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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)

CONTINUING CONNECTED TRANSACTION — FRAMEWORK AGREEMENT FOR PORT SERVICES

CONTINUING CONNECTED TRANSACTION

The Directors announce that, on 29 December 2025, the Company entered into the Framework Agreement with Hangzhou Bay Petrochemical Logistics to regulate the principal and contractor relationships of the transactions under the Framework Agreement.

IMPLICATIONS OF THE LISTING RULES

As the relevant applicable percentage ratios in respect of the Annual Caps are more than 0.1% but less than 5%, the Framework Agreement and the Annual Caps are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

FRAMEWORK AGREEMENT

The Directors announce that, on 29 December 2025, the Company entered into the Framework Agreement with Hangzhou Bay Petrochemical Logistics to regulate the principal and contractor relationships of the transactions under the Framework Agreement.

Date: 29 December 2025

Parties: (1) Hangzhou Bay Petrochemical Logistics, a Connected Person; and

(2) the Company.

Subject matter

Hangzhou Bay Petrochemical Logistics has agreed to provide unloading/loading/storage services in respect of liquified chemical products for the Group.

Term

The Framework Agreement shall become effective on 29 December 2025 and has an term of one year ending on 31 December 2026 which may be renewable upon further agreement by the parties (subject to compliance with the Listing Rules).

The Company will comply with the relevant Listing Rules requirements when the term of the Framework Agreement is renewed.

Pricing principles

The terms of all contracts under the Framework Agreement shall be negotiated on an arm's length basis and shall be fair and reasonable. The consideration for the Services shall be calculated by multiplying the tonnage of goods to be loaded, unloaded, stored at a range between RMB25 per ton and RMB40 per ton, depending on the level of usage, which is in turn determined taking into account the cost of the provision of such Services, including port unloading/loading fees, storage fees, customs reporting and inspection fees, port construction charges, and land transport fees, on the basis of the prevailing market rate and after arm's length negotiation among the parties concerned. The Company will settlement the payment for the Services through its internal resources.

Currently, the Group has also used other port services provided by other third parties in the same region at a charge of RMB40 per ton for loading, unloading and storing the goods and in most of the time, the Group needs to queue up (after the arrival of the vessel) for more than 3 days to have its goods being handled. Should the other independent port services providers are able to provide the Services at price lower than the rates offered by Hangzhou Bay Petrochemical Logistics on similar terms and conditions offered by Hangzhou Bay Petrochemical Logistics, the Company will then appoint the other port service providers for the provision of the Services. The non-exclusive arrangement under the Framework Agreement allows the Company to use other port services providers for the provision of the Services if the terms offered by Hangzhou Bay Petrochemical Logistics are not the most favourable to the Company.

In order to ensure that the unit rate per ton offered by Hangzhou Bay Petrochemical Logistics is no less favourable than the prevailing market rate, the Company would compare quotations from the other independent service providers for the Services in the relevant area, analyse such market information, and the unit rate for the Services is agreed after arm's length negotiation with Hangzhou Bay Petrochemical Logistics. Accordingly, the Board considers that the methods and procedures can ensure that the engagement of the Services will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

Historical transactions figures and proposed annual caps

	For the year ended 31 December		For the period from 1 January 2025 to 30 November 2025 (i.e. the latest available of management accounts)
	2023	**2024**	
	RMB'000	*RMB'000*	*RMB'000*
Actual transaction amount	13,859	17,572	17,435

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Historical annual caps	25,000	49,500	49,500

Proposed Annual Caps

Based on:

(1) the expected amount of port services required by the Group from Hangzhou Bay Petrochemical Logistics for the year ending 31 December 2026; and

(2) the estimated market price for the year ending 31 December 2026,

it is expected that the estimated Annual Caps for the year ending 31 December 2026 will be as follows:

	For the year ending 31 December 2026 *RMB'000*
Annual caps	49,500

Such projection is assumed solely for determining the Annual Caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Group.

