

NEWLY COMBINED COMPANY, TO BE NAMED ADAMA, REPORTS 70% INCREASE IN Q3 NET INCOME

First combined record results of listed global crop protection leader

- **Combined Q3 Sales up 5.4% to \$844 million; volume up a robust 7.4%**
 - 9-month sales up 3.7% to \$2,702 million, driven by 7.1% growth in volume
- **Gross Profit up 10.6% to \$299 million in Q3; gross margin up 1.6 percentage points to 35.4%**
 - 9-month gross profit up 12.3% to \$962 million, with an increase of 2.7 percentage points in gross margin to 35.6%
- **EBIT up 28.0% to \$111 million in Q3; EBIT margin up 2.3 percentage points to 13.1%**
 - 9-month EBIT up 25.7% to \$397 million, with an increase of 2.6 percentage points in EBIT margin to 14.7%
- **Net income up 69.4% to \$57 million in Q3; net income margin up 2.6 percentage points to 6.8%**
 - 9-month net income up 33.2% to \$261 million, with an increase of 2.2 percentage points in net income margin to 9.7%
- **EBITDA up 15.3% to \$163 million in Q3; EBITDA margin up 1.7 percentage points to 19.4%**
 - 9-month EBITDA up 15.7% to \$553 million, with an increase of 2.1 percentage points in EBITDA margin to 20.4%
- **Strong cash flow generation drives ongoing debt reduction**
 - Balance sheet working capital improved by \$76 million over the year
 - Operating Cash Flow over the nine-month period of \$368 million
 - Free Cash Flow over the nine-month period of \$244 million
 - Significant \$192 million reduction in balance sheet net debt over the last 12 months to \$762 million
 - Net debt / EBITDA ratio of 1.2x vs. 1.7x in Q3 last year
- **Adama-Sanonda Combination reaches its culmination**
 - Formation of the Combined Company of Adama Agricultural Solutions and Hubei Sanonda Co. successfully completed
 - Appointment of Combined Company Board of Directors
 - Adama's management team leads the Combined Company
 - Name of Combined Company to change to ADAMA, subject to required approvals

All income statement items contained in this release are presented on an adjusted basis. For a description and analysis of the differences between the adjusted income statement items and the items as reported in the financial statements, see "Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements" in the appendix to this release.

BEIJING, CHINA and TEL AVIV, ISRAEL, October 31, 2017 – Adama Agricultural Solutions Ltd. (“Solutions”), together with Hubei Sanonda Co., Ltd. (the “Listed Entity”), to be named ADAMA (together, “ADAMA” or “the Combined Company”), today reported their first combined consolidated financial results for the third quarter and first nine months of the year ended September 30, 2017. The results of the Combined Company are presented after restatement of prior periods to include the financial position, results of operations and cash flow of Solutions. In comparison with the Listed Entity’s standalone results from 2016, revenues increased by a multiple of 12 in both the quarter and the nine-month period, while net income increased by more than 75 times in both periods. This increase emanates from the inclusion of Solutions, as well as clear improvements in each of the performance metrics of each one of the combining two companies.

<i>Adjusted</i>	Q3 2017 \$m	Q3 2016 \$m	% Change	9M 2017 \$m	9M 2016 \$m	% Change
Revenues	844	800	+5.4%	2,702	2,605	+3.7%
Gross profit	299	270	+10.6%	962	856	+12.3%
<i>Gross margin</i>	35.4%	33.8%		35.6%	32.9%	
Operating income (EBIT)	111	86	+28.0%	397	316	+25.7%
<i>EBIT margin</i>	13.1%	10.8%		14.7%	12.1%	
Net income	57	34	+69.4%	261	196	+33.2%
<i>Net income margin</i>	6.8%	4.2%		9.7%	7.5%	
EBITDA	163	142	+15.3%	553	478	+15.7%
<i>EBITDA margin</i>	19.4%	17.7%		20.4%	18.3%	
Earnings per share – USD	0.0244	0.0126		0.1114	0.0723	
– RMB	0.1630	0.0842		0.7611	0.4734	

The results contained and described in this release are presented on a combined, adjusted basis, reflecting the performance of the Combined Company.

Revenues grew in constant currency terms in the quarter by 3.9% and by 3.6% in the nine-month period.

The Income Statement items for the 2017 periods include adjustments for: non-cash legacy amortization of an intangible asset created through the 2011 acquisition of Solutions in the amount of \$29m net of the realization of the associated tax liability (at a constant rate of \$10m per quarter); a capital gain of \$9 million in the second quarter as well as the reinstatement of a \$4 million expense (mainly in the third quarter) due to the classification of registrations as assets held for sale, both as a result of the transfer/sale process related to certain products in connection with ChemChina’s acquisition of Syngenta; a \$3 million expense in connection with other corporate development activity in conjunction with a company within the ChemChina group; a \$6 million expense in the third quarter due to a one-time award to employees in connection with the Adama-Sanonda combination transaction; and an approximately \$3 million tax expense in the second quarter in respect of a tax claim from 1985 against cancellation of a tax asset. The Income Statement items for the corresponding period last year include adjustments for: the abovementioned non-cash legacy amortization of an intangible asset at a constant rate of \$10m per quarter; and the value redeployment in the first quarter of employee options granted in 2014, creating income of \$3 million. Please see appendix for more details.

