

ADAMA Ltd.

Related-Party Transactions Management Rules

Chapter I General Provisions

Article 1 These Management Rules of Related-Party Transactions (hereinafter referred to as “**the Rules**”) are enacted pursuant to relevant provisions of the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Rules Governing the Listing of Shares of Shenzhen Stock Exchange*, the *Self-regulatory Supervision Guidelines of Shenzhen Stock Exchange for Listed Companies No. 1 – Standardized Operation of Main Board Listed Companies* and other applicable laws, administrative regulations, and the *Articles of Association* of ADAMA Ltd. (hereinafter referred to as the “**Articles of Association**”), with a view to standardizing the related-party transactions by ADAMA Ltd. (hereinafter referred to as the “**Company**”), and fully safeguarding the legal interests and rights of the Company and non-related shareholders, especially the minority shareholders.

Article 2 All related-party transactions shall be conducted following the principles of honesty, good faith, equality, voluntariness, justice, openness, and fairness, and shall not harm the interests of the Company and non-related shareholders. The related directors and shareholders, if applicable, should abstain from voting.

Article 3 The Company's department of securities and legal affairs shall make timely information disclosure once it receives the relevant statistics and estimations of the amount on the related-party transactions from the relevant department. The Company's audit department is responsible for the post-event audit of the implementation of related-party transactions.

Article 4 The Company shall refer to the *Rules Governing the Listing of Shares of Shenzhen Stock Exchange* and other applicable regulations to form the list of its related parties and update it in a timely manner. When the Company and its holding subsidiaries are involved in trading activities, the relevant responsible persons should be prudent in deciding whether it constitutes a related-party transaction. If it does, the approval and reporting obligations shall be fulfilled within their respective duties.

Article 5 A written contract or agreement should be signed for related-party transactions between the Company and related parties, specifying the rights, obligations and legal responsibilities of both parties to the transaction.

Article 6 The related-party transactions described in Chapter II of these Rules that occur in the Company's holding subsidiary are deemed to be related-party transactions that occur in the Company, and the provisions of these Rules shall apply.

Chapter II Definition of Related Parties and Related-party transactions

Article 7 Related parties of the Company refers to any related natural person and related legal person (or other organizations).

Article 8 Any legal person (or other organizations) that satisfies one of the following circumstances is recognized as a related legal person (or other organizations) of the Company:

- (1) any legal person (or other organizations) which directly or indirectly controls the Company;
- (2) any legal person (or other organizations) other than the Company and its holding subsidiaries directly or indirectly controlled by the aforementioned legal person;
- (3) any legal person (or other organizations) or any party acting in concert, which directly or indirectly holds five percent (5%) or more of the shares of the Company;
- (4) any legal person (or other organizations) other than the Company and its holding subsidiaries which is controlled directly or indirectly by a related natural person of the Company, or the related natural person holds the positions of the director of the board (excluding independent directors of both parties) and senior executive.

Article 9 The Company and the legal person (or other organizations) listed in Article 8 (2) which are controlled by the same state-owned asset management entity and form the situation described in Article 8 (2) do not constitute related parties, unless the legal representative, the chairman of the board, the general manager or more than half of the board directors of the legal person (or other organizations) are also directors, supervisors or senior management of the Company.

Article 10 Any natural person that satisfies one of the following circumstances is recognized as a related natural person of the Company:

- (1) Any natural person who holds five percent or more of the shares of the Company;
- (2) Any director of the board, supervisor and senior executive;
- (3) Any director of the board, supervisor and senior executive of any legal person(or other organizations) which directly or indirectly controls the Company;
- (4) close family members of each of the related persons as listed in the item (1)

and (2) of this Article.

Article 11 A legal person(or other organizations) or natural person that falls under any of the circumstances set out in the Articles 9 or 10 within twelve months before the date of a transaction or within the next twelve months under arrangements of relevant agreements, shall be deemed as a related party of the Company.

The CSRC, Shenzhen Stock Exchange or the Company, based on the principle of substance over form, recognizes other natural or legal persons (or other organizations) who have a special relationship with the listed company, or who may cause or have caused the listed company to favor its interests as related persons of the listed company.

Article 12 The Company's directors, supervisors, senior executives, shareholders holding five percent or more of the shares, persons acting in concert and actual controllers shall promptly inform the list of related persons of the Company and the elaboration of the related relationship to enable the Company to keep proper management of the records.

