

Stock Code: 000553(200553) Stock Abbreviation: ADAMA A(B) Announcement No. 2024-18

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



# ADAMA LTD.

## FIRST QUARTER REPORT 2024

ADAMA Ltd. (hereinafter referred to as “**the Company**”) is a global leader in crop protection, providing solutions to farmers across the world to combat weeds, insects and disease. ADAMA has one of the widest and most diverse portfolios of active ingredients in the world, state-of-the art R&D, manufacturing and formulation facilities, together with a culture that empowers our people in markets around the world to listen to farmers and ideate from the field. This uniquely positions ADAMA to offer a vast array of distinctive mixtures, formulations and high-quality differentiated products, delivering solutions that meet local farmer and customer needs in over 100 countries globally.

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

**April 2024**

**Important Notice**

**The Company's Board of Directors, Board of Supervisors, directors, supervisors and senior managers confirm that the content of the Report is true, accurate and complete and contains no false statements, misleading presentations or material omissions, and assume joint and several legal liability arising therefrom.**

**Steve Hawkins, the person leading the Company (President and Chief Executive Officer) as well as its legal representative, and Efrat Nagar, the person leading the accounting function and the accounting body (Chief Financial Officer), hereby assert and confirm the truthfulness, accuracy and completeness of the financial information contained in the Report.**

**The First Quarter Report has not been audited.**

**This Report has been prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.**

## I. Main Financial Data

### 1. Main accounting and financial results

Whether the Company performs any retroactive adjustments to, or restatements of, its accounting data of last year

Yes  No

	January - March 2024	January - March 2023	YoY +/- (%)
Operating revenues (RMB'000)	7,508,899	8,610,576	-12.79%
Net profit attributable to shareholders of the Company (RMB'000)	(227,605)	83,273	-373.32%
Net profit attributable to shareholders of the Company excluding non-recurring profit and loss (RMB'000)	(250,690)	44,893	-658.42%
Net cash flow from operating activities (RMB'000)	(735,162)	(2,905,168)	74.69%
Basic EPS (RMB/share)	(0.098)	0.036	-372.22%
Diluted EPS (RMB/share)	NA	NA	NA
Weighted average return on net assets	-1.04%	0.36%	-1.40%
	<b>End of Reporting Period</b>	<b>End of last year</b>	<b>+/- (%)</b>
Total assets (RMB'000)	54,702,737	55,405,803	-1.27%
Net assets attributable to shareholders (RMB'000)	21,662,821	21,924,475	-1.19%

### 2. Non-Recurring profit/loss

Applicable  Not applicable

Unit: RMB'000

Item	January-March 2024	Note
Gains/losses on the disposal of non-current assets (including the write-off of asset impairment provisions accrued during the period)	1,159	-
Government grants recognized through profit or loss (excluding government grants closely related to business of the Company and given at a fixed quota or amount in accordance with government's uniform standard)	1,716	-
Reversal of provision for receivables and contract assets, that are subject to specific provision	8,879	-
Post vesting cash share based payment revaluation	11,206	-
Other non-operating income and expenses other than the above	5,017	-
Other profit or loss that meets the definition of non-recurring profit or loss	-	-
Less: Income tax effects	4,892	-
Total	23,085	-

Explanation of other profit or loss that meets the definition of non-recurring profit or loss

Applicable  Not applicable

No such cases during the Reporting Period.

Explanation of why the Company classified an item as non-recurring profit/loss according to the definition in the First Explanatory Announcement on Information Disclosure for Companies Offering their Securities to the Public. Non-recurring Profit and Loss, and reclassified any non-recurring profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable  Not applicable

No such cases during the Reporting Period.

### 3. Changes in main accounting statement items and financial indicators in the Reporting Period, as well as reasons for the changes

Applicable  Not applicable

#### **General Crop Protection Market Environment<sup>1</sup>**

Key commodity crop prices continued to decline in the first months of 2024 and global supply continued to improve. Crop prices remain above average historical levels but the current price level has a negative impact on farmer income compared to previous years. Despite this, farmer demand is expected to remain stable under the current conditions. The channel inventory situation is easing up, but there still remains above average inventories in several geographies, including Brazil. In addition, the high interest rate environment, continue to drive a just-in-time purchasing approach by the channel. Active ingredient prices from China remained low during Q1 with some molecules even experiencing further price declines, on one hand reducing input costs but on the other creating pricing pressure on crop protection products and supporting a "wait and see" approach in the market.