2016 Net income items are shown before allocation to non-controlling interests. See appendix for such 2016 allocation.

Earnings per share are the same for basic and diluted. The number of shares used to calculate earnings per share in 2017 is 2,341.9 million shares, including the issuance of shares as part of the combination transaction. The number of shares used to calculate earnings per share in 2016 is 1,617.5 million shares, reflecting the issuance of shares as part of the combination transaction in 2017, yet excluding the portion of the 2016 non-controlling interest.

Commenting on the results, **Yang Xingqiang, Chairman of the Combined Company**, said, “During the quarter, we completed the combination between Adama and Sanonda, realizing our strategic vision of the creation of the first publicly traded, Global-China crop protection leader. In recent weeks, we aligned the Board of Directors and management team of the Combined Company. We are confident that our experienced global management will continue to lead the group towards new heights, capitalizing on its strong momentum in recent years as well as our unique positioning both globally and within the increasingly important China market.”

Chen Lichtenstein, President and CEO of the Combined Company, added, “In our first quarter as a combined company, we are pleased to report these strong results, with notable volume growth of our differentiated portfolio driving both top-line expansion and continued significant increases in all profit and profitability metrics. With the completion of the combination of Adama and Sanonda, we have established China as our eighth regional commercial cluster, and now benefit from our end-to-end integrated

structure and China build-up. We are also glad to be returning to the public equity markets, and look forward to engaging with both the China and global investor communities."

Market Impact

Continued subdued demand for crop protection products due to ongoing low commodity prices and farmer profitability – while most agricultural commodities' prices are generally stable, grain inventories continue to remain high, keeping pressure on prices. This environment continues to negatively affect farmers' profitability for the third consecutive year, and while in some regions the inventory levels in the crop protection distribution channels are somewhat lower than in comparison to 2016, lingering high crop protection inventory levels in other key regions such as Europe and Brazil continue to result in soft demand. Despite these overall challenging market conditions, the Combined Company delivered robust volume growth in the third quarter and through the nine-month period, driven by the introduction of new and differentiated products, and increased penetration in markets across the globe.

Containment of manufacturing and reduction of procurement costs – continued control of manufacturing costs, including transportation and energy, combined with reduced raw material costs in the latter part of 2016 and in some cases also in 2017, improved the costs of goods sold over the nine-month period. However, due to limited availability of certain raw materials and intermediates, procurement costs are now generally starting to increase, which is expected to impact production costs going forward.

Financial Highlights

Revenues grew by 5.4% in the quarter and by 3.7% in the nine-month period compared to the corresponding periods last year, in US Dollar terms. This growth was driven by an increase in volumes of an increasingly differentiated product portfolio of 7.4% in the quarter and 7.1% in the nine-month period, despite generally adverse agricultural market conditions. This clear volume growth was somewhat offset in the quarter and in the nine-month period by a generally softer pricing environment.

In the third quarter, sales also benefited from the strengthening of certain currencies against the dollar, mainly in Europe, compared to the corresponding quarter last year, which was offset by the lower contribution of currency hedging. Similarly, over the nine-month period, sales benefited from the strengthening of certain currencies against the dollar in a number of key regions such as Brazil and India, which was offset by the weakening of certain currencies against the US Dollar, most notably the Euro and the British Pound, compared to the corresponding period last year, as well as the lower contribution of currency hedging.

Gross profit increased by 10.6% in the quarter to \$299 million, with gross margin up by 1.6 percentage points to 35.4% compared to the corresponding period last year. In the nine-month period, gross profit increased by 12.3% to \$962 million, with gross margin up by 2.7 percentage points to 35.6%, compared to the corresponding period last year. The strong increase in profitability resulted from a combination of the robust volume growth, further improvement in portfolio mix towards a more differentiated offering, alongside continued reduction of costs. These factors were partially offset by the pricing environment, as well as by the lower contribution of currency hedging.

Operating expenses. Total operating expenses in the quarter and in the nine-month period were \$188 million (22.3% of sales) and \$565 million (20.9 % of sales) respectively, compared to \$184 million (23.0% of sales) and \$540 million (20.7 % of sales) in the corresponding periods last year.

Within the total operating expenses, Sales and Marketing expenses in the quarter and in the nine-month period were \$142 million (16.9% of sales) and \$430 million (15.9% of sales) respectively, compared to \$140 million (17.5% of sales) and \$418 million (16.1% of sales) in the corresponding periods last year. The increase in this component in the quarter and the nine-month period compared to the corresponding periods last year resulted primarily from an increase in sales-related personnel in growing geographies and an increase in other variable expenses as a result of the increase in sales volumes. General,

Administrative, Research and Development expenses in the quarter and in the nine-month period were \$44 million (5.2% of sales) and \$127 million (4.7% of sales) respectively, compared to \$39 million (4.9% of sales) and \$118 million (4.5% of sales) in the corresponding periods last year.

