Stock Code: 000553(200553) Stock Abbreviation: ADAMA A (B) NO. 2021-14

# ADAMA Ltd.

# Announcement on Providing Guarantees in favor of two 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 December 21, 2020, the 30th Meeting of the 8th Session of the Board of Directors 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 provide joint liability guarantees in favor of certain financing banks that are to provide annual 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. 2020-72).

Based on the actual needs of Anpon, the Company intends to slightly increase the guaranteed amounts with regard to two of the loans mentioned in the above announcement.

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 the financing bank that is to provide credit line to Foreign Trade Company. Under this guarantee, the Company will guarantee Foreign Trade Company's repayment of such loan up to a total amount not exceeding RMB 150 million.

According to the Listing Rules of the Shenzhen Stock Exchange, the 33rd meeting of the 8th session of the Board of Directors of the Company approved the *Proposal on Providing Guarantees in favor of two Wholly-owned Subsidiaries*. The decision to provide such guarantees is within the rights of the Board of Directors. No additional approval for the

aforesaid guarantees is required from the shareholders of the Company.

**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 dishonest person subject to judicial enforcement.

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

Unit: '0000 RMB

| | At Mar 31 2021 (unaudited) | At Dec 31,2020 (audited) |
|---|---|---|
| Total Assets | 153,088.35 | 131,581.11 |
| Total Liabilities | 101,888.88 | 84,714.07 |
| Bank Loans | 47,826.05 | 28,000.00 |
| Other Current Liabilities | - | - |
| Contingency | - | - |
| Net Assets | 51,199.46 | 46,867.04 |
| | January to March 2021 (unaudited) | 2020 (audited) |
| Revenue | 44,981.94 | 199,834.59 |
| Total Profit | 5,085.57 | 16,636.35 |
| Net Profit | 4,321.43 | 15,402.76 |

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

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 dishonest person subject to judicial enforcement.

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

Unit: '0000 RMB

| | At Mar 31, 2021 (unaudited) | At Dec 31,2020 (audited) |
|---|---|---|
| Total Assets | 25,128.00 | 54,641.25 |
| Total Liabilities | 14,067.13 | 44,249.35 |
| Bank Loans | - | - |
| Other Current Liabilities | - | - |
| Contingency | - | - |
| Net Assets | 11,060.88 | 10,391.89 |
| | January to March 2021 (unaudited) | 2020 (audited) |
| Revenue | 9,553.79 | 47,460.59 |
| Total Profit | 888.94 | 2,688.04 |
| Net Profit | 668.98 | 2,016.00 |

## III. Main Contents of the Guarantees

1. According to the *Proposal on Providing Guarantees in Favor of a Wholly-owned Subsidiary* approved by the 30th Meeting of the 8th Session of the Board of Directors, the Company provides joint liability guarantees in favor of certain financing banks that are to provide annual loans to Anpon. In light of the actual needs of Anpon, the Board approves to slightly increase the guaranteed amounts with regard to the loans mentioned in the above announcement. The details are as follows.

| Current | Amended |
|---|---|
| The Company intends to provide joint liability guarantees for the below loans of | The Company intends to provide joint liability guarantees for the below loans of |

| | |
|---|---|
| Anpon which will not exceed a period of one year:<br>Loan for working capital which will not exceed RMB 80 million in 2021 to be provided by Huai'an Qingpu Branch of China Construction Bank | Anpon which will not exceed a period of one year:<br>Loan for working capital which will not exceed RMB 100 million in 2021 to be provided by Huai'an Qingpu Branch of China Construction Bank |
| The Company intends to provide joint liability guarantees for the project loans of Anpon detailed below:<br>Project loan which will not exceed RMB 60 million to be provided by Huai'an Qing Jiangpu Branch of Agricultural Bank | The Company intends to provide joint liability guarantees for the project loans of Anpon detailed below:<br>Project loan which will not exceed RMB 42 million to be provided by Huai'an Rural Commercial Bank |

2. The Foreign Trade Company, based on its operation needs, intends to apply to Jingzhou Branch of Bohai Bank for a working capital loan which will not exceed 150 million, with a term of one year. The Company intends to provide joint liability guarantees in favor of the above financing bank that is to provide loans to Foreign Trade Company.

**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**

The balance of the guarantees that have been provided by the Company and/or its subsidiaries is RMB 4,997.87 million. After providing the above guarantees, the balance of the guarantees provided by the Company and its subsidiaries will be RMB 5,149.87 million, accounting for approximately 24.12% 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**

1. Resolutions of the 33rd 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.

April 29, 2021