

ADAMA Ltd.

External Guarantee Management Measures

Chapter I General Provisions

Article 1 With the purpose to protect legitimate interests of investors, regulate external guarantee of ADAMA Ltd. (hereinafter referred to as "the Company"), effectively protect the Company from external guarantee risks and ensure safety of the Company's assets, the Measures are hereby formulated based on actual situations of the Company and according to *the Civil Code of the People's Republic of China, Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Stock Listing Rules of Shenzhen Stock Exchange* (hereinafter referred to as "the Stock Listing Rules"), *No. 1 Self-regulation Supervision Guideline of Shenzhen Stock Exchange for Listed Companies - Standardized Operation of Main Board Listed Companies* and the Articles of Association of the Company.

Article 2 The external guarantee mentioned herein refers to the guarantee provided by the Company for others, including the guarantee provided by the Company for its controlled subsidiaries.

Article 3 The Company should implement unified management for external guarantee and should not provide any external guarantee without the approval of the Board of Directors or the General Meeting of Shareholders.

Article 4 External guarantee of subsidiaries within the scope of the Company's consolidated statements should be deemed as the Company's behavior, and their external guarantee should be implemented according to the Measures.

Where a controlled subsidiary of the Company provides guarantee for a legal person or other organization within the scope of the Company's consolidated statements, the Company should timely disclose the guarantee after the controlled subsidiary performs the deliberation procedure, except for the guarantee matters that should be submitted to the General Meeting of Stockholders of the Company for deliberation according to the *Stock Listing Rules*.

Where a controlled subsidiary of the Company provides guarantee for a subject (person

or entity) other than those specified in the preceding paragraph, the guarantee should be deemed as provided by the Company and should comply with relevant provisions of the Measures.

Chapter II General Provisions on External Guarantee

Article 5 The Company shall not provide guarantee for any non-legal-person entity or individual.

Article 6 The Company should establish an effective internal control system, strictly control debt risks arising from external guarantee, and perform the deliberation procedure and information disclosure obligation for external guarantee according to the laws.

Article 7 The Company should investigate the operation and credibility of the guaranteed party. The Board of Directors should carefully deliberate and analyze the financial status, operation status, industry prospect and credit standing of the guaranteed party and make decisions prudently according to the laws. The Company may, when necessary, employ an external professional institution to evaluate the guarantee risks, whose evaluation could serve as the basis for review by the Board of Directors or the General Meeting of Shareholders.

Article 8 When deliberating the guarantee proposal of a controlled subsidiary and held company of the Company, the Board of Directors should pay attention to whether other shareholders of the controlled subsidiary and held company provide equivalent guarantee or counter guarantee in proportion to the equity ratio and whether the guarantee is fair and equivalent. The Company shall not provide guarantee exceeding its equity ratio.

Article 9 The Company shall not provide guarantee to an enterprise outside of SinoChem Holdings Corporation Ltd.. Where the Company provides guarantee for the controlling shareholder, actual controller and its related parties, they should provide counter guarantee. The Company should not provide guarantee for any shareholder or actual controller who is insolvent, or provide guarantee for any shareholder or actual controller without justified reasons.

Chapter III Procedure and Approval Authority of External Guarantee

Article 10 The competent department of the Company's external guarantee is the Finance Department. The guaranteed party should submit relevant material to the Finance Department who should review and then submit it to the Secretary of the Board for requesting the Board of Directors or the General Meeting of Shareholders to deliberate according to regulations.

Article 11 The material submitted by the guaranteed party to the Finance Department should include:

- (I) Basic information of the guaranteed party;
- (II) Description of the guaranteed debt (principal and interest);
- (III) Type and term of the guarantee;
- (IV) Main terms of the guarantee agreement;
- (V) Description of the guaranteed party's repayment plan and repayment source of the guaranteed debt
- (VI) Counter guarantee scheme (if applicable).

Article 12 The guaranteed party should submit application with documents related to the guarantee, including:

- (I) Basic information of the enterprise;
- (II) The latest audited financial statements of the guaranteed party;
- (III) Copy of the contract for the guaranteed principal debt;
- (IV) Format guarantee contract provided by the creditor;
- (V) Conditions for the applicant to provide counter guarantee and relevant materials (if applicable);
- (VI) Other information deemed necessary by the Finance Department.

