

## ADAMA Ltd.

### Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2023

The Company and all members of its board of directors hereby confirm that all information disclosed herein is true, accurate and complete with no false or misleading statement or material omission.

#### I. Basic Information on Related Party Transactions in the ordinary course of business

##### (1) Overview of related-party transactions in the ordinary course of business

The Company expects that the aggregated amount of related party transactions between it and/or its subsidiaries (together the "**Group Companies**") and the subsidiaries of Sinochem Holdings Corporation Ltd. ("**Sinochem Holdings**", the actual controller of the Company) in 2023 shall not exceed RMB 5,030.45 million.

Such aggregated amount consists of (1) expected transactions of the Group Companies for the purchase of raw materials/products/fixed assets and the receipt of certain services from subsidiaries controlled by Sinochem Holdings, in a total amount that shall not exceed RMB 2,853.64 million; and (2) expected transactions of the Group Companies for the sale of products and the provision of services, in a total amount that shall not exceed RMB 2,176.81 million, to subsidiaries controlled by Sinochem Holdings. Such transactions hereinafter referred as the "Related-party transactions".

Related-party transactions of the above type performed by the Company in 2022 in the ordinary course of business amounted to RMB 4,861.04 million.

These estimations were performed based on the current available data and may change, inter alia, as a result of changes to the Group Companies' business and/or due to market conditions as well as due to the forming of Sinochem Holdings as part of the strategic restructuring of ChemChina and Sinochem Group Co., Ltd., and the continued alignment and cooperation between the companies of Syngenta Group Co., Ltd. ("**Syngenta Group**"), comprising the Company, Syngenta AG and Sinochem Holdings' agriculture-related activities, which will further capitalize on the value creation and synergy opportunities identified.

The related-party transactions matter has been reviewed and approved at the 19<sup>th</sup> Meeting of the 9<sup>th</sup> Session of the Board of Directors of the Company. Among the five directors of the Company, there were three affirmative votes, zero negative votes and zero abstentions, while the two related-party directors (Mr. Erik Fyrwald and Mr. Chen Lichtenstein) refrained from voting.

The related-party transactions matter shall be further approved by the Shareholders Meeting. Syngenta Group will refrain from voting.

##### (2) The types and amounts of expected related-party transactions in the ordinary course of business in 2023

RMB'0000

Type of related-party transaction	Related party	Content of related-party transaction	The pricing principle of related-party transaction	Contract amount or estimated amount not to exceed	Amount already occurred in 2023 as of the disclosure date	Amount occurred in the previous year
Purchasing raw materials and products from related parties	Syngenta AG and its subsidiaries	Purchase of raw materials/products	Market price	144,486	26,436	129,897
	Bluestar (Beijing) Chemical Machinery Co., Ltd.	Purchase of raw materials/products	Market price	856	-	113
	Jiangsu Huaihe Chemicals Co., Ltd.	Purchase of raw materials/products	Market price	23,512	6,238	20,187
	Sinofert	Purchase of raw materials/products	Market price	115	-	414
	Jiangsu Yangnong Chemical Co., Ltd.	Purchase of raw materials/products	Market price	52,875	7,949	55,760
	Jiangsu Youjia Plant Protection Co., Ltd.	Purchase of raw materials/products	Market price	29,561	2,652	25,516
	Hangzhou (Torch) Xidou Door Film Industry Co., Ltd.	Purchase of raw materials/products	Market price	14	-	11
	Sinochem Lantian Fluorine Materials Co., Ltd.	Purchase of raw materials/products	Market price	288	-	181
	Zhonglan International Chemical Co., Ltd.	Purchase of raw materials/products	Market price	25,300	-	16,647
	Sinochem Agro Co., Ltd.	Purchase of raw materials/products	Market price	8,090	1,954	11,006
	Sub-total	-	-	285,097	45,229	259,732
Selling raw materials and products to related parties	Syngenta AG and its subsidiaries	Selling products	Market price	159,178	21,911	161,925
	Jiangsu Huaihe Chemicals Co., Ltd.	Selling products	Market price	26,893	-	24,716
	Sinofert	Selling products	Market price	14,168	1,301	10,002

