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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**”, 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 six months ended 30 June 2023 (the “**period under review**”), the Group is expected to report a net profit attributable to equity holders of more than RMB20 million for the six months ended 30 June 2023 while the Group reported a net loss attributable to equity holders of approximately RMB63 million for the six months ended 30 June 2022. The expected increase in net profit attributable to equity holders of the Company was primarily attributable to the inclusion of one-off items derived from the fact that:- 1) Lotte Chemical Corporation, the joint venture partner of joint operation between the Group and Lotte Chemical Corporation (“**Joint Operation**”), agreed to bear and repay the 50% bank loan amounted to approximately RMB115 million of the Joint Operation for the Group; and 2) Lotte Chemical Corporation agreed to transfer its 50% equity interest in the Joint Operation with net asset value amounted to approximately RMB85 million to the Group at zero consideration.

The Company is still in the process of finalizing the interim results for the six months ended 30 June 2023. 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 ended 30 June 2023 is expected to be announced before the end of August 2023.

**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, 31 July 2023

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