

SUNVIC CHEMICAL HOLDINGS LIMITED
(Registration Number: 200406502E)

Financial Statement and Dividend Announcement for the Third Quarter Ended 30 September 2019

INFORMATION REQUIRED FOR ANNOUNCEMENT OF THIRD QUARTER RESULTS

1(a) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive Income

	Q3 2019	Q3 2018	+/(-) %	9-months ended 30 September 2019	9-months ended 30 September 2018	+/(-) %
	RMB'000	RMB'000		RMB'000	RMB'000	
Revenue	290,437	227,613	27.6	722,269	1,528,111	(52.7)
Cost of sales	(266,767)	(220,783)	20.8	(718,892)	(1,463,159)	(50.9)
Gross profit/(loss)	23,670	6,830	246.6	3,377	64,952	(94.8)
Other operating income	304,385	3,332	NM	326,341	120,740	170.3
Distribution expenses	(1,778)	(4,078)	(56.4)	(5,378)	(30,042)	(82.1)
Administrative expenses	(10,982)	(23,337)	(52.9)	(70,450)	(95,959)	(26.6)
Other operating expenses	(64,475)	(3,793)	264.9	(143,215)	(115,521)	24.0
Results from operating activities	250,820	(21,046)	NM	110,675	(55,830)	(298.2)
Finance expenses	(5,254)	(17,950)	(70.7)	(38,747)	(62,793)	(38.3)
Profit/(loss) before income tax	245,566	(38,996)	NM	71,928	(118,623)	(160.6)
Income tax credit/(expense)	1,698	(2,286)	(174.3)	(40)	(9,929)	(99.6)
Profit/(loss) for the period	247,264	(41,282)	NM	71,888	(128,552)	(155.9)
Discontinued operations						
Profit from discontinued operations, net of tax	20,816	-	100.0	20,816	-	100.0
Profit/(loss) for the period	268,080	(41,282)	NM	92,704	(128,552)	(172.1)
Other comprehensive income						
Translation differences relating to financial statements of subsidiaries with functional currencies other than RMB	152	505	(69.9)	190	763	(75.1)
Total comprehensive profit/(loss) for the period	268,232	(40,777)	NM	92,894	(127,789)	(172.7)
Attributable to:						
Owners of the Company	268,633	(40,270)	NM	94,180	(126,428)	(174.5)
Non-controlling interests	(401)	(507)	(20.9)	(1,286)	(1,361)	(5.5)
Total comprehensive profit/(loss) for the period	268,232	(40,777)	NM	92,894	(127,789)	(172.7)

The following items have been included in arriving at profit/(loss) before income tax:

	Q3 2019	Q3 2018	+/(-) %	9-months ended 30 September 2019	9-months ended 30 September 2018	+/(-) %
	RMB'000	RMB'000		RMB'000	RMB'000	
Interest income	4,010	(2,627)	(252.6)	(1,750)	(6,028)	(71.0)
Gain on disposal of JV company, Taixing Sunke	(321,412)	-	100.0	(321,412)	-	100.0
Exchange (gain)/loss, net	(989)	(2,576)	(61.6)	1,095	6,312	(82.7)
Depreciation of property, plant and equipment	(44,898)	35,369	(226.9)	28,054	104,809	(73.2)
Amortisation of lease prepayments	88	-	100.0	598	1,787	(66.5)
Amortisation of intangible assets	72	261	(72.4)	530	662	(19.9)
Share of fixed costs, depreciation and amortisation of JV company, Taixing Sunke	35,923	-	100.0	143,628	-	100.0
Interest paid and payable	5,254	17,950	(70.7)	38,747	62,793	(38.3)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30 September 2019 RMB'000	As at 31 December 2018 RMB'000	As at 30 September 2019 RMB'000	As at 31 December 2018 RMB'000
Non-current assets				
Property, plant and equipment	335,683	337,767	21	33
Intangible assets	7,309	7,885	-	-
Land use rights	45,541	44,900	-	-
Subsidiaries	-	-	342,623	342,623
Fixed deposits - pledged	76,739	76,739	-	-
Total non-current assets	465,272	467,291	342,644	342,656
Current assets				
Inventories	1,523	18,544	-	-
Trade and other receivables	917,449	751,708	58,422	53,299
Pledged deposits	325,302	203,431	-	-
Cash and bank balances	383,447	25,434	4	810
	1,627,721	999,117	58,426	54,109
Assets of disposal group classified as held for sale	-	791,883	-	-
	1,627,721	1,791,000	58,426	54,109
Total assets	2,092,993	2,258,291	401,070	396,765
Equity				
Share capital	291,516	291,516	291,516	291,516
Treasury Shares	(1,575)	(1,575)	(1,575)	(1,575)
Reserves	157,649	63,469	62,873	63,885
Total equity attributable to equity holders of the Company	447,590	353,410	352,814	353,826
Non-controlling interests	(123,663)	(122,377)	-	-
Total equity	323,927	231,033	352,814	353,826
Non-current liabilities				
Interest bearing liabilities	80,157	75,631	-	-
Deferred tax liabilities	7,500	7,500	-	-
Total non-current liabilities	87,657	83,131	-	-
Current liabilities				
Trade and other payables	1,220,668	1,104,019	48,256	42,939
Interest-bearing liabilities	417,656	395,740	-	-
Contingent liabilities	42,500	42,500	-	-
Current tax payable	585	1,750	-	-
	1,681,409	1,544,009	48,256	42,939
Liabilities of disposed group classified as held for sale	-	400,118	-	-
Total current liabilities	1,681,409	1,944,127	48,256	42,939
Total equity and liabilities	2,092,993	2,258,291	401,070	396,765

