Hubei Sanonda Co. Ltd.

Announcement for Implementation of Issuing Shares to Purchase Assets and Raise Matching Funds and Related Transactions and Listing of Newly-issued Shares

Independent Financial Consultant

(Joint Principal Underwriter)

国泰君安证券股份有限公司
GUOTAI JUNAN SECURITIES CO., LTD.

Domicile: No. 618 Shangcheng Road, Pilot Free Trade Zone

Shanghai, China

Joint Principal Underwriter

Goldman Sachs 高盛 高华

January, 2018

Statement of the Company

1. The Company and all members of the Board of Directors ensure the truthfulness, accuracy and completeness of the contents of this report, and that it does not contain false statements, misleading statements or material omissions, and undertake several and joint legal liabilities arising therefrom.

2. The person in charge of the Company and the person in charge of accounting work in the Company and the head of accounting agency ensure that the financial accounting information in this report are true and complete.

3 After the completion of this transaction, the Company shall be responsible for the change of the Company's operation and income; the investor shall be sufficiently mindful of and responsible for the investment risks caused by this transaction.

4 Any decisions or opinions made by the China Securities Regulatory Commission and other government agencies for this issuance of shares to purchase assets and raise matching funds and related transactions do not show their substantive judgments or guarantees for the Company's stock value or the return of investors. Any statements contrary to it are misrepresentations.

5 All shareholders and other public investors shall carefully read all information disclosure documents about this transaction, so as to make prudent investment decisions. The Company will timely disclose relevant information according to the progress of this transaction, and shareholders and other investors shall pay attention to them.

6 The Company reminds investors to note that: the purpose of this report is only to provide the public with information about the implementation of this transaction. If investors wish to know more information, please carefully read the full text of *Report of Hubei Sanonda Co. Ltd. about Issuing Shares to Purchase Assets and Raise Matching Funds and Related Transactions* and other related documents. Such documents have been published in the www.cninfo.com.cn.

Special Notes

I. Quantity and price of newly issued shares

The shares are issued for matching fund-raising as part of the major asset restructuring of the listed company.

Matching funds are raised from specific investors, through the issuance of 104,697,982 ordinary shares at the issuing price per share of RMB 14.9 Yuan.

II. Registration of newly-issued shares

According to the relevant regulations of *Business Guideline for Registration of Non-public Offering of New Shares by Listed Company of Shenzhen Branch of China Securities Registration and Clearing Co., Ltd. (Version 2017)*, Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. accepted and completed the relevant registration application of this non-public offering of shares and issued the *Confirmation for Acceptance of Share Registration Application* on January 4, 2018.

III. Listing arrangement of newly-issued shares

The stock listing of newly-issued shares in this issuance of shares to purchase assets and non-public offering to raise matching funds by the listed company has been approved by the Shenzhen Stock Exchange. The listing date of newly-issued shares in this non-public offering to raise matching funds is January 17, 2018.

According to the relevant business rules of the Shenzhen Stock Exchange, the Company's stock price is not performed with ex-right on the first day of listing, and fluctuation of the stock price will be set with limits.

IV. Lock-up of newly-issued shares

The shares issued by the listed company in this non-public offering of stocks to raise matching funds shall not be transferred in any way within 12 months from the

date of issuance and listing of newly-issued shares.

After this issuance is completed, additional shares of the company due to script dividend and addition in share capital of the listed company shall also be locked in accordance with the aforesaid arrangements.

After the expiry of the lock-up period, the transfer of Sanonda's shares subscribed by trading parties in this issuance shall be handled according to the relevant effective laws, regulations and codes and the rules of Shenzhen Stock Exchange.

V. Capital verification

On December 27, 2017, Deloitte Touche Tohmatsu (Limited Liability Partnership) performed capital verification for this non-public offering to raise matching funds by listed company, and issued the Capital Verification Report ((De Shi Bao (Yan) Zi (17) No. 00540). According to this capital verification report, Sanonda increased the registered capital by RMB 104,697,982.00 Yuan as of Decemeber 27, 2017, with the new registered capital of Sanonda after the completion of this issuance being RMB 2,446,553,582.00 Yuan.

Statement of All Directors of Listed Company

All members of the Company and the board of directors guarantee that the contents of the *Announcement of Hubei Sanonda Co. Ltd. for Implementation of Issuing Shares to Purchase Assets and Raise Matching Funds and Related Transactions and Listing of Newly-issued Shares* are true, accurate and complete without false statements, misleading statements or material omissions, and undertake several and joint legal liabilities arising therefrom.

Signature of all directors:

REN Jianxin	YANG Xingqiang	Chen Litchtenstein
AN Liru	Tang Yunwei	Xi Zhen

Hubei Sanonda Co. Ltd.

January 16, 2018

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Interpretation

Announcement, this announcement	Refer to	Announcement of Sanonda for Implementation of Issuing Shares to Purchase Assets and Raise Matching Funds and Related Transactions and Listing of Newly-issued Shares
Newly-issued shares	Refer to	Shares issued from matching fund-raising in this major asset restructuring
Sanonda, Hubei Sanonda Co. Ltd., listed company, company, and the Company	Refer to	Hubei Sanonda Co. Ltd., stock code: 000553、200553
Counterparty of issuing shares to purchase shares	Refer to	China National Agrochemical Co., Ltd. (former China National Agrochemical Corporation)
ChemChina	Refer to	China Chemical Industry Group Co., Ltd. (former China National Chemical Corporation)
China National Agrochemical Corporation	Refer to	China National Agrochemical Co., Ltd. (former China National Agrochemical Corporation)
Sanonda Holding	Refer to	Jingzhou Sanonda Holding Co. Ltd.
China Chemical (Singapore) Co., Ltd.	Refer to	CNAC INTERNATIONAL PTE. LTD.
China Chemical (Hong Kong) Co., Ltd.	Refer to	CNAC INTERNATIONAL COMPANY LIMITED
ADAMA, target company	Refer to	ADAMA Agricultural Solutions Ltd.
Celsius	Refer to	ADAMA Celsius B.V., a wholly-owned subsidiary indirectly held by ADAMA
Purchased assets, transaction targets, underlying assets	Refer to	100% shares of ADAMA Agricultural Solutions Ltd.
This transaction, this major asset restructuring transaction	Refer to	The listed company issues shares to China National Agrochemical Corporation to purchase its held 100% equity of ADAMA and raise matching funds and related transactions
Agreement on Issuing Shares to Purchase Assets	Refer to	*Agreement on Issuing Shares to Purchase Assets* signed by Sanonda and counterparty
Supplementary Agreement for Agreement on Issuing Shares to Purchase Assets	Refer to	*Supplementary Agreement for Agreement on Issuing Shares to Purchase Assets* signed by Sanonda and counterparty

Performance compensation Agreement	Refer to	*Performance compensation Agreement* signed by Sanonda and counterparty
Supplementary Agreement for Performance Compensation Agreement	Refer to	*Supplementary Agreement for Performance Compensation Agreement* signed by Sanonda and counterparty
Base date of appraisal	Refer to	30.06.16
Base date of delivery audit	Refer to	According to the regulations in *Agreement on Issuing Shares to Purchase Assets*, the base date of delivery audit for underlying assets at the time of delivering this transaction shall be discussed separately by trading parties after this transaction is approved by China Securities Regulatory Commission.
CSRC	Refer to	China Securities Regulatory Commission
SASAC	Refer to	State-owned Assets Supervision and Administration Commission of the State Council (SASAC)
Shenzhen Stock Exchange, Exchange	Refer to	Shenzhen Stock Exchange
Shenzhen Branch of CSRCC	Refer to	Shenzhen Branch of China Securities Registration and Clearing Co., Ltd.
Guotai Jun'an, independent financial adviser	Refer to	Guotai Jun'an Securities Co., Ltd.
Gaosheng Gaohua	Refer to	Goldman Sachs Gao Hua Securities Co. Ltd.
Joint Principal underwriter	Refer to	Guotai Jun'an Securities Co., Ltd. Goldman Sachs Gao Hua Securities Co. Ltd.
Global lawyer, legal adviser	Refer to	Global Law Office
KPMG, audit agency	Refer to	KPMG Huazhen Certified Public Accountants (LLP)
China United Assets Appraisal Group, appraisal agency	Refer to	China United Assets Appraisal Group Co., Ltd.
Deloitte Touche Tohmatsu, capital verification agency	Refer to	Deloitte Touche Tohmatsu (LLP)
Company Law	Refer to	Company Law of the People's Republic of China
Securities Law	Refer to	Securities Law of the People's Republic of China

Restructuring Method	Refer to	*Measures for Administration of Major Asset Restructuring by Listed Companies* (Revised on September 8, 2016)
Measures for Administration of Issuance	Refer to	Administrative Measures on Securities Issuance by Listed Companies
Implementation Rules for Non-public Offering	Refer to	Implementing Rules for Non-public Offering of Stocks by Listed Companies
Listing Rules	Refer to	Stock Listing Rules of Shenzhen Stock Exchange (Revised in 2014)
Yuan, ten thousand Yuan, billion Yuan	Refer to	In case of no special explanations, it is RMB/Yuan, RMB/ten thousand Yuan, RMB/billion Yuan

Section I Basic Information of the Company

Name of the Company:	Hubei Sanonda Co. Ltd.
English name of the Company:	HUBEI SANONDA CO., LTD.
Stock abbreviation:	Sanonda A, Sanonda B
Stock code:	000553、200553
Registered address of the Company:	No. 93, East Beijing Road, Jingzhou, Hubei Province
Registered capital:	593,923,220 Yuan[1]
Registered date:	27.03.1998
Unified social credit code:	91420000706962287Q
Legal Representative:	Chen Lichtenstein
Business scope:	Manufacture and sales of pesticide and chemical products, and import & export of pesticide, chemical products and intermediates, chemical mechanical equipment and spare parts; manufacture and sales of chemical mechanical equipment; manufacture and installation of steel structures; installation of chemical engineering, goods handling and warehousing services (excluding hazardous chemicals). (Licensing business items shall be operated after obtaining licenses from competent authorities)

[1] The 1,810,883,039 A-shares issued by Sanonda to purchase 100% equity of ADAMA from China National Agrochemical Corporation have been registered and listed, and Deloitte Touche Tohmatsu (Limited Liability Partnership) issued *Capital Verification Report* (D. S. B. (YAN) Zi (17) No. 00306) for the change of registered capital involved in the capital increase on July 6, 2017; Sanonda entered into the *Supplementary Agreement* with Celsius on October 24, 2017 to repurchase and cancel 62,950,659 B-shares held by Celsius, and Deloitte Touche Tohmatsu (Limited Liability Partnership) issued *Capital Verification Report* (D. S. B. (YAN) Zi (17) No. 00388) for the change of registered capital involved in the targeted repurchase and cancellation of B-shares on November 10, 2017. On November23, 2017, 62,950,659 shares held by Celsius were transferred to the appointed securities account for repurchase of listed companies and completed cancellation procedures on November] 24, 2017.

Section II Overview of The MAR Transaction Scheme

I. Issuing shares to purchase assets

Sanonda issues shares to China National Agrochemical Corporation to purchase its held 100% equity of ADAMA. After this transaction is finished, 100% shares of ADAMA are transferred to Sanonda, and ADAMA becomes a whole-owned subsidiary of Sanonda.

II. Targeted repurchase of B-shares

Before this transaction, Celsius, the subsidiary for which ADAMA holds 100% shares indirectly, holds 62,950,659 Sanonda B-shares, with the shareholding ratio of 10.60%. In order to avoid cross-shareholding of the listed company and the subsidiary after this transaction, the Company repurchases from Celsius all its held Sanonda B-shares and makes a cancellation after the asset delivery of this transaction is completed.

