Stock Code: 000553(200553) Stock Abbreviation: Sanonda A(B)
Announcement No. 2018-46

Hubei Sanonda Co., Ltd.
Announcement of Resolutions of the 8th Meeting of the 8th Session of the Board of Directors

The Company and all members of its board of directors hereby guarantee that the contents of information disclosure are true, accurate, complete and without any false record, misleading statements or major omissions.

The 8th Meeting of the 8th Session of the Board of Directors of Hubei Sanonda Co., Ltd. (hereinafter referred to as "Company") was held via on-site and video conference meeting on October 30, 2018 following notifications to all the directors by email. Six directors were entitled to attend the meeting and six directors attended.

The meeting complied with all relevant laws, regulations and the Articles of Association of the Company. The following resolutions were deliberated and adopted:

1. Proposal on the Q3 2018 Report

This proposal was passed with 6 affirmative votes, 0 negative votes, and 0 abstentions.

2. Proposal on the Application of Designated Raised Funds by Way of Investment in Wholly Owned Subsidiaries of the Company

For facilitating the implementation of the designated projects included in the Project of Share Issuance for Assets Purchase and Supporting Finance, the Company will inject RMB 69,000,000 of the designated raised funds into Adama Agricultural Solutions Ltd. ("Solutions"), a wholly owned subsidiary of the Company. Thereafter, Solutions will invest RMB 34,500,000, into each of Adama Agan Ltd., and Adama Makhteshim Ltd., the entities that will implement the relevant designated projects. The above funds shall be used on the projects of R&Ds and registrations, fixed-assets investment of Adama.

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This proposal was passed with 6 affirmative votes, 0 negative votes, and 0 abstentions.

It is hereby noticed.

Board of Directors of Hubei Sanonda Co., Ltd.

October 30, 2018

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Stock Code: 000553(200553) Stock Abbreviation: Sanonda A(B)
Announcement No. 2018-47

Hubei Sanonda Co., Ltd.

Announcement of Resolutions of the 7th Meeting of the 8th Session of the Board of Supervisors

The Company and all members of its board of directors hereby confirm that the content of information disclosure is true, accurate, complete and without any false record, misleading statements or major omissions.

The 7th Meeting of the 8th Session of the Board of Supervisors of Hubei Sanonda Co., Ltd. (hereinafter referred to as "Company") was held via on-site and video conference meeting on October 30, 2018 following notifications to all the supervisors by email. Three supervisors were entitled to attend the meeting, and three supervisors attended.

The meeting complied with all relevant laws, regulations and the Articles of Association of the Company. The following resolutions were deliberated and adopted:

1. Proposal on the Q3 2018 Report

After review, the Board of Supervisors hereby confirms that the preparing and reviewing procedures of the Q3 2018 Report adopted by the Board of Directors are in line with the requirements of the laws, the regulations, and the provisions of the CSRC. The content of the Q3 2018 Report is true, accurate, complete and without any false record, misleading statements or major omissions.

This proposal was passed with 3 affirmative votes, 0 negative votes, and 0 abstentions.

2. Proposal on the Application of Designated Raised Funds by Way of Investment in Wholly Owned Subsidiaries of the Company

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For facilitating the implementation of the designated projects included in the Project of Share Issuance for Assets Purchase and Supporting Finance, the Company will inject RMB 69,000,000 of the designated raised funds into Adama Agricultural Solutions Ltd. ("Solutions"), a wholly owned subsidiary of the Company. Thereafter, Solutions will invest RMB 34,500,000, into each of Adama Agan Ltd., and Adama Makhteshim Ltd., the entities that will implement the relevant designated projects. The above funds shall be used on the projects of R&Ds and registrations, fixed-assets investment of Adama.

This proposal was passed with 3 affirmative votes, 0 negative votes, and 0 abstentions.

It is hereby noticed.

Board of Supervisors of Hubei Sanonda Co., Ltd.

October 30, 2018

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Stock Code: 000553(200553) Stock Abbreviation: Sanonda A(B)

Announcement No. 2018-48

Hubei Sanonda Co., Ltd.

Announcement on the Application of Designated Raised Funds by Way of Investment in Wholly Owned Subsidiaries of the Company

The Company and all members of its Board of Directors confirm that all the information disclosed herein is true, accurate, and complete with no false or misleading statement or material omission.

On October 30, 2018, the 8th meeting of the 8th session of the Board of Directors of Hubei Sanonda Co., Ltd. (the "Company") approved a proposal on the application of designated raised funds by way of investment in Wholly Owned Subsidiaries of the Company.

For implementing certain designated projects included in the Project of Share Issuance for Assets Purchase and Supporting Finance ("Designated Projects"), the Company will inject RMB 69,000,000 of the designated raised funds into Adama Agricultural Solutions Ltd. ("Solutions"), a wholly owned subsidiary of the Company. Thereafter, Solutions will invest RMB 34,500,000, into each of Adama Agan Ltd.("Agan"), and Adama Makhteshim Ltd. ("Makhteshim"), the entities that will implement the relevant Designated Projects. According to the *Listing Rules of Shenzhen Stock Exchange* and the Articles of Association of the Company, the aforesaid capital injection is not a related party transaction, and deliberation by the shareholders meeting is not required.

I. General Information About the Raised Funds

After receiving the approval of China Securities Regulatory Commission for the issuance of shares to China National Agrochemical Co., Ltd. to acquire assets and raise supporting funds (CSRC Permits [2017] No.1096), the Company issued 104,697,982 ordinary A shares in

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December 2017, at the issue price of RMB14.9 per share, raising a total amount of RMB1,559,999,931.80. After deducting the underwriting fees of RMB28, 079,998.78, the net amount received by the Company was RMB1, 531,919,933.02. The net amount was received on 27 December 2017 and was verified by Deloitte Touche Tohmatsu Certified Public Accountant LLP which issued a capital verification report (De Shi Bao (Yan) Zi (17) No.00540).

