



## 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 Second Quarter

<i>Adjusted<sup>1</sup></i>	Q2 2018 USD(m)	Q2 2017 USD(m)	Q2 2018 ex. EU hedge USD(m)	Q2 2018 RMB(m)	Q2 2017 RMB(m)	Q2 2018 ex. EU hedge RMB(m)
<b>Revenues</b>	<b>1,023</b>	<b>937</b>	<b>1,036</b>	<b>6,527</b>	<b>6,426</b>	<b>6,608</b>
Cost of Sales	679	601	679	4,330	4,124	4,330
Business taxes and surcharges	3	2	3	18	16	18
<b>Gross profit</b>	<b>342</b>	<b>333</b>	<b>354</b>	<b>2,179</b>	<b>2,286</b>	<b>2,260</b>
<i>% of revenue</i>	<i>33.4%</i>	<i>35.6%</i>	<i>34.2%</i>	<i>33.4%</i>	<i>35.6%</i>	<i>34.2%</i>
Operating expenses	205	194	205	1,310	1,332	1,310
<b>Operating income (EBIT)</b>	<b>136</b>	<b>139</b>	<b>149</b>	<b>868</b>	<b>954</b>	<b>950</b>
<i>% of revenue</i>	<i>13.3%</i>	<i>14.8%</i>	<i>14.4%</i>	<i>13.3%</i>	<i>14.8%</i>	<i>14.4%</i>
Financial expenses and investment income	33	41	33	210	279	210
<b>Income before taxes</b>	<b>103</b>	<b>98</b>	<b>116</b>	<b>658</b>	<b>675</b>	<b>740</b>
Taxes on Income	31	17	31	197	117	197
<b>Net income</b>	<b>72</b>	<b>81</b>	<b>85</b>	<b>461</b>	<b>558</b>	<b>543</b>
<i>% of revenue</i>	<i>7.1%</i>	<i>8.7%</i>	<i>8.2%</i>	<i>7.1%</i>	<i>8.7%</i>	<i>8.2%</i>
Attributable to:						
Owners of the Company	72	81		461	558	
Non-controlling Interests	-	-		-	-	
<b>EBITDA</b>	<b>188</b>	<b>190</b>	<b>201</b>	<b>1,200</b>	<b>1,301</b>	<b>1,281</b>
<i>% of revenue</i>	<i>18.4%</i>	<i>20.2%</i>	<i>19.4%</i>	<i>18.4%</i>	<i>20.2%</i>	<i>19.4%</i>
<b>Earnings per Share</b> – Basic	<i>0.0295</i>	<i>0.0348</i>		<i>0.1884</i>	<i>0.2384</i>	
– Diluted	<i>0.0295</i>	<i>0.0348</i>		<i>0.1884</i>	<i>0.2384</i>	

The number of shares used to calculate earnings per share in Q2 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 Q2 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