III. Issuing shares to raise matching funds

In order to improve the integration effect after the completion of this transaction, the listed company issues shares to specific investors to raise matching funds.

The matching funds raised are proposed to be used for construction of projects, , development and registration of pesticide products related to the main business of ADAMA and intermediary fees and taxes and dues related to the restructuring transaction. The gap between actual raised amount and proposed cap on raised amount is to be filled by self-raised funds of the Company.

The targeted repurchase of B-shares is premised on the successful implementation of this issuance of shares to purchase asset; the raising of matching funds is premised on the successful implementation of issuing shares to purchase asset, but this issuance of shares to purchase asset is not premised on the successful

implementation of raising matching funds and finally the success or failure of raising matching funds doesn't affect the implementation of this issuance of shares to purchase asset.

Section III Issuance of Newly-issued Shares

In this transaction, the listed company, in the form of issuing shares to purchase asset, purchases 100% shares of ADAMA and raises matching funds.

The newly-issued shares involved in this announcement are issued for matching fund-raising in this major asset restructuring of the listed company, specifically as follows:

I. Type and par value of issuing shares

Shares issued are domestically listed RMB ordinary shares (A shares), with the par value per share of RMB 1.00 Yuan.

II. Issuing object and issuing method

The listed company plans to issue shares to altogether six (6) objects which are China Cinda Asset Management Co., Ltd., CCB Principal Asset Management Co. Ltd., Aegon-industrial Fund Management Co., Ltd., Penghua Fund Management Co., Ltd., China Structural Reform Fund Co., Ltd. and Caitong Fund Management Co., Ltd. to raise matching funds, and this issuance of shares to raise matching funds is made in the form of non-public offering of shares.

III. Issuing price

In this transaction, the issuance of shares to raise funds is made by way of inquiries. According to the *Measures for Administration of Issuance* and the *Implementation Rules for Non-public Offering*, the pricing base date is the first day of the issuance period for the non-public offering of stocks (December5, 2017) and the issuing price is no less than 90% of the average share price of the listed company in 20 trading days before the pricing base date, i.e. 14.9Yuan/share.

According to the subscription quotation of investors and the pricing principles specified in the *Subscription Invitation*, the final price of this issuance is determined as RMB14.9 Yuan/share, same with the floor price for issuance, reduced by 6.17 %

compared with the closing price (RMB15.88Yuan/share) of corporate stock on December 6 , 2017 (T-1), and reduced by 10.13% compared with the average price (RMB 16.58Yuan/share) in 20 trading days before December 7, 2017 (Day T).

IV. Issuing quantity

Number of shares issued to raise matching funds shall be no more than 118,784,644 shares with total amount of raised matching funds not exceeding RMB 1,982,910,000 Yuan. Number of shares issued to raise matching funds is no more than 20% of total shares of the listed company before restructuring, and the scale of raised matching funds is no more than 100% of transaction price of the property proposed to purchase.

The final issuing quantity for this issuance of shares to raise matching funds is, the lower one of (1) preliminary allocated shares obtained by way of inquiries, not taking into account the situation where the cap of this issuance does not exceed limitation and (2) the cap of shares planned to issue, i.e. 118,784,644 shares.

The final issuing scale of issuing shares to raise matching funds is the lower one of, the final issuing quantity of this issuance of shares to raise matching funds multiplied by issuing price, and the cap of this issuance of shares to raise matching funds, i.e. RMB 1,982,910,000 Yuan.

According to the issuing scheme and subscription bookkeeping, the issuing price finally determined by the Company through consultation with the Joint Principal Underwriter is 14.90Yuan/share, with the issuing quantity of 104,697,982shares and the total raised funds of RMB 1,559,999,931.80 Yuan.

V. Listing place

The non-publicly issued shares shall be traded on the Shenzhen Stock Exchange.

VI. Lock-up period of newly-issued shares in the issuance of shares to raise matching funds

The shares issued in this non-public offering of stocks to raise matching funds shall not be transferred in any way within 12 months from the date of issuance and listing of newly-issued shares.

After this issuance is finished, additional shares of the company due to script dividend and addition in share capital of listed company shall also be locked in accordance with the aforesaid arrangements.

After the expiry of lock-up period, the transfer of Sanonda's shares subscribed by trading parties in this issuance shall be handled according to the relevant effective laws, regulations and codes and the rules of Shenzhen Stock Exchange.

VII. Amount and issuing expenses of raised matching funds

The total amount of funds raised from this non-public offering of stocks is RMB 1,559,999,931.80 Yuan. After deducting the issuing expenses of totally RMB 28,079,998.78Yuan, the amount of funds raised from this non-public offering of stocks is RMB 1,531,919,933.02 Yuan.

VIII. Subscription of raised matching funds in this issuance of shares

1. First Round Subscription quotation

On December4, 2017, Sanonda has totally issued *Subscription Invitations for Non-public Offering of Stocks for Implementation of Issuing Shares to Purchase Assets and Raise Matching Funds and Related Transactions of Hubei Sanonda Co.,* Ltd. (refer to as *Subscription Invitations* hereunder) and its attachment *Subscription Quotation Letter for Non-public Offering of Stocks of Hubei Sanonda Co., Ltd.* (refer to as *Quotation Letter* hereunder) to 200 Specific Objects for this non-public offering of stocks. Above-mentioned Specific Objects include: 29 from issuer's first top 32

shareholders (3 related parties being removed), 39 fund management companies, 10 securities companies, 17 insurance institutions, 3 trust companies, 5 natural persons and 7 other institutions.

The planned issuing scope of Above-mentioned *Subscription Invitations* is in compliance with relative rules of *Detailed Rules for the Implementation of Non-public Issuance of Shares of a Listed Company*, i.e.:

1) The first top 32 shareholders (3 related parties being removed) registered in Shenzhen Branch of *China Securities Registration and Clearing Co.,* after closing of stock market on November15, 2017.
2) No less than 20 securities and funds management companies;
3) No less than 10 securities companies;
4) No less than 5 insurance institutions investors;
5) Investors who have submitted *Offer of Intent after this Announcement of Board Directors Resolutions;*
6) Other Investors.

At 9:00-12:00 on Dec 7, 2017, the Joint Principal Underwriter received a total of 3subscription quotations within the time limit specified in the *Subscription Invitation*. The subscription deposits of CCB Principle Asset Management Co. Ltd. and Aegon-industrial Fund Co., Ltd. were received before 12:00 on that very day. All quotations that conform to the requirements of subscription invitation are valid quotations.

The specific subscription quotation of investors is as follows:

S.N.	Full name of subscription object	Type of subscription object	Subscription price (Yuan)	Subscription amount (Yuan)	Valid or not
1	China Cinda Asset Management Co., Ltd.	Other Institution	15.65	250,000,000.00	Valid
			14.91	500,000,000.00	
2	CCB Principle Asset Management Co. Ltd.	Fund Company	14.90	192,000,000.00	Valid
3	Aegon-industrial Fund Co. Ltd.	Fund Company	14.90	180,000,000.00	Valid

2. Allocated results of First Round of Investors

According to the investor subscription quotation and the pricing principle set forth in the *Subscription Invitation*, the final price of this offering is determined to be 14.90 yuan/share. The first round of non-public offering of 58,523,488 shares, a total amount of 871,999,971.20 yuan raised funds, does not exceed the issuer's shareholders meeting resolution and the share capital limit of 118,784,644 shares and the capital ceiling of 1,982,910,000 yuan issued by the China Securities Regulatory Commission [2017] No. 1096, and not more than 1,982,910,000 yuan the total investment fund raised.

The final purchasers of the first round identified as three, are the subjects of the invitation to send the subscription documents, and there is no invitation to the list of new investors. Specific placement results are as follows:

S.N.	Issuing Object	Type of issuing object	Number of shares for placement (share)	Placing amount (Yuan)	Ratio of the first round of issuance to the total amount (%)	Lock-up period (month)
1	China Cinda Asset Management Co., Ltd.	Other Institution	33,557,046	499,999,985.40	57.34	12
2	CCB Principle Asset Management Co. Ltd.	Fund Company	12,885,906	191,999,999.40	22.02	12
3	Aegon-industrial Fund Co. Ltd.	Fund Company	12,080,536	179,999,986.40	20.64	12
Total			**58,523,488**	**871,999,971.20**	**100**	**12**

3. Additional subscription process and the final allocation

As of 12:00, December 7, 2017, the number of the first round placing 58,523,488 shares, the first round of funds raised 871,999,971.20 yuan, has not yet reached the total funds raised. According to the resolution of Sanonda shareholders' general meeting and the upper limit (118,784,644 shares and 1,982,910 yuan) as set forth in the document of License No. [2017] 1096 issued by China Securities Regulatory Commission, this non-public issuance shall not exceed 118,784,644

shares, corresponding to the actual cash raising cap of 1,769,891,195.60 yuan , And the balance between it and the first round of subscription raised is 897,891,224.40 yuan. After the negotiation of Sanonda and the co-lead underwriters, they decided to start the additional subscription procedures.

After the first round of quotation, the co-lead underwriter and the issuer decided to start the additional subscription procedures. On December 8, 2017, the co-lead underwriter issued the *Invitation Letter for Subscription of Non-Public Share Offer (Additional Subscription) of Hubei Sanonda Co., Ltd.* (hereinafter referred to as the *Subscription Invitation Letter (Additional Subscription)*), the additional subscription time is 9: 00-17: 00 on any day of the trading days prior to December 19, 2017, and 9: 00-12: 00 on December 20, 2017.

As of December 20, 2017, at 12:00, Bookkeeping Center of Guotai Junan Securities received valid additional subscriptions from Penghua Fund Management Co., Ltd., China Structural Reform Fund Co. Ltd. and Caitong Fund Management Co., Ltd. Penghua Fund Management Co., Ltd. and the Treasury Fund Management Co., Ltd. Penghua Fund Management Co., Ltd. and Caitong Fund Management Co., Ltd. had no need to pay the deposit. And China Structural Reform Fund Co. Ltd. should pay full subscription deposits within a specified period of time. The purchase price of the above three investors conform to the effective purchase requirements.

Specifications of the subscription are as follows:

S.N	Issuing Object	Type of issuing object	Number of shares for additional subscriptions (share)	Additional subscription amount (Yuan)	First round allocated investors or not	Valid or not
1	Penghua Fund Management Co., Ltd.	Fund Company	7,382,550	109,999,995.00	Not	Valid
2	China Structural Reform Fund Co. Ltd.	Other institution	33,557,046	499,999,985.40	Not	Valid
3	Caitong Fund	Fund	5,234,898	77,999,980.20	Not	Valid

	Management Co., Ltd.	Company				
Total			**46,174,494**	**687,999,960.60**	**-**	**-**

The three investors involved in the additional subscription are new investors. According to the placing principles in the additional subscription invitation documents, combined with the first round of the allocation results, there were 6 final placement objects of the offering. The placing result is as follows:

S.N.	**Issuing Object**	**Type of issuing object**	**Number of shares for placement (share)**	**Placing amount (Yuan)**	**Ratio of the first round of issuance to the total amount (%)**	**Lock-up period (month)**
1	China Cinda Asset Management Co., Ltd.	Other institution	33,557,046	499,999,985.40	32.05	12
2	CCB Principle Asset Management Co., Ltd.	Fund company	12,885,906	191,999,999.40	12.31	12
3	Aegon-industrial Fund Co., Ltd.	Fund company	12,080,536	179,999,986.40	11.54	12
4	Penghua Fund Management Co., Ltd.	Fund company	7,382,550	109,999,995.00	7.05	12
5	China Structural Reform Fund Co., Ltd.	Other institution	33,557,046	499,999,985.40	32.05	12
6	Caitong Fund Management Co., Ltd.	Fund company	5,234,898	77,999,980.20	5.00	12
Total			**104,697,982**	**1,559,999,931.80**	**100**	**-**

Among the six investors shortlisted, 37,583,890 shares were allotted to the fund companies with an amount of 559,999,961.00 yuan, accounting for 35.90% of the total amount of shares issued; 67,114,092 shares were allotted to other institutions with an allotment of 999,999,970.80 yuan, accounting for 64.10% of the total amount of shares issued.