Operating income increased 28.0% in the quarter to \$111 million, with an increase of 2.3 percentage points in operating margin to 13.1%, compared to the corresponding period last year. In the nine-month period, operating income rose by 25.7% to \$397 million, with an increase of 2.6 percentage points in operating margin to 14.7%.

EBITDA increased 15.3% in the quarter to \$163 million, with an increase of 1.7 percentage points in EBITDA margin to 19.4%, compared to the corresponding period last year. In the nine-month period, EBITDA rose by 15.7% to \$553 million, with an increase of 2.1 percentage points in EBITDA margin to 20.4%.

Financial expenses and investment income. Total net financing expenses, which also includes Gains from Changes in Fair Value as well as Investment Income and Other, decreased compared to the corresponding periods last year, with total net financing expenses in the quarter and the nine-month period of \$34 million and \$95 million respectively, compared to total net financing expenses of \$40 million and \$106 million in the corresponding periods last year. This decrease in the quarter was primarily due to the net impact of lower financing costs resulting from a decrease in the costs of currency hedging due to the lower currency volatility, together with the marked reduction in the Combined Company's financial debt, as well as a decrease in the financing expenses related to the TASE-traded CPI-linked bonds as a result of a decrease in the Israeli CPI over the quarter compared to the corresponding quarter last year. The decrease over the nine-month period was primarily due to the decrease in costs of currency hedging, as well as due to the reduction in the Combined Company's financial debt.

Tax expenses in the quarter and the nine-month period were \$19 million and \$41 million respectively, compared to tax expenses of \$13 million and \$14 million in the corresponding periods last year. The increased tax expenses in the quarter were mainly a result of higher pre-tax income, which were offset by tax income due to the revaluation of net, non-cash, tax assets as a result of the strengthening of the Brazilian Real against the US dollar. In the nine-month period, the increased tax expenses were mainly a result of higher pre-tax income and the more significant strengthening of the Brazilian Real against the US dollar during the corresponding period last year.

Net income in the quarter increased by 69.4% to \$57 million, with an increase of 2.6 percentage points in net income margin to 6.8%, compared to the corresponding period last year. In the nine-month period, net income grew by 33.2% to \$261 million, with an increase of 2.2 percentage points in net income margin to 9.7%.

Working capital: Balance sheet working capital decreased by \$76 million compared to the corresponding period last year, driven mainly by collection and a decrease in accounts receivable.

Cash Flow: The Combined Company generated operating cash flow in the third quarter of \$41 million and \$369 million in the nine-month period. This compares to \$198 million and \$445 million in the corresponding periods last year, in which the Combined Company achieved alignment of its supply chain management and global leading benchmarks, thereby releasing especially high amounts of working capital. The reported change in operating cash flow over the period included the recording in the consolidated financial reports of the Company of an \$18 million non-cash write-off executed at the end of 2016 in the non-consolidated reports of a joint venture not related to the Company's core business.

Net cash used in investing activities in the quarter and in the nine-month period amounted to \$54 million and \$125 million, respectively, compared to \$50 million and \$141 million in the corresponding periods last year. The investments encompassed primarily product registrations and other intangible and fixed assets, net of one-time proceeds resulting from the sale of assets. Investments in fixed assets, net of investment grants, amounted to \$33 million and \$77 million in the quarter and in the nine-month period, respectively, compared to \$26 million and \$70 million in the corresponding periods last year.

The Combined Company generated free cash flow of \$-13 million in the quarter, due to seasonality and shifting of collection to earlier in the second quarter, and \$244 million in the nine-month period. This is in

comparison to \$148 million and \$303 million in the corresponding periods last year, respectively. The even higher cash flow in 2016 emanated from the supply chain alignment the Combined Company achieved in 2016.

Leverage: The strong cash generation has seen the Combined Company reduce its debt levels substantially, with balance sheet net debt at the end of the quarter of \$762 million, an improvement of \$192 million over the last 12 months. This has resulted in the Net Debt/EBITDA ratio dropping to around 1.2x, compared to 1.7x at the same time last year.

Total financial debt including bank credit and debentures was \$1,441 million as of September 30, 2017 (of which 14.0% was short term), compared to \$1,580 million as of September 30, 2016 (of which 19.0% was short term), and \$1,413 million (of which 14.1% was short term) as of December 31, 2016.

Cash and short-term investments were \$661 million as of September 30, 2017, compared to \$607 million as of September 30, 2016, and \$559 million as of December 31, 2016.

Balance sheet net debt, comprised of total financial debt and including the impact of hedging transactions attributed to debt, net of cash and short-term investments, was \$762 million as of September 30, 2017, compared to \$954 million as of September 30, 2016, and to \$869 million as of December 31, 2016.

