

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%