

ADAMA Ltd.

Announcement on the Signing of the Entrusted Management Agreement with Related Parties

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

Pursuant to the commitment on the resolution of horizontal competition issued by China National Chemical Corporation Limited (hereinafter referred to as "ChemChina"), the indirect controlling shareholder of ADAMA Ltd. (hereinafter referred to as "the Company"), and Syngenta Group Corporation Limited (hereinafter referred to as "Syngenta Group"), the controlling shareholder, both ChemChina and Syngenta Group shall adopt appropriate measures within the committed period to gradually resolve horizontal competition among Syngenta AG (hereinafter referred to as "SAG"), Jiangsu Yangnong Chemical Co., Ltd.(hereinafter referred to as "Yangnong") and the Company. (Please refer to the *Acquisition Report of ADAMA Ltd.* disclosed on www.cninfo.com.cn on 14 March 2020 and the *Announcement on the Commitment Made by the Controlling Shareholder* disclosed on www.cninfo.com.cn on 7 April 2022.)

In order to resolve horizontal competition, the Company reached an agreement on the specific arrangements for the entrusted management with SAG and Yangnong, and intends to enter into entrusted management agreements with SAG and Yangnong respectively. In respect of the overlapping products between the Company and SAG, SAG will entrust the Company with the right and responsibility of managing the entrusted business of overlapping products (i.e., the agreed aspects of sales of the overlapping products, the same as below)- please refer to Section V of this announcement. In respect of the overlapping products between the Company and Yangnong, Yangnong entrusts the Company with the right and responsibility of

managing the entrusted business of some overlapping products; in return, the Company will entrust Yangnong with the right and responsibility of managing the entrusted business of the rest of overlapping products - please refer to Section V of this announcement (hereinafter collectively referred to as “the Transaction”).

Both SAG and Yangnong, as legal persons controlled by Sinochem Holdings Corporation Limited (hereinafter referred to as “Sinochem”), the indirect controlling shareholder of the Company, are related parties of the Company in accordance with Item 2, Paragraph 2 of Article 6.3.3 of *the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*. Therefore, the Transaction constitutes a related-party transaction.

On 6 November 2024, the Company convened the 7th meeting of the Tenth Session of the Board of Directors to consider the *Proposal on Signing of the Entrusted Management Agreement with Related Parties*. All the related directors, namely Mr. Qin Hengde, Mr. Liu Hongsheng and Mr. An Liru, recused themselves from voting.

The Transaction will be submitted to the general meeting of shareholders for deliberation and approval because the number of non-related directors attending the Board meeting was less than three. The Transaction was considered at the 3rd specialized meeting of the Independent Directors of the Company in 2024. All the Independent Directors expressed their consent.

The Transaction is still subject to the approval of the general meeting of shareholders. As a related shareholder, Syngenta Group will abstain from the voting.

II. Basic Information of Related Parties

(I) SAG

Syngenta AG, a company registered in Switzerland with its registered office at Rosentalstrasse 67, 4058 Basel, Switzerland, with the share capital of CHF 9,257,814.9, mainly undertakes the businesses related to crop protection and seeds. As the date of June 30, 2024, SAG’s total assets is USD 33,770 million, and the net assets is USD 7,476 million. From January to June in 2024, SAG’s operating revenue is USD 8,242 million, and the net income is USD 274 million.

Relationship with the Company: SAG is a legal person controlled by Sinochem, the indirect controlling shareholder of the Company. According to Item 2, Paragraph 2 of

Article 6.3.3 of *the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, SAG is a related party of the Company.

Credit status: SAG produces and operates normally and is in good operational and financial conditions. After searching on the website of disclosure of enforcement information of China, SAG is not a dishonest party subject to enforcement.

(II) Yangnong

Yangnong (legal representative: Su Fu; registered address: No. 39, Wenfeng Road, Yangzhou) has registered capital of RMB 406,759,709 and mainly undertakes the manufacture of agrochemicals and fine chemicals. As the date of June 30, 2024, Yangnong's total assets is RMB17,096,545,340.73, and the net assets is RMB 10,111,325,398.64. From January to June in 2024, Yangnong's operating revenue is RMB 5,698,700,321.55, and the net profit of RMB 763,530,575.82.

Relationship with the Company: Yangnong is a legal person controlled by Sinochem, the indirect controlling shareholder of the Company. According to Item 2, Paragraph 2 of Article 6.3.3 of *the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, Yangnong is a related party of the Company.

Credit status: Yangnong produces and operates normally and is in good operational and financial conditions. After searching on the website of disclosure of enforcement information of China, Yangnong is not a dishonest party subject to enforcement.

