ADAMA LTD.

SEMI-ANNUAL REPORT 2026

August 2026

Section I - Important Notice, Table of Contents and Definitions

- The Company’s Board of Directors, directors and senior managers confirm that the content of the Report is true, accurate and complete and contains no false statement, misleading presentations or material omissions, and assume joint and several legal liability arising therefrom.
- Gaël Hili, the person in charge of the Company (President and Chief Executive Officer) as well as its legal representative, and Efrat Nagar, the person leading the accounting function (Chief Financial Officer), hereby assert and confirm the truthfulness, accuracy and completeness of the Financial Report.
- All the Company’s directors attended the board meeting for the review of this Report.
- The forward-looking information described in this Report, such as future plans, development strategy, market trends and their effect etc., does not constitute, in any manner whatsoever, a substantial commitment of the Company to investors. Investors and other relevant people are cautioned to be sufficiently mindful of investment risks as well as the difference between plans, forecasts and commitments.
- The Company has described its possible risks in “X - Risks Facing the Company and Countermeasures” under Section III herein. The major risks of the Company include, among others, exchange rate fluctuations; exposure to interest rate, Israel CPI and NIS exchange rate fluctuations; fluctuations in raw material inputs and prices, and in sales. Investors and other relevant people are cautioned to be sufficiently mindful of investment risks. For the complete “Risks Facing the Company and Countermeasures” of the Company, please see the relevant section below.
- For the Reporting Period, the Company does not plan to distribute cash dividends or bonus shares or convert capital reserve into share capital.
- This Report and its Abstract have been prepared in both Chinese and English. Should there be any discrepancies between the two versions, the Chinese version shall prevail.

Table of Contents

Documents Available for Reference

(I) Duly signed Financial Statements by the Legal Representative and Accounting Principal as well as Head of the Accounting Organ;

(II) Originals of all Company's documents previously disclosed in media designated by the CSRC as well as the originals of all the public notices, were deposited in the Company's office.

Definitions

General Terms	Definition
Company, the Company	ADAMA Ltd.
ADAMA Solutions	ADAMA Agricultural Solutions Ltd., a wholly-owned subsidiary of the Company, incorporated in Israel according to its laws
Anpon, ADAMA Anpon	ADAMA Anpon (Jiangsu) Ltd., a wholly-owned subsidiary of the Company, incorporated in China according to its laws
ADAMA Huifeng	ADAMA Huifeng (Jiangsu) Ltd., a 51% owned subsidiary of the Company, incorporated in China according to its laws
Board of Directors/Board	The Board of Directors of the Company
Group, the Group, ADAMA	The Company, including all its subsidiaries, unless expressly stated otherwise
ChemChina	China National Chemical Co., Ltd.
CNAC	China National Agrochemical Co., Ltd., the indirect controlling shareholder of the Company, a wholly-owned subsidiary of ChemChina
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
SASAC	State Assets Supervision and Administration Commission of China
Syngenta Group	Syngenta Group Co., Ltd, the controlling shareholder of the Company
Sinochem Holdings	Sinochem Holdings Corporation Ltd.
Sinochem Group	Sinochem Holdings including all its subsidiaries unless otherwise indicated or the context otherwise requires
Report	This 2026 Semi-Annual Report
Reporting Period, this Period	January 1, 2026 - June 30, 2026
2025 Annual Report	The Company’s 2025 Annual Report published on March 28, 2026

Section II - Corporate Profile and Financial Results

I. Corporate Information

Stock name	ADAMA A, ADAMA B	**Stock code**	000553, 200553
Stock exchange	Shenzhen Stock Exchange		
Company name in Chinese	安道麦股份有限公司		
Abbr.	安道麦		
Company name in English (if any)	ADAMA Ltd.		
Abbr. (if any)	ADAMA		
Legal representative	Gaël Hili		

II. 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
Fax	010-59246173	010-59246173
E-mail	irchina@adama.com	irchina@adama.com

III. Other Information

1. Ways to Contact the Company

Indicate by tick mark whether any changes occurred to the registered address, office address and their postal codes, website address and email address of the Company during the Reporting Period.

☐ Applicable √ Not applicable

No changes occurred to the said information during the Reporting Period, which can be found in the 2025 Annual Report.

2. Information Disclosure Media and Place where this Report is Kept

Indicate by tick mark whether any changes occurred to the information disclosure media and the place where this Report is kept during the Reporting Period.

☐ Applicable √ Not applicable

The newspapers designated by the Company for information disclosure, the website designated by the CSRC for the publication of this Report and the location where this Report is kept did not change during the Reporting Period. Said information can be found in the 2025 Annual Report.

3. Other Relevant Documents

Indicate by tick mark whether any changes occurred to the relevant documents during the Reporting Period.

☐ Applicable √ Not applicable

IV. Main Accounting Data and Financial Results

Indicate by tick mark whether the Company needs to retroactively adjust or restate any of its accounting data.

☐ Yes √ No

	January - June 2026	January - June 2025	YoY +/- (%)
Operating revenues (RMB'000)	14,476,540	15,024,200	-3.65%
Net profit (loss) attributable to shareholders of the Company (RMB'000)	432,567	(80,352)	638.34%
Net profit (loss) attributable to shareholders of the Company excluding non-recurring profit and loss (RMB'000)	80,637	(149,757)	153.85%
Net cash flow from operating activities (RMB'000)	669,909	1,738,578	-61.47%
Basic EPS (RMB/share)	0.1857	(0.0345)	638.26%
Diluted EPS (RMB/share)	NA	NA	NA
Weighted average return on net assets	2.46%	(0.42%)	2.88 pp
	End of Reporting Period	**End of last year**	
Total assets (RMB'000)	46,649,089	48,463,962	-3.74%
Net assets attributable to shareholders (RMB'000)	17,636,019	17,575,426	0.34%

V. Differences in Accounting Data under Domestic and Foreign Accounting Standards

1. Differences in Net Profit and Net Assets Disclosed in Financial Reports Prepared under Chinese and International Accounting Standards

☐ Applicable √ Not applicable

None during the Reporting Period.

2. Differences in Net Profit and Net Assets Disclosed in Financial Reports Prepared under Chinese and Foreign Accounting Standards

☐ Applicable √ Not applicable

None during the Reporting Period.

3. Reason for accounting data differences under Chinese and Foreign Accounting Standards

☐ Applicable √ Not applicable

VI. Non-Recurring Profit/Loss

√ Applicable ☐ Not applicable

Unit: RMB'000

Item	Reporting Period	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	306,349	Capital gain from the disposal of fixed assets, mainly a logistic center in Israel
Government grants recognized through profit or loss (excluding government grants closely related to regular operation of the Company and continuously given at a fixed quota or amount in accordance with certain standards)	3,940	
Recovery or reversal of provision for bad debts which is assessed individually during the years	27,827	
Custodian fees earned from entrusted operation	1,746	
Other non-operating income and expenses other than the above	5,533	
Other profit or loss that meets the definition of non-recurring profit or loss	17,102	Mainly compensation received related to limited and localized damage to one of the Company's Israeli manufacturing sites caused by falling debris following missile interceptions
Less: Income tax effects	10,567	
Total	351,930	

Details of other profit and loss items that meet the definition of non-recurring profit or loss.

☐ Applicable √ Not applicable

Mainly compensation received related to limited and localized damage caused by falling debris following missile interceptions at one of the Company's Israeli manufacturing sites as explained above in the note.

Explanation of non-recurring items of profit or loss listed in "*Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public-Non-Recurring Profit and Loss*" reclassified as recurring items of profit or loss

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

Section III - Performance Discussion and Analysis

I. Main Business of the Company during the Reporting Period

The Company is a corporation incorporated in the People's Republic of China.

The Group 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 Group provides solutions to farmers to combat weeds, insects and disease, and sells its products in dozens of countries globally, with direct presence in all top 20 markets.

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

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

The Group 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 Group 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 Group. 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.

ADAMA Group is a distinctive member of Syngenta Group, a world leader in agricultural inputs, spanning crop protection, seeds, additional agricultural and digital technologies, as well as an advanced distribution network in China.

The General Crop Protection Market Environment

Despite healthy underlying crop protection demand supported by low channel inventories, crop protection pricing remains under pressure in H1 2026. This is mainly due to lower farmer profitability, as well as persistently low active ingredient prices resulting from structural production overcapacity in China.

Farmer profitability remains low despite some easing in input costs, supporting continued just-in-time purchasing behavior. This is mainly due to crop commodity prices expected to remain broadly stable at relatively normal levels, although still sensitive to geopolitical and weather-related risks (e.g El Niño), limiting upside to farmer income. While geopolitical tensions continue to contribute to market uncertainties, inflation and energy prices have stabilized towards more normal levels.[1]

Crop Protection Products

As described within the Company's 2025 Annual Report, the Group is focused on the development, manufacturing and commercialization of largely off-patent crop protection products, which are generally

[1] Sources: Agbioinvestor, The CP Industry report - Market review: 2025. June 2026, internal sources

herbicides, insecticides and fungicides, which protect agricultural and other crops against weeds, insects and disease, respectively. Since the publication of the 2025 Annual Report, no major changes occurred with that respect. For details, please refer to 2025 Annual Report.

Please see important additional information and further details included in the Annex.

II. Core Competitiveness Analysis

No significant changes occurred to the core competitiveness of the Company during the Reporting Period.

III. Analysis of Main Business

General Description

Whether it is the same as main business of the Company during the Reporting Period disclosed or not?

√ Yes ☐ No

Please refer to the relevant information in section "I. Main Business of the Company during the Reporting Period" above.

Year-on-year changes of main financial data:

	2026 Apr-June (000'RMB)	Same period of last year (000'RMB)	+/-%	2026 Apr-June (000'USD)	Same period of last year (000'USD)	+/-%
Operating revenues	**7,270,859**	**7,851,465**	**-7.39%**	**1,062,878**	**1,091,791**	**-2.65%**
Cost of goods sold	5,315,231	5,806,542	-8.46%	776,910	807,427	-3.78%
Selling and Distribution expenses	1,014,018	1,024,305	-1.00%	148,233	142,442	4.07%
General and administrative expenses	303,702	362,102	-16.13%	44,393	50,358	-11.85%
R&D expenses	105,986	112,949	-6.16%	15,495	15,708	-1.36%
Financial Expenses	677,202	1,002,189	-32.43%	99,007	139,326	-28.94%
Gain from Changes in Fair Value	217,406	345,010	-36.99%	31,781	47,976	-33.76%
Total Net Financial Expenses	459,796	657,179	-30.04%	67,226	91,350	-26.41%
Loss before tax	**(26,148)**	**(257,578)**	**89.85%**	**(3,745)**	**(35,786)**	**89.54%**
Tax expenses (income)	110,513	(26,095)	523.50%	16,162	(3,629)	545.36%
Net loss	**(136,661)**	**(231,483)**	**40.96%**	**(19,907)**	**(32,157)**	**38.09%**
EBITDA	**1,008,725**	**933,527**	**8.06%**	**147,544**	**129,812**	**13.66%**
Net cash flows from operating activities	1,653,153	1,945,446	-15.02%	241,665	270,524	-10.67%
Net cash flows used in investing activities	(19,512)	(372,808)	-94.77%	(2,852)	(51,841)	-94.50%
Net cash flows used in financing activities	(1,903,425)	(1,890,259)	0.70%	(278,248)	(262,850)	5.86%
Net decrease in cash and cash equivalents	(313,059)	(320,875)	-2.43%	(38,750)	(43,437)	-10.79%

	Reporting Period (000'RMB)	Same period of last year (000'RMB)	+/-%	Reporting Period (000'USD)	Same period of last year (000'USD)	+/-%
Operating revenues	**14,476,540**	**15,024,200**	**-3.65%**	**2,099,592**	**2,091,331**	**0.40%**
Cost of goods sold	10,523,330	11,030,173	-4.60%	1,526,201	1,535,355	-0.60%
Selling and Distribution expenses	2,038,063	1,975,668	3.16%	295,570	275,013	7.47%
General and administrative expenses	602,039	734,867	-18.08%	87,318	102,302	-14.65%
R&D expenses	211,350	216,793	-2.51%	30,654	30,177	1.58%
Financial Expenses	1,023,706	1,024,340	-0.06%	148,875	142,429	4.53%
Gain (loss) from Changes in Fair Value	213,451	(6,493)	3387.40%	31,212	(1,007)	3,199.50%
Total Net Financial Expenses	810,255	1,030,833	-21.40%	117,663	143,436	-17.97%
Profit (loss)before tax	**392,385**	**(125,579)**	**412.46%**	**56,472**	**(17,403)**	**424.50%**
Tax expenses (income)	(40,182)	(45,227)	11.15%	(5,519)	(6,295)	12.33%
Net profit (loss)	**432,567**	**(80,352)**	**638.34%**	**61,991**	**(11,108)**	**658.08%**
EBITDA	**2,276,660**	**1,964,239**	**15.91%**	**329,989**	**273,447**	**20.68%**
Net cash flows from operating activities	669,909	1,738,578	-61.47%	100,201	241,697	-58.54%
Net cash flows from (used in) investing activities	137,321	(635,095)	121.62%	19,712	(88,391)	122.30%
Net cash flows used in financing activities	(1,251,166)	(1,367,061)	-8.48%	(184,404)	(189,941)	-2.92%
Net decrease in cash and cash equivalents	(534,294)	(268,278)	99.16%	(63,183)	(35,403)	78.47%

Major changes to the profit structure or sources of the Company in the Reporting Period:

☐ Applicable √ Not applicable

None during the Reporting Period.

Analysis of Financial Highlights

(1) Operating Revenues

Revenues in the second quarter decreased by approximately 3% (-7% in RMB; -5% in CER) to $1,063 million compared to last year, reflecting a decline of 1% in volumes and 3% in prices, partially compensated by positive foreign exchange impacts.

The lower volumes resulted from the Company's strategic decision to reduce the manufacture and sale of certain basic chemicals and low-margin products, partially compensated by new product introductions and healthy demand in the market. Lower prices reflected the overall lower market pricing and weaker farmer purchasing power.

These results brought the revenues in the first half of 2026 to $2,100 million, flat compared to last year (-4% in RMB terms; -3% in CER terms), reflecting a decrease of 4% in prices, offset by a 1% increase in volumes and positive foreign exchange impacts.

Excluding the Company's decision to reduce the manufacture and sale of certain basic chemicals, sales would have decreased by 1% in the second quarter and in the first half year period increased by 3% in comparison to the corresponding periods in 2025.

Unit: RMB'000

	2026H1		2025H1		YoY +/-%
	Amount	Ratio of the operating revenue	Amount	Ratio of the operating revenue	
Total operating revenue	14,476,540	100.0%	15,024,200	100.0%	-3.6%
Classified by industries					
Manufacture of chemical raw materials and chemical products	14,476,540	100.0%	15,024,200	100.0%	-3.6%
Classified by products					
Herbicides	6,496,416	44.9%	6,593,471	43.9%	-1.5%
Fungicides	2,944,209	20.3%	3,149,177	21.0%	-6.5%
Insecticides	4,056,572	28.0%	3,913,941	26.1%	3.6%
Ingredients and Intermediates (Formerly referred to as Non-Agro)	979,343	6.8%	1,367,611	9.1%	-28.4%
Classified by regions					
Europe, Africa & Middle East (EAME)	5,041,810	34.8%	4,811,339	32.0%	4.8%
North America	3,570,492	24.7%	3,554,544	23.7%	0.4%
Latin America	2,431,950	16.8%	2,609,695	17.4%	-6.8%
Asia-Pacific	3,432,288	23.7%	4,048,622	26.9%	-15.2%

Note: the sales split per product category is provided for convenience purposes only, and is not representative of the way the Company is managed or in which it makes its operational decisions.

Regional Sales Performance in USD

	Q2 2026 $m	Q2 2025 $m	Change USD	H1 2026 $m	H1 2025 $m	Change USD
Europe, Africa & Middle East (EAME)*	324	314	3%	731	670	9%
North America	281	276	2%	518	495	5%
Latin America	209	216	-3%	353	363	-3%
Asia Pacific*	248	286	-13%	498	564	-12%
Of which China	104	143	-28%	238	309	-23%
Total	1,063	1,092	-3%	2,100	2,091	0%

Note: the following analysis of regional sales performance is based on USD results, and the numbers in this table may not sum due to rounding.

Europe, Africa & Middle East (EAME):

Sales increased in the second quarter and first half of 2026 despite extremely dry weather, low disease pressure and a difficult spring season. Competitive pressure, farmer liquidity constraints and selective application decisions contributed to lower market consumption and higher channel inventories. Against this backdrop, ADAMA outperformed the underlying market, supported by strong channel execution and favorable foreign exchange conditions.

North America:

Sales increased both in the second quarter and first half year, presenting mixed performance across the businesses.

In **US Ag**, sales slightly declined in a competitive and price-sensitive crop protection market, as disciplined inventory management and leaner customer inventories continued to weigh on channel replenishment. **Canada** delivered sales growth supported by a balanced portfolio. In the **Professional Solutions** business unit, sales increased in the second quarter and first half year supported by higher volumes, favorable spring weather, despite continuous price erosion in weed control segments. In the **Consumer** business overall sales declined in the second quarter and increased in the first half year following lower pricing and lower private label demand, while supported by favorable spring weather across the US and improved distribution in key channels.

Latin America:

In **Brazil,** higher volumes reflected solid commercial execution across key crop seasons, including soybean and corn. However, sales in the second quarter and first half year were impacted by lower market prices, which more than offset the benefit from higher volumes, as lower farmer profitability and increased competition, particularly in commodity products, weighed on pricing.

In **the rest of LATAM,** sales in the second quarter and first half year increased, mainly driven by higher volumes and continued commercial momentum, offset by weak pricing in a highly competitive market. Growth was supported by deeper market penetration and strengthened positions in key markets, and was partly tempered by El Niño impacts and the normalization of channel inventories in parts of the region.

Asia-Pacific:

The sales in **India** in the second quarter and first half year increased in CER terms driven by higher volume and pricing reflecting continued commercial momentum despite uneven seasonal conditions, including delayed monsoon rainfall and El Niño-related effects on crop protection demand. Significant adverse foreign exchange impacts led to broadly stable sales in dollar terms.

In **Pacific,** sales in the second quarter and first half year increased despite the continued impact of El Niño-related weather conditions, particularly in Northern Australia, where dry conditions affected planting decisions and crop protection demand. Stronger demand in Southern and Western Australia helped offset regional weakness, demonstrating resilient commercial performance in a challenging market environment. Retailers and growers continued to favor just-in-time purchasing patterns amid intense market competition.

In **China**, sales declined, reflecting the Company’s decision to reduce manufacturing and sale of certain basic chemicals and low-margin products, and time-phasing of customized products. The decline was partially compensated by higher sales of brand formulations, driven by product launches and improved market penetration.

(2) Cost of Goods Sold:

List of the industries, products or regions which exceed 10% of the operating revenues or operating profits of the Company as at the Reporting Period

Unit: RMB'000

	Operating revenues	Cost of goods sold	Gross Margin (%)	YoY increase/decrease of the operating revenues	YoY increase/decrease of the cost of goods sold	YoY increase/decrease of the gross margin
Classified by industries						
Manufacturing chemical raw materials and chemical products	14,476,540	10,523,330	27.3%	-3.6%	-4.6%	0.72 pp
Classified by products						
Crop Protection	13,497,197	9,723,520	28.0%	-1.2%	-2.3%	0.84 pp
Ingredients and Intermediates	979,343	799,810	18.3%	-28.4%	-25.8%	-2.89 pp

If the scope of the Company's main business was adjusted during the Reporting Period, the Company's financial data of main business according to the adjusted scope at the end of the reporting period is disclosed as follows:

□ Applicable √ Not applicable

Gross profit and margin improved in the first half, mainly reflecting favorable foreign exchange impacts, higher volumes and improved quality of the business, more than compensating for lower prices, mild cost increases, and an increase in expenses supporting business growth.

(3) Operating Expenses:

Operating expenses include Sales and Marketing, General and Administration and R&D.

Operating expenses in the first half of the year reflected the negative impact of exchange rates and an increase in employee compensation. In the first half of both 2026 and 2025, the Company continued recording following charges in its sales and marketing expenses at a similar amount, which incurred due to mergers and acquisitions in recent years, mainly: (i) non-cash amortization charges in respect of transfer assets received from Syngenta related to the 2017 ChemChina-Syngenta acquisition; and (ii) non-cash amortization net charges related to intangible assets created as part of the Purchase Price Allocation (PPA) on acquisitions. The general and administrative expenses decreased as the restructuring costs significantly reduced compared to last year.

Non-operational charges affected the Company's reported operating expenses amounting to RMB 167 million ($ 24 million) in H1 2026 in comparison to RMB 338 million ($ 47 million) in H1 2025. For details of the non-operational charges, please refer to the Annex to the Report.

(4) Financial Expenses:

"Financial Expenses" alone mainly reflect interest payments on corporate bonds and bank loans as well as foreign exchange gains/losses on the bonds and other monetary assets and liabilities before the Company carries out any hedging. The impact of Financial Expenses (before hedging) is RMB 1,024 million ($ 149 million) for the first half of 2026 compared to RMB 1,024 million ($ 142 million) for the corresponding period in 2025.

Given the global nature of its operational activities and the composition of its assets and liabilities, the Company, in the ordinary course of its business, uses foreign currency derivatives (forwards and options) to hedge the cash flow risks associated with existing monetary assets and liabilities that may be affected by exchange rate fluctuations. “Gains/Losses from Changes in Fair Value”, which recorded the hedging costs and impacts among others amounted to a net gain of RMB 213 million ($ 31 million) in the first half of 2026, compared with a net loss of RMB 6 million ($ 1 million) in the corresponding period in 2025.

The aggregate of Financial Expenses and Gains/Losses from Changes in Fair Value (hereinafter as “**Total Net Financial Expenses**”), which more comprehensively reflects the financial expenses of the Company in supporting its main business and protecting its monetary assets/liabilities, amounts to RMB 810 million ($ 118 million) in the first half of 2026 compared with RMB 1,031 million ($ 143 million) in the corresponding period in 2025.

The lower Total Net Financial Expenses in the first half mainly reflected the better debt structure, which also reflects the buyback of bonds in Q2 2025, lower hedging costs related to foreign exchange, positive impact of the CPI and the benefits of continued positive cash flow. In addition, an expense was recorded in Q2 2025 in bond repurchase by a controlled subsidiary as part of strengthening the debt structure.

(5) Cash Flow:

Net cash flow from (used in) operating activities: Operating cash flow of RMB 670 million ($ 100 million) was generated in the half-year period, compared to RMB 1,739 million ($ 242 million) generated in the corresponding period last year. The lower operating cash flow was mainly due to higher receivables which reflected lower sales of basic chemicals with shorter collection terms, lower collections due to timing differences mainly in Q1 2025, and lower procurement in comparison to last year, in which the Company increased procurement and inventory in order to provide business continuity during the merging of entities in Israel.

Net cash flow from investing activities was an inflow of RMB 137 million ($ 20 million) in the half-year period, compared to an outflow of RMB 635 million ($ 88 million) in the corresponding period last year. The Company continued the execution of its strategy to prioritize the most critical investments in infrastructure, portfolio and innovation. Meanwhile, as part of optimizing its existing assets to enable new growth projects, the Company disposed fixed assets, resulting into the proceeds from asset disposal, mainly a logistics center in Israel. The higher cash used in investing activities last year also reflected the payment for earn out related to Agrinova, a controlled subsidiary of the Company.

Cash Flow from Financing Activities was RMB 1,251 million ($ 184 million) consumed in the half-year period, compared to RMB 1,367 million ($ 190 million) consumed in the corresponding periods last year, mainly reflecting lower borrowings supported by continued positive cash flow while less cash was utilized to reduce debts compared to last year.

IV. Analysis of Non-Core Business

√ Applicable ☐ Not applicable

Unit: RMB'000

	Amount	Proportion in total profit	Reasons	Whether sustained
Investment income	6,593	1.68%		No
Gain from change of Fair Value	213,451	54.40%	Mainly foreign currency effect on financial assets and liabilities (refer to explanation to Financial expenses above).	No
Credit impairment losses	(28,205)	(7.19%)	Please refer to the Announcement on Asset Impairment (Announcement No. 2026-22) disclosed on www.cninfo.com.cn	No
Asset impairment losses	(152,029)	(38.74%)	Please refer to the Announcement on Asset Impairment (Announcement No. 2026-22) disclosed on www.cninfo.com.cn	No
Gain from disposal of assets	306,349	78.07%	Capital gain from the disposal of fixed assets, mainly a logistic center in Israel	No
Non-operating income	94,399	24.06%		No
Non-operating loss	79,305	(20.21%)		No

V. Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB'000

	End of Reporting Period		End of last year		Change in percentage point (pp)	Reason for significant change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Cash at bank and on hand	2,906,052	6.23%	3,450,300	7.12%	-0.89 pp	–
Accounts receivable	7,781,302	16.68%	7,124,736	14.70%	1.98 pp	Lower sales with shorter collection terms and lower collections due to timing differences
Inventories	11,280,787	24.18%	11,607,842	23.95%	0.23 pp	–
Investment property	18,053	0.04%	18,869	0.04%	0.00 pp	–
Long term equity investments	42,820	0.09%	39,312	0.08%	0.01 pp	–
Fixed assets	9,635,349	20.65%	10,073,551	20.79%	-0.14 pp	–
Construction in progress	713,670	1.53%	897,175	1.85%	-0.32 pp	–
Right of use assets	562,738	1.21%	661,443	1.36%	-0.15 pp	–
Short-term loans	5,763,384	12.35%	6,673,792	13.77%	-1.42 pp	Repaid loans

	End of Reporting Period		End of last year		Change in percentage point (pp)	Reason for significant change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Accounts payable	5,048,131	10.82%	5,461,749	11.27%	-0.45 pp	-
Contract liabilities	1,515,640	3.25%	1,789,490	3.69%	-0.44 pp	–
Long-term loans	1,152,479	2.47%	1,507,514	3.11%	-0.64 pp	–
Debentures payable	5,138,114	11.01%	4,894,076	10.10%	0.91 pp	–
Lease liabilities	652,730	1.40%	751,226	1.55%	-0.15 pp	–

2. Main Overseas Assets

√ Applicable ☐ Not applicable

Specific contents of the assets	Reason	Scale (Amount) of the assets (RMB'000)	Location	Operation /Management mode	Control measures to guarantee safety of the assets	Net Profit of the assets (RMB'000)	Proportion of overseas assets out of total net assets (%)	Significant impairment risk?
Equity investment in Adama Solutions	Acquired through Major Assets Restructuring	14,398,393	Israel and globally	Corporate Governance	Corporate Governance	318,161	82%	No
Other explanations	N/A							

3. Assets and Liabilities Measured at Fair Value

√ Applicable ☐ Not applicable

Unit: RMB'000

Item	Opening balance	Profit/loss on fair value changes in the Reporting Period	Cumulative fair value changes charged to equity	Impairment provided in the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Others	Closing balance
Financial assets								
1.Financial assets held for trading (excluding derivative financial assets)	1,223	-	-	-	1,488	-	-	2,711
2.Derivative financial assets (including long term)	449,379	314,534	49,076	-	100,589	(683,858)	(1,228)	228,492
3.Other equity investments	129,796	-	(2,321)	-	-	-	-	127,475
Total financial assets	580,398	314,534	46,755	-	102,077	(683,858)	(1,228)	358,678
Other	58,566	-	-	-	51,973	(3,054)	-	107,485
Total of above	638,964	314,534	46,755	-	154,050	(686,912)	(1,228)	466,163
Financial liabilities	189,581	60,256	-	-	-	-	-	249,837

Significant changes in the measurement attributes of the main assets in the Reporting Period

☐ Yes √ No

4. Limitation on Asset Rights as of End of the Reporting Period

At the end of this Reporting Period, restricted assets included RMB 87,020,000 - restricted cash, most of which as guarantee for bank acceptance bills; and RMB 171,328,000 of other non-current assets, mainly as guarantee for lawsuits.

VI. Investments Made

1. Overall Condition of the Total Investments Made

√ Applicable ☐ Not applicable

Investment during the Reporting Period (RMB'000)	Investment during the Same Period Last Year (RMB'000)	+/-% YoY
21,098,640	16,137,558	30.74%

2. Significant Equity Investments during the Reporting Period

☐ Applicable √ Not applicable

3. Significant Non-Equity Investments executed during the Reporting Period

☐ Applicable √ Not applicable

4. Financial Investments

(1) Investments in Securities

☐ Applicable √ Not applicable

None during the Reporting Period.

(2) Investments in Derivative Financial Instruments

√ Applicable ☐ Not applicable

(1) Investment in Derivative Financial Instruments for Hedging during the Reporting Period

√ Applicable □ Not Applicable

Unit: 000 RMB

Investment Type	Initial Investment	Opening Balance	Profit/loss on fair value changes in the Reporting Period	Cumulative fair value changes charged to equity	Purchased in the Reporting Period	Sold in the Reporting Period	Closing Balance	Percentage of investment amount divided by net asset at end of the period
Option	3,760,408	3,760,408	76,284	92,653	1,900,241	3,760,408	1,900,241	11%
Forward	17,665,618	17,665,618	177,994	216,191	19,198,399	17,665,618	19,198,399	109%
Total	21,426,026	21,426,026	254,278	308,844	21,098,640	21,426,026	21,098,640	120%
Explanation of accounting policies and specific accounting principles for hedging during the reporting period, and any significant changes compared with last reporting period	Please refer to section VIII of this Report, note III. 32.1 for the disclosure of the accounting policies for hedging. There is no change in the accounting policies for hedging during the reporting period.							
Explanations about actual gain/loss during the Reporting Period	The gain during the year was RMB 308,844,000, mainly due to the devaluation of the USD by 6% vs. ILS.							
Explanations for hedging effect	The Group has effectively mitigated the impact from the exchange rate fluctuations during the year.							
Source of fund for the derivatives investment	Internal.							
Risk and control analysis for the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	The aforesaid refers to short term hedging currency transactions made with banks. The Group's transactions are not traded in the market. The Transactions are between the applicable company in the Group and the applicable bank until the expiration date of the transaction, therefore no market risk is involved. Regarding credit and liquidity risk, the Group is working with large and substantial banks only and with some of them the Group has ISDA agreements. As to operational risk, the Group is working with relevant software, which is its back office for all transactions. No legal risk is involved. The actions taken in order to further reduce risks are:							

	• The relevant subsidiaries have specific guidelines, under the Group's policy, which were approved by the subsidiaries' financial statements committee of the board, which specifies, inter alia, the hedging policy, the persons that have the authorization to deal with hedging, the tools, ranges etc. The only subsidiary that has hedging positions in the Group in the period was Adama Solutions and its subsidiaries. • The relevant subsidiaries apply management designed procedures and controls, which among other things, monitor the working process and the controls of the hedging transactions and are quarterly reviewed and annually audited. • The controllers of the relevant subsidiaries are involved in the process and are monitoring the hedging accounting treatment. Every 2-3 years the internal audit of the relevant subsidiaries' department is auditing the entire procedure.
Market price or fair value change of investments during the Reporting Period. **Specific methodology and assumptions should be disclosed in the analysis of fair value of the investments**	The aforesaid refers to short time hedging currency transactions made by the relevant subsidiary with banks. Segregation of duties as follows: For the fair value evaluation, the relevant subsidiary is usually using external experts. The relevant subsidiary hedges currencies only; the relevant transactions are simple (Options and forwards) for short terms. For fair value methodology see section VIII of this Report, note IX. Fair Value. The exchange rates are provided by the accounting department of the relevant subsidiary and all other parameters are provided by the experts.
Litigation-related situations (if applicable)	N/A
Date of disclosure of Board approval (if any)	December 23, 2025
Date of disclosure of Shareholders' approval (if any)	January 14, 2026

The company is required to comply with the "*Self-regulatory Guidelines for Listed Companies on Shenzhen Stock Exchange: No. 3 - Disclosure of Industry Information*".

The derivative transactions carried out by the Group were mainly through options and forward in order to mitigate the currency exposure and the fluctuation in Israeli CPI. For more details, please refer to the section above.

(2) Investment in Derivative Financial Instruments for Speculation during the Reporting Period

□ Applicable √ Not Applicable

No such situation occurred during the Reporting Period.

5. Use of Raised Fund

☐ Applicable √ Not applicable

None during the Reporting Period.

VII. Sale of Major Assets and Equity Interests

1. Sale of Significant Assets

☐ Applicable √ Not applicable

None during the Reporting Period.

