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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)**

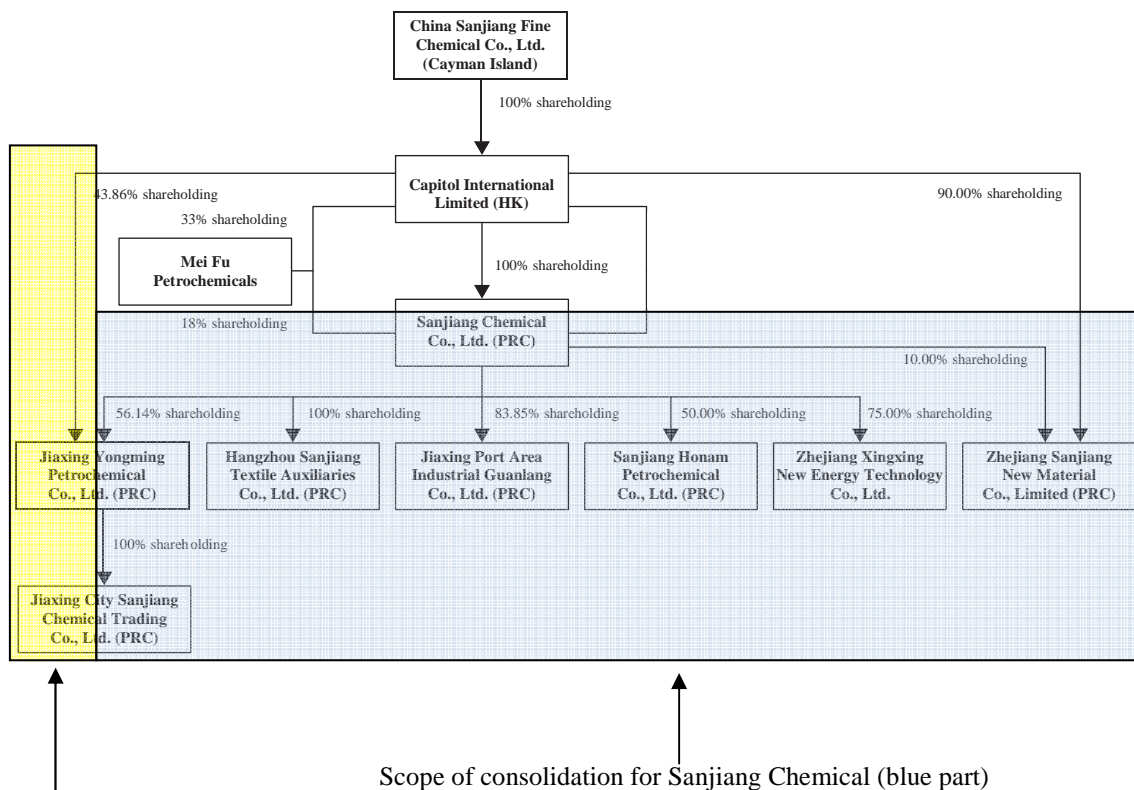
## **INSIDE INFORMATION**

This announcement is made by China Sanjiang Fine Chemicals Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcements of the Company dated 2 April 2013 (“**Voluntary Announcement**”) regarding the approval from NAFMII in respect of the issuance of short-term unsecured bond by Sanjiang Chemical. In this connection and pursuant to the disclosure requirement as stipulated by NAFMII, the Board hereby announces certain financial information including the unaudited financial results of Sanjiang Chemical Co., Limited (“**Sanjiang Chemical**”), one of the wholly-owned subsidiaries of the Company, for the six months ended 30 June 2016 prepared in accordance with the PRC Generally Accepted Accounting Principles (the “**PRC GAAP**”), which is located at: <http://www.chinamoney.com.cn/fe/Info/31365349>.

Usually, the Company prepares its financial statements disclosable under the Listing Rules in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”). There are certain differences in terms of both accounting treatments under the PRC GAAP and the HKFRS and the scope of consolidation, which includes but not limited to the fact that minority shareholders as shown in Sanjiang Chemical’s Combined Income Statement is within the Company’s scope of consolidation and it is not regarded as minority shareholders from the Company’s perspective.

For shareholders' and potential investors' easy reference, the Board sets forth below the consolidation scope of the aforesaid financial information of Sanjiang Chemical with further explanations as to the fact that, from the Company's perspective, both the minority shareholders of Sanjiang Chemical and the net profit attributable to the parent company of Sanjiang Chemical are within the consolidation scope of the Company.:-



From Sanjiang Chemical's perspective, this yellow part represents a minority interest as 43.86% equity interest in Jiaying Yongming Petrochemical is held by Capitol International Limited, another wholly-owned subsidiary of the Company. Therefore, the minority interest of Sanjiang Chemical is within the consolidation scope of the Company.

Capitalised terms used herein shall have the same meaning as those defined in the Voluntary Announcement, unless the context otherwise requires.

**The shareholders of the Company and 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**  
**GUAN Jianzhong**  
*Chairman and executive director*

People's Republic of China, 26 July 2016

*As at the date of this announcement, the Board comprises four executive Directors: Mr. GUAN Jianzhong, Ms. HAN Jianhong, Mr. NIU Yingshan, Mr. HAN Jianping and two independent non-executive Directors: Mr. SHEN Kaijun and Ms. PEI Yu.*