

Stock Code: 000553 (200553)

Stock abbreviation: Sanonda A (B)

Announcement No.: 2018-36

Hubei Sanonda Co. Ltd
H1 2018 Performance Estimation

The Company and all the directors confirm that the information disclosed is true, accurate, complete and with no false recording, misleading statement or material omission.
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I. Performance Estimation

1. Estimation period: January 1, 2018 – June 30, 2018
2. Estimated performance: Significant increase in profits

Item	Current reporting period January to June 2018	Same period last year January to June 2017 as previously reported
Net profit attributable to the shareholders of the listed company (RMB in millions)	Profit: 2,292.1 – 2,481.2	Profit: 169.2
Basic earnings per share (RMB)	Profit: 0.9369 – 1.0141	Profit: 0.2849

II. Pre-audit of the estimated performance

The estimated results of this period are the preliminary estimation of the Company and have not been audited nor reviewed by certified accountants.

III. Explanations for Performance Variation

The significant increase in estimated profits in the consolidated preliminary report in the first six months of 2018 (“H1”) compared to the same period in 2017 is due to the following reasons:

1. The effect of the inclusion of the preliminary results of Adama Agricultural Solutions Ltd. (“Solutions”) into the consolidated preliminary report of the Company due to the fact that the entire share capital (100% of the shares) of Solutions, which was purchased by the Company through the issuance of new shares, were transferred to the Company on 4 July 2017. In accordance with relevant regulations, the Company now consolidates the financial statements of Solutions in its H1 2018 financial report.
2. The recognition of the one-time profit made by Solutions during the first quarter of 2018 on the divestiture of certain crop protection products in Europe in connection with the approval by the EU Commission of the acquisition of Syngenta by

ChemChina. The proceeds of this divestiture, net of taxes and transaction expenses, were paid to Syngenta in return for the transfer of a portfolio of products in Europe of similar nature and economic value.

3. The Combined Company continued to achieve strong sales growth in the half year, notwithstanding the shortened agricultural season in Europe. This is somewhat offset by higher procurement costs, as well as the negative impact of hedge positions on the Euro created last year, as reported previously.

IV. Other Remarks

1. Due to the reasons mentioned above, on a combined, adjusted basis, which excludes the impact of the one-time divestiture profit, the net income of the Combined Company in H1 2018 is estimated to be only somewhat lower than the corresponding combined net income of H1 2017, and, excluding the 2017 Euro hedge impact, is estimated to be in line with last year's all-time high.
2. The estimated results above are only preliminary calculations performed by the finance team of the Company based on preliminary financial data available to the Company and have not been audited or reviewed by the Company's independent auditors. This estimate may change, inter alia, as a result of the processing and analysis of the financial data that the Company will perform for the preparation of its H1 2018 financial statements. Please refer to the H1 2018 Report to be duly disclosed by the Company for specific and accurate financial information.
3. Media for Information Disclosure of the Company: China Securities Journal, Securities Times, Ta Kung Pao, and Cninfo (www.cninfo.com.cn). Investors are reminded to exercise caution when making investment decisions.

By order of the Board
Hubei Sanonda Co. Ltd.
July 13th, 2018