2. Sale of Significant Equities

☐ Applicable √ Not applicable

VIII. Main Controlled and Joint Stock Companies

√ Applicable ☐ Not applicable

List of main subsidiaries and stock-participating companies influencing over 10% of the net profits on the Company

Unit: RMB'000

Name	Type	Main services	Registered capital	Total assets	Net assets	Operating revenues	Operating profit	Net profit
Adama Solutions	Subsidiary	Development, manufacturing and marketing of agrochemicals, intermediate materials for other industries, food additives and synthetic aromatic products, mainly for export.	720,085	38,914,963	11,684,019	13,320,971	273,369	318,161

Subsidiaries acquired or disposed during the Reporting Period

☐ Applicable √ Not applicable

Explanations on the main controlled and joint stock companies

√ Applicable ☐ Not applicable

During the Reporting Period, total sales of Solutions, a wholly-owned subsidiary of the Company, amounted to $1,930 million, an increase of 5% compared to last year, reflecting an increase of 5% in volumes and positive foreign exchange impacts, offset by a decrease of 4% in prices. Solutions' net income was $45 million in the first half of the year, compared with net loss of $34 million in the corresponding period last year. For detailed explanation of the performance movement, see above explanation of the Section.

IX. Structured Entities Controlled by the Company

☐ Applicable √ Not applicable

X. Risks Facing the Company and Countermeasures

The Group is exposed to several major risk factors, resulting from its economic environment, the industry and the Group's unique characteristics, as follows (the order below does not indicate priority):

Exchange rate fluctuations

Although the Company reports its consolidated financial statements in RMB, the Company’s material subsidiary Solutions reports its consolidated financial statements in US dollars, which is its functional currency, while its operations, sales and purchases of raw materials are carried out in various currencies. Therefore, fluctuations in the exchange rate of the selling currency against the purchasing currency impact the Company’s results. The Group's most significant exposures are to the Euro, the Israeli Shekel and the Brazilian Real. The Group has lesser exposures to other currencies. The strengthening of the US dollar against other currencies in which the Company operates reduces the dollar value of such sales and vice versa.

On an annual basis, approximately 23% of the Group’s sales are to the European market and therefore the impact of long-term trends on the Euro may affect the Company's results and profitability.

Analyses of currency exposure from foreign currency exchange rate fluctuations against assets, liabilities and cash flow denominated in foreign currencies are done constantly. High volatility of the exchange rates of these currencies could increase the costs of transactions to hedge against currency exposure, thereby increasing the Company's financing costs.

The Group uses commonly accepted financial instruments to hedge most of its substantial net balance sheet exposure to any particular currency. Nonetheless, since as part of these operations the Group hedges against most of its balance sheet exposure and only against part of its economic exposure, exchange rate volatility might impact the Group’s results and profitability. As of the date of publication of this Report, the Group has hedged most of its balance sheet exposure.

In addition, as the Company’s product sales depend directly on the cyclical nature of the agricultural seasons, therefore the Company’s income and its exposure to the various currencies is not evenly distributed over the year. Countries in the northern hemisphere have similar agricultural seasons and therefore, in these countries, the highest sales are usually during the first half of the calendar year. During this period, the Company is most exposed to the Euro. In the southern hemisphere, the seasons are opposite and most of the local sales are carried out during the second half of the year. During these months, most of the Company's exposure pertains to the Brazilian Real.

Exposure to Interest rate, Israel CPI and NIS exchange rate fluctuations

The debentures issued by Solutions, the material subsidiary of the Company, are Israeli Shekel based and linked to the Israel Consumer Price Index “CPI” and therefore an increase in the CPI and an appreciation of the shekel rate against the dollar might lead to a significant increase in its financing expenses. In addition, high volatility of the exchange rate of USD/NIS and expectations of material changes in the inflation rate, may increase the costs of hedging transactions on currency exposure, and as a result, may lead to a further increase in the company's financing costs. As of the date of approval of the financial statements, Solutions hedged most of its exposure to these risks on an ongoing basis, through CPI hedging and USD-ILS exchange rate hedging transactions.

In addition, inflation in several global markets has a cross effect on the business results of the Group, since on one hand, it contributes to the Group's ability to increase the sale price of its products, but on the other hand, it may increase the Group's production costs and operating expenses. As of the date of the Report, the Group is unable to isolate the influence of inflation on its sale prices and its costs. The Group estimates that the cumulative cross influence of inflation does not have a material effect on to its financial results.

In addition, the effect of interest changes on the debt that serves the Group’s working capital is seasonal. Such debt bears a variable interest, but has no material effect on the Group’s financing expenses. As a result, the net increase in interest rate does not have a material effect on the Group’s business.

Business operations in emerging markets

The Group conducts business - mainly product sales and raw material procurement - inter alia, in emerging markets such as Latin America (particularly in Brazil, the largest market, country wise, in which the Group operates), Eastern Europe, Southeast Asia and Africa. The Group's activity in emerging markets is exposed to risks typical of those markets, including: political and regulatory instability; volatile exchange rates; economic and fiscal instability and frequent revisions of economic legislation; relatively high inflation and interest rates; terrorism or war; restrictions on import and trade; differing business cultures; uncertainty as to the ability to enforce contractual and intellectual property rights; foreign currency controls; governmental price controls; restrictions on the withdrawal of money from the country; barter deals and potential entry of international competitors and accelerated consolidations by large-scale competitors in these markets. Developments in these regions may have a significant effect on the Group's operations. Distress to the economies of these markets could impair the ability of the Group's customers to purchase its products or the ability to market them at international market prices, as well as harm the Group's ability to collect customer debts, in a way that could have a significant adverse effect on the Group's operating results.

The Group’s operations in multiple regions allows for the diversification of such risks and for the reduction of its dependency on particular economies. In addition, changes in registration requirements or customers' preferences in developed western countries, which may limit the use of raw materials purchased from emerging economies, may require redeployment of the Group's procurement organization, which might negatively affect its profitability for a certain period.

Operating in a competitive market

The crop protection products industry is highly competitive. Currently, seven multinational companies, including the Company, lead the global industry. Five of these, Bayer, Syngenta, Corteva, BASF and FMC, are Originator Companies, which develop, manufacture and market both patent-protected as well as off-patent products. The Group competes with the original products with the aim of maintaining and increasing its market share.

The Originator Companies possess resources enabling them to compete aggressively, in the short-to-medium term, on price and profit margins, so as to protect their market share. Loss of market share or inability to acquire additional market share from the Originator Companies can affect the Group's position in the market and adversely affect its financial results. For details regarding the Group’s competitive advantages see section III - subsection III. Core competitiveness analysis in 2025 Annual Report.

Similarly, the Group also competes in the more decentralized off-patent segment of the market, against other off-patent companies and smaller-scale Originator Companies, which have significantly grown in number in recent years and are materially changing the face of the crop protection industry, the majority of whom have not yet deployed global distribution networks, and are only active locally. These companies often price their products aggressively and at times have lower profit margins than the Group, which may adversely impact the Group's sales and product prices. The Group's ability to maintain its revenues and profitability from a specific product in the long term is affected by the number of companies producing and selling comparable off-patent products and the timing of their entrance to the relevant market.

Any delay in developing or obtaining registrations for products and/or delayed penetration into markets and/or growth of competitors that focus on off-patent active ingredients (whether by the expansion of their product portfolio, granting registrations to other manufacturers (including manufacturers in China and India) to operate in additional markets, transforming their distribution network to a global scale or increasing the competition for distribution access), and/or difficulty in purchasing low cost raw materials, may harm the Group’s sales, affect its global position and lead to price erosion.

Decline in scope of agricultural activities; Climate change and exceptional changes in weather conditions

The scope of general agricultural activities worldwide may be negatively affected by many exogenous factors, some resulting from climate change, including but not limited to extreme weather conditions, natural disasters, a decrease in agricultural commodity prices, government policies and the economic condition of farmers. A material decline in the scope of agricultural activities would by necessary implication cause a decline in the demand for the Group’s products, erosion of its prices and collection difficulties, which may have a significant adverse effect on the Group's results. Extreme weather conditions, both chronic and acute, as well as other damages caused by nature may have an impact on the demand for the Group's products, as well as to price thereof. For example, drought may reduce the need for fungicides, which could result in fewer sales and greater unsold inventories in the market, whereas excessive rain could lead to increased plant disease or weed growth requiring growers to purchase and use more crop protection products. Drought and/or increased temperatures may change insect pest pressures, requiring growers to use more, less, or different insecticides. Climate change may increase the frequency or intensity of extreme weather such as storms, floods, heat waves, droughts and other events that could affect the demand for the Company’s products. The Group believes, that should extreme weather conditions or a number of such bad seasons occur in succession, without favorable seasons in the interim, its results may sustain significant harm.

Environmental, health and safety legislation, standards, regulation and exposure

Many aspects of the Group's operations are strictly regulated, including in relation to production and trading, and particularly in relation to the storage, treatment, manufacturing, transport, usage and disposal of its products, their ingredients and byproducts, some of which are considered hazardous. The Group's activities involve hazardous materials. Defective storage or handling of hazardous materials may cause harm to human life or to the environment in which the Group operates. The regulatory requirements regarding the environment, health and safety could, inter alia, include soil and groundwater clean-up requirements; as well as restrictions on the volume of the hazardous materials permitted to be stored in the Group’s facilities and type of emissions the Group is permitted to discharge into the air and water.

The regulatory requirements applicable to the Group vary from product to product and from market to market, and tend to become stricter with time. In recent years, both government authorities and environmental protection organizations have been applying increasing pressure, including through investigations and indictments as well as increasingly stricter legislative proposals and class action suits related to companies and products that may potentially pollute the environment. Compliance with these legislative and regulatory requirements and protection against such legal actions requires the Group to commit considerable human and financial resources (both in terms of substantial ongoing costs and in terms of material one-time investments) to meet mandatory environmental standards. In some instances, this may result in delaying the introduction of products into new markets or in adverse effects on the Group’s profitability. In addition, the toughening, material alteration or revocation of environmental licenses or permits, or their stipulations, or the inability to obtain such licenses and permits, may significantly affect the Group's ability to operate its production facilities, which in turn may have a material adverse effect on the financial and business results of the Group. The Group may be required to bear significant civil liabilities (including due to class actions) or criminal liabilities (including high penalties and/or high compensation payments and/or costs of environmental monitoring and rehabilitation), resulting from violation of environmental, health and safety regulations, while some of the existing legislation may impose “strict liability” regime on the Group, i.e. the Group will be held liable, regardless of proof of negligence or malice.

While the Group invests material sums in adapting its facilities and in constructing special facilities in accordance with environmental requirements, it is currently unable to assess with any certainty whether these investments (current and future) and their outcomes may satisfy current or future requirements, should these be significantly increased or changed. In addition, the Group is unable to predict with any certainty the extent of future costs and investments it may incur in order to meet the requirements of the environmental authorities in the relevant countries in which it operates since, inter alia, the Group is unable to estimate the extent of potential pollutions, their duration, the extent of the measures required to be taken by the Group in handling them, the division of responsibility among other parties and the amounts recoverable from third parties.

Furthermore, the Group may be the target of bodily injury claims and property damage claims caused by exposure to hazardous materials, which are largely covered under the Group’s insurance policies.

The Group is evaluating both transition and physical risks related to climate change. Physical chronic and acute risks to ADAMA production assets, activities and products are being evaluated with the PCRAM methodology. The Company has been assessing the transition risks, including the carbon taxes. Additional transition risks include the adaptation of novel technologies aimed at reducing carbon emissions.

In addition, regarding products that are exported to Europe, the Group may be subject to the EU Carbon Border Adjustment Mechanism (CBAM). As of this date, the Group’s products are not subject to the first phase of the CBAM.

Legislative, standard and regulatory changes in product registration

The majority of the substances and products marketed by the Group require registration at various stages of their development, production, import, utilization and marketing, and are also subject to strict regulatory supervision by the regulatory authorities in each country. Compliance with the regulatory requirements that vary from country to country and which are becoming more stringent with time, involves significant time and costs, and rigorous compliance with individual registration requirements for each product. Noncompliance with these regulatory requirements might materially adversely affect the Group’s expenses, cost structure and profit margins, as well as penetration of its products in the relevant market, and may even lead to suspension of sales of the relevant product, and recall of those products already sold, or to legal action. Moreover, to the extent new regulatory requirements are imposed on existing registered products (requiring additional investment or leading to the existing registration's revocation) and/or the Group is required to compensate another company for its use of the latter's product registration data, these might amount to significant sums, considerably increasing the Group's costs and adversely affecting its results and reputation. In recent years the industry has been suffering from revocation of registration for many products around the world. This trend is particularly evident in European countries as well as in many other countries worldwide.

Nevertheless, the Group believes that, in countries where the Group maintains a competitive edge, any toughening of registration requirements may actually increase this edge, since this will make it difficult for its competitors to penetrate the same market, whereas in countries in which the Group possesses a small market share, if any, such toughening may make further penetration of the Group's products into that market more difficult.

Product liability

Product and producer liability are a risk for the Group. Regardless of their prospects or actual results, product liability lawsuits might involve considerable costs as well as tarnish the Group's reputation, thus potentially impacting its profits. The Group has a third-party and defective product liability insurance cover. However, there is no certainty that the scope of insurance cover is sufficient. Any future product liability lawsuit or series of lawsuits could materially affect the Group’s operations and results, should the Group lose the lawsuit or should its insurance cover not suffice or apply in a particular instance. In addition, while the Group has not currently encountered any difficulty renewing such insurance policy, it is possible that it will encounter future difficulties in renewing an insurance policy for third party liability and defective products on terms acceptable to the Group.

Successful market penetration and product diversification

The Group’s growth and profit margins are affected, inter alia, by the extent of its success in developing differentiated products and obtaining registrations for them, so as to enable it to gain market share at the expense of its competitors. Usually, being the first to launch a certain off-patent product affords the Group continuing advantage, even after other competitors penetrate the same market. As such, the Group's revenues and profit margins from a certain new off-patent product could be materially affected by its ability to launch such product ahead of the launch of a comparable product by its competitors.

Should new products fail to meet registration requirements in the different countries or should it take a long period of time to obtain such registrations, the Group's ability to successfully introduce a new product to the relevant market in the future may be affected, since entry into the market prior to other competitors is important for successful market penetration. Furthermore, successful market penetration involves, inter alia, product diversification in order to suit each market's changing needs. Therefore, if the Group fails to adapt its product mix by developing new products and obtaining the required regulatory approvals, its future ability to penetrate that market and to maintain its existing market share could be affected. Failure to introduce new products to given markets and meet Group objectives (given the considerable time and resources invested in their development and registration) might affect the sales of the product in question in the relevant market, the Group’s results and margins.

Intellectual property rights of the Group and of third parties

The Group's ability to develop off-patent products is dependent, inter alia, on its ability to oppose patents or patent application of Originator Companies or other third parties, or to develop products that do not otherwise infringe intellectual property rights in a manner that may involve significant legal and other costs. Originator Companies tend to vigorously defend their products and may attempt to delay the launch of competing off-patent products by registering patents on slightly different versions of products for which the original patent protection is about to expire or has expired, with the aim of competing against the off-patent versions of the original product. The Originator Companies may also change the branding and marketing of their products. Such actions may increase the Group's costs and the risk it entails, and harm or even prevent its ability to launch new products.

The Group is also exposed to legal claims that its products or production processes infringe on third-party intellectual property rights. Such claims may involve time, costs, substantial damages and management resources, impair the value of the Group's brands and its sales and adversely affect its results. Such lawsuits that were concluded involved non-material amounts.

Furthermore, although the Group protects its brands and trade secrets with patents, trademarks and other methods of intellectual property protection, these protective means may not be sufficient for fully safeguarding its intellectual property. Any unlawful or other unauthorized use of the Group's intellectual property rights could adversely affect the value of its intellectual property and goodwill. In addition, the Group may be required to take legal actions involving financial costs and resources to safeguard its intellectual property rights.

Fluctuations in raw material inputs and prices, and in sales costs

Significant percentage of the Groups' cost of sales derives from raw material costs. Hence, significant increases or decreases in raw material costs affect the cost of goods sold, and are, due to the length of the Company's inventory cycle, generally reflected in the Company's financials. Most of the Group's raw materials are distant derivatives of oil prices and therefore, extreme changes or decrease in oil prices may affect the costs of raw materials, although only partially.

To reduce exposure to fluctuations in the prices of raw materials, the Group customarily engages in long-term purchase contracts for key raw materials, wherever possible. Similarly, the Group acts to adjust its sales prices, wherever possible, to reflect the changes in the costs of raw materials.

As of the date of approval of the financial statements, the Group has not engaged in any hedging transactions against increases in oil and other raw material costs.

Exposure due to recent developments in the genetically modified seeds market

Any significant development in the market of genetically modified seeds for agricultural crops, including as a result of regulatory changes in certain countries currently prohibiting the use of genetically modified seeds, and/or any significant increase in the sales of genetically modified seeds and/or to the extent new crop protection products are developed for further crops that would be widely used (substituting traditional products), will affect demand for crop protection products, requiring the Group to respond by adapting its product portfolio to the new demand structure. Consequently, to the extent that the Group fails to adapt its product mix accordingly, this may reduce demand for its products, erode their sales price and by implication affect the Group's results and market share.

Nevertheless, the fact that the Group itself markets some of the products for which herbicide tolerance traits have been developed, acts to mitigate this exposure (albeit only in terms of marketing margins).

In addition, natural and/or biological substances that attack weeds, pests and diseases are potential alternatives for the Company's products, though as of the date of the report, their efficiency is relatively limited, and they are commercialized in a relatively small volumes.

Operational risks

The Group's operations, including its manufacturing activities, rely, inter alia, on state-of-the-art computer systems. The Group continually invests in upgrading and protecting these systems from malfunctions and attack. Any unexpected failure of these systems, as well as the integration of new systems, could involve substantial costs and adversely affect the Group's operations until completion of the repair or integration.

The potential occurrence of a substantial failure that cannot be repaired within a reasonable time frame may also affect the Group's operations and its results. Currently, the Group has a property and loss-of-profit insurance policy.

The Group's production capacity is affected, among others, by its facilities' output and individual area and time allocation at full capacity. The Group's Multi-purpose facilities provide manufacturing flexibility and enable the Group to prepare for the manufacturing of new products. Although the Group believes that its existing sites have sufficient facilities and land areas to expand its production capacity, if necessary, in the case of immediate or short-term increases in demand for new products supply may be delayed due to lack of capacity to meet demand for such new products.

Data protection and cyber security

During its activity, the Group may be exposed to risks and threats, related to the stability of its information technologies systems, data protection and cyber security, which could appear in many different forms (such as service denial, misleading employees, malfunction, encryption or data erasing and other cyber-attacks via E-mail or malicious software). An attack on such computerized systems, mainly network based systems may cause the group material damages and expenses and even partial suspension and disruption of their proper functioning. In order to minimize the abovementioned risks, the group invests resources in its technological resilience and in proper protection of its systems.

Raw material supply and/or shipping, port service disruptions and inventory

Lack of raw materials or other inputs utilized in the manufacture of the Group's products may prevent the Group from supplying its products or significantly increase production costs. Moreover, the Group imports raw materials to its production facilities worldwide, from where it then exports the technical or formulated products to its subsidiaries around the world for formulation and/or commercialization purposes. Disruptions in the supply of raw materials from regular suppliers may adversely affect operations until an alternative supplier is engaged. If any of the Group's suppliers are unable to supply raw materials for a prolonged period, including due to ongoing disruptions and/or prolonged strikes and/or infrastructure defects in the operating of a relevant port, and if the Group is unable to engage with an alternative supplier at similar terms and in accordance with the relevant product registration requirements, this may adversely affect the Group's results, significantly affect its ability to obtain raw materials in general, or obtain them at reasonable prices, as well as limit its ability to supply products and/or meet customer supply deadlines. These might negatively affect the Group, its finances and operating results. In order to reduce this risk, it is the Group's practice to occasionally adjust the volume of its product inventories or in certain scenarios, to increase the levels of inventory held by the Company to overcome possible supply shortages, logistic challenges and increases in cost of inventory, as mentioned above, in order to support expected future sales. Additionally, in the case of fluctuations in the market prices for inventory held by the Company, this may affect its finances and operating results. In addition, war, regional conflicts, acts of terror and/or governmental instability around the world may negatively impact the Company's operations. This may result, among others, in the suspension of operations or the shutdown of affected facilities, hence causing production and distribution delays, loss of property, injury to employees, and increased insurance premiums.

Failed mergers and acquisitions; difficulties in integrating acquired operations

The Group's strategy may include selective mergers, acquisitions, investments and collaborations to enhance and strengthen its presence in certain markets. When pursuing such opportunities, effective integration with market conditions, profitability forecasts and competition are key considerations.

Challenges in implementation or deviations from forecasts may impact the expected value, customer retention, liability exposure and the valuation of intangible assets related to a merger or acquisition, as well as affect the retention of skilled personnel resources.

Production concentration in limited plants

A large portion of the Group's production operations is concentrated in a relatively small number of locations. Natural disasters, hostilities, labor disputes, substantial operational malfunction or any other material damage might significantly affect Group operations, as a result of the difficulty, the time and investment required for relocating the production operation or any other activity.

International taxation

Most of the Group's sales are global, through its consolidated subsidiaries worldwide. These individual companies are assessed in accordance with the tax laws effective in each respective location. The Group's effective tax rate could be significantly affected by different classification or attribution of the profits arising from the proportional value of the components of each of the companies in the Group in the various countries, as is recognized in each tax jurisdiction; changes in the characteristics (including regarding the location of control and management) of these companies; changes in the breakdown of the Group's profits into regions where differing tax rates apply; changes in statutory tax rates and other legislative changes; changes in assessment of the Group's deferred tax assets or deferred tax liabilities; changes in determining the areas in which the Group is taxed; and potential changes in the Group's organizational structure.

Changes in tax regulations and the manner of their implementation, including with regard to the implementation of BEPS, may lead to a substantial increase in the Group's applicable tax rates and have a material adverse effect on its financial position, results and cash flows.

Risks arising from the Group's debt

The Group finances its business operations by means of its own equity and loans from external sources (primarily traded debentures issued by Solutions, bank credit and credit from related parties). The Group's main source for servicing the debt and its operating expenses is by means of the profits from the Group companies' operations. Restrictions applying to the Group companies regarding distribution of dividends to the Group, or the tax rate applicable on these dividends, may affect the Group's ability to finance its operations and service its debt.

In addition, the Group's Finance Documents, as contained in the bank credit agreements, require meeting certain Financial Covenants. Failure to meet these covenants due to an exogenous event or non-materialization of Group forecasts, and insofar as the financing parties refuse to extend or update these Financial Covenants as per the Group's capabilities, may lead the financing parties to demand the immediate payment of these liabilities (or part thereof).

Exposure to customer credit risks

The Group's sales to customers worldwide usually involve customer credit as is customary in each market. A portion of these credit lines is insured, while the remainder are exposed to risk, particularly during economic slowdowns in the relevant markets. The Group's aggregate credit, however, is diversified among many customers in dozens of countries, mitigating this risk. In addition, in certain regions, particularly in South America, credit days are particularly long (compared to those extended to customers in regions such as Europe), and on occasion, inter alia, owing to agricultural seasons or economic downturns in those countries, the Group may encounter difficulty in timely collection of customer debts, with the collection period being extended over several years.

Generally, such issues arise more often in developing countries where the Group may be less familiar with its customers, the collaterals might be in double until actual repayment and the insurance cover of these customers is likely to be limited. Credit default by any of the customers may negatively impact the Group's cash flow and financial results.

The Group’s working capital and cash flow needs

Similar to other companies operating in the crop protection industry, the Group has substantial cash flow and working capital requirements in the ordinary course of operations. In view of the Group's growth and considering its primary growth regions, the Group’s broad product portfolio and the Group’s investments in manufacturing infrastructures, the Group has significant financing and investment needs. The Group acts continually to improve the state and management of its working capital. While currently the Group is in compliance with all its financial covenants, significant deterioration of its operating results may in the future lead the Group to fail to comply with its financial covenants and fail to meet its financial needs. As a result, the Group's ability to meet its goals and growth plans, as well as its ability to meet its financial obligations, may be harmed.

Contagious disease outbreak

Outbreak of a contagious disease and pandemics, or other adverse public health developments, in territories where significant production activity is taking place or from which raw materials are supplied to a significant extent, may have a material adverse effect on the Company’s activity, such that the Company may encounter difficulties with procurement of raw materials and intermediates, experience a certain decrease of activity within its production facilities due to governmental instructions, and be constrained with respect to its logistics and supply lines. In addition, the Company sales could be potentially impacted by a temporary decrease in demand for its products, as well as by temporary disruption of the Company’s ability to sell and distribute products as mentioned above.

XI. Development and Implementation of Market Cap Management Policy and Valuation Enhancement Plan

Has the Company developed Market Cap Management Policy

☐Yes √ No

Has the Company disclosed Valuation Enhancement Plan

√ Yes ☐No

On March 12th, 2025 the 10th Meeting of the 10th Session of the BOD approved the Valuation Enhancement Plan which was disclosed at www.cninfo.com.cn on March 14th, 2025 at Announcement No. 2025-13.

On March 26th, 2026, the 18th Meeting of the 10th Session of the BOD deliberated and reviewed the Report on Effectiveness of the Valuation Enhancement Plan in 2025.

The Company has been focusing on improving its business efficiency, quality and profitability first and foremost, and on this basis, improving investor relations management and enhancing the quality and transparency of information disclosure, etc., with an aim to strengthen the confidence of investors, and enhance the market value of the Company and investor returns.

XII. Implementation and enforcement of the 'Action Campaign to Upgrade Both Business Quality and Return'

Whether the Company has disclosed the announcement about the 'Action Campaign to Upgrade Both Business Quality and Return'

☐ Yes √ No

Section IV - Corporate Governance, Environment and Society

I. Changes in Directors and Senior Management

☐Applicable √ Not applicable

There were no changes in directors and senior management during the Reporting Period, please refer to the 2025 Annual Report for details.

II. Basic Information on the Profit Distribution and Converting Capital Reserve into Share Capital in the Reporting Period

☐ Applicable √ Not applicable

For the Reporting Period, the Company does not plan to distribute cash dividends or bonus shares or convert capital reserve into share capital.

III. Stock Incentive Plans, ESOP or Other Employee Incentives

☐ Applicable √ Not applicable

To the date of the report, the Company does not have stock incentive plans, ESOP or other staff incentives. It shall be noted, that the Company's subsidiary, Adama Solutions, currently has cash rewards incentive plans to executive officers and employees. These incentive plans are based either on the financial performance and/or the Company's shares (phantom cash incentives).

IV. Environmental Information Disclosure

Whether the listed company and its main subsidiaries are included in the list of enterprises that are required to disclose environmental information by the law

√ Yes ☐No

Number of enterprises included in the list of enterprises that are required to disclose environmental information by the law		4
No.	**Company Name**	**Index for disclosure of environmental reports**
1	ADAMA Ltd.	*2025 Annual Report* disclosed on the "Enterprise Environmental Information Disclosure System (Hubei Province)" http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=c39b8d32-e200-4b1c-aba9-b8cbd7483407&XH=16777498544370092446728&year=2025
2	ADAMA Anpon (Jiangsu) Ltd.	*2025 Annual Report* disclosed on the "Enterprise Environmental Information Disclosure System (Jiangsu Province)"

		http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
3	Maidao Branch of ADAMA Anpon (Jiangsu) Ltd.	*2025 Annual Report* disclosed on the “Enterprise Environmental Information Disclosure System (Jiangsu Province)” http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
4	ADAMA Huifeng (Jiangsu) Ltd.	*2025 Annual Report* disclosed on the “Enterprise Environmental Information Disclosure System (Jiangsu Province)” http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js

The Company must comply with the disclosure requirements for ‘businesses related to the chemical industry’ set out in the Self-Regulatory Guidance No. 3 for Listed Companies – Industry Information Disclosure of Shenzhen Stock Exchange.

Details regarding environmental incidents involving the listed company

In the first half of 2026, the Company did not have material environmental pollution incidents.

V. Social Responsibilities

In serving China’s national rural revitalization strategy, ADAMA actively fulfills its corporate social responsibilities. In the first half of 2026, the Company’s subsidiary, ADAMA Anpon assisted Yuanzhuang Village of Huai’an City, which is the designated assistance target, with infrastructure repairs and the clearing of ditches to ensure the unobstructed flow of waterways; it also carried out lighting renovation on rural roads to improve the living environment.

Section V - Significant Events

I. Commitments completed by the Company, the shareholders, the actual controllers, the purchasers, or other related parties during the Reporting Period, and those which should have been completed failed to be fulfilled during the Reporting Period

☐ Applicable √ Not applicable

Note: No commitment that should have been completed during the Reporting Period failed to be timely fulfilled.

II. Inadequate use of Company's capital by the controlling shareholder or its related parties for non-operating purposes

☐ Applicable √ Not applicable

No such situation occurred during the Reporting Period.

III. Illegal guarantee

☐ Applicable √ No

None during the Reporting Period.

IV. Engagement and Disengagement of CPA Firm

Has the semi-annual financial report been audited?

☐ Yes √ No

This Semi-Annual Report is unaudited.

V. Explanations Given by the Board of Directors Regarding "Modified Auditor's Report" Issued by CPA Firm for the Reporting Period

☐ Applicable √ Not applicable

VI. Explanations Given by Board of Directors Regarding "Modified Auditor's Report" Issued for Last Year

☐ Applicable √ Not applicable

VII. Bankruptcy and Restructuring

☐ Applicable √ Not applicable

None during the Reporting Period.

VIII. Litigation and Arbitration Matters

Material litigations or arbitrations:

☐Applicable √ Not applicable

The Company didn’t have material litigation or arbitration during the reporting period.

Other litigations or arbitrations:

√ Applicable ☐Not applicable

Overview of Litigation (or Arbitration)	Amount Involved (RMB '0000)	Whether to generate any estimated liabilities	Progress of Litigation (or Arbitration)	Result of the Litigation (or Arbitration) and the Impact	Enforcement of the Litigation (or Arbitration) Judgement	Disclosure Date	Disclosure Index
The plaintiff requested that the three defendants (China National Chemical Corporation Limited, Syngenta Group Co., Ltd. and ADAMA Ltd.) be jointly liable for the plaintiff's investment losses of RMB 916,135, caused to the plaintiff due to the failure to complete the commitments and the failure to fulfill the information disclosure obligations, as well as the litigation costs.	92	No	The Intermediate People's Court of Wuhan, Hubei Province, heard the case in March 2025, and issued its first instance judgment in August. The court ruled that the plaintiff's claim lacked factual and legal basis and was not validated. Therefore, the court dismissed the plaintiff's claims and ordered the plaintiff to bear the litigation costs for this case. Subsequently, the Company received a civil appeal because the plaintiff has been dissatisfied with the first-instance judgment. He has	The Hubei High Court, in its second-instance judgement, dismissed the plaintiff’s claims and ordered the plaintiff to pay the litigation costs. As final and binding as it is, the judgement is expected to have no impact on the Company’s profit for the current or future periods.	/	July 2, 2026	Announcement on Voluntary Disclosure of the Progress of the Company’s Involvement in Litigation (Announcement No. 2026-20) Disclosed at the website CNINFO www.cninfo.com.cn

Overview of Litigation (or Arbitration)	Amount Involved (RMB '0000)	Whether to generate any estimated liabilities	Progress of Litigation (or Arbitration)	Result of the Litigation (or Arbitration) and the Impact	Enforcement of the Litigation (or Arbitration) Judgement	Disclosure Date	Disclosure Index
			filed an appeal with Hubei Provincial Higher People's Court and requested that the first-instance judgment be revoked, the case be remanded for retrial, or the judgment be amended, and that the appellees bear the litigation costs. In June 2026, the Hubei High Court made its second-instance judgment in this case. The Court found the plaintiff's appeal not validated and dismissed it accordingly. The Hubei High Court affirmed the original first-instance judgment, concluding that the facts were clearly established and the law was correctly applied. The plaintiff was ordered to bear the costs of both instances. This judgment is final and binding.				

No other significant litigation or arbitration during the reporting period.

IX. Punishment and Rectification

☐Applicable √ Not applicable

None during the Reporting Period.

