

## **ADAMA Ltd.**

### **Announcement on 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**

On August 28, 2023, the 24<sup>th</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 a Credit Facility Agreement by and between the Company's controlling shareholder, Syngenta Group Co., Ltd. (hereinafter referred to as "SG") or any of its subsidiaries and Adama Agricultural Solutions Ltd. (directly, or through one of its subsidiaries) (hereinafter referred to as "Adama Solutions"), a wholly-owned subsidiary of the Company, according to which SG shall provide an amount of up to RMB 2 billion in favor of Adama Solutions (the "Transaction").

Since SG is the controlling shareholder of the Company, the Transaction constitutes a related party transaction.

Among the five directors of the Company, the related-party directors, Mr. Erik Fyrwald, Mr. Chen Lichtenstein and Mr. An Liru refrained from voting. As the number of non-related directors present at the board meeting was less than three and the transaction amount reaches the threshold of Listing Rules, the Transaction shall be submitted to the Shareholders for approval while SG will refrain from voting. The independent directors also issued their independent opinion.

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 was established in 2019. Its legal representative is Li Fanrong, and its registered address is Unit 08 of the 30th Floor, No. 88 of Shiji Avenue, Shanghai Pilot Free-Trade Zone of China. It has registered capital of RMB 11,144,544,602. Its main business covers the research and development, production and sales of crop protection, seeds and crop nutrition products, and modern agricultural services. The shareholder and shareholding proportion is: China National Agrochemical Co., Ltd 99.1%, Madao Agrochemical Co., Ltd. 0.9%. The State-owned Assets Supervision and Administration Commission of the State Council (SASAC) is the actual controller of SG. The main financial data as of December 31, 2022 is: operating revenue of RMB 224,844.89 million, net profit of 11,405.69 million, total assets of 573,101.98 million, net assets of 269,392.03 million.

Related-party relationship: SG is the controlling shareholder of the Company. SG is a related party of the Company in accordance with Item 1, 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 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 RMB 2 billion long-term committed credit line, at 1-year Loan Prime Rate variable interest as controlled by People's Bank of China (LPR) minus a 0.65% margin (the "Credit Facility Agreement").

### **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 Credit Facility Agreement**

Contract Name: Credit Facility Agreement

Borrower: Adama Agricultural Solutions Ltd. (directly, or through one of its subsidiaries)

Lender: Syngenta Group Co., Ltd. or any of its subsidiaries

Main Terms: committed long-term credit facility in the aggregate amount of up to RMB 2 billion, for up to 3 years at 1-year LPR – 0.65%. Both parties may assign their rights and obligations under the Credit Facility Agreement to another entity within their respective group according to the terms of the Credit Facility Agreement.

Effective Date of the Agreement: following the approval of corporate requisite organs, as required.

Dispute Resolutions: Any controversy or claim that fails to be solved amicably shall be finally submitted to the competent courts of Tel-Aviv under the laws of the State of Israel.

## **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 committed facilities providing an additional cash source not included in bank covenants. The Credit 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 Kind 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. From January 1, 2023 till June 30, 2023, the occurred related party transactions with subsidiaries of SinoChem Holding in the ordinary course of business is RMB 1,903.89m. The estimated related party transaction amount in the ordinary course of business approved by the 2022 annual shareholders meeting is RMB 5,030.45m.
2. Deposits and loans 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 195,485,584 and USD 1,984,117, and the loan amount is RMB 30,000,000, which have been approved by the 1st interim shareholders meeting of the Company in 2022.
3. The 18th meeting of the 9th session of the Board of Directors approved the Proposal

on Credit Facilities of \$250m from the Related Party according to which Syngenta Group (NL) B.V., a subsidiary of the Company's controlling shareholder SG, shall enter into an additional Credit Facility Agreement and provide an amount of USD 250 million credit facility in favor of Adama Fahrenheit B.V., an indirectly wholly-owned subsidiary of the Company, and the transaction has been approved by the 2022 annual shareholders meeting.

### **VIII Independent Directors' Opinions**

The Company's independent directors have given separate 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 approved the Transaction.

### **IX Documents for Future Reference**

1. The resolutions of the 24<sup>th</sup> Meeting of the 9<sup>th</sup> Session of the Board of Directors of the Company;
2. Independent directors' opinion and their prior written approval.

It is hereby announced.

The Board of Directors of ADAMA Ltd.

August 31, 2023