4. Description of the appropriateness of the subscribers

According to the requirements of the CSRC *Appropriateness Management Measures for Securities and Futures Investors* and the *Guideline for the*

Implementation of Investors' Appropriateness Management of Securities Institutions (Trial Implementation) issued by Securities Association of China, the lead underwriter shall take the appropriateness management of the investors. According to the criteria for investor classification as stipulated in the *Subscription Invitation Letter*, the investors are divided into professional investors and ordinary investors. Among them, the professional investors are divided into five categories, including professional institutional investors (category A), legal persons or institutional investors (Category B), Natural Individual Investors (Category C), certified corporate or institutional investor (category D) and certified natural individual investors (Category E). According to their risk tolerance level, the ordinary investors are divided into five categories, including C1 (conservative), C2 (cautious), C3 (stable), C4 (positive), and C5 (aggressive).

The risk level of Sanonda non-public offering was defined as R3 (medium risk). Professional investors and ordinary investors in C3 (stable) level and above can participate in this offering.

The offering objects of Sanonda have submitted corresponding verification materials, which conform to the verification requirements of the joint lead underwriters. The verification of joint lead underwriters for the eligibility of the investors awarded with placement in this offering is concluded as follows:

S.N.	**Name of Awarded Investors**	**Investor Classification**	**Whether Product Risk Level Matches Risk Tolerance**
1	China Cinda Asset Management Co., Ltd.	Natural Institution Professional Investors (Class A)	Yes
2	CCB Principle Asset Management Co., Ltd.	Natural Institution Professional Investors (Class A)	Yes
3	Aegon-industrial Fund Co., Ltd.	Natural Institution Professional Investors (Class A)	Yes
4	Penghua Fund Management Co., Ltd	Natural Institution Professional Investors (Class A)	Yes
5	China Structural Reform Fund Co., Ltd.	Natural Institution Professional Investors (Class A)	Yes
6	Caitong Fund Management Co., Ltd	Natural Institution Professional Investors	Yes

		(Class A)	

Through verification, all six investors comply with the regulations on *Guidelines on Implementation of Eligibility Management of Securities Futures Investors, Guidelines on Eligibility Management of Investors in Securities Trading Institutions (Trial),* etc.

5. Payment Notification Issuance, Payment and Capital Verification

On December 21, 2017, the joint lead underwriter issued *Payment Notification Letter* to China Cinda Asset Management Co., Ltd., CCB Principle Asset Management Co., Ltd., Aegon-industrial Fund Co., Ltd., Penghua Fund Management Co., Ltd, China Structural Reform Fund Co., Ltd. and Caitong Fund Management Co., Ltd, to inform the investors to transfer all subscription amount with deduction of subscription deposit to the receipt account designated by Guotai Jun'an.

As of December 25, 2017, China Cinda Asset Management Co., Ltd., CCB Principle Asset Management Co., Ltd., Aegon-industrial Fund Co., Ltd., Penghua Fund Management Co., Ltd, China Structural Reform Fund Co., Ltd. have paid full subscription amount to the special account opened for this offering by Guotai Jun'an.

On December 27, 2017, Deloitte Touche Tohmatsu has issued *Capital Verification Report* (De Shi Bao (Yan) Zi (17) No. 00539), based on which, as ofDecember 25, 2017, the special account opened in Xuhui Branch of Shanghai Bank for subscription capital designated by Guotai JunAn (account number 31685803001870172) has received a total of 1,559,999,931.80 Yuan as the subscription capital paid by special investors participating in the non-public share subscription.

On December 27, 2017, Deloitte Touche Tohmatsu has issued *Capital Verification Report* (De Shi Bao (Yan) Zi (17) No. 00540), based on which, as of December 27, 2017, the Company has received the newly added registered capital 104,697,982.00 Yuan paid by special investors. According to the relevant rules, after the deduction of the underwriting fee 28,079,998.78 Yuan from the subscription capital 1,559,999,931.80 Yuan, the Company actually has received 1,531,919,933.02

Yuan, among which 104,697,982.00 Yuan will be included in the registered capital, and after the deduction of the relevant issuing fees and tax, the rest amount will be included in the capital reserve.

There were six offering objects awarded with placement in the non-public offering with a total offering of 104,697,982 shares and a total amount of 1,559,999,931.80 Yuan.

A total of six offering objects finally received the placement in the non-public offering, all of which were the object of the subscription invitation documents. There were no new investors in the invitation list. The total amount of the non-public offering was 104,697,982 shares, and the total amount of funds raised was 1,559,999,931.80 Yuan, which did not exceed the upper limit specified in the shareholders' general meeting of the issuer as well as SFC Permission [2017] Circular No. 1096 of CSRC.

The company will set up the special account management for funds raised to use for their intended purposes on the basis of relevant provisions of *Administrative Measures for Issuance of Securities in Listed Companies, Shenzhen Stock Exchange Main Board Listed Company Standard Operation Guide (Revised in 2015)* and its *Fund-raising Management Methods*.

6. Basic information of issuing object

(1) China Cinda Asset Management Co., Ltd.

① General information

Name: China Cinda Asset Management Co., Ltd.

Type: Limited Company (Listed, State-controlled)

Domicile: Building 1, Yard 9, Naoshikou Avenue, Xicheng District, Beijing

Legal Representative: Hou Jianhang

Registered Capital: 36,256,690,035 Yuan

Date of Establishment: Apr. 19, 1999

Term of Business: From Apr. 19, 1999 to permanent

Business scope: (1) acquire and be entrusted with non-performing assets of financial institutions and non-financial institutions and manage, invest and dispose of non-performing assets; (2) make debt-for-equity swap, manage, invest and dispose of the equity assets; (3) bankruptcy management; (4) outward investment; (5) buying and selling securities; (6) issue financial bonds, inter-bank lending and commercial financing to other financial institutions; (7) approved assets securitization business, financial institutions agent and shutdown liquidation business; (8) financial, investment, legal and risk management consulting and consultants; (9) assets and project evaluation; (10) other businesses approved by the state council banking regulatory body. (the enterprise independently chooses to operate the project and to conduct business activities according to law; as to projects subject to approval according to law, business activities shall be carried out in accordance with the approved contents of the relevant departments; the enterprise is not allowed to engage in the business activities of the prohibited and restricted items in the industrial policy of the city.)

Subscription quantity: 33,557,046 shares

Limited sales period: 12 months

② Related party of the Company and related transactions

As of the signing date of this report, China Xinda Asset Management Co., Ltd and the Company are not related parties.

③ Major transactions between the issuing object and its related parties and the Company in recent one year

In recent one year, there is no transaction between China Xinda Asset Management Co., Ltd and its related parties and the Company.

④ Arrangement for future transactions between the issuing object and its related parties and the Company

As of the signing date of this report, there is no arrangement for future transactions between China Xinda Asset Management Co., Ltd and its related parties and the Company.

⑤ Information of Funding

China Cinda Asset Management Co., Ltd. used its own fund to subscribe.

（2）CCB Principle Asset Management Co., Ltd.

① General information

Name: CCB Principle Asset Management Co., Ltd.

Type: Limited Company (Sino-foreign joint venture)

Domicile: Floor 16, Yinglan International Financial Center, The Financial Street, Xicheng District, Beijing

Legal Representative: Xu Huibin

Registered Capital: 200,000,000 Yuan

Date of Establishment: Sep. 19, 2005

Term of Business: From Sep. 19, 2005 to permanent

Business Scope: Fund raising, fund sales, asset management, asset management and other businesses licensed by China Securities Regulatory Commission.（Projects subject to approval according to law may be carried out upon approval by relevant departments.）

Subscription quantity: 12,885,906 shares

Limited sales period: 12 months

② Related party of the Company and related transactions

As of the signing date of this report, Jianxin Fund Management Co., Ltd and the

Company are not related parties.

③ Major transactions between the issuing object and its related parties and the Company in recent one year

In recent one year, there is no transaction between Jianxin Fund Management Co., Ltd and its related parties and the Company.

④ Arrangement for future transactions between the issuing object and its related parties and the Company

As of the signing date of this report, there is no arrangement for future transactions between Jianxin Fund Management Co., Ltd and its related parties and the Company.

⑤ Information of Funding

No.	Subscriber	Subscribed Product	Funding Party	Amount (RMB)	Funding %
1	CCB Principle Asset Management Co., Ltd.	CCB Principal-Avic Private Placement Asset Management Plan No. 3	Trust Plan of Pooled Funds of CCB Principal Private Placement Investment, Tianqi (2016) No. 293 of Avic Trust	191,999,999.40	100%

The Trust Plan of Pooled Funds of CCB Principal Private Placement Investment, Tianqi (2016) No. 293 of Avic Trust is a trust product whose funding parties are as follows,

No.	Subscribed Product	Funding Parties	Amount (RMB)	Funding %
1	Trust Plan of Pooled Funds of CCB Principal Private Placement Investment, Tianqi (2016) No. 293 of Avic Trust	Asset management plan agent of Industrial and Commercial Bank of China	95,999,999.70	50%

		Huarong Ruitong Equity Investment Management Co., Ltd	95,999,999.70	50%

（3）Aegon-industrial Fund Co., Ltd.

① General Information

Name: Aegon-industrial Fund Co., Ltd.

Type: Limited Company (Sino-foreign joint venture)

Domicile: No. 368, Jinling East Road, Shanghai

Legal Representative: Lan Rong

Registered Capital: 150,000,000 Yuan

Date of Establishment: Sep. 30, 2003

Term of Business: From Sep. 30, 2003 to unscheduled time

Business Scope: Fund raising, fund sales, asset management, specific customer asset management and other businesses licensed by China Securities Regulatory Commission. (Projects subject to approval according to law may be carried out upon approval by relevant departments.)

Subscription quantity: 12,885,906 shares

Limited sales period: 12 months

② Related party of the Company and related transactions

As of the signing date of this report, Xingquan Fund Management Co., Ltd and the Company are not related parties.

③ Major transactions between the issuing object and its related parties and the Company in recent one year

In recent one year, there is no transaction between Xingquan Fund Management Co., Ltd and its related parties and the Company.

④ Arrangement for future transactions between the issuing object and its related parties and the Company

As of the signing date of this report, there is no arrangement for future transactions between Xingquan Fund Management Co., Ltd and its related parties and the Company.

⑤ Information of Funding

No.	Subscriber	Subscribed Product	Funding Parties	Amount (RMB)	Funding %
1	Aegon-industrial Fund Co., Ltd.	Aegon-Industrial New Vision Flexible Allocation and Fixed-term Open Mixed Securities Investment Fund (LOF)	Aegon-Industrial New Vision Flexible Allocation and Fixed-term Open Mixed Securities Investment Fund (LOF)	59,999,320.00	100.00%
		Mixed Securities Investment Fund, Aegon-Industrial Trend Investment (LOF)	Mixed Securities Investment Fund, Aegon-Industrial Trend Investment (LOF)	120,000,666.40	100.00%

（4）Penghua Fund Management Co., Ltd

① General Information

Name: Penghua Fund Management Co., Ltd

Type: Limited Company (Sino-foreign joint venture)

Domicile: Floor 43, International Chamber of Commerce Tower, No. 168 Fuhua Third Road, Futian District, Shenzhen**.**

Executive Partner: He Ru

Founding Date: December22, 1998

Subscription quantity: 7,382,550shares

Limited sales period: 12 months

② Related party of the Company and related transactions

As of the signing date of this report, Penghua Fund Management Co., Ltd. and the Company are not related parties.

