

Announcement on Government Subsidies of Wanhua Chemical Group Co., Ltd.

The Board of Directors and all the directors of the Company undertake that the information in this announcement contains no false records, misleading statements or material omissions, and they are jointly and severally liable for the veracity, accuracy, and integrity of the content hereof.

I. Basic information of the subsidy

From 1st January 2017 to the date of this announcement, Wanhua Chemical Group Co., Ltd and its holding subsidiaries have received a total amount of 1,164,208,613.92 yuan government subsidies, of which 393,653,000.00 yuan is asset-related and 770,555,613.92 yuan is profit-related. Following is the details of subsidies mentioned above:

Unit: yuan

Item	Amount	Asset/profit-related
Special fund for enterprise development	690,120,000.00	Profit-related
Industry upgrade subsidy	300,000,000.00	Asset-related
Industry support fund	50,000,000.00	Asset-related
Special fund for priority industry support	46,194,321.00	Profit-related
Special fund for manufacturing core competitiveness enhancement	42,830,000.00	Asset-related
Award for resource integrated utilization and energy saving	18,078,373.04	Profit-related
Special fund for industrial structure optimization	2,084,000.00	Profit-related
Others	14,901,919.88	Profit-related/asset-related
Total	1,164,208,613.92	/

II. Subsidy types and influence on listed companies

The Company confirmed the above-mentioned items and classified subsidy types based on Accounting Standard for Business Enterprises No. 16 - Government Grants. Detailed accounting treatments and influence on the 2017 annual profits of the Company are subject to accountants' affirmation after the annual audit. It is suggested that investors pay attention to investment risks.

It is hereby notified the above.

The Board of Directors of Wanhua Chemical Group Co., Ltd.

August 1, 2017