#### **Update on the War Situation in Israel**

ADAMA is headquartered in Israel and has three manufacturing sites in the country. Following October 7<sup>th</sup>, 2023, the Company continued the production in its global manufacturing sites and in Israel, with certain non-significant restrictions (which have been lifted in February 2024). This situation did not have a material impact on the Company's ability to support its markets or on ADAMA's consolidated financial results.

On the 14<sup>th</sup> of April, Israel was under an attack from Iran, with no consequences to the Company's ongoing activities.

#### **Update on Impact of Shipping Obstructions**

In January 2024 some major shipping lines announced that they will suspend shipping to Israel through Israeli ports and through the Suez Canal due to tensions in the Red Sea. This has led to longer transportation times, with shipping lines being diverted around Africa.

As of the date of publication of this report, shipping time and costs have increased significantly, mainly in the Asia-Pacific Israel route in comparison to before January 2024. These cost increases impact only a small portion of the Company's overall shipping costs and ADAMA has been ordering relevant materials ahead of time to ensure timely supply. Currently, the Company does not anticipate this to have a significant impact on its financial results or on the ongoing supply of materials to its production facilities, although this situation might impact the company's ability to respond quickly to changing market demand.

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<sup>1</sup> Sources: CCPIA (China Crop Protection Industry Association), BAIINFO, FocusEconomics, Peer quarterly financial reports, internal sources.

	Q1 2024 (000'RMB)	Same period last year (000'RMB)	+/-%	Q1 2024 (000'USD)	Same period last year (000'USD)	+/-%
<b>Revenues</b>	7,508,899	8,610,576	-12.79%	1,057,150	1,258,525	-16.00%
Cost of goods sold	5,688,352	6,492,832	-12.39%	800,840	948,997	-15.61%
Sales & Marketing expenses	1,080,738	1,065,293	1.45%	152,154	155,702	-2.28%
General & Administrative expenses	280,258	266,369	5.21%	39,456	38,929	1.35%
R&D expenses	111,852	134,902	-17.09%	15,747	19,717	-20.13%
Financial Expenses	367,164	206,712	77.62%	51,705	30,222	71.08%
Loss from Changes in Fair Value	(148,935)	(352,126)	-57.70%	(20,968)	(51,467)	-59.26%
<b>Total Net Financial Expenses</b>	516,099	558,838	-7.65%	72,673	81,689	-11.04%
<b>Total profits (losses)</b>	(151,293)	71,111	-312.75%	(21,310)	10,386	-305.19%
Income tax expenses (income)	76,312	(12,162)	727.46%	10,744	(1,777)	704.61%
<b>Net profit (loss) attributable to shareholders of the Company</b>	(227,605)	83,273	-373.32%	(32,054)	12,163	-363.54%
<b>EBITDA</b>	855,727	1,134,723	-24.59%	120,476	165,852	-27.36%

Note: Since the functional currency of main overseas subsidiaries is the USD, and the Company's management review of the Company's performance is based on the USD results, following explanations and analysis are based on USD-denominated numbers as listed above.

In this table and all tables in this report numbers may not sum due to rounding.

## Analysis of Financial Highlights

### (1) Revenues

Revenues in the first quarter declined by approximately 16% (-13% in RMB terms; -14% in CER terms) to \$1,057 million, presenting a decrease of 10% in prices and a decrease of 5% in volumes. The lower sales reflect lower market prices and lower demand, attributed to the market dynamics of pricing pressure, high competition and a "wait and see" approach mainly in commoditized products as well as unfavorable weather conditions in some regions and the channel opting to hold lower levels of inventory and purchase closer to the season in light of higher interest rates.

