

Stock Code: 000553(200553)

Stock Abbreviations: ADAMA A(B)

Announcement No.2024-5

## Abstract of the 2023 Annual Report of ADAMA Ltd.

### I. Important Reminder

The Abstract is from the full text of the Annual Report. Investors are advised to read the full text of the Annual Report published on the media designated by China Securities Regulatory Commission for having a round understanding of the Company's performance, financial status and future development plan.

All the directors attended the Board of Directors meeting to review the Annual Report.

Non-standard auditor report

Applicable  Not applicable

Plan approved by the Board of Directors for dividend distribution of ordinary shares or increasing the capital by the transfer of capital reserves.

Applicable  Not applicable

The Company does not plan to distribute cash or share dividends, nor plan to transfer capital reserve to equity capital.

Plan approved by the Board of Directors for dividend distribution of preferred shares

Applicable  Not applicable

### II. Basic information about the Company

#### 1. Company profile

Stock name	ADAMA A, ADAMA B	Stock code	000553, 200553
Stock exchange	Shenzhen Stock Exchange		
Contact Information	Board Secretary	Securities Affairs Representative & Investor Relations Manager	
Name	Guo Zhi	Wang Zhujun	
Address	6/F, No.7 Office Building, No.10 Courtyard, Chaoyang Park South Road, Chaoyang District, Beijing		
Tel.	010-56718110	010-56718110	
E-mail	irchina@adama.com	irchina@adama.com	

#### 2. Main Business or Products during the Reporting Period

##### Main Business and Products

The Company is a global leader in crop protection, engaging in the development, manufacturing and commercialization of a wide range of crop protection products, that are largely off-patent. The Company provides solutions to farmers to combat weeds, insects and disease, and sells its products in over 100 countries, through approximately 60 subsidiaries worldwide.

The Company's main products are herbicides, insecticides and fungicide, which protect agricultural and other crops against weeds, insects and disease, respectively. The Company also utilizes its expertise to adapt such products also for the development, manufacturing and commercialization of similar products for non-agricultural purposes (Consumer and Professional Solutions). In addition, the Company leverages its core capabilities in the agricultural

and chemical fields and operates in several other non-agricultural areas, none of which, individually, is material for the Company. These activities, collectively reported as Intermediates and Ingredients, include primarily, (a) the manufacturing and marketing of dietary supplements, food colors, texture and flavor enhancers, and food fortification ingredients; (b) fragrance products for the perfume, cosmetics, body care and detergents industries; (c) the manufacturing of industrial products and (d) other non-material activities.

The Company's business model integrates end-customer access, regulatory expertise, state-of-the art global R&D, production and formulation facilities, thereby providing the Company a significant competitive edge and allowing it to launch new and differentiated products that meet local farmers and customer needs in key markets.

The Company's primary operations are global, spanning activities in North America, Latin America, Asia-Pacific (including China) and Europe, Africa and the Middle East.

#### General crop protection market environment

Key commodity crop prices declined substantially during 2023 as weather conditions normalized and the global crop supply situation improved. However, key commodity crop prices were still relatively high through 2023, supporting planted area and investment in crops, leading to healthy demand, at the farmer level, of crop inputs, including crop protection products. However, due to very high channel inventory across all geographies, channel demand was weak during 2023. The high interest rate environment 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. Going into 2024, channel inventories have improved across most geographies but they have still not normalized everywhere. The cost environment further improved in 2023 as active ingredient prices in China continued to decline all through 2023 reaching low levels.

#### Market Competition and the Company's Market Share

The global crop protection market is dominated by seven multinational companies, including the Group, five of which are originator companies. In the past decade, a number of mergers and acquisitions were completed among the largest players in the crop protection industry. Nonetheless, the crop protection industry as a whole is relatively decentralized, with a number of local manufacturers competing in each country against the global multinational companies. The Group believes that entry barriers for the crop protection market are relatively high, although they vary from region to region.

ADAMA is a leading company (in sales terms) among the crop-protection companies that focus on off-patent crop protection solutions. The Company's global crop protection market share was approximately 5.1% in 2023, based on preliminary estimation made by AgBio Investor regarding total sales in the agrochemical industry, and 6.5% in 2022.