Article 13 The following external guarantees to be provided by the Company should be deliberated and approved by the General Meeting of Shareholders:

- (I) Any guarantee after the total amount of external guarantees provided by the

- Company and its controlled subsidiaries exceeds 50% of the latest audited net assets;
- (II) Any guarantee after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 30% of the latest audited total assets;
 - (III) Accumulated guarantees provided by the Company in the last 12 months exceed 30% of the latest audited total assets;
 - (IV) Guarantee provided for any guarantee object with an asset-liability ratio exceeding 70% according to its latest financial statement;
 - (V) Single guarantee with an amount exceeding 10% of the latest audited net assets;
 - (VI) Guarantee provided for any shareholder, actual controller and its related party.

The guarantee mentioned in the preceding Paragraph (III) subject to deliberation of the General Meeting of Shareholders should be approved by at least two-thirds of the votes held by the shareholders present at the meeting.

Article 14 External guarantees other than those specified in Article 13 should be approved by the Board of Directors. External guarantees that are subject to approval of the Board of Directors should be approved by more than 1/2 of all the directors and by more than 2/3 of the directors present at the Board meeting with the corresponding resolution made.

When the Company provides guarantees to related parties, it should be reviewed and approved by more than 1/2 of all non-related directors and by more than 2/3 of the non-related directors attending the Board meeting with the corresponding resolution made and submitted to the General Meeting of Shareholders for review.

Article 15 The Company should sign a written guarantee contract for external guarantee. The Finance Department of Company, together with the Securities and Legal Affairs Department of the Company, should review the guarantee contract before it is concluded.

Article 16 For the external guarantees approved by the Board of Directors or the General Meeting of Shareholders, the President and CEO of the Company or other legally authorized person should sign the guarantee contract on behalf of the Company according to the resolution of the Board of Directors or the General Meeting of Shareholders.

Chapter IV Management of External Guarantee

Article 17 The Finance Department should follow the financial status and solvency of the guaranteed party, and report to the Board of Directors in a timely manner if it finds that the guaranteed party's operation status seriously deteriorates or if there are material matters such as dissolution or separation. The Board of Directors should take timely and effective measures to minimize the loss.

Article 18 Upon the maturity of the debt guaranteed, the Company should urge the guaranteed party to perform the debt repayment obligation within the due time. Where the guaranteed party fails to perform its obligation on time, the Company should timely take necessary remedial measures.

Article 19 The Board of Directors should perform regular inspections to review the Company's guarantee practices. The Company should disclose any incompliant guarantee it discovers in a timely manner and take reasonable and effective measures to eliminate or correct the incompliant guarantee.

Article 20 The Finance Department should properly manage guarantee contracts and relevant material, timely review them, regularly check with relevant institutions such as the bank to ensure the completeness, accuracy and effectiveness of the archived materials, and pay attention to the due time and duration of the guarantee.

Chapter V Information Disclosure of External Guarantee

Article 21 The Company should perform the information disclosure obligation of external guarantee according to relevant rules of the China Securities Regulatory Commission, Shenzhen Stock Exchange and the Articles of Association of the Company.

Article 22 Any department and personnel involved in the Company's external guarantee has the responsibility to timely report the external guarantee to the Securities and Legal Affairs Department and provide documents required for information disclosure.

Article 23 The external guarantee provided by the Company should be timely disclosed in any of the following circumstances:

(I) The guaranteed party fails to perform the repayment obligation within fifteen trading

days after the debt is due;

(II) The guaranteed party is in bankruptcy, liquidation or other circumstances that seriously affect its repayment ability.

Chapter VI Accountability

Article 24 Where any director, senior executive or other employees of the Company signs a guarantee contract in violation of the Measures or beyond his/her authority, or where any director, senior executive or other employees of the Company is negligent in performing its duties and cause losses to the Company, the Board of Directors will decide on giving corresponding punishment to the responsible person according to the economic losses suffered by the Company, relevant risks and severity of the noncompliance matter.

Chapter VII Supplementary Provisions

Article 25 Unless otherwise specified, terms used in the Measures should have the same meaning as those in the Articles of Association of the Company.

Article 26 The Measures should be interpreted by the Board of Directors.

Article 27 In case of any inconsistency between the Measures and national laws and regulations, relevant rules of China Securities Regulatory Commission and Shenzhen Stock Exchange and the Articles of Association of the Company, the latter should prevail.

Article 28 The Measures should take effect from the date of approval by the Board of Directors.

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