

## 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 Quarter

| <i>Adjusted<sup>1</sup></i>              | Q1 2018<br>USD(m) | Q1 2017<br>USD(m) | Q1 2018<br>RMB(m) | Q1 2017<br>RMB(m) |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Revenues</b>                          | <b>1,022</b>      | <b>922</b>        | <b>6,500</b>      | <b>6,344</b>      |
| Cost of Sales                            | 667               | 589               | 4,241             | 4,057             |
| Business taxes and surcharges            | 3                 | 2                 | 19                | 17                |
| <b>Gross profit</b>                      | <b>352</b>        | <b>330</b>        | <b>2,239</b>      | <b>2,270</b>      |
| <i>% of revenue</i>                      | <i>34.5%</i>      | <i>35.8%</i>      | <i>34.5%</i>      | <i>35.8%</i>      |
| Operating expenses                       | 216               | 186               | 1,370             | 1,283             |
| <b>Operating income (EBIT)</b>           | <b>137</b>        | <b>143</b>        | <b>869</b>        | <b>987</b>        |
| <i>% of revenue</i>                      | <i>13.4%</i>      | <i>15.6%</i>      | <i>13.4%</i>      | <i>15.6%</i>      |
| Financial expenses and investment income | 34                | 21                | 216               | 141               |
| <b>Income before taxes</b>               | <b>103</b>        | <b>123</b>        | <b>653</b>        | <b>847</b>        |
| Taxes on Income                          | 18                | 5                 | 113               | 33                |
| <b>Net income</b>                        | <b>85</b>         | <b>118</b>        | <b>539</b>        | <b>814</b>        |
| <i>% of revenue</i>                      | <i>8.3%</i>       | <i>12.8%</i>      | <i>8.3%</i>       | <i>12.8%</i>      |
| Attributable to:                         |                   |                   |                   |                   |
| Owners of the Company                    | 85                | 118               | 539               | 814               |
| Non-controlling Interests                | -                 | -                 | -                 | -                 |
| <b>EBITDA</b>                            | <b>191</b>        | <b>195</b>        | <b>1,215</b>      | <b>1,345</b>      |
| <i>% of revenue</i>                      | <i>18.7%</i>      | <i>21.2%</i>      | <i>18.7%</i>      | <i>21.2%</i>      |
| <b>Earnings per Share</b> – Basic        | <i>0.0347</i>     | <i>0.0505</i>     | <i>0.2204</i>     | <i>0.3475</i>     |
| – Diluted                                | <i>0.0347</i>     | <i>0.0505</i>     | <i>0.2204</i>     | <i>0.3475</i>     |

The number of shares used to calculate earnings per share in Q1 2017 is 2,341.9 million shares, reflecting the issuance of shares as part of the combination transaction in 2017. The number of shares used to calculate earnings per share in Q1 2018 is 2,446.6 million shares, including also the issuance of shares in the subsequent private placement equity offering.

<sup>1</sup> 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

|  | March 31<br>2018<br>USD (m) | March 31<br>2017<br>USD (m) | March 31<br>2018<br>RMB (m) | March 31<br>2017<br>RMB (m) |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Assets</b>  |                             |                             |                             |                             |
| <b>Current assets:</b>                                 |                             |                             |                             |                             |
| Cash at bank and on hand                               | 891                         | 458                         | 5,605                       | 3,163                       |
| Bills and accounts receivable                          | 1,018                       | 953                         | 6,398                       | 6,579                       |
| Inventories  | 1,247                       | 1,101                       | 7,844                       | 7,599                       |
| Assets held for sale                                   | -                           | -                           | -                           | -                           |
| Other current assets, receivables and prepaid expenses | 394                         | 436                         | 2,475                       | 3,009                       |
| <b>Total current assets</b>                            | <b>3,550</b>                | <b>2,950</b>                | <b>22,323</b>               | <b>20,350</b>               |
| <b>Non-current assets:</b>                             |                             |                             |                             |                             |
| Fixed assets, net                                      | 1,076                       | 1,040                       | 6,763                       | 7,173                       |
| Intangible assets, net                                 | 1,518                       | 1,296                       | 9,547                       | 8,944                       |
| Deferred tax assets                                    | 116                         | 108                         | 731                         | 745                         |
| Other non-current assets                               | 80                          | 76                          | 503                         | 526                         |
| <b>Total non-current assets</b>                        | <b>2,790</b>                | <b>2,520</b>                | <b>17,544</b>               | <b>17,387</b>               |
| <b>Total assets</b>                                    | <b>6,340</b>                | <b>5,470</b>                | <b>39,866</b>               | <b>37,737</b>               |
| <b>Liabilities</b>                                     |                             |                             |                             |                             |
| <b>Current liabilities:</b>                            |                             |                             |                             |                             |
| Loans and credit from banks and other lenders          | 134                         | 174                         | 845                         | 1,201                       |
| Bills and accounts payable                             | 739                         | 587                         | 4,646                       | 4,053                       |
| Other current liabilities                              | 752                         | 715                         | 4,726                       | 4,931                       |
| <b>Total current liabilities</b>                       | <b>1,625</b>                | <b>1,476</b>                | <b>10,217</b>               | <b>10,184</b>               |
| <b>Long-term liabilities:</b>                          |                             |                             |                             |                             |
| Long-term loans from banks and other lenders           | 75                          | 139                         | 472                         | 956                         |
| Debentures   | 1,171                       | 1,130                       | 7,363                       | 7,796                       |
| Deferred tax liabilities                               | 69                          | 40                          | 435                         | 274                         |
| Employee benefits                                      | 95                          | 76                          | 595                         | 525                         |
| Other long-term liabilities                            | 74                          | 64                          | 466                         | 442                         |
| <b>Total long-term liabilities</b>                     | <b>1,484</b>                | <b>1,448</b>                | <b>9,330</b>                | <b>9,993</b>                |
| <b>Total liabilities</b>                               | <b>3,109</b>                | <b>2,925</b>                | <b>19,547</b>               | <b>20,177</b>               |
| <b>Equity</b>  |                             |                             |                             |                             |
| Total equity   | 3,231                       | 2,545                       | 20,319                      | 17,560                      |
| <b>Total equity</b>                                    | <b>3,231</b>                | <b>2,545</b>                | <b>20,319</b>               | <b>17,560</b>               |
| <b>Total liabilities and equity</b>                    | <b>6,340</b>                | <b>5,470</b>                | <b>39,866</b>               | <b>37,737</b>               |

