

ADAMA Ltd.

2023 Working Report of the Board of Directors

In 2023, in accordance with the requirements of relevant laws and regulations, including the *Company Law of the People's Republic of China*, the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange* and the *Self-Regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies No. 1 - Standardized Operation of Main Board Listed Companies* as well as other scrutiny rules of CSRC and Shenzhen Stock Exchange, the Board of Directors of ADAMA Ltd. (hereinafter referred to as the "Company") firmly performed its duties under *the Articles of Association* and *the Rules of Procedure of the Board of Directors* and diligently implemented resolutions approved by the general shareholders' meeting in the spirit of responsibility to all shareholders. During the reporting period, all directors well performed their duties and gave full play to their critical role in the corporate governance. The work of the Board of Directors of the Company for the year of 2023 is reported as follows.

I. Business Review of the Company

(I) Business Overview for 2023

The year of 2023 witnessed a healthy demand for crop protection products at the farmer level thanks to the prices of key agricultural commodities which remained relatively high despite substantial decline during 2023, supporting planted area and investment in crops. However, the channel demand was weak in 2023 due to very high channel inventory across all geographies. The high interest rate environment outside of China coupled with low prices of active ingredient from China, also encouraged the just-in-time purchasing approach adopted by the channel. As a result, sales into the channel declined sharply across the entire industry.

The Company launched Turnaround Plan aimed at improving the quality of the business and revaluing ADAMA amid challenging market situations. Sales for the full year of 2023 declined by 12% in RMB terms to approximately RMB 32.8 billion (approximately USD 4,661 million, -16% in USD terms), mainly reflecting an 8% decrease in prices and a 7% decrease in volumes. Reported EBITDA for the full year was around USD 417 million, a decrease of 43% in USD terms, mainly due to the weak

pricing, the high-cost inventory sold and the adverse impact of exchange rates. Following focus on the quality of business the Company presented an improvement in the sales mix of higher margin products. At the same time, the operating expenses were lower due to OPEX management measures taken by the Company to address the market conditions which partially offset aforementioned negative impacts. However, the Company reported a full-year net loss of RMB 1.6 billion (USD -225 million), impacted by lower operating income and increase in finance expenses. Despite lower sales, the Company achieved significant improvement in cash flow primarily due to selective procurement practices and intensive collection.

For detailed analysis about the operating results for 2023, please refer to the Company's 2023 Annual Report and its annexes disclosed on www.cninfo.com.cn on March 27th 2024.

(II) Execution of Long-Term Strategies

While proactively addressing short-term challenges, the Company continues to advance in the firm execution of its long-term strategies, including the "Core Leap" strategy for AI development and the "Formulation Mastery" strategy for end-products. By doing so, it has kept enriching its AI portfolio and building a high-quality, diversified and differentiated formulation offering. Differentiated products include products that are based on recently off-patented active ingredients (AI's) that have been classified as high commercial potential - "Core Leap" AI's and products that are based on unique proprietary formulations, products with more than one mode of action, and biologicals. In 2023, the Company launched 11 new differentiated products to various regional markets around the world and obtained registrations for 20 new differentiated products. New Product Introductions (NPI) percentage out of the full year sales of 2023 reached 22%, referring to products launched over the last five years.

II. Work of the Board of Directors

(I) Meetings of the Board of Directors

In 2023, the Board of Directors of the Company conscientiously performed its duties and exercised its powers in accordance with the law and held a total of 12 Board meetings. The Board of Directors sought to conduct in-depth analyses, full discussions and prudent decision-making before considering the proposals to ensure scientific decision-making and compliant operation of the Company. It considered and passed a

total of 37 proposals, and there was no proposal rejected, specifically as follows:

