

**ADAMA Ltd.**

**Announcement on the Signing of Memorandum of Understanding  
On the Acquisition of Certain Assets**

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.

**Please be aware that:**

1. The Memorandum of Understanding on the Acquisition of Certain Assets ("MOU") signed by and between ADAMA Ltd. ("Company") and Jiangsu Huifeng Agrochemical Co., Ltd. ("Huifeng") represents the initial understandings which have been reached by the parties with respect to the intended acquisition ("Acquisition" or "Transaction") and the MOU is non-binding. The implementation of this Transaction is subject to the results of due diligence, audit and appraisal and further discussions and negotiations between the parties. Therefore this Transaction remains uncertain.
2. As of the date of this announcement, the Company has not yet conducted due diligence, audit, appraisal etc. on the target assets. When relevant procedures have been consummated, the Company will go through requisite internal decision-making and external approval procedures based on the details of this Transaction in accordance with the listing rules and the Articles of Association of the Company and fulfill its information disclosure obligations.
3. The risks of this Transaction include, but without limitation, the valuation of the target assets, the fluctuation of the profitability of the target assets, the approvals, etc.
4. As this Transaction is subject to the final decisions of the parties and the parties have not yet signed a definitive agreement, the signing of this MOU will not have material effect on the Company's business performance and financial condition.

**I. Overview of the Transaction**

The Company intends to acquire certain assets relating to the development, production,

formulation, sales and marketing of agrochemical and agrochemical intermediate products owned or controlled by Huifeng (“Target Assets”).

On January 10, 2019, the Company and Huifeng signed the MOU in relation to this Transaction.

This Transaction will not constitute a material assets restructuring as stipulated by the Administrative Measures on Significant Asset Restructuring of Listed Companies.

## **II. Basic information of the counterparty**

### **1. Basic information**

(1) Company name: Jiangsu Huifeng Agrochemical Co., Ltd.

(2) Registered address: South of Wanggangzha, Dafeng District, Yancheng City, Jiangsu Province

(3) Legal representative: Zhong Hangen

(4) Registered capital: RMB 1,507,475,283

(5) Unified social credit code: 913209001407071551

(6) Business scope: crop planting; producing pesticides and hazardous chemicals (in accordance with safety permission opinions of establishment of construction project of hazardous chemical and approval opinions of environmental impact report); technical consultation and service of insecticides, bactericides, BZQ and herbicides; sales of chemical products (excluding pesticides and other hazardous chemicals), knit goods, hardware, electric materials, daily groceries, daily necessities, woods, building materials, electronic computers and accessories and agricultural products (excluding non-packaged seeds); production and sales of wrapper (including plastic products and excluding hazardous chemicals); business of self-produced products by the company and its member companies and export business of relevant technologies; self-management and agency of import and export of all kinds of goods and technologies and domestic trade. (Any business which legally requires approval(s) shall be conducted after obtaining the approvals issued by relevant authorities.)

2. Related-party relationship: Huifeng is not a related party of the Company.

## **III. Main content of the MOU**

1. Target assets: Certain assets relating to the development, production, formulation,

sales and marketing of agrochemical and agrochemical intermediate products (the “Business”, which, subject to the Company’s due diligence, the formulation products as provided in the Business includes current, pipeline and future formulation products; excluding TDZ-series products for bio stimulant usage and bio-agricultural sector related to micro-biotic-series products, which will still be remained in and managed by Huifeng) owned or controlled by Huifeng. Relevant Target Assets will be transferred by Huifeng into newly-established subsidiary solely owned by Huifeng prior to the closing, which will then be acquired by the Company.

2. Purchase price: The purchase price will be a price negotiated between both parties based on the appraisal result issued by a qualified appraiser and filed with the authorities in charge of the administration of state-owned assets.

3. The closing of the Transaction between the parties shall be subject to customary closing conditions including, without limitation, resumption of the full operation of the original business activities of all Target Assets, all in full compliance with relevant laws and regulations.

4. Exclusivity period: Unless extended by the definitive agreements signed by the parties, the exclusivity period commences with signing of this MOU and expires on the end of the sixth month after the date of this MOU; provided that if, due to regulatory reasons (including without limitation, compliance with environmental protection laws and regulations), the Exclusivity Period is not sufficient, at least 30 days before its expiry, the Company shall have the right to extend the Exclusivity Period for an additional period of 6 months by sending written notice to Huifeng. Unless negotiations between the parties are earlier terminated, during the exclusivity period, Huifeng, the Target Assets and the actual controller will not discuss, negotiate, or enter into any agreement with any other person or entity concerning a sale or transfer of all or part of the Target Assets or any similar transaction.

5. Legal binding effect: The MOU is non-binding (excluding the agreements between the parties in relation to confidentiality obligations and exclusivity period).

#### **IV. The effects of the MOU on the Company**

With this potential Acquisition, the Company aims to significantly enhance its business both globally and in China. Globally, the Company will gain access to backward-integrated and competitive positions in key molecules, which it intends to use to drive

significant growth through its worldwide market reach. In China, Huifeng has a strong commercial presence and wide portfolio of product registrations which complement the Company's, and thereby will bolster its position and offering in this key market.

#### **V. Risk warning**

The MOU serves as an agreement of intent between the parties in relation to this Transaction. Furthermore, the details of the Transaction are subject to the results of due diligence, audit, appraisal, etc. and further discussions and negotiations between the parties. This Transaction therefore remains uncertain. The Company will make timely information disclosure according to the progress of this Transaction.

#### **VI. Filing documents**

##### 1. Memorandum of Understanding on the Acquisition of Certain Assets

It is hereby announced.

Board of Directors of the Company

January 10, 2019