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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 -
INSIDE INFORMATION
AND
RESUMPTION OF TRADING**

Reference is made to the inside information announcement (the “**Inside Information Announcement**”) of China Sanjiang Fine Chemicals Company Limited (the “**Company**”) dated 20 October 2016. Unless otherwise defined, terms used herein shall have the same meaning as defined in the Inside Information Announcement.

The Company noted certain clerical mistakes in the Inside Information Announcement and wishes to publish the updated **whole of the content part** of the Inside Information Announcement as follows (the content parts that are not published here involve clerical mistakes) :-

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 nine months ended 30 September 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/33508670> (English translation of the aforesaid certain financial information is set out below).

Combined Balance Sheet

30 September 2016

Prepared by: Sanjiang Chemical Co., Ltd.

Unit: BMB

Item	Line	Closing balance of the period	Opening balance of the period	Item	Line	Closing balance of the period	Opening balance of the period
Current assets:	1	—	—	Current liabilities:	65	—	—
Monetary capital	2	478,844,634.22	1,145,515,692.59	Short-term borrowings	66	1,077,183,406.94	2,642,363,695.96
Clearing settlement funds	3	-	-	Borrowings from central bank	67	-	-
Placements with banks	4	-	-	Deposit from customers and deposits with banks and non-bank financial institutions	68	-	-
Financial assets held-for-trading	5	-	100,000,000.00	Placements with banks	69	-	-
Bills receivable	6	64,998,350.24	418,672,598.78	Financial liabilities held for trading	70	-	-
Account receivable	7	485,296,139.69	208,993,418.13	Bills payable	71	150,000,000.00	424,700,000.00
Prepayments	8	757,384,388.78	756,636,020.30	Accounts payable	72	1,692,861,882.93	1,757,763,329.25
Premiums receivable	9	-	-	Payments received in advance	73	314,796,123.68	121,605,061.09
Reinsurance accounts receivable	10	-	-	Financial assets sold under agreements to repurchase	74	-	-
Deposits receivable from reinsurance contracts	11	-	-	Handling charges and commission payable	75	-	-
Interests receivable	12	18,383,148.92	58,610,690.06	Salaries payable	76	7,368,405.88	5,770,894.60
Dividends receivable	13	-	-	Including: Wages payable	77	7,368,405.88	5,770,894.60
Other receivables	14	1,435,158,836.65	1,564,184,290.23	Welfare fee payable	78	-	-
Financial assets purchased under agreements to resell	15	-	-	Staff incentives and welfare fund	79	-	-
Inventories	16	280,222,322.79	355,011,257.59	Tax charge payable	80	25,527,356.29	13,614,875.00
Including: Raw materials	17	243,333,344.22	256,476,413.98	Including: tax payable	81	24,810,756.16	13,145,558.26
Stocked goods (Finished goods)	18	36,394,922.70	75,016,505.40	Interests payable	82	5,714,977.04	8,752,687.89
Non-current assets due within one year	19	-	-	Dividends payable	83	3,500,000.00	3,500,000.00
Other current assets	20	137,147,350.95	293,123,839.82	Other payables	84	453,140,949.63	407,931,776.99
Total current assets	21	3,657,435,172.24	4,900,747,807.50	Reinsurance accounts payable	85	-	-
Non-current assets:	22	-	-	Deposits for insurance contracts	86	-	-
