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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)

**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR
AND A CHANGE IN COMPOSITION OF
THE AUDIT COMMITTEE AND THE REMUNERATION COMMITTEE**

The board (“**Board**”) of directors (the “**Directors**”) of China Sanjiang Fine Chemicals Company Limited (the “**Company**”) is pleased to announce that Mr. Kong Liang (“**Mr. Kong**”) is appointed as an independent non-executive Director, a member of the audit committee and a member of the remuneration committee of the Company, with effect from 25 July 2016.

Mr. Kong, aged 50, graduated from the Fudan University with a bachelor’s degree in science (major in management science) in July 1988. He obtained a master’s degree in economics (major in management) from the University of International Business and Economics in June 1991 and a master’s degree in business administration from the Nyenrode Business Universiteit (formally known as the Nijenrode University, The Netherlands Business School) in September 1995. Mr. Kong also obtained a doctrine degree in education economics and management from Peking University in July 2011. Between 1996 and 1997, Mr. Kong worked as a management trainee in Van Ommeren, a company providing warehouse and transportation services in Netherlands. Between 1997 and 2001, He worked as the director in the international department of LaSalle College in Canada. During 2001, he worked as the senior strategic management consulting consultant in 新華信管理諮詢有限公司 (Sinotrust Management Consulting Company Limited*). Mr. Kong has worked as the project manager and chief representative of the United States in the EMBA project in China organized by the school of business of the University of Texas since 2002.

Mr. Kong is appointed as an independent non-executive Director on 25 July 2016 and is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Pursuant to his letter of appointment dated 25 July 2016, Mr. Kong is entitled to receive a fee of HK\$120,000 per annum which is determined with reference to his experience and estimated time to be spent. Mr. Kong’s appointment is for a term of two years commenced from 25 July 2016 but he will hold office until the next following annual general meeting of the Company at which he will be eligible for re-election. Mr. Kong’s term of office is renewable automatically for successive terms of one year commencing from the day immediately after expiry of the then current term. Thereafter, he will be subject to retirement by rotation and re-election pursuant to the articles of association of the Company.

Save for the appointment of independent non-executive Director, Mr. Kong does not hold any other position in the Company or any of its subsidiaries and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) of the Company as at the date of this announcement. He does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as at the date of this announcement. Mr. Kong has not been a director of any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Save as disclosed herein, Mr. Kong has confirmed that there is no information relating to his appointment that is required to be disclosed under Rule 13.51(2) of the Listing Rules, or need to be brought to the attention of the shareholders of the Company. Mr. Kong has confirmed his independence for the purpose of Rule 3.13 of the Listing Rules.

Following the appointment of Mr. Kong, the Company has fully complied with the requirement on minimum number of independent non-executive Directors under Rule 3.10(1) of the Listing Rules, the requirement on minimum number of members of the audit committee under Rule 3.21 of the Listing Rules and the requirement that the remuneration committee should comprise a majority of independent non-executive Directors under Rule 3.25 of the Listing Rules. The Board would like to take this opportunity to welcome Mr. Kong for joining the Board.

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

The PRC, 26 July 2016

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
KONG Liang