X. Integrity of the Company, its controlling shareholders and actual controller

☐ Applicable √ Not applicable

XI. Material Related-Party Transactions

1. Related-Party Transactions in the ordinary course of business

√ Applicable ☐ Not applicable

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
Syngenta AG and its subsidiaries	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	39,911	5.49%	134,212	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Jiangsu Youjia Plant Protection	Under the same control of Sinochem	Purchasing raw materials and products	Purchase of raw materials/	Market price	Market price	6,726	0.92%	19,598	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
Co., Ltd.	Holdings	from related parties	products										Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Jiangsu Yangnong Chemical Co., Ltd.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	325	0.04%	17,132	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Liaocheng Luxi Polyol New Material Technology Co., Ltd./ Liaocheng Luxi Methylamine Chemical Co., Ltd.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	1,913	0.26%	5,438	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sinochem Agro Co., Ltd.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	1,302	0.18%	2,634	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
													Course of Business in 2026 (No.2025-42)
Sinochem Petrochemical Sales Co., Ltd.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	1,072	0.15%	1,875	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sinochem Hebei Co., Ltd.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	93	0.01%	1,254		Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Bluestar (Beijing) Chemical Machinery Co., Ltd.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	406	0.06%	1,161	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
Sinochem International Crop Care (Overseas) Pte. Ltd.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	32	0.00%	799	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Ningxia Ruitai Technology Co., Ltd.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	46	0.01%	63	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
China Bluestar Chengrand Research Institute Chemical Industry	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	1	0.00%	3	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sinochem India Company Private	Under the same control	Purchasing raw materials	Purchase of raw materials/	Market price	Market price	25	0.00%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
Limited	of Sinochem Holdings	and products from related parties	products										Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Anhui Kelihua Chemistry Co., Ltd.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	1,215	0.17%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
ELKEM SILICONES BRASIL LTDA	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	248	0.03%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Anhui Chemical Research Institute	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	119	0.02%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
													Course of Business in 2026 (No.2025-42)
Jiangsu Ruiheng New Material Technology CO., LTD.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	3	0.00%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
YANGNONG SINGAPORE PTE. LTD.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	55	0.01%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Shenyang Sciencreat Chemicals Co. Ltd.	Under the same control of Sinochem Holdings	Purchasing raw materials and products from related parties	Purchase of raw materials/ products	Market price	Market price	94	0.01%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB ‘0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB ‘0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
Bluestar Engineering Co.,Ltd.	Under the same control of Sinochem Holdings	Purchasing fixed assets from related parties	Purchase of fixed assets	Market price	Market price	1,504	0.21%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Syngenta AG and its subsidiaries	Under the same control of Sinochem Holdings	Selling raw materials and products to related parties	Selling products	Market price	Market price	36,876	2.55%	112,644	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sinofert Holdings Limited	Under the same control of Sinochem Holdings	Selling raw materials and products to related parties	Selling products	Market price	Market price	-	-	6,406	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Jiangsu Youshi Chemical Co.,	Under the same control	Selling raw materials and	Selling products	Market price	Market price	463	0.03%	5,000	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
Ltd.	of Sinochem Holdings	products to related parties											Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sino MAP	Under the same control of Sinochem Holdings	Selling raw materials and products to related parties	Selling products	Market price	Market price	36	0.00%	3,888	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Syngenta Nantong Crop Protection Co.,Ltd.	Under the same control of Sinochem Holdings	Selling raw materials and products to related parties	Selling products	Market price	Market price	-	-	1,670	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sinochem Agro Co., Ltd.	Under the same control of Sinochem Holdings	Selling raw materials and products to related parties	Selling products	Market price	Market price	68	0.00%	750	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
													Course of Business in 2026 (No.2025-42)
Sinochem Crop Protection Products Co., Ltd.	Under the same control of Sinochem Holdings	Selling raw materials and products to related parties	Selling products	Market price	Market price	-	-	500	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sinochem Hebei Fuding Chemical Technology Co., Ltd.	Under the same control of Sinochem Holdings	Selling raw materials and products to related parties	Selling products	Market price	Market price	15	0.00%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sinochem Fertilizer Company Limited	Under the same control of Sinochem Holdings	Selling raw materials and products to related parties	Selling products	Market price	Market price	2,225	0.15%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
Beijing Guangyuan Yinong Chemical Co., LTD	Under the same control of Sinochem Holdings	Selling raw materials and products to related parties	Selling products	Market price	Market price	8	0.00%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sinochem Information Technology Co., Ltd.	Under the same control of Sinochem Holdings	Receiving services from related parties	IT services	Market price	Market price	31	0.00%	113	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Shenyang Shenhua Institute Testing Technology Co. Ltd.	Under the same control of Sinochem Holdings	Receiving services from related parties	Field Trials expense	Market price	Market price	33	0.00%	46	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Taicang Zhonglan	Under the same control	Receiving services from	Waste disposal fee	Market price	Market price	27	0.00%	38	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
Environmental Protection Technology Service Co., LTD	of Sinochem Holdings	related parties											Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Beijing Century Chemsunny Property Management Co.,Ltd.	Under the same control of Sinochem Holdings	Receiving services from related parties	Property and maintenances ervice	Market price	Market price	-	-	23	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Shenyang Chemical Research Institute Co., Ltd.	Under the same control of Sinochem Holdings	Receiving services from related parties	Technical service	Market price	Market price	5	0.00%	19	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Shenyang Sinochem Agrochemicals R&D Co., Ltd.	Under the same control of Sinochem Holdings	Receiving services from related parties	Regular service	Market price	Market price	-	-	13	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB ‘0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB ‘0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
													Course of Business in 2026 (No.2025-42)
Sino MAP	Under the same control of Sinochem Holdings	Receiving services from related parties	Regular service	Market price	Market price	-	-	7	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sinochem Zhoushan Hazardous Chemicals Emergency Rescue Base Co., Ltd.	Under the same control of Sinochem Holdings	Receiving services from related parties	Training expense	Market price	Market price	-	-	4	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Sinochem Shared Financial Services (Shanghai) Co., LTD	Under the same control of Sinochem Holdings	Receiving services from related parties	IT service	Market price	Market price	-	-	3	No	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)

Related party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price	Value (RMB '0000)	Percentage against transactions of the same kind	Approved transaction quota (RMB '0000)	Whether exceeds the approved quota	Settlement methods	Market price of similar transactions if the Company knows	Date of disclosure	Index of the disclosure
Huaxia Hanhua Chemical Equipment Co., LTD	Under the same control of Sinochem Holdings	Receiving services from related parties	Regular services	Market price	Market price	3	0.00%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Zhonglan Lianhai Design Institute Co., Ltd.	Under the same control of Sinochem Holdings	Receiving services from related parties	Regular services	Market price	Market price	11	0.00%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Syngenta A.G. and its subsidiaries	Under the same control of Sinochem Holdings	Receiving services from related parties	Regular services	Market price	Market price	79	0.01%	-	-	Cash Settlement	N/A	December 23, 2025	Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.2025-42)
Total				--	--	94,970	--	315,293	--	--	--	--	--

<table>
<tr><th>Related party</th><th>Relationship</th><th>Type of related party transaction</th><th>Content of related party transaction</th><th>Pricing principle of related party transaction</th><th>Price</th><th>Value (RMB ‘0000)</th><th>Percentage against transactions of the same kind</th><th>Approved transaction quota (RMB ‘0000)</th><th>Whether exceeds the approved quota</th><th>Settlement methods</th><th>Market price of similar transactions if the Company knows</th><th>Date of disclosure</th><th>Index of the disclosure</th></tr>
<tr><td colspan="4">Details of large sales return</td><td colspan="10">-</td></tr>
<tr><td colspan="4">Execution of related-party transactions in the ordinary course of business whose value was expected by types during this reporting period (if any)</td><td colspan="10">According to the Company's daily business operation needs, the Company estimates that the total amount of daily related party transactions in 2026 will not exceed RMB 3,152.93 million. For details, please refer to Announcement on Expected Related-Party Transactions in the Ordinary Course of Business in 2026 (No.: 2025-42). The Company’s actual amount of daily related party transactions defined in the listing rules incurred for the six months ended June 30,2026 is RMB 949.70 million, which does not exceed the expected amount.</td></tr>
<tr><td colspan="4">Reasons for large difference between transaction price and market reference price (if applicable)</td><td colspan="10">The Company’s related transactions with related party shall be carried out in accordance with the principle of voluntary, equality and mutual benefit, fair, and will not harm the interests of the Company.</td></tr>
</table>

2. Related-Party Transactions arising from Asset/Equity acquisition or sale

☐ Applicable √ Not applicable

The Company was not involved in any related-party transactions arising from asset/equity acquisition or sale during the Reporting Period.

3. Related-Party Transactions with Joint Investments

☐ Applicable √ Not applicable

The Company was not involved in any related-party transaction with joint investments during the Reporting Period.

4. Credits and Liabilities with Related Parties

√ Applicable ☐ Not applicable

Whether non-operating credits and liabilities with related parties exist or not?

☐ Yes √ No

The Company was not involved in any non-operating credit and liability with related parties in the Reporting Period.

5. Transactions with financial companies with related relationships

√ Applicable ☐ Not applicable

Deposit Business

In RMB '0000

Related Parties	Relations	Maximum Daily Deposit Limit	Range of Interest Rate	Opening Balance	Transactions during the Reporting Period		Ending Balance
					Total Deposit Amount for the Reporting Period	Total Withdrawal Amount for the Reporting Period	
Sinochem Finance Co., Ltd	Under the same control of Sinochem Holdings	150,000	0.25%-3.7%	91,288	14,192	28,658	76,822

Loans

In RMB ’0000

Related Parties	Relations	Credit Amount of the Loan	Range of Interest Rate	Opening Balance	Transactions during the Reporting Period		Ending Balance
					Total Amount of Loans for the Reporting Period	Total Amount of Payment for the Reporting Period	
Sinochem Finance Co., Ltd	Under the same control of Sinochem Holdings	200,000	2.11%	20,964	11,285	7,285	24,964

6. Transactions between the finance company controlled by the Company and related parties

☐ Applicable √ Not applicable

The Company does not hold any equity interest in any finance company.

7. Other material related-party transactions

√ Applicable ☐Not applicable

The 18th Meeting of the 10th Session of the Board of Directors and the 2025 Annual General Meeting approved the Proposal on Consolidation of Credit Facilities from the Related Party.

The website to disclose the interim announcements on significant related-party transactions:

Name of the interim announcement	Disclosure date of the interim announcement	Website to disclose the interim announcement
Announcement on Consolidation of Credit Facilities from the Related Party (Announcement No. 2026-10)	March 28, 2026	Juchao website www.cninfo.com.cn

XII. Particulars regarding material contracts and execution thereof

1. Particulars about trusteeship, Contract and Lease

(1) Trusteeship

√ Applicable ☐Not applicable

Explanation on Trusteeship

1) Entrusted Management of Anhui Petrochemical

On December 31, 2021, the Company entered into an Entrusted Operation and Management Agreement with CNAC. Pursuant to this Agreement, during the entrusted management period, the Company is entrusted to exercise the management rights that CNAC holds over Anhui Petrochemical Group Co., Ltd. (hereinafter referred to as "Anhui Petrochemical"). For specific details, please refer to the Announcement on Signing an Entrusted Operation and Management Agreement with a Related Party (Announcement No. 2022-2), Announcement on the Resolution of the 29th Meeting of the 9th Board of Directors

(Announcement No. 2023-46), and the Announcement on the Resolution of the 8th Meeting of the 10th Board of Directors (Announcement No. 2024-59) and the Announcement on the Progress of Related Party Transaction (Announcement No. 2025-37).

2) Entrusted Management of Overlapping Products Between Syngenta AG and the Company, and Mutual Entrusted Management of Different Overlapping Products with Yangnong Chemical

On December 31, 2024, the Company entered into entrusted management agreements with Syngenta AG (hereinafter referred to as "SAG") and Jiangsu Yangnong Chemical Co., Ltd. (hereinafter referred to as "Yangnong Chemical") respectively. Regarding the overlapping products between the Company and SAG, SAG has entrusted the Company to exercise and undertake the entrusted management business of such overlapping products. Regarding the overlapping products between the Company and Yangnong Chemical, the Company and Yangnong Chemical have mutually entrusted each other to exercise and undertake the entrusted management business of different overlapping products. For specific details, please refer to the Announcement on the Signing of the Entrusted Management Agreement with Related Parties (Announcement No. 2024-55) and the Announcement on the Resolution of the 9th Meeting of the 10th Board of Directors (Announcement No. 2025-1).

Projects Whose Profits and Losses for the Company Account for More Than 10% of the Company's Total Profits in the Reporting Period

☐Applicable √ Not Applicable

During the reporting period, the Company did not have entrusted management projects whose profits and losses account for more than 10% of the Company's total profits in the reporting period.

(2) Contract operation

☐ Applicable √ Not applicable

There was no contract operation of the Company in the Reporting Period.

(3) Lease

☐Applicable √ Not applicable

There is no major lease in the Reporting Period.

2. Significant Guarantees

(1) Details of guarantees

√ Applicable ☐ Not applicable

Unless otherwise specified, the unit hereunder is RMB '0000

Guarantees provided by the Company in favor of third parties (excluding subsidiaries)										
Guaranteed party	Disclosure date of the announcement	Planned guarantee amount	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral（if any）	Counter Guarantee（if any）	Period of guarantee	expired or not	Guarantee for a related party or not
--	--	--	--	--	--	--	--	--	--	--
Total guarantee line approved in favor of third parties (excluding subsidiaries) during the reporting period (A1)			0		Total amount of the occurred guarantee in favor of third parties (excluding subsidiaries) during the reporting period (A2)				0	
Aggregated guarantee line in favor of third parties (excluding subsidiaries) that has been approved by the end of the reporting period (A3)			5,000		Total guarantee balance in favor of third parties (excluding subsidiaries) by the end of the reporting period (A4)				0	
Guarantees provided by the Company in favor of its subsidiaries										
Guaranteed party	Disclosure date of the announcement	Planned guarantee amount	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral（if any）	Counter Guarantee（if any）	Period of guarantee	expired or not	Guarantee for a related party or not
ADAMA Anpon (Jiangsu) Ltd.	December 22, 2020 April 29, 2021 October28,2021	125,800	February 28, 2022	1,392	Joint and several liability	/	/	Three years after the project loan matures	No	No
			February 28, 2022	360	Joint and several liability	/	/	Three years after the project loan matures	Yes	No
			April 28, 2022	928	Joint and several	/	/	Three years after the	No	No

					liability			project loan matures		
			April 28, 2022	240	Joint and several liability	/	/	Three years after the project loan matures	Yes	No
			May 20, 2022	497	Joint and several liability	/	/	Three years after the project loan matures	No	No
			May 20, 2022	129	Joint and several liability	/	/	Three years after the project loan matures	Yes	No
			June 26, 2022	1,557	Joint and several liability	/	/	Three years after the project loan matures	No	No
			June 26, 2022	403	Joint and several liability	/	/	Three years after the project loan matures	Yes	No
	March 31, 2022	104,100	August 11, 2022	700	Joint and several liability	/	/	Three years after the project loan matures	No	No
			August 31, 2022	1,000	Joint and several liability	/	/	Three years after the project loan matures	No	No

			October 28, 2022	1,100	Joint and several liability	/	/	Three years after the project loan matures	No	No
			October 31, 2022	665	Joint and several liability	/	/	Three years after the project loan matures	No	No
			October 31, 2022	170	Joint and several liability	/	/	Three years after the project loan matures	Yes	No
			November 23, 2022	2,500	Joint and several liability	/	/	Three years after the project loan matures	No	No
			November 30, 2022	732	Joint and several liability	/	/	Three years after the project loan matures	No	No
			November 30, 2022	187	Joint and several liability	/	/	Three years after the project loan matures	Yes	No
			January 12, 2023	700	Joint and several liability	/	/	Three years after the project loan matures	No	No
			January 16, 2023	1,000	Joint and several	/	/	Three years after the	Yes	No

					liability			project loan matures		
			April 4, 2023	1,200	Joint and several liability	/	/	Three years after the project loan matures	No	No
			April 26, 2023	150	Joint and several liability	/	/	Three years after the project loan matures	No	No
			October 17, 2023	200	Joint and several liability	/	/	Three years after the project loan matures	No	No
			October 17, 2023	100	Joint and several liability	/	/	Three years after the project loan matures	Yes	No
			October 17, 2023	500	Joint and several liability	/	/	Three years after the project loan matures	Yes	No
			January 30, 2024	850	Joint and several liability	/	/	Three years after the project loan matures	No	No
			February 7, 2024	300	Joint and several liability	/	/	Three years after the project loan matures	No	No

	March 27, 2024	36,000	April 10, 2024	5,000	Joint and several liability	/	/	Three years after the loan matures	No	No
			March 25, 2025	2,900	Joint and several liability	/	/	Three years after the loan matures	No	No
	April 29, 2025	16,000	July 25, 2025	877	Joint and several liability	/	/	Three years after the loan matures	Yes	No
			August 15, 2025	447	Joint and several liability	/	/	Three years after the loan matures	Yes	No
			September 12, 2025	1,655	Joint and several liability	/	/	Three years after the loan matures	Yes	No
			September 12, 2025	584	Joint and several liability	/	/	Three years after the loan matures	Yes	No
			September 5, 2025	1,100	Joint and several liability	/	/	Three years after the loan matures	Yes	No
			December 24, 2025	1,063	Joint and several liability	/	/	Three years after the loan matures	Yes	No
			December 26, 2025	500	Joint and several liability	/	/	Three years after the loan matures	No	No
			December 26, 2025	2,262	Joint and several liability	/	/	Three years after the loan matures	No	No

			January 27, 2026	489	Joint and several liability	/	/	Three years after the loan matures	No	No
			February 10, 2026	1,339	Joint and several liability	/	/	Three years after the loan matures	No	No
			March 16, 2026	1,170	Joint and several liability	/	/	Three years after the loan matures	No	No
			March 15, 2026	1,969	Joint and several liability	/	/	Three years after the loan matures	No	No
			June 29, 2026	951	Joint and several liability	/	/	Three years after the loan matures	No	No
			January 1, 2026	2,395	Joint and several liability	/	/	Three years after the loan matures	No	No
			May 20, 2026	2,000	Joint and several liability	/	/	Three years after the loan matures	No	No
			January 28, 2026	488	Joint and several liability	/	/	Three years after the loan matures	No	No
			April 10, 2026	600	Joint and several liability	/	/	Three years after the loan matures	No	No
Total guarantee line approved in favor of the subsidiaries during the reporting period (B1)		0		**Total amount of the occurred guarantee in favor of the subsidiaries during the reporting period (B2)**					11,401	

Aggregated guarantee line that has been approved in favor of the subsidiaries by the end of the reporting period (B3)	281,900	Total guarantee balance in favor of the subsidiaries by the end of the reporting period (B4)	36,534

Guarantees provided by subsidiaries in favor of subsidiaries (USD ’0000)

Guaranteed party	Disclosure date of the announcement	Planned guarantee amount	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral（if any）	Counter Guarantee（if any）	Period of guarantee	expired or not	Guarantee for a related party or not
ADAMA Brazil	Not applicable	10,243	Related guarantees existed before the company was consolidated into the financial statements of the Company.	0	joint and several liability	/	/	Valid until cancelled	No	No
ADAMA Brazil	December 19, 2024	10,000	January 4, 2025	1,300	joint and several liability	/	/	December 31, 2027	No	No
ADAMA Brazil	December 19, 2024	2,000	January 4, 2025	0	joint and several liability	/	/	December 31, 2026	No	No
Adama India Private Ltd.	Not applicable	8,673	Related guarantees existed before the company was consolidated into the financial	476	joint and several liability	/	/	Valid until cancelled	No	No

			statements of the Company.							
ADAMA Turkey Tarım Sanayi ve Ticaret Limited Şirketi	Not applicable	7,150	Related guarantees existed before the company was consolidated into the financial statements of the Company.	0	joint and several liability	/	/	Valid until cancelled	No	No
Adama Makhteshim	Not applicable	unlimited	Related guarantees existed before the company was consolidated into the financial statements of the Company.	19,155	joint and several liability	/	/	Valid until cancelled	No	No
Adama Makhteshim	April 25, 2023	7,875	May 3, 2023	0	joint and several liability	/	/	Valid until cancelled	No	No
Adama Agan	Not applicable	unlimited	Related guarantees existed before the company was consolidated into the financial	7,605	joint and several liability	/	/	Valid until cancelled	No	No

			statements of the Company.							
ADAMA Agricultural Solutions UK Ltd.	January 22, 2022	452	January 22, 2022	59	joint and several liability	/	/	Valid until cancelled	No	No
ADAMA CELSIUS BV, Curacao branch, & ADAMA Fahrenheit BV, Curacao Branch	November 25, 2022	4,500	November 24, 2022	0	joint and several liability	/	/	Valid until cancelled	No	No
ADAMA CELSIUS BV, Curacao branch, & ADAMA Fahrenheit BV, Curacao Branch	January 22, 2022	7,000	January 22, 2022	6,083	joint and several liability	/	/	Valid until cancelled	No	No
ADAMA Ukraine LLC	Not applicable	1,500	Related guarantees existed before the company was consolidated into the financial statements of the Company.	0	joint and several liability	/	/	Valid until cancelled	No	No

ADAMA Ukraine LLC	October 10, 2023 October 30, 2025	1,429	October 28, 2023	725	joint and several liability	/	/	Valid until cancelled	No	No
ADAMA Ukraine LLC	December 19, 2024	800	February 3, 2025	0	joint and several liability	/	/	Valid until cancelled	No	No
ADAMA Ukraine LLC	October 30, 2025	1,612	December 11, 2025	845	joint and several liability	/	/	Valid until cancelled	No	No
Makhteshim Agan of North America Inc.	Not applicable	4,000	Related guarantees existed before the company was consolidated into the financial statements of the Company.	0	joint and several liability	/	/	Valid until cancelled	No	No
Makhteshim Agan of North America Inc.	September 28, 2024	4,543	September 26, 2024	4,543	joint and several liability	/	/	Six months after the termination of the principal agreement	No	No
Adama Australia Pty Ltd.	December 19, 2024	426	December 23, 2024	247	joint and several liability	/	/	Valid until cancelled	No	No
Total guarantee line approved in favor of the subsidiaries during the reporting period (C1)	0			**Total amount of the guarantee in favor of the subsidiaries occurred during the reporting period (C2)**				41,038（approximately RMB 2,795.06 million）		
Aggregated guarantee line that has	72,203 (approximately RMB			**Total guarantee balance in favor of the subsidiaries by**				41,038（approximately RMB 2,795.06		

been approved in favor of the subsidiaries by the end of the reporting period (C3)	4,917.67 million) (the guarantee amount for Adama Makhteshim and Adama Agan is unlimited)	**the end of the reporting period (C4)**	million）
Total guarantee amount provided by the Company (total of the above-mentioned three kinds of guarantees)			
Total guarantee line approved during the reporting period (A1+B1+C1)	0	**Total actual occurred amount of guarantee during the reporting period (A2+B2+C2)**	290,907
Total guarantee line that has been approved at the end of the reporting period (A3+B3+C3)	778,667	**Total actual guarantee balance at the end of the reporting period (A4+B4+C4)**	316,040
Proportion of total guarantee amount (A4+B4+C4) to the net assets of the Company		17.92%	
Of which:			
The balance of the guarantee provided in favor of the controlling shareholder and related party		0	
Amount of debt guarantee provided for the guaranteed party whose asset-liability ratio is not less than 70% directly or indirectly (E)		USD 360.19 million (approximately RMB 2,453.22 million)	
The amount of the guarantee that exceeds 50% of the net assets		0	
Total amount of the above three guarantees (D+E+F)		USD 360.19 million (approximately RMB 2,453.22 million)	
As for undue guarantee, liability to guarantee has happened or there is evidence that joint liquidated liability may be undertaken during this Reporting Period (if existing)		--	
Regulated procedures are violated to offer guarantee (if existing)		--	

3. Wealth management entrustment

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

4. Other Significant Contracts

☐ Applicable √ Not applicable

None during the Reporting Period.

XIII. Information regarding communication with investors during the Reporting Period

√ Applicable ☐ Not applicable

Date	Place	Reception Mode	Type of Visitors	Name of the Visitors	About	Index
March 30th, 2026	Online Platform	Live webcast at online Platform	Others	The live webcast was accessible for all investors.	Introduction on Q4 2025 and FY performance as well as the Fight Forward plan of the Company. The corresponding presentations were published on the website of the Company (IR page on www.adama.com).	Record of the Communications between the Company and the Investors (No. 2026-01) was published by the Company on March 31st, 2026, at www.cninfo.com.cn
May 6th, 2026	Online Platform	Live webcast at online Platform	Others	The live webcast was accessible for all investors.	Introduction on Q1 2026 performance. The corresponding presentation was published on the website of the Company (IR page on www.adama.com).	Record of the Communications between the Company and the Investors (No. 2026-02) was published by the Company on May 7th, 2026, at www.cninfo.com.cn

XIV. Other Significant Events

☐ Applicable √ Not applicable

XV. Significant Events of Subsidiaries

☐ Applicable √ Not applicable

Section VI - Share Changes and Shareholders

I. Changes in shares

1. Changes in shares

Unit: share

	Before the Change		Increase/Decrease (+/-)					After the Change	
	Amount	Proportion	Newly Issued Shares	Bonus Shares	Capitalization of Public Reserves	Other	Subtotal	Amount	Proportion
I. Restricted Shares	0	0.0000%	--	--	--	--	--	0	0.0000%
1. State-owned Shares	--	--	--	--	--	--	--	--	--
2. State-owned Legal Person's Shares	0	0.00%	--	--	--	--	--	0	0.00%
3. Shares Held by Domestic Investors	0	0.0000%	--	--	--	--	--	0	0.0000%
Among which, Shares Held by Domestic Legal Person	0	0.00%	--	--	--	--	--	0	0.00%
Shares Held by Domestic Natural Person	0	0.0000%	--	--	--	--	--	0	0.0000%
II. Shares not Subject to Trading Moratorium	2,329,811,766	100.0000%	--	--	--	--	--	2,329,811,766	100.0000%
1.RMB Ordinary Shares	2,177,071,961	93.4441%	--	--	--	--	--	2,177,071,961	93.4441%
2.Domestically Listed Foreign Shares	152,739,805	6.5559%	--	--	--	--	--	152,739,805	6.5559%
III. Total Shares	2,329,811,766	100.00%	--	--	--	--	--	2,329,811,766	100.00%

Reasons for the change in shares

☐ Applicable √ Not applicable

Approval of the change in shares

☐ Applicable √ Not applicable

The registered status for the change in shares

☐ Applicable √ Not applicable

Status of share buyback

☐ Applicable √ Not applicable

Status of share buyback in the way of centralized bidding

☐ Applicable √ Not applicable

Effects of the change in shares on the basic EPS, diluted EPS, net assets per share attributable to common shareholders of the Company and other financial indexes over the last year and last period.

☐ Applicable √ Not Applicable

Other contents that the Company considered necessary or is required by securities regulatory authorities to disclose

☐ Applicable √ Not applicable

2. Changes in Restricted Shares

☐Applicable √ Not applicable

II. Issuance and Listing of Securities

☐ Applicable √ Not applicable

III. Total Number of Shareholders and Their Shareholdings

Unit: share

Total Number of Common Shareholders as of the End of the Reporting Period	38,049 (the number of ordinary A share shareholders is 26,995; the number of B share shareholders is 11,054)	**Total Number of Preferred Stockholders with Vote Right Restored (if any) as of the End of the Reporting Period**	0

Shareholding of Top 10 Shareholders or Those Holding More than 5% Shares (Excluding the Shares Lending through Refinancing)

Number of Shareholder	Nature of Shareholder	Holding Percentage (%)	Number of Shareholding at the End of the Reporting Period	Change of Shares during the Reporting Period	Number of Shares Held Subject to Trading Moratorium	Number of Shares Held Not Subject to Trading Moratorium	Pledged, Marked or Frozen Shares	
							Status of Shares	Amount
Syngenta Group Co., Ltd.	State-owned Legal Person	78.47%	1,828,137,961	0	0	1,828,137,961	--	0
China State-owned Enterprises Structural Adjustment Fund Co., Ltd.	State-owned Legal Person	1.44%	33,557,046	0	0	33,557,046	--	0
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Overseas Legal Person	0.37%	8,526,188	-6,201,824	0	8,526,188	--	0
Zhu Shenglan	Domestic Natural Person	0.33%	7,600,000	240,000	0	7,600,000	--	0
Wu Feng	Domestic Natural Person	0.31%	7,266,212	-544,700	0	7,266,212	--	0
Qichun County State-owned Assets Center	State-owned Legal Person	0.18%	4,169,266	0	0	4,169,266	--	0
Liu Minqin	Domestic Natural Person	0.17%	4,042,546	86,300	0	4,042,546	Share Freeze	456,553
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LTD	Overseas Legal Person	0.13%	2,966,041	0	0	2,966,041	--	0
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Overseas Legal Person	0.13%	2,953,397	-60,000	0	2,953,397	--	0
Fu Kelv	Domestic Natural Person	0.12%	2,687,692	293,790	0	2,687,692	-	0
Strategic Investors or the General Legal Person Who Become the Top 10 Common Shareholders (if any) due to the Placement of New Shares	Not Applicable							
Explanation on Associated Relationship or/and Persons	Syngenta Group Co., Ltd. is neither a related party to any other shareholders listed above, nor any acting-in-concert party as prescribed in *the Administrative Methods for Acquisition of Listed Companies*. It is unknown whether the other shareholders are related parties or acting-in-concert parties as							

	prescribed in the Administrative Methods for Acquisition of Listed Companies.
Explanation on Situations of Entrusted Voting Rights or Waiver of Voting Rights Involved by the Above Shareholders	Not Applicable
Explanation on the Existence of Special Repurchase Accounts among the Top 10 Shareholders (if any)	Not applicable

Details of Shares Held by Top 10 Shareholders Not Subject to Trading Moratorium (Excluding Shares Lending through Refinancing and Restricted Shares of Executives)

Number of Shareholders	Number of Shares Held Not Subject to Trading Moratorium at the End of the Period	Type of Shares	
		Type of Shares	Amount
Syngenta Group Co., Ltd.	1,828,137,961	RMB Ordinary Share	1,828,137,961
China State-owned Enterprises Structural Adjustment Fund Co., Ltd.	33,557,046	RMB Ordinary Share	33,557,046
Hong Kong Securities Clearing Company Ltd. (HKSCC)	8,526,188	RMB Ordinary Share	8,526,188
Zhu Shenglan	7,600,000	RMB Ordinary Share	7,600,000
Wu Feng	7,266,212	RMB Ordinary Share	7,266,212
Qichun County State-owned Assets Center	4,169,266	RMB Ordinary Share	4,169,266
Liu Minqin	4,042,546	RMB Ordinary Share	4,042,546
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LTD	2,966,041	Domestically Listed Share in Foreign Currencies	2,966,041
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	2,953,397	Domestically Listed Share in Foreign Currencies	2,953,397
Fu Kelv	2,687,692	RMB Ordinary Share	2,687,692
Explanation on associated relationship among the top ten common shareholders of tradable share not subject to trading moratorium, as well as among the top ten common shareholders of tradable share not subject to trading moratorium and top ten shareholders, or explanation on acting-in-concert	Syngenta Group Co., Ltd. is neither a related party to any other shareholders listed above, nor any acting-in-concert party as prescribed in *the Administrative Methods for Acquisition of Listed Companies*. It is unknown whether the other shareholders are related parties or acting-in-concert parties as prescribed in *the Administrative Methods for Acquisition of Listed Companies*.		
Particular about the top ten common shareholder participating in the securities lending and borrowing business (if any)	Shareholder Wu Feng held 4,329,686 shares of the Company through a common securities account and 2,936,526 shares of the Company through a credit collateral securities trading account, altogether 7,266,212 shares. Shareholder Liu Minqin held 613,846 shares of the Company through a common securities account and 3,428,700 shares of the Company through a credit collateral securities trading account, altogether 4,042,546 shares. Shareholder Fu Kelv held 2,687,692 shares of the Company through a credit collateral securities trading account.		

Shareholders holding more than 5% of shares, top ten shareholders and top ten shareholders with unlimited shares in circulation participating in the shares lending through refinancing arrangement

☐Applicable √ Not applicable

Top ten shareholders and top ten shareholders with unlimited shares in circulation change from the previous period due to the shares lending/returning through refinancing arrangement

☐ Applicable √ Not applicable

Did any top 10 common shareholders or the top 10 common shareholders not subject to trading moratorium of the Company carry out a promissory buy-back in the Reporting Period?

☐ Yes √ No

The top 10 common shareholders or the top 10 common shareholders not subject to trading moratorium of the Company had not carried out any agreed buy-back in the Reporting Period.

IV. Changes in Shareholdings of Directors and Senior Management

☐ Applicable √ Not applicable

No such cases in the Reporting Period. For details, see Annual Report 2025.

V. Change of the Controlling Shareholder or the Actual Controller

Change of the controlling shareholder in the Reporting Period

☐ Applicable √ Not applicable

There was no change of the controlling shareholder of the Company in the Reporting Period.

Change of the actual controller in the Reporting Period

☐ Applicable √ Not applicable

There was no change of the actual controller of the Company in the Reporting Period.

VI. Preferred Stocks

☐ Applicable √ Not applicable

The Company doesn’t have preferred stocks during the reporting period.

Section VII - Bonds

☐ Applicable √ Not applicable

Section VIII - Financial Report

I. Audit report

Was the half-year report audited?

☐ Yes √ No

The half-year report was not audited.

II. Financial Statements

Notes to the financial statements are presented in RMB’000.

