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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)

INSIDE INFORMATION UNUSUAL PRICE AND TRADE VOLUME MOVEMENTS

This announcement is made by China Sanjiang Fine Chemicals Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), pursuant to Rules 13.09, 13.10 and 13.49(3) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) noted that there are unusual decrease in price and increase in trade volume of the shares of the Company on 7 August 2020. Save for the below reason, the Board is not aware of any other reasons for such unusual decrease in price increase in trade volume of the shares of the Company.

The Board has been informed by Mr. Guan Jianzhong today that he has received an investigation notification issued by the China Securities Regulatory Commission on 6 August 2020 in relation to potential market misconduct behaviours alleged to be conducted by Mr. Guan. Pursuant to the announcement (“**the Announcement**”) published by Zhejiang Jiahua Energy Chemical Co. Ltd* (浙江嘉化能源化工有限公司) (“**Jiahua Energy Co. Ltd**”), a company established in the PRC and the shares of which are listed on the Shanghai Stock Exchange (SHA: 600273), on the Shanghai Stock Exchange on 7 August 2020, the relevant investigation does not involve Jiahua Energy Co. Ltd and currently, Jiahua Energy Co. Ltd operates and produces as usual. Mr. Guan is a director and the controlling shareholder of Jiahua Energy Co. Ltd. Pursuant to the Announcement, no additional details on the relevant investigation is disclosed and the Company is not in a position to provide further comments on the same.

Based on the information currently available to the Company, the Company considers that the Investigation Notification does not concern and/or relate to the Group and therefore does not have material adverse impact on the business operation of the Group. Further announcements will be made by the Company as soon as practicable to update the shareholders of the Company and potential investors if and when appropriate and necessary.

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

The PRC, 7 August 2020

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.*