Loans and advances	23	-	-	Customer deposits for securities trading	87	-	-
Financial assets available for sale	24	129,370,373.00	129,370,373.00	Customer deposits for securities underwriting	88	-	-
Investments held to maturity	25	-	100,000,000.00	Non-current liabilities due within one year	89	400,000,000.00	-
Long-term receivables	26	-	-	Other current liabilities	90	638,124,389.57	531,849,315.09
Long-term equity investments	27	90,065,641.94	139,106,413.26	Total current liabilities	91	4,768,217,491.96	5,917,851,635.87
Investment properties	28	-	-	Non-current liabilities:	92	-	-
Original price of fixed assets	29	5,752,677,169.78	5,226,400,867.85	Long-term borrowings	93	1,237,920,950.00	1,864,258,725.00
Less: Accumulative loss	30	1,324,482,873.01	929,076,663.47	Debentures payable	94	-	-
Net value of fixed assets	31	4,428,194,296.77	4,297,324,204.38	Long-term payables	95	-	-
Less: Impairment provision of fixed assets	32	-	-	Special payables	96	-	-
Net fixed assets	33	4,428,194,296.77	4,297,324,204.38	Projected liabilities	97	-	-
Construction in progress	34	107,978,291.13	408,246,749.03	Deferred income tax liabilities	98	-	-
Construction materials	35	30,753,442.20	37,597,017.83	Other non-current liabilities	99	6,970,311.40	-
Disposal of fixed assets	36	-	-	Including: Approved reserve fund	100	-	-
Biological assets for production	37	-	-	Total non-current liabilities	101	1,244,891,261.40	1,864,258,725.00
Oil and gas assets	38	-	-	Total liabilities	102	6,013,108,753.36	7,782,110,360.87
Intangible assets	39	437,910,283.95	406,184,289.50	Owners' equity (or shareholders' equity):	103	-	-
Development expenses	40	-	-	Paid-up capital (share capital)	104	1,008,925,390.04	1,008,925,390.04
Goodwill	41	-	-	State-owned capital	105	-	-
Long-term deferred expenses	42	165,056,541.86	199,264,769.64	Including: state-owned legal person capital	106	-	-
Deferred income tax assets	43	52,392,611.83	-	Collective capital	107	-	-
Other non-current assets	44	-	16,520,000.00	Private capital	108	-	-
Including: Approved reserve materials	45	-	-	Including: Individual capital	109	-	-
Total non-current assets	46	5,441,721,482.68	5,733,613,816.64	Foreign capital	110	1,008,925,390.04	1,008,925,390.04
	47	-	-	Less: investments returned	111	-	-
	48	-	-	Paid in capital (or share capital), net	112	1,008,925,390.04	1,008,925,390.04
	49	-	-	Capital reserves	113	366,662,318.23	366,662,318.23
	50	-	-	Less: treasury shares	114	-	-
	51	-	-	Special reserves	115	5,285,353.19	14,946,327.46
	52	-	-	Surplus reserves	116	174,947,645.29	153,603,099.97
	53	-	-	Including: statutory welfare reserve	117	174,947,645.29	153,603,099.97
	54	-	-	Discretionary reserve	118	-	-
	55	-	-	Reserve fund	119	-	-
	56	-	-	Enterprise expansion fund	120	-	-
	57	-	-	Investment profit returned	121	-	-
	58	-	-	Provision for general risks	122	-	-
	59	-	-	Undistributed profit	123	1,358,960,182.52	1,176,597,163.88
	60	-	-	Exchange difference arising on translation	124	-	-
	61	-	-	Total equity attributable to owners of the parent company	125	2,914,780,889.27	2,720,734,299.58
	62	-	-	Minority interests	126	171,267,012.29	131,516,963.69
	63	-	-	Total owners' equity	127	3,086,047,901.56	2,852,251,263.27
Total assets	64	9,099,156,654.92	10,634,361,624.14	Total liabilities and owners' equity	128	9,099,156,654.92	10,634,361,624.14