## Regional Sales Performance

	Q1 2024 \$m	Q1 2023 \$m	Change % USD
Europe, Africa & Middle East (EAME)	368	430	-14.5%
North America	191	211	-9.4%
Latin America	191	233	-18.1%
Asia Pacific*	307	384	-20.0%
Of which China	154	182	-15.5%
<b>Total</b>	<b>1,057</b>	<b>1,259</b>	<b>-16.0%</b>

**Europe, Africa & Middle East (EAME):** Sales in EAME decreased in the first quarter of 2024 led by a contraction in the overall European crop protection market mainly from low demand following channel destocking, erratic spring season causing just-in-time purchasing patterns and lower farmer demand in areas impacted by lower grain market prices. This market also experienced pricing pressure, mainly in commoditized products.

**North America: Consumer & Professional Solutions** - Sales were lower as demand from the end-users in both the consumer and professional markets slowly recovered during the first quarter. Declining active ingredient prices from China supported "just-in-time" purchasing patterns.

In the **US Ag market** sales in the first quarter of 2024 were lower reflecting weak pricing, lower demand and strong competition. The overall pricing was lower in the first quarter of 2024 than in the first quarter of 2023, as market prices began to decline only during the second quarter of 2023. While channel inventory levels are steadily declining, demand is being impacted by sales being pushed closer to season application, while the channel is opting to hold lower inventory levels due to high interest rates.

ADAMA's sales in **Canada** declined in the first quarter in light of lower prices, a "wait and see" approach in the market, high fungicide channel inventories, as well as strong competition particularly in commoditized products.

**Latin America: Brazil** – the Company's sales in the first quarter following the overall challenging crop protection market due to unfavorable weather conditions, a "wait and see" approach in the market and softer pricing impacted by strong competition, particularly in commoditized products. Despite this, the Company's differentiated products continued to be well received in the market.

In the **rest of LATAM** sales in the first quarter reflected the overall challenging crop protection market due to unfavorable weather conditions in Northern LATAM and "wait and see" purchasing patterns combined with softer pricing in commoditized products. Despite this, the Company's differentiated products in key strategic crop segment continued to be well received in the market.

**Asia Pacific:** In **China**, the branded formulations achieved business growth in constant exchange rates driven by bio-formulation new launches and well-prepared spring campaign while the Company also focused on improving the quality of the business with differentiated products despite that the market is still experiencing high channel inventories and pricing pressure especially in commodities. Market pricing in the non-ag business began normalizing from heights seen in recent years and the tech sales were mainly impacted by a "wait and see" approach in the market.

In the **Pacific region**, sales in the first quarter were impacted by softer pricing following decline of active ingredients prices from China as well as overall high channel inventories. This was despite better weather conditions than anticipated in Australia.

Sales in **India** were impacted by softer pricing, exceptionally dry and hot weather, high channel inventories as well as

"wait-and-see" purchasing behaviour in commoditized products.

Sales in the **wider APAC region** continued to experience pricing pressure following intense competition from China, particularly in commoditized products, while dry weather and higher channel inventories impacted demand.

## (2) Cost of Goods and Gross Profit

In the first quarter of 2024, the new inventory sold, priced at market levels, the management focus on the quality of business which led to an improvement in the sales mix of higher margin products and the lower transportation and logistic costs had a positive impact on the cost of goods and gross profit and this is despite the lower sales impacted by the decrease in prices and volumes and the negative impact of the exchange rates.

## (3) Operating Expenses

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

The Company recorded certain non-operational, mostly non-cash, charges within its reported operating expenses amounting to RMB 136 million (\$19.2 million) in Q1 2024 in comparison to RMB 65 million (\$9.5 million) in Q1 2023, mainly as follows:

(i) measures to improve efficiencies, (ii) non-cash amortization charges in respect of Transfer Assets received from Syngenta related to the 2017 ChemChina-Syngenta acquisition, (iii) charges related to the non-cash amortization of intangible assets created as part of the Purchase Price Allocation (PPA) on acquisitions, with no impact on the ongoing performance of the companies acquired,. For further details on these non-operational items, please see the appendix to this release

Excluding the impact of the abovementioned non-operational charges, the operating expenses were lower in the first quarter of 2024, following undertaking tight OPEX management measures.