The Independent non-executive Directors and the auditor of the Company will on a regular basis be provided with the (i) Framework Agreement; (ii) agreements entered into between the Company and independent third parties for the provision of the Services; and (iii) fee quotations provided by independent third parties for the provision of the Services for review and comparison purpose. The Independent non-executive Directors will also review and compare the relevant payment terms, payment method and price payable under these agreements to ensure that the transactions contemplated under the Framework Agreement are conducted on normal commercial terms. The auditor of the Group will review and confirm the transactions contemplated under the Framework Agreement are conducted in accordance with the terms of the Framework Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Hangzhou Bay Petrochemical Logistics is one of the local port service providers specialized in unloading, loading and storage of liquified chemical products and entering into the Framework Agreement allows the Group to have an option of procurement source in terms of seeking offers from Hangzhou Bay Petrochemical Logistics.

Since each of Ms. Han and Ms. Guan has a material interest in the Framework Agreement, they therefore abstained from voting on board resolutions of the Company approving the Framework Agreement. Ms. Guan is an executive Director and the daughter of Mr. Guan and Ms. Han. As such, Ms. Han and Ms. Guan were interested in the Framework Agreement. Save as disclosed above, none of directors were required to abstain from voting on the board resolutions of the Company in respect thereof.

The Directors (including the independent non-executive Directors, but excluding Ms. Han and Ms. Guan who are required to abstain from voting) are of the view that the terms of the Framework Agreement, which were arrived at after arm's length negotiations between the Company and Hangzhou Bay Petrochemical Logistics, are fair and reasonable and are on normal commercial terms, in the ordinary and usual course of business of the Group and are in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP

The principal activities of the Group are the manufacture and supply of ethylene oxide, ethylene glycol, polypropylene, methyl tert-butyl ether and surfactants in the PRC. The Group was also engaged in the provision of processing services for polypropylene, methyl tert-butyl ether and surfactants to its customers and the production and supply of other chemical products such as C4, pentene and industrial gases, namely oxygen, nitrogen and argon in the PRC.

CONNECTED PERSON

As at the date of this announcement, Hangzhou Bay Petrochemical Logistics is owned as to 55.00% by 浙江海港嘉興港務有限公司 (Zhejiang Seaport Jiaxing Port Co., Ltd*); 24.00% by 嘉興石化有限公司 (Jiaxing Petrochemical Co., Ltd.*); and 21% by 浙江乍浦美福碼頭倉儲有限公司 (Zhejiang Zhapu Mei Fu Port & Storage Co. Ltd.*). Mei Fu Port is a wholly-owned subsidiary of Jiahua Energy Chemical Co, which is owned as to approximately 37.99% by Jiahua, which is ultimately controlled by Mr. Guan and Ms. Han. As Ms. Han is an executive Director and Mr. Guan is the controlling Shareholder of the Company, Jiahua Energy Chemical Co. is therefore an associate of Mr. Guan and Ms. Han and is thus a connected person of the Company and in turn, Hangzhou Bay Petrochemical Logistics is an associate of Mr. Guan, Ms. Han and Ms. Guan and is thus a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As the relevant applicable percentage ratios in respect of the Annual Caps are more than 0.1% but less than 5%, the Framework Agreement and the Annual Caps are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"Annual Caps"	the maximum aggregate annual value of port services to be provided by Hangzhou Bay Petrochemical Logistics under the Framework Agreement
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	China Sanjiang Fine Chemicals Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Connected Person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Framework Agreement"	the framework agreement entered into between the Company and Hangzhou Bay Petrochemical Logistics dated 29 December 2025
"Hangzhou Bay Petrochemical Logistics"	嘉興杭州灣石油化工物流有限公司 (Jiaxing Hangzhou Bay Petrochemical Logistics Co., Ltd.*), is a company established in the PRC with limited liability, and a company which is owned as to 55.00% by 浙江海港嘉興港務有限公司 (Zhejiang Seaport Jiaxing Port Co., Ltd*); 24.00% by 嘉興石化有限公司 (Jiaxing Petrochemical Co., Ltd.*); and 21% by 浙江乍浦美福碼頭倉儲有限公司 (Zhejiang Zhapu Mei Fu Port & Storage Co. Ltd.*). Zhejiang Zhapu Mei Fu Port & Storage Co. Ltd is a wholly-owned subsidiary of Jiahua Energy Chemical Co, which is owned as to approximately 37.99% by Jiahua, which is ultimately controlled by Mr. Guan and Ms. Han. 浙江海港嘉興港務有限公司 (Zhejiang Seaport Jiaxing Port Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 100.00% by 寧波舟山港股份有限公司 (Ningbo Zhoushan Port Co., Ltd*).

