



Abridged Consolidated Financial Statements

The following abridged consolidated financial statements and notes have been prepared as described in Note 1. While prepared based on the principles of PRC GAAP, they do not contain all of the information which either PRC GAAP or IFRS would require for a complete set of financial statements and should be read in conjunction with the consolidated financial statements of both Hubei Sanonda Co., Ltd and Adama Agricultural Solutions Ltd. as filed with the Shenzhen and Tel Aviv Stock Exchanges, respectively.

Abridged Consolidated Income Statement for the Third Quarter

<i>Adjusted¹</i>	Q3 2018 USD(m)	Q3 2017 USD(m)	Q3 2018 RMB(m)	Q3 2017 RMB(m)
Revenues	872	844	5,929	5,624
Cost of Sales	591	543	4,019	3,618
Business taxes and surcharges	2	2	12	16
Gross profit	279	298	1,897	1,990
<i>% of revenue</i>	<i>32.0%</i>	<i>35.4%</i>	<i>32.0%</i>	<i>35.4%</i>
Operating expenses	192	190	1,307	1,267
Operating income (EBIT)	87	108	590	723
<i>% of revenue</i>	<i>10.0%</i>	<i>12.9%</i>	<i>10.0%</i>	<i>12.9%</i>
Financial expenses and investment income	30	34	203	226
Income before taxes	57	75	387	498
Taxes on Income	11	19	73	130
Net income	46	55	313	368
<i>% of revenue</i>	<i>5.3%</i>	<i>6.5%</i>	<i>5.3%</i>	<i>6.5%</i>
EBITDA	140	161	949	1,078
<i>% of revenue</i>	<i>16.0%</i>	<i>19.1%</i>	<i>16.0%</i>	<i>19.1%</i>
Earnings per Share – Basic	<i>0.0188</i>	<i>0.0235</i>	<i>0.1281</i>	<i>0.1570</i>
– Diluted	<i>0.0188</i>	<i>0.0235</i>	<i>0.1281</i>	<i>0.1570</i>

The number of shares used to calculate earnings per share in Q3 2017 is 2,341.9 million shares. The number of shares used to calculate earnings per share in Q3 2018 is 2,446.6 million shares, reflecting the issuance of shares in the private placement equity offering.

¹ For an analysis of the differences between the adjusted income statement items and the income statement items as reported in the financial statements, see below “Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements”.



Abridged Consolidated Income Statement for the First Nine Months

<i>Adjusted²</i>	9M 2018 USD(m)	9M 2017 USD(m)	9M 2018 ex. EU hedge USD(m)	9M 2018 RMB(m)	9M 2017 RMB(m)	9M 2018 ex. EU hedge RMB(m)
Revenues	2,918	2,702	2,957	18,955	18,394	19,205
Cost of Sales	1,937	1,733	1,937	12,591	11,799	12,591
Business taxes and surcharges	8	7	8	54	49	54
Gross profit	972	962	1,011	6,310	6,547	6,560
<i>% of revenue</i>	<i>33.3%</i>	<i>35.6%</i>	<i>34.2%</i>	<i>33.3%</i>	<i>35.6%</i>	<i>34.2%</i>
Operating expenses	612	571	612	3,984	3,882	3,984
Operating income (EBIT)	359	391	399	2,326	2,665	2,577
<i>% of revenue</i>	<i>12.3%</i>	<i>14.5%</i>	<i>13.5%</i>	<i>12.3%</i>	<i>14.5%</i>	<i>13.5%</i>
Financial expenses and investment income	97	95	97	630	646	630
Income before taxes	263	296	302	1,697	2,019	1,947
Taxes on Income	59	41	60	384	279	384
Net income	203	255	242	1,313	1,740	1,564
<i>% of revenue</i>	<i>7.0%</i>	<i>9.4%</i>	<i>8.2%</i>	<i>6.9%</i>	<i>9.5%</i>	<i>8.2%</i>
EBITDA	518	546	558	3,360	3,724	3,611
<i>% of revenue</i>	<i>17.8%</i>	<i>20.2%</i>	<i>18.9%</i>	<i>17.7%</i>	<i>20.2%</i>	<i>18.9%</i>
Earnings per Share – Basic	<i>0.0830</i>	<i>0.1088</i>		<i>0.5367</i>	<i>0.7429</i>	
– Diluted	<i>0.0830</i>	<i>0.1088</i>		<i>0.5367</i>	<i>0.7429</i>	

² For an analysis of the differences between the adjusted income statement items and the income statement items as reported in the financial statements, see below “Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements”.