According to the Report of the Company on Share Issuance for Assets Purchase and Supporting Funds & Connected Transactions, the raised funds are to be used on the projects of Huai'an pesticide formulation center, R&D projects and registrations, fixed-assets investment of Adama, and fees for the intermediary agencies and transaction taxes.

As at September 30, 2018, the balance of the raised funds that had not yet been used was RMB1,258,766,077.73.

II. Overview of the Application of Designated Funds

In order to facilitate the projects of R&Ds and registrations, fixed-assets investment of Adama, the Company will invest an amount of RMB 69,000,000 of the raised funds in Solutions. Thereafter, Solutions will invest RMB 34,500,000, into each of Agan and Makhteshim. Following the completion, Agan and Makhteshim will still be the wholly owned subsidiaries of Solutions, and therefore of the Company.

III. Basic information of the Relevant Subsidiaries

1. Basic information of Solutions

Company	Adama Agricultural Solutions Ltd.
Registered Address	Golan St., Airport City, Israel
Established Date	December 8th, 1997

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Registered Capital	NIS 936,000,000 (300,000,000 shares, NIS 3.12 per share)
Nature of the Enterprise	Limited Liability
Business Scope	Crop Protection
Share Ratio	Solutions is a wholly owned subsidiary of the Company.

Main Financial Data as of the date December 31, 2017 and September 30, 2018

Items	As of the date September 30, 2018	As of the date December 31, 2017
Total Assets	RMB 34,736.403 million	RMB 31,906.078 million
Total Debits	RMB19,257.013 million	RMB19,787.157 million
Net Assets	RMB15,479.390 million	RMB12,118.921 million
Revenue	RMB17,147.584 million	RMB 21,216.735 million
Net Profits	RMB2,328.843 million	RMB1,609,486 million

2. Basic information of Agan

Company	Adama Agan Ltd.
Registered Address	PO Box 262, Northern Industrial Zone, Ashdod, 7710201, Israel
Established Date	May 7, 1954
Registered Capital	50 M ILS
Nature of the Enterprise	Limited Liability
Business Scope	Crop Protection
Share Ratio	Agan is a wholly owned subsidiary of the Company.

Main Financial Data as of the date December 31, 2017 and September 30, 2018

Items	As of the date September 30, 2018	As of the date December 31, 2017
Total Assets	RMB 10,887.978 million	RMB 9,561.149 million

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Total Debits	RMB 7,377.055 million	RMB 7,497.661 million
Net Assets	RMB 3,510.924 million	RMB 2,063.487 million
Revenue	RMB 4,134.43 million	RMB 5,037.027 million
Net Profits	RMB 1,418.452 million	RMB 154.124 million

3. Basic information of Makhteshim

Company	Adama Makhteshim Ltd.
Registered Address	PO Box 60 Industrial Zone, Beer Sheva, 8410001, Israel
Established Date	July 17, 1952
Registered Capital	212 M ILS
Nature of the Enterprise	Limited Liability
Business Scope	Crop Protection
Share Ratio	Makhteshim is a wholly owned subsidiary of the Company.

Main Financial Data as of the date December 31, 2017 and September 30, 2018

Items	As of the date September 30, 2018	As of the date December 31, 2017
Total Assets	RMB 12,326.068 million	RMB 10,342.09 million
Total Debits	RMB 9,177.217 million	RMB 7,792.099 million
Net Assets	RMB 3,148.851 million	RMB 2,549.991 million
Revenue	RMB 4,070.561 million	RMB 4,477.957 million
Net Profits	RMB 455.009 million	RMB 309.099 million

IV. Purpose of the application of designated funds and its Impact

The application of designated funds through investment is to facilitate the implementation of the relevant Designated Projects. It is in line with the planned usage of the raised funds and the Company's development strategy and will benefit the interests of the Company and all shareholders.

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V. Approval Procedures of the Company

The 8th meeting of the 8th session of the Board of Directors of the Company and the 7th meeting of the 8th session of the Board of Supervisors of the Company severally approved a proposal on the application of designated raised funds by way of investment in Wholly Owned Subsidiaries of the Company on October 30, 2018. The directors and supervisors agree that the investment shall be used for the aforesaid Designated Projects.

VI. Documents for Reference

1. Resolution of the 8th Meeting of the 8th Session of the Board of Directors of the Company;
2. Resolution of the 7th Meeting of the 8th Session of the Board of Supervisors of the Company;
3. Opinion of the Independent Directors;
4. Verification Report issued by Guotai Junan Securities Co., Ltd.

Board of Directors of Hubei Sanonda Co., Ltd.

October 30, 2018

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ADAMA DELIVERS RECORD SALES IN THIRD QUARTER AND FIRST NINE MONTHS IN SPITE OF EUROPE DROUGHT DRAG