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2019		As at 31 December 2018	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
417,656	-	395,740	-

Amount repayable after one year

As at 30 September 2019		As at 31 December 2018	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
80,157	-	75,631	-

Details of any collateral

The secured bank borrowings are secured by certain of the Group's leasehold buildings, plant and machinery, land use rights and trade receivables.

Unsecured bank loans are guaranteed by Mdm Hu Yan Ping, Mr and Mrs Sun Xiao, Jiangsu Yinyan Specialty Chemicals Co., Ltd group of companies, in which Mdm Hu Yan Ping and Mr Sun Xiao are deemed to have significant interest.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q3 2019 RMB'000	Q3 2018 RMB'000	9-months ended 30 September 2019 RMB'000	9-months ended 30 September 2018 RMB'000
Operating activities				
Profit/(loss) before income tax from continuing operations	266,382	(38,996)	92,744	(118,623)
Profit before income tax from discontinued operations	(20,816)	-	(20,816)	-
	<u>245,566</u>	<u>(38,996)</u>	<u>71,928</u>	<u>(118,623)</u>
Adjustments for:				
Interest expense	5,254	17,950	38,747	62,793
Interest income	4,010	(2,627)	(1,750)	(6,028)
Amortisation of intangible assets	72	261	530	662
Amortisation of lease prepayments	88	-	598	1,787
Depreciation of property, plant and equipment	(44,898)	35,369	28,054	104,809
Gain on disposal of JV Company	(321,412)	-	(321,412)	-
Exchange difference	152	505	190	763
Operating profit before working capital changes	<u>(111,168)</u>	<u>12,462</u>	<u>(183,115)</u>	<u>46,163</u>
Changes in working capital:				
Inventories	19,994	(7,443)	17,021	24,838
Trade and other receivables	(136,671)	230,245	(99,520)	(75,062)
Trade and other payables	<u>(160,734)</u>	<u>(155,645)</u>	<u>(95,682)</u>	<u>390,378</u>
Cash generated from operations	(388,579)	79,619	(361,296)	386,317
Income taxes refunded/(paid)	1,775	(1,619)	(1,205)	(19,174)
Cash flows from operating activities	<u>(386,804)</u>	<u>78,000</u>	<u>(362,501)</u>	<u>367,143</u>
Investing activities				
Interest received	(4,010)	2,627	1,750	6,028
Purchase of property, plant & equipment and intangible assets	(9,059)	(34,121)	(36,468)	(50,192)
Proceeds from disposal of JV company	875,410	-	875,410	-
Dividend income from JV company	13,998	-	13,998	-
Cash flows from investing activities	<u>876,339</u>	<u>(31,494)</u>	<u>854,690</u>	<u>(44,164)</u>
Financing activities				
Proceeds from bank loans	60,978	169,452	266,215	588,071
Repayments of bank loans	(19,393)	(177,243)	(239,773)	(867,296)
Interest paid	(5,254)	(17,950)	(38,747)	(62,793)
Deposits pledged	<u>(158,730)</u>	<u>(25,911)</u>	<u>(121,871)</u>	<u>(84,214)</u>
Cash flows from financing activities	<u>(122,399)</u>	<u>(51,652)</u>	<u>(134,176)</u>	<u>(426,232)</u>
Net increase/(decrease) in cash and cash equivalents	<u>367,136</u>	<u>(5,146)</u>	<u>358,013</u>	<u>(103,253)</u>
Cash and cash equivalents at beginning of the period	16,311	59,217	25,434	157,324
Cash and cash equivalents at end of the period	<u><u>383,447</u></u>	<u><u>54,071</u></u>	<u><u>383,447</u></u>	<u><u>54,071</u></u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity - The Group

