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**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)**

**DECLARATION OF THE CONDITIONAL SPECIAL DIVIDEND**

Reference is made to the announcement of the Company dated 17 June 2016 (the “**Announcement**”) in respect of, among other things, the proposed Disposal and proposed Financial Assistance and the proposed declaration of the Special Dividend. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board announces that at the Board meeting held on Wednesday, 29 June 2016, the Board has resolved, conditional upon (i) the Shareholders having passed the ordinary resolution to approve the distribution of the Special Dividend at the EGM; (ii) the Independent Shareholders having passed the ordinary resolutions to approve the SP Agreement and the Disposal contemplated thereunder at the EGM; (iii) the Independent Shareholders having passed the ordinary resolutions to approve the LG Agreement and the Financial Assistance contemplated thereunder at the EGM; and (iv) the Completion of the Disposal, to declare the Special Dividend in the total amount of approximately HK\$148,966,000 (equivalent to an amount of approximately HK15.0 cents per Share based on 993,104,000 shares in issue as at the date of this announcement and approximately RMB126,621,000 payout in total). For the avoidance of doubt, if all the above conditions are not fulfilled, the Special Dividend will not be payable to Shareholders. If all the above conditions are fulfilled, the Special Dividend will be paid to Shareholders whose names appear on the register of members of the Company at the close of business on the EGM date. Further announcement(s) will be made by the Company after the EGM to confirm as to whether all the above conditions have been fulfilled, and, if applicable, to advise the Shareholders details of the distribution of the Special Dividend, including but not limited to, the payment date.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

As at the date of this announcement, the Board comprises the following Directors:

*Executive Directors:*

GUAN Jianzhong  
HAN Jianhong  
NIU Yingshan  
HAN Jianping

*Independent non-executive Directors:*

SHEN Kaijun  
PEI Yu

By order of the Board  
**China Sanjiang Fine Chemicals Company  
Limited**  
**GUAN Jianzhong**  
*Chairman and executive Director*

The PRC, 29 June 2016

*In this announcement, if there is any inconsistency 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.*

*For ease of reference, sums in RMB in this announcement are translated at the rate HK\$1.00 = RMB0.85. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.*