③ Major transactions between the issuing object and its related parties and the Company in recent one year

In recent one year, there is no transaction between Penghua Fund Management Co., Ltd. and its related parties and the Company.

④ Arrangement for future transactions between the issuing object and its related parties and the Company

As of the signing date of this report, there is no arrangement for future transactions between Penghua Fund Management Co., Ltd. and its related parties and the Company.

⑤ Information of Funding

No.	Subscriber	Subscribed Product	Funding Party	Amount (RMB)	Funding %
1	Penghua Fund Management Co., Ltd	Private Placement Portfolio of Penghua Fund Management Co., Ltd Entrusted by China Life	China Life Insurance (Group) Company	70,000,051.00	100.00%

		Insurance (Group) Company			
		Penghua Fund Linglong No. 1 Private Placement Asset Management Plan	China Resources Trust Zengying Single-Funding Trust	39,999,944.00	100.00%

China Resources Trust Zengying Single-Funding Trust is a trust product whose funding information is as follows,

No.	Subscribed Product	Funding Party	Amount (RMB)	Funding %
1	China Resources Trust Zengying Single-Funding Trust	China Resources Bank Of Zhuhai Co.,Ltd	39,999,944.00	100.00%

(5) China Structural Reform Fund Co., Ltd.

① General Information

Company Name: China Structural Reform Fund Co., Ltd.

Nature of enterprise: company limited by shares (non-listed and state holding)

Domicile: Winland International Center, 7th Floor,7 Finance Street, Xicheng District, Beijing, 100033

Executive partner: Zhu Bixin

Registered Capital: 131,000,000,000

Registration Date: November22, 2016

Business Duration: from November22, 2016 to November 21, 2026

Business scope: non-public raising funds; equity investment; project investment; assets management; investment consultation; enterprises management consultation. (“1. Not authorized for public raising funds without approval of relative authorities; 2. No public trading activities of Securities products and derivatives; 3. Not authorized for bank loans; 4. No guarantee for enterprises without its investment; 5. No promising of principal no-loss and minimum return to investors”; in compliance with laws and regulations, company decides its own business activities and carry out business accordingly; for the activities which approval is required, company shall obtain approval from relative government agencies and carry out accordingly; company shall not run the business activities listed on the municipal industrial policy restricted and prohibited items.

Subscription quantity: 33,557,046shares

Limited sales period: 12 months

② Related party of the Company and related transactions

As of the signing date of this report, China Structural Reform Fund Co., Ltd and the Company are not related parties.

③ Major transactions between the issuing object and its related parties and the Company in recent one year

In recent one year, there is no transaction between China Structural Reform Fund Co., Ltd. and its related parties and the Company.

④ Arrangement for future transactions between the issuing object and its related parties and the Company

As of the signing date of this report, there is no arrangement for future transactions between China Structural Reform Fund Co., Ltd. and its related parties

and the Company.

⑤ Information of Funding

China Structural Reform Fund Co., Ltd. used its own funding to subscribe.

(6) Caitong Fund Management Co., Ltd.

① General information

Company Name: Caitong Fund Management Co., Ltd.

Nature of enterprise: company limited by shares (domestic joint venture)

Domicile: Room 505, Wusong Road619, Hongkong District, Shanghai

Executive partner: Liu Wei

Registered Capital: RMB200,000,000

Registration Date: June21, 2011

Business Duration: from June21, 2011 to indefinitely

Business Scope: funds raising, funds sales, asset management and other business activities authorized by China Securities Regulatory Commission. (for the activities which approval is required according to laws and regulations, company shall obtain approval from relative government agencies and carry out accordingly;

Subscription quantity: 5,234,898 shares

Limited sales period: 12 months

② Related party of the Company and related transactions

As of the signing date of this report, Caitong Fund Management Co., Ltd. and the Company are not related parties.

③ Major transactions between the issuing object and its related parties and the Company in recent one year

In recent one year, there is no transaction between Caitong Fund Management Co., Ltd. and its related parties and the Company.

④ Arrangement for future transactions between the issuing object and its related parties and the Company

As of the signing date of this report, there is no arrangement for future transactions between Caitong Fund Management Co., Ltd. and its related parties and the Company.

⑤ Information of Funding

No.	Subsriber	Subscribed Product	Funding Party	Amount (RMB)	Funding %
		Caitong Fund Fuchun Chuangyi Private Placement No.3 Asset Management Plan	1 Caitong Fund Management Co., Ltd.	3,333,332.92	4.76%
			2 BOC Securities Zhifu (Exclusive) Targeted Asset Management Plan	66,666,658.48	95.24%
1	Caitong Fund Management Co., Ltd.	Caitong Fund Xianghe No. 2 Asset Management Plan	1 Shanghai Kangli Industrial Trading Co., Ltd	121,120.19	1.51%
			2 Dai Changquan	60,560.10	0.76%
			3 Yan Ping	60,560.10	0.76%
			4 Zou Xiujin	60,560.10	0.76%
			5 Fang Xiao	121,120.19	1.51%
			6 Wang Peizhou	121,120.19	1.51%
			7 Luo Qun	60,560.10	0.76%
			8 Li Liqun	60,560.10	0.76%
			9 Jin Jian	60,560.10	0.76%
			10 Ji Wenhua	181,680.29	2.27%
			11 Yun Dongxia	121,120.19	1.51%
			1 Du Ying	60,560.10	0.76%
			13 Zhang Xiaoling	60,560.10	0.76%
			14 Jiang Yuguo	60,560.10	0.76%
			15 Chen Shizhong	181,680.29	2.27%
			16 Liu Huifang	60,560.10	0.76%
			17 Wang Xiuqiong	60,560.10	0.76%
			18 She Baotong	181,680.29	2.27%
			19 Zhou Weihong	60,560.10	0.76%
			20 Zhu Beihua	60,560.10	0.76%
			21 Wang Wenhong	60,560.10	0.76%
			22 Li Zhiyi	121,120.19	1.51%
			23 Cheng Qichuan	181,680.29	2.27%
			24 Tang Yong	60,560.10	0.76%
			25 Xie Zhongxing	60,560.10	0.76%
			26 Yun Sujun	181,680.29	2.27%
			27 Cui Shuya	72,672.12	0.91%
			28 Zhang Yi	60,560.10	0.76%
			29 Qian Xiaoping	121,120.19	1.51%
			30 Ma Liping	60,560.10	0.76%
			31 Pang Junlin	60,560.10	0.76%
			32 Lu Yongqin	60,560.10	0.76%
			33 Jiang Yulan	72,672.12	0.91%
			34 Zhang Jinyun	60,560.10	0.76%
			35 Wang Lan	60,560.10	0.76%
			36 Chen Binbin	60,560.10	0.76%
			37 Wang Chunling	60,560.10	0.76%
			38 Pan Jieping	60,560.10	0.76%
			39 Lou Qihe	60,560.10	0.76%
			40 Ma Wenhui	60,560.10	0.76%
			41 Lu Ying	60,560.10	0.76%
			42 Zhang Lihui	60,560.10	0.76%
			43 Pan Zhimin	181,680.29	2.27%
			44 He Lihong	60,560.10	0.76%
			45 Qiu Ling	121,120.19	1.51%
			46 Hu Lihua	60,560.10	0.76%
			47 Min Dai	181,680.29	2.27%
			48 Gao Yanqing	121,120.19	1.51%

			49 Wang Hongtao	60,560.10	0.76%
			50 Wang Ping	60,560.10	0.76%
			51 Li Weiyi	60,560.10	0.76%
			52 Zhang Sheying	90,840.15	1.14%
			53 Xu Ying	60,560.10	0.76%
			54 Gu Jiting	121,120.19	1.51%
			55 Xie Xiangzhen	60,560.10	0.76%
			56 Zou Hancheng	90,840.15	1.14%
			57 Tian Hongqi	60,560.10	0.76%
			58 Ma Dongqin	60,560.10	0.76%
			59 Wu Duanzhuang	60,560.10	0.76%
			60 Wang Zhenqiong	60,560.10	0.76%
			61 Zhu Zhongquan	60,560.10	0.76%
			62 Nie Li	60,560.10	0.76%
			63 Zhao Luming	72,672.12	0.91%
			64 Sun Shuirong	968,961.55	12.11%
			65 Zhou Juying	242,240.39	3.03%
			66 Zen Yu	60,560.10	0.76%
			67 Zhang Yujia	242,240.39	3.03%
			68 Sun Shuliang	121,120.19	1.51%
			69 Ren Danrui	60,560.10	0.76%
			70 Wang Yaobin	60,560.10	0.76%
			71 Luo Yan	60,560.10	0.76%
			72 Yang Hong	60,560.10	0.76%
			73 Guo Tao	60,560.10	0.76%
			74 Lu Ping	60,560.10	0.76%
			75 Wang Chunmei	60,560.10	0.76%
			76 Chen Sunhui	60,560.10	0.76%
			77 Cao Min	121,120.19	1.51%
			78 Wei Rang	60,560.10	0.76%
			79 Zhang Xiaohua	60,560.10	0.76%
			80 Qiu Xu	60,560.10	0.76%
			81 Zheng Mingjie	60,560.10	0.76%
			82 Shen Binrong	90,840.15	1.14%
			83 Zhou Lizhen	60,560.10	0.76%
			84 Hua Liru	60,560.10	0.76%

COB Securities Zhifu (Exclusive) Targeted Asset Management Plan is an asset management product whose funding information is as follows,

No.	Subscribed Product	Funding Party	Amount (RMB)	Funding %
1	BOC Securities Zhifu (Exclusive) Targeted Asset Management Plan	Shanghai Branch, Bank of China	66,666,658.48	100%

7. Allocated Products of the Issuing Objects

S.N.	Issuing Object	Subscription Products
1	China Cinda Asset Management Co., Ltd.	China Cinda Asset Management Co., Ltd.
2	CCB Principle Asset Management Co., Ltd.	No.3 Selected Asset Management Plan of Zhonghang Directional Add-Issurance Stock
3	Aegon-industrial Fund Co., Ltd.	Periodical & Listed Open-Ended Fund in Aegon Industrial Fund
		Listed Open-Ended Fund (LOF)
4	Penghua Fund Management Co., Ltd	Directional Add-Issurance Stock Entrusted by China Life to Penghua Fund
		Penghua Fund-No.1 Asset Management Plan of Linglong Directional Add-Issurance Stock
5	China Structural Reform Fund Co., Ltd.	China Structural Reform Fund Co., Ltd.
6	Caitong Fund Management Co., Ltd	Caitong Fund Management Co., Ltd.-No. 3 Asset Management Plan of Fuchun Profit-Added & Directional Add-Issurance Stock; Caitong Fund -No.2 Xianghe Asset Management Plan

Joint lead underwriter and witness lawyer have obtained the correlation information table of listed companies, and verified the ownership situation of the above subscription objects, subscription product asset trustor and final subscription information and confirmed: the subscription object of this offering does not include the issuer's controlling shareholder, actual controller or associates, directors, supervisors and senior management personnel under its control, joint lead underwriter and affiliated parties with the above institutions and personnel, the subscription fund of the offering object was not directly or indirectly derived from the listed company and its affiliated parties and there was no direct subscription or indirect participation in the subscription of this offering in the form of structuralizing by the above institutions and personnel.