	June 30 2018 USD (m)	June 30 2017 USD (m)	June 30 2018 RMB (m)	June 30 2017 RMB (m)
<b>Assets</b>				
<b>Current assets:</b>				
Cash at bank and on hand	914	671	6,050	4,544
Bills and accounts receivable	1,013	966	6,703	6,546
Inventories	1,251	1,084	8,275	7,345
Assets held for sale	-	55	-	376
Other current assets, receivables and prepaid expenses	380	322	2,517	2,182
<b>Total current assets</b>	<b>3,558</b>	<b>3,099</b>	<b>23,544</b>	<b>20,993</b>
<b>Non-current assets:</b>				
Fixed assets, net	1,061	1,043	7,021	7,068
Intangible assets, net	1,486	1,231	9,835	8,336
Deferred tax assets	94	105	624	708
Other non-current assets	84	73	554	492
<b>Total non-current assets</b>	<b>2,726</b>	<b>2,451</b>	<b>18,034</b>	<b>16,605</b>
<b>Total assets</b>	<b>6,284</b>	<b>5,550</b>	<b>41,578</b>	<b>37,597</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Loans and credit from banks and other lenders	125	196	825	1,330
Bills and accounts payable	660	570	4,366	3,859
Other current liabilities	832	759	5,507	5,140
<b>Total current liabilities</b>	<b>1,617</b>	<b>1,525</b>	<b>10,699</b>	<b>10,329</b>
<b>Long-term liabilities:</b>				
Long-term loans from banks and other lenders	48	73	320	493
Debentures	1,141	1,185	7,549	8,027
Deferred tax liabilities	71	36	472	242
Employee benefits	95	69	631	470
Other long-term liabilities	55	62	363	420
<b>Total long-term liabilities</b>	<b>1,411</b>	<b>1,425</b>	<b>9,336</b>	<b>9,651</b>
<b>Total liabilities</b>	<b>3,028</b>	<b>2,950</b>	<b>20,034</b>	<b>19,980</b>
<b>Equity</b>				
Total equity	3,256	2,601	21,543	17,617
<b>Total equity</b>	<b>3,256</b>	<b>2,601</b>	<b>21,543</b>	<b>17,617</b>
<b>Total liabilities and equity</b>	<b>6,284</b>	<b>5,550</b>	<b>41,578</b>	<b>37,597</b>



## Abridged Consolidated Cash Flow Statement for the Second Quarter

	Q2 2018 USD (m)	Q2 2017 USD (m)	Q2 2018 RMB (m)	Q2 2017 RMB (m)
<b>Cash flow from operating activities:</b>				
Cash flow from operating activities	156	323	995	2,212
<b>Cash flow from operating activities</b>	<b>156</b>	<b>323</b>	<b>995</b>	<b>2,212</b>
<b>Investing activities:</b>				
Additions to fixed and intangible assets	-48	-58	-304	-399
Proceeds from disposal of fixed and intangible assets	-	13	1	91
Other investing activities	-1	16	-7	109
<b>Cash flow used for investing activities</b>	<b>-49</b>	<b>-29</b>	<b>-310</b>	<b>-199</b>
<b>Financing activities:</b>				
Receipt of loans from banks and other lenders	-	1	-	5
Repayment of loans from banks and other lenders	-33	-44	-212	-300
Other financing activities	-40	-39	-258	-269
<b>Cash flow from (used for) financing activities</b>	<b>-74</b>	<b>-82</b>	<b>-470</b>	<b>-563</b>
<b>Effects of exchange rate movement on cash and cash equivalents</b>	<b>-14</b>	<b>0</b>	<b>209</b>	<b>-75</b>
<b>Net change in cash and cash equivalents</b>	<b>20</b>	<b>211</b>	<b>424</b>	<b>1,375</b>
Cash and cash equivalents at the beginning of the period	890	458	5,597	3,163
<b>Cash and cash equivalents at the end of the period</b>	<b>910</b>	<b>670</b>	<b>6,021</b>	<b>4,538</b>
<b>Free Cash Flow</b>	<b>72</b>	<b>257</b>	<b>453</b>	<b>1,759</b>