Person-in-charge of the department:

Person-in-charge of accounting affairs:

Prepared by:

Combined Income Statement

January to September, 2016

Prepared by: Sanjiang Chemical Co., Ltd.

Unit: BMB

Item	Line	Current period amount	Previous period amount	Item	Line	Current period amount	Previous period amount
1. Total revenue	1	4,599,003,071.36	3,852,338,401.65	Other	28	-	-
Incl.: Operating income	2	4,599,003,071.36	3,852,338,401.65	Add: Gains from changes in fair value (losses are indicated with "-")	29	-	-
Incl.: main business income	3	4,428,332,385.11	3,819,119,727.80	Investment gains (losses are indicated with "-")	30	-2,100,825.50	203,485,029.44
Other business income	4	170,670,686.25	33,218,673.85	Including: Gains from investment in associated companies and joint ventures	31	-	-
Interest income	5	-	-	Exchange gains (losses are indicated with "-")	32	-	-
Premiums earned	6	-	-	3. Operating profit (losses are indicated with "-")	33	286,305,931.88	24,711,238.04
Handling charges and commission income	7	-	-	Add: Non-operating income	34	24,161,390.96	16,305,062.41
2. Total operating costs	8	4,310,596,313.98	4,031,112,193.05	Incl.: gain from disposal of non-current assets	35	-	336,853.12
Incl.: Operating costs	9	3,792,127,877.44	3,565,468,558.44	Gain from exchange of non-monetary assets	36	-	-
Incl.: main business costs	10	3,661,681,190.13	3,539,101,165.66	Government subsidies	37	-	9,129,307.35
Other business costs	11	130,446,687.31	26,367,392.78	Gain from debt restructuring	38	-	-
Interest expenses	12	-	-	Less: Non-operating expenses	39	10,640.82	406,193.54
Handling charges and commission expenses	13	-	-	Incl.: Losses from disposal of non-current assets	40	-	44,373.34
Payments on surrender	14	-	-	Loss from exchange of non-monetary assets	41	-	-
Net claim expenses	15	-	-	Loss from debt restructuring	42	-	-
Net provision for insurance contract reserves	16	-	-	4. Total profits (total losses are indicated with "-")	43	310,456,682.02	40,610,106.91
Policyholder dividend expenses	17	-	-	Less: Income tax expenses	44	59,230,183.72	40,566,765.55
Reinsurance costs	18	-	-	5. Net profits (net losses are indicated with "-")	45	251,226,498.30	43,341.36
Business tax and surcharges	19	9,883,403.07	5,391,145.06	Net profit attributable to owners of the parent company	46	226,052,395.56	43,380,353.75
Selling expenses	20	9,837,310.77	15,399,784.65	minority shareholders	47	25,174,102.74	-43,337,012.39
Administration expenses	21	402,022,128.02	308,824,014.47	6. Earnings per share:	48		
Incl.: research and development expenses	22	204,735,676.93	190,390,719.02	Basic earnings per share	49		
Finance costs	23	96,725,594.68	136,028,690.43	Diluted earnings per share	50		
Incl.: interest expenses	24	179,696,128.08	139,926,799.39	7. Other comprehensive income	51		
Interest income	25	115,138,460.98	140,859,071.22	8. Total comprehensive income	52		
Exchange net loss (net gain are indicated with "-")	26	20,683,699.72	108,335,225.78	Total comprehensive income attributable to owners of the parent company	53		
Asset impairment loss	27	-	-	Total comprehensive income attributable to minority shareholders	54		

Person-in-charge of the department:

Person-in-charge of accounting affairs:

Prepared by:

Combined Cash Flow Statement

January to September, 2016

Prepared by: Sanjiang Chemical Co., Ltd.