Regional Highlights

Regional Sales Performance

	Q3 2017 USD(m)	Q3 2016 USD(m)	% Change USD	% Change CER	9M 2017 USD(m)	9M 2016 USD(m)	% Change USD	% Change CER
Europe	206	210	-1.9%	-3.6%	893	918	-2.8%	-0.7%
North America	125	117	+7.1%	+7.0%	486	458	+6.1%	+6.2%
Latin America	231	218	+5.8%	+5.1%	497	496	+0.2%	-3.5%
India, Middle East & Africa	157	153	+2.8%	-0.8%	383	358	+7.2%	+5.4%
Asia Pacific	125	102	+21.7%	+20.0%	444	375	+18.1%	+18.7%
<i>Of which, China</i>	<i>61</i>	<i>36</i>	<i>+67.9%</i>	<i>+67.9%</i>	<i>187</i>	<i>138</i>	<i>+36.0%</i>	<i>+39.7%</i>
Total	844	800	+5.4%	+3.9%	2,702	2,605	+3.7%	+3.6%

Europe: Sales were lower by 3.6% in the quarter and by 0.7% in the nine-month period, in constant currency terms, compared with the corresponding periods last year. In the quarter, unfavorable weather conditions combined with continuing high levels of inventory in the distribution channels, led to reduced demand and a decrease in the overall European crop protection market, keeping pressure on prices and volumes. Despite the challenging conditions, the Company's sales volumes in Europe grew over the nine-month period, but were more than offset by the passing on to customers of a portion of the reduction in product costs.

A dry start to the quarter in Southern Europe led to reduced demand for fungicides and insecticides, leading to channel inventories remaining high, most notably in Italy and Spain. A wetter second half of the quarter saw a stronger performance in oilseed rape herbicides, particularly in France, but reduced cereal herbicide usage in Eastern Europe.

The harvest was slightly delayed in Northern Europe due to extensive rainfall, impacting the planting of oilseed rape and cereals in this region.

In US dollar terms, sales were lower by 1.9% in the quarter, reflecting the positive effect of the stronger exchange rate of the Euro during the quarter partially offset by the lower contribution of currency hedging, compared with the corresponding quarter last year. Over the nine-month period, sales in US

dollar terms were lower by 2.8%, reflecting the impact of the weaker exchange rates over the nine-month period, as well as the lower contribution of currency hedging, compared with last year.

North America: Sales increased by 7.0% in the quarter and by 6.2% in the nine-month period, in constant currency terms, compared with the corresponding periods last year. These increases were driven by volume growth, notwithstanding the impact of extreme weather conditions experienced in the south of the US in the second half of the quarter, which was partially offset by the passing on to customers of a portion of the reduction in product costs.

The Combined Company saw good results in the US, driven by continued strong performance of its cotton portfolio, which is benefiting from increased acreage. Of particular note have been the contributions of the ACEPHATE 97 insecticide, which benefits from the Combined Company's end-to-end integrated value chain, and Setup[®] 6SL plant growth regulator (containing the active ingredient Ethephon, sourced from a ChemChina group affiliate), which both continue to perform well, as well as CORMORAN[™], a differentiated dual-action larvicide which delivers strong results as it expands into new crops and regions.

During the quarter, the Combined Company successfully relaunched the products transferred from Syngenta, bringing these strong brands – the Bravo family of fungicides (containing active ingredient Chlorothalonil), including the products Bravo Weather Stik[®], Bravo Ultrex[®] and Bravo[®] ZN, as well as the insecticides Fulfill[®] (containing the active ingredient Pymetrozine), Trigard[®] and Armor[®] (both containing the active ingredient Cyromazine) – into the Combined Company's offering.

The violent hurricanes experienced in the south of the US impacted farmers in the second half of the quarter, as well as the Consumer and Professional Solutions business.

In US dollar terms, sales increased by 7.1% in the quarter and by 6.1% in the nine-month period.

Latin America: Sales increased by 5.1% in the quarter in constant currency terms compared with the corresponding quarter last year. This increase was driven by significant volume growth, despite extreme weather conditions across the region, which was partially offset by the softer pricing environment. Sales were lower by 3.5% in the nine-month period in constant currency terms, compared with the corresponding period last year, with an increase in volumes being more than offset by pricing.

Extreme weather conditions across Latin America, including hurricanes in Central America, excessive rainfall in Argentina and drought in the beginning of the season in Brazil, combined with the earthquakes in Mexico, resulted in significant challenges for farmers in the region.

The Combined Company grew its sales in Brazil in the nine-month period, with an improved portfolio driving volume expansion, delivering a particularly noteworthy performance considering the overall decline in the Brazilian agrochemical market in the period with farmer profitability continuing to be impacted by generally low agricultural commodity prices, as well as continuing tight credit conditions and channel de-stocking. In Brazil in the third quarter, the Company saw a strong performance from its soybean portfolio, including the GALIL[®] insecticide and POQUER[®] herbicide, which is effective in combating increasing glyphosate-resistant weeds, as well as from ARREIO[®], a herbicide launched last year which is performing well in pastures.