Abridged Consolidated Balance Sheet

	September 30 2018 USD (m)	September 30 2017 USD (m)	September 30 2018 RMB (m)	September 30 2017 RMB (m)
Assets				
Current assets:				
Cash at bank and on hand	933	655	6,416	4,347
Bills and accounts receivable	942	917	6,479	6,089
Inventories	1,296	1,117	8,918	7,413
Assets held for sale	-	54	-	360
Other current assets, receivables and prepaid expenses	347	399	2,384	2,649
Total current assets	3,517	3,143	24,197	20,858
Non-current assets:				
Fixed assets, net	1,052	1,072	7,237	7,118
Intangible assets, net	1,453	1,224	9,996	8,123
Deferred tax assets	98	101	673	671
Other non-current assets	76	76	525	502
Total non-current assets	2,679	2,473	18,431	16,414
Total assets	6,197	5,616	42,628	37,272
Liabilities				
Current liabilities:				
Loans and credit from banks and other lenders	129	202	887	1,342
Bills and accounts payable	610	548	4,195	3,635
Other current liabilities	798	800	5,492	5,309
Total current liabilities	1,537	1,550	10,574	10,286
Long-term liabilities:				
Long-term loans from banks and other lenders	44	71	305	469
Debentures	1,151	1,168	7,915	7,752
Deferred tax liabilities	63	35	431	235
Employee benefits	93	69	637	456
Other long-term liabilities	50	86	344	568
Total long-term liabilities	1,400	1,428	9,631	9,480
Total liabilities	2,937	2,978	20,205	19,766
Equity				
Total equity	3,260	2,638	22,423	17,505
Total equity	3,260	2,638	22,423	17,505
Total liabilities and equity	6,197	5,616	42,628	37,272



Abridged Consolidated Cash Flow Statement for the Third Quarter

	Q3 2018 USD (m)	Q3 2017 USD (m)	Q3 2018 RMB (m)	Q3 2017 RMB (m)
Cash flow from operating activities:				
Cash flow from operating activities	99	41	675	272
Cash flow from operating activities	99	41	675	272
Investing activities:				
Additions to fixed and intangible assets	-42	-51	-288	-338
Proceeds from disposal of fixed and intangible assets	0	0	0	2
Other investing activities	-2	-4	-10	-24
Cash flow used for investing activities	-44	-54	-298	-360
Financing activities:				
Receipt of loans from banks and other lenders	12	11	85	76
Repayment of loans from banks and other lenders	-10	-8	-68	-51
Other financing activities	-33	-7	-218	-44
Cash flow from (used for) financing activities	-30	-3	-201	-19
Effects of exchange rate movement on cash and cash equivalents	-9	0	174	-94
Net change in cash and cash equivalents	16	-16	350	-201
Cash and cash equivalents at the beginning of the period	910	670	6,021	4,538
Cash and cash equivalents at the end of the period	926	653	6,371	4,337
Free Cash Flow	52	-19	352	-128



Abridged Consolidated Cash Flow Statement for the First Nine Months

	9M 2018 USD (m)	9M 2017 USD (m)	9M 2018 RMB (m)	9M 2017 RMB (m)
Cash flow from operating activities:				
Cash flow from operating activities	221	369	1,455	2,522
Cash flow from operating activities	221	369	1,455	2,522
Investing activities:				
Additions to fixed and intangible assets	-463	-156	-2,966	-1,061
Proceeds from disposal of fixed and intangible assets	380	14	2,413	96
Other investing activities	-1	17	-10	118
Cash flow used for investing activities	-85	-125	-563	-847
Financing activities:				
Receipt of loans from banks and other lenders	12	27	85	181
Repayment of loans from banks and other lenders	-332	-99	-2,116	-676
Other financing activities	-81	-71	-526	-488
Cash flow from (used for) financing activities	-401	-143	-2,557	-983
Effects of exchange rate movement on cash and cash equivalents	-13	0	-172	-189
Net change in cash and cash equivalents	-277	101	-1,493	503
Cash and cash equivalents at the beginning of the period	1,204	553	7,864	3,834
Cash and cash equivalents at the end of the period	926	653	6,371	4,337
Free Cash Flow	93	192	616	1,320



Notes to Abridged Consolidated Financial Statements

Note 1: Basis of preparation

Basis of presentation and accounting policies: The abridged consolidated financial statements for the quarters and nine-month periods ended September 30, 2018 and 2017 incorporate the financial statements of Hubei Sanonda Ltd. (so called prior to its expected name change) and of all of its subsidiaries ("The Combined Company"), including Adama Agricultural Solutions Ltd. ("Solutions") and its subsidiaries.