	Sino MAP	Selling products	Market price	1,150	94	849
	Jiangsu Yangnong Chemical Co., Ltd.	Selling products	Market price	6	-	6
	Jiangsu Youshi Chemical Co., Ltd.	Selling products	Market price	12,650	-	12,344
	Jiangsu Youjia Plant Protection Co., Ltd.	Selling products	Market price	173	-	181
	Syngenta Nantong Crop Protection Co., Ltd.	Selling products	Market price	610	-	2,565
	Sinochem International Crop Care Company Limited	Selling products	Market price	1,898	-	3,956
	Sinochem Agro Co., Ltd.	Selling products	Market price	230	-	209
	Syngenta (China) Investment Company Limited	Selling products	Market price	725	-	-
	Sub-total	-	-	217,681	23,306	216,753
Receiving services from related parties	Sinochem Information Technology Co., Ltd	Value-added OA services	Market price	40	-	31
	Sinochem Information Technology Co., Ltd	IT services	Market price	35	-	-
	Syngenta AG and its subsidiaries	Regular services	Market price	52	-	93
	Sino MAP	Regular services	Market price	40	-	3
	Bluestar (Beijing) Chemical Machinery Co., Ltd.	Regular services	Market price	100	-	515
	Sub-total	-	-	267	-	642

(3) Actual related-party transactions in the ordinary course of business performed in the previous year (2022)

RMB'0000

Type of	Related party	Content of related	Actually	Estimated	Difference
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<b>related-party transaction</b>	<b>transaction</b>	<b>occurred amount</b>	<b>amount not to exceed</b>	<b>proportion (%)</b>	
Purchasing raw materials and products from related parties	Syngenta AG and its subsidiaries	Purchase of raw materials/products	129,897	145,104	-10.48%
	Bluestar (Beijing) Chemical Machinery Co., Ltd.	Purchase of raw materials/products	113	650	-82.62%
	Jiangsu Huaihe Chemicals Co., Ltd.	Purchase of raw materials/products	20,187	19,830	1.80%
	Sinofert	Purchase of raw materials/products	414	200	107%
	Jiangsu Yangnong Chemical Co., Ltd.	Purchase of raw materials/products	55,760	129,356	-56.89%
	Jiangsu Youshi Chemical Co., Ltd.	Purchase of raw materials/products	2,646	128	1,967.19%
	Jiangsu Ruixiang Chemical Co., Ltd.	Purchase of raw materials/products	0	96	-100%
	Jiangsu Youjia Plant Protection Co., Ltd.	Purchase of raw materials/products	25,516	540	4,625.19%
	Hangzhou (Torch) Xidou Door Film Industry Co., Ltd.	Purchase of raw materials/products	11	33	-66.67%
	Bluestar Engineering Co., Ltd.	Purchase of raw materials/products	591	10	5,810%
	Sinochem Agro Co., Ltd.	Purchase of raw materials/products	11,006	17,329	-36.49%
	Zhonglan International Chemical Co., Ltd.	Purchase of raw materials/products	16,647	18,000	-7.52%
	ELKEM SILICONES BRASIL LTDA	Purchase of raw materials/products	193	-	-
	Shandong Dacheng Agrochemical Company Limited	Purchase of raw materials/products	2,551	-	-
	Sinochem Lantian Fluorine Materials Co., Ltd.	Purchase of raw materials/products	181	-	-
	Shenyang Shenhua Institute Testing Technology Co., Ltd.	Purchase of raw materials/products	3	-	-
	Shenyang Sciencreat Chemicals Co., Ltd.	Purchase of raw materials/products	110	-	-
	Sinochem International Crop Care Company Limited	Purchase of raw materials/products	773	-	-
	China Bluestar Chengrand Research Institute Chemical Industry	Purchase of raw materials/products	0.2	-	-
	Sub-total	-	266,599	331,276	-19.52%
Purchasing fixed assets from related parties	Bluestar Engineering Co., Ltd.	Purchase of fixed assets	390	6,500	-94%
	Shandong Dacheng Agrochemical Company Limited	Purchase of fixed assets	169	-	-
	Changsha Huaxing Construction Supervision Co., Ltd.	Purchase of fixed assets	25	-	-
	Syngenta AG and its subsidiaries	Purchase of fixed assets	394	-	-