Unit: BMB

Item	Line	Current period amount	Previous period amount	Item	Line	Current period amount	Previous period amount
1. Cash flow generated from operating activities:	1	—	—	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	30		755,653.54
Cash inflow on sales of goods and provision of labor services	2	5,589,310,920.96	3,782,765,295.64	Net cash received from disposal of subsidiaries and other operational units	31		-
Net increase in customer deposits and interbank deposits	3	-	-	Cash received from other investing activities	32	86,914.76	-
Net increase in borrowings from central bank	4	-	-	Sub-total of cash inflow from investing activities	33	273,552,274.76	796,050,074.65
Net increase in borrowings from other financial institutions	5	-	-	Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	34	387,924,479.47	1,040,599,591.39
Cash received from premiums of original insurance contracts	6	-	-	Cash paid for investments	35	181,566,185.50	625,000,000.00
Net cash received from reinsurance operations	7	-	-	Net increase in pledged loans	36	-	-
Net increase in policyholders' deposits and investments	8	-	-	Net cash paid for acquisition of subsidiaries and other operational units	37	-	-
Net increase in disposal of financial assets held for trading	9	-	-	Cash paid for other investing activities	38	-	-
Cash received from interest, handling charges and commission	10	-	-	Sub-total of cash outflow from investing activities	39	569,490,664.97	1,665,599,591.39
Net increase in capital borrowed	11	-	-	Net cash flow generated from investing activities	40	-295,938,390.21	-869,549,516.74
Net increase in capital from repurchase of business	12	-	-	3. Cash flow generated from financing activities:	41	-	-
Tax rebate received	13	525,021.63	12,221,841.61	Cash received from investments	42	-	-
Cash received from other operating activities	14	598,946,698.75	920,795,487.10	Including: cash received by subsidiaries from minority shareholders' investments	43	-	-
Sub-total of cash inflow from operating activities	15	6,188,782,641.34	4,715,782,624.35	Cash received from obtaining borrowings	44	2,997,424,064.05	3,395,089,290.64
Cash paid for goods purchased and service rendered	16	4,528,749,150.47	3,945,848,290.87	Cash received from issuance of debentures	45		-
Net increase in loans and advances to customers	17	-	-	Cash received from other financing activities	46		-
Net increase of deposits in central bank and interbank	18	-	-	Sub-total of cash inflows from financing activities	47	2,997,424,064.05	3,395,089,290.64
Cash paid for claims on original insurance policies	19	-	-	Cash paid for repayment of debt	48	3,870,873,796.72	2,896,445,489.01
Cash paid for interest, handling charges and commission	20	-	-	Cash paid for distribution of dividends, profit or payment of interests	49	173,421,959.28	177,723,335.13
Cash paid for policyholders' dividend	21	-	-	Including: dividend and profit paid to minority shareholders by subsidiaries	50	-	-
Cash paid to and for employees	22	59,931,488.42	55,474,314.26	Cash paid for other financing activities	51	-	-
Taxes paid	23	42,018,019.17	65,267,207.37	Sub-total of cash outflow from financing activities	52	4,044,295,756.00	3,074,168,824.14
Cash paid for other operating activities	24	644,652,695.65	617,084,485.51	Net cash flow generated from financing activities	53	-1,046,871,691.95	320,920,466.50
Sub-total of cash outflow from operating activities	25	5,275,351,353.71	4,683,674,298.01	4. Effects of changes in exchange rates on cash and cash equivalents	54	6,193,612.11	-5,863,636.32
Net cash flow generated from operating activities	26	913,431,287.63	32,108,326.34	5. Net increase in cash and cash equivalents	55	-423,185,182.42	-522,384,360.22
2. Cash flow generated from investing activities:	27	—	—	Add: Balance of cash and cash equivalents at the beginning of the period	56	902,029,816.64	1,667,900,052.81
Cash received from sale and redemption of investments	28	273,465,360.00	753,204,420.00	6. Balance of cash and cash equivalents at the end of the period	57	478,844,634.22	1,145,515,692.59
Cash received from investment gains	29		42,090,001.11		58		

Person-in-charge of the department:	Person-in-charge of accounting affairs:	Prepared by:
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Balance Sheet

30 September 2016

Prepared by: Sanjiang Chemical Co., Ltd.

