ADAMA Ltd.

Announcement on Providing Guarantees in Favor of a Wholly-owned Subsidiary

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.

I. Overview

In order to meet the daily operation and business development needs of ADAMA Anpon (Jiangsu) Ltd. (hereinafter referred to as "Anpon"), a wholly-owned subsidiary of the Company, the Company intends to provide guarantees in favor of certain financing banks that are to provide loans to Anpon, under which it will guarantee Anpon's repayment of such loans, in a total amount not exceeding RMB 1,309 million. (approximately USD 186.66 million)

According to the Listing Rules of the Shenzhen Stock Exchange, the 21st meeting of the 8th session of the Board of Directors of the Company approved a Proposal on Providing Guarantees in Favor of a Wholly-owned Subsidiary. Since the debt-to-assets ratio of Anpon exceeds 70 percent, the guarantees shall be further submitted to shareholders for approval.

II. Basic Information of the Warrantee

Name of the Warrantee: ADAMA Anpon (Jiangsu) Ltd.

Established Date: November 25, 1998

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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.

Recent financial situation of the Warrantee is as follows:

Unit: '0000 RMB

Period	Total Assets	Total Debts	Net Assets	Revenue	Assets Liability Ratio
At Dec 31, 2019 (unaudited)	127,278.8	95,930.2	31,348.6	159,891.1	75.37%

III. Main Contents of the Guarantees

I. The Company intends to provide joint liability guarantees for the below loans of Anpon which will not exceed one year.

(1) Loan for working capital which will not exceed RMB 250 million in 2020 to be provided by Qinghe Branch of Huai'an Rural Commercial Bank.

(2) Loan for working capital which will not exceed RMB 100 million in 2020 to be provided by Huai'an South City Branch of Industrial and Commercial Bank of China.

(3) Loan for working capital, L/C and trade finance which will not exceed RMB 100 million in 2020 to be provided by Huai'an Qing Jiangpu Branch of Agricultural Bank.

(4) Loan for working capital which will not exceed RMB 80 million in 2020 to be provided by Huai'an Branch of Bank of Communications.

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(5) Loan for working capital which will not exceed RMB 100 million in 2020 to be provided by Huai'an Branch of Industrial Bank.

(6) Loan which will not exceed RMB 100 million in 2020 to be provided by ChemChina Finance Co., Ltd.

(7) Loan for working capital which will not exceed RMB 80 million in 2020 to be provided by Huai'an Qingpu Branch of China Construction Bank.

(8) Loan for working capital which will not exceed RMB 100 million in 2020 to be provided by Huahuai Branch of Bank of Jiangsu.

II. The Company intends to provide joint liability guarantees for the project loans of Anpon detailed below.

(1) Project loan which will not exceed RMB 210 million to be provided by Huai'an South City Branch of Industrial and Commercial Bank of China.

(2) Project loan which will not exceed RMB 105 million to be provided by Qinghe Branch of Huai'an Rural Commercial Bank.

(3) Project loan which will not exceed RMB 84 million to be provided by Huai'an Qing Jiangpu Branch of Agricultural Bank.

IV. 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 3,268.36 million (approximately USD 466.07 million). After providing the above guarantee, the balance of the guarantees provided by the Company and/or its subsidiaries is RMB4,577.36 million (approximately USD 652.73 million). This amount accounts for approximately 20.54% 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.

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V. 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 guaranteed party which is a wholly owned subsidiary of the Company; (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.

VI. List of Reference Documents

1. Resolution of the 21st Meeting of the 8th session of the Board of Directors of the Company.

It is hereby announced.

Board of Directors of ADAMA, Ltd.

February 27, 2020

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