

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROFIT WARNING

This announcement is made by China Sanjiang Fine Chemicals Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Company expects its net profit attributable to equity holders for the six months period ended 30 June 2019 will decrease substantially by a range between 80% and 90% as compared to net profit attributable to equity holders of the Company for the six months period ended 30 June 2018. The expected decrease in net profit attributable to equity holders of the Company was primarily attributable to the decrease in outputs of our major products namely ethylene oxide and ethylene glycol as regular repair and maintenance processes took place during January and February 2019; the decrease in average selling price of ethylene glycol as our downstream manufacturers lowered their production capacities and the demands of ethylene glycol in view of the price fluctuation of major commodities during the first half of 2019; and the adverse impacts of the price fluctuation of methanol during January and February 2019. Despite the abovementioned downsides, the management of the Group is expecting a number of upsides in the second half of 2019, including but not limited to, the pricing of major commodities and ethylene glycol have shown signals of rebounding from the bottom.

The Company is still in the process of finalizing the interim results for the six months period ended 30 June 2019. As such, the information contained in this announcement is based on the preliminary assessment of the Board on the unaudited consolidated financial information. The interim results of the Group for the six months period ended 30 June 2019 is expected to be announced before the end of August 2019.

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, 12 July 2019

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.