In Chile, sales of BREVIS[®], a proprietary fruit thinner, performed well. New marketing initiatives in Colombia, focusing on increasing farmer engagement and demand creation, are driving the Combined Company's business growth.

In US dollar terms, sales increased by 5.8% in the quarter and remained stable in the nine-month period compared with the corresponding periods last year, reflecting the impact of the appreciation of local currencies, primarily the Brazilian Real over the nine-month period, against the US dollar.

India, Middle East & Africa: Sales were lower by 0.8% in the quarter in constant currency terms, compared with the corresponding quarter last year, with a robust increase in volumes being offset by the impact of a change in the domestic tax regime in India. General sales tax is no longer added to sale prices, and also not deducted from product costs, thereby reducing top-line while not impacting profit. Adjusting for this change in the Indian tax regime, sales in the quarter in constant currency terms increased by 8.8%.

Sales in the region increased by 5.4% in the nine-month period in constant currency terms, and increased by 11.0% adjusting for the impact of the change in the tax regime in India, compared with the corresponding period last year. This increase resulted from a significant increase in volumes.

In India, the insecticide TAPUZ[®], a unique combination of two active ingredients, one benefiting from the Combined Company's end-to-end value chain, and the other sourced from an affiliate within the ChemChina group, is performing well in rice, cotton and other crops, while ACEMAIN[®], a broad spectrum systemic insecticide also delivered a strong performance in cotton.

In South Africa, continued drought conditions in the Cape region are impacting wheat and vine products, while the Company continues to grow in Turkey, capitalizing on its strong sugar beet portfolio.

In US dollar terms, sales increased by 2.8% in the quarter and by 7.2% in the nine-month period, and increased by 12.4% and 12.8% adjusting for the impact of the change in the tax regime in India, reflecting the impact of the strengthening of several currencies, including the South African Rand and the Indian Rupee, both in the quarter and the nine-month period, compared to the corresponding periods last year.

Asia-Pacific: Sales increased by 20.0% in the quarter in constant currency terms, compared with the corresponding quarter last year, driven by an increase in differentiated product volumes. The volume growth reflects strong performance in New Zealand, China, Vietnam and Indonesia, driven by a strong product offering and increasing farmer engagement while benefiting from generally favorable weather conditions in various countries in the region, which were partially offset by the extremely dry conditions in Australia.

Sales increased by 18.7% in the nine-month period in constant currency terms, compared with the corresponding period last year. This increase was driven by significant volume growth, primarily in the Pacific, China and parts of south-east Asia, supported by new product launches driving a continually improving portfolio mix, which was partially offset by softer prices.

A number of unique and differentiated products obtained registrations in the quarter, including the fungicide CUSTODIA[®] for fruits and vegetables in the Philippines, the herbicide MAYORAL[®] for Sugarcane in Thailand, the insecticide TRIVOR[®] for Citrus in Australia, the herbicide NARKIS[®] for rice in Indonesia and the herbicide ZULU[®] XT for cereals in Australia.

In Australia, the Combined Company entered into a collaboration with Pessl Instruments to deliver a cost-effective hardware solution that combines with advanced disease modelling software to better predict the viability of the crop and assist farm advisers with input decisions.

In China, the Combined Company continues to expand its sales team and product portfolio, with new registrations for CORMORAN[®] in Apples and RIMON FAST[™] in Cabbage. High insect pressure in rice drove increased sales of Dichlorvos.

In US dollar terms, sales increased by 21.7% in the quarter and by 18.1% in the nine-month period compared to the corresponding periods last year, reflecting the appreciation in the quarter of the local currencies, primarily the Australian Dollar, against the US dollar.

Revenues by operating segment

Third quarter sales

	Q3 2017	%	Q3 2016	%
	\$m		\$m	
Crop Protection	782	92.7%	739	92.4%
Intermediates and Ingredients	62	7.3%	61	7.6%
Total	844	100%	800	100%

Nine-month sales

	9M 2017	%	9M 2016	%
	\$m		\$m	
Crop Protection	2,512	92.9%	2,419	92.9%
Intermediates and Ingredients	191	7.1%	186	7.1%
Total	2,702	100%	2,605	100%

Further Information

All filings of the Combined Company, together with a presentation of the key financial highlights of the period, can be accessed through the websites of the Combined Company at www.adama.com and www.sanonda.cn

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About the Combined Company

The Combined Company, which will be named ADAMA subject to required approvals, is comprised of Adama Agricultural Solutions Ltd. and Hubei Sanonda Ltd., and is one of the world's leading crop protection companies. We strive to Create Simplicity in Agriculture – offering farmers effective products and services that simplify their lives and help them grow. With one of the most comprehensive and diversified portfolios of differentiated, quality products, our 6,600 strong team reaches farmers in over 100 countries, providing them with solutions to control weeds, insects and disease, and improve their yields. For more information, visit us at www.adama.com and follow us on Twitter® at [@AdamaAgri](https://twitter.com/AdamaAgri).