- **Q3 Sales up 3.4% to a record $872 million**
  - Continued volume growth driven by demand for differentiated products and market share gains in all key regions, despite worst drought in 40 years across most of Europe, which reduced demand for high-end fungicides by several tens of millions. **Global growth outside Europe was 10.0% in the quarter**
  - **In constant currency terms, Q3 sales grew by 10.7%**
  - Continued price increases of 6% supported by solid demand conditions, largely offsetting softer currencies
  - As previously communicated, the negative impact of 2017 European hedge positions largely ended in the first half of the year, and had negligible impact in the third quarter
  - Nine-month sales grew 8.0% to a record $2,918 million (up 9.2% in constant currency terms), driven by 5.7% growth in volumes and increased prices. Growth outside Europe was 13.1% in the nine-month period
  - ***Excluding the negative impact of hedge positions on European currencies created in 2017, sales over the nine-month period grew 9.4% to $2,957 million***
- **Q3 Gross profit of $279 million vs. $298 million Q3 record last year, largely due to European drought reducing sales of high-end fungicides, and thereby gross profit by several tens of millions**
  - Gross margin of 32.0% vs 35.4% in Q3 last year
  - Strong price increases and continued differentiated volume growth offset by softer currencies and higher procurement costs
  - Gross profit over the nine-month period up 1.1% to a record $972 million, with gross margin of 33.3% vs. 35.6% in the same period last year
  - ***Excluding the 2017 European hedge impact, gross profit over the nine-month period was $1,011 million and gross margin 34.2%***
- **Operating cost, collection and supply chain discipline result in improved cost/sales ratio, record low receivable and inventory days, and improved working capital/sales ratio**
- **Q3 EBITDA of $140 million vs. $161 million Q3 record last year**
  - EBITDA margin of 16.0% vs 19.1% in Q3 last year
  - EBITDA over the nine-month period of $518 million (margin of 17.8%) vs. $546 million nine-month record (margin of 20.2%) in the same period last year
  - ***Excluding the 2017 European hedge impact, EBITDA over the nine-month period was $558 million and EBITDA margin 18.9%***
- **Q3 Net income of $46 million compared to last year's Q3 record of $55 million**
  - Net income margin of 5.3% vs 6.5% in Q3 last year
  - Net income over the nine-month period of $203 million (margin of 7.0%) vs. $255 million nine-month record (margin of 9.4%) in the same period last year
  - ***Excluding the 2017 European hedge impact, net income over the nine-month period was $242 million and net income margin 8.2%***
- **Continued strong cash flow generation**
  - Operating Cash Flow of $99 million in Q3 and $221 million over the nine-month period
  - Free Cash Flow generation of $52 million in Q3 and $93 million over the nine-month period
- **Significant $327 million reduction in balance sheet net debt over the last 12 months to $435 million**
  - Net debt / EBITDA ratio of 0.7x vs. 1.2x at same point last year

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BEIJING, CHINA and TEL AVIV, ISRAEL, October 30, 2018 – 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 combined consolidated financial results for the third quarter and nine-month period ended September 30, 2018.

Adjusted, US$m	*Q3 2018*	*Q3 2017*	*% Change*	*9M 2018*	*9M 2017*	*% Change*	*9M 2018 (ex. '17 EU hedge)*
Revenues	**872**	**844**	**3.4%**	**2,918**	**2,702**	**8.0%**	**2,957**
Gross profit	**279**	**298**	**-6.5%**	**972**	**962**	**1.1%**	**1,011**
Gross margin	*32.0%*	*35.4%*		*33.3%*	*35.6%*		*34.2%*
Operating income (EBIT)	**87**	**108**	**-19.9%**	**359**	**391**	**-8.1%**	**399**
EBIT margin	*10.0%*	*12.9%*		*12.3%*	*14.5%*		*13.5%*
Net income	**46**	**55**	**-16.3%**	**203**	**255**	**-20.2%**	**242**
Net income margin	*5.3%*	*6.5%*		*7.0%*	*9.4%*		*8.2%*
EBITDA	**140**	**161**	**-13.5%**	**518**	**546**	**-5.1%**	**558**
EBITDA margin	*16.0%*	*19.1%*		*17.8%*	*20.2%*		*18.9%*
Earnings per share – USD	0.0188	0.0235		0.0830	0.1088		
– RMB	0.1281	0.1570		0.5367	0.7429		

All income statement items contained in this release are presented on a combined, adjusted basis, reflecting the performance of the Combined Company. For a detailed 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.

Revenue growth in constant currencies in the third quarter was 10.7%, and 9.2% in the nine-month period.

Earnings per share are the same for basic and diluted. The number of shares used to calculate earnings per share in Q3 2017 is 2,341.9 million shares. The number of shares used to calculate earnings per share in Q3 2018 is 2,446.6 million shares, reflecting the issuance of shares in the private placement equity offering.

Commenting on the results, **Yang Xingqiang, Chairman of ADAMA's Board of Directors**, said, "The harsh drought in Europe stopped us short of achieving a great quarter, as the need for our leading fungicide products was absent. However, ADAMA continues to prove its ability to grow strongly elsewhere, and has once again posted record revenues in both the quarter and the nine-month period. The Company's strong commercial and operational efficiency allowed us to deliver robust cash flow generation and lowest ever leverage level, ensuring that ADAMA can look to the future with confidence, and continue to execute on its growth strategy."

Chen Lichtenstein, President and CEO of ADAMA, added, "The extraordinarily dry summer in Europe this year has been the toughest we have seen in decades, impacting our top line and profit in the quarter. In spite of this challenge, we continue to grow our business and gain share in key markets across the globe. In addition, expense discipline and working capital management mitigated the impact and we continue to generate strong cash flow. We continue to invest in the expansion and further differentiation of our product portfolio, building on our strong foundations to drive growth and profits going forward."

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Performance in Context of Market Environment

The third quarter saw extreme drought conditions across most of Europe. The unprecedented dry weather led to reduced disease pressure, impacting sales of high-margin fungicides. This resulted in lower sales and gross profit contribution from Europe, which moderated the Combined Company's overall growth and adversely impacted the gross margin.

Softness of many currencies during the third quarter, most notably in Brazil (which seem to be reversing), India, Turkey and Argentina, impacted sales and profit contribution, yet was more than offset by the strong growth and price increases.

As previously communicated, the negative impact of 2017 European hedge positions largely ended in the first half of the year, and had negligible impact on the Q3 2018 results. There was, however, a marked effect over the nine-month period, with a negative impact of almost $40 million on sales and profits.

ADAMA continues to deliver robust growth, driven by the introduction of new and differentiated products, and increased penetration in markets across the globe.

The Combined Company continues to maintain manufacturing cost discipline. Shortage in certain raw materials and intermediates, mostly owing to increased environmental focus in China, led to higher procurement costs and to some extent limited even greater volume growth.

Robust demand conditions facilitated increased prices in the quarter of approximately 6% across the portfolio.

The Company continues to advance collaboration opportunities with other ChemChina group entities, as well as other entities in China, to make the most of its positioning.

The Company is to enter into an agreement, through a US affiliate, to acquire Bonide Products Inc., a provider of pest-control solutions for the consumer Home & Garden market with 2017 sales of approximately $70 million. With a nationwide distribution network, Bonide will provide enhanced access to an approximately $1.5 billion market. The acquisition is expected to close by the end of 2018, subject to customary closing conditions and required regulatory approvals.