寧波舟山港股份有限公司 (Ningbo Zhoushan Port Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 61.15% by 寧波舟山港集團有限公司 (Ningbo Zhoushan Port Group Co., Ltd*) and 20.98% by 招商局港口集團股份有限公司 (China Merchants Port Group Co., Ltd*).

寧波舟山港集團有限公司 (Ningbo Zhoushan Port Group Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 100.00% by 浙江省海港投資運營集團有限公司 (Zhejiang Seaport Investment Operation Group Co., Ltd*).

浙江省海港投資運營集團有限公司 (Zhejiang Seaport Investment Operation Group Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 60.84% by 寧波市人民政府國有資產監督管理委員會 (Ningbo Municipal People's Government State-owned Assets Supervision and Administration Commission*) and 27.59% by 浙江省人民政府國有資產監督管理委員會 (Zhejiang Provincial People's Government State-owned Assets Supervision and Administration Commission*).

招商局港口集團股份有限公司 (China Merchants Port Group Co., Ltd*) is a company established in the PRC with limited liability, and a company which is owned as to 45.96% by 招商局港口投資發展有限公司 (China Merchants Port Investment Development Co., Ltd*); 23.08% by 浙江省海港投資運營集團有限公司 (Zhejiang Seaport Investment Operation Group Co., Ltd*) and 14.84% by 招商局港通發展(深圳)有限公司 (China Merchants Gangtong Development (Shenzhen) Co., Ltd*).

招商局港口投資發展有限公司 (China Merchants Port Investment Development Co., Ltd*) is a company established in the British Virgin Islands with limited liability.

招商局港通發展(深圳)有限公司 (China Merchants Gangtong Development (Shenzhen) Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 69.99% by Broadford Global Limited and 25.90% by 嘉興平安基石壹號股權投資管理有限公司 (Jiaxing Ping An Cornerstone No. 1 Equity Investment Management Co., Ltd*).

Broadford Global Limited is a company established in Hong Kong with limited liability.

嘉興平安基石壹號股權投資管理有限公司 (Jiaxing Ping An Cornerstone No. 1 Equity Investment Management Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 99.99% by 中國平安人壽保險股份有限公司 (Ping An Life Insurance Company of China, Ltd*), which is owned as to 100.00% by 中國平安保險(集團)股份有限公司 (Ping An Insurance (Group) Company of China, Ltd.), a company listed in the main board of Hong Kong stock exchange limited with stock code 02318.HK.

嘉興石化有限公司 (Jiaxing Petrochemical Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 100.00% by 桐昆集團股份有限公司 (Tongkun Group Co., Ltd*).

桐昆集團股份有限公司 (Tongkun Group Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 19.28% by 桐昆控股集團有限公司 (Tongkun Holding Group Co., Ltd*); 9.34% by 嘉興盛隆投資股份有限公司 (Jiaxing Shenglong Investment Co., Ltd*) and 5.13% by 浙江磊鑫實業股份有限公司 (Zhejiang Leixin Industrial Co., Ltd*).