III. Basic Information about the Target of the Transaction

The nature of the Transaction is entrusted management. As explained in Section V of this announcement, the targets of entrusted management are the agreed aspects of sales of overlapping crop protection formulations based on production of the same active ingredient between the Company and SAG within the overlapping sales regions, and the sales of overlapping crop protection formulations based on production of the same active ingredient between the Company and Yangnong within the territory of PRC. Please see details in Section V of this announcement. The sales of the entrusted business of SAG managed by the Company in 2023 was USD 582 million approximately. The sales of the entrusted business of Yangnong managed by the Company in 2023 was RMB 42.40 million approximately, while the sales of the entrusted business of the Company managed by Yangnong in 2023 was RMB 47.57 million approximately.

IV. Pricing Policy and Basis for the Related-party Transaction

In view of the lack of comparable independent third-party market prices for reference, the Parties determined the pricing of the Transaction after negotiation on the basis of the costs actually incurred by the trustee for the purpose of exercising its management right and power under the *Entrusted Management Agreement* while complying with the principles of voluntariness, fairness and impartiality. There was no harm on the interests of the Company and the non-related shareholders.

V. Major Terms of the Agreement for the Transaction

(I) the Company and SAG

1. Parties Signing the Agreement

The Company and SAG

2. Scope of Business under the Entrusted Management

SAG entrusts ADAMA with the right and responsibility to manage, in accordance with the terms and conditions in the Agreement, the agreed aspects of the sale of the overlapping products which are manufactured by SAG in the overlapping sales regions (such business of sale hereinafter referred to as the “Entrusted Business”). Overlapping products refer to among the Parties’ main products, the crop protection formulation products which are produced on the basis of identical active ingredients. With respect of single Overlapping Product, overlapping sales region refers to any country (or region, the same as below) where the Overlapping Products of both Parties are sold, provided however that products with small amount of annual sales in one country are excluded from the scope of entrustment, (meaning no more than USD 1million and no more than 1% of the relevant Party’s total crop protection annual sales in that country; or no more than USD 250,000).

Any Overlapping Products that result from either of the situations below, are excluded from the scope of the entrusted management: a) the registration of the Overlapping Product by ADAMA is achieved on the basis of the intellectual property right licensed by SAG or by relying on the regulatory data owned by SAG; or b) due to the lack of registration of the Overlapping Product in one country, ADAMA purchases such product from SAG and sell it in the overlapping sales regions in order to complement its products portfolio offered to customers and/or increase its sales in that country.

The Company and SAG shall review the overlapping semi-annually and dynamically adjust the scope of products included in the entrusted management in accordance with the above conditions.

3. Rights Entrusted and Relationship between the Parties

This Agreement does not change the asset ownership, the personnel employment, and the attribution and accountability of operating result, the product liability, the HSE accountability related to the Entrusted Business. SAG remains responsible for all claims and debts related to the Entrusted Business.

4. Entrustment Implementation

The Company and/or subsidiaries it has assigned will organize a designated team consisting of person/s with the necessary expertise and experience to manage the Overlapping Products in the aspects of product strategy and go-to-market approach, in order to achieve differentiation between the Entrusted Business and the Company's business, and to avoid issues related to horizontal competition arising from the Overlapping Products.

5. Entrustment Fee

SAG shall pay the Company an annual entrustment fee of USD 2 million (or its equivalent of other currencies), which shall be settled and paid annually before the end of each year.

6. Term

The initial period of the Agreement shall be three years from the effective date. The Company shall have the right to unilaterally extend the period of the Agreement, with each extension not exceeding three years. The entrustment fee of USD 2 million each year shall continue to apply during the extended period, unless otherwise agreed by the Parties. If the horizontal competition between the Company and SAG is eliminated or SAG's affiliates no longer have an obligation to resolve horizontal competition between the Company and SAG prior to the expiration of the period of the Agreement (whether the initial period or any extended period), the Agreement shall terminate immediately on the date the competition is eliminated or the date the obligation is terminated (whichever occurs earlier), irrespective of whether there are further internal processes or corporate governance requirements of SAG's affiliates or the Company's affiliates

that need to be fulfilled with respect to termination of the Agreement.

7. Effective Conditions

The Agreement shall become effective on January 1, 2025, upon the fulfillment of all the following conditions: (1) both Parties have signed the Agreement, and (2) both Parties have completed all internal approval processes to approve the Agreement, as required by the applicable regulatory rules for listed companies and their respective *Articles of Association*.

