

## **ADAMA Ltd.**

# **Announcement on the Purchase of Liability Insurance for Directors, Supervisors and Senior Executives and the Related-party Transaction**

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 Related Party Transaction**

On June 12, 2024, the 3<sup>rd</sup> meeting of the 10<sup>th</sup> session of the Board of Directors of ADAMA Ltd. (hereinafter referred to as the "Company") considered the *Proposal on the Purchase of Liability Insurance for Directors, Supervisors and Senior Executives and the Related-party Transaction*. In order to further benefit from the Syngenta Group synergies and obtain preferable insurance terms, the Company is contemplating purchasing a Directors and Officers liability insurance policy by way of adding the Company to the Directors and Officers liability insurance policy of Syngenta Group Co., Ltd. (hereinafter referred to as "SG"), which shall provide shared coverage (the "Transaction"). Since SG is the controlling shareholder of the Company, this Transaction therefore constituted a related-party transaction.

In accordance with the provisions of the Articles of Association and relevant laws and regulations, all the Directors abstained from voting on this proposal, and this transaction will be submitted directly to the general meeting of shareholders for consideration and approval, during which SG, the related party, will abstain from voting. This Transaction has been reviewed by the Specialized Meeting of Independent Directors of the Company and approved by all independent directors.

The Transaction does not constitute a Material Assets Restructuring as stipulated by *the Administrative Measures on Significant Asset Restructuring of Listed Companies*.

### **II Overview of the Related Party**

Established in 2019, SG is registered at Unit 08 of the 30th Floor, No. 88 of Shiji Avenue, Shanghai Pilot Free-Trade Zone of China with Mr. LI Fanrong as its legal representative. It has a registered capital of RMB 11,144,544,602 and operates in R&D, production and sales of crop protection, seeds and crop nutrition products as well as modern agricultural services.

The shareholders and shareholding proportion of SG are as follows. China National Agrochemical Co., Ltd holds 99.1% and Madao Agrochemical Co., Ltd., 0.9%. The State-owned Assets Supervision and Administration Commission of the State Council (SASAC) is the actual controller of SG.

As of December 31st, 2022, the revenue of SG was RMB 224.84489 billion, net income 11.40569 billion, total assets 573.10198 billion and net assets 269.39203 billion.

Related-party relationship: as the controlling shareholder of the Company, SG is a related party in accordance with Item 1, Paragraph 2 of Article 6.3.3 of *the Listing Rules of Shenzhen Stock Exchange*.

Analysis of contract performance capability: To the best of the Company's knowledge, SG has sound performance capability based on its normal production and operational status. After searching on "the Website of Disclosure of Enforcement Information of China", it is not a debtor subject to judicial enforcement.

### **III. Basic Information on the Target of the Related-party Transaction**

In order to ensure the directors, supervisors and senior executives to exercise their management and supervisory duties independently and effectively, and to further benefit from the SG synergies as well as preferable insurance terms, the Company is contemplating purchasing a Directors and Officers liability insurance policy by way of adding the Company to the Directors and Officers liability insurance policy of SG, which shall provide shared coverage. For details, please refer to Section V of this announcement "Main Contents of the Liability Insurance".

The Board of Directors of the Company would like to request the Shareholders' General Meeting to authorize the management team to handle the purchase of the liability insurance for directors, supervisors and senior executives (including but not limited to the identification of the relevant insured persons; confirmation of the

insurance amount, premium and its adjustment and other insurance terms; signing of the relevant legal documents and handling of other matters in relation to the application for the insurance, etc.), as well as to handle the renewal or reappointment of the liability insurance upon or before the expiry of the existing contract.

#### **IV. Pricing Basis of the Related-Party Transaction**

The Transaction is made on the principles of voluntariness, equality, mutual benefit, justice and fairness. The terms of the Transaction were negotiated fairly on the basis of market practice.

#### **V. Main Contents of the Liability Insurance**

1. The Proposer: ADAMA Ltd.
2. The Insurer: Zurich General Insurance (China) Company Limited
3. The Insured: Directors of the Board, Supervisors and Senior Executives of the Company and its PRC subsidiaries
4. Limit of Liability: The insurance coverage is USD 75,000,000.
5. Premium Expenses: USD 115,680
6. Insurance Period: From July 1, 2024 to June 30, 2025

#### **VI Purpose of the Transaction and Its Impact on the Company**

As a related-party transaction for the purchase of liability insurance for the directors, supervisors and senior executives, this transaction is conducive to capitalizing on the SG synergies and its preferable terms, safeguarding the rights and interests of the Company and its investors and improving the Company's risk management system. Furthermore, it promotes the full exercise of the rights and performance of the duties of the directors, supervisors and senior executives. It will not harm the interests of the Company and all shareholders, nor will it affect its independence.

#### **VII Status of the Different Kind of Related-party Transactions between the Company and SinoChem Holdings**

The related-party transactions between the Company and subsidiaries of Sinochem Holdings are as follows.

1. The occurred related-party transactions with subsidiaries of SinoChem Holdings in 2023 in the ordinary course of business is RMB 3,246.42million. The estimated related-party transaction amount in 2024 in the ordinary course of business approved by the 2023 annual shareholders' meeting is RMB 4,143.71 million.
2. Deposits of the Company and its subsidiaries in the Sinochem Finance Co., Ltd.: As of the date of this announcement, the balance of deposits remains RMB 372 million and USD 2 million, which have been approved by the 1st interim shareholders meeting of the Company in 2022.
3. The 33rd meeting of the 9th session of the Board of Directors approved *the Proposal on Credit Facility* from the Related Party according to which Syngenta Group (NL) B.V., a subsidiary of the Company's controlling shareholder SG, shall enter into an additional Facility Agreement and provide an amount of USD 200 million credit facility in favor of Adama Fahrenheit B.V. , an indirectly wholly-owned subsidiary of the Company, and the transaction has been approved by the 2024 1st Interim Shareholders Meeting .

## **VIII Independent Directors' Prior Approval**

The Company's Specialized Meeting of Independent Directors approved the Transaction and the independent directors have given approval opinions on the Transaction:

The transaction can safeguard the rights and interests of the Company and the directors, supervisors and senior executives, promote the full exercise of rights and fulfilment of duties by relevant persons in charge, and improve the healthy development of the Company.

Following the requirements of relevant applicable laws and regulations, this related-party transaction is carried out in accordance with the market-oriented principle, which will not affect the independence of the listed company and will not be detrimental to the interests of the Company and other shareholders.

Its decision-making procedures conform to *the Company Law, the Rules of Shenzhen Stock Exchange for the Listing of Stocks, the Articles of Association* of the Company and other laws and regulations.

Therefore, the independent directors agreed to submit the Transaction to the Company's

shareholders' meeting for approval.

**IX Documents for Future Reference**

1. The resolutions of the 3rd Meeting of the 10<sup>th</sup> Session of the Board of Directors of the Company;
2. The resolutions of the Specialized Meeting of Independent Directors.

It is hereby announced.

The Board of Directors of ADAMA Ltd.

June 13, 2024