Unit: BMB

Item	Line	Closing balance of the period	Opening balance of the period	Item	Line	Closing balance of the period	Opening balance of the period
Current assets:	1	—	—	Current liabilities:	65	—	—
Monetary capital	2	396,929,937.82	1,047,325,240.56	Short-term borrowings	66	689,183,779.82	1,965,877,784.83
Clearing settlement funds	3			Borrowings from central bank	67		
Placements with banks	4			Deposit from customers and deposits with banks and non-bank financial institutions	68		
Financial assets held-for-trading	5		100,000,000.00	Placements with banks	69		
Bills receivable	6	62,764,022.88	308,611,355.58	Financial liabilities held for trading	70		
Account receivable	7	379,493,695.12	554,061,345.19	Bills payable	71	150,000,000.00	424,700,000.00
Prepayments	8	453,897,372.06	396,697,959.79	Accounts payable	72	597,789,580.50	486,665,100.70
Premiums receivable	9			Payments received in advance	73	261,199,760.25	162,494,555.97
Reinsurance accounts receivable	10			Financial assets sold under agreements to repurchase	74		
Deposits receivable from reinsurance contracts	11			Handling charges and commission payable	75		
Interests receivable	12	18,383,148.92	58,610,690.06	Salaries payable	76	3,187,238.66	2,816,703.69
Dividends receivable	13			Including: Wages payable	77	3,187,238.66	2,816,703.69
Other receivables	14	1,797,195,364.90	1,575,689,851.67	Welfare fee payable	78		
Financial assets purchased under agreements to resell	15			Staff incentives and welfare fund	79		
Inventories	16	101,409,743.08	134,278,793.21	Tax charge payable	80	25,272,354.65	3,403,934.84
Including: Raw materials	17	88,836,623.26	115,674,557.84	Including: tax payable	81	24,860,221.29	3,198,827.91
Stocked goods (Finished goods)	18	12,400,734.84	16,748,593.70	Interests payable	82	1,512,152.20	4,173,404.08
Non-current assets due within one year	19			Dividends payable	83	3,500,000.00	3,500,000.00
Other current assets	20		40,268,507.35	Other payables	84	88,087,801.29	230,048,614.82
Total current assets	21	3,210,073,284.78	4,215,543,743.41	Reinsurance accounts payable	85		
Non-current assets:	22			Deposits for insurance contracts	86		
Loans and advances	23			Customer deposits for securities trading	87		
Financial assets available for sale	24	129,370,373.00	129,370,373.00	Customer deposits for securities underwriting	88		
Investments held to maturity	25		100,000,000.00	Non-current liabilities due within one year	89		
Long-term receivables	26			Other current liabilities	90	637,627,397.27	531,849,315.09
Long-term equity investments	27	717,345,645.71	734,055,080.90	Total current liabilities	91	2,457,360,064.64	3,815,529,414.02
Investment properties	28			Non-current liabilities:	92		
Original price of fixed assets	29	2,536,256,621.64	2,097,772,318.20	Long-term borrowings	93		400,000,000.00
Less: Accumulative loss	30	1,036,207,593.29	843,620,950.94	Debentures payable	94		
Net value of fixed assets	31	1,500,049,028.35	1,254,151,367.26	Long-term payables	95		
Less: Impairment provision of fixed assets	32			Special payables	96		
Net fixed assets	33	1,500,049,028.35	1,254,151,367.26	Projected liabilities	97		
Construction in progress	34	45,444,008.79	242,637,164.33	Deferred income tax liabilities	98		
Construction materials	35	30,753,442.20	37,597,017.83	Other non-current liabilities	99	406,970,311.40	-
Disposal of fixed assets	36			Including: Approved reserve fund	100		
Biological assets for production	37			Total non-current liabilities	101	406,970,311.40	400,000,000.00
Oil and gas assets	38			Total liabilities	102	2,864,330,376.04	4,215,529,414.02
Intangible assets	39	164,210,598.21	162,184,798.41	Owners' equity (or shareholders' equity):	103		
Development expenses	40			Paid-up capital (share capital)	104	1,008,925,390.04	1,008,925,390.04
Goodwill	41			State-owned capital	105	-	-
Long-term deferred expenses	42	76,020,662.26	157,781,510.48	Including: state-owned legal person capital	106	-	-
Deferred income tax assets	43			Collective capital	107	-	-
Other non-current assets	44			Private capital	108	-	-
Including: Approved reserve materials	45			Including: Individual capital	109	-	-
Total non-current assets	46	2,663,193,758.52	2,817,777,312.21	Foreign capital	110	1,008,925,390.04	1,008,925,390.04
	47			Less: investments returned	111	-	-
	48			Paid in capital (or share capital), net	112	1,008,925,390.04	1,008,925,390.04
	49			Capital reserves	113	399,657,458.73	400,011,613.93
	50			Less: treasury shares	114		
	51			Special reserves	115	5,285,353.19	14,946,327.46
	52			Surplus reserves	116	141,754,445.29	120,409,899.97
	53			Including: statutory welfare reserve	117	141,754,445.29	120,409,899.97
	54			Discretionary reserve	118		
	55			Reserve fund	119		
	56			Enterprise expansion fund	120		
	57			Investment profit returned	121		
	58			Provision for general risks	122		
	59			Undistributed profit	123	1,453,314,020.01	1,273,498,410.20
	60			Exchange difference arising on translation	124		
	61			Total equity attributable to owners of the parent company	125	3,008,936,667.26	2,817,791,641.60
	62			Minority interests	126		
	63			Total owners' equity	127	3,008,936,667.26	2,817,791,641.60
Total assets	64	5,873,267,043.30	7,033,321,055.62	Total liabilities and owners' equity	128	5,873,267,043.30	7,033,321,055.62

Person-in-charge of the department:	Person-in-charge of accounting affairs:	Prepared by:
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Income Statement

January to September, 2016

Prepared by: Sanjiang Chemical Co., Ltd.