## Abridged Consolidated Cash Flow Statement

|   | Q1 2018<br>USD (m) | Q1 2017<br>USD (m) | Q1 2018<br>RMB (m) | Q1 2017<br>RMB (m) |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>Cash flow from operating activities:</b>                           |                    |                    |                    |                    |
| Cash flow from operating activities                                   | -34                | 5                  | -216               | 37                 |
| <b>Cash flow from operating activities</b>                            | <b>-34</b>         | <b>5</b>           | <b>-216</b>        | <b>37</b>          |
| <b>Investing activities:</b>  |                    |                    |                    |                    |
| Additions to fixed and intangible assets                              | -373               | -47                | -2,374             | -324               |
| Proceeds from disposal of fixed and intangible assets                 | 379                | 0                  | 2,412              | 2                  |
| Other investing activities  | 1                  | 5                  | 7                  | 37                 |
| <b>Cash flow used for investing activities</b>                        | <b>7</b>           | <b>-41</b>         | <b>46</b>          | <b>-285</b>        |
| <b>Financing activities:</b>  |                    |                    |                    |                    |
| Receipt of loans from banks and other lenders                         | 0                  | 15                 | 0                  | 100                |
| Repayment of loans from banks and other lenders                       | -289               | -47                | -1,836             | -325               |
| Other financing activities  | -8                 | -26                | -50                | -178               |
| <b>Cash flow from (used for) financing activities</b>                 | <b>-297</b>        | <b>-58</b>         | <b>-1,886</b>      | <b>-403</b>        |
| <b>Effects of exchange rate movement on cash and cash equivalents</b> | <b>10</b>          | <b>0</b>           | <b>-211</b>        | <b>-20</b>         |
| <b>Net change in cash and cash equivalents</b>                        | <b>-313</b>        | <b>-94</b>         | <b>-2,267</b>      | <b>-671</b>        |
| Cash and cash equivalents at the beginning of the period              | 1,204              | 553                | 7,864              | 3,834              |
| <b>Cash and cash equivalents at the end of the period</b>             | <b>890</b>         | <b>458</b>         | <b>5,597</b>       | <b>3,163</b>       |
| <b>Free Cash Flow</b>   | <b>-31</b>         | <b>-44</b>         | <b>-196</b>        | <b>-303</b>        |

## 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 ended March 31, 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 at fair value through profit or loss; 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 assets available for sale; 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

| Q1<br>USD(m)            | Adjusted |         | Adjustments |         | Reported |         |
|-------------------------|----------|---------|-------------|---------|----------|---------|
|                         | Q1 2018  | Q1 2017 | Q1 2018     | Q1 2017 | Q1 2018  | Q1 2017 |
| Revenues                | 1,022    | 922     | -           | -       | 1,022    | 922     |
| Gross profit            | 352      | 330     | 1           | -0      | 351      | 330     |
| Operating expenses      | 216      | 186     | 304         | -10     | -88      | 196     |
| Operating income (EBIT) | 137      | 143     | -302        | 9       | 439      | 134     |
| Income before taxes     | 103      | 123     | -302        | 9       | 405      | 114     |
| Net income              | 85       | 118     | -235        | 7       | 320      | 111     |
| EBITDA                  | 191      | 195     | -311        | -2      | 502      | 197     |
| Earnings per share      | 0.0347   | 0.0505  | -0.0960     | 0.0032  | 0.1307   | 0.0473  |