## (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, net (before hedging) is RMB 367 million (\$52 million) for Q1 2024, compared with Financial Expenses, net of RMB 207 million (\$30 million) for the corresponding periods in 2023.

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**" amounted to a net loss of RMB 149 million (\$21 million) in Q1 2024, mainly due to hedging transactions, compared with a net loss of RMB 352 million (\$51 million) in the corresponding period in 2023.

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 516 million (\$73 million) in Q1 2023 compared with RMB 559 million (\$82 million) in the corresponding period in 2023.

The lower financial expenses in the quarter were mainly due to the net effect of lower Israeli CPI on the ILS-denominated, CPI-linked bonds as well as steps taken by the Company's management to optimize the Company's financing structure. The Company took advantage of the high interest rate environment to increase interest received from weekly bank deposits designated to support working capital, as well as improved financing terms and leveraged group funding possibilities by taking long-term loans in China at attractive rates, which minimized the

increase in bank interest expenses paid in the first quarter of 2024.

## (5) Income Tax Expenses

Despite reaching losses before tax, the Company recorded tax expenses in the quarter mainly because the losses were primarily incurred by subsidiaries with relatively lower tax rates, while some of them did not create deferred tax assets on the losses. On the other hand, the subsidiaries that generated profit have a higher tax rate. In the first quarter of 2024 the Company recorded tax expenses due to the non-cash impact of the weakness of the BRL compared with tax income due to stronger BRL in the first quarter of 2023.

## Changes in main assets and liabilities

Unit: 000 RMB

Assets and liabilities	End of Reporting Period	End of last year	+/- (%)	Explanation
Derivative financial assets	128,562	850,137	-84.88%	Realization and revaluation of derivatives
Other receivables	1,635,491	1,054,302	55.13%	Increase mainly due to securitization programs
Derivative financial liabilities	325,092	607,787	-46.51%	Realization and revaluation of derivatives
Taxes payable	561,490	407,230	37.88%	Seasonality increase mainly due to VAT

## II. Information regarding Shareholders

### 1. Total number of ordinary shareholders and preference shareholders who had resumed their voting right and shareholdings of top 10 shareholders at the period-end

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period	41,099 (the number of ordinary A share shareholders is 28,482; the number of B share shareholders is 12,617)		Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period (if any)	0		
Shareholdings of top 10 shareholders (not including Shares Lent for the Relending Financing)						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status	Status
Syngenta Group Co., Ltd.	State-owned legal person	78.47%	1,828,137,961	--	--	--
China Cinda Asset Management Co., Ltd.	State-owned legal person	1.34%	31,115,916	--	--	--
Bosera Funds-China Merchants Bank-Bosera Funds Xincheng No.2 Collective Asset Management Plan	Others	0.28%	6,500,000	--	--	--
Wu Feng	Domestic Individual	0.28%	6,495,369	--	--	--
Bosera Funds-Postal Savings Bank-Bosera Funds Xincheng No.3 Collective Asset Management Plan	Others	0.26%	6,000,000	--	--	--

Zhu Shenglan	Domestic Individual	0.25%	5,756,000	--	--	--
Agricultural Bank of China- CSI 500 Exchange Traded Open-end Index Securities Investment Fund	Others	0.25%	5,720,984	--	--	--
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Overseas legal person	0.20%	4,756,753	--	--	--
China Universal Fund-Industrial Bank-China Universal-Strategic Enhancement No.3 Collective Asset Management Plan	Others	0.19%	4,400,000	--	--	--
Qichun County State-owned Assets Supervision and Administration Bureau	State-owned legal person	0.18%	4,169,266	--	--	--

