Stock Code: 000553(200553) Stock Abbreviation: ADAMA A(B) Announcement No.2020-40

ADAMA Ltd.

Announcement of Resolutions of the 26th Meeting of the 8th Session of the Board of Directors

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

The 26th Meeting of the 8th Session of the Board of Directors of ADAMA Ltd. (hereinafter referred to as the "Company") was held via video conference on August 19, 2020 following notifications sent to all the directors by email on August 13, 2020. Five directors were entitled to attend the meeting and five directors attended.

The meeting complies with all relevant laws and regulations as well as the Articles of Association of the Company. The following resolutions were deliberated and adopted:

1. **Proposal on the 2020 Semi-Annual Report and its Abstract**

This proposal was passed with 5 affirmative votes, 0 negative votes and 0 abstentions.

2. **Proposal on the Special Report on the Deposit and Actual Usage of the Raised Funds in the First Half of 2020**

This proposal was passed with 5 affirmative votes, 0 negative votes and 0 abstentions.

3. **Proposal on the Renewal of the Financial Service Agreement with ChemChina Finance Co., Ltd.**

In order to continuously optimize its financial management, improve capital efficiency, and reduce financing costs and risks, in 2017 the Company entered into a Financial Service Agreement with ChemChina Finance Co., Ltd. (hereinafter referred to as the "Finance Company"), according to which the Finance Company would provide

cninf 巨潮资讯 www.cninfo.com.cn

relevant financial services to the Company and its wholly-owned subsidiary, ADAMA Anpon (Jiangsu) Ltd. for a 3-year period ending on September 21, 2020 (hereinafter referred to as "the Original Agreement").

The Company wishes to continue to receive financial services from the Finance Company, including deposits, clearance, credit and additional financial services approved by the China Banking and Insurance Regulatory Commission, and therefore wishes to enter into a new *Financial Service Agreement* with the Finance Company similar to the Original Agreement.

For details, please refer to the Announcement on the Intended Renewal of the Financial Service Agreement with ChemChina Finance Co., Ltd., constituting a related-party transaction disclosed on August 21, 2020.

This proposal was passed with 5 affirmative votes, 0 negative votes and 0 abstentions.

This proposal is subject to the approval of the Company's shareholders.

4. Proposal on the Risk Appraisal Report of ChemChina Finance Co., Ltd.

For the purpose of securing the funds of the Company deposited with ChemChina Finance Co., Ltd., the Company evaluated the business, qualification, and the status of the risk of ChemChina Finance Co., Ltd., and issued a Risk Appraisal Report.

This proposal was passed with 5 affirmative votes, 0 negative votes and 0 abstentions.

5. Proposal on Bank Loans

Based on the Company's business and development plans and specifically in order to meet the Company's funding needs related to the relocation of some of its production facilities in China, the Company is to apply for a credit line from a Bank.

This proposal was passed with 5 affirmative votes, 0 negative votes, and 0 abstentions.

6. Proposal on Providing Guarantees in favor of Wholly-owned Subsidiaries

(1) On March 30, 2020, the 1st Interim Shareholders Meeting of the Company approved a Proposal on *Providing Guarantees in Favor of a Wholly-owned Subsidiary*,

cninf 巨潮资讯 www.cninfo.com.cn

according to which the Company shall, among others, provide joint liability guarantees in favor of certain financing banks that are to provide project 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. 2020-8).

In light of the actual needs of Anpon, the Company intends to increase the approved guaranteed amounts and replace one of the financing banks.

(2) The Company intends to provide joint liability guarantees in favor of certain financing banks that are to provide credit lines to Hubei Sanonda Foreign Trade Co., Ltd., a fully owned subsidiary of the Company.

For details, please refer to the *Announcement on Providing Guarantees in favor of Wholly-owned Subsidiaries* disclosed on August 21, 2020.

This proposal was passed with 5 affirmative votes, 0 negative votes, and 0 abstentions. This proposal is subject to the approval of the Company's shareholders.

7. Repurchase Plan for Part of the Company's Domestically Listed Foreign Shares (B share)

（1）Purpose of share repurchase: In order to maintain the Company's value and shareholders' interests, the Company intends to repurchase (and cancel) a portion of its B-Shares (as defined below), resulting in a corresponding reduction of the Company's registered capital.

（2）Types of shares to be repurchased: Domestically listed foreign shares (B shares) ("B-Shares").

（3）Method of repurchasing: By means of centralized price bidding transactions through the Shenzhen Stock Exchange and/or any other method/s permitted by the applicable laws and regulations.

