

Stock Code: 000553(200553)

Stock Abbreviations: ADAMA A(B)

Announcement No.2019-47

Abstract of the 2019 Semi-Annual Report of ADAMA Ltd.

I. Important Reminder

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

All the directors attended the Board of Directors meeting to review the Semi-Annual Report. No disagreement was raised by the directors, supervisors, and senior managements.

Non-standard auditor report

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

II. Basic information about the Company

1. Company profile

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

2. Major accounting data and financial index

Whether the Company performed any retroactive adjustments to or restatement of its accounting data

Yes No

Reason for retrospective adjustment or restatement: Business combination under common control.

	Reporting Period	Same period of last year		+/- (%)
		Before adjustment	After adjustment	After adjustment

Operating revenues (RMB'000)	13,616,032	13,026,258	13,639,073	-0.17%
Net profit attributable to shareholders of the Company (RMB'000)	588,638	2,362,781	2,389,167	-75.36%
Net profit attributable to shareholders of the Company excluding non-recurring profit and loss (RMB'000)	430,270	790,296	790,296	-45.56%
Net cash flow from operating activities (RMB'000)	(304,950)	779,518	839,803	-136.31%
Basic EPS (RMB/share)	0.2406	0.9658	0.9765	-75.36%
Diluted EPS (RMB/share)	N/A	N/A	N/A	N/A
Weighted average return on net assets	2.59%	11.65%	11.53%	-8.94%
	End of Reporting Period	End of last year		+/- (%)
		Before adjustment	After adjustment	After adjustment
Total assets (RMB'000)	45,810,089	41,577,798	44,135,063	3.80%
Net assets attributable to shareholders of the Company (RMB'000)	22,479,404	21,543,425	22,744,862	-1.17%

3. Shares and shareholders

Total number of common shareholders at the end of the Reporting Period	51,819 (the number of ordinary A share shareholders is 35,774; the number of B share shareholders is 16,045)				Total number of preferred shareholders that had resumed their voting right at the end of the Reporting Period (if any)	0
Shareholding of common shareholders holding more than 5% shares or the top 10 shareholders						
Name of shareholder	Nature of shareholder	Holding percentage (%)	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status	Number
China National Agrochemical Co., Ltd.	State-owned legal person	74.02%	1,810,883,039	1,810,883,039	-	-
Jingzhou Sanonda Holding Co., Ltd.	State-owned legal person	4.89%	119,687,202	-	-	-
China Cinda Asset Management Co., Ltd.	State-owned legal person	1.37%	33,557,046	-	-	-
China Structural Reform Fund Co., Ltd.	State-owned legal person	1.37%	33,557,046	-	-	-
Portfolio No.503 of National Social Security Fund	Others	0.53%	12,999,893	-	-	-
CCB Principal-ICBC-Avic Trust, Trust Plan of Pooled Funds of CCB Principal Private Placement Investment, Tianqi (2016) No. 293 of Avic Trust	Others	0.53%	12,885,906	-	-	-
Industrial Bank Co., Ltd, Mixed Securities Investment Fund, Aegon-Industrial Trend Investment (LOF)	Others	0.33%	8,053,736	-	-	-
Jiang Yun	Domestic individual	0.27%	6,500,000	-	-	-
Caitong Fund Fuchun Chuangyi Private Placement No.3 Asset Management Plan	Others	0.19%	4,697,986	-	-	-
GUOTAI JUNAN	Foreign	0.19%	4,697,389	0	-	-

SECURITIES(HONGKONG) LIMITED	legal person					
Explanation on associated relationship or/and persons	Jingzhou Sanonda Holdings Co., Ltd. and CNAC are related parties, and are acting-in-concert parties as prescribed in the Administrative Methods for Acquisition of Listed Companies. Sanonda Holding is a controlled subsidiary of CNAC. 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 shareholder participate in the securities lending and borrowing business (if any)						

4. 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.

5. Corporate Bonds

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but failed to pay as of the date of the approval of this Semi-Annual Report by the Board of Directors.

No.

III. Performance Discussion and Analysis

1. Business Operation summary in the reporting period

Whether the company needs to comply with the disclosure requirements of certain industry

No

Significant precipitation in North America in the first quarter followed by unprecedented flooding in the second quarter, alongside extreme dry weather in Europe, India and parts of Asia-Pacific, delayed and reduced application of crop protection products in these regions. Latin America benefited from relatively strong demand in the southern hemisphere off-season. India's monsoon season started late in the second quarter, delaying the sowing of several summer-planted crops.