Among the six investors in the shortlist, China Cinda Asset Management Co., Ltd. was engaged in subscription with its own funds; AEGON-INDUSTRIAL Fund Management Co., Ltd was engaged in subscription with public fund

products, which were not among the private investment funds stipulated in Interim Measures for Supervision and Administration of Private Equity Investment Funds and Registration and Fund Filing Methods of Private Equity Investment Fund Managers (Trial). The above two investors and products under their management did not need to make relevant filings.

China Structural Reform Fund Corporation Limited was among the private investment funds stipulated in Securities Investment Fund Law of the People's Republic of China, Interim Measures of Supervision and Administration of Private Investment Fund and Measures for Registration of Private Investment Fund Managers and Registration of Funds (Trial), and completed the private product registration and filing procedures within the prescribed time. The products under the management of CCB Principal Asset Management Co., Ltd, Penghua Fund Management Co., Ltd and Caitong Fund Management Co., Ltd were among the private investment funds stipulated in Securities Investment Fund Law of the People's Republic of China, Interim Measures of Supervision and Administration of Private Investment Fund and Measures for Registration of Private Investment Fund Managers and Registration of Funds (Trial), or funds required in other relevant filings, and completed the private product registration and filing procedures within the prescribed time

Ⅸ. The transaction did not result in a change of control.

The actual controller of the listed company before and after this transaction is China State-owned Assets Supervision and Administration Commission of the State Council. Therefore, this transaction will not result in the change of control over the listed company.

Ⅹ. The equity distribution of the listed company still meets the listing requirements after the transaction completion.

After the registration of new shares, the total share capital of the listed

company will increase to 2,446,553,582 shares, of which Chem China Co. Ltd. and its controlled Sanonda Holding hold a total of 1,930,570,241 shares of the Company, accounting for 78.91% of the total share capital issued by the Company. And the proportion of public IX share-holding is not less than 10%. The distribution of the stock rights of the listed company still meet the listing requirements set forth in the *Company Law, Securities Law, Shenzhen Stock Exchange Listing Rules* and other laws and regulations.

Section IV Listing of The Newly-issued Shares

I. Approval of the newly-issued shares listing

The stock listing in this issuance of shares to purchase assets and raise matching funds and related transactions by the Company has been approved by Shenzhen Stock Exchange.

II. Stock abbreviation, stock code and listing location of the newly-issued shares

Stock abbreviation: Sanonda A

Stock code: 000553

Listing location: Shenzhen Stock Exchange

III. Quantity and price of the newly-issued shares

104,697,982 shares are issued to raise matching funds, with the issuing price of RMB 14.90 Yuan/share. Specifications areas follows:

S.N.	Name of shareholders	Number of shares (share)
1	China Cinda Asset Management Co., Ltd.	33,557,046
2	CCB Principle Asset Management Co. Ltd.	12,885,906
3	Aegon-industrial Fund Co. Ltd.	12,080,536
4	Penghua Fund Management Co., Ltd.	7,382,550
5	China Structural Reform Fund Co. Ltd.	33,557,046
6	Caitong Fund Management Co., Ltd.	5,234,898
Total		**104,697,982**

IV. Registration of newly-issued shares

Shenzhen Branch of China Securities Depositary and Clearing Co., Ltd.

accepted and completed the relevant registration application of newly-issued 104,697,982 shares in this non-public offering of shares to raise matching funds and issued the *Confirmation for Acceptance of Share Registration Application* on January 4, 2018. The additional shares issued will be bookkept at the end of previous trading day of the listing date of such batch of shares, and formally listed into the register of shareholders for listed companies.

V. Listing arrangement of newly-issued shares

The stock listing of newly-issued shares in this non-public offering to raise matching funds by the Company has been approved by Shenzhen Stock Exchange. The listing date of newly-issued shares in issuing shares to China National Agrochemical Corporation to purchase asset is August 2, 2017, and that in this non-public offering of shares to raise matching funds is January 17, 2018.

According to the relevant business rules of Shenzhen Stock Exchange, the Company's stock price is not performed with ex-right on the first day of listing, and the fluctuation of stock price is set with limits.

VI. Restricted arrangement of newly-issued shares

The shares issued to raise matching funds from China Cinda Asset Management Co., Ltd., CCB Principal Asset Management Co. Ltd., Aegon-industrial Fund Management Co., Ltd., Penghua Fund Management Co., Ltd., China Structural Reform Fund Co., Ltd. and Caitong Fund Management Co., Ltd. shall not be transferred in any way within 12 months from the date of issuance and listing of newly-issued shares.

After this issuance is finished, additional shares of the company due to script dividend and addition in share capital of the listed company shall also be locked in accordance with the aforesaid arrangements.

After the expiry of lock-up period, the transfer of Sanonda's shares subscribed

by trading parties in this issuance shall be handled according to the relevant effective laws, regulations and codes and the rules of Shenzhen Stock Exchange.

VII. Capital Verification

On December 27, 2017, Deloitte Touche Tohmatsu (Limited Liability Partnership) performed capital verification for this non-public offering to raise matching funds by listed company, and issued the Capital Verification Report ((De Shi Bao (Yan) Zi (17) No. 00540). According to this capital verification report, Sanonda increased the registered capital by RMB 104,697,982.00 Yuan as of Decemeber 27, 2017, with the new registered capital of Sanonda after the completion of this issuance being RMB 2,446,553,582.00 Yuan.

Section V Share Change and Its Influence

I. Changes in main shareholders before and after this issuance

(I) Main shareholders of the Company before this issuance

As of November 27, 2017, the total share capital of Sanonda was 2,341,855,600 shares, among which, China National Agrochemical Co., Ltd. (former China National Agrochemical Corporation, hereinafter referred to as "CNAC") directly holds 1,810,883,039 shares of listed company and indirectly holds 119,687,202 shares of listed company through Jingzhou Sanonda Holding Co. Ltd. (hereinafter referred to as "Sanonda Holding"), accounting for 82.44% of total shares of the listed company, thus is the controlling shareholder of the Company, and the actual controller is the State-owned Assets Supervision and Administration Commission of the State Council (hereinafter referred to as "SASAC").

As of September 30, 2017, shareholdings of the top ten shareholders of the Company are as follows:

Unit: %, share

S.N.	Name of shareholders	Nature of shareholders	Shareholding ratio (%)	Number of shares hold	Nature of equity
1	China National Agrochemical Co., Ltd.	State-owned legal person	75.30	1,810,883,039	Restricted A-shares
2	Jingzhou Sanonda Holding Co. Ltd.	State-owned legal person	4.98	119,687,202	Tradable A-shares
3	ADAMA Celsius B.V. [2]	Foreign legal person	2.62	62,950,659	Tradable B-shares
4	National Social Security Fund No. 118 Portfolio	Others	0.23	5,599,856	Tradable A-shares
5	XIE Qingjun	Domestic natural person	0.19	4,490,033	Tradable B-shares
6	State-owned Assets Administration Bureau of Qichun County	National	0.17	4,169,266	Tradable A-shares

[2] Sanonda entered into the *Supplementary Agreement* with Celsius on October 24, 2017 to repurchase and cancel 62,950,659 Sanonda B-shares held by Celsius. On [November] [23], 2017, 62,950,659 shares hold by Celsius were transferred to the special securities account for repurchase of the listed company, and completed cancellation procedures on [November] [24], 2017.

7	GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.16	3,888,862	Tradable B-shares
8	SHI Yun	Domestic natural person	0.12	2,830,000	Tradable A-shares
9	ZHOU Qiping	Domestic natural person	0.09	2,093,045	Tradable A-shares
10	Bank of China Limited – Yinhua High Quality Growth Hybrid Securities Investment Fund	Others	0.08	1,996,240	Tradable A-shares
Total		—	**83.94**	**2,018,588,202**	

Note: Due to rounding-off, a tail difference may exist between the sum of subitems and total in this scheme.

(II) Top 10 shareholders of the Company after this issuance

According to the A-Share Shareholder List (Combined List of Shareholders who are on the list and whose payment is not recorded yet) of the listed company dated January 2nd, 2018 provided by Shenzhen Branch of CSDC, the top-10 A-share shareholders and their holding proportion after the new shares are registered are as follows,

No.	Shareholder	Shares Held	Shareholding %
1	CNAC	1,810,883,039	79.44
2	Jingzhou Sanonda Holding Co., Ltd	119,687,202	5.25
3	China Structural Reform Fund Co., Ltd.	33,557,046	1.47
4	China Cinda Asset Management Co., Ltd.	33,557,046	1.47
5	CCB Principal-ICBC-Avic Trust, Trust Plan of Pooled Funds of CCB Principal Private Placement Investment, Tianqi (2016) No. 293 of Avic Trust	12,885,906	0.57
6	Portfolio No.118 of National Social Security Fund	9,004,717	0.40
7	Industrial Bank Co., Ltd, Mixed Securities Investment Fund, Aegon-Industrial Trend Investment (LOF)	8,053,736	0.35
8	Li Hongsheng	6,483,229	0.28
9	Zhang Ping	5,891,300	0.26
10	Penghua Fund-CCB-China Life Insurance, Private Placement Portfolio of Penghua Fund Management Co., Ltd Entrusted by China Life Insurance (Group) Company	4,697,990	0.21

II. Changes in shares held by the directors, supervisors and senior management personnel

Before and after this issuance, the number of shares held by the Company's directors, supervisors and senior management personnel has not changed, with the specific conditions as follows:

Name of shareholders	Position	Before this issuance	After this issuance
		Number of shares held (share)	Total number of shares held (share)
JIANG Chenggang	Chairman of Supervisory Committee	4500	4500

Except for the above-mentioned personnel, other directors, supervisors and senior management personnel of the Company do not directly hold the shares of the Company.

III. Influence of this issuance on the Company's capital stock structure

Changes in stock structure before and after the issuance of this matching fund-raising are as shown in the following table (subject to the condition as of Dec.22, 2017 before the issuance):

Unit: %, share

Type of shares	Before this issuance		This issuance	After newly-issued shares are bookkept	
	Quantity	Proportion	Quantity	Quantity	Proportion
Shares with trading limited conditions	1,810,908914	77.33	104,697,982	1,915,606,896	78.30
Shares with	530,946,685	22.67		530,946,686	21.70

out trading limited conditions					
Total number of shares	**2,341,855,600**	**100.00**	**104,697,982**	**2,446,533,582**	**100.00**

IV. Influence of this issuance on the listed company's main financial Indicators

(I) Influence of this transaction on the listed company's main financial indexes

According to the reviewed pro-forma financial statements for the years of 2015 & 2016 about the listed company, the current ratio of the listed company is basically flat, the liquidity ratio declines slightly, and the asset-liability ratio improves after the completion of this transaction. As the credit term of the target company is long, the turnover ratio of accounts receivable of the listed company after the completion of restructuring declines; the inventory turnover ratio of ADAMA is lower than that of the listed company before restructuring because of the differences in supply chain and end markets, so the inventory turnover ratio of the listed company after restructuring drops; the turnover ratio of total asset is basically flat before and after restructuring, and the overall asset turnover capacity is good, with the main indicators as follows:

	31.12Dec. 31, 2015		**Dec. 31, 2016**	
	After restructuring	**Before restructuring**	**After restructuring**	**Before restructuring**
Current ratio (times)	1.89	1.87	1.94	1.85
Liquidity ratio (times)	1.06	1.31	1.17	1.56
Asset-liability ratio	54.94%	29.55%	53.45%	32.83%
Turnover ratio of account receivable	4.11	12.03	4.05	8.89
Inventory turnover ratio	1.83	6.01	2.00	9.22
Turnover ratio of total asset	0.60	0.73	0.60	0.62

Note: Turnover ratio of accounts receivable = sales / book value of accounts receivable at the end of period
Inventory turnover ratio = cost of sales/ book value of inventory at the end of period
Turnover ratio of total asset = sales / total asset at the end of period

After this transaction is completed, the asset scale and business scale of the

listed company have increased substantially, and the total asset, net asset and sales increased significantly compared with those before this transaction.