| Q1<br>RMB(m)            | Adjusted |         | Adjustments |         | Reported |         |
|-------------------------|----------|---------|-------------|---------|----------|---------|
|                         | Q1 2018  | Q1 2017 | Q1 2018     | Q1 2017 | Q1 2018  | Q1 2017 |
| Revenues                | 6,500    | 6,344   | -           | -       | 6,500    | 6,344   |
| Gross profit            | 2,239    | 2,270   | 9           | -1      | 2,230    | 2,271   |
| Operating expenses      | 1,370    | 1,283   | 1,932       | -65     | -561     | 1,348   |
| Operating income (EBIT) | 869      | 987     | -1,922      | 64      | 2,791    | 923     |
| Income before taxes     | 653      | 846     | -1,922      | 64      | 2,575    | 782     |
| Net income              | 539      | 814     | -1,493      | 51      | 2,032    | 763     |
| EBITDA                  | 1,215    | 1,345   | -1,978      | -14     | 3,193    | 1,359   |
| Earnings per share      | 0.2204   | 0.3475  | -0.6101     | 0.0218  | 0.8306   | 0.3257  |

## Income Statement Adjustments

|  | Q1 2018<br>USD (m) | Q1 2017<br>USD (m) | Q1 2018<br>RMB (m) | Q1 2017<br>RMB (m) |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Net Income (as Reported)</b>  | <b>319.6</b>       | <b>110.8</b>       | <b>2,032.0</b>     | <b>762.7</b>       |
| Non-cash legacy amortization of 2011 PPA for acquisition of Solutions, net of tax  | 9.5                | 9.5                | 60.5               | 65.4               |
| Combination Transaction – one-time taxes   | 1.5                | -                  | 9.4                | -                  |
| Adjustment of 2017 LTI provision made in Q4 to accrual over the full year  | -                  | -2.1               | -                  | -14.4              |
| Royalty payments allocation to applicable prior year periods   | 1.7                | -                  | 10.6               | -                  |
| One-time capital gain from sale of EU registrations, related to ChemChina acquisition of Syngenta, net of taxes  | -244.8             | -                  | -1,556.6           | -                  |
| Reinstatement of depreciation expenses due to classification of to-be-divested European registrations as “Held-for-Sale”, related to ChemChina acquisition of Syngenta | -2.6               | -                  | -16.5              | -                  |
| Total adjustments  | -234.7             | +7.4               | -1,492.6           | +51.0              |
| <b>Net Income (as Adjusted)</b>  | <b>84.9</b>        | <b>118.2</b>       | <b>539.3</b>       | <b>813.7</b>       |

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

| vs. USD      | March 31 |       |        | Q1 Average |        |        |
|--------------|----------|-------|--------|------------|--------|--------|
|              | 2018     | 2017  | Change | 2018       | 2017   | Change |
| EUR/USD      | 1.232    | 1.069 | 15.2%  | 1.229      | 1.065  | 15.3%  |
| USD/BRL      | 3.324    | 3.168 | (4.9%) | 3.244      | 3.143  | (3.2%) |
| USD/PLN      | 3.414    | 3.946 | 13.5%  | 3.400      | 4.060  | 16.3%  |
| USD/ZAR      | 11.82    | 13.44 | 12.1%  | 11.945     | 13.246 | 9.8%   |
| AUD/USD      | 0.768    | 0.766 | 0.3%   | 0.786      | 0.757  | 3.8%   |
| GBP/USD      | 1.407    | 1.246 | 12.9%  | 1.391      | 1.239  | 12.3%  |
| USD/ILS      | 3.514    | 3.632 | 3.2%   | 3.458      | 3.733  | 7.3%   |
| USD LIBOR 3M | 2.03%    | 1.15% | 76.2%  | 1.81%      | 1.07%  | 69.0%  |

| vs. RMB       | March 31 |        |         | Q1 Average |        |         |
|---------------|----------|--------|---------|------------|--------|---------|
|               | 2018     | 2017   | Change  | 2018       | 2017   | Change  |
| USD/RMB       | 6.288    | 6.899  | (8.9%)  | 6.358      | 6.288  | 1.1%    |
| EUR/RMB       | 7.746    | 7.375  | 5.0%    | 7.813      | 7.333  | 6.5%    |
| RMB/BRL       | 0.529    | 0.459  | (15.1%) | 0.510      | 0.457  | (11.7%) |
| RMB/PLN       | 0.543    | 0.572  | 5.1%    | 0.535      | 0.590  | 9.3%    |
| RMB/ZAR       | 1.789    | 1.948  | 8.2%    | 1.838      | 1.925  | 4.5%    |
| AUD/RMB       | 4.831    | 5.284  | (8.6%)  | 4.999      | 5.212  | (4.1%)  |
| GBP/RMB       | 8.847    | 8.595  | 2.9%    | 8.843      | 8.525  | 3.7%    |
| RMB/ILS       | 0.559    | 0.526  | (6.2%)  | 0.544      | 0.542  | (0.3%)  |
| RMB SHIBOR 3M | 4.462%   | 4.393% | 1.6%    | 4.680%     | 4.078% | 14.8%   |