(Expressed in RMB '000)

Consolidated Balance Sheet

	Notes	June 30 2026	December 31 2025
Current assets			
Cash at bank and on hand	V.1	2,906,052	3,450,300
Financial assets held for trading	V.2	2,711	1,223
Derivative financial assets	V.3	228,492	449,379
Bills receivable	V.4	256,325	358,489
Accounts receivable	V.5	7,781,302	7,124,736
Receivables financing	V.6	78,314	30,767
Prepayments	V.7	309,064	368,012
Other receivables	V.8	776,266	1,076,164
Inventories	V.9	11,280,787	11,607,842
Other current assets	V.10	965,692	1,094,273
Total current assets		24,585,005	25,561,185
Non-current assets			
Long-term receivables	V.11	203,183	118,203
Long-term equity investments	V.12	42,820	39,312
Other equity investments	V.13	127,475	129,796
Investment properties		18,053	18,869
Fixed assets	V.14	9,635,349	10,073,551
Construction in progress	V.15	713,670	897,175
Right-of-use assets	V.16	562,738	661,443
Intangible assets	V.17	3,981,086	4,302,343
Goodwill	V.18	4,814,486	4,964,450
Deferred tax assets	V.19	1,526,168	1,294,176
Other non-current assets	V.20	439,056	403,459
Total non-current assets		22,064,084	22,902,777
Total assets		46,649,089	48,463,962

(Expressed in RMB '000)

Consolidated Balance Sheet (continued)

	Notes	June 30 2026	December 31 2025
Current liabilities			
Short-term loans	V.21	5,763,384	6,673,792
Derivative financial liabilities	V.22	249,837	189,581
Bills payable	V.23	605,314	622,660
Accounts payable	V.24	5,048,131	5,461,749
Contract liabilities	V.25	1,515,640	1,789,490
Employee benefits payable	V.26	734,607	936,724
Taxes payable	V.27	571,720	539,168
Other payables	V.28	1,523,019	1,418,093
Non-current liabilities due within one year	V.29	3,794,710	3,825,203
Other current liabilities	V.30	898,096	929,259
Total current liabilities		20,704,458	22,385,719
Non-current liabilities			
Long-term loans	V.31	1,152,479	1,507,514
Debentures payable	V.32	5,138,114	4,894,076
Lease liabilities	V.33	652,730	751,226
Long-term payables		153,307	164,735
Long-term employee benefits payable	V.34	559,208	536,895
Provisions	V.35	421,488	424,347
Deferred tax liabilities	V.19	231,286	224,024
Other non-current liabilities	V.36	-	-
Total non-current liabilities		8,308,612	8,502,817
Total liabilities		29,013,070	30,888,536
Shareholders' equity			
Share capital	V.37	2,329,812	2,329,812
Capital reserve	V.38	12,867,123	12,867,123
Other comprehensive income	V.39	1,218,425	1,570,748
Special reserves		8,705	6,156
Surplus reserve	V.40	298,610	298,610
Retained earnings	V.41	913,344	502,977
Total equity attributed to the shareholders of the company		17,636,019	17,575,426
Non-controlling interests		-	-
Total Equity		17,636,019	17,575,426
Total liabilities and equity		46,649,089	48,463,962

Gael Hili
Legal representative

Efrat Nagar
Chief Financial Officer

These financial statements were approved by the Board of Directors of the Company on August 17, 2026.

The notes form part of these financial statements.

(Expressed in RMB '000)

Company's Balance Sheet

	Notes	June 30 2026	December 31 2025
Current assets			
Cash at bank and on hand	XV.1	152,578	64,964
Bills receivable		74,268	112,369
Accounts receivable	XV.2	2,005,930	1,636,608
Receivables financing	XV.3	26,915	10,490
Prepayments		24,350	92,227
Other receivables	XV.4	23,722	26,434
Inventories		169,629	210,072
Other current assets		53,046	14,923
Total current assets		2,530,438	2,168,087
Non-current assets			
Long-term equity investments	XV.5	17,430,716	17,430,716
Other equity investments		54,299	54,299
Investment properties		1,248	1,522
Fixed assets		1,181,097	1,252,804
Construction in progress		25,474	10,184
Right-of-use assets		790	1,354
Intangible assets		221,238	227,391
Deferred tax assets		34,870	46,359
Other non-current assets		242,671	230,156
Total non-current assets		19,192,403	19,254,785
Total assets		21,722,841	21,422,872
Current liabilities			
Short-term loans		626,532	418,692
Bills payables		213,636	155,220
Accounts payables		258,330	280,455
Contract liabilities		10,458	21,420
Employee benefits payable		5,678	9,800
Taxes payable		2,677	3,171
Other payables		770,039	778,254
Non-current liabilities due within one year		19,631	13,930
Other current liabilities		116,585	116,585
Total current liabilities		2,023,566	1,797,527
Non-current liabilities			
Long-term loans		631,000	642,000
Lease liabilities		162	443
Long-term employee benefits payable		61,320	63,175
Provisions		24,615	24,871
Total non-current liabilities		717,097	730,489
Total liabilities		2,740,663	2,528,016
Shareholders' equity			
Share capital	V.37	2,329,812	2,329,812
Capital reserve		15,523,881	15,523,881
Other comprehensive income		24,916	24,916
Special reserves		9,396	6,847
Surplus reserve	V.40	298,610	298,610
Retained earnings		795,563	710,790
Total shareholders' equity		18,982,178	18,894,856
Total liabilities and shareholders' equity		21,722,841	21,422,872

(Expressed in RMB '000)

Consolidated Income Statement

	Notes	Six months ended June 30 2026	2025
I. Operating income	V.42	14,476,540	15,024,200
Less: Cost of sales	V.42	10,523,330	11,030,173
Taxes and surcharges	V.43	46,920	57,128
Selling and Distribution expenses	V.44	2,038,063	1,975,668
General and administrative expenses	V.45	602,039	734,867
Research and Development expenses	V.46	211,350	216,793
Financial expenses	V.47	1,023,706	1,024,340
Including: Interest expense		462,779	527,096
Interest income		76,612	101,281
Add: Investment income, net	V.48	6,593	5,261
Including: Income from investment in associates and joint ventures		6,593	5,261
Gain (loss) from changes in fair value	V.49	213,451	(6,493)
Credit impairment losses	V.50	(28,205)	(93,679)
Asset impairment losses	V.51	(152,029)	(27,617)
Gain from disposal of assets	V.52	306,349	5,054
II. Operating income (loss)		377,291	(132,243)
Add: Non-operating income		94,399	19,219
Less: Non-operating expenses		79,305	12,555
III. Total income (loss)		392,385	(125,579)
Less: Income tax expenses (income)	V.53	(40,182)	(45,227)
IV. Net income (loss)		432,567	(80,352)
(1). Classified by nature of operations			
(1.1). Continuing operations		432,567	(80,352)
(2). Classified by ownership			
(2.1). Shareholders of the Company		432,567	(80,352)
(2.2). Non-controlling interests		-	-
V. Other comprehensive income (loss), net of tax	V. 39	(352,323)	71,116
Other comprehensive income (loss) (net of tax) attributable to shareholders of the Company		(352,323)	71,116
(1) Items that will not be reclassified to profit or loss:		(2,167)	979
(1.1) Re-measurement of defined benefit plan liability		(2,167)	979
(1.2) Fair Value changes in other equity investment		-	-
(2) Items that were or will be reclassified to profit or loss		(350,156)	70,137
(2.1) Effective portion of gains or loss of cash flow hedge		45,686	(48,355)
(2.2) Translation differences of foreign financial statements		(395,842)	118,492
VI. Total comprehensive income (loss) for the period attributable to Shareholders of the Company		80,244	(9,236)
Total comprehensive (loss) for the period attributable to shareholders of the Company		80,244	(9,236)
Total comprehensive income for the period attributable to Non-controlling interests		-	-
VII. Earnings per share	XIV.3		
(1) Basic earnings (loss) per share (Yuan/share)		0.19	(0.03)
(2) Diluted earnings per share (Yuan/share)		N/A	N/A

(Expressed in RMB '000)

Company's Income Statement

	Notes	Six months ended June 30 2026	2025
I. Operating income	XV.6	1,179,597	1,094,572
Less: Operating costs	XV.6	963,743	879,975
Taxes and surcharges		4,595	7,663
Selling and Distribution expenses		5,009	2,185
General and administrative expenses		60,247	105,840
Research and Development expenses		10,956	664
Financial expenses		58,952	13,170
Including: Interest expense		13,058	14,052
Interest income		1,939	1,019
Add: Investment income, net		20,301	32,445
Gain from changes in fair value (“-” means loss)		-	30,714
Credit impairment losses		(90)	(1,084)
Asset Impairment losses		(2,099)	(3,362)
Gain from disposal of assets		-	3,607
II. Operating Profit		94,207	147,395
Add: Non-operating income		2,083	4,225
Less: Non-operating expenses		28	20
III. Total profit		96,262	151,600
Less: Income tax expense		11,489	21,449
IV. Net profit		84,773	130,151
V. Other comprehensive income, net of tax		-	-
(1) Items that will not be reclassified to profit or loss		-	-
(1.1) Re-measurement of defined benefit plan liability		-	-
(1.2) FV changes in other equity investment		-	-
VI. Total comprehensive income for the period		84,773	130,151

(Expressed in RMB '000)

Consolidated Cash Flow Statement

		Notes	Six months ended June 30 2026	2025
I.	**Cash flows from operating activities:**			
	Cash received from sale of goods and rendering of services		13,018,653	14,968,968
	Refund of taxes and surcharges		69,659	90,510
	Cash received relating to other operating activities	V.56(1)	234,064	75,142
	Sub-total of cash inflows from operating activities		13,322,376	15,134,620
	Cash paid for goods and services		8,920,011	9,451,146
	Cash paid to and on behalf of employees		2,212,852	1,999,080
	Payments of taxes and surcharges		270,755	289,600
	Cash paid relating to other operating activities	V.56(2)	1,248,849	1,656,216
	Sub-total of cash outflows from operating activities		12,652,467	13,396,042
	Net cash flows provided by operating activities	V.57(1)a	669,909	1,738,578
II.	**Cash flows from investing activities:**			
	Cash received from disposal of investments		150,917	41,370
	Cash received from returns of investments		2,325	-
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		464,112	17,493
	Sub-total of cash inflows from investing activities		617,354	58,863
	Cash paid to acquire fixed assets, intangible assets and other long-term assets		479,402	589,861
	Net cash paid to acquire subsidiaries or other business units		-	56,272
	Cash paid relating to other investing activities	V.56(3)	631	47,825
	Sub-total of cash outflows from investing activities		480,033	693,958
	Net cash flows provided by (used in) investing activities		137,321	(635,095)
III.	**Cash flows from financing activities:**			
	Cash received from borrowings		959,512	1,625,222
	Cash received from other financing activities	V.56(4)	778,828	1,082,504
	Sub-total of cash inflows from financing activities		1,738,340	2,707,726
	Cash repayments of borrowings		2,311,558	3,107,377
	Cash payment for dividends, profit distributions and interest		475,346	527,153
	Including: Dividends paid to non-controlling interest		22,200	74,170
	Cash paid relating to other financing activities	V.56(5)	202,602	440,257
	Sub-total of cash outflows from financing activities		2,989,506	4,074,787
	Net cash flow used in financing activities		(1,251,166)	(1,367,061)
IV.	**Effects of foreign exchange rate changes on cash and cash equivalent equivalent**		(90,358)	(4,700)
V.	**Net decrease in cash and cash equivalents**	V.57(1)b	(534,294)	(268,278)
	Add: Cash and cash equivalents at the beginning of the year		3,353,326	3,583,963
VI.	**Cash and cash equivalents at the end of the period**	V.57(2)	2,819,032	3,315,685

(Expressed in RMB '000)

Company's Cash Flow Statement

	Notes	Six months ended June 30 2026	2025
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		481,456	650,459
Refund of taxes and surcharges		9,757	32,238
Cash received relating to other operating activities	XV.7(1)	5,034	15,324
Sub-total of cash inflows from operating activities		496,247	698,021
Cash paid for goods and services		236,511	413,963
Cash paid to and on behalf of employees		61,073	64,712
Payments of taxes and surcharges		11,480	9,317
Cash paid relating to other operating activities	XV.7(2)	112,893	23,927
Sub-total of cash outflows from operating activities		421,957	511,919
Net cash flows provided by operating activities	XV.8	74,290	186,102
II. Cash flows from investing activities:			
Cash received from returns of investments		22,626	32,445
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		-	11,210
Cash received relating to other investing activities	XV.7.(3)	757	803
Sub-total of cash inflows from investing activities		23,383	44,458
Cash paid to acquire fixed assets, intangible assets and other long-term assets		21,109	9,369
Cash paid for other investing activities	XV.7.(4)	20,000	-
Sub-total of cash outflows from investing activities		41,109	9,369
Net cash flows provided by (used in) investing activities		(17,726)	35,089
III. Cash flows from financing activities:			
Cash received from borrowings		201,000	300,000
Cash received relating to other financing activities	XV.7.(5)	4,500	1,858
Sub-total of cash inflows from financing activities		205,500	301,858
Cash repayments of borrowings		155,000	473,046
Cash payment for dividends, profit distributions or interest		13,073	14,395
Cash paid relating to other financing activities	XV.7.(6)	12,172	14,246
Sub-total of cash outflows from financing activities		180,245	501,687
Net cash flow provided (used in) financing activities		25,255	(199,829)
IV. Effects of foreign exchange rate changes on cash and cash equivalents		(1,877)	4,965
V. Net increase in cash and cash equivalents		79,942	26,327
Add: Cash and cash equivalents at the beginning of the year	XV.8(2)	58,950	39,173
VI. Cash and cash equivalents at the end of the period	XV.8(2)	138,892	65,500

(Expressed in RMB '000)

Consolidated Statement of Changes in Shareholders' Equity

For the Six months ended June 30, 2026

	Share capital	Capital reserve	Other comprehensive income	Special reserves	Surplus reserve	Retained earnings	**Total**	Non-controlling interests	**Total equity**
I. Balance at December 31, 2025	2,329,812	12,867,123	1,570,748	6,156	298,610	502,977	17,575,426	-	17,575,426
II. Changes in equity for the period	-	-	(352,323)	2,549	-	410,367	60,593	-	60,593
1. Total comprehensive income	-	-	(352,323)	-	-	432,567	80,244	-	80,244
2. Appropriation of profits	-	-	-	-	-	(22,200)	(22,200)	-	(22,200)
2.1 Distribution to non-controlling interest	-	-	-	-	-	(22,200)	(22,200)	-	(22,200)
3. Special reserve	-	-	-	2,549	-	-	2,549	-	2,549
3.1 Transfer to special reserve	-	-	-	4,724	-	-	4,724	-	4,724
3.2 Amount utilized	-	-	-	(2,175)	-	-	(2,175)	-	(2,175)
III. Balance at June 30, 2026	2,329,812	12,867,123	1,218,425	8,705	298,610	913,344	17,636,019	-	17,636,019

(Expressed in RMB '000)

Statement of Changes in Shareholders' Equity

For the Six months ended June 30, 2025

	Share capital	Capital reserve	Other comprehensive income	Special reserves	Surplus reserve	Retained earnings	**Total**	Non-controlling interests	**Total equity**
I. Balance at December 31, 2024	2,329,812	12,950,464	1,721,028	10,798	298,610	1,680,382	18,991,094	-	18,991,094
II. Changes in equity for the period	-	-	71,116	(2,644)	-	(154,522)	(86,050)	-	(86,050)
1. Total comprehensive loss	-	-	71,116	-	-	(80,352)	(9,236)	-	(9,236)
2. Appropriation of profits	-	-	-	-	-	(74,170)	(74,170)	-	(74,170)
2.1 Distribution to non-controlling interest	-	-	-	-	-	(74,170)	(74,170)	-	(74,170)
3. Special reserve	-	-	-	(2,644)	-	-	(2,644)	-	(2,644)
3.1 Transfer to special reserve	-	-	-	4,514	-	-	4,514	-	4,514
3.2 Amount utilized	-	-	-	(7,158)	-	-	(7,158)	-	(7,158)
III. Balance at June 30, 2025	2,329,812	12,950,464	1,792,144	8,154	298,610	1,525,860	18,905,044	-	18,905,044

(Expressed in RMB '000)

Company's Statement of Changes in Shareholders' Equity

For the Six months ended June 30, 2026

	Share capital	Capital reserve	Other comprehensive income	Special reserves	Surplus reserve	Retained earnings	Total
I. Balance at December 31, 2025	2,329,812	15,523,881	24,916	6,847	298,610	710,790	18,894,856
II. Changes in equity for the period	-	-	-	2,549	-	84,773	87,322
1. Total comprehensive income	-	-	-	-	-	84,773	84,773
2. Special reserve	-	-	-	2,549	-	-	2,549
2.1 Transfer to special reserve	-	-	-	4,724	-	-	4,724
2.2 Amount utilized	-	-	-	(2,175)	-	-	(2,175)
Ⅲ. Balance at June 30, 2026	2,329,812	15,523,881	24,916	9,396	298,610	795,563	18,982,178

For the Six months ended June 30, 2025

	Share capital	Capital reserve	Other comprehensive income	Special reserves	Surplus reserve	Retained earnings	Total
I. Balance at December 31, 2024	2,329,812	15,523,881	23,894	11,489	298,610	779,972	18,967,658
II. Changes in equity for the period	-	-	-	(2,644)	-	130,151	127,507
1. Total comprehensive income	-	-	-	-	-	130,151	130,151
2. Special reserve	-	-	-	(2,644)	-	-	(2,644)
2.1 Transfer to special reserve	-	-	-	4,514	-	-	4,514
2.2 Amount utilized	-	-	-	(7,158)	-	-	(7,158)
Ⅲ. Balance at June 30, 2025	2,329,812	15,523,881	23,894	8,845	298,610	910,123	19,095,165

I BASIC CORPORATE INFORMATION

ADAMA Ltd. (hereinafter the "Company" or the "Group") is a company limited by shares established in China with its head office located in Hubei Jingzhou.

In June 2020, the controlling shareholder of the Company changed from China National Agrochemical Co,. Ltd. (hereinafter – "CNAC") to Syngenta Group Co., Ltd. (hereinafter "Syngenta Group"). As of August 2021, following the combination between China National Chemical Co., Ltd. (hereinafter - "ChemChina") and Sinochem Holdings Corporation Ltd. (hereinafter - "Sinochem Holdings"), Syngenta Group, and subsequently the Company, are ultimately controlled by Sinochem Holdings - parent of both ChemChina and Sinochem Group Co., Ltd. (hereinafter "Sinochem Holdings"), subordinated to SASAC.

The principal activities of the Company and its subsidiaries (together referred to as the "Group") are engaged in development, manufacturing and marketing of agrochemicals, intermediate materials for other industries, food additives and synthetic aromatic products, mainly for export. For information about the largest subsidiaries of the Company, refer to Note VII.

The Company's consolidated financial statements had been approved by the Board of Directors of the Company on August 17, 2026.

Details of the scope of consolidated financial statements are set out in Note VII "Interest in other entities", whereas the changes of the scope of consolidation are set out in Note VI "Changes in consolidation scope".

II BASIS OF PREPARATION

1. Basis of preparation

The Group has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance (the "MoF"). In addition, the Group has disclosed relevant financial information in these financial statements in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 — General Provisions on Financial Reporting (revised by China Securities Regulatory Commission (hereinafter "CSRC") in 2023).

2. Accrual basis and measurement principle

The Group has adopted the accrual basis of accounting.

In the historical cost measurement, assets obtained shall be measured at the amount of cash or cash equivalents or fair value of the consideration paid. Liabilities shall be measured at the actual amount of cash or assets received, or the contractual amount in a present obligation, or the prospective amount of cash or cash equivalents paid to discharge the liabilities.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing market participants in an arm's length transaction at the measurement date. Fair value measured and disclosed in the financial statements are determined on this basis whether it is observable or estimated by valuation techniques.

II BASIS OF PREPARATION - (cont'd)

2. Accrual basis and measurement principle - (cont'd)

The following table provides an analysis, grouped into Levels 1 to 3 based on the degree to which the fair value input is observable and significant to the fair value measurement as a whole:

Level 1 - based on quoted prices (unadjusted) in active markets;

Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable (other than quoted prices included within Level 1), either directly or indirectly;

Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3. Going concern

The financial statements have been prepared on the going concern basis.

The Group has performed going concern assessment for the following 12 months from June 30, 2026 and have not identified any significant doubtful matter or event on the going concern, as such the financial statement have been prepared on the going concern basis.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance

These financial statements are in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect the Company's consolidated financial position as at June 30, 2026 and the Company's consolidated operating results, changes in shareholders' equity and cash flows for the six months then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

3. Business cycle

The company takes the period from the acquisition of assets for processing to their realisation in cash or cash equivalents as a normal operating cycle. The operating cycle for the company is 12 months.

4. Reporting currency

The Company and its domestic subsidiaries choose Renminbi (hereinafter "RMB") as their functional currency. Functional currencies of overseas subsidiaries are determined on the basis of the principal economic environment in which the overseas subsidiaries operate. The functional currency of the overseas subsidiaries is mainly the United States Dollar (hereinafter "USD"). The presentation currency of these financial statements is Renminbi.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

5. Criteria of determining material item in the report and its benchmark

Item	Benchmark for Material Item
Material construction in progress projects	Individual construction in progress project with a budget higher than RMB 100 million
Material receivables assessed individually for impairment	Individual impairment higher than RMB 150 million

6. Business combinations

6.1 Business combinations not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The costs of business combination are the fair value of the assets paid, liabilities incurred or assumed and equity instruments issued by the acquirer for the purpose of achieving the control rights over the acquiree.

The intermediary costs such as audit, legal services and assessment consulting costs and other related management costs that are directly attributable to the combination by the acquirer are charged to profit or loss in the period in which they are incurred. Direct capital issuance costs incurred in respect of equity instruments or liabilities issued pursuant to the business combination should be charged to the respect equity instruments or liabilities upon initial recognition of the underlying equity instruments or liabilities.

The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

The consideration transferred includes the fair value of any contingent consideration. (such as earnout arrangements with the former shareholders). After the acquisition date, the Group recognizes changes in the fair value of contingent consideration classified as a financial liability at fair value through profit or loss.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the remaining difference is recognized immediately in profit or loss for the current year.

The goodwill raised because of the business combination should be separately disclosed in the consolidated financial statement and measured by the initial amount less any accumulative impairment provision.

In a business combination achieved in stages, the Group remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

7. Basis for preparation of consolidated financial statements

The scope of consolidation in consolidated financial statements is determined on the basis of control. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in consolidated income statement and consolidated statement of cash flows.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in consolidated income statement and consolidated statement of cash flows.

The significant accounting policies and accounting years adopted by the subsidiaries are determined based on the uniform accounting policies and accounting years set out by the Company.

All significant intra-group balances, transactions and unrealized profits are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as non-controlling interests and presented as "non-controlling interests" in the shareholders' equity in consolidated balance sheet. The portion of net profits or losses of subsidiaries for the period attributable to non-controlling interests is presented as "non-controlling interests" in consolidated income statement below the "net profit" line item. Total comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Acquisition of non-controlling interests or disposal of equity interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings. Other comprehensive income attributed to the non-controlling interest is reattributed to the shareholders of the company.

A put option issued by the Group to holders of non-controlling interests that is settled in cash or other financial instrument is recognized as a liability at the present value of the exercise price (according to the "anticipated acquisition method"). The Group's share of a subsidiary's profits includes the share of the holders of the non-controlling interests to which the Group issued a put option.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

6. Basis for preparation of consolidated financial statements - (cont'd)

In cases which the Group has a Call option in addition to the Put option above, due to the anticipated acquisition method implementation no value is given to the Call option in the consolidated financial statements.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost. Other comprehensive income associated with the disposed subsidiary is reclassified to investment income in the period in which control is lost.

7. Classification and accounting methods of joint arrangement

There are two types of joint arrangements – joint operations and joint ventures. The type of joint arrangements is determined based on the rights and obligations of joint operator to the joint arrangements by considering the factors, such as the structure, the legal form of the arrangements, and the contractual terms, etc. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement.

8. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Translation of transactions and financial statements denominated in foreign currencies

10.1 Transactions denominated in foreign currencies

On initial recognition, foreign currency transactions are translated into functional currency using the spot exchange rate prevailing at the date of transaction.

At the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that (i) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period. (ii) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

10. Translation of transactions and financial statements denominated in foreign currencies - (cont'd)

10.1 Transactions denominated in foreign currencies - (cont'd)

When preparing financial statements involving foreign operations, if there is any foreign currency monetary items, which in substance forms part of the net investment in the foreign operations, exchange differences arising from the changes of foreign currency are recorded as other comprehensive income, and will be reclassified to profit or loss upon disposal of the foreign operations.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged.

10.2 Translation of financial statements denominated in foreign currency

For the purpose of preparing consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at spot exchange rate prevailing at the balance sheet date; shareholders' equity items, except for retained earnings, are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at average rate or at spot exchange rates on the dates of the transactions; the retained earnings opening balance is previous year's translated retained earnings closing balance; the closing balance of retained earnings is calculated and presented on the basis of each translated income statement and profit distribution item. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recorded as other comprehensive income. Cash Flows arising from transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the spot exchange rate on the date of the cash flow, the effect of exchange rate changes on the cash and cash equivalents is regarded as a reconciling item and present separately in the statement “effect of foreign exchange rate changes on the cash and cash equivalents".

The opening balances and the comparative figures of prior year are presented at the translated amounts in the prior year's financial statements.

On disposal of the Group's entire equity interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain equity interest in it or other reasons, the Group transfers the accumulated translation differences, which are attributable to the owners' equity of the Company and presented under other comprehensive income to profit or loss in the period in which the disposal occurs.

In case of a disposal or other reason that does not result in the Group losing control over a foreign operation, the proportionate share of accumulated translation differences are re-attributed to non-controlling interests and are not recognized in profit and loss. For partial disposals of equity interest in foreign operations, which are associates or joint ventures, the proportionate share of the accumulated translation differences are reclassified to profit or loss.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

10. Financial instruments

The Group recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus (which is not measured at fair value through profit or loss) transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Initial recognition in trade receivables which do not contain a significant financing component, shall be made according to their transaction price.

11.1 Classification and measurement of financial assets

After initial recognition, an entity shall measure a financial asset at: (a) amortised cost; (b) fair value through other comprehensive income ("FVTOCI"); or (c) fair value through profit or loss ("FVTPL").

11.1.1 Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Such financial assets are subsequently measured at amortised cost, using effective interest method. Gains or losses upon impairment and derecognition are recognized in profit or loss.

11.1.1.1 Effective interest method and amortised cost

Effective interest rate represents the rate that discounts the future cash flow over the expected subsisting period or shorter period, if appropriate, of the financial asset or financial liability to the current carrying value of such financial asset or financial liability.

When calculating the effective interest rate, the Group will consider the anticipated future cash flow (not considering the future credit loss) on the basis of all contract clauses of financial assets or financial liabilities, as well as consider all kinds of charges which are an integral part of the effective interest rate, including transaction fees and discount or premium paid or received between both parties of financial asset or financial liability contract.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

11. Financial instruments - (cont'd)

11.1 Classification and measurement of financial assets - (cont'd)

11.1.2 Financial assets at FVTOCI

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses, foreign exchange gains and losses and interest calculated using the effective interest method, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

11.1.3 Financial assets at FVTPL

Financial assets at FVTPL are either those that are classified as financial assets at FVTPL or designated as financial assets at FVTPL.

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

The Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

A gain or loss on a financial asset that is measured at FVTPL is recognized in profit or loss unless it is part of a hedging relationship. Dividends are recognized in profit or loss.

11.1.4 Designated financial assets at FVTOCI

At initial recognition, the Group makes an irrevocable election to designate to FVTOCI an investment in an equity instrument that is not held for trading.

When a non-trading equity instrument investment is designated as a financial asset that is measured at fair value through other comprehensive income, the changes in the fair value of the financial asset are recognised in other comprehensive income. Upon realization the accumulated gains or losses from other comprehensive income are transferred from other comprehensive income and included in retained earnings. During the period in which the Group holds these non-trading investment instruments, the right to receive dividends in the Group has been established, and the economic benefits related to dividends are likely to flow into the Group, and when the amount of dividends can be reliably measured, the dividend income is recognized in the current profit and loss.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

11. Financial instruments - (cont'd)

11.2 Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets that are classified to amortised cost and FVTOCI.

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and notes receivables.

For financial assets other than trade receivables, the Group initially measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. At each balance sheet date, if the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses. The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance to the amount that is required to be recognized.

11.2.1 Significant increases in credit risk

At each balance sheet date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

The Group mainly considers the following list of information in assessing changes in credit risk:

(a) significant changes in internal price indicators of credit risk as a result of a change in credit risk since inception.
(b) significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instruments with the same expected life.
(c) a significant change in the debtors' ability to meet its debt obligations.
(d) an actual or expected significant change in the operating results of the debtor.
(e) significant increases in credit risk on other financial instruments of the same debtor.
(f) an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor.
(g) significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the debtor's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring.
(h) significant changes that are expected to reduce the receivable's economic incentive to make scheduled contractual payments.
(i) significant changes in the expected performance and behaviour of the debtor.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

11. Financial instruments - (cont'd)

11.2 Impairment of financial assets - (cont'd)

11.2.2 Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the receivable;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the receivable, for economic or contractual reasons relating to the receivable's financial difficulty, having granted to the receivable a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the receivable will enter bankruptcy or other financial reorganization;

11.2.3 Recognition of expected credit losses

Expected credit losses of financial instruments are determined as the present value of the difference between: (a) the contractual cash flows that are due to an entity under the contract; and (b) the cash flows that the entity expects to receive.

For a financial asset that is credit-impaired at the reporting date, an entity shall measure the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognized in profit or loss as an impairment gain or loss.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

11. Financial instruments - (cont'd)

11.2 Impairment of financial assets - (cont'd)

11.2.4 Written-off of financial assets

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

11.3 Transfer of financial asset

The Group derecognizes a financial asset if one of the following conditions is satisfied: (i) the contractual rights to the cash flows from the financial asset expire; or (ii) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset transferred to the transferee; or (iii) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

When the company is derecognizing a financial asset in its entirety, the difference between (i) the carrying amount of the financial asset transferred; and (ii) the sum of the consideration received from the transfer is recognized in profit or loss.

11.4 Classification and measurement of financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at FVTPL or other financial liabilities.

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL. The financial liability other than derivative financial liabilities are stated as liabilities held for trading.

Other financial liabilities are subsequently measured at amortized cost by using effective interest method. Gain or loss arising from derecognition or amortization is recognized in current profit or loss.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont’d)

11. Financial instruments - (cont’d)

11.5 Derecognition of financial liabilities

Financial liabilities are derecognized in full or in part only when the present obligation is discharged in full or in part. An agreement entered into force between the Group (debtor) and a creditor to replace the original financial liabilities with new financial liabilities with substantially different terms, derecognize the original financial liabilities as well as recognize the new financial liabilities. When financial liabilities is derecognized in full or in part, the difference between the carrying amount of the financial liabilities derecognized and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

11.6 Derivatives

Derivative financial instruments include forward exchange contracts, currency swaps and foreign exchange options, etc. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value. The resulting gain or loss is recognized in profit or loss unless the derivative is designated and highly effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship (Note III 32.1).

11.7 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset, except for circumstances where the Group has a legal right that is currently enforceable to offset the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet.

11.8 Equity instruments

The consideration received from the issuance of equity instruments net of transaction costs is recognized in shareholders’ equity. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders’ equity.

When the Company repurchases its own shares, those shares are treated as treasury shares. All expenditures relating to the repurchase are recorded in the cost of the treasury shares, with the transaction entering into the share capital. Treasury shares are excluded from profit distributions and are stated as a deduction under shareholders’ equity in the balance sheet.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

11. Accounts receivables

Accounts receivables are assessed for impairment on a collective group and/or on an individual basis as follows:

Expected credit losses in respect of accounts receivables is measured at an amount equal to lifetime expected credit losses. The assessment is made collectively for account receivables, where receivables share similar credit risk characteristics based on geographical location, using the expected credit losses model including inter-alia aging analysis, historical loss experiences adjusted by the observable factors reflecting current and expected future economic conditions. The ratio of the account receivables collective provision for expected credit losses in which credit losses has not occurred is between 0%-2.81%.

When credit risk on accounts receivable has increased significantly since initial recognition, the group records specific provision or collective provision, which is determined for groups of similar assets in countries in which there are large number of customers with immaterial balances.

In assessing whether the credit risk on accounts receivables has increased significantly since initial recognition, the Group compares the risk of a default occurring on the accounts receivables at the reporting date with the risk of a default occurring on the accounts receivables at the date of initial recognition and considers both quantitative and qualitative information that is reasonable and supportable, including observable data that comes to the attention of the Group about loss events such as a significant decline in the solvency of an individual debtor or the portfolio of debtors, and significant changes in the financial condition that have an adverse effect on the debtor.

12. Receivables financing

All receivbales financing are bank acceptance notes due within 1 year. From the past experience, the possibility of significant losses due to banks default is low, the Group believes that there is no significant credit risk in the bank acceptances notes held.

13. Other receivables

The Group determines expected credit losses for other receivables on an individual basis.

14. Inventories

15.1 Categories of inventories and initial measurement

The Group's inventories mainly include raw materials, work in progress, semi-finished goods, finished goods and reusable materials. Reusable materials include low-value consumables, packaging materials and other materials, which can be used repeatedly but do not meet the definition of fixed assets.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition including direct labor costs and an appropriate allocation of production overheads.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

15. Inventories - (cont'd)

15.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

15.3 Basis for determining net realizable value of inventories and provision methods for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. In determining the realizable value of inventory, it is based on solid evidence obtained, while also considering the purpose of holding the inventory and the impact of events after the balance sheet date.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their carrying amount, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

15.4 The perpetual inventory system is maintained for stock system.

15. Long-term equity investments

Long-term equity investments include investments in subsidiaries, joint ventures and associates.