The comparison of main financial data and indicators of the listed company before and after completion of the deal is as follows (excluding the influence of targeted B-share repurchase and supporting finance):

Unit: CNY

	Year 2016	
ProjectsItem	**Before the deal (Financial data of the listed company)**	**After this issuance (Pro-forma financial data**
Total assets	2,984,883,798.79	36,582,409,143.90
Total liabilities	979,825,792.04	19,553,719,368.69
Net assets	2,005,058,006.75	17,028,689,775.21
Owner's equity attributable to shareholders of the parent company	2,005,058,006.75	17,028,689,775.21
	31.12Dec. 31, 2016	
ProjectsItem	**Before the deal (Financial data of the listed company)**	**After this issuance (Pro-forma financial data**
Operating incomeSales	1,854,732,684.88	22,112,752,452.54
Operating profit	-120,428,934.83	813,568,892.99
Total profit	-96,982,500.70	867,518,162.47
Net profit attributable to shareholders of the parent company	-74,489,986.54	777,115,037.30

Before and after this deal, the comparison of basic earnings per share (basic EPS) of the company is as follows (including the influence of supporting finance):

Unit: CNY

Year 2016			
ProjectsItem	**Before the deal (Financial data of the listed company)**	**After new shares are registered (Financial data of the listed company)**	**After this issuance (Pro-forma financial data**
Basic EPS (Yuan/share)	-0.1254	-0.0304	0.3176

Note: 1. In the above table, the listed company's pro-forma financial data after completion of the deal have been reviewed by KPMG and provided with the *Review Report on Pro-forma Consolidated Financial Statements* (B.M.W.H.Z.Z. Zi No. 1700424).

2. The EPS for the year 2016 after new shares are registered is measured according to the listed company's audited net profit attributable to shareholders of the parent company for the year 2016 and the total outstanding shares of the listed company after the new [104,697,982shares] for supporting funds are registered.

3. Pro-forma basic EPS is calculated according to the total outstanding shares of the listed company after the 62,950,659 B-shares held by Celsius are repurchased and cancelled and the new [104.697.982 shares] for supporting funds are registered.

According to the above table, after the offering for purchasing assets and that for raising supporting funds (along with the targeted repurchase and cancellation of B-shares), the listed company's basic EPS for the year 2016 will be increased from -0.1254 Yuan/share to 0.3176 Yuan/share, indicating that this deal is favorable to increase the listed company's performance and able to protect the interests of shareholders of the listed company effectively.

(II) Influence of raising supporting funds through this non-public offering on the listed company's earnings per share (EPS) and net assets per share (NAPS)

by September 30, 2017 that has not been audited and the unaudited net profit attributable to shareholders of the parent company from January to September 2017, the comparison of net assets per share and earnings per share of the company before and after this offering for raising supporting funds is as follows:

Items	Time	Before this issuance	After this issuance
EPS (diluted at the end of period)	January to September 2017	0.6651 Yuan/share	0.6538Yuan/share
NAPS	30.09.17September 30, 2017	7.2794 Yuan/share	7.1552Yuan/share

Note: In the above table, the EPS diluted and NAPS after this offering is calculated respectively by using the listed company's net profit attributable to the parent company from January to September 2017 and net assets attributable to the parent company at the end of September, divided by the total outstanding shares of the listed company after the new [104,697,982 shares] for supporting finance are registered (including the targeted repurchase and cancellation of 62,950,659 B-shares held by Celsius).

After this offering for raising supporting funds is completed, the company will have a certain level of growth in total assets and net assets. Because it takes time for ADAMA's projects that use supporting finance to realize benefits, the EPS will decrease to a certain degree after this offering for raising supporting funds is completed. Given that the projects that use supporting finance, including construction of Huai'an Formulation Center and product development and registration play an important role in business development of the listed company and ADAMA in the

pesticide market, the implementation of these projects will be conducive to improving the company's long-term profitability.

Ⅴ. This transaction will not result in change in control right

The actual controller of the listed company before and after this transaction is the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), so this transaction will not lead to change in the control rights of the listed company.

Ⅵ. After the completion of this transaction, equity distribution of the listed company still meets listing conditions

After newly-issued shares are registered, the total share capital of the listed company will increase to 2,446,553,582 shares, of which CNAC and its controlled Sanonda Holding totally hold 1,930,570,241 shares of the Company, accounting for 78.91% of the Company's total share capital after issuance; the shareholding ratio of social public shares is not lower than 10%, and the equity distribution of the listed company still meets the stock listing conditions specified in the *Company Law*, *Securities Law*, *Stock Listing Rules of Shenzhen Stock Exchange* and other laws and regulations.

Section VI Implementation of This Transaction

I. Progress on transfer or delivery of related assets, settlement of related credits and debts, and registration of securities offering and other matters during the implementation of this transaction

(I) Decision-making process and approval of this deal

1. Internal decision-making procedures carried out for this transaction

On September 13, 2016, the 15th Meeting of the 7th Board of Directors was held by the listed company and discussed and approved relevant proposals for issuance of shares to purchase assets and raise matching funds as a related-party transaction.

th Meeting of the 7th Board of Directors was held by the listed company and discussed and approved relevant proposals for *Report about Issuing Shares to Purchase Assets and Raise Matching Funds as a Related-Party Transaction (Draft).*

On February 24, 2017, the 18th Meeting of the 7th Board of Directors was held by the listed company and discussed and approved relevant proposals including that on *Adjusting Scheme of the Company Issuing Shares to Purchase Assets and Raise Matching Funds as a Related-Party Transaction* and *Report about Issuing Shares to Purchase Assets and Raise Matching Funds as a Related-Party Transaction (Draft) (Revised).*

On March 27, 2017, Sanonda held the first Special Meeting of Shareholders in 2017 which discussed and approved relevant proposals including *Report about Issuing Shares to Purchase Assets and Raise Matching Funds as a Related-Party Transaction (Draft) (Revised).*

On May 12, 2017, the listed Company held the 7th Special Meeting of the 7th Board of Directors in 2017, which discussed and approved relevant proposals including that on *Adjusting Scheme of the Company Issuing Shares to Purchase Assets and Raise Matching Funds as a Related-Party Transaction* and *Report about Issuing Shares to Purchase Assets and Raise Matching Funds as a Related-Party*

Transaction (Draft) (Revised).

2. Decision of the counterparty in the transaction

On July 29, 2016, China National Agrochemical Corporation (CNAC) convened a general manager's office meeting at which a decision was made on transferring all shares of ADAMA to Hubei Sanonda Co., Ltd. (hereinafter referred to as Sanonda).

3. Other approval, authorization, consent and filing obtained for the issuance

On March 22, 2017, this transaction scheme obtained the official reply from SASAC (G. Z. C. Q. [2017] No. 169).

On May 22, 2017, this transaction scheme completed filing by National Development and Reform Commission (F. G. B. W. Z. B. [2017] No. 154).

On June 30, 2017, Sanonda obtained the *Certificate of Overseas Investment by Chinese Enterprises* issued by Ministry of Commerce (Certificate No.: J. W. T. Z. Z. No. N1000201700220).

4. This transaction has been approved by China Securities Regulatory Commission.

On June 1, 2017, the M&A and Restructuring Review Committee of China Securities Regulatory Commission (CSRC) reviewed and approved the company's material asset restructuring of issuing shares to purchase assets and raising supporting funds as a related-party transaction.

On July 3, 2017, the company received the *Reply of CSRC on Approving Sanonda's Proposal of Issuing Shares to CNAC to Purchase Assets and Raising Supporting Funds* (Z.J.X.K. [2017] No. 1096).

(II) Related assets transfer or delivery, related credit and debt settlement, and B-shares repurchase

1. Assets delivery and transfer

According to the shareholder list provided by ADAMA and the legal opinion

statement issued by Herzog Fox & Neeman on July 5, 2017, the company and CNAC completed all the formalities related to the transfer of 100% of the shares of ADAMA on July 4, 2017 (local time in Israel) and Sanonda got the share certificate of the 100% ADAMA equity. The 100% ADAMA equity that was originally held by CNAC has been transferred to Sanonda, indicating that Sanonda holds 100% stake in ADAMA.

2. Related credit and debt settlement

This transaction is to purchase 100% of the shares of ADAMA by means of issuing shares, which does not involve any credit and debt settlement.

3. Targeted B-share repurchase and cancellation progress

On September 13, 2016, the company held the 15th meeting of the 7th Board of Directors which discussed and approved the proposal of targeted repurchase and cancellation of B-shares of the listed company held by Celsius. On the same day, the listed company signed the *Share Repurchase Agreement* with Celsius.

On March 27, 2017, the company held the first extraordinary general meeting (EGM) for the year 2017, which discussed and approved the above-mentioned proposal.

On March 29, 2017, Sanonda released the *Announcement of Notice to Creditors about Targeted B-shares Repurchase and Cancellation* which is published in the form of announcement in newspapers, including China Securities Journal, Securities Times, Ta Kung Pao and on the website www.cninfo.com.cn.

On July 31, 2017, the company opened a repurchase-specific securities account in Shenzhen Branch of China Securities Depository and Clearing Company Limited (CSDC).

According to the *Share Repurchase Agreement* signed on September 13, 2016, both parties shall apply for transfer of repurchased shares within 5 working days after Sanonda pays the acquisition price. Afterwards, Sanonda and Celsius, through mutual

agreement, signed a *Supplementary Agreement* on October 24, 2017 which takes effect from the date of signature. According to the *Supplementary Agreement*, both parties should apply for transfer of repurchased shares within 5 working days after the *Supplementary Agreement* takes effect.

The main terms of the *Supplementary Agreement* include: (1) both parties shall apply for transfer of repurchased shares within 5 working days after the *Supplementary Agreement* takes effect; (2) the acquisition consideration shall be paid in full, no later than the following date (whichever is earlier): (i) the 7th day after the proposed financing of Sanonda is actually completed, or (ii) 120 days after the *Supplementary Agreement* takes effect; (3) Sanonda shall, as indicated by Celsius, pay the acquisition consideration in HKD or CNY to the account designated by Celsius; (4) if Sanonda fails to pay the acquisition consideration within the defined time period, the outstanding payment shall be calculated at an interest rate agreed by both parties, and Celsius has the right to use this amount to offset the dividends that its parent company ADAMA should pay to Sanonda in the future.

On November 10, 2017, Deloitte Touche Tohmatsu CPA Ltd. (special general partnership) issued to the company a *Capital Verification Report* (D.S.B.(Y)Zi(17) No. 00388) about registered capital changes involved in this targeted B-shares repurchase and cancellation.

On November 23, 2017, 62,950,659 shares held by Celsius were transferred to the repurchase-specific securities account and their cancellation was completed on November 24, 2017.

(III) Issuance of shares to purchase assets and raise supporting finance

1. Issuing shares to purchase assets

The listed company issued 1,810,883,039 shares in total to its counterparty CNAC.