桐昆控股集團有限公司 (Tongkun Holding Group Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 66.70% by 陳士良 (Chen Shiliang*); 5.55% by 鍾玉慶 (Zhong Yuqing*); 5.55% by 陳建榮 (Chen Jianrong*); 5.55% by 屈玲妹 (Qu Lingmei*); 5.55% by 沈培興 (Shen Peixing*); 5.55% by 許金祥 (Xu Jinxiang*); and 5.55% by 沈昌松 (Shen Changsong*).

嘉興盛隆投資股份有限公司 (Jiaxing Shenglong Investment Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 12.16% by 桐昆控股集團有限公司 (Tongkun Holding Group Co., Ltd*); 7.76% by 陳士良 (Chen Shiliang*); 5.26% by 陳建榮 (Chen Jianrong*); 5.11% by 沈培興 (Shen Peixing*); 4.84% by 沈昌松 (Shen Changsong*); 4.81% by 屈玲妹 (Qu Lingmei*); 4.06% by 鍾玉慶 (Zhong Yuqing*); 3.93% by 許金祥 (Xu Jinxiang*); 3.68% by 朱根榮 (Zhu Genrong*); and 3.01% by 夏永高 (Xia Yonggao*).

	浙江磊鑫實業股份有限公司 (Zhejiang Leixin Industrial Co., Ltd*), is a company established in the PRC with limited liability, and a company which is owned as to 94.19% by 桐昆控股集團有限公司 (Tongkun Holding Group Co., Ltd*) and 3.96% by 陳士良 (Chen Shiliang*). Except for those companies that are specifically defined as connected companies, all the above companies are independent third parties. The Company has disclosed all the shareholding structures that are available to the Company and have a shareholding of more than or equaling to 5.00% in any companies and the Company considers disclosing shareholding of less than 5.00% is too tedious and meaningless for the shareholders and public information. The Company failed to obtain the shareholding structures of certain non-PRC incorporated companies as 浙江乍浦美福碼頭倉儲有限公司 (Zhejiang Zhapu Mei Fu Port & Storage Co. Ltd.*) is only a minority shareholder for Hangzhou Bay Petrochemical Logistics and fail to access the shareholding structures details of other shareholders of Hangzhou Bay Petrochemical Logistics
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jiahua"	浙江嘉化集團股份有限公司 (Zhejiang Jiahua Group Co., Ltd.*), a joint stock company established in the PRC with limited liability on 15 March 2000
"Jiahua Energy Chemical Co"	浙江嘉化能源化工股份有限公司 (Zhejiang Jiahua Energy Chemical Co., Ltd.*) (formerly known as 浙江嘉化工業園投資發展有限公司 (Zhejiang Jiahua Industrial Park Investment and Development Co., Ltd.*)), a company established in the PRC with limited liability on 20 January 2001 and a non-wholly owned subsidiary of Jiahua
"Jianghao Investment"	嘉興港區江浩投資發展有限公司 (Jiaxing Gangqu Jianghao Investment Development Company Limited*), a company established in PRC with limited liability, and a company which was owned by Mr. Guan and Ms. Han as to 80.00% and 20.00% respectively as at the date of this announcement, a Connected Person of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Mei Fu Port"	浙江乍浦美福碼頭倉儲有限公司 (Zhejiang Zhapu Mei Fu Port & Storage Co., Ltd.*), a limited liability company incorporated in the PRC
"Mr. Guan"	Mr. Guan Jianzhong, the controlling shareholder of the Company and the spouse of Ms. Han
"Ms. Guan"	Ms. Guan Siyi, an executive Director and daughter of Mr. Guan and Ms. Han
"Ms. Han"	Ms. Han Jianhong, an executive Director and the spouse of Mr. Guan
"PRC"	the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi yuan, the lawful currency of the PRC
"Services"	Unloading/loading/storage of liquified chemical products as contemplated under the Framework Agreement
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

By order of the Board
China Sanjiang Fine Chemicals Company Limited
HAN Jianhong
Chairlady and executive Director

The PRC, 29 December 2025

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.

In this announcement, if there is any discrepancy 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.*