## Shareholdings of top 10 non-restricted shareholders

Name of shareholder	Number of non-restricted shares held at the period-end	Types of Shares	
		Type	Number
Syngenta Group Co., Ltd.	1,828,137,961	RMB ordinary share	1,828,137,961
China Cinda Asset Management Co., Ltd.	31,115,916	RMB ordinary share	31,115,916
Bosera Funds-China Merchants Bank- Bosera Funds Xincheng No.2 Collective Asset Management Plan	6,500,000	RMB ordinary share	6,500,000
Wu Feng	6,495,369	RMB ordinary share	6,495,369
Bosera Funds-Postal Savings Bank- Bosera Funds Xincheng No.3 Collective Asset Management Plan	6,000,000	RMB ordinary share	6,000,000
Zhu Shenglan	5,756,000	RMB ordinary share	5,756,000
Agricultural Bank of China- CSI 500 Exchange Traded Open-end Index Securities Investment Fund	5,720,984	RMB ordinary share	5,720,984
Hong Kong Securities Clearing Company Ltd. (HKSCC)	4,756,753	RMB ordinary share	4,756,753
China Universal Fund-Industrial Bank-China Universal-Strategic Enhancement No.3 Collective Asset Management Plan	4,400,000	RMB ordinary share	4,400,000
Qichun County State-owned Assets Supervision and Administration Bureau	4,169,266	RMB ordinary share	4,169,266
Explanation on associated relationship or/and persons	Syngenta Group Co., Ltd. is not related party or acting-in-concert party as prescribed in <i>the Administrative Methods for Acquisition of Listed Companies to other shareholders</i> . It is unknown to the Company whether shareholders above are related parties or acting-in-concert parties as prescribed in <i>the Administrative Methods for Acquisition of Listed Companies</i> .		
Particular about shareholder participate in the securities	Shareholder Wu Feng held 4,848,843 shares of the Company through a common securities account and 1,646,526 shares of the Company through a credit collateral securities trading account, altogether 6,495,369 shares. Shareholder Zhu Shenglan held 5,756,000 shares of the Company through a credit collateral securities trading		

lending and borrowing business (if any)	account.
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## 2. Involvement of Shareholders holding more than 5% of shares, Top 10 Shareholders and Top 10 Non-restricted Shareholders in Lending of Shares in the Relending Financing of Funds and Securities

Applicable  Not applicable

### Shareholders holding more than 5% of shares, Top 10 Shareholders and Top 10 Non-restricted Shareholders in Lending of Shares in the Relending Financing of Funds and Securities

Name of Shareholders	Shareholding of Common Securities Account and Credit Collateral Securities Trading Account at the Beginning Period		Shares Lent in Relending Financing of Funds and Securities and Not Yet Returned at the Beginning Period		Shareholding of Common Securities Account and Credit Collateral Securities Trading Account at the Ending Period		Shares Lent in Relending Financing of Funds and Securities and Not Yet Returned at the Ending Period	
	Total Number	Shareholding Proportion of the Total Equity	Total Number	Shareholding Proportion of the Total Equity	Total Number	Shareholding Proportion of the Total Equity	Total Number	Shareholding Proportion of the Total Equity
Agricultural Bank of China-CSI 500 Exchange Traded Open-end Index Securities Investment Fund	2,476,484	0.11%	702,000	0.03%	5,720,984	0.25%	515,300	0.02%

## 3. Change from the Previous Reporting Period to the Top 10 Shareholders and Top 10 Non-restricted Shareholders due to the Lending/Returning of Shares in the Relending Financing of Funds and Securities

Applicable  Not applicable

## 4. Total number of preference shareholders and shareholdings of the top 10 of such at the period-end

Applicable  Not applicable

## III. Other Significant Events

Applicable  Not applicable

## IV. Financial Statements

### i. Financial statements

#### 1. Consolidated balance sheet

Prepared by ADAMA Ltd.