Session	Meeting date	Disclosure date	Resolutions of the Meeting
The 18 th Meeting of the 9 th Session of the Board of Directors	February 15 th , 2023	February 16 th , 2023	The meeting considered and adopted, 1. Proposal on the Matters Relating to the Company's Chief Financial Officer 2. Proposal on Credit Facilities from the Related Party
The 19 th Meeting of the 9 th Session of the Board of Directors	March 19 th , 2023	March 21 st , 2023	The following resolutions were deliberated and adopted: 1. Proposal on the 2022 Annual Report and its Abstract 2. Proposal on the 2022 Financial Statements 3. Proposal on the Pre-Plan of the 2022 Dividend Distribution 4. Proposal on the Self-Assessment report on the 2022 Internal Control of the Company 5. Proposal on the 2022 Working Report of the Board of Directors 6. Proposal on the 2022 Risk Appraisal Report of Sinochem Finance Co., Ltd. 7. Proposal on the Remuneration of Senior Executives 8. Proposal on the Engagement with an Audit Firm for the Audit of the Financial Statements and Internal Control of the Company for 2023 9. Proposal on the Expected Related Party Transactions in the Ordinary Course of Business in 2023 10. Proposal on Revisions to the Articles of Association of the Company and relevant Rules of Procedures 11. Proposal on Revisions to the Management Measures for the Delegation of Certain Powers of the Board of Directors to the Chief Executive Officer of ADAMA Ltd. 12. Proposal on the Company's Work Plan on Supporting External Directors to Perform Duties 13. Proposal on the Work Rules of the President and Chief Executive Officer of ADAMA Ltd. 2022 Working Reports of the Independent Directors were presented
the 20 th Meeting of the 9 th Session of the Board of Directors	March 20 th , 2023	March 21 st , 2023	The meeting considered and approved Proposal on Calling for the 2022 Annual General Meeting
the 21 st Meeting of the 9 th Session of the Board of Directors	April 2 nd , 2023	April 4 th , 2023	The meeting considered and approved Proposal on Change of the Senior Executive of the Company
the 22 nd Meeting of the 9 th Session of the Board of Directors	April 24 th , 2023	April 25 th , 2023	The following resolutions were deliberated and adopted: 1. Proposal on the Q1 2023 Report 2. Proposal on Providing Guarantees in favor of the Company's Wholly-owned Subsidiary 3. Proposal on Bank Loans for the Working Capital of Jingzhou Site
the 23 rd Meeting of the 9 th Session of the Board of Directors	July 25 th , 2023	July 26 th , 2023	The meeting considered and approved the Proposal on ADAMA's 2022 Environmental, Social, and Governance (ESG) Report
the 24 th Meeting of the 9 th Session of the Board of	August 28 th , 2023	August 31 st , 2023	The following resolutions were deliberated and adopted: 1. Proposal on the 2023 Semi-Annual Report and its Abstract

Session	Meeting date	Disclosure date	Resolutions of the Meeting
Directors			2. Proposal on the Risk Appraisal Report of Sinochem Finance Co., Ltd. 3. Proposal on Bank Loans 4. Proposal on Credit Facility from the Related Party 5. Proposal on Calling for the 1st Interim Shareholders Meeting in 2023
the 25 th Meeting of the 9 th Session of the Board of Directors	October 29 th , 2023	October 31 st , 2023	The meeting deliberated and adopted the proposal on the Q3 2023 Report.
the 26 th Meeting of the 9 th Session of the Board of Directors	November 15 th , 2023	November 16 th , 2023	The following resolution was deliberated and adopted: 1. Proposal on the Nomination of a Non-Independent Director of the 9 th Session of the Board of Directors 2. Proposal on Calling for the 2 nd Interim Shareholders Meeting in 2023
the 27 th Meeting of the 9 th Session of the Board of Directors	December 8 th , 2023	December 9 th , 2023	The following resolution was deliberated and adopted: 1. Proposal on Revisions to the Articles of Association of the Company 2. Proposal on the Nomination of an Independent Director of the 9 th Session of the Board of Directors 3. Proposal on Calling for the 3 rd Interim Shareholders Meeting in 2023
the 28 th Meeting of the 9 th Session of the Board of Directors	December 18 th , 2023	December 20 th , 2023	The meeting considered and adopted: 1. Proposal on the 2024 Work Plan 2. Proposal on Change of the Chairman of the Board and Members of the Special Committees of the 9 th Session of the Board of Directors
the 29 th Meeting of the 9 th Session of the Board of Directors	December 29 th , 2023	December 30 th , 2023	The meeting considered and adopted: 1. Proposal on Salary Management Measures, External Guarantee Management Rules, Liability Management Measures and External Donation Management Measures 2. Proposal on Revisions to the Management Policy of Investor Relations 3. Proposal on Signing of Supplemental Agreement to the Entrusted Operation and Management Agreement on Anhui Petro & Chemical