The Combined Company has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance (the "MoF") and the implementation guidance, interpretations and other relevant provisions issued or revised subsequently by the MoF (collectively referred to as "CASBE").

Solutions' consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The abridged consolidated financial statements contained in this release are presented in both Chinese Renminbi (RMB) as the Combined Company's shares are traded on the Shenzhen Stock Exchange as well as in United States dollars (\$) as this is the major currency in which the Combined Company's business is conducted. For the purposes of this release, a customary convenience translation has been used for the translation from RMB to US dollars, with Income Statement and Cash Flow items being translated using the quarterly average exchange rate, and Balance Sheet items being translated using the exchange rate at the end of the period.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

Note 2: Abridged Financial Statements

For ease of use, the Financial Statements shown in this release have been abridged as follows:

Abridged Consolidated Income Statement:

- "Operating expenses" includes selling and distribution expenses; general and administrative (including research and development); impairment losses; gain (loss) from disposal of assets and non-operating income and expenses
- "Financial expenses and investment income" includes net financing expenses; gains from changes in fair value; and investment income (including share of income of equity accounted investees)

Abridged Consolidated Balance Sheet:

- "Other current assets, receivables and prepaid expenses" includes financial assets held for trading; financial assets in respect of derivatives; prepayments; other receivables; and other current assets
- "Fixed assets, net" includes fixed assets and construction in progress
- "Intangible assets, net" includes intangible assets and goodwill
- "Other non-current assets" includes other equity investments; long-term equity investments; long-term receivables; investment property; and other non-current assets
- "Loans and credit from banks and other lenders" includes short-term loans and non-current liabilities due within one year
- "Other current liabilities" includes financial liabilities in respect of derivatives; payables for employee benefits, taxes, interest, dividends and others; advances from customers and other current liabilities
- "Other long-term liabilities" includes long-term payables, provisions, deferred income and other non-current liabilities



Analysis of Gaps between Adjusted Income Statement and Reported Income Statement in Financial Statements

Q3 USD(m)	Adjusted		Adjustments		Reported	
	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017
Revenues	872	844	-	-	872	844
Gross profit	279	298	-	1	279	297
Operating expenses	192	190	-22	-13	214	203
Operating income (EBIT)	87	108	22	15	65	94
Income before taxes	57	75	22	15	35	60
Net income	46	55	20	13	26	42
EBITDA	140	161	-	6	140	155
Earnings per share	0.0188	0.0235	0.0080	0.0055	0.0108	0.0181

Q3 RMB(m)	Adjusted		Adjustments		Reported	
	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017
Revenues	5,929	5,624	-	-	5,929	5,624
Gross profit	1,897	1,990	0	10	1,897	1,981
Operating expenses	1,307	1,267	-147	-88	1,454	1,355
Operating income (EBIT)	590	723	147	98	443	625
Income before taxes	387	498	147	98	240	400
Net income	313	368	134	85	180	283
EBITDA	949	1,078	-	41	949	1,037
Earnings per share	0.1281	0.1570	0.0547	0.0364	0.0734	0.1206

9M USD(m)	Adjusted		Adjustments		Reported	
	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017
Revenues	2,918	2,702	-	-	2,918	2,702
Gross profit	972	962	1	1	970	960
Operating expenses	612	571	260	-22	353	593
Operating income (EBIT)	359	391	-258	24	618	367
Income before taxes	263	296	-258	24	521	272
Net income	203	255	-195	21	398	234
EBITDA	518	546	-311	-6	829	553
Earnings per share	0.0830	0.1088	-0.0796	0.0089	0.1626	0.0999

9M RMB(m)	Adjusted		Adjustments		Reported	
	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017
Revenues	18,955	18,394	-	-	18,955	18,394
Gross profit	6,310	6,547	9	9	6,300	6,538
Operating expenses	3,984	3,882	1,642	-152	2,341	4,034
Operating income (EBIT)	2,326	2,665	-1,633	160	3,959	2,505
Income before taxes	1,697	2,019	-1,633	160	3,330	1,859
Net income	1,313	1,740	-1,229	140	2,542	1,600
EBITDA	3,360	3,724	-1,976	-44	5,336	3,768
Earnings per share	0.5367	0.7429	-0.5025	0.0599	1.0392	0.6830