	Sub-total	-	978	6,500	-84.95%
Selling products and goods to related parties	Syngenta AG and its subsidiaries	Selling products	161,925	127,343	27.16%
	Jiangsu Huaihe Chemicals Co., Ltd.	Selling products	24,716	23,640	4.55%
	Sinofert	Selling products	10,002	10,280	-2.70%
	Sino MAP	Selling products	849	541	56.93%
	Jiangsu Yangnong Chemical Co., Ltd.	Selling products	6	200	-97%
	Jiangsu Youshi Chemical Co., Ltd.	Selling products	12,344	6,100	102.36%
	Zhonglan International Chemical Co., Ltd.	Selling products	0	300	-100%
	Jiangsu Youjia Plant Protection Co., Ltd.	Selling products	181	240	-24.58%
	Syngenta Nantong Crop Protection Co., Ltd.	Selling products	2,565	4,500	-43%
	Sinochem International Crop Care Company Limited	Selling products	3,956	3,000	31.87%
	Shenyang Sciencreat Chemicals Co., Ltd.	Selling products	5	-	-
	Sinochem Agro Co., Ltd.	Selling products	209	-	-
	Sub-total	-	216,758	176,144	23.06%
Rendering services to related party	Syngenta AG and its subsidiaries	Regular services	975	-	-
	Sub-total	-	975	-	-
Receiving services from related party	China National Chemical Information Center	Value-added OA services	137	94	45.74%
	Zhonglan Lianhai Design Institute Co., Ltd.	Design services	0	50	-100%
	Syngenta AG and its subsidiaries	Regular service	93	45	106.67%
	Sino MAP	Regular service	3	-	-
	Sinochem Innovation (Beijing) Technology Research Institute Co., Ltd.	Regular service	4	-	-
	Bluestar (Beijing) Chemical Machinery Co., Ltd.	Regular service	515	-	-
	Shenyang Chemical Co., Ltd	Regular service	11	-	-
	Sinochem Information Technology Co., Ltd	Value-added OA services	31	-	-
	Sub-total	-	794	189	320.11%
<b>Aggregated</b>			<b>486,104</b>	<b>514,109</b>	<b>-5.45%</b>
An explanation by the board of directors for the major difference between the actual occurred amount of daily related transactions and the estimated amount			The Company estimates that the total amount of daily related party transactions in 2022 will not exceed RMB 5,141.09 million. The Company's actual amount incurred in 2022 is RMB 4,861.04 million, which does not exceed the expected amount. There is no significant difference between the actual amount and the estimation.		
An explanation by the independent directors for the major difference between the actual occurred amount of daily related transactions and the expected amount			N/A		

Notes: Please refer to the announcements on March 31, 2022, for the 2022 expected related-party transactions of the Company (Announcement No. 2022-10).

## **II. Introduction to Related Parties and Their Relationships with the Company**

1. Bluestar (Beijing) Chemical Machinery Co., Ltd. (legal representative: Qiao Xiaofeng; registered address: No. 5, Xingye Street, Beijing Economic and Development Zone) has registered capital of RMB 200 million and mainly undertakes the businesses related to production of chemical machinery and equipment, production of type III pressure vessels, design, maintenance and installation of chemical machinery and equipment, technical consultation, technical services, technical training. The main financial data as of the date December 31, 2022 are: operating revenue of RMB 1,310,239,303.13, net profit of RMB 34,864,378.97, total assets of RMB 1,251,510,952.13, net assets of RMB 444,458,359.71.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Bluestar (Beijing) Chemical Machinery Co., Ltd. operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

2. Jiangsu Huaihe Chemical Co., Ltd. (legal representative: Xia Wenbiao; registered address: Yutai County, Jiangsu Province) has registered capital of RMB 160 million and mainly undertakes the businesses related to manufacturing and sale of chemical products. The main financial data as of December 31, 2022 are: operating revenue of RMB 1,100,276,268.22, net profit of RMB 55,613,868.56, total assets of RMB 661,694,294.66, net assets of RMB 273,544,671.67.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of performance capability: To the best knowledge of the Company, Jiangsu Huaihe Chemical Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

