Stock Code: 000553(200553) Stock Abbreviation: ADAMA A (B) NO. 2022-10

# ADAMA Ltd.

# Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2022

The Company and all members of its board of directors hereby confirm that all information disclosed herein is true, accurate and complete with no false or misleading statement or material omission.

## I. Basic Information on Related Party Transactions in the ordinary course of business

### (1) Overview of related-party transactions in the ordinary course of business

The Company expects that the aggregated amount of related party transactions between it and/or its subsidiaries (together the "**Group Companies**") and the subsidiaries of Sinochem Holdings Corporation Ltd. ("**Sinochem Holdings**", the actual controller of the Company) in 2022 shall not exceed RMB 5,141.09 million.

Such aggregated amount consists of (1) expected transactions of the Group Companies for the purchase of raw materials/products/fixed assets and the receipt of certain services from subsidiaries controlled by Sinochem Holdings, in a total amount that shall not exceed RMB 3,379.65 million; and (2) expected transactions of the Group Companies for the sale of products and the provision of services, in a total amount that shall not exceed RMB 1,761.44 million, to subsidiaries controlled by Sinochem Holdings. Such transactions hereinafter referred as the "Related-party transactions".

Related-party transactions of the above type performed by the Company in 2021 in the ordinary course of business amounted to RMB 3,134.39 million.

These estimations were performed based on the current available data and may change, inter alia, as a result of changes to the Group Companies' business and/or due to market conditions as well as due to the forming of Sinochem Holdings as part of the strategic restructuring of ChemChina and Sinochem Group Co., Ltd., and the continued alignment and cooperation between the companies of Syngenta Group Co., Ltd. ("**Syngenta Group**"), comprising the Company, Syngenta AG and Sinochem Holdings' agriculture-related activities, which will further capitalize on the value creation and synergy opportunities identified.

The related-party transactions matter has been reviewed and approved at the 9$^{th}$ Meeting of the 9$^{th}$ Session of the Board of Directors of the Company. Among the five directors of the Company, there were three affirmative votes, zero negative votes and zero abstentions, while the two related-party directors (Mr. Erik Fyrwald and Mr. Chen Lichtenstein)

refrained from voting.

The related-party transactions matter shall be further approved by the Shareholders Meeting. Syngenta Group will refrain from voting.

**(2) The types and amounts of expected related-party transactions in the ordinary course of business in 2022**

RMB'0000

| Type of related-party transaction | Related party | Content of related-party transaction | The pricing principle of related-party transaction | Contract amount or estimated amount not to exceed | Amount already occurred in 2022 as of the disclosure date | Amount occurred in the previous year |
|---|---|---|---|---|---|---|
| Purchasing raw materials and products from related parties | Syngenta A.G. and its subsidiaries | Purchase of raw materials/products | Market price | 145,104 | 27,176 | 90,985 |
| | Bluestar (Beijing) Chemical Machinery Co., Ltd. | Purchase of raw materials/products | Market price | 650 | 0 | 560 |
| | Jiangsu Huaihe Chemicals Co., Ltd. | Purchase of raw materials/products | Market price | 19,830 | 0 | 16,492 |
| | Sinofert | Purchase of raw materials/products | Market price | 200 | 0 | 688 |
| | Jiangsu Yangnong Chemical Co., Ltd. | Purchase of raw materials/products | Market price | 129,356 | 22,252 | 50,113 |
| | Jiangsu Youshi Chemical Co., Ltd. | Purchase of raw materials/products | Market price | 128 | 0 | 4,106 |
| | Jiangsu Ruixiang Chemical Co., Ltd. | Purchase of raw materials/products | Market price | 96 | 0 | 43 |
| | Jiangsu Youjia Plant Protection Co., Ltd. | Purchase of raw materials/products | Market price | 540 | 0 | 5,794 |
| | Hangzhou (Torch) Xidou Door Film Industry Co., Ltd. | Purchase of raw materials/products | Market price | 33 | 0 | 13 |