## Abridged Consolidated Cash Flow Statement for the Half-Year

	H1 2018 USD (m)	H1 2017 USD (m)	H1 2018 RMB (m)	H1 2017 RMB (m)
<b>Cash flow from operating activities:</b>				
Cash flow from operating activities	122	328	780	2,249
<b>Cash flow from operating activities</b>	<b>122</b>	<b>328</b>	<b>780</b>	<b>2,249</b>
<b>Investing activities:</b>				
Additions to fixed and intangible assets	-421	-105	-2,678	-723
Proceeds from disposal of fixed and intangible assets	380	14	2,413	94
Other investing activities	0	21	1	145
<b>Cash flow used for investing activities</b>	<b>-41</b>	<b>-70</b>	<b>-265</b>	<b>-484</b>
<b>Financing activities:</b>				
Receipt of loans from banks and other lenders	-	15	-	105
Repayment of loans from banks and other lenders	-322	-91	-2,048	-625
Other financing activities	-48	-65	-308	-446
<b>Cash flow from (used for) financing activities</b>	<b>-370</b>	<b>-141</b>	<b>-2,356</b>	<b>-966</b>
<b>Effects of exchange rate movement on cash and cash equivalents</b>	<b>-4</b>	<b>0</b>	<b>-2</b>	<b>-95</b>
<b>Net change in cash and cash equivalents</b>	<b>-294</b>	<b>117</b>	<b>-1,843</b>	<b>704</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>910</b>	<b>670</b>	<b>6,021</b>	<b>4,538</b>
<b>Free Cash Flow</b>	<b>42</b>	<b>213</b>	<b>254</b>	<b>1,452</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 and half-years ended June 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 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

Q2 USD(m)	Adjusted		Adjustments		Reported	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Revenues	1,023	937	-	-	1,023	937
Gross profit	342	333	-	-	342	333
Operating expenses	205	194	-22	-	228	194
Operating income (EBIT)	136	139	22	-	114	139
Income before taxes	103	98	22	-	81	99
Net income	72	81	20	1	52	81
EBITDA	188	190	1	-10	187	200
Earnings per share	0.0295	0.0348	0.0083	0.0002	0.0212	0.0345

Q2 RMB(m)	Adjusted		Adjustments		Reported	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Revenues	6,527	6,426	-	-	6,527	6,426
Gross profit	2,179	2,286	-	-1	2,179	2,287
Operating expenses	1,310	1,332	-143	2	1,453	1,331
Operating income (EBIT)	868	954	143	-2	726	956
Income before taxes	658	675	143	-2	515	677
Net income	461	558	130	4	331	554
EBITDA	1,200	1,301	6	-71	1,194	1,372
Earnings per share	0.1884	0.2384	0.0532	0.0017	0.1352	0.2367

H1 USD(m)	Adjusted		Adjustments		Reported	
	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017
Revenues	2,045	1,859	-	-	2,045	1,859
Gross profit	694	663	1	-	692	663
Operating expenses	421	381	282	-9	140	390
Operating income (EBIT)	273	283	-280	9	553	274
Income before taxes	206	221	-280	9	486	212



Net income	157	200	-214	8	372	192
EBITDA	379	387	-311	-12	689	399
Earnings per share	0.0642	0.0852	-0.0877	0.0034	0.1518	0.0818

H1 RMB(m)	Adjusted		Adjustments		Reported	
	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017
Revenues	13,026	12,770	-	-	13,026	12,770
Gross profit	4,418	4,557	9	-1	4,408	4,558
Operating expenses	2,681	2,615	1,790	-63	892	2,678
Operating income (EBIT)	1,736	1,942	-1,780	62	3,516	1,879
Income before taxes	1,310	1,521	-1,780	62	3,090	1,459
Net income	1,000	1,372	-1,363	55	2,363	1,317
EBITDA	2,412	2,645	-1,976	-86	4,387	2,731
Earnings per share	0.4086	0.5858	-0.5571	0.0235	0.9658	0.5624





## Income Statement Adjustments

	Q2 2018 USD (m)	Q2 2017 USD (m)	Q2 2018 RMB (m)	Q2 2017 RMB (m)
<b>Net Income (as Reported)</b>	<b>51.9</b>	<b>80.8</b>	<b>330.8</b>	<b>554.3</b>
Non-cash legacy amortization of 2011 PPA for acquisition of Solutions, net of tax	9.5	9.5	60.6	65.2
Non-cash Amortization of Transfer assets from Syngenta related to 2017 ChemChina acquisition of Syngenta	10.2	-	64.8	-
One-time capital gain from sale of EU and US registrations, related to 2017 ChemChina acquisition of Syngenta, net of taxes	-	-8.6	-	-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	-	-1.4	-	-9.6
Adjustment of 2017 LTI provision made in Q4 to accrual over the full year	-	-1.8	-	-12.2
Non-core asset disposal	0.8	-	4.9	-
Net expense related to conclusion of 1985 tax claim in Brazil	-	2.9	-	19.6
Total adjustments	20.4	0.6	130.3	3.9
<b>Net Income (as Adjusted)</b>	<b>72.3</b>	<b>81.4</b>	<b>461.0</b>	<b>558.2</b>

