

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)

POSITIVE PROFIT ALERT

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, based on the preliminary review and assessment of the Group’s unaudited consolidated financial information for the year ended 31 December 2020 (the “**year under review**”), the Group is expected to report a net profit attributable to equity holders of approximately RMB1,100 million for the year ended 31 December 2020, representing an increment of approximately 100%, as compared to net profit attributable to equity holders of the Company of approximately RMB550.5 million for the year ended 31 December 2019. The expected increase in net profit attributable to equity holders of the Company was primarily attributable to:- 1) the average selling prices of the Group’s major products namely ethylene oxide, ethylene glycol and polypropylene decreased in a relatively lesser extent when comparing to the decreases in average purchase prices of the Group’s major feedstocks namely methanol, ethylene and propylene in 2020 when comparing to 2019 as a result of the persistent demands from downstream manufacturers; 2) the pricing of methanol stayed in a relatively lower level during the year under view; and 3) the Group managed to maintain the utilization rate of its production capacities in a relatively high level despite the outbreak of the COVID-19 pandemic as the Group has been implementing various strict measures to safeguard the health and safety of suppliers, customers and employees.

The Company is still in the process of finalizing the annual results for the year ended 31 December 2020. As such, the information contained in this announcement is based on the preliminary assessment of the Board on the unaudited consolidated financial information. The annual results of the Group for the year ended 31 December 2020 is expected to be announced before the end of March 2021.

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

HAN Jianhong

Chairlady and executive Director

The People’s Republic of China, 20 January 2021

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