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|---|---|---|---|---|---|---|
| | Bluestar Engineering Co.,Ltd. | Purchase of raw materials/products | Market price | 10 | 0 | 14 |
| | Sinochem Agro Co.,Ltd. | Purchase of raw materials/products | Market price | 17,329 | 2,928 | 6,592 |
| | Zhonglan International Chemical Co., Ltd. | Purchase of raw materials/products | Market price | 18,000 | 0 | - |
| | Sub-total | - | - | 331,276 | 52,356 | 175,400 |
| Purchasing fixed assets from related parties | Bluestar Engineering Co.,Ltd. | Purchase of fixed assets | Market price | 6,500 | 0 | 137 |
| | Sub-total | - | - | 6,500 | 0 | 137 |
| Selling raw materials and products to related parties | Syngenta AG and its subsidiaries | Selling products | Market price | 127,343 | 20,149 | 90,625 |
| | Jiangsu Huaihe Chemicals Co., Ltd. | Selling products | Market price | 23,640 | 0 | 18,816 |
| | Sinofert | Selling products | Market price | 10,280 | 0 | 6,075 |
| | Sino MAP | Selling products | Market price | 541 | 0 | 523 |
| | Jiangsu Yangnong Chemical Co., Ltd. | Selling products | Market price | 200 | 6 | 146 |
| | Jiangsu Youshi Chemical Co., Ltd. | Selling products | Market price | 6,100 | 2,255 | 13,343 |
| | Zhonglan International Chemical Co., Ltd. | Selling products | Market price | 300 | 0 | 58 |
| | Jiangsu Youjia Plant Protection Co., Ltd. | Selling products | Market price | 240 | 0 | 237 |
| | Syngenta Nantong Crop Protection Co.,Ltd. | Selling products | Market price | 4,500 | 677 | - |
| | Sinochem International Crop Care Company Limited | Selling products | Market price | 3,000 | 1,227 | - |
| | Sub-total | - | - | 176,144 | 24,314 | 129,823 |
| Receiving services from related parties | China National Chemical Information Center | Value-added OA services | Market price | 94 | 0 | 46 |

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| | Zhonglan Lianhai Design Institute Co., Ltd. | Design services | Market price | 50 | 0 | 247 |
| | Syngenta AG and its subsidiaries | Regular service | Market price | 45 | 0 | 39 |
| | Sub-total | - | - | 189 | 0 | 332 |

(3) **Actual related-party transactions in the ordinary course of business performed in the previous year (2021)**

RMB'0000

| Type of related-party transaction | Related party | Content of related transaction | Actually occurred amount | Estimated amount not to exceed | Difference proportion（%） |
|---|---|---|---|---|---|
| Purchasing raw materials and products from related parties | Syngenta AG and its subsidiaries | Purchase of raw materials/products | 90,985 | 132,936 | -31.56% |
| | Bluestar (Beijing) Chemical Machinery Co., Ltd. | Purchase of raw materials/products | 560 | 940 | -40.43% |
| | Jiangsu Huaihe Chemicals Co., Ltd. | Purchase of raw materials/products | 16,492 | 19,000 | -13.2% |
| | Sinofert | Purchase of raw materials/products | 688 | 220 | 212.73% |
| | Jiangsu Yangnong Chemical Co., Ltd. | Purchase of raw materials/products | 50,113 | 52,010 | -3.65% |
| | Jiangsu Youshi Chemical Co., Ltd. | Purchase of raw materials/products | 4,106 | 120 | 3,321.67% |
| | Jiangsu Ruixiang Chemical Co., Ltd. | Purchase of raw materials/products | 43 | 160 | -73.13% |
| | Jiangsu Youjia Plant Protection Co., Ltd. | Purchase of raw materials/products | 5,794 | 160 | 3,521.25% |
| | Hangzhou (Torch) Xidou Door Film Industry Co., Ltd. | Purchase of raw materials/products | 13 | 10 | 30% |
| | Bluestar Engineering Co.,Ltd. | Purchase of raw materials/products | 14 | - | - |
| | Nantong Xingchen Synthetic Material Co., Ltd. | Purchase of raw materials/products | 14 | - | - |
| | Sinochem Agro Co.,Ltd. | Purchase of raw materials/products | 6,592 | - | - |
| | Shenyang Shenhua Institute Testing Technology Co., Ltd | Purchase of raw materials/products | 2 | - | - |
| | Shandong Dacheng Agrochemical Company Limited | Purchase of raw materials/products | 91 | - | - |
| | Sinochem International Crop Care (Overseas) Pte. Ltd. | Purchase of raw materials/products | 591 | - | - |
| | China Bluestar Chengrand Research Institute Chemical Industry | Purchase of raw materials/products | 1,221 | - | - |
| | Shenyang Chemical Co., | Purchase of raw | 409 | - | - |

