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 the Company expects its net profit attributable to equity holders for the year ended 31 December 2016 will amount to approximately RMB550,000,000 as compared to the net loss attributable to equity holders of approximately RMB145,502,000 for the year ended 31 December 2015.

The expected increase in net profit attributable to equity holders of the Company for the year ended 31 December 2016 was primarily attributable to:- (i) the improvement of gross profit margin of MTO production facility; (ii) the increase in production capacity and sales volume after the commencement of commercial operation of polypropylene production facility since July 2016; and (iii) the income derived from the operation, management and the disposal of Zhejiang Mei Fu Petrochemical Co., Ltd.

The information contained in this announcement is only based on a preliminary assessment made by the management of the Group with reference to the unaudited management accounts of the Group for the year ended 31 December 2016, which have not been audited or reviewed by the Company's auditors and are subject to possible adjustments. The Group's audited final results for the year ended 31 December 2016 are expected to be announced in the middle of March 2017.

The shareholders of the Company and 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, 16 January 2017

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