(II) the Company and Yangnong

1. Parties Signing the Agreement

The Company and Yangnong

2. Scope of Business under the Entrusted Management

Both Parties agreed that, in respect of the production and sales of crop protection formulations produced from the same active ingredient by the Company and Yangnong within the territory of PRC (hereinafter referred to as the “Overlapping Products”), the Company and Yangnong shall manage the sales business of part of the Overlapping Products respectively (such business of sale hereinafter referred to as the “Entrusted Business”).

If any Party’s annual sales of such Overlapping Product in the territory of PRC is small (meaning no more than the RMB equivalent of USD 1 million and no more than 1% of that Party’s total annual crop protection formulations sales in the territory of PRC, or no more than the RMB equivalent of USD 250,000), such product is not regarded as an overlapping one and does not fall within the scope of entrusted management under the Agreement. With respect to the entrusted Overlapping Products within the scope of entrusted management, the one exercising the management right shall be the entrusted party and the other shall be the delegating party.

Both Parties shall review the overlapping semi-annually and dynamically adjust the scope of products included in the entrusted management.

3. Rights Entrusted and Relationship between the Parties

This Agreement does not change the asset ownership, the personnel employment, and the attribution and accountability of operating result, the product liability, the HSE

accountability related to the Entrusted Business. The delegating party remains responsible for all claims and debts related to the Entrusted Business.

4. Entrustment Implementation

The entrusted party and/or subsidiaries it has assigned will organize a designated team consisting of person/s with the necessary expertise and experience to manage the Overlapping Products in the aspects of product strategy and go-to-market approach, in order to achieve differentiation between the Entrusted Business and the entrusted party's business, and to avoid issues related to horizontal competition arising from the Overlapping Products.

5. Entrustment Fee

In view of the fact that each of the two Parties under the Agreement is acting as delegator or trustee for the Entrusted Business of different Overlapping Products at the same time, both Parties do not charge and pay each other entrustment fees in respect of the Entrusted Business under the Agreement.

6. Term

The initial period of the Agreement shall be three years from the effective date. It is automatically extended upon expiry for one year each time. Either Party has the right to terminate the Agreement within the extended period by sending a written notice of termination three months in advance. If the horizontal competition between the two Parties is eliminated or the two Parties' affiliates no longer have an obligation to resolve horizontal competition prior to the expiration of the period of the Agreement (whether the initial period or any extended period), the Agreement shall terminate immediately on the date the competition is eliminated or the date the obligation is terminated (whichever occurs earlier), irrespective of whether there are further internal processes or corporate governance requirements of both Parties' affiliates that need to be fulfilled with respect to termination of the Agreement.

7. Effective Conditions

The Agreement shall become effective on January 1, 2025, upon the fulfillment of all the following conditions: (1) Both Parties have signed the Agreement, and (2) both Parties have completed all internal approval processes to approve the Agreement, as required by the applicable regulatory rules for listed companies and their respective

Articles of Association.

VI. Purpose of the Transaction and Impact on the Listed Company

The Transaction is conducive to resolving horizontal competition among SAG, Yangnong and the Company. There is no damage to the interests of the Company and all its non-related shareholders, especially the minority shareholders, and it does not constitute an important impact on the Company's sustainable operating ability, profit and loss and asset status.

VII. Cumulative Related-party Transactions with the Relevant Related Party

As at the date of disclosure, the various types of related-party transactions between the Company and subsidiaries of Sinochem, the indirect controlling shareholder, are as follows:

1. Daily related-party transactions: The amount of daily related-party transactions between the Company and subsidiaries of Sinochem for the year 2023 reached RMB 3,246.42 million. The expected daily related-party transactions for 2024 have been considered and approved by the general meeting of shareholders for the year 2023, with a total estimated amount of RMB 4,143.71 million. By June 30, 2024, the accrued daily related-party transactions' amount in 2024 is RMB 1,335.25 million.
2. The Company and its subsidiaries' Deposits and Loans in the Finance Company as being approved by the First Extraordinary General Meeting of 2022: As of the date of this announcement, the balance of deposits remains RMB 379.79 million and USD 2.14 million, and the loan amount is RMB 50 million.
3. At the 33rd meeting of the Ninth Session of the Board of Directors of the Company on 25 April 2024, the Company considered and passed the *Proposal on a Credit Facility and Related-party Transaction with a Related Party*, agreeing that Adama Fahrenheit B.V. ("ADAMANL"), a wholly-owned subsidiary indirectly held by the Company, and Syngenta Group (NL) B.V. ("SGNL") to enter into a financing agreement, whereby SGNL provided ADAMANL with an additional credit facility of USD 200 million. The transaction has been considered and approved at the First Extraordinary General Meeting of 2024.
4. The Third Meeting of the Tenth Session of the Board of Directors of the Company considered and passed the *Proposal on the Purchase of Liability Insurance for*

Directors, Supervisors and Senior Executives as a Related-party Transaction on 12 June 2024, and agreed to purchase liability insurance for the directors, supervisors and senior management of the Company by joining the directors' and senior management's liability insurance of Syngenta Group, and share its insurance proportion with the premium expense of USD115,680. The transaction has been considered and approved by the Second Extraordinary General Meeting of 2024.