| | | | | | |
|---|---|---|---|---|---|
| | Ltd. | materials/products | | | |
| | ELKEM SILICONES BRASIL LTDA | Purchase of raw materials/products | 192 | - | - |
| | Sub-total | - | 177,920 | 205,556 | -13.44% |
| Purchasing fixed assets from related parties | Zhonglan Lianhai (Shanghai) Chemical Engineering Technology Co., Ltd. | Purchase of fixed assets | 123 | - | - |
| | Changsha Huaxing Construction Supervision Co., Ltd. | Purchase of fixed assets | 174.60 | - | - |
| | Syngenta AG | Purchase of fixed assets | 4,677 | - | - |
| | Bluestar Engineering Co.,Ltd. | Purchase of fixed assets | 137 | - | - |
| | Sub-total | - | 5,112 | - | - |
| Selling products and goods to related parties | Syngenta AG and its subsidiaries | Selling products | 90,625 | 92,586 | -2.12% |
| | Jiangsu Huaihe Chemicals Co., Ltd. | Selling products | 18,816 | 21,000 | -10.4% |
| | Sinofert | Selling products | 6,075 | 8,030 | -24.35% |
| | Sino MAP | Selling products | 523 | 500 | 4.6% |
| | Jiangsu Yangnong Chemical Co., Ltd. | Selling products | 146 | 300 | -51.33% |
| | Jiangsu Youshi Chemical Co., Ltd. | Selling products | 13,343 | 25,000 | -46.63% |
| | Zhonglan International Chemical Co., Ltd. | Selling products | 58 | 360 | -83.89% |
| | Jiangsu Youjia Plant Protection Co., Ltd. | Selling products | 237 | 280 | -15.36% |
| | Sinochem Chongqing Fuling Chemical Co., Ltd. | Selling products | 0 | 50 | -100% |
| | Jiangsu Ruixiang Chemical Co., Ltd. | Selling products | 4 | - | - |
| | Sinochem Agro Co.,Ltd. | Selling products | 42 | - | - |
| | Shenyang Sinochem Agrochemicals R&D Co.,Ltd. | Selling products | 9 | - | - |
| | China National Chemical Information Center | Selling products | 126 | - | - |
| | Shenyang Chemical Institute Testing Technology Co., Ltd. | Selling products | 3 | - | - |
| | Sub-total | - | 130,007 | 148,106 | -12.22% |
| Receiving services from related party | China National Chemical Information Center | Value-added OA services | 46 | 128 | -64.06% |
| | Zhonglan Lianhai Design Institute Co., Ltd. | Design services | 247 | 120 | 105.83% |
| | Syngenta AG and its subsidiaries | Regular service | 39 | - | - |
| | Shenyang Chemical Research Institute Co., Ltd. | - | 68 | - | - |
| | Sub-total | - | 400 | 248 | 61.29% |
| **Aggregated** | | | **313,439** | **353,910** | **-11.44%** |
| An explanation by the board of directors for the major difference between the actual occurred amount of daily related transactions and the estimated amount | | | The Company estimates that the total amount of daily related party transactions in 2021 will not exceed RMB 3,539.1 million. The Company's actual amount incurred in 2021 is RMB 3,134.39 million, which does not | | |

| | |
|---|---|
| | exceed the expected amount. There is no significant difference between the actual amount and the estimation. |
| An explanation by the independent directors for the major difference between the actual occurred amount of daily related transactions and the expected amount | N/A |

Notes:

1. Please refer to the announcements on March 31, 2021, for the 2021 expected related-party transactions of the Company (Announcement number 2021-6).

