

## **ADAMA Ltd.**

### **Announcement on Credit Facility of USD 200 million from a 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**

On April 25, 2024, 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") approved entering into an additional Facility Agreement, entered into by and between 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 Adama Fahrenheit B.V. ( hereinafter referred to as "ADAMA NL"), an indirectly wholly-owned subsidiary of the Company, according to which SG NL shall provide a new and additional amount of USD 200 million in favor of ADAMA NL (the "Transaction").

Since SG NL and ADAMA NL are both controlled by SinoChem Holding Co., Ltd. (hereinafter referred to as "SinoChem Holding"), 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. All the Company's independent directors provided opinions and preapproved the Transaction.

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, 2022 is: operating revenue of USD 426,615,000, net profit of USD 420,092,000, total assets of USD 43,242,400,000, net assets of USD 41,315,072,000.

Related-party relationship: Both SG NL and ADAMA NL are controlled by SinoChem Holding, 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%, 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 by and between Adama Fahrenheit B.V. and Syngenta Group (NL) B.V. (Dated April 2024)

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%.

The Lender shall be entitled to request an immediate repayment of the outstanding balance of the facility, upon a prior notice of fifteen (15) business days.

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 Holding**

The related party transactions between the Company and subsidiaries of Sinochem Holding are as follows:

1. The occurred amount of related party transactions with subsidiaries of SinoChem Holding in the ordinary course of business is around RMB 800.89 million. The estimated related party transaction amount in the ordinary course of business approved by the 2023 annual shareholders meeting is RMB 4,143.71m.
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 544,670,374.05 and USD 6,486,452.39, which have been approved by the 1st interim

shareholders meeting of the Company in 2022.

### **VIII Independent Directors' Pre-approval**

The Company's independent directors have preapproved 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 resolution of the 33<sup>rd</sup> Meeting of the 9<sup>th</sup> Session of the Board of Directors of the Company;
2. Independent directors' prior written approval.

It is hereby announced.

The Board of Directors of ADAMA Ltd.

April 26, 2024