

## **Hubei Sanonda Co., Ltd.**

### **Announcement of Dividend Distribution for Year 2017**

The Company and all members of its Board of Directors confirm that all the information disclosed herein is true, accurate, and complete with no false or misleading statement or material omission.

The 2017 Annual Shareholders Meeting of Hubei Sanonda Co., Ltd. (the “Company”) has approved the 2017 dividend distribution plan (the “Plan”) on June 28, 2018. The details for implementing the distribution are as follows:

#### **I. The Plan**

The Plan is: Taking the total outstanding 2,446,553,582 shares of the Company as the basis, to distribute RMB 0.63 per 10 shares as cash dividend to all shareholders (including tax; after tax is deducted, RMB 0.567 for every 10 shares held by A-share QFII, RQFII and individuals and securities investment funds holding restricted shares issued before IPO; for A-share shareholders holding restricted shares issued after IPO, restricted shares for stock incentive, and non-restricted outstanding shares, different tax rates will be applied on the dividend: a dividend of RMB 0.63 for every 10 shares will be distributed first, then the tax will be deducted according to the actual shareholding period and number of shares sold by investor after the equity registration day (please see the note below); for securities investment funds holding restricted A-shares issued after IPO, restricted A-shares for stock incentive, and non-restricted outstanding A-shares, the tax rate shall be 10% for the Hong Kong investors holding funds shares, and different tax rates will be applied on the dividend distributed to the mainland investors holding funds shares; the after-tax dividend for B-share non-resident enterprises and individuals holding restricted shares issued before IPO is RMB 0.567 for every 10 shares. Different tax rates will be applied on the dividend distributed to domestic (overseas) individual shareholders: a dividend of RMB 0.63 for every 10

shares will be distributed first, then the tax will be deducted according to the actual shareholding period and number of shares sold by the investor after the equity registration day).

[Note: On first –in –first –out basis, shareholding periods are calculated upon each shareholders’ account, namely RMB 0.126 of tax per 10 shares for under 1month(include); RMB 0.063 of tax per share for between 1 month and 1year(include);no tax is payable for over one year.]

Special note: Since the Company is a Sino-foreign joint venture, individual foreign investors could temporarily be exempted from dividend income tax.

Dividend for B shares will be distributed in Hong Kong Dollar. According to the Articles of Association of the Company, the exchange rate will be the medial rate between RMB and HKD (HKD1.00 = RMB0.8431) published by People’s Bank of China at the 1st bank day (June 29, 2018) after the 2017 Annual Shareholders Meeting. Future tax payment withheld for the B-share individual investors will use aforementioned exchange rate.

## **II. Registration Day and Ex-dividend Day**

The equity registration day of A shares is: August 14, 2018.

The ex-dividend day of both A shares and B shares is August 15, 2018.

The final trading day of B shares is August 14, 2018.

The equity registration day of B shares is: August 17, 2018.

## **III. Shareholders Entitled to Receive the Dividend**

The following shareholders are entitled to receive the dividend: all the A shareholders registered by China Securities Depository & Clearing Corporation Ltd. Shenzhen Branch (“China Clearing Shenzhen Branch”) upon the closing of Shenzhen Stock Exchange in the afternoon of August 14, 2018. By the close of the Shenzhen Stock Exchange in the afternoon of August 17, 2018 (the final trading day is August 14, 2018), all shareholders of the company's B shares registered by the China Clearing Shenzhen Branch.

## **IV. Ways of Distribution**

1. The distribution of A shares dividend by the entrusted China Clearing Shenzhen Branch will be directly transferred into the shareholders' accounts of the entrusted Security agency or other entrusted institutions on August 15, 2018.

Dividend for B shares will be transferred to the shareholders' accounts through the entrusted Security agency or the entrusted bank on August 17, 2018. If shareholders of B shares transfer the custody of "Sanonda B" on August 17, 2018, they should still withdraw their dividends at the original entrusted Security agency or the entrusted bank

2. The Company will directly distribute the following A shares shareholders' dividend:

Number	Shareholders' Account	Name of Shareholders
1	08 *****652	China National Agrochemical Co., Ltd.
2	08 *****389	Jingzhou Sanonda Holdings Co., Ltd.

During the period of applying for the dividend distribution (from the application date August 2, 2018 to the equity registration date August 14, 2018), if the shares of the above two shareholders decrease which lead to the cash remitted to China Clearing Shenzhen Branch by the Company is insufficient for the dividend distribution, the Company shall take all legal responsibility.

#### **V. Explanation on other Matter**

For B shareholder who is not a domestic individual shareholder or a non-residential enterprise but is deducted withholding tax, please contact the Company before the end of September 18, 2018, and provide the related materials. The Company will help to apply the refund.

#### **VI. Consulting**

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Board of Directors of Hubei Sanonda Co., Ltd.

August 7, 2018