The pricing base date for the share offering to acquire assets is the

announcement date of the resolution of the 15th meeting of the 7th Board of Directors at Sanonda. The offering price shall be 90% of the VWAP of of 20 trading days before price base date, i.e. 10.22 Yuan/share. On April 18, 2016, Sanonda held the annual general meeting of shareholders for the year 2015, which discussed and passed the *2015 Annual Profit Distribution Plan*. This profit distribution plan is based on the total outstanding shares of the company on December 31, 2015, and to distribute cash dividends of 0.25 Yuan per 10 shares (tax-inclusive) to all shareholders. Therefore, the offering price of Sanonda for purchasing assets through this share issue shall be adjusted to 10.20 Yuan/share accordingly.

On July 6, 2017, Deloitte Touche Tohmatsu CPA Ltd. (special general partnership) verified the capital increase resulting from this issue of shares of the listed company for purchasing assets and then issued a *Capital Verification Report* (D.S.B.(Y)Zi(17) No. 00306). According to this report, as of July 6, 2017, Sanonda has increased its registered capital by RMB 1,810,883,039.00 Yuan, obtained 100% of the shares of ADAMA and completed registration of shareholding change. After this offering, Sanonda's registered capital is changed to RMB 2,404,806,259.00 Yuan.

2. Issuing shares to raise matching funds

The company and the joint principal underwriter issued a *Payment Notice* to a total of 6 investors from China Cinda Asset Management Corp, CCB Principal Asset Management Co.,Ltd., Xingquan Fund Management Co., Ltd., Penghua Fund Management Co., Ltd., China Structural Reform Fund Co., Ltd., CAITONG Fund Management Co., Ltd. on 21 December, 2017. In accordance with requirements of the Payment notice, investor shall make up all subscription money after the deduction of deposits for applying purchase as of 17:00 Dec. 25, 2017.

As of 25 December, 2017, 6 investors from China Cinda Asset Management Corp, CCB Principal Asset Management Co.,Ltd., Xingquan Fund Management Co., Ltd., Penghua Fund Management Co., Ltd., China Structural Reform Fund Co., Ltd.,

CAITONG Fund Management Co., Ltd. have remitted the total subscribed capital to the special account opened by Guotai Junan Securities (the joint underwriter)for this offering.

On December 27, 2017, Deloitte Touche Tohmatsu (Limited Liability Partnership) performed capital verification for this non-public offering to raise matching funds by listed company, and issued the Capital Verification Report ((De Shi Bao (Yan) Zi (17) No. 00540). According to this capital verification report, Sanonda increased the registered capital by RMB 104,697,982.00 Yuan as of Decemeber 27, 2017, with the new registered capital of Sanonda after the completion of this issuance being RMB 2,446,553,582.00 Yuan.

(IV) Status of registration of securities issuance and other matters

1. Issuing shares to purchase assets

According to the relevant provisions of the *Registration Guide for Initial Non-Public Offering of Stocks of Listed Companies of CSDC Shenzhen Branch*, CSDC Shenzhen Branch accepted the application for registration related to this non-public offering to CNAC on July 11, 2017 and issued a *Confirmation Letter on the Acceptance of Application on Share Registration*. Sanonda has completed the registration formalities for the new 1,810,883,039 shares by this offering for purchasing assets.

2. Issuing shares to raise matching funds

Shenzhen Branch of China Securities Registration and Clearing Co., Ltd. accepted and completed the relevant registration application of newly-issued 104,697,982 shares in this non-public offering of shares to raise matching funds and issued the *Confirmation for Acceptance of Share Registration Application* on [ ] Month [ ] Date, 2018. Sanonda has completed the registration formalities for 104,697,982 shares newly increased by this offering for purchasing assets and raising supporting funds.

(V) Attribution of gains and losses of the underlying assets between the base date of appraisal and the transaction date

The base date for auditing and appraisal of this material asset restructuring is June 30, 2016. The transaction of the 100% equity of ADAMA acquired by Sanonda was completed on July 4, 2017. When calculating the relevant gains and losses or other financial data, the transitional period for asset transaction shall start from the base date for audit and appraisal of this deal (excluding the exact day, i.e. July 1, 2016) and end on the base date for audit of the transaction (the last day of the latest month prior to the transaction date, i.e. June 30, 2017) (hereinafter referred to as the "transitional period").

According to the *Agreement on Purchasing Assets through Shares Issuance* signed by Sanonda and CNAC, both parties agreed that, during the transitional period, the profits produced by the underlying asset and other net asset increase shall be enjoyed by Sanonda in proportion to its equities after transfer, and the losses of the underlying asset and other net asset decrease shall be made up in monetary capital by CNAC in proportion to its stake in the target company prior to this deal.

With regard to the underlying asset's gains or losses during the transitional period, Sanonda employed the audit agency KPMG Huazhen LLP (special general partnership) to conduct a special audit on such gains and losses, and issued an *Audit Report* (K.M.W.H.Z.S.Zi No. 1702936). According to the audit results, the net income attributable to the shareholder of the company of the underlying asset during the transitional period is RMB 1,326,754,632.64 Yuan, and the equity attributable to the shareholder of the company increases in total by RMB 1,018,769,622.42 Yuan. In accordance with the *Agreement on Purchasing Assets through Shares Issuance*, the profits produced by the underlying asset and other net asset increase during the transitional period shall be owned by the listed company.

II. Whether there is any difference between the relevant actual conditions and information previously disclosed

As of the date of signature of this announcement, Sanonda has fulfilled its obligation to disclose any relevant information for this deal, in compliance with the relevant laws and regulations as well as the relevant provisions of the *Listing Rules* and so on. During the implementation of this deal, there is no significant difference between the relevant actual conditions (including the ownership and historical financial data of relevant assets, relevant profit forecasts or targets that the executives expect to meet) and the previously disclosed information.

III. Replacement of directors, supervisors and senior management personnel and adjustment of other related personnel

On June 16, 2017, the company received the written resignation report from the Director SHE Zhili. She resigned as a Director at the company because of her work.

On September 13, 2017, the company held the 8th interim meeting of the 7th Board of Directors for the year 2017, which nominated Mr. REN Jianxin, Mr. YANG Xingqiang and Mr. Chen Lichtenstein as non-independent directors, and this decision was adopted at the third extraordinary general meeting (EGM) for the year 2017; and Mr. GUO Hui and Ms. Shri Ailon no longer took responsibility as the Director.

On September 29, 2017, the company held the 10th interim meeting of the 7th Board of Directors for the year 2017, which elected Mr. YANG Xingqiang as chairman and appointed Chen Lichtenstein to be the President & Chief Executive Officer (CEO), Aviram Lahav to be the Chief Financial Officer (CFO) and Michal Arlosoroff to be the General Legal Counsel.

On Dec 5th, Zhang Huide, Li Dejun and Ai Qiuhong as the independent directors

submitted resignation letters, but they will continue performing the duty as independent directors until EGM approves the new independent directors appointment. On Dec 7th, the company held the 23th meeting of the 7th Board of Directors, which nominated Mr. TANG Yunwei and Mr. XI Zhen as independent directors, and this decision was adopted at the fifth extraordinary general meeting (EGM) for the year 2017.

IV. Whether there is funds occupation or illegal guarantee during the implementation of restructuring

During this deal, the listed company has no fund or asset embezzled by actual controllers or other affiliated parties and provides no guaranty to actual controllers or other affiliated parties.

Ⅴ. Performance of relevant agreements and commitments

(I) Relevant agreements involved in this deal and their performance

On September 13, 2016, the listed company signed the *Agreement on Purchasing Assets through Shares Issuance* and the *Agreement on Compensation for Performance* with CNAC;

On January 9, 2017, the listed company signed the *Supplementary Agreement on Agreement on Assets Purchase through Shares Issuance* and the *Supplementary Agreement on Agreement on Compensation for Performance* with CNAC;

On May 12, 2017, the listed company signed the *Supplementary Agreement II on Agreement on Assets Purchase through Shares Issuance* and the *Supplementary Agreement II on Agreement on Compensation for Performance* with CNAC.

the change of relevant laws and regulations, CNAC is exempted from the prerequisites for the transaction as agreed in Item (4), Article 5.1 of the *Agreement on Assets Purchase through Shares Issuance* signed with Sanonda on September 13, 2016, namely this restructuring is shall be approved by the commerce authorities regarding Sanonda's capital increase and share enlargement and change of shareholders.

. No aforementioned agreement is violated.

(II) Commitments involved in this deal and their performance

During this restructuring, parties involved have made commitments regarding lock-up period, horizontal competition avoidance, reduction and standardization of connected transactions and so on. The main contents of the foregoing commitments have been disclosed in the *Sanonda's Report on Purchasing Assets and Raising Supporting Funds through Shares Issuance as a Connected Transaction*.

As of the date of signature of this announcement, involved parties have implemented or are implementing the commitments as they made. There is no violation of commitment.

Ⅵ. Compliance and risks of relevant subsequent matters

According to this restructuring plan, the *Agreement on Assets Purchase through Shares Issuance* and its supplementary agreement, the *Agreement on Compensation for Performance* and its supplementary agreement as well as the approval documents from the CSRC, the restructuring still needs to perform the following matters:

(I) Sanonda shall, in accordance with the *Agreement on Assets Purchase through Shares Issuance* and its supplementary agreement, change relevant filings at the commerce authority and industry & business administrative authority on the issue of registered capital and revision of articles of association, etc.

(II) Sanonda shall, in accordance with the supplementary agreement, pay the B-share repurchase consideration to Celsius;

(III) Sanonda shall, in accordance with the results of this non-public offering, change relevant filings at the commerce authority and industry & business administrative authority on the issue of registered capital and revision of articles of association, etc.

(IV) Sanonda and involved parties shall continue to perform the *Agreement on Compensation for Performance* and its supplementary agreement and other agreements related to this restructuring; the parties involved in this restructuring shall undertake to stick to those commitments not yet performed.

As for the on-going matters mentioned above, there is no significant obstacle in respect of compliance; and there is no significant risk in follow-up matters related to this deal.

Section VII Opinions of Independent Financial Advisers and Legal Advisers

(I) Concluding observations from independent financial adviser

The independent financial adviser Guotai Junan Securities believes that:

1. Sanonda's implementation of purchasing assets and raising supporting funds through offering of shares as a connected transaction is practiced in a disciplined way, in compliance with *Company Law*, *Securities Law*, *Administrative Measures for Restructurings*, and *Administrative Measures for Issuance of Securities*, as well as other laws, regulations and regulatory documents. Transfer of underlying assets and registration of shareholder change are completed, and relevant capital verification is completed. The listed company fulfills its obligation to disclose the information about share issuance for purchasing assets and raising supporting funds as a connected transaction, and there is no significant difference between the relevant actual conditions and the previously disclosed information during the implementation of this deal. During the implementation of the restructuring, the listed company has no fund or asset embezzled by actual controllers or other affiliated parties and provides no guaranty to actual controllers or other affiliated parties. All the agreements and commitments involved in this deal are fulfilled or are under way substantively and there is no violation of agreements or commitments. There is no risk or obstacle in handling the subsequent matters related to this restructuring.

2. Sanonda's non-public offering subscribers complies with relevant laws and regulations, as well as the approval requirements of the company's Board of Directors, general meeting of shareholders and CSRC.

The inquiry, pricing and stock placement process of non-public offering comply with *Company Law*, *Securities Law*, and *Administrative Measures for Issuance of Securities of Listed Companies*, *Detailed Rules for Implementation of Non-public Offering of Shares of Listed Companies* and other laws and regulations.

Sanonda`s selection of the subscription object for non-public offering is fair and just, meets the interests of the Company and all shareholders, complies with *Administrative Measures for Material Assets Reorganization of Listed Companies*,

Administrative Measures for Issuance of Shares of Listed Companies, *Detailed Rules for Implementation of Non-public Offering of Shares of Listed Companies* and other laws and regulations. In terms of the selection of the offering object, Sanonda ensures the offering process and objects to be fair and just and meets the interests of itself and all shareholders.