Unit: BMB

Item	Line	Current period amount	Previous period amount	Item	Line	Current period amount	Previous period amount
1. Total revenue	1	2,107,311,890.44	2,277,315,463.75	Other	28		
Incl.: Operating income	2	2,107,311,890.44	2,277,315,463.75	Add: Gains from changes in fair value (losses are indicated with "-")	29		
Incl.: main business income	3	1,942,295,017.62	2,197,533,415.70	Investment gains (losses are indicated with "-")	30		173,406,620.07
Other business income	4	165,016,872.82	79,782,048.05	Including: Gains from investment in associated companies and joint ventures	31		
Interest income	5			Exchange gains (losses are indicated with "-")	32		
Premiums earned	6			3. Operating profit (losses are indicated with "-")	33	166,894,785.42	208,721,443.46
Handling charges and commission income	7			Add: Non-operating income	34	3,056,546.14	10,646,883.19
2. Total operating costs	8	1,940,417,105.02	2,242,000,640.36	Incl.: gain from disposal of non-current assets	35		336,853.12
Incl.: Operating costs	9	1,775,356,889.35	2,056,501,358.45	Gain from exchange of non-monetary assets	36		
Incl.: main business costs	10	1,648,259,475.17	1,983,628,845.90	Government subsidies	37		9,079,307.35
Other business costs	11	127,097,414.18	72,872,512.55	Gain from debt restructuring	38		
Interest expenses	12			Less: Non-operating expenses	39	8,440.82	405,443.54
Handling charges and commission expenses	13			Incl.: Losses from disposal of non-current assets	40		44,373.34
Payments on surrender	14			Loss from exchange of non-monetary assets	41		
Net claim expenses	15			Loss from debt restructuring	42		
Net provision for insurance contract reserves	16			4. Total profits (total losses are indicated with "-")	43	169,942,890.74	218,962,883.11
Policyholder dividend expenses	17			Less: Income tax expenses	44	25,491,433.62	40,106,266.61
Reinsurance costs	18			5. Net profits (net losses are indicated with "-")	45	144,451,457.12	178,856,616.50
Business tax and surcharges	19	9,546,280.93	4,974,548.61	Net profit attributable to owners of the parent company	46	144,451,457.12	178,856,616.50
Selling expenses	20	6,852,584.73	13,951,325.04	minority shareholders	47		
Administration expenses	21	178,711,481.84	138,911,210.61	6. Earnings per share:	48		
Incl.: research and development expenses	22	40,003,726.52	72,590,793.79	Basic earnings per share	49		
Finance costs	23	-30,050,131.83	27,662,197.65	Diluted earnings per share	50		
Incl.: interest expenses	24	79,945,534.50	97,820,732.85	7. Other comprehensive income	51		
Interest income	25	116,665,838.62	168,682,619.78	8. Total comprehensive income	52		
Exchange net loss (net gain are indicated with "-")	26	-979,583.06	78,586,027.62	Total comprehensive income attributable to owners of the parent company	53		
Asset impairment loss	27			Total comprehensive income attributable to minority shareholders	54		

Person-in-charge of the department:	Person-in-charge of accounting affairs:	Prepared by:
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Cash Flow Statement

January to September, 2016

Prepared by: Sanjiang Chemical Co., Ltd.

