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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 THE PROVISION OF PIPELINE NETWORK USAGE SERVICE

CONTINUING CONNECTED TRANSACTION

The Directors announce that, on 29 December 2025, The Company (including its subsidiaries) entered into the Framework Agreement with Jiahua Energy Chemical Co., (including and covering its subsidiaries) pursuant to which, The Company (including its subsidiaries) has agreed to provide pipeline network usage service to Jiahua Energy Chemical Co. (including and covering its subsidiaries) for the period from 1 January 2026 to 31 December 2026 with a consideration not exceeding RMB6.0 million.

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 (including its subsidiaries) entered into the Framework Agreement with Jiahua Energy Chemical Co., (including and covering its subsidiaries) pursuant to which, The Company (including its subsidiaries) has agreed to provide pipeline network usage service to Jiahua Energy Chemical Co. (including and covering its subsidiaries) for the period from 1 January 2026 to 31 December 2026 with a consideration not exceeding RMB6.0 million.

Date: 29 December 2025

Parties:

(1) The Company (including its subsidiaries), as service provider; and

(2) Jiahua Energy Chemical Co., (including its subsidiaries) a connected person of the Company, as service user.

Subject matter

Pursuant to the Framework Agreement, The Company (including its subsidiaries) has agreed to provide pipeline network usage service to Jiahua Energy Chemical Co., (including its subsidiaries) for the period from 1 January 2026 to 31 December 2026.

Term

The Framework Agreement shall become effective on 29 December 2025 and has a term for the period from 1 January 2026 to 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

Pursuant to the Framework Agreement, the purchase price for the provision of pipeline network usage service shall be charged in accordance with the notice namely 嘉興港區公共管廊使用收費標準 (Jiaxing Port Area Public Pipeline Usage Standard Fee Rates*) issued by the local authority. According to the aforesaid notice, the purchase price payable by Jiahua Energy Chemical Co. (including and covering its subsidiaries) shall be payable by Jiahua Energy Chemical Co. (including and covering its subsidiaries) in a lump sum once a year within 30 days after the commencement of the services as to the provision of pipeline network usage service.

As the purchase prices are determined in accordance with the notice namely Jiaxing Port Area Public Pipeline Usage Standard Fee Rates issued by the local authority, which is applied to all the pipeline users in the region, the Board considers such pricing principles and the transactions under the Framework Agreement, will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its shareholders as a whole.

Historical transaction amounts and 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	4,061	4,139	4,854

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Historical annual caps	5,500	5,500	5,500

Proposed Caps

Based on:

(1) the expected amount of pipeline network usage to be required by Jiahua Energy Chemical Co. (including and covering its subsidiaries) for the period from 1 January 2026 to 31 December 2026; and

(2) the pipeline network usage charge rates as indicated in the notice namely 嘉興港區公共管廊使用收費標準 (Jiaxing Port Area Public Pipeline Usage Standard Fee Rates*) issued by the local authority applicable 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	6,000

REASONS FOR AND BENEFITS OF THE TRANSACTION

Jiahua Energy Chemical Co. 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 a 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 the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the principal activities of one of the Company's subsidiary are the construction and management of pipeline network in Jiaxing Port Area Chemical Industrial Park and the production base of Jiahua Energy Chemical Co. is located at Jiaxing Port Area Chemical Industrial Park, the entering into of the Framework Agreement will enable the Company to engage in its principal businesses and bring synergies to operation. In addition, as the purchase prices under the Framework Agreement are determined in accordance with the notice namely Jiaxing Port Area Public Pipeline Usage Standard Fee Rates issued by the local authority, which is applied to all the pipeline users in the region, the Board considers such pricing principles and the transactions under the Framework Agreement, will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its shareholders as a whole. In view of the foregoing reasons, the Company entered into the Framework Agreement with Jiahua Energy Chemical Co..

Ms. Guan is an executive Director and the daughter of Mr. Guan and Ms. Han.

Ms. Han and Ms. Guan were interested in the Framework Agreement and they therefore abstained from voting on the board resolutions of the Company approving the Framework Agreement and the transactions contemplated thereunder. Save as disclosed, none of the Directors had any material interest in the Framework Agreement and none of them were required to abstain from voting on the board resolutions of the Company in respect thereof.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Framework Agreement, which were arrived at after arm's length negotiations between the Company and Jiahua Energy Chemical Co., are fair and reasonable and are on normal commercial terms, in the ordinary and usual course of business of the Company and are in the interests of the Company and its shareholders as a whole.

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 value of the payments for pipeline network usage service to the Company under the Framework Agreement, details of which are set out in the section headed "Proposed Caps" in this announcement
"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 Jiahua Energy Chemical Co. dated 29 December 2025

"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 and a company which is ultimately controlled by Mr. Guan and Ms. Han
"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 and currently listed on the Shanghai Stock Exchange (stock code: 600273)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Guan"	Mr. Guan Jianzhong, a controlling Shareholder of the Company and the spouse of Ms. Han
"Ms. Guan"	Ms. Guan Siyi, an executive Director and the 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
"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 inconsistency between the Chinese names of the individuals and 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.*