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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)**

## **CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcement of China Sanjiang Fine Chemicals Company Limited (the “**Company**”) dated 29 December 2023 in relation to the continuing connected transactions of (1) Sanjiang Chemical Ethylene Storage and Transportation Services Agreement; (2) Condensate Water and Miscellaneous Materials Purchase Agreement; and (3) Desalinated Water and Miscellaneous Materials Supply Agreement (the “**Announcement**”).

The Company noted certain clerical mistakes in the Announcement and wishes to make the following clarifications:

### **Clarification #1**

On page 2 of the Announcement, the Company disclosed the relevant listing rule implications for the aforesaid continuing connected transactions under the section “LISTING RULES IMPLICATION”, which should read as follow with the changes both duly underlined and **bold**:

### **“LISTING RULES IMPLICATION**

Jiahua Energy Chemical Co. is owned as to approximately 36.77% 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 each of **(1) Sanjiang Chemical Ethylene Storage and Transportation Services Agreement; (2) Condensate Water and**

Miscellaneous Materials Purchase Agreement; and (3) Desalinated Water and Miscellaneous Materials Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the relevant applicable ratio in respect of each of the annual caps of (1) Sanjiang Chemical Ethylene Storage and Transportation Services Agreement; (2) Condensate Water and Miscellaneous Materials Purchase Agreement; and (3) Desalinated Water and Miscellaneous Materials Supply Agreement is less than 5%, (1) Sanjiang Chemical Ethylene Storage and Transportation Services Agreement; (2) Condensate Water and Miscellaneous Materials Purchase Agreement; and (3) Desalinated Water and Miscellaneous Materials Supply Agreement and the transactions contemplated thereunder are therefore subject to reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules."

#### **Clarification #2**

On page 14 of the Announcement, the Company disclosed the relevant listing rule implications for the aforesaid continuing connected transactions under the section "LISTING RULES IMPLICATION", which should read as follow with the changes both duly underlined and **bold**:

#### **"LISTING RULES IMPLICATION**

Jiahua Energy Chemical Co. is owned as to approximately 36.77% 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 each of (1) Sanjiang Chemical Ethylene Storage and Transportation Services Agreement; (2) Condensate Water and Miscellaneous Materials Purchase Agreement; and (3) Desalinated Water and Miscellaneous Materials Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the relevant applicable ratio in respect of each of the annual caps of (1) Sanjiang Chemical Ethylene Storage and Transportation Services Agreement; (2) Condensate Water and Miscellaneous Materials Purchase Agreement; and (3) Desalinated Water and Miscellaneous Materials Supply Agreement is less than 5%, (1) Sanjiang Chemical Ethylene Storage and Transportation Services Agreement; (2) Condensate Water and Miscellaneous Materials Purchase Agreement; and (3) Desalinated Water and Miscellaneous Materials Supply Agreement and the transactions contemplated thereunder are therefore subject to reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

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

There is no change in the content and information contained in the Announcement save for the aforementioned corrections of clerical errors.

By order of the Board  
**China Sanjiang Fine Chemicals Company Limited**  
**HAN Jianhong**  
*Chairlady and executive Director*

People’s Republic of China, 3 January 2024

*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.*