16.1 Basis for determining control, joint control and significant influence over investee

Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

16. Long-term equity investments - (cont'd)

16.2 Determination of investment cost

Subsidiaries are the companies that are controlled by the Company. Associates are the companies over which the Group has significant influence. Joint ventures are joint arrangements over which the Group has joint control along with other investors and has rights to the net assets of the joint arrangement.

The Company accounts for the investment in subsidiaries at historical cost in the Company's financial statements. Investments in associates and joint ventures are accounted for under equity method.

For a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost of the long-term equity investment is the share of the carrying amount of the shareholders' equity of the acquiree attributable to the ultimate controlling party at the date of combination. The difference between initial investment cost and cash paid, non-cash assets transferred and book value of liabilities assumed, is adjusted in capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition. For a business combination not involving enterprises under common control achieved in stages that involves multiple exchange transactions, the initial investment cost is carried at the aggregate of the carrying amount of the acquirer's previously held equity interest in the acquiree and the new investment cost incurred on the acquisition date.

Regarding the long-term equity investment acquired otherwise than through a business combination, if the long-term equity investment is acquired by cash, the historical cost is determined based on the amount of cash paid and payable; if the long-term equity investment is acquired through the issuance of equity instruments, the historical cost is determined based on the fair value of the equity instruments issued.

16.3 Subsequent measurement and recognition of profit or loss

If the long-term equity investment is accounted for at cost, it should be measured at historical cost less accumulated impairment losses. Dividend declared by the investee should be accounted for as investment income.

Under the equity method, where the long-term equity investment initial investment cost exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

16. Long-term equity investments - (cont'd)

16.3 Subsequent measurement and recognition of profit or loss - (cont'd)

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments to be confirmed with the Group's accounting policies and accounting period. The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period.

16.4 Methods of impairment assessment and determining the provision for impairment loss

If the recoverable amounts of the investments to subsidiaries, joint ventures and associates are less than their carrying amounts, an impairment loss should be recognized to reduce the carrying amounts to the recoverable amounts (Note III 23).

16.5 The disposal of long-term equity investment

On disposal of a long term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognized in profit or loss for the period.

17. Investment properties

Investment property refers to real estate held to earn rentals or for capital appreciation, or both, including leased land use rights, land use rights held and provided for transferring after appreciation and leased constructions, etc.

Investment property is initially measured at cost. Subsequent expenditures related to an investment property shall be included in cost of investment property only when the economic benefits associated with the asset will likely flow to the Group and its cost can be measured reliably. All other subsequent expenditures on investment property shall be included in profit or loss for the current period when incurred.

The Group adopts cost method for subsequent measurement of investment property, which is depreciated or amortized using the same policy as that for buildings and land use rights.

When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property net of the carrying amount and related taxes and surcharges is recognized in profit or loss for the current period.

(Expressed in RMB '000)

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

18. Fixed assets

18.1 Recognition criteria for fixed assets

Fixed assets include land owned by the Group and buildings, machinery and equipment, motor vehicles, office equipment and others.

Fixed assets are tangible assets that are held for use in the production or supply of goods or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured. Purchased or constructed fixed assets are initially measured at cost when acquired.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

18.2 Depreciation of each category of fixed assets

Fixed asset is depreciated based on the cost of fixed asset recognized less expected net residual value over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. Depreciation is calculated based on the carrying amount of the fixed asset after impairment over the estimated remaining useful life of the asset.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

The estimated useful life, estimated net residual value and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation	Useful life (years)	Residual value (%)	Annual depreciation rate (%)
Buildings	the straight-line method	15-50	0-4	1.9-6.7
Machinery and equipment	the straight-line method	3-22	0-4	4.4-33.3
Office and other equipment	the straight-line method	3-17	0-4	5.6-33.3
Motor vehicles	the straight-line method	5-9	0-2	10.9-20.0

Overseas Land owned by the Group is not depreciated.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

18. Fixed assets - (cont'd)

18.3 Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The difference between recoverable amounts of the fixed assets under the carrying amount is referred to as impairment loss (Note III 23).

19. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction, installation costs, borrowing costs capitalized and other expenditures incurred until such time as the relevant assets are completed and ready for its intended use. When the asset concerned is ready for its intended use, the cost of the asset is transferred to fixed assets and depreciated starting from the following month.

The difference between recoverable amounts of the construction in progress under the carrying amount is referred to as impairment loss (Note III 23).

20. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Borrowing costs incurred subsequently should be charged to profit or loss. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expenses incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds.

Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

During the capitalization period, exchange differences on foreign currency specific-purpose borrowing are fully capitalized whereas exchange differences on foreign currency general-purpose borrowing, charged to profit or loss.

(Expressed in RMB '000)

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

21. Intangible assets

21.1 Valuation methods, useful life, impairment test

The Group's intangible assets include product registration assets, intangible assets upon purchase of products, marketing rights and rights to use tradenames and trademarks, land use rights, software and customer relations. Intangible assets are stated at cost less accumulated amortization and impairment losses.

When an intangible asset with a finite useful life is available for use, its original cost less any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized.

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the year, and makes adjustments when necessary.

The respective amortization periods for such intangible assets are as follows:

Item	Amortization period (years)
Land use rights	49-50 years
Product registration	8-11 years
Intangible assets on purchase of products	7-20 years
Marketing rights, tradename and trademarks	4-10, 30 years
Exclusivity agreement	21 years
Software	3-5 years and 12 years for ERP
Customer relations	5-10, 13 years

The difference between recoverable amounts of the intangible assets under the carrying amount is referred to as impairment loss (see Note III 23).

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

21. Intangible assets - (cont'd)

21.2 Research and development expenditure

Internal research and development project expenditures were classified into research expenditures and development expenditures depending on its nature and the greater uncertainty whether the research activities becoming to intangible assets.

Expenditure during the research phase is recognized as an expense in the period in which it is incurred. Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- The Group has the intention to complete the intangible asset and use or sell it;
- The Group can demonstrate the ways in which the intangible asset will generate economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- The expenditure attributable to the intangible asset during its development phase can be reliably measured.

Expenditures that do not meet all of the above conditions at the same time are recognized in profit or loss when incurred. If the expenditures cannot be distinguished between the research phase and development phase, the Group recognizes all of them in profit or loss for the period. Expenditures that have previously been recognized in the profit or loss would not be recognized as an asset in subsequent years. Those expenditures capitalized during the development stage are recognized as development costs incurred and will be transferred to intangible asset when the underlying project is ready for an intended use.

The research and development expenditure includes salaries and welfare expenses of personnel directly engaged in research and development activities, depreciation expenses of instruments and equipment used in research and development activities, expenses for field trial and professional services, materials consumed and lease and maintenance expenses related to research and development activities.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

22. Goodwill

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving enterprises under common control.

Goodwill is not amortized and is stated in the balance sheet at cost less accumulated impairment losses (see Note III 23). On disposal of an asset group or a set of asset groups, any attributable goodwill is written off and included in the calculation of the profit or loss on disposal.

23. Impairment of long-term assets

The Company assesses at each balance sheet date whether there is any indication that the fixed assets, construction in progress, right of use assets, intangible assets with finite useful lives, investment properties measured at historical cost, investments in subsidiaries, joint ventures and associates may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flow estimated to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

Goodwill arising from a business combination is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset group that is able to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

Once the impairment loss of such assets is recognized, it will not be reversed in any subsequent period.

24. Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

25. Employee benefits

25.1 Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions, measured on a non-discounted basis, and the expense is recorded when the related service is provided. A provision for short-term employee benefits in respect of cash bonuses is recognized in the amount expected to be paid where the Group has a current legal or constructive obligation to pay the said amount for services provided by the employee in the past and the amount can be estimated reliably.

25.2 Post-employment benefits

Post-employment benefits are classified into defined contribution plans and defined benefit plans.

A defined contribution plan is a post-employment benefit plan under which the Group pays contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an expense in profit or loss in the periods during which related services are rendered by employees.

Defined benefit plans of the Group are post-employment benefit plans other than defined contribution plans. In accordance with the projected unit credit method, the Group measures the obligations under defined benefit plans using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, and discount obligations under the defined benefit plans to determine the present value of the defined benefit liability. The discount rate used is the yield on the reporting date on highly-rated corporate debentures denominated in the same currency, that have maturity dates approximating the terms of the Group's obligation.

The Group attributes benefit obligations under a defined benefit plan to periods of service provided by respective employees. Service cost and interest expense on the defined benefit liability are charged to profit or loss and remeasurements of the defined benefit liability are recognized in other comprehensive income.

25.3 Termination benefits

When the Group terminates the employment with employees or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognized with a corresponding expense in profit or loss at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

If the benefits are payable more than 12 months after the end of the reporting period, they are discounted to their present value. The discount rate used is the yield on the reporting date on highly-rated corporate debentures denominated in the same currency, that have maturity dates approximating the terms of the Group's obligation.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

25. Employee benefits - (cont'd)

25.4 Other long-term employee benefits

The Group's net obligation for long-term employee benefits, which are not attributable to post-employment benefit plans, is for the amount of the future benefit to which employees are entitled for services that were provided during the current and prior periods.
The amount of these benefits is discounted to its present value and the fair value of the assets related to these obligations is deducted therefrom. The discount rate used is the yield on the reporting date on highly-rated corporate debentures denominated in the same currency, that have maturity dates approximating the terms of the Group's obligation.

26. Share-based payment

Share-based payment refers to the transaction in order to acquire the service offered by the employees or other parties that grants equity instruments or liabilities on the basis of the equity instruments. Share-based payment classified into equity-settled share-based payment and cash-settled share-based payment.

26.1 Cash-settled share-based payment

The cash-settled share-based payment should be measured according to the fair value of the liabilities recognized based on the shares or other equity instrument undertaken by the Company. For cash-settled share-based payment made in return for the rendering of employee services that cannot be exercised until the services are fully provided during the vesting period or specified performance targets are met, on each balance sheet date within the vesting period, the services acquired in the current period shall, based on the best estimate of the number of exercisable instruments, be recognized in relevant expenses and the corresponding liabilities at the fair value of the liability incurred by the Company.

On each balance sheet date and the settlement date before the settlement of the relevant liabilities, the Company should re-measure the fair value of the liabilities and the changes should be included in the current period profit and loss.

27. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the settlement date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows. The increase in the provision due to passage of time is recognized as interest expense.

If all or part of the provision settlements is reimbursed by third parties, when the realization of income is virtually certain, then the related asset should be recognized. However, the amount of related asset recognized should not be exceeding the respective provision amount.

At the balance sheet date, the amount of provision should be re-assessed to reflect the best estimation then.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

28. Revenue

Revenue of the Group is mainly from sale of goods.

The Group recognizes revenue when transferring goods to a customer, at the amount of the transaction price. The timing of transferring the control of goods changes according to the specific terms of the sale contract. Regarding sales of products, transfer of the control of goods generally occurs when the products arrive at the customer's warehouse, while for certain overseas shipments the transfer occurs when the products are loaded on the shipper's transport vehicles.

Transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring goods to a customer, excluding amounts collected on behalf of third parties.

Variable consideration

Variable consideration includes sales with a right of return (see below), refunds, discounts, volume rebates etc. The amounts of variable consideration are estimated using the Group's past experience in the relevant markets. The Group includes in the transaction price the amounts of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Significant financing component

For a contract with a significant financing component, the Group recognize revenue at an amount that reflects the price that a customer would have paid for the goods if the customer had paid cash for those goods at receipt. The difference between the amount of consideration and the cash selling price of the goods, is amortized in the contract period using effective interest rate. The Group does not adjust the amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the entity transfers a good to a customer and when the customer pays for that good will be one year or less.

Sale with a right of return

For sale with a right of return, the Group recognizes revenue at the amount of consideration to which the Group expects to be entitled (ie excluding the products expected to be returned). For any amounts received (or receivable) for which an entity does not expect to be entitled, the entity shall not recognize revenue when it transfers products to customers but shall recognize those amounts received (or receivable) as a refund liability. An asset recognized for the Group's right to recover products from a customer on settling a refund liability shall initially be measured by reference to the former carrying amount of the product less any expected costs to recover those products.

Advance receipts for the sale of goods

When the Group receives advance payments from customers for the sale of goods, it first recognizes such payments as liabilities and then transfers them to revenue when the relevant performance obligations are fulfilled.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

29. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration, including tax returns, financial subsidies and so on. A government grant is recognized only when the Group can comply with the conditions attached to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

Government grants are either related to assets or income.

(1) The basis of judgment and accounting method of the government grants related to assets

Government grants obtained for acquiring long-term assets are government grants related to assets. A government grant related to an asset is offset with the cost of the relevant asset.

(2) The basis of judgment and accounting method of the government grants related to income

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs are recognized. If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

Government grants related to the Group's normal course of business are offset with related costs and expenses. Government grants related that are irrelevant with the Groups's normal course of business are included in non-operating gains.

30. Current and deferred tax

The income tax expenses include current income tax and deferred income tax.

30.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

30.2 Deferred tax assets and deferred tax liabilities

Temporary differences are differences between the carrying amounts of certain assets or liabilities and their tax base.

All taxable temporary differences are recognized as related deferred tax liabilities. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

30. Current and deferred tax - (cont'd)

30.2 Deferred tax assets and deferred tax liabilities - (cont'd)

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized. However, for deductible temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group may be required to pay additional tax in case of distribution of dividends by the Group companies. This additional tax was not included in the financial statements, since the policy of the Group is not to distribute in the foreseeable future a dividend which creates a significant additional tax liability.

Except for those current income tax and deferred tax charged to comprehensive income or shareholders' equity in respect of transactions or events which have been directly recognized in other comprehensive income or shareholders' equity, and deferred tax recognized on business combinations, all other current income tax and deferred tax items are charged to profit or loss in the current period.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction is reversed when it becomes probable that sufficient taxable profits will be available.

30.3 Offset of income tax

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and tax assets and tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to realize the assets and liabilities simultaneously, current tax assets and liabilities are offset and presented on a net basis.

When the Group has a legal right to settle deferred tax assets and liabilities on a net basis which relates to income taxes levied by the same taxation authority, on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

31. Leases

Lease is a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

31.1 Determining whether an arrangement contains a lease

On the inception date of the lease, the Group determines whether the arrangement is a lease or contains a lease, while assessing if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In its assessment of whether an arrangement conveys the right to control the use of an identified asset, the Group assesses whether it has the following two rights throughout the lease term:

(a) The right to obtain substantially all the economic benefits from use of the identified asset; and

(b) The right to direct the identified asset's use.

An arrangement does not contain a lease if an asset is leased for a period of less than 12 months, or to lease of asset with low economic value.

31.2 Initial recognition of leased assets and lease liabilities

Upon initial recognition, the Group recognizes a liability at the present value of future lease payments (exclude certain variable lease payments, as detailed in Note III 31.4), and concurrently the Group recognizes a right-of-use asset at the same amount, adjusted for any prepaid lease payments paid at the lease date or before, plus initial direct costs incurred in respect of the lease.

When the interest rate implicit in the lease is not readily determinable, the incremental borrowing rate of the lessee is used.

The Group presents right-of-use assets separately from other assets in the balance sheet.

31.3 The lease term

The lease term is the non-cancellable period of the lease plus periods covered by an extension or termination option, if it is reasonably certain that the lessee will exercise or not exercise the option, respectively.

If there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, the Group remeasures the lease liability, on the basis of the revised lease term and the revised discount rate and adjust the right-of-use assets accordingly.

31.4 Variable lease payments

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate existing at the commencement of the lease. When the cash flows of future lease payments change as the result of a change in an index or a rate, the balance of the liability is adjusted with a correspondence change in the right-of-use asset.

Other variable lease payments that are not included in the measurement of the lease liability are recognized in profit or loss in the period in which the condition that triggers payment occurs.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

31. Leases - (cont'd)

31.5 Subsequent measurement

After lease commencement, a right-of-use asset is measured on a cost basis less accumulated depreciation and accumulated impairment losses and is adjusted for re-measurements of the lease liability. The asset is depreciated on a straight-line basis over the useful life or contractual lease period, whichever earlier.

The Group applies ASBE8 Impairment of Assets, to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

A lease liability is measured after the lease commencement date at amortized cost using the effective interest method.

32. Other significant accounting policies and accounting estimates

32.1 Hedging

The Group uses derivative financial instruments to hedge its risks related to foreign currency and inflation risks and derivatives that are not used for hedging.

Hedge accounting

The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedge is expected to be effective in offsetting the changes in the fair value of cash flows that can be attributed to the hedged risk during the period for which the hedge is designated.

An effective hedge exists when all of the below conditions are met:

- There is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

On the commencement date of the accounting hedge, the Group formally documents the relationship between the hedging instrument and hedged item, including the Group's risk management objectives and strategy in executing the hedge transaction, together with the methods that will be used by the Group to assess the effectiveness of the hedging relationship.

With respect to a cash-flow hedge, a forecasted transaction that constitutes a hedged item must be highly probable and must give rise to exposure to changes in cash flows that could ultimately affect profit or loss.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

32. Other significant accounting policies and accounting estimates - (cont'd)

32.1 Hedging - (cont'd)

Cash-flow hedges

Subsequent to the initial recognition, changes in the fair value of derivatives used to hedge cash flows are recognized through other comprehensive income directly in a hedging reserve, with respect to the part of the hedge that is effective. Regarding the portion of the hedge that is not effective, the changes in fair value are recognized in profit and loss. The amount accumulated in the hedging reserve is reclassified to profit and loss in the period in which the hedged cash flows impact profit or loss and is presented in the same line item in the statement of income as the hedged item.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, the hedge accounting is discontinued. The cumulative gain or loss previously recognized in a hedging reserve through other comprehensive income remains in the reserve until the forecasted transaction occurs or is no longer expected to occur. If the forecasted transaction is no longer expected to occur, the cumulative gain or loss in respect of the hedging instrument in the hedging reserve is reclassified to profit or loss.

Economic hedge

Hedge accounting is not applied with respect to derivative instruments used to economically hedge financial assets and liabilities denominated in foreign currency or CPI linked. Changes in the fair value of such derivatives are recognized in profit or loss as gain (loss) from changes in fair value.

32.2 Securitization of assets

Details of the securitization of asset agreements and accounting policy are set out in Note V.5 - Account receivables.

32.3 Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organization, management requirements and internal reporting system.

Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and are same or similar in respect of the nature of each product and service, the nature of production processes, the type or class of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

32. Other significant accounting policies and accounting estimates - (cont'd)

32.4 Profit distributions to shareholders

Dividends which are approved after the balance sheet date are not recognized as a liability at the balance sheet date but are disclosed in the notes separately.

33. Changes in significant accounting policies and accounting estimates

33.1 Changes in significant accounting policies

There are no significant changes in accounting policies in the reporting period.

33.2 Changes in significant accounting estimates

There are no significant changes in accounting estimates in the reporting period.

34. Significant accounting estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Notes V.34, Note VIII, Note IX and Note XIII contain information about the assumptions and their risk factors relating to post-employment benefits – defined benefit plans, fair value of financial instruments and share-based payments. Other key sources of estimation uncertainty are as follows:

34.1 Expected credit loss of trade receivables

As described in Note III.12, trade receivables are reviewed at each balance sheet date to determine whether credit risk on a receivable has increased significantly since initial recognition, lifetime expected losses is accrued for impairment provision. Evidence of impairment includes observable data that comes to the attention of the Group about loss events such as a significant decline in the solvency of an individual debtor or the portfolio of debtors, and significant changes in the financial condition that have an adverse effect on the debtor. If there is objective evidence of a recovery in the value of receivables which can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

34. Significant accounting estimates and judgments - (cont'd)

34.2 Provision for impairment of inventories

As described in Note III.15, the net realisable value of inventories is under management's regular review, and as a result, provision for impairment of inventories is recognized for the excess of inventories' carrying amounts over their net realisable value. When making estimates of net realisable value, the Group takes into consideration the use of inventories held on hand and other information available to form the underlying assumptions, including the inventories' market prices and the Group's historical operating costs. The actual selling price, the costs of completion and the costs necessary to make the sale and relevant taxes may vary based on the changes in market conditions and product saleability, manufacturing technology and the actual use of the inventories, resulting in the changes in provision for impairment of inventories. The net profit or loss may then be affected in the period when the impairment of inventories is adjusted.

34.3 Impairment of assets other than inventories and financial assets

As described in Note III.23, if impairment indication exists, assets other than inventories and financial assets are assessed at balance sheet date to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such case exists, an impairment loss is recognized.

If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. Impairment exists if the carrying amount of an asset or asset group is higher than recoverable amount, the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group. In assessing the present value of estimated future cash flows, significant judgements are exercised over the asset's production, selling price, related operating expenses and discount rate to calculate the present value. All the parameters used for estimation of the recoverable amount are based on reasonable and supportable assumptions.

34.4 Depreciation and amortisation of assets such as fixed assets and intangible assets

As described in Note III.18 and III.21, assets such as fixed assets and intangible assets are depreciated and amortised over their useful lives after taking into account residual value. The estimated useful lives of the assets are regularly reviewed to determine the depreciation and amortisation costs charged in each reporting period. The useful lives of the assets are determined based on historical experience of similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

34. Significant accounting estimates and judgments - (cont'd)

34.5 Income taxes and deferred income tax

The Company and Group companies are assessed for income tax purposes in a large number of jurisdictions and, therefore, Company management is required to use considerable judgment in determining the total provision for taxes and attribution of income.

When assessing whether there will be sufficient future taxable profits available against which the deductible temporary differences can be utilised, the Group recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, using tax rates that would apply in the period when the asset would be utilised. In determining the amount of deferred tax assets, the Group makes reasonable judgements and estimates about the timing and amount of taxable profits to be utilised in the following periods, and of the tax rates applicable in the future according to the existing tax policies and other relevant regulations. If the actual timing and amount of future taxable profits or the actual applicable tax rates differ from the estimates made by management, the differences affect the amount of tax expenses.

34.6 Contingent liabilities

When assessing the possible outcomes of legal claims filed against the Company and its investee companies, the company positions are based on the opinions of their legal advisors. These assessments by the legal advisors are based on their professional judgment, considering the stage of the proceedings and the legal experience accumulated regarding the various matters. Since the results of the claims will be determined by the courts, the outcomes could be different from the assessments.

In addition to the said claims, the Group is exposed to unasserted claims, inter alia, where there is doubt as to interpretation of the agreement and/or legal provision and/or the manner of their implementation. This exposure is brought to the Company's attention in several ways, among others, by means of contacts made to Company personnel. In assessing the risk deriving from the unasserted claims, the Company relies on internal assessments by the parties dealing with these matters and by management, who weigh assessment of the prospects of a claim being filed, and the chances of its success, if filed. The assessment is based on experience gained with respect to the filing of claims and the analysis of the details of each claim. By their nature, in view of the preliminary stage of the clarification of the legal claim, the actual outcome could be different from the assessment made before the claim was filed.

34.7 Employee benefits

The Group's liabilities for long-term post-employment and other benefits are calculated according to the estimated future amount of the benefit to which the employee will be entitled in consideration for his services during the current period and prior periods. The benefit is stated at present value net of the fair value of the plan's assets, based on actuarial assumptions. Changes in the actuarial assumptions could lead to material changes in the book value of the liabilities and in the operating results.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - (cont'd)

34. Significant accounting estimates and judgments - (cont'd)

34.8 Derivative financial instruments

The Group enters into transactions in derivative financial instruments for the purpose of hedging risks related to foreign currency and inflationary risks. The derivatives are recorded at their fair value. The fair value of derivative financial instruments is based on quotes from financial institutions. The reasonableness of the quotes is examined by discounting the future cash flows, based on the terms and length of the period to maturity of each contract, while using market interest rates of a similar instrument as of the measurement date. Changes in the assumptions and the calculation model could lead to material changes in the fair value of the assets and liabilities and in the results.

(Expressed in RMB '000)

IV. Taxation

1. Main types of taxes and corresponding tax rates

The income tax rate in China is 25% (2025: 25%). The subsidiaries outside of China are assessed based on the tax laws in the country of their residence.

Set forth below are the tax rates outside China relevant to the largest subsidiaries of the Group in respect of assets and operating income:

Name of subsidiary	Location	2026
ADAMA agriculture solutions Ltd.	Israel	23.0%
ADAMA Makhteshim Ltd.	Israel	7.5%
ADAMA Agan Ltd.	Israel	16.0%
ADAMA Brasil S/A	Brazil	34.0%
Makhteshim Agan of North America Inc.	U.S.	24.3%
ADAMA India Private Ltd	India	25.2%
ADAMA Deutschland GmbH	Germany	32.5%
Control Solutions Inc.	U.S.	26.0%
Adama Australia Pty Ltd	Australia	30.0%
ADAMA Northern Europe B.V.	Netherlands	25.8%
ADAMA Italia SRL	Italy	27.9%
Alligare LLC	U.S.	26.1%

The VAT rate of the Group's subsidiaries is in the range between 2.6% to 27%.

(1) Benefits from High-Tech Certificate

The Company, was jointly approved as new and high-tech enterprise, by the Hubei Provincial Department of Science and Technology, Department of Finance of Hubei Province and Hubei Provincial Office of the State Administration of Taxation. The applicable income tax rate for 2026 and 2025 is 15%.

Adama Anpon (Jiangsu) Ltd. (Formally know as Jiangsu Anpon Electrochemical Co. Ltd, hereinafter - “Anpon"), a subsidiary of the Company, was jointly approved as new and high-tech enterprise, by the Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province and Jiangsu Provincial Office of the State Administration of Taxation. The applicable income tax rate for 2026 and 2025 is 15%.

(2) Amendment to the Law for the Encouragement of Capital Investments, 1959

Since 2013 the Israeli enterprises are taxed under the "Preferred Enterprise" regime. The benefits include a grants track for enterprises located in Area A. Tax rates on preferred income as from 2017 tax year are as follows: 7.5% for Development Area A and 16% for the rest of the country. The amendment further determined that no tax shall apply to dividend distributed out of preferred income to Israel resident company shareholder.

IV. Taxation - (cont'd)

1. Main types of taxes and corresponding tax rates - (cont'd)

(3) Amendment to the Law for the Encouragement of Capital Investments, 1959 - (cont'd)

As of January 1, 2017 the law includes new tax benefit tracks for a "preferred technological enterprise" and a "special preferred technological enterprise" which award reduced tax rates to a technological industrial enterprise for the purpose of encouraging activity relating to the development of qualifying intangible assets.

The benefits will be awarded to a "preferred company" that has a "preferred technological enterprise" or a "special preferred technological enterprise" with respect to taxable "preferred technological income" per its definition in the Encouragement Law. Regulations that provide a nexus formula for allocating eligible profits govern these regimes.

Income of a Preferred Technological Enterprise a Special Preferred Technological Enterprise will be subject to a reduced corporate tax rate of 6% regardless of the development area in which the enterprise is located.

(Expressed in RMB '000)

V. Notes to the consolidated financial statements

1. Cash at Bank and On Hand

	June 30 2026	December 31 2025
Cash on hand	1,091	1,107
Deposits in banks	2,817,941	3,352,219
Other cash and bank balances	87,020	96,974
	2,906,052	3,450,300
Including cash and bank balances placed outside China	1,905,710	2,279,489

As at June 30, 2026 restricted cash and bank balances was 87,020 thousand RMB (as at December 31, 2025 96,974 thousand RMB) mainly including deposits that guarantee bank acceptance drafts.

2. Financial assets held for trading

	June 30 2026	December 31 2025
Bank deposits	2,711	1,223
	2,711	1,223

3. Derivative financial assets

	June 30 2026	December 31 2025
Economic hedge	164,551	401,091
Accounting hedge derivatives	63,941	48,288
	228,492	449,379

4. Bills Receivable

	June 30 2026	December 31 2025
Post-dated checks receivable	256,325	358,489
	256,325	358,489

(Expressed in RMB '000)

V. Notes to the consolidated financial statements – (cont'd)

5. Accounts Receivable

a. By category

	June 30, 2026				
	Book value		Provision for expected credit losses		
	Amount	Percentage (%)	Amount	Percentage (%)	Carrying amount
Account receivables assessed individually for impairment	676,529	8	353,127	52	323,402
Account receivables assessed collectively for impairment	7,573,420	92	115,520	2	7,457,900
	8,249,949	100	468,647	6	7,781,302

	December 31, 2025				
	Book value		Provision for expected credit losses		
	Amount	Percentage (%)	Amount	Percentage (%)	Carrying amount
Account receivables assessed individually for impairment	617,676	8	350,083	57	267,593
Account receivables assessed collectively for impairment	6,968,418	92	111,275	2	6,857,143
	7,586,094	100	461,358	6	7,124,736

b. Aging analysis

	June 30, 2026
Within 1 year (inclusive)	7,684,583
Over 1 year but within 2 years	307,110
Over 2 years but within 3 years	51,960
Over 3 years but within 4 years	19,636
Over 4 years but within 5 years	25,446
Over 5 years	161,214
	8,249,949

(Expressed in RMB '000)

V. Notes to the consolidated financial statements – (cont'd)

5. Accounts Receivable – (cont'd)

Main groups of account receivables assessed collectively for impairment based on geographical location:

Geographical location A:

Account receivables in geographical location A are grouped based on similar credit risk:

	June 30, 2026		
	Book value	Provision for expected credit loss	Percentage (%)
Credit group A	1,340,303	5,097	0.4
Credit group B	481,517	7,434	1.5
Credit group C	367,692	10,329	2.8
Credit group D	66,135	250	0.4
	2,255,647	23,110	1.0

Geographical location B:

Account receivables in geographical location B are grouped based on aging analysis:

	June 30, 2026		
	Book value	Provision for expected credit loss	Percentage (%)
Accounts receivable that are not overdue	529,483	7,486	1.4
Debts overdue less than 90 days	39,072	1,141	2.9
Debts overdue less than 180 days but more than 90 days.	18,372	1,862	10.1
Debts overdue less than 360 days but more than 180 days.	15,055	3,909	26.0
Debts overdue above 360 days	14,580	11,210	76.9
Legal Debtors	54,638	54,638	100.0
	671,200	80,246	12.0

Other geographical locations:

	June 30, 2026		
	Book value	Provision for expected credit loss	Percentage (%)
Other account receivables assessed collectively for impairment	4,646,573	12,164	0.3

(Expressed in RMB '000)

V. Notes to the consolidated financial statements – (cont'd)

5. Accounts Receivable – (cont'd)

c. Addition, written-back and written-off of provision for expected credit losses during the period

	Lifetime expected credit loss (credit losses has not occurred)	Lifetime expected credit loss (credit losses has occurred)	Total
January 1, 2026	42,428	418,930	461,358
Addition (write back) during the period, net	(641)	29,081	28,440
Write-off during the period	-	(7,435)	(7,435)
Classification between long term and short term, net	-	(16,808)	(16,808)
Exchange rate effect	(1,149)	4,241	3,092
Balance as of June 30, 2026	40,638	428,009	468,647

d. Five largest accounts receivable at June 30, 2026:

Name	Closing balance	Proportion of Accounts receivable (%)	Allowance of expected credit losses (credit losses has occurred)
Customer 1	238,106	3	-
Customer 2	96,081	1	(89,727)
Customer 3	88,426	1	-
Customer 4	69,968	1	-
Customer 5	66,481	1	-
Total	559,062	7	(89,727)

e. Derecognition of accounts receivable due to transfer of financial assets

Certain subsidiaries of the group entered into a securitization transaction with Rabobank International for sale of trade receivables (hereinafter – “the Securitization Program” and/or “the Securitization Transaction”).

Pursuant to the Securitization Program, the companies will sell their trade receivables debts, in various different currencies, to a foreign company that was set up for this purpose and that is not owned by the Adama Ltd. (hereinafter – “the Acquiring Company”). Acquisition of the trade receivables by the Acquiring Company is financed by Cooperative Rabobank U.A..

The trade receivables included as part of the Securitization Transaction are trade receivables that meet the criteria provided in the agreement.

Every year the credit facility is re-approved in accordance with the Securitization Program. As at 30 June 2026, the Securitization agreement was approved up to October 24, 2026.

V. Notes to the consolidated financial statements – (cont'd)

5. Accounts Receivable – (cont'd)

e. Derecognition of accounts receivable due to transfer of financial assets - (cont'd)

The maximum scope of the securitization is adjusted for the seasonal changes in the scope of the Company’s activities, as follows: during January - 350m$ (as of June-2026 2,384 million RMB), during the months of February through July – 400m$ (as of June-2026 2,724 million RMB), during the months of August through September – 300m$ (as of June-2026 2,043 million RMB), during the months of October through November- 275m$ (as of June-2026 1,873 million RMB) and during the month of December – 300m$ (as of June-2026 2,043 million RMB). In addition the company has a permanent uncommitted facility of 50$ million (as of June-2026 - 341 million RMB) which will be applicable each period. The proceeds received from those customers whose debts were sold are used for acquisition of new trade receivables.