Crop prices have generally remained subdued in the first half of 2019, with the exception of corn, which continues to challenge farmer income in most regions, resulting in continued sluggish demand for crop protection products.

The sustained supply-constrained environment, mostly owing to increased environmental focus in China, has seen continued industry-wide shortages in certain raw materials and intermediates, and resulted in procurement costs remaining elevated compared to the first half of last year. The Company continues to raise its prices in all regions and contain its manufacturing and other operating costs to mitigate this impact.

For ADAMA, the extended cold and wet conditions in North America, alongside dry weather in Europe, India and parts of Asia-Pacific, delayed and reduced application of crop protection products, while continued tight supply conditions prevented the Company from taking advantage of demand for certain products.

Strong growth in Latin America, led by Brazil, as well as resilient performance in APAC, notably Australia, alongside the contribution of joiners Bonide and Anpon, partially offset these weather- and supply-related delays.

In China, continued strong demand for the Company's differentiated, formulated and branded products is supporting the shift towards sales through its own channels and away from sales of unformulated, technical active

ingredients to intermediaries.

The Company continues to drive growth with new launches of differentiated product throughout all regions. The continued supportive pricing environment allowed for the raising of prices by an average of 3% across all regions, passing on some of the impact of the constrained supply and higher procurement costs, while mitigating the impact of generally softer currencies. In addition, the Company continues to contain its manufacturing and other operating costs, while recording idleness costs at Jingzhou old site.

Looking toward the second half of the year, the Company expects robust growth, as the southern hemisphere regions, which are performing strongly, move into their peak season, as the Monsoon season progresses in India, and as supply constraints start alleviating.

Increasing collaboration activities

The Company continues to advance collaboration opportunities with other ChemChina group entities, as well as other entities of the Sinochem group, to make the most of its positioning.

Jingzhou Old Site

Following resumption of operations at the Jingzhou old site in late March, the Company is advancing the gradual ramp-up of production. The new state-of-the-art wastewater treatment facility is operational, and the upgraded biological-decomposition systems are being acclimated to the improved wastewater quality. As this progresses, the Company is still experiencing constrained supply in key products manufactured at the site, especially impacting the Americas, Asia-Pacific, China and India, Middle-East and Africa, constraining sales and gross profit by approximately \$100 million and \$35 million, respectively, in the half-year, and recorded approximately \$20 million in related idleness costs during the period, bringing the impact from the disruption on EBITDA to approximately \$50 million and on Net Income to approximately \$40 million. In recent weeks, the Ecological Protection Supervision Team of the central government commenced on-site inspections at many ChemChina's group companies, including the Company's sites in China, as part of its strengthening ongoing environmental and safety focus. ADAMA is working in full cooperation, in the context of its 3-year relocation and upgrade process which is due to conclude next year, to identify and rectify any safety or environmental matter.

Notwithstanding that the old site only produces a small number of products for the group, and the fact that ADAMA has significant production and procurement capabilities elsewhere in China and worldwide, the suspension has had a negative impact on the Company's performance as described above.

Regarding the explanations on the changes of the financial data, please refer to the "II Analysis of Main Business" of Section IV of the Semi-Annual Report.

2. Matters regarding the financial report

(1) Explanation of the changes of the accounting policy, the accounting estimates and the accounting methods compared to the last financial report

Applicable Not applicable

In preparation of the 2018 Annual Report, the group began to adopt the Notice on Revising the Format of 2018 Financial Statements for General Enterprise promulgated by Ministry of Finance on June 15th, 2018 (Caikuai [2018] No.15).

The Company began to adopt the revised Accounting Standards for Business Enterprises No. 21 - Leases (CaiKuai [2018] No. 35) ("Revised ASBE21") promulgated on December 7, 2018 by the Ministry of Finance, as of January 1, 2019.

For details, please refer to the Announcements on the Change of Accounting Policy published by the Company on March 21, 2019 and April 30, 2019.

(2) Explain retrospective restatement due to correction of significant accounting errors in the reporting period

Applicable Not applicable

No such cases in the reporting period.

(3) Explain change of the consolidation scope as compared with the financial reporting of last year

Applicable Not applicable

During the reporting period, the Company acquired Bonide Products Inc. and Jiangsu Anpon Electrochemical Co., Ltd. which entailed the change of the consolidation scope. For details, please refer to item VI “Change of the Consolidation Scope” of the notes of the financial report.