	H1 2018 USD (m)	H1 2017 USD (m)	H1 2018 RMB (m)	H1 2017 RMB (m)
<b>Net Income (as Reported)</b>	<b>371.5</b>	<b>191.6</b>	<b>2,362.8</b>	<b>1,317.0</b>
Non-cash legacy amortization of 2011 PPA for acquisition of Solutions, net of tax	19.0	19.0	121.1	130.6
Non-cash Amortization of Transfer assets from Syngenta related to 2017 ChemChina acquisition of Syngenta	10.2	-	64.8	-
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	-1.4	-16.5	-9.6
Adjustment of 2017 LTI provision made in Q4 to accrual over the full year	-	-3.9	-	-26.6
Non-core asset disposal	2.3	-	14.8	-
Combination Transaction – one time taxes	1.5	-	9.4	-
Net expense related to conclusion of 1985 tax claim in Brazil	-	2.9	-	19.6
Total adjustments	-214.5	8.0	-1,363.1	54.9
<b>Net Income (as Adjusted)</b>	<b>157.0</b>	<b>199.6</b>	<b>999.7</b>	<b>1,371.9</b>



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

	June 30			Q2 Average			H1 Average		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
EUR/USD	1.166	1.140	2.2%	1.193	1.099	8.6%	1.211	1.082	11.9%
USD/BRL	3.856	3.308	(16.6%)	3.606	3.214	(12.2%)	3.425	3.178	(7.8%)
USD/PLN	3.744	3.706	(1.0%)	3.575	3.838	6.9%	3.487	3.949	11.7%
USD/ZAR	13.701	13.033	(5.1%)	12.623	13.033	3.1%	12.284	13.214	7.0%
AUD/USD	0.739	0.768	(3.7%)	0.757	0.751	0.8%	0.771	0.754	2.3%
GBP/USD	1.317	1.299	1.4%	1.361	1.278	6.5%	1.376	1.258	9.4%
USD/ILS	3.650	3.496	(4.4%)	3.570	3.589	0.5%	3.514	3.661	4.0%
USD LIBOR 3M	2.34%	1.29%	80.9%	2.30%	1.20%	92.0%	2.11%	1.13%	86.7%

	June 30			Q2 Average			H1 Average		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
USD/RMB	6.617	6.774	(2.3%)	6.376	6.857	(7.0%)	6.367	6.870	(7.3%)
EUR/RMB	7.714	7.724	(0.1%)	7.605	7.533	1.0%	7.708	7.432	3.7%
RMB/BRL	0.583	0.488	(19.3%)	0.565	0.469	(20.7%)	0.538	0.575	6.4%
RMB/PLN	0.566	0.547	(3.4%)	0.561	0.560	(0.2%)	0.548	0.575	4.7%
RMB/ZAR	0.483	0.520	7.1%	0.505	0.520	2.9%	0.518	0.520	0.3%
AUD/RMB	4.892	5.199	(5.9%)	4.828	5.149	(6.2%)	4.912	5.181	(5.2%)
GBP/RMB	8.715	8.801	(1.0%)	8.679	8.764	(1.0%)	8.761	8.642	1.4%
RMB/ILS	0.552	0.516	(6.9%)	0.560	0.523	(7.0%)	0.552	0.533	(3.6%)
RMB SHIBOR 3M	4.155%	4.50%	(7.7%)	4.190%	4.474%	(6.3%)	4.441%	4.277%	3.8%