	Share capital	Treasury shares	Merger reserve	Other reserves	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2019	291,516	(1,575)	(499)	305,600	(15,395)	(226,237)	353,410	(122,377)	231,033
Total comprehensive profit for the period	-	-	-	-	190	93,990	94,180	(1,286)	92,894
At 30 September 2019	291,516	(1,575)	(499)	305,600	(15,205)	(132,247)	447,590	(123,663)	323,927
At 1 January 2018	291,516	(1,575)	(499)	305,600	(16,204)	404,441	983,279	(79,659)	903,620
Total comprehensive loss for the period	-	-	-	-	763	(127,191)	(126,428)	(1,361)	(127,789)
At 30 September 2018	291,516	(1,575)	(499)	305,600	(15,441)	277,250	856,851	(81,020)	775,831

Statement of Changes in Equity - The Company

	Share capital	Treasury shares	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2019	291,516	(1,575)	63,885	353,826
Total comprehensive profit for the period	-	-	(1,012)	(1,012)
At 30 September 2019	291,516	(1,575)	62,873	352,814
At 1 January 2018	291,516	(1,575)	64,426	354,367
Total comprehensive profit for the period	-	-	1,230	1,230
At 30 September 2018	291,516	(1,575)	65,656	355,597

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the numbers of shares held as treasury shares, if any, against the number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company did not buy back any shares for the period ended 30 September 2018. Total number of ordinary shares bought back as at 30 September 2018 amounted to 1,650,000. These shares are held as treasury shares.

	As at 30 September 2019 (‘000)	As at 31 December 2018 (‘000)
Number of issued shares	533,651	533,651
Number of treasury shares	(1,650)	(1,650)
Number of issued shares excluding treasury shares	<u>532,001</u>	<u>532,001</u>

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 September 2019 (‘000)	As at 31 December 2018 (‘000)
Number of issued shares excluding treasury shares	<u>532,001</u>	<u>532,001</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at end of 30 September 2019.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period and the previous financial year.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use ("ROU") asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the ROU asset. Lease liabilities are included as part of net debt and are taken in consideration when deriving the net debt equity ratio.

The Group applied SFRS(I) 16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. In compliance with SFRS(I) 16, the Group applied the practical expedient to grandfather the definition of a lease on transition. SFRS(I) 16 will be applied to lease contracts entered before 1 January 2019 and are identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The adoption of these new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Q3 2019	Q3 2018	9-months ended 30 September 2019	9-months ended 30 September 2018
Earnings per share (RMB cents):-				
Basic and diluted	<u>50.5</u>	<u>(7.7)</u>	<u>17.7</u>	<u>(23.9)</u>
	Q3 2019 RMB'000	Q3 2018 RMB'000	9-months ended 30 September 2019 RMB'000	9-months ended 30 September 2018 RMB'000
Basic earnings per share is based on: Net profit/(loss) attributable to ordinary shareholders	<u>268,481</u>	<u>(40,775)</u>	<u>93,990</u>	<u>(127,191)</u>
	Q3 2019 ('000)	Q3 2018 ('000)	9-months ended 30 September 2019 ('000)	9-months ended 30 September 2018 ('000)
Weighted average number of ordinary shares outstanding at beginning and end of the period	<u>532,001</u>	<u>532,001</u>	<u>532,001</u>	<u>532,001</u>

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) Current financial period reported on; and
(b) Immediately preceding financial year.

	Group		Company	
	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018
Net assets attributable to the shareholders of the Company (RMB'000)	447,590	353,410	352,814	353,826
Net asset value per ordinary share (RMB cents)	84.1	66.4	66.3	66.5
Number of shares at the end of the period ('000)	532,001	532,001	532,001	532,001

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

In preparing this Q3 2019 results announcement, as a result of the completion of the transaction on the disposal of JV company, Taixing Sunke, in September 2019, the Group's consolidated financial numbers in this announcement did not include the financial numbers of Taixing Sunke. However, the Group's consolidated financial numbers for Q1 and Q2 2019 results announcements included the financial numbers of Taixing Sunke. We refer the non-inclusion of financial numbers of Taixing Sunke for Q3 2019 as the "De-consolidation".