The price at which the trade receivables debts are sold is the amount of the debt sold less a discount calculated based on, among other things, the expected length of the period between the date of sale of the trade receivable and its anticipated repayment date. In the month following acquisition of the debt, the Acquiring Company pays in cash most of the debt while the remainder is recorded as a subordinated note and as continuing involvement that is paid after collection of the debt sold. If the customer does not pay its debt on the anticipated repayment date, the Company bears interest up to the earlier of the date on which the debt is actually repaid or the date on which debt collection is transferred to the insurance company (the actual costs are not significant and are not expected to be significant).

The Acquiring Company bears 95% of the credit risk in respect of the customers whose debts were sold and will not have a right of recourse to the Company in respect of the amounts paid in cash, except regarding debts with respect to which a commercial dispute arises between the companies and their customers, that is, a dispute the source of which is a claim of non-fulfillment of an obligation of the seller in the supply agreement covering the product, such as: a failure to supply the correct product, a defect in the product, delinquency in the supply date, and the like.

The Acquiring Company appointed a policy manager who will manage for it the credit risk involved with the trade receivables sold, including an undertaking with an insurance company.

Pursuant to the Receivables Servicing Agreement, the Group subsidiaries handle collection of the trade receivables as part of the Securitization Transaction for the benefit of the Acquiring Company.

As part of the agreement, Solutions is committed to comply with certain financial covenants, mainly the ratio of the liabilities to equity and profit ratios. As of June 30 2026, Solutions was in compliance with the financial covenants.

The accounting treatment of sale of the trade receivables included as part of the Securitization Program is:

The Company is not controlling the Acquiring Company, therefore the Acquiring Company is not consolidated in the financial statements.

The Company continues to recognize the trade receivables included in the Securitization Program based on the extent of its continuing involvement therein.

A subordinated note is recorded in respect of the portion of trade receivables included in the Securitization Program with respect to outstanding cash proceeds, however the Company has transferred the credit risk.
The continuing involvement and subordinated note recorded in the balance sheet as part of the “other receivables” line item.

V. Notes to the consolidated financial statements – (cont'd)

5. Accounts Receivable – (cont'd)

e. Derecognition of accounts receivable due to transfer of financial assets - (cont'd)

The loss from sale of the trade receivables is recorded at the time of sale in the statement of income in the “financing expenses”.

f. A subsidiary in Brazil (hereinafter - “the subsidiary”) entered into the following securitization agreements:

Since 2016, a securitization transaction with Rabobank Brazil for sale of customer receivables (hereinafter "FIDC-Donegal agreement"). Under the FIDC-Donegal agreement, the subsidiary will sell its receivables to a securitization structure (hereinafter - “the entity”) that was formed for this purpose where the subsidiary has subordinate rights of 5% of the entity's capital.

As at June 17, 2024 the FIDC-Donegal agreement was approved up to September 30, 2027. The maximum securitization scope as of June, 2026 is BRL 350 million (460 million RMB).

On the date of the sale of the customer receivables, the entity pays the full amount which is the debt amount sold net of discount calculated, among others, over the expected length of the period between the date of sale of the customer receivable and its anticipated repayment date.

The entity bears 95% of the credit risk in respect of the customers whose debts were sold such that the entity has the right of recourse to 5% of the unpaid amount. The subsidiary has a pledged deposit with regards to the entity’s right of recourse.

The subsidiary continues to recognize the trade receivables sold to the entity based on the extent of its continuing involvement therein (5% right of recourse) and also recognizes an associated liability in the same amount.

In "FIDC-Donegal agreement" the subsidiary handles the collection of receivables included in the securitization for the entity.

In the agreement above, the subsidiary does not control the entities and therefore the entities are not consolidated in the Group's financial statements.

The loss from the sale of the trade receivables is recorded at the time of sale in the statement of income in the “financing expenses” category.

(Expressed in RMB '000)

V. Notes to the consolidated financial statements – (cont'd)

5. Accounts Receivable – (cont'd)

f. Derecognition of accounts receivable due to transfer of financial assets - (cont'd)

	June 30 2026	December 31 2025
Accounts receivables derecognized	3,812,231	3,275,491
Continuing involvement	168,951	148,167
Subordinated note in respect of trade receivables	521,388	777,505
Liability in respect of trade receivables	58,376	29,191

	Six months ended June 30 2026	Six months ended June 30 2025
Loss in respect of sale of trade receivables	87,785	87,344

6. Receivables financing

	June 30 2026	December 31 2025
Bank acceptance draft	78,314	30,767
	78,314	30,767

As at June 30, 2026, bank acceptance endorsed but not yet due amounts to 297,560 thousands RMB.

7. Prepayments

(1) The aging analysis of prepayments is as follows:

	June 30 2026		December 31 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	289,497	94	358,321	98
Over 1 year but within 2 years (inclusive)	18,451	6	8,726	2
Over 2 years but within 3 years (inclusive)	753	-	774	-
Over 3 years	363	-	191	-
	309,064	100	368,012	100

(2) Total of five largest prepayments by debtor at the end of the period:

	Amount	Percentage of prepayments (%)
June 30, 2026	75,240	24

(Expressed in RMB '000)

V. Notes to the consolidated financial statements – (cont'd)

8. Other Receivables

(1) Other receivables by nature

	June 30 2026	December 31 2025
Dividend receivable	4,340	2,325
Others	771,926	1,073,839
	776,266	1,076,164

a. Others breakdown by categories

	June 30 2026	December 31 2025
Subordinated note in respect of trade receivables	521,388	777,505
Trade receivables as part of securitization transactions not yet eliminated	168,951	148,167
Other	94,010	162,387
Sub total	784,349	1,088,059
Provision for expected credit losses - other receivables	(12,423)	(14,220)
	771,926	1,073,839

b. Other receivables by aging

	June 30 2026
Within 1 year (inclusive)	764,254
Over 1 year but within 2 years	4,488
Over 2 years but within 3 years	1,498
Over 3 years but within 4 years	48
Over 4 years but within 5 years	6,151
Over 5 years	7,910
	784,349

(2) Additions, recovery or reversal and written-off of provision for expected credit losses during the period:

	Six months ended June 30, 2026
Balance as of January 1 2026,	14,220
Addition (written back) during the period	(235)
Write-off during the period	(1,508)
Exchange rate effect	(54)
Balance as of June 30, 2026	12,423

(Expressed in RMB '000)

V. Notes to the consolidated financial statements – (cont'd)

8. Other Receivables – (cont'd)

(3) Five largest other receivables at June 30, 2026:

Name	Closing balance	Proportion of other receivables (%)	Allowance of expected credit losses
Party 1	521,388	66	-
Party 2	17,885	2	-
Party 3	5,572	1	5,572
Party 4	1,595	-	1,595
Party 5	1,280	-	1,280
Total	547,720	70	8,447

9. Inventories

(1) Inventories by category:

	June 30, 2026		
	Book value	Provision for impairment	Carrying amount
Raw materials	3,126,338	25,769	3,100,569
Work in progress	1,334,872	851	1,334,021
Finished goods	6,627,347	277,792	6,349,555
Others	513,244	16,602	496,642
	11,601,801	321,014	11,280,787

	December 31, 2025		
	Book value	Provision for impairment	Carrying amount
Raw materials	2,903,909	32,098	2,871,811
Work in progress	1,806,286	820	1,805,466
Finished goods	6,729,824	277,285	6,452,539
Others	495,793	17,767	478,026
	11,935,812	327,970	11,607,842

(Expressed in RMB '000)

V. Notes to the consolidated financial statements – (cont'd)

9. Inventories - (cont'd)

(2) Provision for impairment of inventories:

For the Six months ended June 30, 2026

	January 1, 2026	Provision	Reversal or write-off	Other	June 30, 2026
Raw material	32,098	5,975	(11,177)	(1,127)	25,769
Work in progress	820	341	(310)	-	851
Finished goods	277,285	100,458	(92,767)	(7,184)	277,792
Others	17,767	2,920	(3,865)	(220)	16,602
	327,970	109,694	(108,119)	(8,531)	321,014

10. Other Current Assets

	June 30 2026	December 31 2025
Deductible VAT	570,110	528,604
Current tax assets	308,233	311,227
Short term investments	-	155,154
Others	87,349	99,288
	965,692	1,094,273

11. Long-Term Receivables

	June 30 2026	December 31 2025
Long term account receivables from sale of goods	281,583	180,324
Provision for expected credit losses	(78,400)	(62,121)
	203,183	118,203

1) Additions, recovery or reversal of provision for expected credit losses during the period:

	Provision for long term receivables
Balance as of January 1, 2026	62,121
Classification between long term and short term, net	16,808
Addition (write back) during the period, net	-
Exchange rate effect	(529)
Balance as of June 30, 2026	78,400

V. Notes to the consolidated financial statements – (cont'd)

(Expressed in RMB '000)

12. Long-Term Equity Investments

(1) Long-term equity investments by category:

	June 30 2026	December 31 2025
Joint venture	1,956	2,129
Associate	40,864	37,183
	42,820	39,312

(2) Movements of long-term equity investments for the period are as follows:

	January 1, 2026	Investment income	Other Comprehensive gain (loss)	Declared distribution of cash dividend	Balance at the end of the period
Joint venture					
Investee A	2,129	(110)	(63)	-	1,956
Sub-total	2,129	(110)	(63)	-	1,956
Associate					
Investee B	37,183	6,703	1,134	(4,156)	40,864
Sub-total	37,183	6,703	1,134	(4,156)	40,864
Sub-total	39,312	6,593	1,071	(4,156)	42,820

13. Other equity investments

	June 30, 2026	December 31, 2025	Dividend recognized during 2026
Investment A	54,299	54,299	-
Investment B	73,176	75,497	-
	127,475	129,796	-

Other equity investments are non-core businesses that are intended to be held in the foreseeable future.

(Expressed in RMB '000)

V. Notes to the consolidated financial statements – (cont'd)

14. Fixed assets

	Land & Buildings	Machinery & equipment	Motor vehicles	Office & other equipment	Total
Cost					
Balance as at January 1, 2026	4,692,472	19,736,914	172,406	487,236	25,089,028
Purchases	13,181	37,195	19,933	14,354	84,663
Transfer from construction in progress	13,717	354,388	-	553	368,658
Disposals	(180,005)	(543,528)	(22,666)	(3,601)	(749,800)
Currency translation adjustment	(72,705)	(470,143)	(3,626)	(14,863)	(561,337)
Balance as at June 30, 2026	4,466,660	19,114,826	166,047	483,679	24,231,212
Accumulated depreciation					
Balance as at January 1, 2026	(2,019,460)	(11,380,299)	(78,043)	(383,424)	(13,861,226)
Charge for the period	(69,463)	(417,366)	(13,087)	(18,605)	(518,521)
Disposals	108,227	483,505	15,934	3,305	610,971
Currency translation adjustment	40,612	275,804	1,128	13,292	330,836
Balance as at June 30, 2026	(1,940,084)	(11,038,356)	(74,068)	(385,432)	(13,437,940)
Provision for impairment					
Balance as at January 1, 2026	(380,580)	(772,042)	(681)	(948)	(1,154,251)
Charge for the period	-	(74,229)	-	-	(74,229)
Transfer from construction in progress	-	(298)	-	-	(298)
Disposals	20,353	31,789	75	18	52,235
Currency translation adjustment	7,090	11,524	-	6	18,620
Balance as at June 30, 2026	(353,137)	(803,256)	(606)	(924)	(1,157,923)
Carrying amounts					
As at June 30, 2026	2,173,439	7,273,214	91,373	97,323	9,635,349
As at January 1, 2026	2,292,432	7,584,573	93,682	102,864	10,073,551

The lands reported as fixed assets are owned by the group subsidiaries and are located outside of China.

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

15. Construction in Progress

(1) Construction in progress

June 30 2026			December 31 2025		
Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
1,038,405	(324,735)	713,670	1,213,760	(316,585)	897,175

(2) Details and Movements of major construction projects in progress during period ended June 30, 2026

	Budget	January 1, 2026	Additions	Including: Interest capitalized	Currency translation differences	Transfer to fixed assets	Impairment	June 30, 2026	Actual cost to budget (%)	Project progress (%)	Source of funds
Project A	874,889	66,308	3,196	-	-	(2,032)	-	67,472	94%	94%	Bank loan and internal finance
Project B	912,661	162,376	7,034	-	(5,121)	-	-	164,289	86%	86%	Bank loan and internal finance

* As of June 30, 2026 Project A include impairment of RMB 17 million.

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

16. Right-of-use assets

	Land & Buildings	Machinery & equipment	Motor vehicles	Office & other equipment	Total
Cost					
Balance as at January 1, 2026	852,943	41,927	282,628	4,224	1,181,722
Additions	16,154	733	55,634	(13)	72,508
Decrease	(76,984)	(3,845)	(51,596)	(739)	(133,164)
Currency translation adjustment	(13,094)	(1,273)	(9,271)	(154)	(23,792)
Balance as at June 30, 2026	779,019	37,542	277,395	3,318	1,097,274
Accumulated depreciation					
Balance as at January 1, 2026	(356,593)	(23,003)	(137,632)	(3,051)	(520,279)
Charge for the period	(44,226)	(1,366)	(41,194)	(442)	(87,228)
Decrease	5,928	3,845	47,004	2,012	58,789
Currency translation adjustment	8,757	693	4,648	84	14,182
Balance as at June 30, 2026	(386,134)	(19,831)	(127,174)	(1,397)	(534,536)
Provision for impairment					
Balance as at January 1, 2026	-	-	-	-	-
Balance as at June 30, 2026	-	-	-	-	-
Carrying amounts					
As at June 30, 2026	392,885	17,711	150,221	1,921	562,738
As at January 1, 2026	496,350	18,924	144,996	1,173	661,443

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

17. Intangible Assets

	Product registration	Intangible assets on Purchase of Products	Software	Marketing rights, tradename and trademarks	Customers relations	Land use rights [1]	Others[2]	Total
Costs								
Balance as at January 1, 2026	13,291,894	4,183,197	1,568,175	783,128	638,122	506,245	605,009	21,575,770
Purchases	121,513	-	57,790	-	-	-	6,928	186,231
Disposals	(452,428)	-	(6,308)	(9,748)	-	-	(8,996)	(477,480)
Currency translation adjustment	(404,322)	(129,684)	(43,928)	(24,377)	(16,573)	(1,212)	(12,679)	(632,775)
Balance as at June 30, 2026	12,556,657	4,053,513	1,575,729	749,003	621,549	505,033	590,262	20,651,746
Accumulated amortization								
Balance as at January 1, 2026	(11,006,559)	(3,571,987)	(992,254)	(550,475)	(446,031)	(130,437)	(234,807)	(16,932,550)
Charge for the period	(241,116)	(53,168)	(57,910)	(9,875)	(20,608)	(4,968)	(10,631)	(398,276)
Disposals	451,762	-	6,281	9,748	-	-	8,996	476,787
Currency translation adjustment	341,594	111,392	27,711	17,272	12,806	(248)	5,200	515,727
Balance as at June 30, 2026	(10,454,319)	(3,513,763)	(1,016,172)	(533,330)	(453,833)	(135,653)	(231,242)	(16,338,312)
Provision for impairment								
Balance as at January 1, 2026	(170,389)	(159,597)	(9,273)	-	-	-	(1,618)	(340,877)
Charge for the period	-	-	-	-	-	-	-	-
Disposals	348	-	-	-	-	-	-	348
Currency translation adjustment	2,964	4,948	269	-	-	-	-	8,181
Balance as at June 30, 2026	(167,077)	(154,649)	(9,004)	-	-	-	(1,618)	(332,348)
Carrying amount								
As at June 30, 2026	1,935,261	385,101	550,553	215,673	167,716	369,380	357,402	3,981,086
As at January 1, 2026	2,114,946	451,613	566,648	232,653	192,091	375,808	368,584	4,302,343

(1) Include land parcel in Israel that has not yet been registered in the name of the Group subsidiaries at the Land Registry Office, mostly due to registration procedures or technical problems.
(2) Mainly exclusivity agreements.

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

18. Goodwill

Changes in goodwill

The Group allocates goodwill to two cash generating units ("CGU"), Crop Protection (Agro) and a non-core activity included in the Intermediates and ingredients segment. At the end of the year, or more frequently whether indicators for impairment exists, the Group estimates the recoverable amount of each CGU for which goodwill has been allocated to using the DCF model. As of June 30, 2026 no indicators of impairment existed. The 2025 DCF model was based on:

- The actual results of 2025, 2026 workplan and the forecast results for the next 4 years. The key assumptions contains projected revenue growth rate and gross margin.
- The discount rate (8.6% WACC) based on the company's cost of equity and cost of debt, taking into account the comprehensive risk factors.
- The annual growth rate (1.5%) based on the management projections and market expectations.

As of December 31, 2025 the value in use of the cash generating units to which goodwill has been allocated to exceeds its carrying amount.

	January 1, 2026	Change during the year	Currency translation adjustment	Balance at June 30, 2026
Book value	4,964,450	-	(149,964)	4,814,486
Impairment provision	-	-	-	-
Carrying amount	4,964,450	-	(149,964)	4,814,486

19. Deferred Tax Assets and Deferred Tax Liabilities

(1) Deferred tax assets without taking into consideration of the offsetting of balances within the same tax jurisdiction

	June 30 2026		December 31 2025	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Deferred tax assets in respect of carry forward losses	2,727,787	503,850	3,217,169	484,298
Deferred tax assets in respect of inventories	2,760,879	750,488	2,199,271	585,021
Deferred tax assets in respect of employee benefits	900,396	135,489	874,432	142,094
Other deferred tax asset	2,601,400	634,354	2,508,133	644,334
	8,990,462	2,024,181	8,799,005	1,855,747

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

19. Deferred Tax Assets and Deferred Tax Liabilities - (cont'd)

(2) Deferred tax liabilities without taking into consideration of the offsetting of balances within the same tax jurisdiction

	June 30 2026		December 31 2025	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Deferred tax liabilities in respect of fixed assets, intangible assets and right-of-use assets	3,937,397	729,299	4,258,988	785,595
	3,937,397	729,299	4,258,988	785,595

(3) Deferred tax assets and deferred tax liabilities presented on a net basis after offsetting

	June 30 2026		December 31 2025	
	The offset amount of deferred tax assets and liabilities	Deferred tax assets or liabilities after offset	The offset amount of deferred tax assets and liabilities	Deferred tax assets or liabilities after offset
Presented as:				
Deferred tax assets	498,013	1,526,168	561,571	1,294,176
Deferred tax liabilities	498,013	231,286	561,571	224,024

(4) Details of unrecognized deferred tax assets

	June 30 2026	December 31 2025
Deductible temporary differences	756,471	830,630
Deductible losses carry forward	4,857,241	5,547,431
	5,613,712	6,378,061

(5) Expiration of deductible tax losses carry forward for unrecognized deferred tax assets

	June 30 2026	December 31 2025
2026	189,779	190,326
2027	33,730	40,585
2028	227,919	238,789
2029	154,015	199,050
2030	48,486	39,474
After 2030	4,203,312	4,839,207
	4,857,241	5,547,431

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

19. Deferred Tax Assets and Deferred Tax Liabilities - (cont'd)

(6) Unrecognized deferred tax liabilities

When calculating the deferred taxes, taxes that would have applied in the event of realizing investments in subsidiaries were not taken into account, since it is the Company's intention to hold these investments and not realize them.

20. Other Non-Current Assets

	June 30	December 31
	2026	2025
Judicial deposits	171,328	152,033
Advances in respect of non-current assets	34,418	38,745
Assets related to securitization	29,171	27,799
Others	204,139	184,882
	439,056	403,459

21. Short-Term Loans

Short-term loans by category:

	June 30	December 31
	2026	2025
Unsecured loans	5,763,384	6,673,792
	5,763,384	6,673,792

(Expressed in RMB '000)

V. Notes to the consolidated financial statements – (cont'd)

22. Derivative financial liabilities

	June 30 2026	December 31 2025
Economic hedge	246,105	152,525
Accounting hedge derivatives	3,732	37,056
	249,837	189,581

23. Bills Payables

	June 30 2026	December 31 2025
Post-dated checks payables	127,309	221,808
Note payables draft	478,005	400,852
	605,314	622,660

As at June 30, 2026, none of the bills payable are overdue.

24. Accounts payable

	June 30 2026	December 31 2025
Within 1 year (including 1 year)	4,974,877	5,379,999
1-2 years (including 2 years)	35,295	43,276
2-3 years (including 3 years)	7,009	4,125
Over 3 years	30,950	34,349
	5,048,131	5,461,749

There are no significant accounts payables aging over one year.

As at June 30, 2026, the amount of the accounts payable included under the supplier financing arrangements was 892,228 thousand RMB (as at December 31,2025: 1,040,262). Accounts payables under financing arrangements have payment due dates ranging from 90 to 180 days from the invoice date. Comparable accounts payable that are not part of supplier financing arrangements have similar payment terms.

Under supplier finance arrangements, participating suppliers may elect, to receive early payment from the financial institutions for invoices owed and the company makes a payment to the financial institutions on the original invoice due date, regardless of whether the supplier has elected to receive early payment or not.

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

24. Accounts payable - (cont'd)

The company may provide guarantees to the financial institutions (as may be provided to suppliers directly as well) but incurs no interest or other charges payable to the financial institutions on the payments made.

The balance of the accounts payable is not derecognized from the balance sheet because the original liability is not substantially modified on entering the arrangements as it continues to carry the characteristic of accounts payable and represent liabilities to pay for goods and services.
The settlements to the financial institutions are included within operating cash flows because they continue to be part of the normal operating cycle.
Supplier financing arrangements have no impact on the company's liquidity risk.

25. Contract liabilities

	June 30 2026	December 31 2025
Discount for customers	1,394,296	813,747
Advances from customers	121,344	975,743
	1,515,640	1,789,490

26. Employee Benefits Payable

	June 30 2026	December 31 2025
Short-term employee benefits	446,626	643,371
Post-employment benefits	25,038	46,389
Share based payment (See note XIII)	-	110
Other benefits within one year	215,342	197,286
	687,006	887,156
Current maturities	47,601	49,568
	734,607	936,724

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

27. Taxes Payable

	June 30 2026	December 31 2025
Corporate income tax	348,041	322,939
VAT	196,985	187,569
Others	26,694	28,660
	571,720	539,168

28. Other Payables

	June 30 2026	December 31 2025
Dividends payables	750	750
Other payables	1,522,269	1,417,343
	1,523,019	1,418,093

(1) Other payables

	June 30 2026	December 31 2025
Accrued expenses	789,954	762,284
Hold-back payment due to acquistions	100,000	100,000
Liability in respect of securitization transactions	58,376	29,191
Payables in respect of intangible assets	18,097	43,944
Financial institutions	9,753	886
Others	546,089	481,038
	1,522,269	1,417,343

29. Non-Current Liabilities Due Within One Year

Non-current liabilities due within one year by category are as follows:

	June 30 2026	December 31 2025
Long term loans from related party due within one year	2,350,850	2,359,991
Long-term loans due within one year	760,991	819,790
Debentures payable due within one year	513,807	489,394
Lease liabilities due within one year	169,062	156,028
	3,794,710	3,825,203

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

30. Other Current Liabilities

	June 30 2026	December 31 2025
Put options to holders of non-controlling interests	549,492	544,725
Provision in respect of returns	311,873	344,273
Provision in respect of claims	36,343	39,846
Others	388	415
	898,096	929,259

31. Long-Term Loans

Long-term loans by category

	June 30		December 31	
	2026	Interest range	2025	Interest range
Long term loans				
Unsecured loans	1,913,470	2.25%-6.45%	2,327,304	1.65%-6.45%
Less:				
Long term loans from banks due within 1 year	(760,991)		(819,790)	
Long term loans, net	1,152,479		1,507,514	

* For more detailes regarding the guaranteed loans – see note X. related parties and related parties transactions.

For the maturity analysis, see note VIII.C - Liquidity risk.

32. Debentures Payable

	June 30 2026	December 31 2025
Debentures Series B	5,651,921	5,383,470
Current maturities	(513,807)	(489,394)
	5,138,114	4,894,076

	June 30 2026
First year (current maturities)	513,807
Second year	513,807
Third year	513,807
Fourth year	513,807
Fifth year and thereafter	3,636,693
	5,691,921

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

32. Debentures Payable - (cont'd)

Movements of debentures payable:

For the Six months ended June 30, 2026:

Maturity period	Original Face value in RMB	Original Face value NIS	Issuance date	Maturity period	Issuance amount	Balance at January 1, 2026	Amortization of discounts or premium	CPI and exchange rate effect	Repayment during the period	Currency translation adjustment	Balance at June 30, 2026
Debentures Series B	2,673,640	1,650,000	4.12.2006	November 2020-2036	3,043,742	2,237,456	48	186,753	-	(74,852)	2,349,405
Debentures Series B	843,846	513,527	16.1.2012	November 2020-2036	842,579	692,337	4,129	58,056	-	(23,195)	731,327
Debentures Series B	995,516	600,000	7.1.2013	November 2020-2036	1,120,339	848,376	1,778	70,908	-	(28,392)	892,670
Debentures Series B	832,778	533,330	1.2.2015	November 2020-2036	1,047,439	786,741	(1,096)	65,766	-	(26,305)	825,106
Debentures Series B	418,172	266,665	1-6.2015	November 2020-2036	556,941	421,173	(2,868)	35,152	-	(14,038)	439,419
Debentures Series B	497,989	246,499	5.5.2020	November 2020-2036	692,893	397,387	(3,412)	33,251	-	(13,232)	413,994
						5,383,470	(1,421)	449,886	-	(180,014)	5,651,921

Series B debentures, in amount of NIS 3,810 million par value (2,958 million par value, net of self-purchased), linked to the CPI and bear interest at the base annual rate of 5.15%. The debenture principal shall be repaid in 17 equal payments in the years 2020 through 2036.

On May 26, 2025, ADAMA Solutions Board of Directors approved a buyback plan for the Company's debentures (Series B) in the amount of up to USD 300 million (RMB 2,148 million). On May 29, 2025, the Company purchased NIS 642,448thousand par value of Bonds for a total consideration of approximately USD 268 million (RMB 1,927 million). The loss in respect of the debentures buyback was USD 9 million (RMB 68 million), and included in the financial expenses.

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

33. Lease liabilities

	June 30 2026	Interest range	December 31 2025	Interest range
Lease liabilities	821,792	1.9%-14.1%	907,254	1.0%-14.1%
Less: Lease liabilities due within one year	(169,062)		(156,028)	
Long term lease liabilities, net	652,730		751,226	

34. Long-Term Employee Benefits Payable

Post-employment benefit plans – defined benefit plan and early retirement

	June 30 2026	December 31 2025
Total present value of obligation	497,317	490,562
Less: fair value of plan's assets	(64,649)	(63,751)
Net liability related to Post-employment benefits	432,668	426,811
Termination benefits	71,004	67,828
Total recognized liability for defined benefit plan, net (1)	503,672	494,639
Other long-term employee benefits	103,137	91,824
Total long-term employee benefits, net	606,809	586,463
Including: Long-term employee benefits payable due within one year	47,601	49,568
	559,208	536,895

(1) Movement in the net liability and assets in respect of defined benefit plans, early retirement and their components

	Defined benefit obligation and early retirement		Fair value of plan's assets		Total	
	2026	2025	2026	2025	2026	2025
Balance as at January 1,	558,390	531,452	63,751	54,186	494,639	477,266
Expense/income recognized in profit and loss:						
Current service cost	7,423	8,400	-	-	7,423	8,400
Past service cost	1,855	(309)	579	-	1,276	(309)
Interest costs	10,251	10,360	1,400	1,315	8,851	9,045
Losses on curtailments and settlements	13,260	3,374	-	-	13,260	3,374
Changes in exchange rates	28,029	32,895	4,268	4,260	23,761	28,635
Actuarial gain (losses) due to early retirement	(301)	1,033	-	-	(301)	1,033
Included in other comprehensive income:						
Actuarial gain (losses) as a result of changes in actuarial assumptions	2,787	(1,555)	1,317	(302)	1,470	(1,252)
Foreign currency translation differences in respect of foreign operations	(20,274)	(2,324)	(2,142)	(285)	(18,132)	(2,040)
Additional movements:						
Benefits paid	(33,099)	(34,220)	(5,227)	(3,161)	(27,872)	(31,059)
Contributions paid by the Group	-	-	703	690	(703)	(690)
Balance as at June 30,	568,321	549,106	64,649	56,703	503,672	492,403

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

34. Long-Term Employee Benefits Payable - (cont'd)

Post-employment benefit plans – defined benefit plan and early retirement - (cont'd)

(2) Actuarial assumptions and sensitivity analysis

The principal actuarial assumptions at the reporting date for defined benefit plan

	June 30 2026	December 31 2025
Discount rate (%)*	1.8%-2.7%	1.8%-3.3%

* According to the demographic and the benefit components.

The assumptions regarding the future mortality rate are based on published statistical data and acceptable mortality rates.

Possible reasonable changes as of the date of the report in the discount rate, assuming the other assumptions remain unchanged, would have affected the defined benefit obligation as follows:

	As of June 30, 2026	
	Increase of 1%	Decrease of 1%
Change in defined benefit obligation	(36,231)	47,336

35. Provisions

	June 30 2026	December 31 2025
Liabilities in respect of contingencies*	231,874	210,045
Provision in respect of site restoration	188,592	211,997
Other	1,022	2,305
	421,488	424,347

* Liabilities in respect of contingencies includes obligations of pending litigations, where an outflow of resources had been reliably estimated.

