ADAMA Ltd.

Asset Impairment Announcement

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

In accordance with the Accounting Standards for Business Enterprises, ADAMA Ltd. (hereinafter referred to as the “Company”), is expected to record a total of RMB 159 million ($23 million) for the first half of 2026 in provisions for asset and credit loss impairments. These provisions are mainly related to one-time impairments of some fixed assets, impairment of inventories and credit loss impairment of accounts receivables made during the ordinary course of the Company’s business, as provided herein.

Overview and Financial Impact of Provision for the Asset Impairments

During the first half of 2026, the Company is expected to record provisions for asset and credit loss impairments based on "Accounting Standards for Business Enterprises" and the Company’s own applicable accounting policies.

These provisions, charged to the total profits of the Company during the first half of 2026, are expected amounting to RMB 159 million ($23 million).

Further details of the impairments are as follows:

Unit: ‘000 RMB

Item	**Amount**
Fixed assets	74,236
Inventories	54,707
Credit losses	28,205
Construction in progress	1,537
Total Asset impairments	158,685

Basis and Explanation for Impairment of Fixed Assets

The Company assess at each balance sheet date whether there are any indications that the fixed assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets (recoverable amount is the higher between the assets’ fair value less costs to sell and the present value of the future cash flow estimated to be derived from the asset). If the recoverable amount is below the assets’ net cost recorded in the balance sheet, a provision for impairment is made.

During the first half of 2026, the Company is expected to provide impairments of around RMB 74 million ($11 million) to fixed assets with lower operational efficiency. This is due to the Company's strategic direction to enhance operational efficiency and focus on high-performing facilities. The impairment is made based on the evaluation of the assets' recoverable amount.

Basis and Explanation for Impairment of Inventories

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.

Inventory impairments are expected to reach approximately RMB 55 million ($8 million) in the first half of 2026. The reasons of the impairments were mainly due to inventory management aspects during the ordinary course of the Company's business.

Basis and Explanation for Credit Impairment Losses

The Company recognizes an impairment provision which reflects its assessment regarding the credit risk of accounts and other receivables on a lifetime expected credit loss basis. The examination for expected credit losses is performed using a model including aging analysis and historical loss experience, and is adjusted taking into account observable factors reflecting current and expected future economic conditions. 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.

The credit impairment losses provided for the first half of the year are expected to be around RMB 28 million ($ 4 million). The expected credit losses are mainly provided during the course of ordinary management of accounts receivable based on the evaluation of the current and future financial position of customers across different regional markets.

Basis and Explanation for Impairment of Construction in Progress

The Company assess at each balance sheet date whether there are any indications that the construction in progress may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets (recoverable amount is the higher between the assets' fair value less costs to sell and the present value of the future cash flow estimated to be derived from the asset). If the recoverable amount is below the assets' net cost recorded in the balance sheet, a provision for impairment is made.

In the first half of 2026, the Company is expected to make impairments of around RMB

1.5 million ($0.2 million) on construction in progress, which is immaterial to the overall financial statements.

Explanation on the Reasonableness of Asset Impairments

The aforementioned provisions were mainly due to impairments of some fixed assets, inventories and credit loss impairments of accounts receivables made during the ordinary course of the Company’s business.

Based on the current status of the assets, these impairments serve to correctly present the balance sheet of the Company, truly and fairly reflects the company's financial situation, asset value and operating results, while meeting requirements of accounting standards and related policies.

Other Explanations

The expected provisions for asset impairment is the result of the preliminary calculation of the financial department of the Company. Investors are kindly reminded to pay attention to investment risks.

Approval Process for the Provision of Asset Impairments

According to the Company’s internal approval procedures, the above-mentioned major impairment of fixed assets was approved by the Company’s global senior management, with the calculation of the recoverable amount of the assets performed by the finance team of the related subsidiaries and review done by the global finance team.

Other impairments were identified, calculated and approved locally by respective subsidiaries and reviewed by the relevant global teams.

It’s hereby announced.

Board of Directors
ADAMA LTD.
July 15, 2026