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三江化工

SANJIANG CHEMICAL

CHINA SANJIANG FINE CHEMICALS COMPANY LIMITED

中國三江精細化工有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 2198)

**CLARIFICATION ANNOUNCEMENT
IN RELATION TO
CONTINUING CONNECTED TRANSACTIONS
NEW MANAGEMENT AGREEMENT**

Reference is made to the announcement of China Sanjiang Fine Chemicals Company Limited (the “**Company**”) dated 6 November 2017 in relation to the entering into of the Management Agreement by the Company, Capitol International and Grand Novel for the provision of management services by Grand Novel for a term of three years (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement have the same meanings as those defined in the Announcement.

With reference to the paragraph “REASONS FOR AND BENEFITS OF THE TRANSACTION” of the Announcement, the Company wishes to supplement that the purpose of the Management Agreement is to remunerate Grand Novel and Mr. Guan in accordance with the terms and conditions of the Management Agreement.

Except for the Management Agreement, the Company will not remunerate Grand Novel and Mr. Guan in any other forms.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Sanjiang Fine Chemicals Company Limited
GUAN Jianzhong
Chairman and executive Director

The PRC, 6 December 2017

As at the date of this announcement, the Board comprises four executive Directors: Mr. GUAN Jianzhong, Ms. HAN Jianhong, Mr. HAN Jianping and Mr. RAO Huotao and three independent non-executive Directors: Mr. SHEN Kaijun, Ms. PEI Yu and Mr. KONG Liang.