Revenue

Revenue in Q3 2019 increased by RMB62.8 million to RMB290.4 million as compared to RMB227.6 million in Q3 2018. This was mainly due to an increase in sales of other products by RMB156.1 million, which was partially offset by a decrease in sales of AA and AE of RMB93.2 million, as compared to Q3 2018.

Average selling prices for AA and AE were lower at RMB8,000 per tonne in Q3 2019 as compared to RMB8,200 per tonne in Q3 2018. Sale volume for AA and AE stood at 19,700 tonnes in Q3 2019 as compared to 37,600 tonnes in Q3 2018.

Gross profit

The Group incurred a gross profit of RMB23.7 million in Q3 2019 as compared to RMB6.8 million in Q3 2018. Sales of AA and AE as well as other chemical products contributed RMB22.1 million and RMB1.6 million respectively.

Overall gross profit margin increased from 3.0% in Q3 2018 to 8.1% in Q3 2019. This was mainly due to lower cost of sales as compared to Q3 2018.

Other operating income

Other operating income increased by RMB301.1 million to RMB304.4 million in Q3 2019 as compared to RMB3.3 million in Q3 2018. This was mainly due to a gain on disposal of JV company, Taixing Sunke, which amounted to RMB321.4 million (in view of the accounting adjustments made by our auditors on the assets injected into Taixing Sunke prior to its disposal which were not recognised previously). These were partially offset by the De-consolidation.

Distribution expenses

Distribution expenses decreased by RMB2.3 million to RMB1.8 million in Q3 2019 as compared to RMB4.1 million in Q3 2018. Distribution expenses consisted of transportation charges and packaging costs as well as other sales related expenses. These expenses decreased mainly due to lower sale volume and partially offset by the De-consolidation.

Administrative expenses

Administrative expenses decreased by RMB12.4 million to RMB11.0 million in Q3 2019 as compared to RMB23.3 million in Q3 2018. This was mainly due to the De-consolidation.

Other operating expenses

Other operating expenses increased by RMB60.7 million to RMB64.5 million in Q3 2019 as compared to RMB3.8 million in Q3 2018. This was mainly due to charges from Taixing Sunke for the Group's share of fixed costs, depreciation and amortisation of Taixing Sunke amounted to RMB35.9 million as compared to Nil in Q3 2018. This was partially offset by the De-consolidation.

Finance expenses

Finance expenses decreased by RMB12.7 million to RMB5.3 million in Q3 2019 as compared to RMB18.0 million in Q3 2018. This was mainly due to the De-consolidation.

Income tax expense

Income tax expense amounted to a gain of RMB1.7 million in Q3 2019 as compared to an expense of RMB2.3 million in Q3 2018. This was mainly due to the De-consolidation.

8. (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Property, plant and equipment decreased by RMB2.1 million to RMB335.7 million as at 30 September 2019 as compared to RMB 337.8 million as at 31 December 2018. This was mainly due to depreciation charge for the period.

Inventories decreased by RMB17.0 million to RMB1.5 million as at 30 September 2019 as compared to RMB18.5 million as at 31 December 2018. This was due to the current trading operations of the Group which were mostly on a back-to-back basis and thereby resulting in lower inventories.

Breakdown of trade and other receivables is as follows:

	As at 30 September 2019 RMB'000	As at 31 December 2018 RMB'000
Trade receivables:		
- 3 rd parties	56,813	39,323
- Related parties	802,892	542,863
Receivable from joint venture entity	-	76,731
Notes receivables	10,000	1,168
Value added tax recoverable	4,069	9,539
Prepayments and deposits	25,586	37,604
Other receivables	18,089	44,480
	917,449	751,708

Trade and other receivables increased by RMB165.7 million to RMB917.4 million as at 30 September 2019 as compared to RMB751.7 million as at 31 December 2018. This was mainly due to increase in trade receivables from third parties and related parties as well as notes receivables which were partially offset by decrease in receivable from joint venture entity, value added tax recoverable, deposits, prepayments and other receivables.

Breakdown of the trade receivables from related parties of approximately RMB802.9 million is as follows:

	RMB'000
Jiangsu Yinyan	131,792
Yixing Danson	66,311
Taixing Jinyan	565,889
Taixing Cangchu	38,900
	802,892

The ageing of the trade receivables from related parties as at 30 September 2019 is as follows:

	RMB'000
Current	211,139
Past due from 1 to 90 days	460,397
Past due from 91 to 180 days	-
Past due for more than 180 days	131,356
	802,892

Jiangsu Yinyan and Taixing Jinyan are taking longer than expected to pay due to credit tightening from their bankers and the expansion of production plants by these companies; thereby resulting in tight cash flows in these companies.