Income Statement Adjustments

	Q3 2018 USD (m)	Q3 2017 USD (m)	Q3 2018 RMB (m)	Q3 2017 RMB (m)
Net Income (as Reported)	26.4	42.3	179.7	282.5
Non-cash legacy amortization of 2011 PPA for acquisition of Solutions, net of tax	9.5	9.5	64.6	63.4
Non-cash Amortization of Transfer assets from Syngenta related to 2017 ChemChina acquisition of Syngenta	10.2	-	69.2	-
One-time capital gain from sale of EU and US registrations, related to 2017 ChemChina acquisition of Syngenta, net of taxes	-	-	-	-
Reinstatement of depreciation expenses due to classification of to-be-divested European registrations as "Held-for-Sale", related to 2017 ChemChina acquisition of Syngenta	-	-0.1	-	-0.6
Adjustment of 2017 LTI provision made in Q4 to accrual over the full year	-	-2.1	-	-13.9
Combination Transaction – one-time bonus for long-serving employees without option plan	-	5.5	-	36.4
Total adjustments	19.7	12.8	133.8	85.2
Net Income (as Adjusted)	46.1	55.1	313.5	367.8

	9M 2018 USD (m)	9M 2017 USD (m)	9M 2018 RMB (m)	9M 2017 RMB (m)
Net Income (as Reported)	397.9	233.9	2,542.4	1,599.5
Non-cash legacy amortization of 2011 PPA for acquisition of Solutions, net of tax	28.5	28.5	185.7	194.0
Non-cash Amortization of Transfer assets from Syngenta related to 2017 ChemChina acquisition of Syngenta	20.3	-	134.0	-
One-time capital gain from sale of EU and US registrations, related to 2017 ChemChina acquisition of Syngenta, net of taxes	-244.8	-8.6	-1,556.6	-59.0
Reinstatement of depreciation expenses due to classification of to-be-divested European registrations as "Held-for-Sale", related to 2017 ChemChina acquisition of Syngenta	-2.6	-1.5	-16.5	-10.2
Adjustment of 2017 LTI provision made in Q4 to accrual over the full year	-	-6.3	-	-42.6
Non-core asset disposal	2.3	-	14.8	-
Combination Transaction – one time taxes	1.5	-	9.4	-
Combination Transaction – one-time bonus for long-serving employees without option plan	-	5.8	-	38.5
Net expense related to conclusion of 1985 tax claim in Brazil	-	2.9	-	19.6
Total adjustments	-194.8	20.8	-1,229.3	140.2
Net Income (as Adjusted)	203.2	254.7	1,313.2	1,739.7



Exchange Rate Data for the Combined Company's Principal Functional Currencies

	September 30			Q3 Average			9M Average		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
EUR/USD	1.162	1.178	(1.3%)	1.163	1.175	(1.0%)	1.194	1.111	7.5%
USD/BRL	4.004	3.168	(26.4%)	3.958	3.164	(25.1%)	3.603	3.174	(13.5%)
USD/PLN	3.675	3.652	(0.6%)	3.704	3.624	(2.2%)	3.559	3.841	7.3%
USD/ZAR	14.182	13.496	(5.1%)	14.105	13.050	(8.1%)	12.891	13.159	2.0%
AUD/USD	0.721	0.782	(7.8%)	0.731	0.789	(7.4%)	0.758	0.766	(1.0%)
GBP/USD	1.306	1.342	(2.6%)	1.303	1.309	(0.4%)	1.351	1.274	6.0%
USD/ILS	3.627	3.529	(2.8%)	3.631	3.556	(2.1%)	3.553	3.626	2.0%
USD LIBOR 3M	2.40%	1.34%	79.1%	2.34%	1.31%	77.8%	2.19%	1.20%	82.9%

	September 30			Q3 Average			9M Average		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
USD/RMB	6.879	6.637	3.6%	6.797	6.668	1.9%	6.511	6.803	(4.3%)
EUR/RMB	7.996	7.818	2.3%	7.903	7.833	0.9%	7.776	7.558	2.9%
RMB/BRL	0.582	0.477	(21.9%)	0.582	0.475	(22.7%)	0.553	0.467	(18.6%)
RMB/PLN	0.534	0.550	2.9%	0.545	0.544	(0.2%)	0.547	0.565	3.2%
RMB/ZAR	2.062	2.033	(1.4%)	2.075	1.957	(6.0%)	1.980	1.934	(2.3%)
AUD/RMB	4.963	5.193	(4.4%)	4.971	5.264	(5.6%)	4.933	5.208	(5.3%)
GBP/RMB	8.987	8.906	0.9%	8.857	8.726	1.5%	8.795	8.670	1.4%
RMB/ILS	0.527	0.532	0.8%	0.534	0.533	(0.2%)	0.546	0.533	(2.4%)
RMB SHIBOR 3M	2.85%	4.36%	(34.6%)	3.11%	4.34%	(28.3%)	3.98%	4.30%	(7.5%)