### **3. Main Accounting Data and Financial Indicators**

#### **(1) Main Accounting Data and Financial Indicators of the Latest Three Years**

Whether the Company performed any retroactive adjustments to or restatement of its accounting data  
√Yes   No

Reasons for Retroactive Adjustments or Restatement of the Accounting Data: Other reasons

Unit: RMB'000

	2023	2022		+/- (%)	2021	
		Before adjustment	After adjustment		Before adjustment	After adjustment
Operating revenue (RMB'000)	32,779,456	37,381,915	37,381,915	-12.31%	31,038,605	31,038,605
Net profit attributable to the shareholders (RMB'000)	(1,605,887)	609,391	609,391	-363.52%	157,397	157,397
Net profit attributable to the shareholders, excluding non-recurring profit and loss (RMB'000)	(1,851,491)	490,428	501,621	-469.1%	77,853	106,438
Net cash flows from operating activities (RMB'000)	2,617,877	940,745	940,745	178.28%	4,561,875	4,561,875
Basic EPS (RMB/share)	(0.6893)	0.2616	0.2616	-363.49%	0.0676	0.0676
Diluted EPS (RMB/share)	N/A	N/A	N/A	N/A	N/A	N/A
Weighted average return on equity	(7.13%)	2.76%	2.76%	-9.89%	0.74%	0.74%
	31.12.2023	31.12.2022		+/- (%)	31.12.2021	
		Before adjustment	After adjustment		Before adjustment	After adjustment
Total assets (RMB'000)	55,405,803	57,980,489	57,980,489	-4.44%	50,235,308	50,235,308
Net assets attributable to the shareholders (RMB'000)	21,924,475	23,124,655	23,124,655	-5.19%	21,075,083	21,075,083

Reason for retroactive adjustments: The Company recognized the non-recurring profit and loss items in accordance with the “*Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public - Non-Recurring Profit and Loss (2023 Revised)*” and made retrospective adjustments. The implementation of this regulation has no significant impact on the non-recurring profit and loss in comparable accounting periods.

## (2) Main Accounting Data by Quarter

Unit: RMB'000

	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Operating revenue	8,610,576	8,642,625	7,406,903	8,119,352
Net profit attributable to the shareholders	83,273	(325,429)	(800,317)	(563,414)
Net profit attributable to the shareholders excluding non-recurring profit and loss	44,893	(343,038)	(845,864)	(707,482)
Net cash flows from operating activities	(2,905,168)	2,840,292	590,706	2,092,047

Any material differences between the financial indicators above or their summations and those which have been disclosed in quarterly or semi-annual reports

Yes  No

## 4. Shares and Shareholders

### (1) Number of Common Shareholders and Preferred Shareholders with Vote Right Restored and Shareholding Table of Top-10 Shareholders

Unit: share

Total number of shareholders at the reporting period	41,388	Total number of shareholders on the 30th trading day before the disclosure date of the annual report	41,393	Total number of preferred stockholder with vote right restored	0	Total number of preferred stockholder with vote right restored on the 30th trading day before the disclosure date of the annual report	0
Shareholding of Top-10 Shareholders (Excluding Shares Lent for the Relending Financing)							