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Interim Abridged Consolidated Financial Statements

The following abridged consolidated financial statements and notes thereto have been prepared as described in Note 1 below. 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 Adama Agricultural Solutions Ltd. and Hubei Sanonda Co., Ltd. as filed with the Tel Aviv and Shenzhen Stock Exchanges, respectively.

Abridged Consolidated Interim Income Statement for the Quarter

<i>Adjusted¹</i>	Q3 2017 USD(m)	Q3 2016 USD(m)	Q3 2017 RMB(m)	Q3 2016 RMB(m)
Revenues	844	800	5,624	5,332
Cost of Sales	543	529	3,617	3,526
Business taxes and surcharges	2	1	16	6
Gross profit	299	270	1,991	1,800
<i>% of revenue</i>	<i>35.4%</i>	<i>33.8%</i>	<i>35.4%</i>	<i>33.7%</i>
Operating expenses	188	184	1,254	1,224
Operating income (EBIT)	111	86	737	575
<i>% of revenue</i>	<i>13.1%</i>	<i>10.8%</i>	<i>13.1%</i>	<i>10.8%</i>
Financial expenses and investment income	-34	-40	-226	-266
Income before taxes	77	46	512	309
Taxes on Income	-19	-13	-130	-84
Net income	57	34	382	225
<i>% of revenue</i>	<i>6.8%</i>	<i>4.2%</i>	<i>6.8%</i>	<i>4.2%</i>
Attributable to:				
Owners of the Company	57	21	382	136
Non-controlling Interests	-	13	-	89
EBITDA	163	142	1,090	945
<i>% of revenue</i>	<i>19.4%</i>	<i>17.7%</i>	<i>19.4%</i>	<i>17.7%</i>
Earnings per Share – Basic	0.0244	0.0126	0.1630	0.0842
– Diluted	0.0244	0.0126	0.1630	0.0842

The number of shares used to calculate earnings per share in 2017 is 2,341.9 million shares, including the issuance of shares as part of the combination transaction. The number of shares used to calculate earnings per share in 2016 is 1,617.5 million shares, reflecting the issuance of shares as part of the combination transaction in 2017, yet excluding the portion of the 2016 non-controlling interest.

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 Interim Income Statement for the Nine-month period

<i>Adjusted¹</i>	9M 2017 USD(m)	9M 2016 USD(m)	9M 2017 RMB(m)	9M 2016 RMB(m)
Revenues	2,702	2,605	18,394	17,106
Cost of Sales	1,733	1,743	11,797	11,448
Business taxes and surcharges	7	5	49	34
Gross profit	962	856	6,549	5,624
<i>% of revenue</i>	<i>35.6%</i>	<i>32.9%</i>	<i>35.6%</i>	<i>32.9%</i>
Operating expenses	565	540	3,841	3,551
Operating income (EBIT)	397	316	2,708	2,073
<i>% of revenue</i>	<i>14.7%</i>	<i>12.1%</i>	<i>14.7%</i>	<i>12.1%</i>
Financial expenses and investment income	-95	-106	-646	-697
Income before taxes	302	210	2,062	1,376
Taxes on Income	-41	-14	-279	-93
Net income	261	196	1,782	1,282
<i>% of revenue</i>	<i>9.7%</i>	<i>7.5%</i>	<i>9.7%</i>	<i>7.5%</i>
Attributable to:				
Owners of the Company	261	117	1,782	765
Non-controlling Interests	-	79	-	517
EBITDA	553	478	3,764	3,136
<i>% of revenue</i>	<i>20.4%</i>	<i>18.3%</i>	<i>20.4%</i>	<i>18.3%</i>
Earnings per Share				
– Basic	0.1114	0.0723	0.7611	0.4734
– Diluted	0.1114	0.0723	0.7611	0.4734

The number of shares used to calculate earnings per share in 2017 is 2,341.9 million shares, including the issuance of shares as part of the combination transaction. The number of shares used to calculate earnings per share in 2016 is 1,617.5 million shares, reflecting the issuance of shares as part of the combination transaction in 2017, yet excluding the portion of the 2016 non-controlling interest.