(II) Convening of the General Shareholders' Meetings

In 2023, the Board of Directors of the Company convened 4 general meetings of shareholders to consider 14 proposals. The meeting notice, proposals, proceedings, voting on motions and information disclosure of the shareholders' meetings were in compliance with the requirements of the regulations. All material decisions were decided by the shareholders' meetings in accordance with the laws and witnessed by lawyers, so as to ensure the rights of all shareholders, especially the minority shareholders, to know, participate and vote on material matters of the Company. The details are as follows.

Session	Meeting Date	Resolution
2022 Annual General Meeting	April 12 th , 2023	1. Proposal on the 2022 Annual Report and its Abstract 2. Proposal on the 2022 Financial Statements 3. Proposal on the Pre-Plan of the 2022 Dividend Distribution 4. Proposal on the Self-Assessment report on the 2022 Internal Control of the Company 5. Proposal on the 2022 Working Report of the Board of Directors 6. Proposal on the Engagement with an Audit Firm for the Audit of the Financial Statements and Internal Control of the Company for 2023 7. Proposal on the Expected Related Party Transactions in the Ordinary Course of Business in 2023 8. Proposal on the 2022 Working Report of the Board of Supervisors 9. Proposal on Revisions to the Articles of Association of the Company and relevant Rules of Procedures□10. Proposal on Credit Facilities from the Related Party
The 1 st Interim Shareholder Meeting in 2023	September 15 th , 2023	1. Proposal on Credit Facilities from the Related Party
The 2 nd Interim Shareholder Meeting in 2023	December 1 st , 2023	1. Proposal on the Nomination of a Non-Independent Director of the 9 th Session of the Board of Directors
The 3 rd Interim Shareholder Meeting in 2023	December 25 th , 2023	1. Proposal on Revisions to the Articles of Association of the Company 2. Proposal on the Nomination of an Independent Director of the 9 th Session of the Board of Directors

(III) Performance of Duties of Special Committees of the Board of Directors

The Board of Directors has set up the Strategy Committee, the Nomination Committee, the Audit Committee and the Remuneration and Evaluation Committee. In 2023, the special committees, in line with the principle of diligence and responsibility, actively carried out their work and provided decision-making advice to the Board of Directors, which have played an active role in compliant operation of the Company and the scientific decision-making of the Board of Directors.

In 2023, the Audit Committee held a total of six meetings to review the Company's periodic reports, related-party transactions, renewal of the appointment of audit firms, internal control, internal audit and dividend distribution, etc., ensuring effective supervision of the Company's financial status, strictly controlling the risks of the Company and safeguarding the legitimate rights and interests of the Company as well as the small and medium-sized shareholders. The Remuneration and Evaluation Committee held a total of three meetings during the year to review and issue opinions on the remuneration and departure arrangements of the senior management of the Company. The Nomination Committee of the Board of Directors held a total of four

meetings to carefully assess the candidates in accordance with the actual needs, to study and make recommendations for submission to the Board for consideration in respect of the Company's change and appointment of senior management, election of independent directors and non-independent directors.