Name of shareholder	Nature of shareholder	Holding percentage	Number of shares	Number of shares held subject to trading moratorium	Pledged or frozen shares	
					Status of shares	Amount
Syngenta Group Co., Ltd.	State-owned legal person	78.47%	1,828,137,961		--	--
China Cinda Asset Management Co., Ltd.	State-owned legal person	1.34%	31,115,916		--	--
Bosera Funds-China Merchants Bank-Bosera Funds Xincheng No.2 Collective Asset Management Plan	Others	0.28%	6,500,000		--	--
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Overseas legal person	0.27%	6,374,253		--	--
Wu Feng	Domestic Individual	0.27%	6,190,669		--	--
Bosera Funds-Postal Savings Bank-Bosera Funds Xincheng No.3 Collective Asset Management Plan	Others	0.26%	6,000,000		--	--
Zhu Shenglan	Domestic Individual	0.25%	5,756,000		--	--
China Universal Fund-Industrial Bank-China Universal-Strategic Enhancement No.3 Collective Asset Management Plan	Others	0.19%	4,400,000		--	--
Qichun County State-owned Assets Operation Center	State-owned legal person	0.18%	4,169,266		--	--
Bosera Funds-Postal Savings Bank-Bosera Funds Xincheng No.4 Collective Asset Management Plan	Others	0.17%	4,000,000		--	--
Explanation on associated relationship or/and persons	Syngenta Group Co., Ltd. is not related party or acting-in-concert party as prescribed in the Administrative Methods for Acquisition of Listed Companies to other shareholders. It is unknown to the Company whether shareholders above are related parties or acting-in-concert parties as prescribed in the Administrative Methods for Acquisition of Listed Companies.					
Particular about shareholder participate in the securities lending and borrowing business ( if any)	Shareholder Wu Feng held 4,809,943 shares of the Company through a common securities account and 1,380,726 shares of the Company through a credit collateral securities trading account, altogether 6,190,669 shares. Shareholder Zhu Shenglan held 5,756,000 shares of the Company through a credit collateral securities trading account.					

## Involvement of Top 10 Shareholders in Lending of Shares in the Relending Financing of Funds and Securities

Applicable  Not Applicable

## Change of the Top 10 Shareholders from the Previous Reporting Period

Applicable  Not Applicable

Change of the Top 10 Shareholders from the Previous Reporting Period					
Full Name of the Shareholder	Addition or Withdrawal Shares during the Reporting Period	Shares Lent for the Relending Financing at the Ending Period and Amount not yet Returned		Shares in General Shareholders' Accounts, Credit Accounts and Lent for the Relending Financing at the Ending Period and Amount not yet Returned	
		Total	Proportion of the Total Equity	Total	Proportion of the Total Equity
Zhu Shenglan	Addition	0	0	5,756,000	0.25%
Qichun County State-owned Assets Operation Center	Addition	0	0	4,169,266	0.18%
Bosera Funds-Postal Savings Bank-	Addition	0	0	4,000,000	0.17%

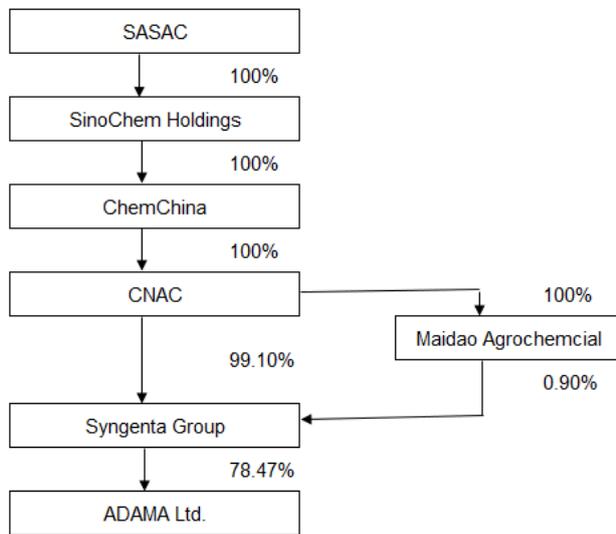
Bosera Funds Xincheng No.4 Collective Asset Management Plan					
Wang Xiuqin	Withdrawal	0	0	3,181,579	0.14%
Portfolio No.503 of National Social Security Fund	Withdrawal	0	0	0	0
CITIC Securities - Huarong Ruitong Equity Investment Management Co., Ltd. - CITIC Securities - Changfeng Single Asset Management Plan	Withdrawal	0	0	0	0

**(2) Number of Preferred Shareholders and Shareholding Table of Top-10 Preferred Shareholders**

Applicable  Not applicable

None in the Reporting Period.

**(3) Block Diagram of Equity and Control Relationship between the Company and Actual controller**



**5. Corporate Bonds on the Reporting Date**

Applicable  Not applicable

**III. Important Matters**

None.

For introduction to Company business during the reporting period, please refer to Section III. Management Discussion and Analysis of the full text of 2023 Annual Report.

ADAMA Ltd.

Legal Representative: Steve Hawkins

March 27<sup>th</sup>, 2024