

## **ADAMA Ltd.**

### **Announcement on New Credit Facility from the Related Party**

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**

The 33<sup>rd</sup> meeting of the 9<sup>th</sup> session of the Board of Directors of ADAMA Ltd. (hereinafter referred to as the "Company") and the 1st Interim Shareholders Meeting in 2024 approved the Proposal on Credit Facility from the Related Party, according to which Adama Fahrenheit B.V. (hereinafter referred to as "ADAMA NL"), an indirectly wholly-owned subsidiary of the Company signed an Facility Agreement with Syngenta Group (NL) B.V. (hereinafter referred to as "SG NL"), a subsidiary of the Company's controlling shareholder, Syngenta Group Co., Ltd. (hereinafter referred to as "SG"), and SG NL provided an amount of USD 200 million in favor of ADAMA NL. For details, please refer to the Announcement on Credit Facility of USD 200 million from a Related Party (Announcement No.2024-24) disclosed on April 26, 2024 (the "Previous Credit Facility").

In order to meet the capital requirements for its operation and development, ADAMA NL intends to apply to SG NL for a new credit line with an estimated amount of no more than USD 200 million and sign a new facility agreement (the "Transaction").

Since SG NL and ADAMA NL are both controlled by Sinochem Holdings Corporation Ltd. (hereinafter referred to as "Sinochem Holdings"), the Transaction constitutes a related party transaction.

Among the five directors of the Company, the related-party directors, Mr. Qin Hengde and Mr. Liu Hongsheng refrained from voting, while among the remaining votes of the three directors, there were three (3) affirmative votes, and no negative votes and or abstentions. The Transaction has been reviewed by the Specialized Meeting of

Independent Directors of the Company and approved by all independent directors.

The Transaction requires the approval of the Company's shareholders. SG will refrain from voting.

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

## **II. Introduction to the Related Party**

SG NL was established in 2016. Its legal representative is Edwin Pool, and its registered address is Westeinde 62, 1601BK Enkhuizen, The Netherlands. It has registered capital of USD 2 and mainly undertakes the businesses related to holding and financing activities. The main financial data as of December 31, 2023 is: operating revenue of USD 0, net profit of USD 501,249,000, total assets of USD 638,658,000, net assets of USD 10,827,000.

Related-party relationship: Both SG NL and ADAMA NL are controlled by Sinochem Holdings, the ultimate controlling shareholder of the Company. SG NL is related party of the Company in accordance with Item 2, 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 NL operates normally and is in good operational condition. 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**

The Transaction is an engagement in a USD 200 million short-term annually revolving credit facility, at 3-month CME Term SOFR Reference Rate + 1.55% plus a commitment fee of 0.70% per annum on the undrawn amount (for the entire amount of USD 400 million, including on the Previous Credit Facility), subject to the Facility Agreement signed between the two parties.

## **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 Facility Agreement**

Contract Name: Facility Agreement between Adama Fahrenheit B.V. and Syngenta Group (NL) B.V.

Borrower: Adama Fahrenheit B.V.

Lender: Syngenta Group (NL) B.V.

Main Terms: annually revolving credit facility in the aggregate amount of USD 200 million (on market terms), at 3-month CME Term SOFR Reference Rate + 1.55% plus a commitment fee of 0.70% per annum on the undrawn amount (for the entire amount of USD 400 million, including on the Previous Credit Facility).

Both parties may assign their rights and obligations under the Facility Agreement to another entity within their respective group according to the terms of the Facility Agreement.

Effective Date of the Agreement: following the approval of the Parties' requisite organs, as required. The requisite organs of the Company will review the terms of this Agreement every three years.

Dispute Resolutions: Any controversy or claim that fails to be solved amicably shall be finally submitted to the competent courts of Amsterdam under the laws of Netherlands.

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

The Transaction expands and efficiently utilizes the Company's and its subsidiaries funding sources with additional facilities providing an additional cash source not included in bank covenants, and further supports the Company's ongoing working capital needs. The Facility Agreement follows the general practice of similar transactions in the market and doesn't contain unfair terms. The Transaction will not adversely affect the interests of the Company and its non-related party shareholders, nor will it affect the independence of the Company.

## **VII. Status of the Different Kinds 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. As of June 30, 2024, the occurred amount of related party transactions with subsidiaries of Sinochem Holdings in the ordinary course of business is around RMB 1,335.25 million. The estimated related party transaction amount in the ordinary course of business approved by the 2023 annual shareholders meeting is RMB 4,143.71 million.
2. The Company and its subsidiaries' Deposits and Loans in the Finance Company: 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, which have been approved by the 1<sup>st</sup> Interim Shareholders Meeting 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 SG NL shall enter into an Facility Agreement and provide an amount of USD 200 million credit facility in favor of Adama NL, and the transaction has been approved by the 2024 1st Interim Shareholders Meeting.
4. The 3rd meeting of the 10th session of the Board of Directors considered the Proposal on the Purchase of Liability Insurance for Directors, Supervisors and Senior Executives and the Related-party Transaction, according to which the Company will purchase a Directors and Officers liability insurance policy by way of adding the Company to the Directors and Officers liability insurance policy of SG, and the transaction has been approved by the 2024 2nd 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 is based on the funding needs of the Company and is normal business operations. The Transaction conforms to relevant national laws and regulations, as applicable, and market-oriented principles, and will not impact the independence of the Company or harm the interests of the Company and its other shareholders. The decision-making procedures for the Transaction 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 pre-approved the Transaction and agree to submit it to the Board of Directors.

**IX. Documents for Future Reference**

1. The resolutions of the 7<sup>th</sup> 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.

November 7, 2024