Financial Highlights

Revenues grew by 3.4% in the quarter and by 8.0% in the nine-month period in US dollar terms, compared to the corresponding periods last year. In constant currency terms, revenues grew by 10.7% in the quarter and by 9.2% in the nine-month period, compared to the corresponding periods last year. Excluding the 2017 European hedge impact, revenues increased by 9.4% to $2,957 million in the nine-month period, compared to the corresponding period last year.

This increase was driven by volume growth of 3.8% in the quarter and 5.7% in the nine-month period. Especially strong performance was recorded in Latin America, India, Middle East and Africa as well as in Asia-Pacific, which more than offset the tens of millions of sales missed due to the severe drought in Europe. In addition to the volume growth, improved demand conditions facilitated a stronger pricing environment, largely compensating for the softer currencies and allowing the passing on of some of the impact of the constrained supply and higher procurement costs.

Gross profit in the quarter was lower by 6.5% to $279 million (gross margin of 32.0%), while gross profit in the nine-month period increased by 1.1% to $972 million (gross margin of 33.3%), compared to the corresponding periods last year. Excluding the 2017 European hedge impact, gross profit increased by 5.1% to $1,011 million (gross margin of 34.2%) in the nine-month period, compared to the corresponding period last year.

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The lower gross profit in the quarter reflects primarily the impact of the missed high-margin sales in Europe due to the drought in the region, particularly of fungicides, which hurt gross profit by tens of millions. Apart from the drought impact, strong volume growth and increased prices more than offset continued higher procurement costs of raw materials and intermediates and the softer currencies, most notably the Brazilian Real and the Indian Rupee.

Operating expenses. Total operating expenses were contained at $192 million (22.0% of sales) in the quarter and $612 million (21.0% of sales) in the nine-month period, while accommodating significantly higher sales, compared to $190 million (22.5% of sales) and $571 million (21.1% of sales) in the corresponding periods last year, respectively.

Sales and Marketing expenses in the quarter were $144 million (16.5% of sales), in line with $143 million (17.0% of sales) in the corresponding period last year. Sales and Marketing expenses in the nine-month period were $463 million (15.9% of sales), compared to $432 million (16.0% of sales) in the corresponding period last year. This resulted primarily from an increase in sales, marketing and product development teams in growing geographies and higher other variable expenses as a result of the increased sales volumes.

General and Administrative expenses in the quarter were $28 million (3.2% of sales) compared to $36 million (4.3% of sales) in the corresponding period last year. This decrease resulted primarily from lower personnel-related expenses, as well as reversal of provisions related to successful resolution of legal claims. General and Administrative expenses in the nine-month period were $103 million (3.5% of sales) compared to $102 million (3.8% of sales) in the corresponding period last year.

R&D expenses in the quarter were $16 million (1.8% of sales) compared to $9 million (1.1% of sales) in the corresponding period last year. R&D expenses in the nine-month period were $40 million (1.4% of sales) compared to $28 million (1.0% of sales) in the corresponding period last year. These increases resulted primarily from higher spend on strategic research and development projects.

In addition to these factors, operating expenses in the third quarter benefited somewhat from the softer currencies against the US dollar.

Operating income in the quarter was $87 million and $359 million in the nine-month period, lower by 19.9% and 8.1% compared to the corresponding periods last year, respectively. Excluding the 2017 European hedge impact, operating income increased by 2.0% to $399 million in the nine-month period, compared to the corresponding period last year.

EBITDA in the quarter was $140 million and $518 million in the nine-month period, lower by 13.5% and 5.1% compared to the corresponding periods last year, respectively. Excluding the 2017 European hedge impact, EBITDA increased by 2.1% to $558 million in the nine-month period, compared to the corresponding period last year.

Financial expenses and investment income. Total net financial expenses and investment income in the quarter were $30 million compared to $34 million in the corresponding period last year. This decrease was primarily due to foreign exchange income related to balance sheet positions and lower interest costs due to reduced debt levels. These were partially offset by the adoption of a new accounting standard (which classifies interest income on sales as revenue) and an increase in costs of the CPI-linked bonds as a result of the increase in the Israeli CPI over the quarter, compared to a decrease in the index in the corresponding quarter last year. Total net financial expenses and investment income in the nine-month period were $97 million compared to $95 million in the corresponding period last year, reflecting the adoption of the new accounting standard and the increase in bond costs due to the higher Israeli CPI, largely offset by lower interest costs due to reduced debt levels.

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Tax expenses. Net tax expenses were $11 million in the quarter, compared to $19 million in the corresponding period last year. This decrease was primarily due to lower profits accrued. Net tax expenses in the nine-month period were $59 million compared to $41 million in the corresponding period last year, reflecting mainly the devaluation of net, non-cash tax assets as a result of the weakening of the Brazilian Real against the US dollar, a trend which seems to be reversing.

Net income in the quarter was $46 million and $203 million in the nine-month period, compared to $55 million and $255 million in the corresponding periods last year, respectively. Excluding the 2017 European hedge impact, net income was lower by 4.8% at $242 million in the nine-month period, compared to the corresponding period last year.

Working capital was higher by only $51 million compared to the corresponding point last year, accommodating the strong sales growth momentum of more than $300 million during this period.

Inventories were higher due to significant product preparation in advance of the upcoming season, as well as the higher procurement costs. Notwithstanding the stronger growth momentum, due to the continued implementation of advanced supply chain alignment, inventory days have reached record low levels.

Strong collection and the impact of currencies have driven receivables lower in the third quarter and compared to the same period last year, notwithstanding continued sales growth in the quarter and over the last 12 months. Ongoing control of credit has resulted in receivable days at their record best levels for this time of year.

Net working capital has also benefited from a higher level of payables in comparison to the same point last year.