2. In September, 2021, the industrial and commercial change registration procedures on the transfer of the equity in ChemChina to Sinochem Holdings were completed. Since September 2021, Sinochem Group Co., Ltd. and its holding subsidiaries have become new related parties of the Company, and the daily transactions between the Company and Sinochem Group Co., Ltd. and its holding subsidiaries are regarded as related party transactions.

## II. Introduction to Related Parties and Their Relationships with the Company

1. Bluestar (Beijing) Chemical Machinery Co., Ltd. (legal representative: Qiao Xiaofeng; registered address: No. 5, Xingye Street, Beijing Economic and Development Zone) has registered capital of RMB 200 million and mainly undertakes the businesses related to production of chemical machinery and equipment, production of type III pressure vessels, design, maintenance and installation of chemical machinery and equipment, technical consultation, technical services, technical training. The main financial data as of the date December 31, 2021 are: operating revenue of RMB 743,524,662.50, net profit of RMB 33,681,229.27, total assets of RMB 1,071,803,183.25, net assets of RMB 401,334,683.35.

   Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

   Analysis of contract performance capability: To the best knowledge of the Company, Bluestar (Beijing) Chemical Machinery Co., Ltd. operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

2. Jiangsu Huaihe Chemical Co., Ltd. (legal representative: Xia Wenbiao; registered address: Yutai County, Jiangsu Province) has registered capital of RMB 160 million and mainly undertakes the businesses related to manufacturing and sale of chemical products. The main financial data as of December 31, 2021 are: operating revenue of RMB 786,389,006.69, net profit of RMB 36,146,351.46, total assets of RMB 661,695,496.96, net assets of RMB 218,925,536.65.

   Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

   Analysis of performance capability: To the best knowledge of the Company, Jiangsu Huaihe Chemical Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good performance capability. After searching on the website of

disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

3. Sinofert Holdings Limited (Executive Director & CEO: Qin Hengde; registered office: Clarendon House 2 Church Street Hamilton HM11 Bermuda) is a company listed on the Main Board of the Stock Exchange of Hong Kong (stock code:00297), which has registered capital of HKD 8,000,000,000 and mainly undertakes the production, import and export, distribution and retail of fertilizer raw materials and finished products, provision of technological research and development and services relating to the fertilizer business and products, exploration and exploitation of phosphate mine, and production of monocalcium/dicalcium phosphate (MCP/DCP). The main financial data as of December 31, 2021 are: operating revenue of RMB 22,641,396,000, net profit of RMB 880,507,000, total assets of RMB 17,494,493,000, net assets of RMB 8,983,724,000.

   Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

   Analysis of contract performance capability: To the best knowledge of the Company, Sinofert Holdings Limited produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

4. Jiangsu Yangnong Chemical Co., Ltd. (legal representative: Qin Hengde; registered address: No. 39, Wenfeng Road, Yangzhou) has registered capital of RMB 309.8989 million and mainly undertakes the manufacture of agrochemicals and fine chemicals. The main financial data as of September 30, 2021 are: operating revenue of RMB 9,241,606,251.93, net profit of RMB 1,016,860,535.54, total assets of RMB12,537,939,404.75, net assets of RMB 6,756,128,863.40. Jiangsu Youshi, Jiangsu Youjia, Sinochem International Crop Care Company Limited and Sinochem Agro Co.,Ltd. mentioned in this announcement as expected related parties are subsidiaries of Jiangsu Yangnong Chemical Co., Ltd.

   Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

   Analysis of contract performance capability: To the best knowledge of the Company, Jiangsu Yangnong Chemical Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

5. Syngenta AG (registered address: Schwarzwaldallee 215 4058 Basel) has the registered capital of RMB 41.33 million and mainly undertakes the businesses related to crop protection, seeds. The main financial data as of the date December 31, 2021 are: total assets RMB 39,580,345,600.00, net assets RMB 39,484,710,100.00, net income RMB 4,816,207,800.00. Syngenta Nantong Crop Protection Co.,Ltd. mentioned in this announcement as expected related parties is a subsidiary of Syngenta AG.

   Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the

actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: Syngenta AG and its subsidiaries produce and operate normally and are in good operational and financial conditions and thus have a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

6. Jiangsu Ruixiang Chemical Co., Ltd. (legal representative: Feng Weilin; registered address: No.2, Dalian Road, Yizheng City, Yangzhou Chemical Industrial Park, Jiangsu Province) has registered capital of RMB 937.3434 million and mainly undertakes hazardous chemicals manufacturing, processing, sales, technology development and application services, hazardous chemicals wholesale, etc. The main financial data as of December 31, 2021 are: operating revenue of RMB 3,774,173,383.80, net profit of RMB 405,975,074.66, total assets of RMB 3,246,145,426.02, net assets of RMB 26,54,900,306.52.

   Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

   Analysis of contract performance capability: To the best knowledge of the Company, Jiangsu Ruixiang Chemical Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

7. Hangzhou (Torch) Xidou Door Film Industry Co., Ltd. (legal representative: Wang Shougen; registered address: Building 2, No. 602 Shunfeng Road, Qianjiang Economic Development Zone, Hangzhou) has registered capital of RMB 58.24 million and mainly undertakes the manufacturing of water treatment equipment, technical development, technical service and transfer of membrane separation technology, separation membrane and water treatment engineering technology products, and sales of separation membrane and water treatment engineering technology products. The main financial data as of December 31, 2021 are: operating revenue of RMB 133,485,690.41, net profit of RMB 244,410.81, total assets of RMB 77,040,427.93, net assets of RMB 51,567,859.01.

   Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

   Analysis of contract performance capability: To the best knowledge of the Company, Hangzhou (Torch) Xidou Door Film Industry Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

8. Bluestar Engineering Co., Ltd. (legal representative: Wang Lijie; registered address: 4/F, Building 1, No.5 Anxiang Road, Zone B, Tianzhu Airport Industrial Zone, Shunyi District, Beijing) has registered capital of RMB 110 million and mainly undertakes engineering services in the fields of chemical industry, rubber tires, environmental pollution prevention and energy

conservation, providing engineering general contracting service, engineering design, engineering consultation, etc. The main financial data as of December 31, 2021 are: operating revenue of RMB 202,413,735.44, net profit of RMB -58,337,033.41, total assets of RMB 406,596,539.57, net assets of RMB 82,183,977.41.

Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

Analysis of contract performance capability: To the best knowledge of the Company, Bluestar Engineering Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

9. Zhonglan International Chemical Co., Ltd. (legal representative: Yang Hongbin; registered address: No. 1205-1206, 12/F, No.62 North 4th Ring West Road, Haidian District, Beijing) has registered capital of RMB 100 million and mainly undertakes the wholesale chemical products, technology import and export, technology and information consulting services. The main financial data as of December 31, 2021 are: operating revenue of RMB 4,997,963,396.21, net profit of RMB 21,917,779.38, total assets of RMB 968,588,980.39, net assets of RMB 36,368,066.61.

   Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

   Analysis of contract performance capability: To the best knowledge of the Company, Zhonglan International Chemical Co., Ltd. produces and operates normally and is in good operational conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

10. Sinochem Agriculture Co., Ltd. (legal representative: Ying Minjie; registered address: Room 818, No. 28 Fuxingmennei street, Xicheng district, Beijing) has registered capital of RMB 4,000 million and mainly undertakes sales of agricultural production materials; grain purchases; services for agriculture; technology development and technology consultation on soil improvement and restoration, etc. The main financial data as of December 31, 2021 are: operating revenue of RMB 11,351,786,967.38, net profit of RMB -278,168,746.85, total assets of RMB19,007,794,740.53, net assets of RMB 38,269,954.33.

    Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

    Analysis of contract performance capability: To the best knowledge of the Company, Sinochem Agriculture Co., Ltd. produces and operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

11. China National Chemical Information Center (legal representative: Jie Yubin; registered address: No. 53 Anwai Xiaoguan Street, Chaoyang District, Beijing) has registered capital of RMB150 million and mainly undertakes the businesses related to chemical information analysis and consultation, software development and network technologies and services. The main financial data as of the date December 31, 2021 are: operating revenue of RMB 249,587,739.98, net profit of RMB 29,129,589.76, total assets of RMB 924,100,625.26, net assets of RMB 813,344,801.63.

    Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

    Analysis of contract performance capability: To the best knowledge of the Company, China National Chemical Information Center operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

12. Zhonglan Lianhai Design Institute Co., Ltd. (Legal Representative: Li Shourong; registered address:No.51, Chaoyang West Road, Haizhou District, Lianyungang) has registered capital of RMB128 million and mainly undertakes the businesses related to project consultation and evaluation, design and project management, engineering construction (excluding blasting), general contracting, technical services. The main financial data as of December 31, 2021 are: operating revenue of RMB 686,742,466.84, net profit of RMB 35,939,138.88, total assets of RMB 1,081,070,529.32, net assets of RMB 722,327,984.87.

    Relationship with the Company: It is a legal person controlled by Sinochem Holdings, the actual control holder of the Company. According to item (2) of paragraph 2 of Article 6.3.3 of the Rules of Shenzhen Stock Exchange for the Listing of Stocks, it is a related party of the Company.

    Analysis of contract performance capability: To the best knowledge of the Company, Zhonglan Lianhai Design Institute Co., Ltd. operates normally and is in good operational and financial conditions and thus has a good contract performance capability. After searching on the website of disclosure of enforcement information of China, it is not a dishonest party subject to enforcement.

## III. Main Content of Related-Party Transactions

1. Main content

    (1) All related-party transactions between the Group Companies and the relevant related parties should be carried out based on market terms and according to the principles of voluntariness, equality, mutual benefit, justice and fairness and without prejudice to the interests of the Company.

    (2) If there is any available state fixed price, then the state fixed price shall prevail; if the state fixed price is inapplicable or not applicable any more, then the market price shall prevail; if the market price is inapplicable or not applicable any more, then both parties shall determine the exact and fair pricing standards they believe to be based on relevant data.

2. Signing of transaction agreement

The Group Companies will conclude contracts with the relevant related parties according to their production and operation requirements and their ordinary course business practices.

## IV. Purpose of Related-Party Transaction and its Impact on the Company

These related-party transactions are necessary for the daily business operation of the Group Companies. They mainly aim to capitalize on the Group Companies' unique positioning and profile, including as part of the Syngenta Group, achieve cost savings, increase the Company's sales and market share and to drive its profitable growth. Based on the understanding of the related-parties' business performance, credit status and performance capability, the Group Companies have selected them to conduct transactions in the ordinary course of business. The related-party transaction activities follow the principle of fairness and justice, they will not adversely affect the Company and its non-related party shareholders. The Board of Directors of the Company holds that the related-party transactions benefit the continuity and stability of the Company's business operations and has a positive impact on the normal operations of the Company. Those transactions will not impact the independence of the Company.

## V. Independent Directors' Opinions

The Company's independent directors have given separate opinions on the related party transactions matter: The Group's related-party transactions performed in the ordinary course of business are mainly to purchase or sell goods, materials and services from/to the related parties based on the principles of justice and fairness and the pricing standards consistent with those of non-related parties, in order to capitalize on the Group's unique positioning and profile including as part of the Syngenta Group, achieve cost savings, increase the Company's sales and market share and to drive its profitable growth. All such transactions shall conform to relevant national laws and regulations, as applicable, and market-oriented principles, and shall not influence the independence of the Company or damage the interests of the Group Companies and their other shareholders. The decision-making procedures for these related party transactions conform to the *Company Law of the People's Republic of China*, the *Rules of Shenzhen Stock Exchange for the Listing of Stocks*, the *Articles of Association* and other laws and regulations. We agree on this proposal and submit it to the General Meeting of Shareholders for deliberation.

## VI. Documents for Future Reference

1. The resolution made at the 9th Meeting of the 9th Session of the Board of Directors of the Company;

2. Independent directors' prior written approval;

3. Independent directors' opinions.

The Board of Directors of ADAMA Ltd.

March 31, 2022