Article 13 Related-party transactions referred to in these Rules refer to matters that may result in the transfer of resources or obligations between the Company or its subsidiaries and the Company's related parties, including:

- (1) Purchase or sale of assets;
- (2) Investment (including entrusted financial management and investment in subsidiaries, etc.);
- (3) Provide financial assistance(including entrusted loans, etc.);
- (4) Provide guarantees;
- (5) Lease in or lease out assets;
- (6) Entrusting or entrusted with the management of assets and business;
- (7) Donate or receive assets;
- (8) Creditor's rights or debt restructuring;
- (9) Transferring or assigned research and development projects;
- (10) Sign license agreements;
- (11) Waiver of rights (including waiver of right of first refusal, prioritized subscription right of capital contribution, etc.)
- (12) Purchase of raw materials, fuels and power;
- (13) Selling products and commodities;
- (14) Providing or accepting labor services;

- (15) Entrusting or being entrusted sales;
- (16) Deposits and loans;
- (17) Joint investment with related parties;
- (18) Other matters that may result in the transfer of resources or obligations.

Chapter III Decision-making and Disclosure Procedures of Related-party transactions

Article 14 The relevant departments of the Company and its subsidiaries should carefully review the related parties at least every quarter, update the list of related parties, and prudently decide whether a transaction constitutes a related-party transaction. The approval and reporting obligations shall be fulfilled within the respective departments' duties. When the Company and its related parties conduct related-party transactions listed in Article 17 of these Rules that need to be reviewed by the board of directors or the general meeting of shareholders, the board of directors shall, in accordance with *the Rules Governing the Listing of Shares of Shenzhen Stock Exchange*, submit an interim report to the Shenzhen Stock Exchange for timely disclosure after the relevant resolution is made by the board of directors or the general meeting of shareholders.

Article 15 The Company's disclosed contents in the announcement on the related-party transaction shall be compliant with *the Rules Governing the Listing of Shares of Shenzhen Stock Exchange*.

Article 16 When reviewing related-party transactions, the Company shall investigate and understand in details the true status of the transaction target and the counterparty's integrity records, credit status, contract performance capabilities, etc., and prudently evaluate the necessity and rationality of the relevant transaction, the adequacy of the pricing basis, the fairness of the transaction price and the impact on the Company. The special attention should be paid to whether there are problems such as unclear ownership of the transaction object, performance of the counterparty and transaction price, etc.

Article 17 Decision-making authority of the Company's related-party transactions are as follows:

- (1) A related-party transaction exceeding RMB 300,000 between the Company and related natural person shall be reviewed and approved by the board of directors of the Company and shall be disclosed in a timely manner.
- (2) A related-party transaction exceeding RMB 3 million yuan and accounting for more than 0.5% of the latest audited absolute value of the Company's net assets

between the Company and related legal person (or other organizations) shall be reviewed and approved by the board of directors of the Company, and shall be disclosed in a timely manner.

(3) A related-party transaction (except for guarantees provided by the Company) exceeding RMB 30 million yuan accounting for more than 5% of the latest audited absolute value of the Company's net assets between the Company and related party shall be reviewed and approved by the general meeting of shareholders of the Company, which shall be disclosed in time.

Article 18 Significant related-party transactions [referring to the related transaction exceeding RMB 3 million yuan and accounting for more than 0.5% of the latest audited absolute value of the Company's net assets between the Company and related legal person (or other organizations), a related transaction exceeding RMB 300,000 yuan between the Company and related natural person, and the related transaction of providing guarantees for related parties by the Company] shall be approved by the independent directors and submitted to the board of directors for discussion, and the independent directors shall issue independent opinions.

Article 19 If the subject matter of any related-party transactions between the Company and related parties (except for the provision of guarantees) with an amount of more than 30 million yuan and accounting for more than 5% of the absolute value of the Company's latest audited net assets, is equity, the Company should disclose an audited financial and accounting report on the target asset for the latest year and the latest period with an unqualified opinion issued by the accounting firm, and the audit base date shall not be more than six months from the date of the shareholders' meeting to review the transaction; if the transaction subject is other assets other than equity, the Company shall disclose an evaluation report on the target asset issued by the asset appraiser with the evaluation base date no more than one year from the date of the shareholders' meeting to review the transaction.

When the Company has any of the following transactions with its related party, it can be exempted from auditing or evaluation:

- (1) The related-party transactions are related to the Company's daily operations;
- (2) All parties including the related parties contribute capital in cash, and the proportion of each party's equity in the invested entity is determined according to the proportion of their capital contribution;
- (3) Other circumstances stipulated by the Shenzhen Stock Exchange.

Article 20 The guarantee provided by the Company to related parties shall not only be reviewed and approved by more than half of all non-related directors of the board, but also be reviewed and approved by more than two-thirds of the non-related directors present at the board meeting, and a resolution shall be made and submitted to the general meeting of shareholders for deliberation. Where the Company provides guarantees for the controlling shareholder, actual controller and its affiliates, the controlling shareholder, actual controller and its affiliates shall provide

counter-guarantee. The guarantee provided by the Company for shareholders holding less than 5% of its shares shall be executed with reference to the provisions of the preceding paragraph, and the relevant shareholders shall abstain from voting at the general meeting of shareholders.

