank.	Project loan, not exceeding RMB *90* million, to be provided by Huai'an Qing Jiangpu Branch of Agricultural Bank.

2. The Company intends to provide joint liability guarantees for the following credit lines of Foreign Trade Company:

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(1) a comprehensive credit line of RMB 150 million provided by the Wuhan Branch of Bohai Bank for bill acceptance, loans and other forms of financing services with a term of one year;

(2) a comprehensive credit line of RMB 50 million provided by the Jiangjin Sub-branch of Agricultural Bank Jingzhou Branch for bill acceptance, loans and other forms of financing services with a term of one year.

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 4,127.36 million. After providing the above guarantees, the balance of the guarantees provided by the Company and its subsidiaries will be RMB 4,887.36 million. This amount accounts for approximately 21.85% 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

Resolution of the 26th Meeting of the 8th Session of the Board of Directors of the Company.

The Announcement is hereby made.

The Board of Directors of ADAMA Ltd.

August 21, 2020

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