

Stock Code: 000553 (200553)

Stock abbreviation: Sanonda A (B)

Announcement No.: 2018-45

Hubei Sanonda Co. Ltd.
Q1-Q3 2018 Performance Estimation

The Company and all the directors confirm that the information disclosed is true, accurate, complete and with no false recording, misleading statement or material omission.

I. Performance Estimation

1. Estimation period: First nine months and third quarter of 2018
2. Estimated performance: Continuing growth

Item	Current reporting period January to September 2018	Same period last year January to September 2017 as previously reported
Net profit attributable to the shareholders of the listed company (RMB in millions)	Profit: 2,512.4 – 2,580.4	Profit: 1,599.5
Basic earnings per share (RMB)	Profit: 1.0269 – 1.0547	Profit: 0.6830

Item	Current reporting period July to September 2018	Same period last year July to September 2017 as previously reported
Net profit attributable to the shareholders of the listed company (RMB in millions)	Profit: 149.6 – 217.6	Profit: 282.5
Basic earnings per share (RMB)	Profit: 0.0611 – 0.0889	Profit: 0.1206

II. Pre-audit of the estimated performance

The estimated results of this period are the preliminary estimation of the Company and have not been audited nor reviewed by certified accountants.

III. Explanations for Performance Variation

The significant increase in estimated profits in the consolidated preliminary report in the first nine months of 2018 compared to the same period in 2017 is due to the following reasons:

1. The recognition of the one-time profit during the first quarter of 2018 on the divestiture of several crop protection products in Europe in connection with the approval by the EU Commission of the acquisition of Syngenta by ChemChina. The proceeds of this divestiture, net of taxes and transaction expenses, were paid to Syngenta in return for the transfer of a portfolio of products in Europe of similar nature and economic value.
2. The Company has achieved strong sales growth, notwithstanding an exceptionally severe drought in Europe in the third quarter, which started, as previously reported, towards the end of the second quarter, reducing highly profitable sales. The Company continued increasing selling prices to offset higher procurement costs and lower currencies.

IV. Other Remarks

1. Due to the reasons mentioned above, on a combined, adjusted basis, excluding mainly the impact of the one-time divestiture profit and related non-cash expenses, and excluding the first-half Europe hedge impact, the net income of the Company in the first nine months of 2018 is estimated to be only somewhat lower than last year's all-time high.
2. The estimated results above are only preliminary calculations performed by the finance team of the Company based on preliminary financial data available to the Company and have not been audited or reviewed by the Company's independent auditors. These estimations may change, inter alia, as a result of the processing and analysis of the financial data that the Company will perform for the preparation of its financial statements for the first nine months and third quarter of 2018. Please refer to the Report for the first nine months and third quarter of 2018 to be duly disclosed by the Company for specific and accurate financial information.
3. Media for Information Disclosure of the Company: China Securities Journal, Securities Times, Ta Kung Pao, and Cninfo (www.cninfo.com.cn). Investors are reminded to exercise caution when making investment decisions.

By order of the Board
Hubei Sanonda Co. Ltd.
October 15th, 2018