Cash Flow. Operating cash flow of $99 million was generated in the third quarter compared to $41 million in the same period last year. Over the nine month period, operating cash flow of $221 million was generated, compared to $369 million generated in the corresponding period last year. Strong working capital discipline facilitated the continued generation of robust operating cash flow, while accommodating the significant sales growth.

Net cash used in investing activities amounted to $44 million in the quarter and $85 million in the nine-month period, compared to $54 million and $125 million invested in the corresponding periods last year, respectively. Additions to assets include investments in product registrations and other intangible and fixed assets, including the transfer of products in Europe from Syngenta in the first quarter of 2018. Proceeds from disposal of assets include the divestment of certain products in Europe in the first quarter of 2018 in connection with the approval of the European Commission for ChemChina's acquisition of Syngenta, while in 2017 similarly includes one-time proceeds resulting from the divestment of certain products in the US in the second quarter of 2017 in connection with the approval of the US FTC for ChemChina's acquisition of Syngenta, as well as the sale of non-core assets. Investments in fixed assets, net of investment grants, amounted to $22 million in the quarter, and $77 million in the nine-month period, compared to $33 million and $77 million invested in the corresponding periods last year, respectively.

Free cash flow of $52 million was generated in the quarter and $93 million in the nine-month period, compared to $19 million used and $192 million generated in the corresponding periods last year, respectively.

Leverage: Balance sheet net debt at the end of the quarter was $435 million, down by $327 million compared to net debt of $762 million as of September 30, 2017. This puts the Combined Company's net debt/EBITDA ratio at 0.7x, compared to 1.2x at the same time last year.

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Regional Sales Performance

	Q3 2018 $m	*Q3 2017 $m*	*Change USD*	*Change CER*	*9M 2018 $m*	*9M 2017 $m*	*Change USD*	*Change CER*
Europe	168	206	-18.5%	-19.2%	870	892	-2.5%	-5.0%
North America	124	125	-1.0%	-0.9%	530	486	+9.0%	+8.5%
Latin America	277	231	+20.2%	+40.2%	588	497	+18.4%	+30.4%
Asia Pacific	131	125	+4.9%	+8.4%	487	444	+9.7%	+6.8%
Of which China	*59*	*61*	*-3.8%*	*-0.7%*	*231*	*187*	*+23.4%*	*+18.3%*
India, Middle East & Africa	172	157	+9.7%	+17.7%	442	383	+15.4%	+18.7%
Total	**872**	**844**	**+3.4%**	**+10.7%**	**2,918**	**2,702**	**+8.0%**	**+9.2%**

CER: Constant Exchange Rates

Europe: Sales were lower by 19.2% in the quarter and by 5.0% in the nine-month period in constant currency terms, compared with the corresponding periods last year.

The unprecedented drought that began towards the end of the second quarter continued throughout the third quarter, resulting in a decline in highly profitable sales in the region. The dry weather caused a reduction in disease and insect pressure, mainly impacting sales of high margin fungicides, as well as delaying the planting of the winter cereal crops, pushing some herbicide sales into the fourth quarter.

New products were registered in the quarter, including TRIVOR®, a unique insecticide combination product for sucking pests in citrus, as well as NIKITA®, a novel three-way herbicide mixture with triple modes-of-action for corn, both in Italy.

In US dollar terms, sales in Europe were lower by 18.5% in the quarter and by 2.5% in the nine-month period compared with the corresponding periods last year. Excluding the 2017 European hedge impact, sales in the region increased by 1.9% to $909 million in the nine-month period.

North America: Sales were lower by 0.9% in the quarter, yet increased by 8.5% in the nine-month period in constant currency terms, compared with the corresponding periods last year.

The slight decline in sales in the quarter was largely due to dry weather conditions in Texas and Western Canada, which was largely offset by increased selling prices.

In the US, the generally stronger pricing environment continued in the face of industry-wide supply shortages, compensating for the higher procurement costs.

Consumer and Professional Solutions continues to perform well, with strong momentum in both professional pest and industrial vegetation management.

In US dollar terms, sales in North America were lower by 1.0% in the quarter, yet increased by 9.0% in the nine-month period, compared to the corresponding periods last year.

Latin America: Sales increased by 40.2% in the quarter and by 30.4% in the nine-month period in constant currency terms, compared with the corresponding periods last year. This strong performance was a result of recent product launches, alongside increased pricing across most countries in the region.

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ADAMA continued to grow strongly in Brazil, with a robust increase in volumes and increased prices partially compensating for the volatility of the Brazilian Real.

During the third quarter, the recently launched CRONNOS TOV® exceeded expectations both in Brazil as well as in Paraguay, with strong market acceptance of this novel three-way mixture fungicide meeting unmet needs in soybean rust.

In US dollar terms, sales in Latin America increased by a significant 20.2% in the quarter and by 18.4% in the nine-month period compared with the corresponding periods last year, reflecting the softness of local currencies.

Asia-Pacific: Sales increased by 8.4% in the quarter and by 6.8% in the nine-month period in constant currency terms, compared with the corresponding periods last year.

The robust performance in the quarter was driven by increased volumes and prices, notwithstanding the continued severe drought conditions in Australia and Indonesia.

In China, sales of branded and formulated products continue to grow strongly, as ADAMA continues to expand its product portfolio and geographic reach, and despite typhoon conditions in the south of the country in August. A number of new registrations were obtained, including the herbicide AGIL® in potato, the insecticide GALIL® in citrus, and BANJO FORTE® a broad-spectrum fungicide in pepper. ADAMA is markedly shifting away from selling unformulated, technical product to intermediaries, by prioritizing the sale rather of distinctive branded, formulated products through both its domestic and global commercial networks, and in so doing benefiting from the full product positioning as well as end-to-end margin.

Thailand, Korea, and Japan performed well, supported by an expanded and increasingly differentiated portfolio and favorable weather conditions. In spite of the continued drought in Australia, ADAMA continues to grow its share in the country.