Unit: BMB

Item	Line	Current period amount	Previous period amount	Item	Line	Current period amount	Previous period amount
1. Cash flow generated from operating activities:	1	—	—	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	30		755,653.54
Cash inflow on sales of goods and provision of labor services	2	2,621,284,067.43	1,864,526,879.75	Net cash received from disposal of subsidiaries and other operational units	31	-	-
Net increase in customer deposits and interbank deposits	3			Cash received from other investing activities	32		
Net increase in borrowings from central bank	4			Sub-total of cash inflow from investing activities	33	100,000,000.00	255,971,665.28
Net increase in borrowings from other financial institutions	5			Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	34	226,008,933.79	216,484,220.07
Cash received from premiums of original insurance contracts	6			Cash paid for investments	35	6,000,000.00	115,000,000.00
Net cash received from reinsurance operations	7			Net increase in pledged loans	36		
Net increase in policyholders' deposits and investments	8			Net cash paid for acquisition of subsidiaries and other operational units	37		
Net increase in disposal of financial assets held for trading	9			Cash paid for other investing activities	38		
Cash received from interest, handling charges and commission	10			Sub-total of cash outflow from investing activities	39	232,008,933.79	331,484,220.07
Net increase in capital borrowed	11			Net cash flow generated from investing activities	40	-132,008,933.79	-75,512,554.79
Net increase in capital from repurchase of business	12			3. Cash flow generated from financing activities:	41		
Tax rebate received	13	503,317.59	12,160,068.92	Cash received from investments	42		
Cash received from other operating activities	14	401,656,115.26	1,270,390,354.29	Including: cash received by subsidiaries from minority shareholders' investments	43		
Sub-total of cash inflow from operating activities	15	3,023,443,500.28	3,147,077,302.96	Cash received from obtaining borrowings	44	2,095,729,271.27	2,519,035,538.31
Cash paid for goods purchased and service rendered	16	1,761,498,135.69	2,787,168,531.00	Cash received from issuance of debentures	45		
Net increase in loans and advances to customers	17			Cash received from other financing activities	46		
Net increase of deposits in central bank and interbank	18			Sub-total of cash inflows from financing activities	47	2,095,729,271.27	2,519,035,538.31
Cash paid for claims on original insurance policies	19			Cash paid for repayment of debt	48	2,591,274,113.28	2,593,590,595.31
Cash paid for interest, handling charges and commission	20			Cash paid for distribution of dividends, profit or payment of interests	49	51,304,140.02	82,449,773.00
Cash paid for policyholders' dividend	21			Including: dividend and profit paid to minority shareholders by subsidiaries	50		
Cash paid to and for employees	22	30,938,777.64	30,392,202.32	Cash paid for other financing activities	51		
Taxes paid	23	34,968,775.68	60,559,930.76	Sub-total of cash outflow from financing activities	52	2,642,578,253.30	2,676,040,368.31
Cash paid for other operating activities	24	925,573,342.15	534,411,192.05	Net cash flow generated from financing activities	53	-546,848,982.03	-157,004,830.00
Sub-total of cash outflow from operating activities	25	2,752,979,031.16	3,412,531,856.13	4. Effects of changes in exchange rates on cash and cash equivalents	54	20,893,398.48	9,052,973.39
Net cash flow generated from operating activities	26	270,464,469.12	-265,454,553.17	5. Net increase in cash and cash equivalents	55	-387,500,048.22	-488,918,964.57
2. Cash flow generated from investing activities:	27	—	—	Add: Balance of cash and cash equivalents at the beginning of the period	56	784,429,986.04	1,536,244,205.13
Cash received from sale and redemption of investments	28	100,000,000.00	246,000,000.00	6. Balance of cash and cash equivalents at the end of the period	57	396,929,937.82	1,047,325,240.56
Cash received from investment gains	29		9,216,011.74		58		

Person-in-charge of the department:	Person-in-charge of accounting affairs:	Prepared by:
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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.

Please note that the business and operation of Jiaxing Yongming Petrochemical Co., Ltd., one of the subsidiaries (before de-registration) of the Company, has been merged wholly and completely with Sanjiang Chemical effective from 1 January 2015 and Jiaxing Yongming Petrochemical Co., Ltd. has in turn de-registered under PRC Law.

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.

At the request of the Company, trading in the Shares has been halted from 9:00 a.m. on 24 October 2016 pending the release of the clarification announcement in relation to Inside Information Announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares from 1:00 p.m. on 24 October 2016.

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

People’s Republic of China, 24 October 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 three independent non-executive Directors: Mr. SHEN Kaijun, Ms. PEI Yu and Mr. KONG Liang.