

## **ADAMA Ltd.**

# **Announcement on the Progress of the Acquisition of 51% of the Equity Interests in Jiangsu Kelinong Agrochemical Co., Ltd.**

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**

Following the approval of the 27th Meeting of the 8th Session of the Board of Directors of ADAMA Ltd. ("the Company") on October 28, 2020, the Company executed an Equity Purchase Agreement ("EPA") with Jiangsu Huifeng Agrochemical Co., Ltd. ("Huifeng"), according to which Huifeng shall transfer all its assets in relation to the Target Business defined in the EPA to Jiangsu Kelinong Agrochemical Co., Ltd. ("Kelinong", renamed as ADAMA Huifeng [Jiangsu] Ltd.) ("Assets Restructuring"), a wholly-owned subsidiary of Huifeng established for the purpose of the Assets Restructuring, and then the Company will acquire the 51% of equity stake in Kelinong after, and subject to, completion of the Assets Restructuring ("Kelinong Transaction").

For details, please see the Announcement of the Resolutions of the 27<sup>th</sup> Meeting of the 8<sup>th</sup> Session of the Board of Directors (Announcement No. 2020-56) and the Announcement on the Acquisition of a 51% of the Equity Stake in Jiangsu Kelinong Agrochemical Co., Ltd. and an Additional 1% in Shanghai Dibai Plant Protection Co., Ltd. (Announcement No. 2020-59) which were disclosed by the Company on October 29, 2020 on the website of [www.cninfo.com.cn](http://www.cninfo.com.cn).

### **II. Progress of the Transaction**

The Company has recently been made aware of dispute between Huifeng and Hebei

Bai Shida Commerce Co., Ltd. (“Bai Shida”) who hold 51% and 49% respectively of the shares in Shi Jiazhuang Ruikai Chemicals Co., Ltd. (“Ruikai”), over the ownership of the glufosinate production facility with capacity of 5,000 tons (“Glufosinate Assets”) located in the Huifeng plant. The Glufosinate Assets are part of the assets included in the Kelinong Transaction. Although the Company has signed the EPA with Huifeng, the Kelinong Transaction has not yet been Closed, as the Assets Restructuring has not yet been completed.

The Company received summons from Zheng Ding County People’s Court of Hebei Province on December 22, 2020. Bai Shida is suing Huifeng and the Company, asking the court to stop the equity transaction and seek a compensation for the expenses in the amount of RMB 5 million in the above stated dispute. The case has not been heard by the court yet.

As stated above, Huifeng is working to complete the Assets Restructuring required for the Closing of the Kelinong Transaction. Since the Kelinong Transaction has not yet Closed, and as such the Company is neither the direct or indirect owner of the Glufosinate Assets nor actually possesses it at this stage, there are no factual and legal grounds for Bai Shida to sue the Company for liabilities. The Company will respond accordingly, and vigorously defend its rights in respect of the above stated dispute.

The Company shall ensure that it takes all the necessary measures to secure the interests of its shareholders and ensure that they are fully and adequately protected. The Company will disclose information in connection with the progress of the Kelinong Transaction in a timely manner in accordance with applicable laws and regulations. Investors are reminded to exercise caution when making investment decisions.

It is hereby announced.

Board of Directors of ADAMA Ltd.

December 23, 2020