Abridged Consolidated Interim Balance Sheet

	September 30 2017 \$(m)	September 30 2016 \$(m)	September 30 2017 RMB(m)	September 30 2016 RMB(m)
Assets				
Current assets:				
Cash at bank and on hand	655	603	4,347	4,024
Bills and accounts receivable	917	985	6,089	6,578
Inventories	1,117	1,110	7,413	7,411
Assets held for sale	54	-	360	-
Other current assets, receivables and prepaid expenses	399	303	2,649	2,020
Total current assets	3,143	3,000	20,858	20,034
Non-current assets:				
Fixed assets, net	1,072	1,062	7,118	7,089
Intangible assets, net	1,224	1,327	8,123	8,862
Deferred tax assets	101	100	671	670
Other non-current assets	76	81	502	539
Total non-current assets	2,473	2,570	16,414	17,160
Total assets	5,616	5,570	37,272	37,194
Liabilities				
Current liabilities:				
Loans and credit from banks and other lenders	202	300	1,342	2,006
Bills and accounts payable	548	537	3,635	3,583
Other current liabilities	800	736	5,310	4,912
Total current liabilities	1,550	1,573	10,287	10,502
Long-term liabilities:				
Long-term loans from banks and other lenders	71	182	469	1,217
Debentures	1,168	1,097	7,752	7,328
Deferred tax liabilities	35	47	235	316
Employee benefits	69	79	456	529
Other long-term liabilities	86	85	568	571
Total long-term liabilities	1,428	1,492	9,480	9,960
Total liabilities	2,978	3,064	19,766	20,462
Equity				
Total equity	2,638	2,506	17,505	16,732
Total equity	2,638	2,506	17,505	16,732
Total liabilities and equity	5,616	5,570	37,272	37,194

Abridged Consolidated Interim Cash Flow Statement

	Q3 2017 USD(m)	Q3 2016 USD(m)	Q3 2017 RMB(m)	Q3 2016 RMB(m)
Cash flow from operating activities:				
Cash flow from operating activities	41	198	272	1,318
Cash flow from operating activities	41	198	272	1,318
Investing activities:				
Additions to fixed and intangible assets	-51	-52	-338	-348
Proceeds from disposal of fixed and intangible assets	-	-	2	16
Other investing activities	-3	2	-24	-
Cash flow used for investing activities	-54	-50	-360	-332
Financing activities:				
Receipt of loans from banks and other lenders	11	3	76	18
Repayment of loans from banks and other lenders	-8	-130	-51	-868
Other financing activities	-6	-11	-45	-71
Cash flow from (used for) financing activities	-3	-138	-20	-921
Net change in cash and cash equivalents	-16	10	-201	91
Cash and cash equivalents at the beginning of the period	670	591	4,538	3,919
Cash and cash equivalents at the end of the period	653	601	4,337	4,010
Free Cash Flow	-13	148	-88	986

	9M 2017 USD(m)	9M 2016 USD(m)	9M 2017 RMB(m)	9M 2016 RMB(m)
Cash flow from operating activities:				
Cash flow from operating activities	368	445	2,522	2,930
Cash flow from operating activities	368	445	2,522	2,930
Investing activities:				
Additions to fixed and intangible assets	-156	-143	-1,061	-939
Proceeds from disposal of fixed and intangible assets	3	-	96	65
Other investing activities	28	1	118	-56
Cash flow used for investing activities	-125	-141	-847	-929
Financing activities:				
Receipt of loans from banks and other lenders	27	77	181	502
Repayment of loans from banks and other lenders	-99	-187	-676	-1,237
Other financing activities	-71	-49	-488	-324
Cash flow from (used for) financing activities	-143	-159	-983	-1,059
Net change in cash and cash equivalents	101	143	503	1,037
Cash and cash equivalents at the beginning of the period	553	458	3,834	2,973
Cash and cash equivalents at the end of the period	653	601	4,337	4,010
Free Cash Flow	244	303	1,674	2,001

Notes to Interim Abridged Consolidated Financial Statements

Note 1: Basis of preparation

Basis of presentation and accounting policies: The abridged consolidated financial statements for the nine months ended September 30, 2017 and 2016 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 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 Income Statement in Financial Statements

\$m	Adjusted		Adjustments		Reported	
	Q3 2017	Q3 2016	Q3 2017	Q3 2016	Q3 2017	Q3 2016
Revenues	844	800	-	-	844	800
Gross profit	299	270	2	-	297	270
Operating expenses	188	184	-15	-11	203	195
Operating income (EBIT)	111	86	17	11	94	75
Income before taxes	77	46	17	11	60	35
Net income	57	34	15	10	42	24
EBITDA	163	142	8	-	155	142
Earnings per share	0.0244	0.0126	0.0064	0.0035	0.0181	0.0091

\$m	Adjusted		Adjustments		Reported	
	9M 2017	9M 2016	9M 2017	9M 2016	9M 2017	9M 2016
Revenues	2,702	2,605	-	-	2,702	2,605
Gross profit	962	856	2	-	960	856
Operating expenses	565	540	-28	-31	593	571
Operating income (EBIT)	397	316	30	31	367	285
Income before taxes	302	210	30	31	272	179
Net income	261	196	27	25	234	171
EBITDA	553	478	-	-3	553	481
Earnings per share	0.1114	0.0723	0.0115	0.0093	0.0999	0.0630

The Income Statement items for the 2017 periods include adjustments for: non-cash legacy amortization of an intangible asset created through the 2011 acquisition of Solutions in the amount of \$29m net of the realization of the associated tax liability, at a constant rate of \$10m per quarter; a capital gain of \$9 million in the second quarter as well as the reinstatement of a \$4 million expense (mainly in the third quarter) due to the classification of registrations as assets held for sale, both as a result of the transfer/sale process related to certain products in connection with ChemChina's acquisition of Syngenta; a \$3 million expense in connection with other corporate development activity in conjunction with a company within the ChemChina group; a \$6 million expense in the third quarter due to a one-time award to employees in connection with the Adama-Sanonda combination transaction; and an approximately \$3 million tax expense in the second quarter in respect of a tax claim from 1985 against cancellation of a tax asset.