(IV) Performance of Independent Directors

The Company currently has two independent directors. The independent directors performed their duties diligently, prudently and independently in accordance with *the Company Law* and *the Governance Rules for Listed Companies* as well as other laws and regulations such as the Company's *Articles of Association*. They paid timely attention to the Company's operation and finance progress, actively attended the relevant meetings on time, carefully considered the proposals of the Board of Directors and expressed fair and objective independent opinions on the relevant matters of the Company. In addition to their meeting attendance, the independent directors paid special visits to the production sites of the Company and its subsidiaries to gain an on-site understanding of the production and operation status and management, and conscientiously fulfilled their supervisory functions; they also participated in the annual report roadshows to understand the concerns and demands of investors on the Company.

The participation details of independent directors for the year of 2023 are as follows.

Details of Independent Directors' Attendance to Board Sessions and Shareholders' Meetings for 2023			
Name of the Directors	Sessions required to attend during the Reporting Period	Actual Attendance to Board Sessions	Attendance to shareholder meetings
GE Ming	12	12	4
Xi Zhen	11	11	4
YANG Guangfu	1	1	0

(V) Information Disclosure and Insider Information Management

The Company fulfils its information disclosure obligations in strict accordance with the relevant regulations on information disclosure of the CSRC and the SZSE as well as the requirements of the Company's "*Information Disclosure Management System*" and continues to improve the level of information disclosure. In 2023, the Company issued a total of 95 periodic reports and interim reports, and most of the announcements were disclosed in both Chinese and English, which disclosed all its material matters and

production and operation information in a true, accurate, complete, timely and fair manner. Meanwhile, the Company has strictly and effectively implemented the "*Management System for Registration of Persons Informed of Insider Information*", registered and reported persons informed of insider information in accordance with the law, strengthened the management of insider information, standardized the information transmission process, strengthened the awareness of employees on confidentiality and compliance, and strictly prevented insider trading. During the reporting period, the Company did not experience any stock price fluctuation due to leakage of insider information.

(VI) Management of Investors' Relations

The Board of Directors of the Company has attached great importance onto the management of investors' relations. The Company communicates with investors through public announcements, telephone inquiries, interaction on digital platforms, emails and other multimedia channels to promote the exchange of opinions. It held the performance roadshow meetings after the disclosure of the regular reports to introduce its business progress and industry overview to investors, and to take the opportunity to focus on specific areas such as research and development, marketing and operations for presentations, so as to deepen investors' understanding of the business operations and development prospects. The Company's 2022 online performance roadshows won the "Best Practice Award for 2022 Annual Report Performance Presentation" issued by the China Listed Companies Association for 100 listed companies.

III. Work Highlights of the Board of Directors for 2024

Looking forward to 2024, the Board of Directors of the Company will continue to act in a responsible manner to all shareholders with the objective of creating a high-quality listed company. It will keep faithfully and diligently performing its duties, actively play a central role in business operation and corporate governance, supervise the management to effectively implement the work plan for 2024 and stick to the medium- and long-term development plan by promoting value realization with innovation as the fundamental driving force and comprehensively enhancing the management level. Although the crop protection industry will remain challenging around the world in the new year, the Board of Directors of the Company will supervise the management team to take the adversity as an opportunity by enhancing the operational efficiency and effectiveness while continuing to strengthen cost reduction and control and to improve

the product sales structure. Strive to achieve the profitable growth, it will support the Company to optimize its medium- and long-term investment projects, focus on key market segments of value, push forward innovation, and continue to enhance the business quality. In addition, the Board of Directors will further improve various corporate governance systems and enhance the level of internal control management in accordance with the latest regulatory and operational requirements to ensure the Company's compliance. Meanwhile, the Board of Directors will conscientiously fulfil its information disclosure obligations to ensure that the information disclosed is true, accurate, complete, timely, concise, clear and easy to understand; and it will hold up the sound momentum in the management of investor relations, strengthen the contact and communication with the investors through a variety of channels to provide investors with ways to more conveniently and comprehensively understand the situation of the Company, and work hard to safeguard the interests of the Company as well as all shareholders.

Board of Directors of ADAMA Ltd.

March 25, 2024