

## **ADAMA Ltd.**

### **Announcement on the Signing of a Waiver Agreement to the Equity Purchase Agreement**

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 of the Transaction**

On October 28, 2020, the 27<sup>th</sup> Meeting of the 8<sup>th</sup> session of the Board of Directors of ADAMA Ltd. (the "Company") approved the Acquisition of 51% Equity Stake in Jiangsu Kelinong Agrochemical Co., Ltd., and 1% Equity Stake in Shanghai Dibai Plant Protection Co., Ltd. On the same day, the Company and Jiangsu Huifeng Agrochemical Co., Ltd. ("Huifeng", together with the Company as the "Parties") entered into an Equity Purchase Agreement (the "EPA") in which the Company intends to purchase 51% equity interests of Jiangsu Kelinong Agrochemical Co., Ltd. (as of the date of this announcement, Jiangsu Kelinong Agrochemical Co., Ltd. has already amended its name to ADAMA Huifeng (Jiangsu) Co., Ltd. (the "NewCo.")), subsequent and subject to the full satisfaction of the conditions precedent under the EPA (the "NewCo. Transaction"); further, on December 28, 2020 and March 30, 2021, the Company and Huifeng entered into two supplemental agreements to the EPA respectively (collectively as the "Supplemental Agreements").

For details, please see the Announcement on the Resolutions of the 27<sup>th</sup> meeting of the 8<sup>th</sup> session of the Board (announcement No. 2020-56), the Announcement on the Acquisition of 51% Equity Interests in Jiangsu Kelinong Agrochemical Co., Ltd. and 1% Equity Interests in Shanghai Dibai Plant Protection Co., Ltd. (announcement No. 2020-59), the Announcement on Signing the Supplemental Agreement to the Equity Purchase Agreement (announcement No. 2020-75) and the Announcement on

Signing the Supplemental Agreement II to the Equity Purchase Agreement (announcement No. 2021-9) which were disclosed by the Company on the website [www.cninfo.com.cn](http://www.cninfo.com.cn) separately on October 29, 2020, December 29, 2020 and March 31, 2021.

On May 28, 2021, the Company and Huifeng executed an Agreement on Waiver and Supplemental Conditions Precedent, (the “Waiver Agreement”) according to which the Company intends to provide a conditional waiver regarding certain conditions precedent under the EPA, and as a condition to granting such waivers, the Company and Huifeng intend to include certain supplemental conditions and/or requirements under the EPA.

## **II. Key Terms of the Waiver Agreement**

According to EPA, material closing precedents are as follows: 1. the restructuring has been completed; 2. relevant approval of in relation to this NewCo. Transaction has been duly obtained and the appraisal report has been duly filed with government entities; 3. required government review from the perspective of anti-trust law shall be completed; 4. official resumption of production activities in a full scale in relation to certain production lines and related facilities and equipment.

With respect to condition precedents aforesaid, material waivers to the closing conditions and the addition condition precedents are as follows:

1、 The Company agrees to partially waive requirements for full completion of restructuring on license and permits, provided that the Parties agree these waived requirements shall be completed after the closing if necessary. The material license and permits to be waived include: completion of change of registration to certain pesticide registration certificates, completion of transfer of firefighting permits to certain buildings, completion of change of the pesticide production permits with additional scope.

2、 The Company agrees to partially waive requirements for full completion of production resumption or rectification, provided that the Parties agree additional holdback payments (approximate RMB 31 million) shall be held by the Company until satisfaction of the required production resumption or rectification.

3、The Company agrees to partially waive the requirement on adverse proceedings at closing, provided that the Parties agree additional holdback payment (approximate RMB 123 million) shall be held by the Company. The adverse proceedings shall include: relevant disputes in relation to the Glufosinate are fully and finally resolved in a way that does not cause, nor will cause, an adverse effect to the Company, the Company's indemnified party and/or the NewCo.; actual production volume of the Glufosinate active ingredients meeting or exceeding 417MT per month. The holdback payment in relation to the adverse proceedings will not be released until fully settlement of the above adverse proceedings. The Parties agree that, if the Company purchase additional equity interest of the Company with a price higher than the value determined in a valuation report duly filed with the government authorities in charge of supervision and administration of state-owned assets or authorized entities, Huifeng shall indemnify the Company for the full amount of the above difference and Huifeng will provide securities to the Company for the payment of such indemnification.

4、The Parties agree that, with respect to the holdback payment originally included in the EPA (RMB 100 million), requirements in relation to the transfer or renew of certain license and permits and verification of the overseas intellectual properties transfer shall be added as additional conditions to release such holdback payment.

5、The Waiver Agreement is an integral part of the EPA. Unless specifically revised by the Waiver Agreement, the contents of the EPA and the Supplement Agreements will remain the same.

### **III. Impact of the Waiver Agreement on the Company**

The Waiver Agreement reflects the agreed outcome of negotiations between the Company and Huifeng. It will have no adverse impact on the performance and business operations of the Company. It will also not impact the future development strategy and business plan of the Company. The interests of the shareholders will not be harmed.

### **IV. Filing Documents**

1. The Agreement on Waiver and Supplemental Conditions Precedent.

It is hereby announced.

Board of Directors of ADAMA Ltd.

May 29, 2021