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

36. Other Non-Current Liabilities

	June 30 2026	December 31 2025
Long term loans from related party	2,350,850	2,359,991
	2,350,850	2,359,991
Current maturities	(2,350,850)	(2,359,991)
	-	-

37. Share Capital

	Balance at January 1, 2026	Issuance of new shares	Buyback of shares	Balance at June 30, 2026
Share capital	2,329,812	-	-	2,329,812

38. Capital Reserve

	Balance at January 1, 2026	Additions during the period	Reductions during the period	Balance at June 30, 2026
Share premiums	12,606,562	-	-	12,606,562
Other capital reserve	260,561	-	-	260,561
	12,867,123	-	-	12,867,123

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

39. Other Comprehensive Income, net of tax

	Attributable to shareholders of the company					
	Balance at January 1, 2026	Before tax amount	Less: transfer to profit or loss	Less: Income tax expenses	Net-of-tax amount	Balance at June 30, 2026
Items that will not be reclassified to profit or loss	**114,141**	**(1,470)**	**-**	**697**	**(2,167)**	**111,974**
Re-measurement of changes in liabilities under defined benefit plans	85,466	(1,470)	-	697	(2,167)	83,299
Changes in fair value of other equity investment	28,675	-	-	-	-	28,675
Items that may be reclassified to profit or loss	**1,456,607**	**(305,939)**	**40,827**	**3,390**	**(350,156)**	**1,106,451**
Effective portion of gain or loss of cash flow hedge	8,880	89,903	40,827	3,390	45,686	54,566
Translation difference of foreign financial statements	1,447,727	(395,842)	-	-	(395,842)	1,051,885
	1,570,748	**(307,409)**	**40,827**	**4,087**	**(352,323)**	**1,218,425**

40. Surplus reserve

	Balance at January 1, 2026	Additions during the period	Reductions during the period	Balance at June 30, 2026
Statutory surplus reserve	294,796	-	-	294,796
Discretional surplus reserve	3,814	-	-	3,814
	298,610	-	-	298,610

41. Retained Earnings

	2026	2025
Retained earnings as at January 1	502,977	1,680,382
Net income (loss) for the period attributable to shareholders of the Company	432,567	(80,352)
Dividends to non-controlling Interest	(22,200)	(74,170)
Retained earnings as at June 30	913,344	1,525,860

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

42. Operating Income and Cost of Sales

	Six months ended June 30 2026		Six months ended June 30 2025	
	Income	Cost of sales	Income	Cost of sales
Principal activities	14,442,307	10,511,602	14,991,514	11,019,714
Other businesses	34,233	11,728	32,686	10,459
	14,476,540	10,523,330	15,024,200	11,030,173

43. Taxes and Surcharges

	Six months ended June 30	
	2026	2025
Tax on turnover	11,648	10,953
Others	35,272	46,175
	46,920	57,128

44. Selling and Distribution Expenses

	Six months ended June 30	
	2026	2025
Salaries and related expense	962,780	912,703
Depreciation and amortization	410,537	465,967
Advertising and sales promotion	165,134	132,972
Warehouse expenses	103,994	85,581
Travel expenses	69,539	67,740
Registration	67,653	70,147
Professional services	57,746	51,287
Insurance	45,360	39,707
Others	155,320	149,564
	2,038,063	1,975,668

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

45. General and Administrative Expenses

	Six months ended June 30	
	2026	2025
Salaries and related expenses	311,785	238,606
IT systems	75,682	76,570
Professional services	67,609	225,996
Depreciation and amortization	64,956	71,596
Cost contribution arrangement	22,226	36,281
Office rent, maintenance and expenses	18,710	17,901
Other	41,071	67,917
	602,039	734,867

46. Research and development expenses

	Six months ended June 30	
	2026	2025
Salaries and related expenses	119,301	110,779
Depreciation and amortization	33,275	32,164
Materials	16,100	19,589
Office rent, maintenance and expenses	8,351	8,101
Field trial	7,834	13,186
Professional services	7,076	8,839
Other	19,413	24,135
	211,350	216,793

47. Financial expenses (incomes), net

	Six months ended June 30	
	2026	2025
Interest expenses on debentures and loans and other charges	454,511	522,664
Exchange rate differences, net	421,845	230,008
CPI expenses in respect of debentures	65,049	117,480
Interest income from customers, banks and others	(76,612)	(101,281)
Loss in respect of sale of trade receivables	87,785	87,344
Revaluation of put option, net	10,677	43,890
Interest expense on lease liabilities	28,689	24,084
Interest expense in respect of post-employment benefits and early retirement, net	10,417	8,992
Others	21,345	91,159
	1,023,706	1,024,340

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

48. Investment income, net

	Six months ended June 30	
	2026	**2025**
Income from long-term equity investments accounted for using the equity method	6,593	5,261
	6,593	5,261

49. Gain (loss) from changes in fair value

	Six months ended June 30	
	2026	**2025**
Gain (loss) from changes in fair value of derivative financial Instruments	213,451	(36,189)
Others	-	29,696
	213,451	(6,493)

50. Credit impairment reversal (losses)

	Six months ended June 30	
	2026	**2025**
Bills receivable and accounts receivable	(28,440)	(93,532)
Other receivables	235	(147)
	(28,205)	(93,679)

51. Asset impairment losses

	Six months ended June 30	
	2026	**2025**
Fixed assets	(74,229)	-
Inventories	(76,256)	(26,081)
Construction in progress	(1,544)	(101)
Intangible asset	-	(1,435)
	(152,029)	(27,617)

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

52. Gain from Disposal of Assets

	Six months ended June 30		Included in non-recurring items
	2026	**2025**	
Gain from disposal of fixed assets	304,273	5,160	304,273
Gain (loss) from disposal of intangible assets	2,076	(106)	2,076
	306,349	5,054	306,349

53. Income Tax Expenses (incomes)

	Six months ended June 30	
	2026	**2025**
Current year	231,081	192,126
Deferred tax expenses (income)	(268,411)	(245,081)
Adjustments for previous years, net	(2,852)	7,728
	(40,182)	(45,227)

(1) Reconciliation between income tax expense and accounting profit is as follows:

	Six months ended June 30	
	2026	**2025**
Loss before taxes	392,385	(125,579)
Statutory tax in china	25%	25%
Tax calculated according to statutory tax in china	98,096	(31,395)
Tax benefits from Approved Enterprises	(17,203)	(19,282)
Difference between measurement basis of income for financial statement and for tax purposes	(18,164)	(82,453)
Taxable income (loss) and temporary differences at other tax rate	(142,908)	(197,928)
Taxes in respect of prior years	(2,852)	7,728
Utilization of tax losses prior years for which deferred taxes were not created	(103,537)	(14,177)
Temporary differences and losses in the report year for which deferred taxes were not created	130,936	180,931
Non-deductible expenses, non-taxable income and other difference, net	49,617	48,007
Neutralization of tax calculated in respect of the Company's share in results of equity accounted investees	(2,392)	(1,744)
Effect of change in tax rate in respect of deferred taxes	(32,028)	12,056
Creation and reversal of deferred taxes for tax losses and temporary differences from previous years, net	253	53,030
Income tax expenses (incomes)	(40,182)	(45,227)

54. Other comprehensive income

Details of the Other comprehensive income are set out in Note V.39

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

55. Government grants

Category	Presentation accounts	Amount recognized in the profit and loss statements during the Six months ended June 30 2026	2025
Government grants related to income	Non-Operating income	3,940	5,111
Government grants related to assets	Fixed assets, Intangible assets	5,352	5,334

56. Notes to items in the cash flow statements

(1) Cash received relating to other operating activities

	Six months ended June 30 2026	2025
Financial institutions	70,735	-
Interest income	24,555	39,574
Government subsidies	2,970	12,854
Others	135,804	22,714
	234,064	75,142

(2) Cash paid relating to other operating activities

	Six months ended June 30 2026	2025
Derivatives transactions	100,589	402,853
Professional services	186,982	256,694
Advertising and sales promotion	173,576	141,629
IT and Communication	132,238	106,662
Commissions and Warehouse	108,548	99,741
Registration and Field trials	81,734	76,972
Financial institutions	20,214	71,112
Travel	52,967	45,237
Insurance	35,064	35,887
Other	356,937	419,429
	1,248,849	1,656,216

(3) Cash paid relating to other investing activities

	Six months ended June 30 2026	2025
Increase in short and long term investments	631	47,825
	631	47,825

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

56. Notes to items in the cash flow statements - (cont'd)

(4) Cash received from other financing activities

	Six months ended June 30	
	2026	2025
Proceeds in respect of hedging transactions on debentures	683,858	246,992
Deposit for issuing bills payables	94,970	46,148
Borrowing from related party *	-	789,364
	778,828	1,082,504

* For more detailes regarding the borrowing from related party – see note X. related parties and related parties transactions.

(5) Cash paid relating to other financing activities

	Six months ended June 30	
	2026	2025
Repayment of lease liability	117,586	93,276
Deposit for issuing bills payable	85,016	181,047
Payment in respect of hedging transactions on debentures	-	165,934
	202,602	440,257

57. Supplementary Information on Cash Flow Statement

(1) Supplementary information on Cash Flow Statement

a. Reconciliation of net profit to cash flows from operating activities:

	Six months ended June 30	
	2026	2025
Net income (loss)	432,567	(80,352)
Add: Impairment provisions for assets	152,029	27,617
Credit impairment losses	28,205	93,679
Depreciation of fixed assets and investment property	519,339	520,896
Depreciation of right-of-use asset	87,228	94,218
Amortization of intangible asset	398,276	447,594
Gains on disposal of fixed assets, intangible assets, and other long-term assets, net	(306,349)	(5,054)
Losses (gain) from changes in fair value	(213,451)	6,493
Financial expenses	1,040,649	1,214,335
Investment income, net	(6,593)	(5,261)
Increase in deferred tax assets, net	(280,584)	(226,093)
Increase (decrease) in deferred tax liabilities, net	12,173	(18,988)
Increase in inventories, net	(32,067)	(365,063)
Increase in operating receivables, net	(2,375,183)	(1,431,729)
Increase in operating payables, net	1,213,670	1,466,286
Net cash flow provided by operating activities	669,909	1,738,578

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

57. Supplementary Information on Cash Flow Statement - (cont'd)

(1) Supplementary information on Cash Flow Statement - - (cont'd)

b. Net Decrease in cash and cash equivalents

	Six months ended June 30	
	2026	**2025**
Closing balance of cash and cash equivalents	2,819,032	3,315,685
Less: Opening balance of cash and cash equivalents	3,353,326	3,583,963
Decrease in cash and cash equivalents	(534,294)	(268,278)

(2) Details of cash and cash equivalents

	June 30	December 31
	2026	**2025**
Cash on hand	1,091	1,107
Bank deposits available on demand without restrictions	2,817,941	3,352,219
	2,819,032	3,353,326

58. Assets with Restricted Ownership or Right of Use

	June 30	
	2026	**Reason**
Cash	87,020	Pledged
Other non-current assets	171,328	Guarantees
	258,348	

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

59. Foreign currencies denominated items - (cont'd)

(1) Foreign currencies denominated items - (cont'd)

	As at June 30, 2026		
	Foreign currency at the end of the period	Exchange rate	RMB at the end of the period
Cash and bank balances			
EUR	41,519	7.76	322,312
USD	20,261	6.81	137,999
BRL	90,379	1.32	118,939
ILS	51,444	2.29	117,653
ZAR	117,935	0.42	48,943
RUB	388,144	0.09	34,157
GBP	3,693	9.01	33,271
Other			193,170
Total			1,006,444
Bills and Accounts receivable			
BRL	783,036	1.316	1,030,476
EUR	49,157	7.763	381,606
RON	214,723	1.48	317,790
HUF	8,977,385	0.022	197,502
ILS	69,910	2.287	159,884
CAD	19,754	4.784	94,501
CZK	294,910	0.320	94,358
GBP	10,464	9.009	94,270
Other			369,255
Total			2,739,642
Other receivables			
EUR	73,131	7.763	567,716
CAD	20,660	4.784	98,836
PLN	34,753	1.806	62,764
BRL	26,121	1.316	34,375
Other			64,197
Total			827,888
Other current assets			
ILS	70,584	2.287	161,425
EUR	11,642	7.763	90,374
BRL	61,417	1.316	80,825
UAH	238,830	0.152	36,302
CAD	2,679	4.784	12,818
Other			40,334
Total			422,078

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

59. Foreign currencies denominated items - (cont'd)

(2) Foreign currencies denominated items - (cont'd)

	As at June 30, 2026		
	Foreign currency at the end of the period	Exchange rate	RMB at the end of the period
Other current assets			
Long-term receivables			
BRL	154,394	1.316	203,183
Total			203,183
Long-term investments, loans and other			
BRL	228,647	1.316	300,899
Other			7,396
Total			308,295
Short-term loans			
UAH	703,345	0.152	106,909
ARS	679,728	0.005	3,399
Total			110,308
Bills and Accounts payable			
ILS	344,244	2.287	787,286
EUR	51,079	7.763	396,524
BRL	146,476	1.316	192,762
USD	7,570	6.811	51,557
Other			62,888
Total			1,491,017
Other payables			
ILS	94,432	2.287	215,966
BRL	120,102	1.316	158,054
UAH	173,768	0.152	26,413
ILS CPI	10,793	2.287	24,683
ZAR	31,281	0.415	12,982
CNH	11,880	1.005	11,940
Other			35,976
Total			486,014

(Expressed in RMB '000)

V. Notes to the consolidated financial statements - (cont'd)

59. Foreign currencies denominated items - (cont'd)

(3) Foreign currencies denominated items - (cont'd)

	As at June 30, 2026		
	Foreign currency at the end of the period	Exchange rate	RMB at the end of the period
Contract liabilities			
EUR	57,223	7.763	444,221
CAD	56,142	4.784	268,581
BRL	46,616	1.316	61,346
THB	98,675	0.205	20,228
TRY	72,821	0.146	10,632
Other			67,346
Total			872,354
Non-current liabilities due within one year			
CNH	2,000,000	1.005	2,010,305
ILS CPI	257,974	2.287	589,986
EUR	1,650	7.763	12,811
Other			27,966
Total			2,641,068
Other current liabilities			
EUR	6,950	7.763	53,956
RON	17,253	1.48	25,534
Other			82
Total			79,572
Debentures payable			
ILS CPI	2,246,662	2.287	5,138,114
Total			5,138,114
Provision and Long-term payables			
BRL	165,169	1.316	217,363
ILS	56,575	2.287	129,387
Total			346,750
Lease liabilities			
ILS CPI	33,200	2.287	75,928
EUR	4,940	7.763	38,352
ILS	11,529	2.287	26,366
Other			33,292
Total			173,938

V. Notes to the consolidated financial statements - (cont'd)

59. Foreign currencies denominated items - (cont'd)

(4) Major foreign operations

Name of the Subsidiary	Registration & Principal place of business	Business nature	Functional currency
ADAMA France S.A.S	France	Distribution	USD
ADAMA Brasil S/A	Brazil	Manufacturing; Distribution; Registration	USD
ADAMA Deutschland GmbH	Germany	Distribution; Registration	USD
ADAMA India Private Ltd.	India	Manufacturing Distribution; Registration	INR
Makhteshim Agan of North America Inc.	United States	Manufacturing; Distribution; Registration	USD
Control Solutions Inc.	United States	Manufacturing; Distribution; Registration	USD
ADAMA Agan Ltd.	Israel	Manufacturing; Distribution; Registration	USD
ADAMA Makhteshim Ltd.	Israel	Manufacturing; Distribution; Registration	USD
ADAMA Australia Pty Limited	Australia	Distribution	AUD
ADAMA Italia SRL	Italy	Distribution	USD
ADAMA Northern Europe B.V.	Netherlands	Distribution	USD
Alligare LLC	United States	Manufacturing; Distribution; Registration	USD

The functional currency of the subsidiaries above is the main currency that represent the principal economic environment.

VI. Change in consolidation Scope

There is no change of consolidation scope during the period.

(Expressed in RMB '000)

VII. Interest in Other Entities

1. Interests in subsidiaries

Composition of the largest subsidiaries of the Group in respect of assets and operating income

Name of the Subsidiary	Registration & Principal place of business	Business nature	Direct	Indirect	Method of obtaining the subsidiary
ADAMA France S.A.S	France	Distribution		100%	Established
ADAMA Brasil S/A	Brazil	Manufacturing; Distribution; Registration		100%	Purchased
ADAMA Deutschland GmbH	Germany	Distribution; Registration;		100%	Established
ADAMA India Private Ltd.	India	Manufacturing; Distribution; Registration		100%	Established
Makhteshim Agan of North America Inc.	United States	Manufacturing; Distribution; Registration		100%	Established
Control Solutions Inc.	United States	Manufacturing; Distribution; Registration		100%	Purchased
ADAMA Agan Ltd.	Israel	Manufacturing; Distribution; Registration		100%	Restructure
ADAMA Makhteshim Ltd.	Israel	Manufacturing; Distribution; Registration		100%	Restructure
ADAMA Australia Pty Limited	Australis	Distribution		100%	Purchased
ADAMA Italia SRL	Italy	Distribution		100%	Established
ADAMA Northern Europe B.V.	Netherlands	Distribution		55%	Purchased
Alligare LLC	United States	Manufacturing; Distribution; Registration		100%	Purchased
Adama Anpon (Jiangsu) Ltd.	China	Manufacturing; Distribution	100%		Purchased
Adama Huifeng (Jiangsu) Co. Ltd.	China	Manufacturing; Distribution	51%		Purchased

2. Interests in joint ventures or associates

	June 30 2026	December 31 2025
Joint venture	1,956	2,129
Associate	40,864	37,183
	42,820	39,312

3. Summarized financial information of joint ventures and associates

	June 30, 2026 and six months then ended	December 31, 2025 and six months ended June 30, 2025
Joint venture:		
Total carrying amount	1,956	2,129
The Group's share of the following items:		
Net profit	(110)	137
Other comprehensive income	(63)	(9)
Total comprehensive income	(173)	128
Associate:		
Total carrying amount	40,864	37,183
The Group's share of the following items:		
Net profit	6,703	5,124
Other comprehensive income	1,134	3,802
Total comprehensive income	7,837	8,926

VIII. Risk Related to Financial Instruments

A. General

The Group has extensive international operations, and, therefore, it is exposed to credit risks, liquidity risks and market risks (including currency risk, interest risk and other price risk). In order to reduce the exposure to these risks, the Group uses financial derivatives instruments, including forward transactions and options (hereinafter - “derivatives”).

Transactions in derivatives are undertaken with major financial institutions, and therefore, in the opinion of Group Management the credit risk in respect thereof is low.

This note provides information on the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes regarding the measurement and management of the risk. Additional quantitative disclosure is included throughout the consolidated financial statements.

The Board of Directors has overall responsibility for establishing and monitoring the framework of the Group's risk management policy. The Finance Committee is responsible for establishing and monitoring the Group's actual risk management policy. The Chief Financial Officer reports to the Finance Committee on a regular basis regarding these risks.

The Group’s risk management policy, established to identify and analyze the risks facing the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The policy and methods for managing the risks are reviewed regularly, in order to reflect changes in market conditions and the Group's activities. The Group, through training, and management standards and procedures, aims to develop a disciplined and constructive control environment in which all the employees understand their roles and obligations.

B. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and derives mainly from trade receivables and other receivables as well as from cash and deposits in financial institutions.

Accounts and other receivables

The Group’s revenues are derived from a large number of widely dispersed customers in many countries. Customers include multi-national companies and manufacturing companies, as well as distributors, agriculturists, agents and agrochemical manufacturers who purchase the products either as finished goods or as intermediate products for their own requirements.

The Company entered into an agreement for the sale of trade receivables in a securitization transaction, for details see note V.5.e. and f.

In September 2025, a two-years agreement with an international insurance company was renewed. The amount of the insurance coverage was fixed at $150 million cumulative per year. The indemnification is limited to 90% of the debt.

The Group’s exposure to credit risk is influenced mainly by the personal characterization of each customer, and by the demographic characterization of the customer’s base, including the risk of insolvency of the industry and geographic region in which the customer operates.

(Expressed in RMB '000)

VIII. Risk Related to Financial Instruments - (cont'd)

B. Credit risk - (cont'd)

The Company management has prescribed a credit policy, whereby the Company performs current ongoing credit evaluations of existing and new customers, and every new customer is examined thoroughly regarding the quality of his credit, before offering him the Group's customary shipping and payment terms. The examination made by the Group includes an outside credit rating, if any, and in many cases, receipt of documents from an insurance company. A credit limit is prescribed for each customer, outstanding amount of the accounts receivable balance. These limits are examined annually. Customers that do not meet the Group's criteria for credit quality may do business with the Group on the basis of a prepayment or against furnishing of appropriate collateral.

Most of the Group's customers have been doing business with it for many years. In monitoring customer credit risk, the customers were grouped according to a characterization of their credit, based on geographical location, industry, aging of receivables, maturity, and existence of past financial difficulties. Customers defined as "high risk" are classified to the restricted customer list and are supervised by management. In certain countries, mainly, Brazil, customers are required to provide property collaterals (such as agricultural lands and equipment) against execution of the sales, the value of which is examined on a current ongoing basis by the Company. In these countries, in a case of expected credit risk, the Company records a provision for the amount of the debt less the value of the collaterals provided and acts to realize the collaterals.

The Group closely monitors the economic situation in Eastern Europe and in South America on an ongoing basis.

The Group recognizes an impairment provision, which reflects its assessment regarding the credit risk of account receivables, Other receivables and investments on a lifetime expected credit loss basis. See also notes Ⅲ.11 – Financial instruments, Ⅲ.12 – Accounts receivables and Ⅲ.14 – Other receivables.

Cash and deposits in banks

The Company holds cash and deposits in banks with a high credit rating. These banks are also required to comply with capital adequacy or maintain a level of security based on different situations.

Guarantees

The Company's policy is to provide financial guarantees only to investee companies.

Aging of receivables and expected credit risk

Presented below is the aging of the past due trade receivables:

	June 30, 2026
Past due by less than 90 days	631,086
Past due by more than 90 days	533,389
	1,184,475

VIII. Risk Related to Financial Instruments - (cont’d)

B. Credit risk - (cont’d)

The company measure the provision for credit losses on a collective group basis, where receivables share similar credit risk characteristics based on geographical locations. The examination for expected credit losses is performed using model including aging analysis and historical loss experiences, and adjusted by the observable factors reflecting current and expected future economic conditions.
When credit risk on a receivable has increased significantly since initial recognition, the group records specific provision or general provision which is determined for groups of similar assets in countries in which there are large number of customers with immaterial balances.

The Group has credit risk exposures for accounts receivables amounted to RMB 7,431,703 thousand relate to category of "Lifetime expected credit losses (credit losses has not occurred)" and amounted to RMB 818,246 thousand related to category of "Lifetime expected credit losses (credit losses occurred)". The Group has a provision for other receivables amounted to RMB 12,423 thousand related to category of "Lifetime expected credit losses (credit losses occurred)". The credit risk exposures for all remaining balance of financial assets at amortised cost and financial assets at FVTOCI are related to "12-month expected credit losses".

C. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligation when they come due. The Group's approach to managing its liquidity risk is to assure, to the extent possible, an adequate degree of liquidity for meeting its obligations timely, under ordinary conditions and under pressure conditions, without sustaining unwanted losses or hurting its reputation.

The cash-flow forecast is determined both at the level of the various entities as well as of the consolidated level. The Company examines the current forecasts of its liquidity requirements in order to ascertain that there is sufficient cash for the operating needs, including the amounts required in order to comply with the financial liabilities, while taking strict care that at all times there will be unused credit frameworks so that the Company will not exceed the credit frameworks granted to it and the financial covenants with which it is required to comply with. These forecasts take into consideration matters such as the Company’s plans to use debt for financing its activities, compliance with required financial covenants, compliance with certain liquidity ratios and compliance with external requirements such as laws or regulation.

The surplus cash held by the Group subsidiaries, which is not required for financing the current ongoing operations, is invested in short-term interest-bearing investment channels.

(Expressed in RMB '000)

VIII. Risk Related to Financial Instruments - (cont'd)

C. Liquidity risk - (cont'd)

(1) Presented below are the contractual maturities of the financial liabilities at undiscounted amounts, including estimated interest payments:

	As at June 30, 2026					
	First year	**Second year**	**Third-Fourth year**	**Fifth year and above**	**Contractual Cash flow**	**Carrying amount**
Non-derivative financial liabilities						
Short-term loans	5,774,429	-	-	-	5,774,429	5,763,384
Accounts payables	5,048,131	-	-	-	5,048,131	5,048,131
Bills payables	605,314	-	-	-	605,314	605,314
Other payables	1,523,019	-	-	-	1,523,019	1,523,019
Other current liabilities	549,492	-	-	-	549,492	549,492
Debentures payable	786,026	783,608	1,485,927	4,347,152	7,402,713	5,651,921
Long-term loans	806,005	588,729	607,307	-	2,002,041	1,913,470
Long-term payables	8,118	21,372	38,281	137,581	205,352	153,307
Lease Liabilities	226,496	188,066	193,334	869,046	1,476,942	821,792
Other non-current liabilities	2,361,330	-	-	-	2,361,330	2,350,850
Derivative financial liabilities						
Foreign currency derivatives	237,588	-	-	-	237,588	237,588
CPI/shekel forward transactions	12,249	-	-	-	12,249	12,249
	17,938,197	1,581,775	2,324,849	5,353,779	27,198,600	24,630,517

D. Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, CPI, interest rates and prices of capital instruments, will affect the Group's revenues or the value of its holdings in its financial instruments. The objective of market risk management is to manage and monitor the exposure to market risks within acceptable parameters, while optimizing the return.

During the ordinary course of business, the Group purchases and sells derivatives and assumes financial liabilities for the purpose of managing market risks.

(1) CPI and foreign currency risks

Currency risk

The Group is exposed to currency risk from its sales, purchases, expenses and loans denominated in currencies that differ from the Group's functional currency. The main exposure is in Euro, Brazilian real, USD and in NIS. In addition, there are smaller exposures to various currencies such as the British pound, Polish zloty, Australian dollar, Indian rupee, Argentine peso, Canadian dollar, South African Rand, Ukraine Hryunia and Chinese Yuan Renminbi.

The Group uses foreign currency derivatives – forward transactions and currency options – in order to hedge the cash flows risk, which derive from existing monetary assets and liabilities and anticipated sales and purchases, which may be affected by exchange rate fluctuations.

VIII. Risk Related to Financial Instruments - (cont'd)

D. Market risks - (cont'd)

(1) CPI and foreign currency risks - (cont'd)

The Group hedged a part of the estimated currency exposure to anticipate sales and purchases for the subsequent year. Likewise, the Group hedges most of its monetary assets and liabilities denominated in a non- U.S. dollar currency. The Group uses foreign currency derivatives to hedge its currency risk with maturity dates of less than one year from the reporting date.

Solutions debentures are linked to the NIS-CPI and, therefore, an increase in the NIS-CPI, as well as changes in the NIS exchange rate, could cause significant impact with respect to the subsidiary functional currency – the U.S. dollar. As of the approval date of the financial statements, the subsidiary had hedged most of its exposure deriving from issuance of the debentures, in options and forward contracts.

(A) The Group's exposure to NIS-CPI and foreign currency risk is as follows:

	June 30, 2026	
	Total assets	Total liabilities
In US Dollar	3,069,647	1,842,486
In Euro	1,466,936	752,152
In Brazilian real	1,768,697	412,162
CPI-linked NIS	-	5,799,298
In New Israeli Shekel	439,237	1,059,033
Denominated in or linked to other foreign currency	2,813,192	3,371,619
	9,557,709	13,236,750

(B) The exposure to CPI and foreign currency risk in respect of derivatives is as follows:

	June 30, 2026					
	Currency/ linkage receivable	Currency/ linkage payable	Average expiration date	USD thousands Par value	RMB thousands Par value	Fair value
Forward foreign currency	**USD**	EUR	24/10/2026	209,984	1,430,181	13,925
Contracts and call options	**USD**	PLN	22/09/2026	8,043	54,777	(1,180)
	USD	BRL	05/08/2026	173,675	1,182,885	3,374
	USD	GBP	28/07/2026	21,047	143,351	3,288
	USD	ZAR	04/09/2026	32,145	218,936	(913)
	ILS	USD	15/08/2026	1,081,236	7,364,188	(33,470)
	USD	OTHER		1,034,366	7,044,962	5,341
CPI forward contracts	**CPI**	ILS	07/28/2026	537,280	3,659,360	(11,710)

(Expressed in RMB '000)

VIII. Risk Related to Financial Instruments - (cont'd)

D. Market risks - (cont'd)

(1) CPI and foreign currency risks - (cont'd)

(C) Sensitivity analysis

The appreciation or depreciation of the Dollar against the following currencies as of December 31, 2025 and the increase or decrease in the CPI would increase (decrease) the equity and profit or loss by the amounts presented below. This analysis assumes that all the remaining variables, among others interest rates, remains constant.

	June 30, 2026			
	Decrease of 5%		Increase of 5%	
	Equity	Profit (loss)	Equity	Profit (loss)
New Israeli shekel	57,222	26,256	(15,586)	6,848
British pound	469	469	(469)	(469)
Euro	(6,988)	23,407	23,320	(23,407)
Brazilian real	10,040	10,040	(15,501)	(15,501)
Polish zloty	5,040	5,040	(4,774)	(4,774)
South African Rand	(1,073)	(1,073)	523	523
Chinese Yuan Renminbi	217,880	217,880	(196,112)	(196,112)
CPI-linked NIS	130,795	130,795	(130,795)	(130,795)

(2) Interest rate risks

The Group has exposure to changes in the variable interest rate. The Group has different assets and liabilities in different countries which bear interest according to the economic environment in each country. Most of the loans, other than the debentures, bear Dollar SOFR and Euro ESTER interest. As a result, most of the variable interest exposure of those loans is to the SOFR interest.

The Company prepares a quarterly summary of exposure to a change in the SOFR interest rate. As at the approval date of the financial statements, the Company had not hedged this exposure.

(Expressed in RMB '000)

VIII. Risk Related to Financial Instruments - (cont'd)

D. Market risks - (cont'd)

(2) Interest rate risks - (cont'd)

(A) Type of interest

The interest rate profile of the Group's interest-bearing financial instruments was as follows:

	June 30, 2026
Fixed-rate instruments – unlinked to the CPI	
Financial assets	
Other non-current assets	6,634
Financial liabilities	
Long-term loans (1)	1,813,470
Long-term payables	20,835
Other non-current liabilities (1)	340,545
	(2,168,216)
Fixed-rate instruments – linked to the CPI	
Financial liabilities	
Debentures payable (1)	5,651,921
Variable-rate instruments	
Financial assets	
Cash at banks	491,863
Financial assets at fair value through profit or loss	2,711
Financial liabilities	
Short-term loans and credit from banks	5,763,384
Long-term loans (1)	100,000
Long-term payables	119,596
Other non-current liabilities (1)	2,010,305
	(7,498,711)

(1) Including current maturities.

(Expressed in RMB '000)

IX. Fair Value

The fair value of forward contracts on foreign currency is based on their listed market price, if available. In the absence of market prices, the fair value is estimated based on the discounted difference between the stated forward price in the contract and the current forward price for the residual period until redemption, using an appropriate interest rate.

The fair value of foreign currency options is based on bank quotes. The reasonableness of the quotes is evaluated through discounting future cash flow estimates, based on the conditions and duration to maturity of each contract, using the market interest rates of a similar instrument at the measurement date and in accordance with the Black & Scholes model.

1. Financial instruments measured at fair value for disclosure purposes only

The carrying amount of certain financial assets and liabilities, including cash at bank and on hand, bills and accounts receivable, receivables financing, other receivables, short-term loans, bills and accounts payable and other payable, are the same or proximate to their fair value.

The following table details the carrying amount in the books and the fair value of groups of non-current financial instruments presented in the financial statements not in accordance with their fair values:

	June 30, 2026	
	Carrying amount	**Fair value**
Financial assets		
Other non-current assets (a – Level 2)	30,520	23,987
Financial liabilities		
Long-term loans and others (b – Level 2)	5,240,319	5,211,018
Debentures (c – Level 1)	5,651,921	6,248,795

a) The fair value of the other non-current assets is based on a discounted future cash flows, using the acceptable interest rate for similar investment having similar characteristics (Level 2).
b) The fair value of the long-term loans and others is based on a discounted future cash flows, using the acceptable interest rate for similar loans having similar characteristics (Level 2).
c) The fair value of the debentures is based on stock exchange quotes (Level 1).

2. The interest rates used in determining fair value

The interest rates used to discount the estimate of anticipated cash flows are:

	June 30, 2026
	%
U.S. dollar interest	5.83 - 7.24
Chinese Yuan Renminbi	1.26 - 2.50

IX. Fair Value - (cont'd)

3. Fair value hierarchy of financial instruments measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The table below presents an analysis of financial instruments measured at fair value. The various levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active market for identical instrument.
- Level 2: inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3: inputs that are not based on observable market data (unobservable inputs).

The Company's forward contracts and options are carried at fair value and are evaluated by observable inputs and therefore are concurrent with the definition of level 2.

	June 30 2026
Forward contracts and options used for hedging the cash flow (Level 2)	60,209
Forward contracts and options used for economic hedging (Level 2)	(81,554)
Other equity investment (Level 2)	127,475
Receivables financing (Level 2)	78,314
Other non-current assets (Level 2)	29,171
Other (Level 2)	2,711

Financial Instrument	Fair value
Forward contracts	Fair value measured on the basis of discounting the difference between the stated forward price in the contract and the current forward price for the residual period until redemption using an appropriate interest rates.
Foreign currency options	The fair value is measured based on the Black&Scholes model.

No transfer between any levels of the fair value hierarchy in the reporting period.

No change in the valuation techniques in the reporting period.

X. Related parties and related party transactions

1. Information on parent Company

Company name	Registered place	Business nature	Registered capital (Thousand RMB)	Shareholding percentage	Percentage of voting rights
Syngenta Group	Shanghai, China	Production and sales of agrochemicals, fertilizers and GM seeds	11,182,127	78.47%	78.47%

The Company's ultimate controlling shareholder is Sinochem Holdings .

