

ADAMA Ltd.

Special Report on Statement of Deductible Items from Sales

For the year ended December 31, 2023

Note: The Special Report on Statement of Deductible Items from Sales will be issued in Chinese. This special explanation is English translation prepared for the Company's management review purpose only and cannot be provided to third parties for other purpose. If there is any conflict between the Chinese and English version, the Chinese version shall prevail.

Special Report on Statement of Deductible Items from Sales
For the year ended December 31, 2023
ADAMA Ltd.

De Shi Bao (Han) Zi (24) No. Q00752

To the shareholders of ADAMA Ltd.:

We are entrusted to audit the financial statements of ADAMA Ltd. (hereinafter referred to as "ADAMA"), which comprise consolidated and the Company's balance sheets as at 31 December 2023, and consolidated and the Company's income statements, consolidated and the Company's statements of changes in shareholders' equity and consolidated and the Company's cash flow statements for the year then ended (hereinafter referred to as the Company's financial statements for the year of 2023, and have issued the auditor's report with unqualified opinion (De Shi Bao (Shen) Zi (24) No.P02683) on March 25, 2024. The management of the Company is responsible for the preparation and fair presentation of the financial statements. Our responsibility is to express an opinion on these financial statements as a whole based on our audit.

ADAMA has prepared the attached 2023 Statement of Deductible Items from Sales in accordance with the relevant provisions of the Rules for Listing Stocks on the Shenzhen Stock Exchange and the Self-Regulatory Guide for Listed Companies on the Shenzhen Stock Exchange No. 1 - Business Handling.

The management of the Company is responsible for accurately prepare and disclose the 2023 Statement of Deductible Items from Sales and to ensure its authenticity, legality and completeness. We have checked the information contained in the attached 2023 Statement of Deductible Items from Sales with the relevant content of the accounting information reviewed by the firm during our audit of ADAMA's financial statements and the audited financial statements and found no inconsistencies in all material respects.

In order to better understand ADAMA's 2023 deductible items from sales, the attached 2023 Statement of Deductible Items from Sales should be read in conjunction with the audited financial statements.

The explanation is used for the disclosure of annual report for the year of 2023 only, and for no other purpose.

Deloitte Touche Tohmatsu CPA LLP
Shanghai, China

Chinese Certified Public Accountant
Ji Yuting

Chinese Certified Public Accountant
Zhao Jingyuan

March 25, 2024

ADAMA Ltd.
Special Report on Statement of Deductible Items from Sales
For the year ended December 31, 2023

Unit: RMB'000

Items	Current year	Prior year	Notes
Sales	32,779,456	37,381,915	
Total amount of Sales deductions	49,068	76,542	
The proportion of total deductions to Sales	0.15%	0.20%	
Deduction items in details:			
1、 Sales unrelated to the main business			
(1). Other operating income unrelated to the main business	49,068	76,542	Note 1
(2). Non-qualified financial business income as well as income generated from newly launched financial business in the current and previous year	-	-	
(3). Sales generated from newly launched trading business in the current and previous year	-	-	
(4). Related party sales unrelated to the normal business operations of the Company	-	-	
(5). Sales for the period from the beginning of the period to the date of consolidation of subsidiaries resulting from business combinations under the same control;	-	-	
(6). Other income from businesses that have not formed or are difficult to form a stable business model	-	-	
Sub-total	49,068	76,542	
2、 Sales without commercial substance			
(1). Sales generated from transactions or events that would not significantly change the risk, timing or amount of the future cashflows	-	-	
(2). Sales generated from transactions without real business	-	-	
(3). Sales generated from transactions without fair prices	-	-	
(4). Sales generated from subsidiaries or businesses acquired through unfair transactions or not acquired through a deal	-	-	
(5). Sales related to qualified audit opinion	-	-	
(6). Other sales without commercial substance	-	-	
Sub-total	-	-	
3、 Other Sales unrelated to the main business or without commercial substance	-	-	
Sales after deductions	32,730,388	37,305,373	

Note 1: Other operating income unrelated to the main business was mainly generated from the sales of by-products such as water, electricity and hydrogen, services income and rental income.

Adama Ltd

March 25, 2024