ADAMA registered a number of new and differentiated products, including RIMON® FAST, a unique mixture insecticide in the Philippines, OUTSHINE®, a differentiated combination herbicide for cereals in Australia, as well as BREVIS®, ADAMA's unique fruit thinner for apples in Australia, and NIMITZ®, the proprietary nematicide in Vietnam.

In US dollar terms, sales increased by 4.9% in the quarter, while sales increased by 9.7% in the nine-month period, compared to the corresponding periods last year.

India, Middle East & Africa: Sales grew by 17.7% in the quarter and by 18.7% in the nine-month period in constant currency terms, compared with the corresponding periods last year, driven by significant volume growth as well as substantial price increases, as a result of strong demand for the Combined Company's portfolio and generally favorable weather conditions.

India saw solid growth in the quarter. ADAMA continues to expand its portfolio of differentiated products in the country, with the launch in the quarter of BARAZIDE®, a tailor-made mixture insecticide developed specifically for the Indian market, SHAMIR® a novel fungicide with dual modes of action and NIMROD®, a systemic fungicide with both protective and curative activity against powdery mildew.

Sales in Africa grew strongly in the quarter, with South Africa enjoying a robust recovery after the breaking of the drought in the Cape, and as well as significant growth in West Africa.

In US dollar terms, sales increased by a strong 9.7% in the quarter and 15.4% in the nine-month period, compared to the corresponding periods last year, with the softness of local currencies, most notably the Indian Rupee and Turkish Lira, against the US dollar, somewhat moderating the strong growth in constant currency terms.

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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.

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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 Third Quarter

Adjusted[1]	Q3 2018 USD(m)	Q3 2017 USD(m)	Q3 2018 RMB(m)	Q3 2017 RMB(m)
Revenues	**872**	**844**	**5,929**	**5,624**
Cost of Sales	591	543	4,019	3,618
Business taxes and surcharges	2	2	12	16
Gross profit	**279**	**298**	**1,897**	**1,990**
% of revenue	*32.0%*	*35.4%*	*32.0%*	*35.4%*
Operating expenses	192	190	1,307	1,267
Operating income (EBIT)	**87**	**108**	**590**	**723**
% of revenue	*10.0%*	*12.9%*	*10.0%*	*12.9%*
Financial expenses and investment income	30	34	203	226
Income before taxes	**57**	**75**	**387**	**498**
Taxes on Income	11	19	73	130
Net income	**46**	**55**	**313**	**368**
% of revenue	*5.3%*	*6.5%*	*5.3%*	*6.5%*
EBITDA	**140**	**161**	**949**	**1,078**
% of revenue	*16.0%*	*19.1%*	*16.0%*	*19.1%*
Earnings per Share – Basic	*0.0188*	*0.0235*	*0.1281*	*0.1570*
– Diluted	*0.0188*	*0.0235*	*0.1281*	*0.1570*

The number of shares used to calculate earnings per share in Q3 2017 is 2,341.9 million shares. The number of shares used to calculate earnings per share in Q3 2018 is 2,446.6 million shares, reflecting the issuance of shares in the private placement equity offering.

[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".

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Abridged Consolidated Income Statement for the First Nine Months

Adjusted[2]	9M 2018 USD(m)	9M 2017 USD(m)	9M 2018 ex. EU hedge USD(m)	9M 2018 RMB(m)	9M 2017 RMB(m)	9M 2018 ex. EU hedge RMB(m)
Revenues	**2,918**	**2,702**	**2,957**	**18,955**	**18,394**	**19,205**
Cost of Sales	1,937	1,733	1,937	12,591	11,799	12,591
Business taxes and surcharges	8	7	8	54	49	54
Gross profit	**972**	**962**	**1,011**	**6,310**	**6,547**	**6,560**
% of revenue	*33.3%*	*35.6%*	*34.2%*	*33.3%*	*35.6%*	*34.2%*
Operating expenses	612	571	612	3,984	3,882	3,984
Operating income (EBIT)	**359**	**391**	**399**	**2,326**	**2,665**	**2,577**
% of revenue	*12.3%*	*14.5%*	*13.5%*	*12.3%*	*14.5%*	*13.5%*
Financial expenses and investment income	97	95	97	630	646	630
Income before taxes	**263**	**296**	**302**	**1,697**	**2,019**	**1,947**
Taxes on Income	59	41	60	384	279	384
Net income	**203**	**255**	**242**	**1,313**	**1,740**	**1,564**
% of revenue	*7.0%*	*9.4%*	*8.2%*	*6.9%*	*9.5%*	*8.2%*
EBITDA	**518**	**546**	**558**	**3,360**	**3,724**	**3,611**
% of revenue	*17.8%*	*20.2%*	*18.9%*	*17.7%*	*20.2%*	*18.9%*
Earnings per Share – Basic	*0.0830*	*0.1088*		*0.5367*	*0.7429*	
– Diluted	*0.0830*	*0.1088*		*0.5367*	*0.7429*	

[2] 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”.

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Abridged Consolidated Balance Sheet

	September 30 2018 USD (m)	September 30 2017 USD (m)	September 30 2018 RMB (m)	September 30 2017 RMB (m)
Assets				
Current assets:				
Cash at bank and on hand	933	655	6,416	4,347
Bills and accounts receivable	942	917	6,479	6,089
Inventories	1,296	1,117	8,918	7,413
Assets held for sale	-	54	-	360
Other current assets, receivables and prepaid expenses	347	399	2,384	2,649
Total current assets	**3,517**	**3,143**	**24,197**	**20,858**
Non-current assets:				
Fixed assets, net	1,052	1,072	7,237	7,118
Intangible assets, net	1,453	1,224	9,996	8,123
Deferred tax assets	98	101	673	671
Other non-current assets	76	76	525	502
Total non-current assets	**2,679**	**2,473**	**18,431**	**16,414**
Total assets	**6,197**	**5,616**	**42,628**	**37,272**
Liabilities				
Current liabilities:				
Loans and credit from banks and other lenders	129	202	887	1,342
Bills and accounts payable	610	548	4,195	3,635
Other current liabilities	798	800	5,492	5,309
Total current liabilities	**1,537**	**1,550**	**10,574**	**10,286**
Long-term liabilities:				
Long-term loans from banks and other lenders	44	71	305	469
Debentures	1,151	1,168	7,915	7,752
Deferred tax liabilities	63	35	431	235
Employee benefits	93	69	637	456
Other long-term liabilities	50	86	344	568
Total long-term liabilities	**1,400**	**1,428**	**9,631**	**9,480**
Total liabilities	**2,937**	**2,978**	**20,205**	**19,766**
Equity				
Total equity	3,260	2,638	22,423	17,505
Total equity	**3,260**	**2,638**	**22,423**	**17,505**
Total liabilities and equity	**6,197**	**5,616**	**42,628**	**37,272**

