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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 REPAIR AND MAINTENANCE SERVICES

CONTINUING CONNECTED TRANSACTION

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

Date: 29 December 2025

Parties: (1) Gangan Industrial, a Connected Person; and

(2) the Company.

Subject matter

Gangan Industrial has agreed to provide repair and maintenance services in respect of chemical plant and machineries for the Group.

Term

The Framework Agreement shall become effective during 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

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 relevant market price is determined by reference to the fee quote information gathered by the Group from various contractors of similar qualification and size in similar locations based on such market terms to make sure that the terms offered by Gangan Industrial would not be less favorable than those offered by third parties on the market.

Where the market price is not available, the contracted price, which shall be determined after arm's length negotiation by both parties based on the principle of cost plus a fair and reasonable profit rate and by reference to the historical prices.

The Group would employ several measures to ensure the price of repair and maintenance services offered by Gangan Industrial to the Group is no less favourable than the price of repair and maintenance services of comparable quality offered by other independent third parties to the Group. The Group would employ the following measures:

— the production department would plan and list out a yearly repair and maintenance plan during the course of setting the yearly budget plan and would seek quotes from time to time from at least 2 qualified independent third party contractors and also from Gangan Industrial with reference to the yearly repair and maintenance plan;

— the production department would compare each quote and require clarification if necessary from independent third party contractors and Gangan Industrial about the terms and conditions of theirs offers;

— the Group adopts lowest-pricing policy and among those offers, the production department is required to select the lowest-price offer among comparable offers and propose such to finance department for review and approval;

— the finance department would review the production department's proposal together with all the offers the production department receive for second checking and approval; and

— in the event that the production department does not propose the lowest-price offer, finance department would recommend the production department to revise its proposal to adhere to the lowest-pricing policy.

Historical transaction amounts and annual caps

The Group had the following amounts paid to Gangan Industrial in respect of repair and maintenance services provided by Gangan Industrial:

	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 paid by the Group to Gangan Industrial	56,170	52,537	47,985

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Historical annual caps in respect of repair and maintenance services to be provided by Gangan Industrial	67,500	70,500	70,500

Proposed Annual Caps

Based on:

(1) the expected amount of repair and maintenance services required by the Group from Gangan Industrial for the year ended 31 December 2026; and

(2) the estimated market price for repair and maintenance services for the year ended 31 December 2026,

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

	For the year ended 31 December 2026
	RMB'000
Annual caps	86,000

REASONS FOR AND BENEFITS OF THE TRANSACTION

Gangan Industrial is one of the local repair and maintenance service providers specialized in checking and cleaning chemical pipelines and entering into the Framework Agreement allows the Group to have an option of procurement source in terms of seeking offers from Gangan Industrial.

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 Gangan Industrial, 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 Group is principally engaged in the manufacturing and supplying of ethylene oxide, ethylene glycol, polypropylene and surfactants and the provision of surfactants processing service.

CONNECTED PERSON

As at the date of this announcement, Gangan Industrial is owned as to 50.00% by Mr. Guan and as to 50.00% by Jianghao Investment, which is owned by Mr. Guan and Ms. Han as to 80.00% and 20.00% respectively. As Ms. Han is an executive Director and Mr. Guan is a controlling Shareholder of the Company, Gangan Industrial 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.

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 repair and maintenance services to be provided by Gangan Industrial under the Framework Agreement, details of which are set out in the section headed "Proposed Annual 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 Gangan Industrial dated 29 December 2025
"Gangan Industrial"	嘉興港區港安工業設備安裝有限公司 (Jiaxing Gangqu Gangan Industrial Equipment Installation Co., Ltd*), a company established in the PRC with limited liability, and a company which was owned by Mr. Guan and Jianghao Investment as to 50.00% and 50.00% respectively as at the date of this announcement, a Connected Person of the Company
"Group"	the Company and its subsidiaries, from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"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
"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.*