3. According to the *Company Law*, *Securities Law* and *Administrative Measures for Restructurings*, as well as other laws and regulations, the independent financial adviser believes that Sanonda meets the basic conditions for non-public offering and listing of relevant shares, so the independent financial adviser agrees to recommend listing of Sanonda's shares in this non-public offering on the Main Board of Shenzhen Stock Exchange.

(II) Concluding observations from lawyers

The Global Law Office (GLO) believes that:

1. For this reorganization, the necessary approval and authorization have been achieved; CSRC has approved Sanonda's reorganization; the entry-into-force conditions of *Purchases of Assets through Issuing Shares* and its supplementary agreement have been met for this reorganization; the reorganization has been qualified for implementation.

Sanonda has completed the underlying asset transfer for this reorganization; Sanonda has handled the verification of new registered capital associated with the purchases of assets through issuing shares and share registration associated with the offering of new shares; Sanonda still needs to handle the registration in business department and the business change registration in administrative departments for industry and commerce in terms of new registered capital and the revision of its articles of association.

62,950,659 listed shares of Celsius have completed the cancellation; Sanonda still needs to pay the repurchase price of B-shares to Celsius according to the *Supplementary Agreement*.

Sanonda has handled the verification of new registered capital and the share registration of new share offering related to the non-public offering of shares; Sanonda still needs to handle the new share listing for the new shares of non-public offering, and the registration in business department and the business change registration in business department and business change registration in administrative departments for industry and commerce for the new registered capital and amendments to the articles of association, etc.

For this reorganization, Sanonda has fulfilled the relevant information disclosure obligations, which is in line with relevant laws and regulations, *Listing Rules* and other relevant provisions. In the implementation of the reorganization, there has been no significant variance between actual situation and relevant information previously disclosed.

As of the date of issuance of the legal opinion, no occupation of the capital or assets of listed companies by the actual controller or other related persons, or guarantee of Sanonda for the actual controller and its associated situation exists. There is no breach of agreement or commitment by all parties in the implementation of the relevant agreements and commitments for the reorganization.

On the basis of effective implementation of relevant agreements and commitments by all parties, there are no substantive legal barriers to the handling of follow-up matters upon this reorganization.

2. Necessary approvals and authorizations have been acquired for Sanonda`s offering ; the process and object of this offering comply with *Administrative Measures for Offering, Rules of Implementation and Offering* and *Underwriting Methods* and other relevant laws, regulations and normative documents. The offering results are fair and just; the *Subscription Invitation Document, Subscription Invitation Document (Additional Subscription), Subscription Quotation* and *Share Subscription Agreement* and other legal documents involved in the offering are legal and valid.

Section VIII Continuous Supervision

In accordance with the laws and regulations including the *Company Law of the Peoples Republic of China*, the *Securities law of the People's Republic of China* as well as the *Administrative Measures for Material Asset Restructurings of Listed Companies* and *Administrative Measures for the Financial Consultancy Business in the Merger, Acquisition and Restructuring of Listed Companies* of the CSRC, the company and Guotai Junan Securities have defined the supervision responsibilities and obligations of Guotai Junan Securities in the financial advisory agreement.

I. Continuous supervision period

According to the relevant laws and regulations, continuous supervision of the independent financial adviser Guotai Junan Securities over Sanonda shall start from the completion of this material asset restructuring and last for the remaining of the current fiscal year and the next full fiscal year.

II. Continuous supervision method

The independent financial adviser Guotai Junan Securities shall carry out continuous supervision through daily communication, regular return visit and other means.

III. Continuous supervision contents

The independent financial adviser, Guotai Junan Securities shall, based on the annual report for the current year of this deal and the first fiscal year after completion, provide comments on continuous supervision over the following matters in this deal within 15 days after the annual reports are disclosed, report to the local office of the CSRC and make a public announcement:

1. Delivery or transfer of traded assets;

2. Fulfillment of commitments of the parties involved in the deal;

3. Realization of profit forecasts;

4. Development of the businesses mentioned in the section on discussion and analysis of executives;

5. Corporate governance structure and operation;

6. Other matters different from the published restructuring plan.

Section IX Declarations of Intermediary Agencies

Independent Financial Adviser's (Joint Lead Manager) Declaration

The Independent Financial Adviser (Joint Lead Manager) has examined the announcement on implementation and listing of new shares to confirm the absence of false records, misleading statements or significant omissions, and hereby undertakes the corresponding legal responsibility for the truthfulness, accuracy and integrity.

Legal Representative (or Authorized Representative): _____

YANG Dehong

Project sponsor: _____ _____ _____

Song Fuliang | Zhu Wenchuan | Tang Weijie

Guotai Jun'an Securities Co., Ltd.

January 16, 2018

Joint Lead Manager's Declaration

This Joint Lead Manager has examined the announcement on implementation and listing of new shares to confirm the absence of false records, misleading statements or significant omissions, and hereby undertakes the corresponding legal responsibility for the truthfulness, accuracy and integrity.

Legal Representative (or Authorized Representative): _____

Zhu Hansong

Goldman Sachs Gao Hua Securities Co., Ltd.

January 16, 2018

Lawyer's Declaration

Our office and the undersigned lawyers have read the announcement on implementation and listing of new shares to confirm no conflict between the announcement and our legal opinions. Our office and the undersigned lawyers have no objections on the contents of the legal opinions referenced in the announcement on implementation and listing of new shares to confirm no false records, misleading statements or significant omissions resulting from the referenced contents in the announcement, and hereby undertake the corresponding legal responsibility for the truthfulness, accuracy and integrity.

Person in Charge

(or Authorized Representative): _____

LIU Jinrong

Responsible Lawyer: _____ _____ _____

LIU Jinrong LIU Chengwei KANG Qiuning

Global Law Office

January 16, 2018

Accounting Firm's Declaration

Our firm and the undersigned CPAs have read the relevant contents of reviewed pro-forma consolidated financial statements for the years of 2015 & 2016 and the audited interim financial statements from Jul. 1, 2016 to Jun. 30, 2017 of ADAMA Agriculture Solution Ltd. about Sanonda that are referenced in the *Sanonda's Announcement on Implementation of Purchasing Assets and Raising Supporting Funds through Shares Issuance and Connected Transaction and Listing of New Shares & New Shares Listing Announcement*, which are consistent with the relevant review reports and audit reports issued by our firm. Our firm and the undersigned CPAs have no objections on the contents of reviewed pro-forma consolidated financial statements and the audited interim financial statements of ADAMA Agriculture Solution Ltd. about Sanonda (as mentioned above) that are referenced in the announcement on implementation and listing of new shares to confirm no false records, misleading statements or significant omissions resulting from these referenced contents in the announcement, and hereby undertake the corresponding responsibility for the above reports, as defined in our relevant reports, according to the relevant laws and regulations.

Person in Charge

(or Authorized Representative): _____

ZOU Jun

Undersigned CPAs:

_____ _____

HU Jianfei LIN Ying

KPMG Huazhen Certified Public Accountants (LLP)

January 16, 2018

Capital Verification Agency's Declaration

Our firm and the undersigned CPAs have read the *Sanonda's Announcement on Implementation of Purchasing Assets and Raising Supporting Funds through Shares Issuance and Connected Transaction and Listing of New Shares*, and confirm that there are no contradictions with the contents of our capital verification reports referenced in the Announcement. Our firm and the undersigned CPAs have no objections on the contents of our reports (as mentioned above) that are referenced by Sanonda in the Announcement to confirm that the Announcement contains no false records, misleading statements or significant omissions resulting from full and accurate reference to these reports, and hereby undertakes the corresponding legal responsibility for the truthfulness, accuracy and integrity of these reports according to relevant laws and regulations.

This Declaration is used only for the purpose of purchasing assets and raising supporting funds through this offering by Sanonda, and is not allowed for any other purpose.

Managing Partner (or Authorized Representative): _____

CUI Jin

Undersigned CPAs: _____ _____

CHEN Xi CHEN Chen

Deloitte Touche Tohmatsu (LLP)

January 16, 2018

Section X Documents Available for Inspection

1. *Reply on Approving Sanonda's Proposal of Purchasing Assets and Raising Supporting Funds through Issuing Shares to CNAC* (Z.J.X.K. [2017] No. 1096) issued by CSRC

2. Sanonda's Report on Purchasing Assets and Raising Supporting Funds through Shares Issuance and Connected Transaction

3. *Capital Verification Report* issued by Deloitte Touche Tohmatsu CPA Ltd. (special general partnership)

4. *Confirmation Letter on the Acceptance of Application on Share Registration* and Register of Shareholders issued by CSDC Shenzhen Branch

5. *Independent Financial Adviser's Verification Opinions from Guotai Junan Securities Co., Ltd. on Sanonda's Implementation of Purchasing Assets and Raising Supporting Funds through Shares Issuance and Connected Transaction* issued by Guotai Junan Securities

6. *Legal Opinion on Sanonda's Implementation of Purchasing Assets and Raising Supporting Funds through Shares Issuance and Connected Transaction* issued by Global Law Office

7. *Legal Opinion of Global Law Office on Sanonda's Process of Non-public Offering for Assets Purchase and Compliance of Subscribed Objects in Purchasing Assets and Raising Supporting Funds through Shares Issuance and Connected Transaction* issued by Global Law Office;

8. Supporting documents for transfer of ownership of the underlying asset to the listed company

9. Other important documents related to this offering

Section XI Contact Information of Newly-issued Shares Issuance and Listing Related Agency

I. Independent Financial Consultant (Joint Principal Underwriter)

Name: Guotai Jun'an Securities Co., Ltd.

Legal Representative: YANG Dehong

Address: No. 618, Shangcheng Road, Pudong New Area, Shanghai

Tel.: 021-38676666

Fax: 021-38909119

Person to contact: ZHU Wenchuan, TANG Weijie

II. Joint Principal Underwriter

Name: Goldman Sachs Gao Hua Securities Co., Ltd.

Legal Representative: Zhu Hansong

Address: Floor 18, Beijing Yinglan International Financial Center, No.7 Financial Street, Xicheng District, Beijing

Tel.: 010-66273333

Fax: 010-66273300

Person to contact: Ma Huan

III. Law Office

Name: Global Law Office

Person in charge: LIU Jinrong

Domicile: Floor 15, Tower 1, China Central Place, No. 81 Jianguo Road, Chaoyang District, Beijing

Tel.: 010-65846688

Fax: 010-65846666

Person to contact: LIU Jinrong, LIU Chengwei, KANG Qiuning

IV. Accounting Firm

Name: KPMG Huazhen Certified Public Accountants (LLP)

Person in charge: ZOU Jun

Domicile: Floor 8, Tower E2, Oriental Plaza, No. 1 Chang'an Street, Dongcheng District, Beijing

Tel.: 010-85085000

Fax: 010-85185111

Person to contact: HU Jianfei, LIN Ying

Ⅴ. Capital Verification Agency

Name: Deloitte Touche Tohmatsu (LLP)

Person in charge: CUI Jin

Domicile: Floor 30, Bund Center, No. 222 Yan'an East Road, Shanghai

Tel.: 021-61418888

Fax: 021-63350003

Person to contact: CHEN Xi, CHEN Chen

(There is no text on this page which is the seal page of *Sanonda's Announcement on Implementation of Purchasing Assets and Raising Supporting Funds through Shares Issuance and Connected Transaction and Listing of New Shares*)

Hubei Sanonda Co. Ltd.

January 16, 2018