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Abridged Consolidated Cash Flow Statement for the Third Quarter

	Q3 2018 USD (m)	Q3 2017 USD (m)	Q3 2018 RMB (m)	Q3 2017 RMB (m)
Cash flow from operating activities:				
Cash flow from operating activities	99	41	675	272
Cash flow from operating activities	**99**	**41**	**675**	**272**
Investing activities:				
Additions to fixed and intangible assets	-42	-51	-288	-338
Proceeds from disposal of fixed and intangible assets	0	0	0	2
Other investing activities	-2	-4	-10	-24
Cash flow used for investing activities	**-44**	**-54**	**-298**	**-360**
Financing activities:				
Receipt of loans from banks and other lenders	12	11	85	76
Repayment of loans from banks and other lenders	-10	-8	-68	-51
Other financing activities	-33	-7	-218	-44
Cash flow from (used for) financing activities	**-30**	**-3**	**-201**	**-19**
Effects of exchange rate movement on cash and cash equivalents	**-9**	**0**	**174**	**-94**
Net change in cash and cash equivalents	**16**	**-16**	**350**	**-201**
Cash and cash equivalents at the beginning of the period	910	670	6,021	4,538
Cash and cash equivalents at the end of the period	**926**	**653**	**6,371**	**4,337**
Free Cash Flow	**52**	**-19**	**352**	**-128**

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Abridged Consolidated Cash Flow Statement for the First Nine Months

	9M 2018 USD (m)	9M 2017 USD (m)	9M 2018 RMB (m)	9M 2017 RMB (m)
Cash flow from operating activities:				
Cash flow from operating activities	221	369	1,455	2,522
Cash flow from operating activities	**221**	**369**	**1,455**	**2,522**
Investing activities:				
Additions to fixed and intangible assets	-463	-156	-2,966	-1,061
Proceeds from disposal of fixed and intangible assets	380	14	2,413	96
Other investing activities	-1	17	-10	118
Cash flow used for investing activities	**-85**	**-125**	**-563**	**-847**
Financing activities:				
Receipt of loans from banks and other lenders	12	27	85	181
Repayment of loans from banks and other lenders	-332	-99	-2,116	-676
Other financing activities	-81	-71	-526	-488
Cash flow from (used for) financing activities	**-401**	**-143**	**-2,557**	**-983**
Effects of exchange rate movement on cash and cash equivalents	**-13**	**0**	**-172**	**-189**
Net change in cash and cash equivalents	**-277**	**101**	**-1,493**	**503**
Cash and cash equivalents at the beginning of the period	1,204	553	7,864	3,834
Cash and cash equivalents at the end of the period	**926**	**653**	**6,371**	**4,337**
Free Cash Flow	**93**	**192**	**616**	**1,320**

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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 nine-month periods ended September 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 held for trading; 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 other equity investments; 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

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Analysis of Gaps between Adjusted Income Statement and Reported Income Statement in Financial Statements

Q3	Adjusted		Adjustments		Reported	
USD(m)	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017
Revenues	872	844	-	-	872	844
Gross profit	279	298	-	1	279	297
Operating expenses	192	190	-22	-13	214	203
Operating income (EBIT)	87	108	22	15	65	94
Income before taxes	57	75	22	15	35	60
Net income	46	55	20	13	26	42
EBITDA	140	161	-	6	140	155
Earnings per share	0.0188	0.0235	0.0080	0.0055	0.0108	0.0181

Q3	Adjusted		Adjustments		Reported	
RMB(m)	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017
Revenues	5,929	5,624	-	-	5,929	5,624
Gross profit	1,897	1,990	0	10	1,897	1,981
Operating expenses	1,307	1,267	-147	-88	1,454	1,355
Operating income (EBIT)	590	723	147	98	443	625
Income before taxes	387	498	147	98	240	400
Net income	313	368	134	85	180	283
EBITDA	949	1,078	-	41	949	1,037
Earnings per share	0.1281	0.1570	0.0547	0.0364	0.0734	0.1206

9M	Adjusted		Adjustments		Reported	
USD(m)	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017
Revenues	2,918	2,702	-	-	2,918	2,702
Gross profit	972	962	1	1	970	960
Operating expenses	612	571	260	-22	353	593
Operating income (EBIT)	359	391	-258	24	618	367
Income before taxes	263	296	-258	24	521	272
Net income	203	255	-195	21	398	234
EBITDA	518	546	-311	-6	829	553
Earnings per share	0.0830	0.1088	-0.0796	0.0089	0.1626	0.0999

9M	Adjusted		Adjustments		Reported	
RMB(m)	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017
Revenues	18,955	18,394	-	-	18,955	18,394
Gross profit	6,310	6,547	9	9	6,300	6,538
Operating expenses	3,984	3,882	1,642	-152	2,341	4,034
Operating income (EBIT)	2,326	2,665	-1,633	160	3,959	2,505
Income before taxes	1,697	2,019	-1,633	160	3,330	1,859
Net income	1,313	1,740	-1,229	140	2,542	1,600
EBITDA	3,360	3,724	-1,976	-44	5,336	3,768
Earnings per share	0.5367	0.7429	-0.5025	0.0599	1.0392	0.6830

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Income Statement Adjustments

