

Announcement of Wanhua Chemical Group's main business data for 2017 third quarter

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Wanhua Chemical Group Co., Ltd. (hereinafter referred to as "Company"), under the requirements of Shanghai Stock Exchange's Guidelines on Listed Companies' Disclosure of Industrial Information 18th – Chemical Engineering and Guidelines on Companies' third quarter Report of 2017, now discloses the major business data of the third quarter of 2017.

I. Production, Sales and Revenues of Major Products between Jan. and Sept.

| Major products | Production (ton) | Sales (ton) | Revenues (10 thousand yuan) |
|----------------------------------|------------------|--------------------------|-----------------------------|
| PU products | 1,373,256 | 1,382,001 | 2,242,526 |
| Petrochemicals | 1,347,196 | 2,531,853 (LPG included) | 1,075,870 |
| Fine chemicals and new materials | 181,296 | 172,726 | 302,099 |

Note: As required by the strategic plan of the Company and in consideration of the common characteristics of high added-value and customization, functional materials and specialty chemicals are merged into the system of fine chemicals and new materials.

II. Price changes of main products and feedstocks;

(I) Price changes of main products

1.MDI

During the Reporting Period, MDI market saw tight availability in general with high-priced products and a substantial price increase year on year. Listed prices for the Company's MDI from January to September are as follows.

Unit: yuan/ton

| Product | Year | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. |
|----------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Pure MDI | 2017 | 22,200 | 23,200 | 25,700 | 28,200 | 28,200 | 27,200 | 25,700 | 25,700 | 27,700 |

| | | | | | | | | | | |
|------------------------------------|------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| | 2016 | 16,600 | 16,600 | 17,600 | 18,600 | 19,200 | 19,400 | 19,400 | 19,400 | 17,700 |
| Polymeric MDI (for direct selling) | 2017 | 22,000 | 24,000 | 27,000 | 26,000 | 23,000 | 23,000 | 23,000 | 24,000 | 28,500 |
| | 2016 | 12,000 | 10,500 | 11,500 | 12,500 | 13,500 | 14,200 | 14,200 | 13,500 | 15,000 |
| Polymeric MDI (for distribution) | 2017 | 22,000 | 24,000 | 26,000 | 25,500 | 23,000 | 23,000 | 23,000 | 24,000 Note 1 | 28,500 Note 2 |
| | 2016 | 12,000 | 10,500 | 10,800 | 11,800 | 12,800 | 13,500 | 13,500 | 12,800 | 14,500 |

Note 1: In line with the Announcement of List Price Adjustment of Polymeric MDI of Wanhua Chemical Group Co., Ltd. in China in August released on Aug. 22, 2017 by Wanhua Chemical, the list price of polymeric MDI in the distribution market was changed to Rmb29,000/ton since Aug. 22, 2017.

Note 2: In line with the Announcement of List Price Adjustment of Polymeric MDI of Wanhua Chemical Group Co., Ltd. in China in September released on Sept. 12, 2017 by Wanhua, the list price of polymeric MDI in the distribution market was changed to Rmb35,000/ton since Sept. 12, 2017.

2. Petrochemicals

Influenced by crude oil's rising price, prices in the third quarter of 2017 for the Company's petrochemicals went up at different rates compared to last year figures. Propylene in Shandong was priced at Rmb7,580/ton on average, up 12% from the second quarter; average price for propylene oxide reached Rmb11,292/ton in East China, up 14.6% from the second quarter, increased by 12.7% year on year; prices for butanol in East China recorded at Rmb7,658/ton with an yearly increase of 41.1%; prices for propenoic acid in East China recorded at Rmb8,247/ton, up 10.6% from the second quarter, with an yearly increase of 36.3%; average price for butyl acrylate reached Rmb10,378/ton in East China, up 17.9% from the second quarter, increasing by 46.3% year on year; NPG reported the average prices for imported hydrogenation in East China to be Rmb15,586/ton, up 5.1% from the second quarter, increased by 63.4% year on year.

(II) Price changes of major feedstocks

1. Benzene

In the third quarter of 2017, prices for domestic benzene held steady, with the average of about Rmb 6, 200/ton. From July to August, the release of new production capacity of benzene in Shandong ensured the domestic supply with the price at around Rmb 6,100/ton; In September, the price increased to Rmb 6,300/ton as some upstream plants were disturbed by equipment faults.

2. Coal

Affected by the supply-side reform, continuous curbs on production, and inspections in coal mines, the supply of coals still remains tight with a rising price in the third quarter of 2017; meanwhile, the purchase price rose by nearly 30% year on year.

3. Propane and butane

The price of global natural gas bounced back after a short-time drop in July, and remained strong in August and September. In August, prices for CP's propane were \$420/ton, increased by 21.7% while prices for butane up 26% to \$460/ton. In September, prices for CP's propane were \$480/ton, increased by 14.3% while prices for butane up 8.7% to \$500/ton.

III. No other events which had a significant impact on the Company's production and operation happened in the Reporting Period.

All the business data above are unaudited and should be used carefully with the attention to investment risk. Report is hereby given.

Wanhua Chemical Group Co., Ltd.

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