VIII. Opinions Agreed by a Majority of the Independent Directors

The 3rd Specialized Meeting of the Independent Directors of the Company in 2024 was held to consider this *Proposal on the Signing of the Entrusted Management Agreement with Related Parties* and issued an agreed opinion. The Independent Directors are of the view that:

1. The matters in respect of the signing of the entrusted management agreements between the Company and SAG and Yangnong respectively constitute related-party transactions.
2. The procedures of the Board of Directors for the consideration of the related-party transaction shall be in compliance with the laws, regulations and the *Articles of Association* of the Company. Mr. Qin Hengde, Mr. Liu Hongsheng and Mr. An Liru as the related-party directors at the board shall recuse themselves from voting.
3. Regarding the signing of the entrusted management agreements between the Company and SAG and Yangnong respectively, the transaction arrangements, including the prices, are fair and conducive to resolving the potential horizontal competition. There are no circumstances under which the interests of the Company and the non-related shareholders as well as the minority shareholders are being jeopardized.

IX. Conclusion of the Intermediary's Opinions

Upon verification, the Financial Adviser, China International Capital Corporation Limited, is of the view that this related-party transaction has been considered at the 7th meeting of the Tenth Session of the Board of Directors of the Company, with Mr. Qin Hengde, Mr. Liu Hongsheng and Mr. An Liru, the related directors, recusing themselves from voting; and has been considered and approved at the 3rd Specialized Meeting of the Independent Directors of the Company in 2024. As the number of non-related directors attending the Board meeting was less than three, the Transaction will be submitted to the general meeting of shareholders for deliberation and approval. The

decision-making procedures for this related-party transaction are in compliance with the relevant laws and regulations, and the Transaction is conducive to resolving the horizontal competition among SAG, Yangnong and the Company. There is no damage to the interests of the Company and all its non-related shareholders, especially the minority shareholders.

Upon verification, Tian Yuan Law Firm is of the view that:

1. The conclusion, performance and interpretation of the two entrusted management agreements to be signed between the Company and SAG and Yangnong respectively are governed and construed in accordance with the laws of the People's Republic of China, and the terms of such entrusted management agreements comply with the laws of the People's Republic of China.
2. The two entrusted management agreements shall become effective on January 1, 2025 upon execution by all parties and completion of all internal approval processes required for the approval of such agreements in accordance with their applicable regulatory rules for listed companies and their respective *Articles of Association*.
3. The Transaction has been considered and approved by the 3rd Specialized Meeting of the Independent Directors of the Company in 2024, and has been considered at the 7th meeting of the Tenth Session of the Board of Directors of the Company. In view of the Transaction constituting a related-party transaction, the related directors abstained from voting. The procedures of the 7th meeting of the Tenth Session of the Board of Directors of the Company for the consideration of the related-party transaction is legal and valid. The Transaction is still subject to the approval of the general meeting of shareholders. As a related shareholder, Syngenta Group shall abstain from the voting.
4. The two entrustment management agreements to be signed respectively between the Company and SAG and Yangnong clearly stipulate the scope of the entrusted business, the purpose of the entrustment management, and the specific measures for entrustment implementation, which also stipulate a mechanism for semi-annual review and dynamic adjustment. The Transaction is conducive to resolving the horizontal competition among SAG, Yangnong and the Company. There is no damage to the interests of the Company and all its non-related shareholders, especially the minority shareholders.

X. Documents for Reference

1. Resolutions of the 7th Meeting of the Tenth Session of the Board of Directors of the

Company.

2. Resolution of the Specialized Meeting of Independent Directors.
3. *Entrusted Management Agreement* to be signed between the Company and SAG.
4. *Entrusted Management Agreement* to be signed between the Company and Yangnong.
5. Verification opinion of the financial adviser.
6. Verification opinion of the law firm.

This announcement is hereby presented.

Board of Directors of ADAMA Ltd.

November 7, 2024