31 March 2024

Unit: RMB'000

Item	March 31, 2024	December 31, 2023	Item	March 31, 2024	December 31, 2023
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash at bank and on hand	3,710,053	4,881,328	Short-term loans	5,299,947	5,733,522
Financial assets held for trading	1,873	1,912	Derivative financial liabilities	325,092	607,787
Derivative financial assets	128,562	850,137	Bills payable	516,770	613,507
Bills receivable	63,500	86,303	Accounts payable	4,833,578	4,649,733
Accounts receivable	9,088,939	8,146,677	Contract liabilities	1,314,153	1,514,365
Receivables financing	117,203	123,050	Employee benefits payable	857,844	847,039
Prepayments	309,572	305,883	Taxes payable	561,490	407,230
Other receivables	1,635,491	1,054,302	Other payables	1,521,335	1,469,319
Inventories	12,823,850	13,088,757	Non-current liabilities due within one year	2,068,629	2,297,888
Other current assets	1,076,415	1,083,714	Other current liabilities	731,913	753,827
<b>Total current assets</b>	<b>28,955,458</b>	<b>29,622,063</b>	<b>Total current liabilities</b>	<b>18,030,751</b>	<b>18,894,217</b>
<b>Non-current assets:</b>			<b>Non-current liabilities:</b>		
Long-term receivables	63,039	68,752	Long-term loans	3,374,215	2,885,939
Long-term equity investments	32,133	31,474	Debentures payable	6,848,469	6,919,423
Other equity investments	132,245	132,018	Lease liabilities	473,192	495,459
Investment properties	21,736	22,145	Long-term accounts payable	96,471	97,840
Fixed assets	9,850,569	10,040,113	Long-term employee benefits payables	686,613	671,530
Construction in progress	2,682,814	2,507,328	Provisions	298,188	299,251
Right-of-use assets	606,940	625,235	Deferred tax liabilities	293,727	297,103
Intangible assets	5,256,827	5,318,281	Other non-current liabilities	2,938,290	2,920,566
Goodwill	5,009,990	5,001,538	<b>Total non-current liabilities</b>	<b>15,009,165</b>	<b>14,587,111</b>
Deferred tax assets	1,585,389	1,601,641	<b>Total liabilities</b>	<b>33,039,916</b>	<b>33,481,328</b>
Other non-current assets	505,597	435,215	<b>Shareholders' equity:</b>		
<b>Total non-current assets</b>	<b>25,747,279</b>	<b>25,783,740</b>	Share capital	2,329,812	2,329,812
<b>Total assets</b>	<b>54,702,737</b>	<b>55,405,803</b>	Capital reserves	12,950,464	12,950,464
			Other comprehensive income	1,647,909	1,675,896
			Special reserves	10,533	16,595
			Surplus reserves	273,617	273,617
			Retained earnings	4,450,486	4,678,091
			<b>Total equity attributed to the shareholders of the company</b>	<b>21,662,821</b>	<b>21,924,475</b>
			Non-controlling interests	-	-
			<b>Total equity</b>	<b>21,662,821</b>	<b>21,924,475</b>
			<b>Total liabilities and equity</b>	<b>54,702,737</b>	<b>55,405,803</b>

Steve Hawkins

Legal representative

Efrat Nagar

Chief of the accounting work

Efrat Nagar

Chief of the accounting organ

## 2. Consolidated income statement

Unit: RMB'000

Item	January-March, 2024	January-March, 2023
<b>1. Total operating income</b>	<b>7,508,899</b>	<b>8,610,576</b>
Less: Cost of sales	5,688,352	6,492,832
Taxes and surcharges	24,598	25,849
Selling and Distribution expenses	1,080,738	1,065,293
General and Administrative expenses	280,258	266,369
Research and Development expenses	111,852	134,902
Financial expenses	367,164	206,712
Including: Interest expense	297,099	267,287
Interest income	64,943	43,225
Add: Investment income, net	4,283	3,537
Including: Income from investment in associates and joint ventures	4,283	3,537
Loss from changes in fair value	(148,935)	(352,126)
Credit impairment reversal (losses)	(3,461)	8,639
Asset Impairment reversal (losses)	11,408	(41,939)
Gain from disposal of assets	1,160	21,825
<b>2. Operating profit (loss)</b>	<b>(179,608)</b>	<b>58,555</b>
Add: Non-operating income	33,200	20,237
Less: Non-operating expense	4,885	7,681
<b>3. Total profit (loss)</b>	<b>(151,293)</b>	<b>71,111</b>
Less: income tax expense (income)	76,312	(12,162)
<b>4. Net profit (loss)</b>	<b>(227,605)</b>	<b>83,273</b>
4.1 Classified by nature of operations		
4.1.1 Continuing operations	<b>(227,605)</b>	<b>83,273</b>
4.2 Classified by ownership		
4.2.1 Shareholders of the Company	<b>(227,605)</b>	<b>83,273</b>
4.2.2 Non-controlling interests	-	-
<b>5. Other comprehensive income net of tax</b>	<b>(27,987)</b>	<b>(210,116)</b>
Other comprehensive income net of tax attributable to shareholders of the Company	(27,987)	(210,116)
5.1 Items that will not be reclassified into profit/loss	(3,377)	7,936
5.1.1 Re-measurement of defined benefit plan liability	(3,377)	7,936
5.2 Items that were or will be reclassified to profit or loss	(24,610)	(218,052)
5.2.1 Effective portion of gains or loss of cash flow hedge	13,485	(9,973)
5.2.2 Translation differences of foreign financial statements	(38,095)	(208,079)
Other comprehensive income net of tax attributable to Non-controlling interests	-	-
<b>6. Total comprehensive income for the period</b>	<b>(255,592)</b>	<b>(126,843)</b>
Total comprehensive income attributable to shareholders of the Company	<b>(255,592)</b>	<b>(126,843)</b>
Total comprehensive income attributable to Non-controlling interests	-	-
<b>7. Earnings (loss) per share</b>		
7.1 Basic earnings (loss) per share (RMB/ share)	(0.098)	0.036
7.2 Diluted earnings (loss) per share (RMB/ share)	N/A	N/A