3. Sinofert Holdings Limited (Executive Director & CEO: Ma Yue; registered office: Clarendon House 2 Church Street Hamilton HM11 Bermuda) is a company listed on the Main Board of the Stock Exchange of Hong Kong (stock code:00297), which has registered capital of HKD 8,316,000,000 and mainly undertakes the production, import and export, distribution and retail of fertilizer raw materials and finished products, provision of technological research and development and services relating to the fertilizer business and products, exploration and exploitation of phosphate mine, and production of monocalcium/dicalcium phosphate (MCP/DCP). The main financial data as of June 30, 2022 are: operating revenue of RMB 15,306,449,000, net profit of RMB 1,008,963,000, total assets of RMB 18,839,712,000, net assets of RMB 9,656,449,000.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Sinofert Holdings Limited produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to

enforcement.

4. Jiangsu Yangnong Chemical Co., Ltd. (legal representative: Qin Hengde; registered address: No. 39, Wenfeng Road, Yangzhou) has registered capital of RMB 309.8989 million and mainly undertakes the manufacture of agrochemicals and fine chemicals. The main financial data as of September 30, 2022 are: operating revenue of RMB 13,102,278,683.72, net profit of RMB 1,638,329,191.80, total assets of RMB 16,089,912,989.04, net assets of RMB 8,396,988,490.77. Jiangsu Youshi, Jiangsu Youjia, Sinochem International Crop Care Company Limited and Sinochem Agro Co., Ltd. mentioned in this announcement as expected related parties are subsidiaries of Jiangsu Yangnong Chemical Co., Ltd.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Jiangsu Yangnong Chemical Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

5. Syngenta AG (registered address: Schwarzwaldallee 215 4058 Basel) has the registered capital of RMB 41.33 million and mainly undertakes the businesses related to crop protection, seeds. The main financial data as of the date December 31, 2021 are: operating revenue USD 16,733 million, total assets USD 25,914 million, net assets USD 5,585 million, net income USD 1,442 million. Syngenta (China) Investment Company Limited and Syngenta Nantong Crop Protection Co., Ltd. mentioned in this announcement as expected related parties are subsidiaries of Syngenta AG.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: Syngenta AG and its subsidiaries produce and operate normally and are in good operational and financial conditions and thus have a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

6. Hangzhou (Torch) Xidou Door Film Industry Co., Ltd. (legal representative: Wang Shougen; registered address: Building 2, No. 602 Shunfeng Road, Qianjiang Economic Development Zone, Hangzhou) has registered capital of RMB 58.24 million and mainly undertakes the manufacturing of water treatment equipment, technical development, technical service and transfer of membrane separation technology, separation membrane and water treatment engineering technology products, and sales of separation membrane and water treatment engineering technology products. The main financial data as of December 31, 2022 are: operating revenue of RMB 77,365,555.17, net profit of RMB 466,658.85, total assets of RMB 71,013,223.84, net assets of RMB 51,627,717.86.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Hangzhou (Torch) Xidou Door Film Industry Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

7. Zhonglan International Chemical Co., Ltd. (legal representative: Yang Hongbin; registered address: No. 1205-1206, 12/F, No.62 North 4th Ring West Road, Haidian District, Beijing) has registered capital of RMB 100 million and mainly undertakes the wholesale chemical products, technology import and export, technology and information consulting services. The main financial data as of December 31, 2022 are: operating revenue of RMB 4,731,354,531.96, net profit of RMB 15,596,277.05, total assets of RMB 1,150,278,268.16, net assets of RMB 52,130,791.85.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Zhonglan International Chemical Co., Ltd. produces and operates normally and is in good operational conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

8. Sinochem Agriculture Co., Ltd. (legal representative: Ying Minjie; registered address: Room 818, No. 28 Fuxingmennei street, Xicheng district, Beijing) has registered capital of RMB 4,000 million and mainly undertakes sales of agricultural production materials; grain purchases; services for agriculture; technology development and technology consultation on soil improvement and restoration, etc. The main financial data as of September 30, 2022 are: operating revenue of RMB 17,258,179,124.23, net profit of RMB -174,196,536.85, total assets of RMB 15,991,902,360.52, net assets of RMB -139,072,067.29.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Sinochem Agriculture Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