The Audit Committee has previously directed the Company's Management to expedite the collections of the trade receivables from these related parties to minimise our Group's credit exposure. The Audit Committee will continue to actively monitor the collections of the trade receivables from these related parties and will make further recommendations to the Board of Directors as and when appropriate in the best interest of our Group.

Pledged deposits increased by RMB121.9 million to RMB325.3 million as at 30 September 2019 as compared to RMB203.4 million as at 31 December 2018.

Total non-current and current interest-bearing liabilities increased by RMB26.4 million to RMB497.8 million as at 30 September 2019 as compared to RMB471.4 million as at 31 December 2018. This was mainly due to additional borrowings drawn down during the 9-months period in 2019.

Breakdown of trade and other payables is as follows:

	As at 30 September 2019 RMB'000	As at 31 December 2018 RMB'000
Trade payables:		
- 3rd parties	160,355	438,565
- Related parties	414,299	328,505
Notes payables	502,500	174,410
Accrued operating expenses	22,434	25,634
Provision for restoration	45,573	45,573
Other payables	75,507	91,332
	1,220,668	1,104,019

Trade and other payables increased by RMB116.6 million to RMB1,220.7 million as at 30 September 2019 as compared to RMB1,104.0 million as at 31 December 2018. This was mainly due to increase in trade payables to related parties and notes payables. These were partially offset by decrease in trade payables to third parties and other payables.

Cash Flow Statement

Our Group generated negative operating cash flow of RMB386.8 million in Q3 2019 mainly due to depreciation charge, gain on disposal of JV company, an increase in trade and other receivables as well as a decrease in trade and other payables. These were partially offset by interest expense and a decrease in inventories.

Financing activities resulted in negative cash flow of RMB122.4 million in Q3 2019 mainly due to an increase in pledged deposits, repayment of bank borrowings and interest paid. These were partially offset by proceeds from bank borrowings.

There was a net cash inflow of RMB876.3 million in Q3 2019 from the Group's investing activities mainly due to proceeds from disposal of JV company and dividend income received from JV company. These were partially offset by acquisitions of property, plant and equipment.

As a result of the above, cash and cash equivalents stood at RMB383.4 million as at 30 September 2019.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

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10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As mentioned in our Q2 2019 results announcement, our Xiangshui plant remains shutdown under the directive from the local government. The disposal of our joint venture company, Taixing Sunke, was completed in September 2019.

The Management is currently evaluating market situations and options available. Updates will be provided accordingly in due course.

Please refer, amongst others, to the following announcements in particular on a series of material events announced from September 2019 until to-date:

Date	Title
27/09/2019	Asset Acquisitions and Disposals: Update on the Proposed Disposal of 45% Equity Interest in Taixing Sunke Chemicals Co., Ltd
2/10/2019	General Announcement: Loans obtained by the Company's Wholly-Owned Subsidiaries
25/10/2019	General Announcement: Update in respect of Loans obtained by the Company's Wholly-Owned Subsidiaries
7/11/2019	General Announcement: Special Audit Report on Letters of Demand received by the Company's Wholly-Owned Subsidiaries
14/11/2019	Change - Announcement of Cessation: Resignation of Executive Director and CEO - Sun Xiao
14/11/2019	Announcement in Relation to Regulatory Actions by SGX and/or Other Authorities: Special Audit Report on Letters of Demand received by the Company's Wholly-Owned Subsidiaries
2/12/2019	Change - Announcement of Cessation: Resignation of Executive Director - Yang Guoqiang
18/12/2019	General Announcement: Resignation of Company Secretary
20/12/2019	General Announcement: Update in respect of Loans obtained by the Company's Wholly-Owned Subsidiaries
6/2/2020	Regulatory Actions by SGX: Notice of Compliance
7/2/2020	Announcement in Relation to Regulatory Actions by SGX and/or Other Authorities: Notice of Compliance: Requirement to Perform Quarterly Reporting of Unaudited Financial Statements
28/2/2020	Change - Announcement of Cessation: Resignation of Executive Director
28/2/2020	Change - Announcement of Appointment: Announcement of Appointment of Executive Director and Chief Executive Officer
5/3/2020	General Announcement: Reversal of Contingent Liabilities in relation to the Corporate Guarantee
5/3/2020	General Announcement: Update in respect of Loans obtained by the Company's Wholly-Owned Subsidiaries
19/3/2020	Asset Acquisitions and Disposals: Update Announcement on the Proposed Disposal of Jiangsu Jurong Petrochemicals Co., Ltd
20/3/2020	Financial Statements and Related Announcement: Auditor's Comments of Accounts

The AC is actively working with the newly appointed CEO to explore feasible solutions that are acceptable for all parties involved.