The Income Statement items for the corresponding period last year include adjustments for: the abovementioned non-cash legacy amortization of an intangible asset at a constant rate of \$10m per quarter; and the value redeployment in the first quarter of employee options granted in 2014, creating income of \$3 million.

Earnings per share are the same for basic and diluted. The number of shares used to calculate earnings per share in 2017 is 2,341.9 million shares, including the issuance of shares as part of the combination transaction. The number of shares used to calculate earnings per share in 2016 is 1,617.5 million shares, reflecting the issuance of shares as part of the combination transaction in 2017, yet excluding the portion of the 2016 non-controlling interest.

Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements (continued)

RMBm	Adjusted		Adjustments		Reported	
	Q3 2017	Q3 2016	Q3 2017	Q3 2016	Q3 2017	Q3 2016
Revenues	5,624	5,332	-	-	5,624	5,332
Gross profit	1,991	1,800	11	-	1,981	1,800
Operating expenses	1,254	1,224	-102	-76	1,355	1,301
Operating income (EBIT)	737	575	112	76	625	499
Income before taxes	512	309	112	76	400	233
Net income	382	225	99	63	283	162
EBITDA	1,090	945	55	-	1,035	945
Earnings per share	0.1630	0.0842	0.0424	0.0235	0.1206	0.0607

RMBm	Adjusted		Adjustments		Reported	
	9M 2017	9M 2016	9M 2017	9M 2016	9M 2017	9M 2016
Revenues	18,394	17,106	-	-	18,394	17,106
Gross profit	6,549	5,624	11	-1	6,538	5,625
Operating expenses	3,841	3,551	-192	-205	4,034	3,756
Operating income (EBIT)	2,708	2,073	203	204	2,505	1,869
Income before taxes	2,062	1,376	203	204	1,859	1,172
Net income	1,782	1,282	183	165	1,600	1,117
EBITDA	3,764	3,136	-2	-22	3,765	3,158
Earnings per share	0.7611	0.4734	0.0781	0.0614	0.6830	0.4120

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

	September 30			Q3 Average			9M Average		
	2017	2016	Change	2017	2016	Change	2017	2016	Change
USD/RMB	6.637	6.678	(0.6%)	6.668	6.665	0.0%	6.803	6.576	3.4%
EUR/USD	1.178	1.118	5.3%	1.175	1.116	5.3%	1.111	1.116	(0.4%)
USD/BRL	3.168	3.246	2.4%	3.164	3.247	2.6%	3.174	3.556	10.7%
USD/PLN	3.652	3.856	5.3%	3.624	3.888	6.8%	3.841	3.905	1.6%
USD/ZAR	13.496	14.033	3.8%	13.050	14.081	7.3%	13.159	14.962	12.0%
AUD/USD	0.782	0.761	2.8%	0.789	0.758	4.2%	0.766	0.741	3.3%
GBP/USD	1.342	1.296	3.5%	1.309	1.314	(0.4%)	1.274	1.392	(8.4%)
USD/ILS	3.529	3.758	6.1%	3.556	3.804	6.5%	3.626	3.839	5.6%
USD L 3M	1.34%	0.84%	60.2%	1.31%	0.79%	67.1%	1.20%	0.69%	74.3%

	September 30			Q3 Average			9M Average		
	2017	2016	Change	2017	2016	Change	2017	2016	Change
USD/RMB	6.637	6.678	(0.6%)	6.668	6.665	0.0%	6.803	6.576	3.4%
EUR/RMB	7.818	7.469	4.7%	7.833	7.438	5.3%	7.558	7.338	3.0%
RMB/BRL	0.477	0.486	1.8%	0.475	0.487	2.6%	0.467	0.541	13.7%
RMB/PLN	0.550	0.577	4.7%	0.544	0.583	6.8%	0.565	0.594	4.9%
RMB/ZAR	2.033	2.101	3.2%	1.957	2.118	7.6%	1.934	2.277	15.0%
AUD/RMB	5.193	5.084	2.1%	5.264	5.051	4.2%	5.208	4.874	6.8%
GBP/RMB	8.906	8.657	2.9%	8.726	8.756	(0.3%)	8.670	9.151	(5.3%)
RMB/ILS	0.532	0.563	5.5%	0.533	0.571	6.6%	0.533	0.584	8.7%
RMB L 3M	4.36%	2.80%	55.5%	4.34%	2.83%	53.2%	4.30%	2.89%	48.5%