Article 21 When the board of directors of the Company reviews the related-party transactions, the related directors shall abstain from voting and shall not exercise voting rights on behalf of other directors. The meeting of the board of directors shall be held in the presence of more than half of the non-affiliated directors, and the resolutions made at the meeting of the board of directors shall be approved by more than half of the non-affiliated directors. The Company shall submit the transaction to the general meeting of shareholders for deliberation if the number of non-affiliated directors attending the board of directors is less than three.

The affiliated directors mentioned in the preceding paragraph shall include the directors with any of the following circumstances:

- (1) The counterparty;
- (2) Holding a post in the counterparty, or in the legal person or organization that can directly or indirectly control the counterparty, or in the legal person or organization that is directly or indirectly controlled by the counterparty;
- (3) Having the right of direct or indirect control over the counterparty;
- (4) Close family members of the counterparty or its direct or indirect controller;
- (5) Close family members of directors, supervisors and officers of the counterparty or its direct or indirect controller;
- (6) Directors of the board whose independent business judgment may be affected for other reasons as determined by the CSRC, the Shenzhen Stock Exchange or the Company.

Article 22 When the Company's general meeting of shareholders considers related transactions, related shareholders shall abstain from voting, and shall not exercise voting rights on behalf of other shareholders.

The related shareholders mentioned in the preceding paragraph include those who are in any of the following situations:

- (1) The counterparty;
- (2) The direct or indirect controller of the counterparty;
- (3) Directly or indirectly controlled by the counterparty;
- (4) Under the direct or indirect common control of the same legal person(or other organizations) or natural person;
- (5) Holding a post in the counterparty, or in a legal person (or other organization) that

can directly or indirectly control the counterparty, or in a legal person (or other organization) directly or indirectly controlled by the counterparty;

(6) Close family members of the counterparty and its direct and indirect controllers;

(7) Shareholders whose voting rights are restricted or affected due to the existence of any outstanding equity transfer agreement or other agreements with the counterparty or its related person;

(8) Shareholders deemed by the CSRC or the Shenzhen Stock Exchange as those who may cause the Company to act in favor of its interests.

Article 23 The related-party transactions related to daily operations listed in the items 12 to 16 of Article 13 between the Company and related parties shall be disclosed and reviewed in a timely manner and in accordance with the following provisions:

(1) For the routine related-party transactions that occur for the first time, the Company shall perform deliberation procedures according to the transaction amount involved in the agreement and disclose it in a timely manner; if there is no specific transaction amount in the agreement, it shall be submitted to the general meeting of shareholders for deliberation.

(2) For routine related-party transactions that occur many times each year, the Company may reasonably estimate the annual amount for those transactions by categories, perform the deliberation procedure and disclose it in a timely manner; if the actual amount exceeds the estimated number during the implementation process, the deliberation procedure shall be performed and disclosed in a timely manner based on the excess amount.

(3) If there is any major change to the main terms of the agreement during the actual implementation or the agreement needs to be renewed upon expiration, the amount of transactions involved in the newly revised or renewed agreement shall prevail, and the deliberation procedures shall be performed and disclosed in a timely manner;

(4) If the term of the routine related-party transaction agreement signed by the Company and the related party exceeds three years, the Company shall perform the review procedures and disclosure obligations every three years.

The Company shall disclose the actual performance of routine related-party transactions in its annual report and interim report in a classified summary.

Article 24 If the related-party transactions of the Company involve the "Provision of Financial Assistance" and "Entrusted Financial Management" and other matters specified in Article 13, the amount incurred shall be taken as the calculation standard, and the cumulative calculation shall be made within 12 consecutive months according to the type of transactions.

Article 25 The principle of cumulative calculation shall be followed in the case of the following related-party transactions related to the subject matter of transactions occurred within 12 consecutive months in the Company.

- (1) Transactions with the same related party;
- (2) Transactions related to the same target with different related parties.

The above-mentioned 'same related party' shall also include other related parties that are under the common control of an ultimate controller, or have a shareholding relationship with the related party.

Chapter IV Pricing of Related-party transactions

Article 26 The pricing of the related-party transactions of the Company shall be fair by reference to the following principles:

- (1) where the transaction is subject to a price set by the government, such price shall apply;
- (2) where there is a government guidance price for such a transaction, the transaction price may be reasonably set within the indicative range of the government guidance price;
- (3) except the transaction of which there is a price set by the government or a government guidance price, if there is market price or charge standard of a comparable independent third party for the transaction, the transaction price may be set by first reference to such price or standard;
- (4) where there is no market price of a comparable independent third party for the related transaction, the transaction price may be set by reference to the transacting price of a non-related transaction between the related party and a third party independent of the related party;
- (5) where there is neither a market price of an independent third party nor a price of non-related transaction for reference, the price may be set based on an appropriate composite price comprised of reasonable cost and expenses and reasonable profit.