9. Sinochem Information Technology Co., Ltd (legal representative: Zhao Yang; registered address: Room 703, Floor 7, No.28 Fuxingmennei Street, Xicheng District, Beijing) has registered capital of RMB 50 million and mainly undertakes the businesses related to software development, technical service, technical development, technical consultation, information system integration service and computer system services. The main financial data as of the date December 31, 2022 are: operating revenue of RMB 523,041,118.41, net profit of RMB 15,452,915.44, total assets of RMB 170,834,181.78, net assets of RMB 67,946,616.70.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Sinochem Information Technology Co., Ltd operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

10. Sinochem Lantian Fluorine Materials Co., Ltd. (Legal Representative: Liu Jianpeng; registered address: No.5 Weiqi Road, Shangyu Economic and Technological Development Zone, Hangzhou Bay, Zhejiang Province) has registered capital of RMB659.74 million and mainly

undertakes the businesses related to production and management of hazardous chemicals, manufacturing of special equipment, technical research and development of biochemical products, sales of chemical products. The main financial data as of December 31, 2022 are: operating revenue of RMB 2,798,804,751.00, net profit of RMB 784,182,541.36, total assets of RMB 2,470,652,133.82, net assets of RMB 1,808,513,630.69.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Sinochem Lantian Fluorine Materials Co., Ltd. operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

### **III. Main Content of Related-Party Transactions**

#### **1. Main content**

- (1) All related-party transactions between the Group Companies and the relevant related parties should be carried out based on market terms and according to the principles of voluntariness, equality, mutual benefit, justice and fairness and without prejudice to the interests of the Company.
- (2) If there is any available state fixed price, then the state fixed price shall prevail; if the state fixed price is inapplicable or not applicable any more, then the market price shall prevail; if the market price is inapplicable or not applicable any more, then both parties shall determine the exact and fair pricing standards they believe to be based on relevant data.

#### **2. Signing of transaction agreement**

The Group Companies will conclude contracts with the relevant related parties according to their production and operation requirements and their ordinary course business practices.

### **IV. Purpose of Related-Party Transaction and its Impact on the Company**

These related-party transactions are necessary for the daily business operation of the Group Companies. They mainly aim to capitalize on the Group Companies' unique positioning and profile, including as part of the Syngenta Group, achieve cost savings, increase the Company's sales and market share and to drive its profitable growth. Based on the understanding of the related-parties' business performance, credit status and performance capability, the Group Companies have selected them to conduct transactions in the ordinary course of business. The related-party transaction activities follow the principle of fairness and justice, they will not adversely affect the Company and its non-related party shareholders. The Board of Directors of the Company holds that the related-party transactions benefit the continuity and stability of the Company's business operations and has a positive impact on the normal operations of the Company. Those transactions will not impact the independence of the Company.

### **V. Independent Directors' Opinions**

The Company's independent directors have given separate opinions on the related party transactions matter: The Group's related-party transactions performed in the ordinary course of business are mainly to purchase or sell goods, materials and services from/to the related parties based on the principles of justice and fairness and the pricing standards consistent with those of non-related parties, in order to capitalize on the Group's unique positioning

and profile including as part of the Syngenta Group, achieve cost savings, increase the Company's sales and market share and to drive its profitable growth. All such transactions shall conform to relevant national laws and regulations, as applicable, and market-oriented principles, and shall not influence the independence of the Company or damage the interests of the Group Companies and their other shareholders. The decision-making procedures for these related party transactions conform to the *Company Law of the People's Republic of China*, the *Rules of Shenzhen Stock Exchange for the Listing of Stocks*, the *Articles of Association* and other laws and regulations. We agree on this proposal and submit it to the General Meeting of Shareholders for deliberation.

## **VI. Documents for Future Reference**

1. The resolution made at the 19<sup>th</sup> Meeting of the 9<sup>th</sup> Session of the Board of Directors of the Company;
2. Independent directors' prior written approval;
3. Independent directors' opinions.

The Board of Directors of ADAMA Ltd.

March 21, 2023