Announcement of the Resolutions of the 2nd Interim Session for the 7th Board Meeting of Wanhua Chemical Group Co., Ltd. in 2017

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. Presentation of Board Meeting

(1) The board meeting was convened in accordance with following the relevant laws, administrative regulations, departmental rules, normative documents and articles of association.

(2) The notice of this board meeting was sent by email on July 28, 2017, and the materials were distributed on site.

(3) The board meeting was held on July 31, 2017 by means of communication voting.

(4) The meeting shall be attended by 11 directors, and the actual number of directors present at the meeting is 11

(5) The meeting was hosted by Mr. Liao Zengtai, the chairman of the Company; also, the Company supervisor attended this meeting.

II. Consideration of the Board Meeting

(1) 2017 Semi-annual Report of Wanhua Chemical Group Co., Ltd. has been deliberated and approved by the board, with 11 votes in favor, 0 vote against it and 0 vote abstention;

(2) The Proposal on Transfer of Assets to Wanhua Petrochemical (Yantai) Co., Ltd., the Wholly-owned Subsidiary and Increase Capital, has been deliberated and approved by the board, with 11 votes in favor, 0 vote against it and 0 vote abstention;

For details, see the Company's Lin 2017-No. 55 Announcement.

(3) The Proposal on Preliminary Work of Ethylene Project to the Board of Directors for Approval, has been deliberated and approved by the board, with 11 votes in favor, 0 vote against it and 0 vote abstention;

To make full use of existing utilities in the park, and take advantage of the storage
and transportation of LPG underground caverns, the Company plans to invest in ethylene project by building polyurethane industry chain integration, in order to realize longitudinal extension and transverse coupling of polyurethane and petrochemical industry chain, by developing Yantai park into an integrated new materials manufacturing base with the most reasonable industrial chain and top level production technology, the construction content and scale for this project: supporting auxiliary facilities and utility facilities for production of 1,000,000 tons of ethylene per year, 400,000 tons of polyvinyl chloride (PVC) per year, 150,000 tons of epoxy ethane per year, 450,000 tons of polyethylene (LLDPE) per year, 350,000/650,000 tons of epoxy propane/styrene (PO/SM) per year, and 50,000 tons of butadiene per year.

To ensure smooth implementation of this project, the proposal, based on the reasons above, had been submitted to the board of directors for approval by which the Company's management may carry out the preliminary works of the project, such as planning and site selection, feasibility study, energy assessment, safety assessment, EIA, pre-examination on use of land, project establishment and so on, and also accelerate advancing the government approval procedures before the project starts, upon getting the approval from relevant government departments, the Company will submit the details of this project to the meeting of shareholders for review and discussion.

(4) Report of Storage and Actual Usage of Raised funds of Wanhua Chemical Group Co., Ltd. in the First Half of 2017 has been reviewed and approved, with 11 votes in favor, 0 vote against it and 0 vote abstention;

For details, see the Company's Lin 2017-No. 56 Announcement.

(5) The Proposal on Increasing the Amount of Daily Associated Transactions with Related Party BorsodChem Zrt., has been deliberated and approved, with 6 votes in favor, 0 vote against it and 0 vote abstention; The associated directors of this proposal avoided to vote, including Mr. Liao Zengtai, Mr. Li Jiankui, Mr. Ding jiansheng, Mr. Kou Guangwu and Mr. Guo Xingtian.

For details, see the Company's Lin 2017-No. 58 Announcement.

III. Documents Available for Inspection

Resolutions of the 2nd Interim Meeting for the 7th Board of Directors of Wanhua Chemical Group Co., Ltd. in 2017
It is hereby notified the above.

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

August 1, 2017