11. Dividend

(a) Current Financial Period Reported On

No dividend has been declared or recommended.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend has been declared or recommended in Q3 2018.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended.

13. Interested Person Transactions

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual, the Group discloses the aggregate value of interested person transactions as follows:

Name of Interested Person	Aggregate value of all interested person transactions during financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ⁽¹⁾	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Yixing Danson Technology Co., Ltd ("Yixing Danson")	Corporate guarantees in favour of Yixing Danson - RMB460,000,000 Sale of crude AA to Yixing Danson - RMB185,193,000 Purchase of residual crude AA and finished goods from Yixing Danson - RMB2,662,000	-
Taixing Jinyan Chemical Technology Co., Ltd ("Taixing Jinyan")	Corporate guarantees in favour of Taixing Jinyan - RMB794,000,000 Purchase of chemical products from Taixing Jinyan - RMB241,120,000 Sale of AA to Taixing Jinyan - RMB80,084,000	-
Taixing Jinyan Cangchu Co., Ltd. ("Taixing Cangchu")	Corporate guarantees in favour of Taixing Cangchu - RMB260,000,000	-
Jiaxing Jinyan Chemical Co., Ltd ("Jiaxing Jinyan")	Corporate guarantees in favour of Jiaxing Jinyan - RMB15,000,000	-

Name of Interested Person	Aggregate value of all interested person transactions during financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ⁽¹⁾	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Jiangsu Yinyan Specialty Chemical Co., Ltd ("Jiangsu Yinyan")	Sales of chemical products to Jiangsu Yinyan - RMB67,000 Purchase of chemical products from Jiangsu Yinyan - RMB3,649,000	-

Note:

As at 30 September 2019, the Management represented that the aggregate amount of the corporate guarantees that the Group provided to Yixing Danson, Taixing Jinyan, Jiaying Jinyan and Taixing Cangchu was approximately RMB1,529,000,000 (2018: RMB1,613,000,000), whilst the aggregate amount of corporate guarantees that these same entities provided to the Group was approximately RMB739,900,000 (2018: RMB887,400,000).

The relevant details on all IPT (excluding transactions less than S\$100,000, transactions conducted under shareholders mandate pursuant to Rule 920 and corporate guarantees) during the financial period under review as required under Rule 917 of the Listing Manual are as follows:

Interested Person	Nature of Interested Person Transaction ("IPT")	Value of IPT for the period as at 30 September 2019	Terms of IPT	Rationale for IPT
Yixing Danson Technology Co., Ltd ("Yixing Danson")	Sale of crude AA	RMB185.2 million	Normal commercial terms	Sales of the Group's end products to downstream customer
	Purchase of residual crude AA and finished goods	RMB2.7 million	Normal commercial terms	Purchase residual crude AA to recycle and reprocess to the Group's end products as well as purchase finished goods to on-sell to the Group's customers
Taixing Jinyan Chemical Technology Co., Ltd ("Taixing Jinyan")	Purchase of chemical products	RMB241.1 million	Normal commercial terms	On-sell to the Group's customers for products not produced by the Group
	Sale of AA	RMB80.1 million	Normal commercial terms	Sales of the Group's end products to downstream customer
Jiangsu Yinyan Specialty Chemical Co., Ltd ("Jiangsu Yinyan")	Sales of chemical products	RMB67,000	Normal commercial terms	Sales of the Group's end products to distributor
	Purchase of chemical products	RMB3.6 million	Normal commercial terms	On-sell to the Group's customers for products not produced by the Group

14. The Directors of the Company do hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the third quarter financial statements ended 30 September 2019 to be false or misleading in any material aspect.
15. The Company confirms that all the required undertakings under Rule 720(1) of the Listing Manual have been obtained from its Directors and Executive Officers in the format set out in Appendix 7.7.

BY ORDER OF THE BOARD

Sun Lihua
Executive Director and Chief Executive Officer
14 August 2020