Steve Hawkins

Legal representative

Efrat Nagar

Chief of the accounting work

Efrat Nagar

Chief of the accounting organ

## 3. Consolidated cash flow statement

Unit: RMB'000

Item	January-March, 2024	January-March, 2023
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	5,034,379	6,839,010
Refund of taxes and surcharges	47,216	42,714
Cash received relating to other operating activities	208,380	109,137
<b>Sub-total of cash inflows from operating activities</b>	<b>5,289,975</b>	<b>6,990,861</b>
Cash paid for goods and services	4,151,625	7,879,994
Cash paid to and on behalf of employees	1,020,430	1,038,318
Payments of taxes and surcharges	111,233	170,562
Cash paid relating to other operating activities	741,849	807,155
<b>Sub-total of cash outflows from operating activities</b>	<b>6,025,137</b>	<b>9,896,029</b>
Net cash flows from operating activities	(735,162)	(2,905,168)
<b>2. Cash flows from investing activities:</b>		
Cash receipts from investment income	-	1,710
Cash received from disposal of investments	134,175	46,894
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,703	26,060
Cash received for other investing activities	-	14,477
<b>Sub-total of cash inflows from investing activities</b>	<b>137,878</b>	<b>89,141</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	468,399	580,045
Net cash paid to acquire subsidiaries or other business units	-	148,460
Cash paid for other investing activities	142,429	-
<b>Sub-total of cash outflows from investing activities</b>	<b>610,828</b>	<b>728,505</b>
Net cash flows from investing activities	(472,950)	(639,364)
<b>3. Cash flows from financing activities:</b>		
Cash received from borrowings	863,075	3,594,576
Cash received relating to other financing activities	765,459	18,569
<b>Sub-total of cash inflows from financing activities</b>	<b>1,628,534</b>	<b>3,613,145</b>
Cash repayment of borrowings	1,382,652	199,851
Cash payment for dividends, profit distributions or interest	167,805	179,425
Including: dividends paid to non-controlling interest	-	13,684
Cash paid relating to other financing activities	61,284	383,092
<b>Sub-total of cash outflows from financing activities</b>	<b>1,611,741</b>	<b>762,368</b>
Net cash flows from financing activities	16,793	2,850,777
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>12,915</b>	<b>(52,929)</b>
<b>5. Net decrease in cash and cash equivalents</b>	<b>(1,178,404)</b>	<b>(746,684)</b>
Add: Cash and cash equivalents at the beginning of the period	4,857,358	4,225,253
<b>6. Cash and cash equivalents at the end of the period</b>	<b>3,678,954</b>	<b>3,478,569</b>

ii. Auditor's report

Is this Report audited?

Yes  No

This Report is unaudited.

ADAMA Ltd.  
Board of Directors  
April 26, 2024