2. Information on the largest subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.1.

3. Information on largest joint ventures and associates of the Company

For information about the joint ventures and associates of the Company, refer to Note V.12.
Other joint ventures and associates that have related party transactions with the Group during this period or the previous periods are as follows:

Name of entity	Relationship with the Company
Innovaroma SA	Joint venture of the Group

X. Related parties and related party transactions - (cont'd)

4. Information on other related parties - (cont'd)

Name of other related parties	Related party relationship
Agro Jangada Ltda	Common control
Anhui Chemical Research Institute	Common control
Anhui Kelihua Chemistry Co., Ltd.	Common control
Beijing Guangyuan Yinong Chemical Co., LTD	Common control
Bluestar (Beijing) Chemical Machinery Co. Ltd.	Common control
Bluestar Engineering Co. Ltd.	Common control
Dipagro LTDA	Common control
Elkem Silicones Brasil Ltd.	Common control
Sinochem Hebei Fuding Chemical Technology Co., Ltd.	Common control
Huaxia Hanhua Chemical Equipment Co., Ltd.	Common control
Jiangsu Huaihe Chemical Co., Ltd.	Common control
Jiangsu Ruiheng New Material Technology CO., LTD.	Common control
Jiangsu Youjia Plant Protection Co., Ltd.	Common control
Jiangsu Youshi Chemical Co., Ltd.	Common control
YANGNONG SINGAPORE PTE. LTD.	Common control
Jiangsu Yangnong Chemical Co., Ltd.	Common control
Liaocheng Luxi Polyol New Material Technology Co. Ltd.	Common control
Sino MAP	Common control
Ningxia Ruitai Technology Co., Ltd.	Common control
P.T. Syngenta Indonesia	Common control
Produtécnica Nordeste Comércio de Insumos Agrícolas Ltda.	Common control
Shandong Dacheng Agrochemical Company Limited	Common control
Shenyang Sciencreat Chemicals Co. Ltd.	Common control
Shenyang Chemical Research Institute Co., Ltd	Common control
Shenyang Shenhua Institute Testing Technology Co., Ltd.	Common control
Sinochem (Hainan) Agroecology Co.	Common control
Sinochem (Linyi) Crop Nutrition Co. Ltd	Common control
Sinochem International Crop Care (Overseas) Pte.Ltd.	Common control
Sinochem Agro Co. Ltd.	Common control
Sinochem Digital Intelligence Technology Co ., Ltd .	Common control
Sinochem Fertilizer Company Limited and its branches	Common control
Sinochem Finance Co. Ltd	Common control
Sinochem Hebei Co. Ltd.	Common control
Sinochem Modern Agriculture (Liaoning) Co. LTD	Common control
Sinochem Modern Agriculture (Anhui) Co. LTD	Common control
Sinochem Petrochemical Sales Co. Ltd.	Common control
Sinochem India Company Private Limited	Common control
Syngenta (Shanghai) Crop Protection Technology Company Limit	Common control

X. Related parties and related party transactions - (cont'd)

4. Information on other related parties - (cont'd)

Name of other related parties	Related party relationship
Syngenta Nantong Crop Protection Co.,Ltd.	Common control
Syngenta Agro (Argentina) S.A.	Common control
Syngenta Agro GmbH	Common control
Syngenta Agro SA de CV	Common control
Syngenta Australia Pty Ltd	Common control
Syngenta Canada Inc	Common control
Syngenta Crop Protection A/S	Common control
Syngenta Crop Protection AG	Common control
Syngenta Crop Protection BV	Common control
Syngenta Crop Protection Lda	Common control
Syngenta Crop Protection LLC	Common control
Syngenta Crop Protection Ltd.	Common control
Syngenta Crop Protection NV	Common control
Syngenta Czech s.r.o.	Common control
Syngenta España S.A.	Common control
Syngenta France SAS	Common control
Syngenta Group Co. Ltd	Common control
Syngenta Hellas AEBE	Common control
Syngenta Italia SpA	Common control
Syngenta Nantong Crop Protection Co Ltd	Common control
Syngenta Protecao de Cultivos Ltda	Common control
Syngenta SA.	Common control
Taicang Zhonglan Environmental Protection Technology Service Co., Ltd.	Common control
China Bluestar Chengrand Research Institute Chemical Industry	Common control
Zhonglan Lianhai Design & Research Institute Co. Ltd.	Common control
Jiangsu Huifeng Agrochemical Co. Ltd.	Minority shareholder and its subsidiary
Nongyi Net (Yangling) e-commerce Co., Ltd.	Minority shareholder and its subsidiary
Shanghai focus supply chain Co., Ltd	Minority shareholder and its subsidiary
Huifeng Biology (Shanghai) Co., Ltd	Minority shareholder and its subsidiary

(Expressed in RMB '000)

X. Related parties and related party transactions - (cont'd)

4. Transactions and balances with related parties

(1) Transactions with related parties

Type of purchase	Related Party Relationship	Six months ended June 30 2026	Six months ended June 30 2025
Summary of purchase of goods/services:			
Purchase of goods/services received	Common control under Sinochem Holdings	539,227	651,803
	Minority shareholder and its subsidiary	510	14,228
Purchase of fixed assets and other assets	Common control under Sinochem Holdings	15,042	49
Lease expenses	Minority shareholder and its subsidiary	924	924
Summary of Sales of goods:			
Sale of goods/ Service rendered	Common control under Sinochem Holdings	396,910	554,642
	Joint venture	35,747	49,323
	Minority shareholder and its subsidiary	5,391	8,948
Lease income	Minority shareholder and its subsidiary	544	544

(2) Guarantees

The Group as the guarantee receiver

Guarantee provider	Amount of guaranteed loan	Inception date of guaranty	Maturity date of guaranty	Guaranty completed (Y / N)
Parent company	263,000	21/04/2021	20/04/2028	Y
	67,971	01/06/2021	31/05/2028	Y

As at 30 June 2026, all guarantees provided by the parent company of the Group to the Group have been fully discharged. No guarantee fees were incurred for the six months ended 30 June 2026 (six months ended 30 June 2025: guarantee fees paid by the Group to its parent company amounted to RMB 197 thousand).

(Expressed in RMB '000)

X. Related parties and related party transactions - (cont'd)

5. Transactions and balances with related parties - (cont'd)

(3) Remuneration of key management personnel and directors

	Periods ended June 30	
	2026	**2025**
Remuneration of key management personnel and directors	28,856	16,533

(4) Receivables from and payables to related parties (including loans)

Receivable Items

		June 30		December 31	
		2026		2025	
Items	**Related Party Relationship**	**Book Balance**	**Expected credit losses**	**Book Balance**	**Expected credit losses**
Trade receivables	Common control under Sinochem Holdings	248,189	-	214,960	-
	Joint venture	17,286	-	15,063	-
	Minority shareholder and its subsidiary	3,735	-	5,201	-
Prepayments	Common control under Sinochem Holdings	2,263	-	1,629	-

Payable Items

		June 30	December 31
Items	**Related Party Relationship**	**2026**	**2025**
Trade payables	Common control under Sinochem Holdings	296,190	328,410
	Minority shareholder and its subsidiary	320	63
Other payables	Common control under Sinochem Holdings	53,643	66,612
	Minority shareholder and its subsidiary	517	517
Contractual liability	Common control under Sinochem Holdings	12,079	22,912
Short-term loans *	Common control under Sinochem Holdings	3,337,340	3,444,112
Other non-current liabilities (including current maturities). *	Common control under Sinochem Holdings	2,350,850	2,359,991

* Include liabilities are loans from a related party, the interest expenses for the Six months ended June 30, 2026 is 108,601 thousand RMB (six months ended June 30, 2025: 134,799 thousand RMB).

X. Related parties and related party transactions - (cont'd)

5. Transactions and balances with related parties - (cont'd)

(4) Receivables from and payables to related parties (including loans) (cont'd)

On October 27, 2021, the Board of Directors first approved (following the pre-approval of the Company's independent directors dated October 25, 2021) the Company, through one of its subsidiaries, entering into committed credit facilities agreements in the aggregate amount of USD 100 million on market terms with Syngenta Group, or any of its subsidiaries, including a long-term loan for 5 years of USD 50 million. As of June 30, 2026, the balance of this loan amounted to approximately RMB 341 million.

On August 28, 2023, the Board of Directors approved (following the pre-approval of the Company's independent directors dated August 22, 2023) the Company, through one of its subsidiaries, entering into an additional committed credit facility agreement in the amount of RMB 2,000 million with Syngenta Group, or any of its subsidiaries. As of June 30, 2026, a total of RMB 2,000 million was utilized.

On March 26, 2026, the Board of Directors approved (following the pre-approval of the Company's independent directors dated March 24, 2026) the Proposal on Consolidation of Credit Facilities from the Related Party, to consolidate the existing short-term annual revolving credit facilities of USD 350 million and USD 400 million originally provided by Syngenta Group subsidiaries to the Group's subsidiaries into a single short-term annual revolving credit facility with an aggregate amount of USD 750 million. As of June 30, 2026, the Group's cumulative utilisation of this credit facility amounted to USD 490 million (equivalent to approximately RMB 3,337 million).

(5) Other related party transactions

The closing balance of bank deposit in Sinochem Finance Corporation was 768,225 thousand RMB (31.12.25: 912,869) Interest income of bank deposit for the current period was 8,391 thousand RMB (amount for six months ended June , 2025 was 3,197 thousand RMB).

The closing balance of a loan received from Sinochem Finance Corporation was 249,641 thousand RMB (31.12.25: 209,641) Interest expenses in the current period was 2,852 thousand RMB (amount for six months ended June , 2025 was 398 thousand RMB).

(Expressed in RMB '000)

XI. Commitments and contingencies

1. Significant commitments

	June 30 2026	December 31 2025
Investment in Fixed assets	105,773	125,136

2. Commitments and Contingent Liabilities

On April 30, 2026, the 3rd meeting of the 10th session of the Board of Directors of the Company approved the engagement on the purchase of joint liability insurance policy for Directors, Supervisors and Senior Executives of the Company and its PRC subsidiaries, by way of adding the Company to the Directors and Officers liability insurance policy of Syngenta Group, which shall provide shared coverage. On June 28, 2024， the Company's 2nd Interim Shareholders Meeting in 2024 approved the above engagement. The initial insurance period was from July 1, 2024, to June 30, 2025.

Based on the Shareholders meeting approval and authorization, the Company's management renewed and extended the Directors and Officers liability insurance policy, such that the current insurance period ends on April 30, 2027.

Environmental protection

The manufacturing processes of the Company and the products it produces and market, entail environmental risks that impact the environment. The Company invests substantial resources in order to comply with the applicable environmental laws and attempts to prevent or minimize the environmental risks that could occur as a result of its activities. To the best of the Company's knowledge, at the balance sheet date, there are no material environmental issues relating to the Company, there are no material administrative penalties or investigations related to environment, health and safety imposed or initiated by regulatory authorities, and none of the material permits and licenses regarding environmental issues required for the Company's day to day operations have been revoked.

Claims against subsidiaries

In the ordinary course of business, legal claims were filed against subsidiaries, including claims for patent infringement. The Company, inter alia, like other companies operating in the crop protection market, is exposed to class actions for large amounts, which it must defend against while incurring considerable costs, even if these claims have no basis in the first place. In the opinion of the Company's management, which is based, inter alia, on the opinions of its legal advisors regarding the prospects of the proceedings, the financial statements include adequate provisions where necessary to cover the exposure resulting from the claims.

On October 20, 2020, a claim and a motion for its approval as a class action (the "Motion") was filed against Monsanto Company and Bayer AG (the "Manufacturers") as well as against ADAMA Agan Ltd., a wholly-owned subsidiary of Solutions, with respect to an herbicide bearing the brand name Roundup, which is produced by the Manufacturers and distributed in Israel in small quantities by Solutions' subsidiary. The applicants argued that the product allegedly poses a risk to users or those who have been exposed to it.

On August 7, 2025 , the court rendered a first-instance judgment dismissing the Motion. On November 9, 2025, an appeal was submitted to the Supreme Court.

According to the Solutions' external counsels, given the preliminary stages of the appeal, it is too early to assess the chances of the appeal, and the Motion, to be accepted.

As Solutions is an authorized distributor of the Manufactures, the Manufacturers undertook to fully indemnify, defend and hold harmless ADAMA Agan Ltd., for any monetary compensation or any other remedy it will have to make in connection with the Motion.

XI. Commitments and contingencies - (cont'd)

2. Commitments and Contingent Liabilities - (cont'd)

Claims against subsidiaries (cont'd)

Therefore, and based on the opinion of Solutions' external counsels, as of the date of the financial statements it is the Company's estimation that this proceeding is not expected to have any non-negligible effect on the Company's financial results.

In June 2021, a lawsuit was filed against a subsidiary of the Company, alleging two patents owned by a large competitor of the Company, have been infringed by such subsidiary. Among the claims, the plaintiff seeks preliminary and permanent injunctions to prevent the subsidiary from manufacturing, using or commercializing a product that allegedly infringes the plaintiff's patents, and seeks actual damages and profits loss. The said preliminary injunctions were granted by the court in favor of the plaintiff. The subsidiary has filed appeals against such preliminary injunctions, which were rejected. Prior to such claims, the subsidiary filed lawsuits seeking declarations that the said patents are invalid and not infringed. These proceedings remain pending. In May 2023, the same competitor filed an additional lawsuit alleging infringement of the same two patents by a different product and sought a preliminary injunction. The injunction was rejected at first instance, upheld on appeal, and finally dismissed by the superior court - a decision that is now final and unappealable. All these lawsuits are pending as of the approval date of the financial statements. At this stage, the claims filed by the plaintiff are not expected to have a material effect on the Company.

Various immaterial claims have been filed against Group companies in courts throughout the world, in immaterial amounts, for causes of action primarily involving employee-employer relations and various civil claims, for which the Company did not record a provision in the financial statements. The claims that in the estimation of Company's management, based on its legal advisors' opinion, have lower chances of succeeding than being rejected, amount to a negligible amount. Furthermore, claims were filed against the Company for product liability damages, for which the Company has adequate insurance coverage, such that the Company's exposure in respect thereof is limited to the deductible amount or the amount thereof does not exceed the deductible amount.

XII. Events subsequent to the balance sheet date

The Company is not aware of any events subsequent to the balance sheet date.

XIII. Share-based Payments

In September 2019, the remuneration committee and Solutions Board of Directors (and the General Meeting with respect to the CEO and Vice President who also serves as a director) approved the cancellation of 2017 Plan against the allocation of 28,258,248 warrants in accordance with the long-term phantom compensation plan (hereinafter - "The Alternative Warrants" and "The Alternative Plan"). The cancellation and allocation date is September 26, 2019. During 2019, an additional 90,130 Alternative Phantom Warrants were granted.

XIII. Share-based Payments - (cont'd)

The alternative warrants will vest in four equal portions, where the first quarter is exercisable after one year, the second quarter after two years, the third quarter after three years and the fourth quarter after four years from October 1, 2019. The warrants will be exercisable, in whole or in part, in accordance with the terms of the Alternative Plan, and subject to achieving financial targets as determined in the plan. The warrants will be exercisable until October 1, 2026.

Upon exercise of each warrant, the offeree will be entitled to receive cash payment equal to the difference between the base price as determined at the time of the grant and the closing price of one share of the parent company on the Shenzhen Stock Exchange, as it will be on the exercise date up to the ceiling that was determined under the plan.

The fair value of the total granted alternative warrants at the allocated date is equal to the fair value of the total warrants canceled from the 2017 plan.

The cost of the benefit embodied in the warrants that were allocated as aforesaid, based on the fair value at the cancellation and allocation date, amounted to a total of approximately 69 million RMB. The liability in the financial statements at the end of the reporting period was recorded at the fair value estimated using the binomial option pricing model and by the vesting period from the original grant date of the 2017 plan to the end of the service period determined by the alternative plan, taking into account the extent of the service that the employees provided until that date and the stock price at the reporting date.

Statement of share based payments in the period

	Phantom warrants
Changes in the number of 2017 Plan:	
Total number of Phantom warrants at the beginning of the period	3,689,544
Total number of Phantom warrants granted in current period	-
Total number of Phantom warrants exercised in current period	-
Total number of Phantom warrants forfeited in current period	(1,255,300)
Total number of Phantom warrants at the end of the period	2,434,244
The range of the exercise prices and the remainder of the contractual period	RMB 9.37 – 9.43
for Phantom warrants outstanding at the end of period	0.25 year

The parameters used in implementing the model at the grant date are as follows:	
Stock price (RMB)	9.23
Exercise increment (RMB)	9.43
Expected volatility	40.29%
Risk-free interest rate	3.14%
Economic value as of September 26, 2019 (in thousands RMB)	68,836

The methods for the determination of the fair value of liabilities arising from cash-settled share-based payments related to the alternative plan	The binomial pricing model
Accumulated amount of liabilities arising from cash-settled share-based payments related to the alternative plan (in thousands RMB)	-
Expenses (income) arising from cash-settled share-based payments in current period related to the alternative plan (in thousands RMB)	(102)

XIV. Other significant items

1. Segment reporting

The Company presents its segment reporting based on a format that is based on a breakdown by business segments:

- Crop Protection (Agro)

  This is the main area of the Company's operations and includes the manufacture and marketing of conventional agrochemical products.

- Intermediates and ingredients

  This field of activity includes a large number of sub-fields, including: Lycopan (an oxidization retardant), aromatic products, and other chemicals. It combines all the Company's activities not included in the Crop Protection products segment.

Segment results reported to the chief operating decision maker include items directly attributable to a segment as well as items that can be allocated on a reasonable basis. Unallocated items comprise mainly financing expenses, net, gains from changes in fair value, investment income and tax expenses.

All assets and liabilities that can be attributed to a specific segment were allocated accordingly. Attributed assets include: accounts and bills receivables, receivables financing, inventory, fixed assets, right-of-use assets, construction in progress, intangible assets, goodwill, non-current trade receivables and long-term equity investments. Attributed liabilities include account payables, bill payablesand lease liabilities. All other assets and liabilities which are not attributable to a specific segment are presented as unallocated assets and liabilities.

(Expressed in RMB '000)

XIV. Other significant items - (cont'd)

1. Segment reporting - (cont'd)

Information regarding the results and assets and liabilities of each reportable segment is included below:

	Crop Protection		Intermediates and ingredients		Elimination among segments		Total	
	Six months ended June 30		Six months ended June 30		Six months ended June 30		Six months ended June 30	
	2026	2025	2026	2025	2026	2025	2026	2025
Operating income from external customers	13,497,197	13,656,589	979,343	1,367,611	-	-	14,476,540	15,024,200
Inter-segment operating income	-	-	655	962	(655)	(962)	-	-
Interest in the profit or loss of associates and joint ventures	-	-	6,593	5,261	-	-	6,593	5,261
Segment's results	1,117,325	776,250	85,315	129,004	-	-	1,202,640	905,254
Financial expenses							1,023,706	1,024,340
Gain (loss) from changes in fair value							213,451	(6,493)
Income (loss) before tax							392,385	(125,579)
Income tax expenses							(40,182)	(45,227)
Net (income) Loss							432,567	(80,352)

	Crop Protection		Intermediates and ingredients		Unallocated assets and liabilities		Total	
	June 30 2026	December 31 2025	June 30 2026	December 31 2025	June 30 2026	December 31 2025	June 30 2026	December 31 2025
Total assets	37,997,140	39,011,654	2,043,258	2,092,328	6,608,691	7,359,980	46,649,089	48,463,962
Total liabilities	7,360,638	7,904,219	208,693	240,167	21,443,739	22,744,150	29,013,070	30,888,536

(Expressed in RMB '000)

XIV. Other significant items - (cont'd)

1. Segment reporting - (cont’d)

Geographic information

The following tables sets out information about the geographical segments of the Group’s operating income based on the location of customers (sales target) and the Group's non-current assets (including mainly fixed assets, right-of-use assets, construction in progress, investment properties intangible assets and goodwill). In the case of investment property, fixed assets, right of used assets and construction in progress, the geographical location of the assets is based on its physical location. In case of intangible assets and goodwill, the geographical location of the company which owns the assets.

	Operating income from external customers	
	Six months ended June 30	
	2026	2025
Europe, Africa and Middle Eas	5,041,810	4,811,339
North America	3,570,492	3,554,544
Latin America	2,431,950	2,609,695
Asia Pacific	3,432,288	4,048,622
	14,476,540	15,024,200

	Specified non-current assets	
	June 30	December 31
	2026	2025
Europe, Africa and Middle East	12,548,065	13,319,926
North America	1,201,899	1,232,186
Latin America	1,760,934	1,905,677
Asia Pacific	4,372,305	4,606,298
	19,883,203	21,064,087

2. The dependency on major customers

No single customer's proportion of the total amount of sales is over 10%.

(Expressed in RMB '000)

XIV. Other significant items - (cont'd)

3. Calculation of losses per share and Diluted earnings per share

	Amount for the current period	Amount for the prior period
Net loss from continuing operations attributable to ordinary shareholders	432,567	(80,352)

Shares	Amount for the current period	Amount for the prior period
Number of ordinary shares outstanding at the beginning of the year	2,329,811,766	2,329,811,766
Add: weighted average number of ordinary shares issued during the year	-	-
Less: weighted average number of ordinary shares repurchased during the year	-	-
Weighted average number of ordinary shares outstanding at the end of the year	2,329,811,766	2,329,811,766

	Amount for the current period	Amount for the prior period
Calculated based on net profit (loss) attributable to ordinary shareholders		
Basic losses per share	0.19	(0.03)
Diluted losses per share	N/A	N/A
Calculated based on net profit (loss) from continuing operations attributable to ordinary shareholders:		
Basic losses per share	0.19	(0.03)
Diluted losses per share	N/A	N/A
Calculated based on net profit (loss) from discontinued operations attributable to ordinary shareholders:		
Basic losses per share	N/A	N/A
Diluted losses per share	N/A	N/A

(Expressed in RMB '000)

XV. Notes to major items in the Company's financial statements

1. Cash at bank and on hand

	June 30 2026	December 31 2025
Deposits in banks	138,892	58,950
Other cash and bank balances	13,686	6,014
	152,578	64,964

As at June 30, 2026, restricted cash and bank balances was 13,686 thousand RMB (as at December 31, 2025: 6,014 thousand RMB).

2. Accounts receivable

a. By category

	June 30, 2026				
	Book value		Provision for expected credit losses		
	Amount	Percentage (%)	Amount	Percentage (%)	Carrying amount
Account receivables assessed individually for impairment	13,893	1	13,893	100	-
Account receivables assessed collectively for impairment	2,006,832	99	902	-	2,005,930
	2,020,725	100	14,795	1	2,005,930

	December 31, 2025				
	Book value		Provision for expected credit losses		
	Amount	Percentage (%)	Amount	Percentage (%)	Carrying amount
Account receivables assessed individually for impairment	13,893	1	13,893	100	-
Account receivables assessed collectively for impairment	1,637,510	99	902	-	1,636,608
	1,651,403	100	14,795	1	1,636,608

b. Aging analysis

	June 30, 2026
Within 1 year (inclusive)	1,254,429
Over 1 year but within 2 years	733,188
Over 2 years but within 3 years	19,215
Over 3 years but within 4 years	-
Over 4 years but within 5 years	-
Over 5 years	13,893
	2,020,725

(Expressed in RMB '000)

XV. Notes to major items in the Company's financial statements - (cont'd)

2. Accounts receivable - (cont'd)

c. Addition, written-back and written-off of provision for expected credit losses during the period

	Six months ended June 30, 2026
Balance as of January 1	14,795
Addition during the period, net	-
Balance as of June 30.2026	14,795

d. Five largest accounts receivable at June 30, 2026:

Name	Closing balance	Proportion of Accounts receivable (%)	Allowance of expected credit losses
Party 1*	1,877,059	93	-
Party 2	66,481	3	-
Party 3	19,965	1	902
Party 4	8,140	0.5	-
Party 5	8,000	0.5	-
	1,979,645	98	902

* Include intergroup balance with ADAMA Solutions.

3. Receivable financing

	June 30 2026	December 31 2025
Bank acceptance draft	26,915	10,490
	26,915	10,490

As at June 30, 2026, bank acceptance endorsed but not yet due amounts to 221,975 thousand RMB.

4. Other Receivables

	June 30 2026	December 31 2025
Dividends receivable	-	2,325
Other receivables	23,722	24,109
	23,722	26,434

(Expressed in RMB '000)

XV. Notes to major items in the Company's financial statements - (cont'd)

4. Other Receivables - (cont'd)

(1) Other receivables

a. Other receivables by categories

	June 30 2026	December 31 2025
Other	29,188	29,485
Provision for expected credit losses	(5,466)	(5,376)
	23,722	24,109

b. Other receivables by aging

	June 30, 2026
Within 1 year (inclusive)	90
Over 1 year but within 2 years	12,111
Over 2 years but within 3 years	-
Over 3 years but within 4 years	113
Over 4 years but within 5 years	91
Over 5 years	16,783
	29,188

c. Additions, recovery or reversal and written-off of provision for expected credit losses during the period:

	Six months ended June 30, 2026
Balance as of January 1, 2026	5,376
Addition during the period	90
Balance as of June 30, 2026	5,466

d. Five largest other receivables at June 30 2026:

Name	Closing balance	Proportion of other receivables (%)	Credit loss provision
Party 1*	23,722	81	-
Party 2	3,125	11	3,125
Party 3	548	2	548
Party 4	237	1	237
Party 5	221	1	221
	27,853	96	4,131

* Include intergroup balance with Anpon

(Expressed in RMB '000)

XV. Notes to major items in the Company's financial statements - (cont'd)

5. Long-term equity investments

	June 30, 2026			December 31, 2025		
	Amount balance	Impairment loss	Book value	Amount balance	Impairment loss	Book value
Invest in subsidiaries	17,511,352	80,636	17,430,716	17,511,352	80,636	17,430,716
	17,511,352	80,636	17,430,716	17,511,352	80,636	17,430,716

Investments in subsidiaries

Invested unit	Opening balance	Increase	Decrease	Provision of impairment loss	Closing balance	Balance of Impairment loss
ADAMA Agricultural Solutions Ltd.	15,890,213	-	-	-	15,890,213	-
Adama Anpon (Jiangsu) Ltd.	450,449	-	-	-	450,449	-
ADAMA Hiufeng (Jiangsu) Co. Ltd.	789,116	-	-	-	789,116	(59,024)
Hubei Sanonda Foreign Trade Co. Ltd.	11,993	-	-	-	11,993	-
Adama Huifeng (shanghai) Agricultural Technology Co., Ltd	288,945	-	-	-	288,945	(21,612)
	17,430,716	-	-	-	17,430,716	(80,636)

6. Operating Income and operating costs

	Six months ended June 30, 2026		Six months ended June 30, 2025	
	Revenue	Operating costs	Revenue	Operating costs
Main operations	1,150,645	953,163	1,068,970	870,381
Other operations	28,952	10,580	25,602	9,594
	1,179,597	963,743	1,094,572	879,975

(Expressed in RMB '000)

XV. Notes to major items in the Company's financial statements - (cont'd)

7. Notes to items in the cash flow statements

(1) Other cash received relevant to operating activities

	Six months ended June 30, 2026	Six months ended June 30, 2025
Interest income	1,181	216
Government subsidies	2,064	4,201
Other	1,789	10,907
	5,034	15,324

(2) Other cash paid relevant to operating activities

	Six months ended June 30, 2026	Six months ended June 30, 2025
Professional services	103,854	11,037
Other	9,039	12,890
	112,893	23,927

(3) Other cash received relevant to investing activities

	Six months ended June 30,2026	Six months ended June 30,2025
Other	757	803
	757	803

(4) Other cash paid relevant to investing activities

	Six months ended June 30,2026	Six months ended June 30, 2025
Loans	20,000	-
	20,000	-

(5) Other cash received relevant to financing activities

	Six months ended June 30, 2026	Six months ended June 30, 2025
Deposit for issuing bills payables	4,500	1,858
	4,500	1,858

(Expressed in RMB '000)

XV. Notes to major items in the Company's financial statements - (cont'd)

7. Notes to items in the cash flow statements - (cont'd)

(6) Other cash paid relevant to financing activities

	Six months ended June 30, 2026	Six months ended June 30, 2025
Deposit for issuing bills payables	12,172	14,246
	12,172	14,246

XV. Notes to major items in the Company's financial statements - (cont'd)

8. Supplementary information to cash flow statement

(1) Reconciliation of net profit to net cash flows generated from operating activities:

	Six months ended June 30 2026	2025
Net profit	84,773	130,151
Add: Asset Impairment losses	2,099	3,362
Credit impairment losses	90	1,084
Depreciation of fixed assets and investment property	87,847	98,116
Depreciation of-right-of use assets	565	395
Amortization of intangible assets	6,153	6,067
Gain (losses) on disposal of fixed assets, intangible assets and other long-term assets	28	(3,587)
Gains from changes in fair value	-	(30,714)
Financial expenses	60,000	13,298
Investment income	(20,301)	(32,445)
Decrease in deferred income tax assets	11,489	21,449
Decrease in inventory	39,881	43,633
Increase in accounts receivable from operating activities	(317,594)	(212,970)
Increase in payables from operating activities	119,260	148,263
Net cash flows generated from operating activities	74,290	186,102

(2) Net increase in cash and cash equivalents

	Six months ended June 30 2026	2025
Closing balance of cash	138,892	65,500
Less: Opening balance of cash	58,950	39,173
Net increase in cash and cash equivalents	79,942	26,327

XV. Notes to major items in the Company's financial statements - (cont'd)

9. Related parties and related parties transactions

(1) Information on parent Company

Company name	Registered place	Business nature	Registered capital (Thousand RMB)	Shareholding percentage	Percentage of voting rights
Syngenta Group	Shanghai, China	Production and sales of agrochemicals, fertilizers and GM seeds	11,182,127	78.47%	78.47%

The ultimate controlling shareholder is Sinochem Holdings .

(2) Information on the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.1.

(3) Transactions with related parties

a. Transactions of goods and services

		Six months ended June 30	
		2026	2025
Summary of Purchase of goods/services received:	**Related Party Relationship**		
Purchase of goods/services received	Common control under Sinochem Holdings	19,205	37,764
	Subsidiary	50,175	45,789
Purchase of fixed assets and other assets	Common control under Sinochem Holdings	15,042	-
	Subsidiary	1,327	-
Summary of Sales of goods:			
Sale of goods	Common control under Sinochem Holdings	177	347
	Subsidiary	721,560	645,933

(Expressed in RMB '000)

XV. Notes to major items in the Company's financial statements - (cont'd)

9. Transactions and balances with related parties - (cont'd)

(3) Transactions with related parties - (cont'd)

b. Guarantees

The Company as the guarantor

	Amount of guaranteed loan	Inception date of guaranty	Maturity date of guaranty	Guaranty completed (Y/ N)
	57,705	01.12.2021	28.11.2027	N
Subsidiary	23,951	01.01.2026	31.12.2026	N
	20,000	20.05.2026	19.05.2027	N
	10,885	28.01.2026	28.07.2026	N
	9,000	03.04.2023	10.11.2027	N
	10,000	12.01.2022	10.11.2027	N
	3,000	28.07.2023	10.11.2027	N
	50,000	10.04.2024	26.04.2027	N
	28,000	25.03.2025	24.03.2028	N
	7,000	11.08.2022	22.06.2028	N
	25,000	23.11.2022	22.06.2028	N
	11,000	28.10.2022	22.06.2027	N
	3,000	04.04.2023	22.06.2028	N
	10,000	31.08.2022	22.06.2028	N
	1,500	26.04.2023	05.05.2028	N
	8,500	30.01.2024	05.05.2028	N
	27,623	26.12.2025	14.07.2026	N
	4,894	27.01.2026	27.07.2026	N
	13,385	10.02.2026	10.08.2026	N
	11,699	16.03.2026	15.09.2026	N
	9,507	29.06.2026	29.12.2026	N
	19,685	15.03.2026	16.09.2026	N

(Expressed in RMB '000)

XV. Notes to major items in the Company's financial statements - (cont'd)

9. Transactions and balances with related parties - (cont'd)

(3) Transactions with related parties - (cont'd)

b. Guarantees - (cont'd)

The Company as the guarantee receiver

Guarantee provider	Amount of guaranteed loan	Inception date of guaranty	Maturity date of guaranty	Guaranty completed (Y / N)
Parent company	263,000	21.04.2021	20/04/2028	Y
Parent company	67,971	01.06.2021	31/05/2028	Y

As at 30 June 2026, all guarantees provided by the parent company of the Group to the Group have been fully discharged. No guarantee fees were incurred for the six months ended 30 June 2026 (six months ended 30 June 2025: guarantee fees paid by the Group to its parent company amounted to RMB 197 thousand).

c. Intercompany borrowings/lending

Related party	Borrowing/ Lending amount	Commencement date	Termination date	Balance at year end	Interest rate
Lending					
Subsidiary	50,000	2025.12	2028.11	50,000	2.4%
Subsidiary	20,000	2026.2	2028.11	20,000	2.4%

(Expressed in RMB '000)

XV. Notes to major items in the Company's financial statements - (cont'd)

9. Transactions and balances with related parties - (cont'd)

(3) Transactions with related parties - (cont'd)

d. Receivables from and payables to related parties (including loans)

Receivable Items

		June 30		December 31	
		2026		2025	
Items	**Related Party Relationship**	**Book Balance**	**Expected credit losses**	**Book Balance**	**Expected credit losses**
Trade receivables	Subsidiary	1,882,791	-	1,563,401	-
Other non-current assets	Subsidiary	70,000	-	50,000	-
Other receivables	Subsidiary	23,722	-	24,109	-
Prepayments	Subsidiary	1,500	-	-	-
Prepayments	Common control under Sinochem Holding	2,146	-	83	-

Payable Items

Items	**Related Party Relationship**	**June 30 2026**	**December 31 2025**
Trade payables	Common control under Sinochem Holdings	195	4,665
Other payables	Subsidiary	546,251	587,644
	Common control under Sinochem Holdings	471	471

d. Other related party transactions

As at June 30,2026 , the closing balance of bank deposit in SinoChem Finance Corporation was 117,976 thousand RMB (31.12.25: 41,343 thousand RMB) Interest income of bank deposit for the year was 1,204 thousand RMB (amount for six months ended June , 2025 was 157 thousand RMB).

Supplementary information
(Expressed in RMB '000)

1. Extraordinary Gain and Loss

	Six months ended June 30, 2026
Disposal of non-current assets	306,349
Government grants recognized through profit or loss	3,940
Custodian fees earned from entrusted operation	1,746
Recovery or reversal of expected credit losses which is assessed individually during the years	27,827
Other profit or loss that meets the definition of non-recurring profit or loss	17,102
Other non-operating income or expenses other than the above	5,533
Tax effect	(10,567)
	351,930

2. Return on net assets and earnings per share ("EPS")

The information of Return on net assets and EPS is in accordance with the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on net assets and Earnings per share (2010 Amendment) issued by China Securities Regulatory Commission.

Profit during the reporting period	Weighted average rate of return on net assets	Basic EPS (RMB/share)	Diluted EPS (RMB/share)
Net loss attributable to ordinary shareholders of the Company	2.46%	0.19	N/A
Net loss after deduction of extraordinary gains/losses attributable to ordinary shareholders of the Company	0.46%	0.03	N/A

ADAMA Ltd.

Legal Representative：Gaël Hili

August 17, 2026