	Q3 2018 USD (m)	Q3 2017 USD (m)	Q3 2018 RMB (m)	Q3 2017 RMB (m)
Net Income (as Reported)	**26.4**	**42.3**	**179.7**	**282.5**
Non-cash legacy amortization of 2011 PPA for acquisition of Solutions, net of tax	9.5	9.5	64.6	63.4
Non-cash Amortization of Transfer assets from Syngenta related to 2017 ChemChina acquisition of Syngenta	10.2	-	69.2	-
One-time capital gain from sale of EU and US registrations, related to 2017 ChemChina acquisition of Syngenta, net of taxes	-	-	-	-
Reinstatement of depreciation expenses due to classification of to-be-divested European registrations as "Held-for-Sale", related to 2017 ChemChina acquisition of Syngenta	-	-0.1	-	-0.6
Adjustment of 2017 LTI provision made in Q4 to accrual over the full year	-	-2.1	-	-13.9
Combination Transaction – one-time bonus for long-serving employees without option plan	-	5.5	-	36.4
Total adjustments	19.7	12.8	133.8	85.2
Net Income (as Adjusted)	**46.1**	**55.1**	**313.5**	**367.8**

	9M 2018 USD (m)	9M 2017 USD (m)	9M 2018 RMB (m)	9M 2017 RMB (m)
Net Income (as Reported)	**397.9**	**233.9**	**2,542.4**	**1,599.5**
Non-cash legacy amortization of 2011 PPA for acquisition of Solutions, net of tax	28.5	28.5	185.7	194.0
Non-cash Amortization of Transfer assets from Syngenta related to 2017 ChemChina acquisition of Syngenta	20.3	-	134.0	-
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	-1.5	-16.5	-10.2
Adjustment of 2017 LTI provision made in Q4 to accrual over the full year	-	-6.3	-	-42.6
Non-core asset disposal	2.3	-	14.8	-
Combination Transaction – one time taxes	1.5	-	9.4	-
Combination Transaction – one-time bonus for long-serving employees without option plan	-	5.8	-	38.5
Net expense related to conclusion of 1985 tax claim in Brazil	-	2.9	-	19.6
Total adjustments	-194.8	20.8	-1,229.3	140.2
Net Income (as Adjusted)	**203.2**	**254.7**	**1,313.2**	**1,739.7**

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

	September 30			Q3 Average			9M Average		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
EUR/USD	1.162	1.178	(1.3%)	1.163	1.175	(1.0%)	1.194	1.111	7.5%
USD/BRL	4.004	3.168	(26.4%)	3.958	3.164	(25.1%)	3.603	3.174	(13.5%)
USD/PLN	3.675	3.652	(0.6%)	3.704	3.624	(2.2%)	3.559	3.841	7.3%
USD/ZAR	14.182	13.496	(5.1%)	14.105	13.050	(8.1%)	12.891	13.159	2.0%
AUD/USD	0.721	0.782	(7.8%)	0.731	0.789	(7.4%)	0.758	0.766	(1.0%)
GBP/USD	1.306	1.342	(2.6%)	1.303	1.309	(0.4%)	1.351	1.274	6.0%
USD/ILS	3.627	3.529	(2.8%)	3.631	3.556	(2.1%)	3.553	3.626	2.0%
USD LIBOR 3M	2.40%	1.34%	79.1%	2.34%	1.31%	77.8%	2.19%	1.20%	82.9%

	September 30			Q3 Average			9M Average		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
USD/RMB	6.879	6.637	3.6%	6.797	6.668	1.9%	6.511	6.803	(4.3%)
EUR/RMB	7.996	7.818	2.3%	7.903	7.833	0.9%	7.776	7.558	2.9%
RMB/BRL	0.582	0.477	(21.9%)	0.582	0.475	(22.7%)	0.553	0.467	(18.6%)
RMB/PLN	0.534	0.550	2.9%	0.545	0.544	(0.2%)	0.547	0.565	3.2%
RMB/ZAR	2.062	2.033	(1.4%)	2.075	1.957	(6.0%)	1.980	1.934	(2.3%)
AUD/RMB	4.963	5.193	(4.4%)	4.971	5.264	(5.6%)	4.933	5.208	(5.3%)
GBP/RMB	8.987	8.906	0.9%	8.857	8.726	1.5%	8.795	8.670	1.4%
RMB/ILS	0.527	0.532	0.8%	0.534	0.533	(0.2%)	0.546	0.533	(2.4%)
RMB SHIBOR 3M	2.85%	4.36%	(34.6%)	3.11%	4.34%	(28.3%)	3.98%	4.30%	(7.5%)

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Hubei Sanonda Co., Ltd.

Independent Opinion of the Independent Directors on the Relevant Issue of the 8th Meeting of the 8th Session of the Board of Directors

In accordance with the *Company Law of the People's Republic of Chin*a, *Guidance on Establishing the Independent Director System in Listed Companies*, and other laws, regulations and normative documents, as well as the *Articles of Association* and *Independent Director System*, we, as the independent directors of Hubei Sanonda Co., Ltd.(hereinafter referred to as "Company"), give our independent opinion on the relevant matters from the standpoint of independent judgment:

Application of the designated raised funds by way of investment in the wholly owned subsidiaries of the Company will facilitate the implementation of the designated projects. It is in line with the business strategy and long-term development plan of the Company, and will not have adverse impact on the Company. The application of the designated raised funds and the deliberation process are in accordance with the *Normative Operation Guidance on Main Board Listed Companies of Shenzhen Stock Exchange (2015 revision),* the *Company's Management Policy on the Raised Funds.* Therefore, we agree with the Proposal on the Application of Designated Raised Funds by Way of Investment in Wholly Owned Subsidiaries of the Company which was approved by the meeting of the Board of Directors.

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(The signature page of Independent Opinion on the Relevant Issue of the 8th Meeting of the 8th Session of the Board of Directors)

Independent Director Signature:

_____	_____
Tang Yunwei	Xi Zhen

October 30, 2018

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