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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)**

## **POSITIVE PROFIT ALERT**

This announcement is made by China Sanjiang Fine Chemicals Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the latest review of the preliminary unaudited combined management accounts of the Group for the financial year ended 31 December 2017 and the information currently available to the Company, the Company expects its net profit attributable to shareholders of the Company for the year ended 31 December 2017 will be in a range between approximately RMB670 million and approximately RMB700 million, which represents:- (1) an increment of more than 80% when comparing with the simple annualised 2017 interim result of the Company (i.e. 2017 interim net profit attributable to shareholders of the Company of approximately RMB182 million X 2); (2) an increment of more than 80% when comparing with the net profit attributable to shareholders of the Company for the year ended 31 December 2016 of RMB552.6 million after excluding non-recurring items contributed by a disposed joint venture (i.e. share of profit of a joint venture of RMB112.4 million and management service fee income received from that disposed joint venture of RMMB69.8 million); and (3) an increment of more than 20% when comparing with the net profit attributable to shareholders of the Company for the year ended 31 December 2016 of RMB552.6 million.

The expected increase in net profit attributable to equity holders of the Company was primarily attributable to a number of procurement and production measures that the Company imposed during the second half of 2017, including but not limited to production adjustments and procurement adjustments as to timing and volume of methanol procurement in response to the slight increment of methanol pricing during 2017 (the simple average of methanol pricing:- 2017 first half: approximately RMB2,700/MT vs. 2017 second half: approximately RMB2,900/MT).

The information contained in this announcement is only based on a preliminary assessment made by the management of the Group with reference to the combined unaudited management accounts of the Group for the year ended 31 December 2017, which have not been audited or reviewed by the Company's auditors and are subject to further possible consolidation adjustments by the Group. The Group's audited annual results for the year ended 31 December 2017 are expected to be announced late March 2018.

**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*

People's Republic of China, 10 January 2018

*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.*

*In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with "\*" is for identification purpose only.*