Chapter V Exemptions from Disclosure and Decision-making Procedure of Related-party transactions

Article 27 For the following transactions between the Company and its related parties, it shall perform the obligation of information disclosure of related party

transactions in accordance with these Rules and the review procedures of the Exchange's regulations on major transactions, and may apply to the Exchange for exemption from submitting it to the general meeting of shareholders for deliberation according to the review procedures for related-party transactions:

- (1) Public bidding, public auction or listed sale to unspecified objects (excluding restricted methods such as bid via invitation), except the cases in which it is difficult to form a fair price through bidding or auction;
- (2) Transactions in which the Company unilaterally obtains benefits without paying any consideration or attaching any obligations, including donated cash assets, debt relief, etc.;
- (3) The pricing of related-party transactions is stipulated by the national authority;
- (4) The related party provides funds to the Company with the interest rate no higher than Loan Prime Rate, and the Company has no corresponding guarantee.

Article 28 The following transactions between the Company and its affiliates may be exempted from fulfilling the relevant obligations in accordance with these Rules, but the relevant obligations should still be fulfilled if the disclosure obligations and review procedures for other major transactions as stipulated by the Exchange are required:

- (1) One party subscribes in cash the stocks and their derivatives, corporate bonds or enterprise bonds publicly issued by the other party, except for those whose issue objects are determined in advance including related parties;
- (2) One party, as a member of the underwriter syndicate, underwrites the publicly issued stocks and derivatives, corporate bonds or enterprise bonds of the other party;
- (3) One party receives dividends, bonuses or remuneration in accordance with the resolution of the other party's general meeting of shareholders;
- (4) The Company provides products and services to the related natural persons specified in Items (2) to (4) of Article 10 under the same transaction conditions as non-related persons;
- (5) Other circumstances determined by the Shenzhen Stock Exchange

Article 29 The related-party transaction information that the Company intends to disclose is recognized as national secrets in accordance with the law, or the timely disclosure and performance of relevant obligations that may endanger national security, damage the Company's interests, or lead to violations of laws and regulations, may be exempted from disclosure or performance of relevant obligations in accordance with these Rules.

The disclosure or performance of relevant obligations in accordance with these Rules for related-party transaction information that the Company intends to disclose belongs

to trade secrets, etc., or the timely disclosure or performance of relevant obligations that may lead to unfair competition, damage to the Company's interests, or violation of laws and regulations, may be suspended or exempted.

Chapter VI Supervision and Accountability

Article 30 The audit department of the Company shall, in accordance with relevant audit regulations, conduct audits in a timely manner after the occurrence of material related-party transactions.

Article 31 The audit department of the Company shall conduct an audit on the implementation of related-party transactions that have occurred during the reporting period at least once a year, and report the review to the audit committee.

Article 32 If the Company's audit committee has doubts about related-party transactions, it may conduct in-depth investigations into related matters, and the Company and relevant departments shall cooperate. If an abnormal related-party transaction is found after investigation, the audit committee shall immediately report to the board of directors.

Article 33 The board of supervisors of the Company may check the audit report of the audit department on related-party transactions, and if it finds abnormalities, it may request the audit department or relevant business departments to explain.

Article 34 The directors, supervisors and senior managers of the Company are obliged to pay attention to whether the Company's interests are jeopardized by related parties. The independent directors and supervisors of the Company should regularly check the capital exchanges between the Company and related parties to understand whether the Company is improperly used by major shareholders and their related parties or transfer the Company's funds, assets and other resources. If abnormalities are found, they should be submitted in a timely manner to the Company's board of directors which shall take corresponding measures.

Article 35 In case of losses or possible losses caused to the Company due to the improperly usage or transfer of the Company's funds, assets or other resources by the related parties, the board of directors of the Company shall timely take protective measures such as litigation and property preservation to avoid or reduce the losses.

Chapter VII Miscellaneous

Article 36 Terms such as “exceed(s)” and “lower than” used in these Rules shall not include the given figures.

Article 37 “Timely” as used in these Rules means within two trading days from the starting date or the time of disclosure.

Article 38 Matters not covered by these Rules shall be implemented in accordance with relevant national securities laws and regulations, the " *the Rules Governing the Listing of Shares of Shenzhen Stock Exchange* " and the "Articles of Association".

Article 39 The board of directors of the Company is responsible for the interpretation of these Rules.

Article 40 These Rules will take effect after being reviewed and approved by the Company's general meeting of shareholders.

Board of Directors of ADAMA Ltd.

March 29, 2022