（4）Price range: Shall not exceed 5.70 HKD/share (equivalent to 5.10 RMB/share), representing 150% of the volume-weighted average price of the Company's B-Shares

cninf 巨潮资讯 www.cninfo.com.cn

over the 30 trading days before the approval of the repurchase plan by the Board of Directors of the Company (3.80 HKD).

（5）Number of shares to be repurchased and their percentage of the total share capital:

- The upper limit of the total shares to be repurchased by the Company is 26,000,000 shares, accounting for 1.1% of the Company's current total shares (2,344,121,302) and 15.6% of the Company's total B shares (167,049,341);
- The lower limit of the total shares to be repurchased by the Company is 13,000,000 shares, which accounts for 0.55% of the Company's current total shares (2,344,121,302) and 7.8% of the Company's total B shares (167,049,341).

The actual amount will be based on the actual number of shares repurchased by the end of the Repurchase Period (as defined below).

（6）Total funds to be used for the repurchase: Assuming the upper limit of the total shares repurchased, as well as the ceiling repurchase price 5.70 HKD/share, the total funds to be used for the repurchase shall not be more than RMB 132,562 thousand (equivalent to HKD 148,200 thousand) (based on 1 HKD = 0.89448 RMB, the middle rate of the exchange rate of HKD to RMB on August 18, 2020.The actual amount of used HKD is converted at the exchange rate on the day of the purchase of the foreign exchange, and will include in addition the fees of foreign exchange purchasing, transaction fees and other related fees.)

（7）Source of funds for the repurchase: the Company's own funds.

（8）Period of share repurchasing: The repurchasing period will not exceed 3 months following the date of the Company's shareholders' approval on the repurchase plan ("Repurchase Period").

（9） Specific authorization for share repurchase matters

In order to legally, efficiently and orderly implement the repurchase plan, the Board of Directors authorizes any two of the senior executives of the Company to jointly manage

cninf 巨潮资讯 www.cninfo.com.cn

all matters in relation to the repurchase of shares pursuant to the relevant regulatory documents and the Articles of Association of the Company. Authorizations herein include without limitation:

1. Choose the opportunity to repurchase shares within the repurchase period, and determine the specific repurchase timing, price, quantity, etc.;

2. According to the Company's actual situation and stock price performance, decide to continue or terminate the implementation of this repurchase plan;

3. This authorization starts from the day when the Company's shareholders approve the share repurchase plan to the day when the above authorization matters are completed;

4. Other matters not listed above but necessary for this share repurchase.

（10）The repurchase plan is in line with the regulations

For the ten trading days prior to the Company's Board of Directors review of the repurchase plan (from August 5, 2020 to August 18, 2020), the closing price of the B-Shares was significantly lower than the Company's net asset value per share in the most recent period. Therefore, the repurchase of the Company's B-shares complies with the requirement in Paragraph 2 of Article 2 of the *Implementation Rules of the Shenzhen Stock Exchange on Share Repurchases of Listed Companies*: "The company's closing stock price is lower than the latest net asset value per share."

（11）Following matters after the completion of the repurchase plan

Following the completion of the repurchase of the shares according to the repurchase plan, the cancellation of the shares repurchased, the decrease of the Company's registered capital and the corresponding amendments to the Articles of Association of the Company (collectively referred to as "the above matters") shall be subject to the Company's shareholders' approval. Following approval of the shareholders, the cancellation of shares, the decrease of the Company's registered capital and the corresponding amendments to the Articles of Association of the Company shall be completed within three years after the Company discloses the announcement on the

cninf 巨潮资讯 www.cninfo.com.cn

results of the repurchase and the change of the shares. When the Board of Directors requests the shareholders to review the above matters, it will also request the shareholders to authorize the Board of Directors to handle the above matters. If the shareholders fail to approve the above matters, the repurchased shares shall be transferred within three years in accordance with relevant regulations.

This proposal was passed with 5 affirmative votes, 0 negative votes, and 0 abstentions. This proposal is subject to the approval of the Company's shareholders.

8. Proposal on Calling for the 3rd Interim Shareholders Meeting in 2020

The Board of Directors calls for the 3rd interim shareholders meeting to be held on September 7, 2020, at which a vote will be conducted by a combination of on-site votes and online votes, to consider the abovementioned proposal 3, proposal 6 and proposal 7.

The Company's independent directors provided independent opinions on proposals 2 to 4, and proposal 7. The detailed opinions were disclosed on the website of Juchao Information (http://www.cninfo.com.cn) with this announcement.

It is hereby announced.

Board of Directors of ADAMA Ltd.

August 21, 2020

cninf 巨潮资讯 www.cninfo.com.cn