

SUNVIC CHEMICAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200406502E)

ANNOUNCEMENT REGARDING MATERIAL VARIANCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR FY2017

The Board of Directors refers to the unaudited full year financial results announcement for FY2017 released via SGXNet on 1 March 2018 (the “**Unaudited Financial Statements**”). Further reference is made to the audited financial statements of the Company for FY2017 (the “**Audited Financial Statements**”) set out in the Annual Report 2017 of the Company, which will be despatched to Shareholders in due course.

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to announce and clarify material differences between the Audited Financial Statements and the Unaudited Financial Statements. The details and explanation of the material variances are shown below:

Extract of Consolidated Statement of Comprehensive Income for FY2017

	Unaudited Financial Statements (RMB'000)	Audited Financial Statements (RMB'000)	Variance (RMB'000)	Note
Revenue	2,246,712	2,246,712		
Cost of sales	(2,023,780)	(2,023,780)		
Gross profit/(loss)	222,932	222,932		
Other income	45,720	45,720		
Distribution expenses	(42,772)	(42,772)		
Administrative expenses	(122,165)	(122,166)	(1)	
Other operating expenses	(39,239)	(39,239)		
Finance costs	(81,618)	(81,634)	(16)	(a)
Loss before taxation	(17,142)	(17,159)		
Taxation	(5,721)	(5,704)	17	(a)
Loss for the year	(22,863)	(22,863)		
Other comprehensive income after tax:				
Foreign currency translation	(574)	(574)		
Total comprehensive loss for the year	(23,437)	(23,437)		
Total comprehensive loss attributable to:				
Owners of the Company	(20,896)	(20,896)		
Non-controlling interests	(2,541)	(2,541)		
Total comprehensive loss for the year	(23,437)	(23,437)		

Extract of Statement of Financial Position as at 31 December 2017

	GROUP			
	Unaudited Financial Statements (RMB'000)	Audited Financial Statements (RMB'000)	Variance (RMB'000)	Note
ASSETS				
Non-current assets				
Property, plant and equipment	1,135,353	1,135,353		
Intangible assets	10,056	9,259	(797)	(b)
Land use rights	58,375	59,173	798	(b)
Deferred tax assets	24,430	24,430		
Prepayments	6,027	6,027		
Fixed deposits-pledged	-	76,739	76,739	(c)
Value-added tax recoverable	84,931	84,931		
	<u>1,319,172</u>	<u>1,395,912</u>		
Current assets				
Inventories	109,134	109,132	(2)	
Trade and other receivables	954,949	954,950	1	
Cash and cash equivalents	354,903	278,164	(76,739)	(c)
	<u>1,418,986</u>	<u>1,342,246</u>		
Total assets	<u><u>2,738,158</u></u>	<u><u>2,738,158</u></u>		
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	291,516	291,516		
Reserves	691,763	691,763		
	<u>983,279</u>	<u>983,279</u>		
Non-controlling interests	(79,659)	(79,659)		
Total equity	<u>903,620</u>	<u>903,620</u>		
Non-current liabilities				
Borrowings	228,631	228,631		
Deferred tax liabilities	7,500	7,500		
	<u>236,131</u>	<u>236,131</u>		
Current liabilities				
Borrowings	707,853	707,853		
Trade and other payables	877,483	877,483		
Income tax payable	13,071	13,071		
	<u>1,598,407</u>	<u>1,598,407</u>		
Total liabilities	<u>1,834,538</u>	<u>1,834,538</u>		
Total equity and liabilities	<u><u>2,738,158</u></u>	<u><u>2,738,158</u></u>		

Notes:

- a. The difference is due to reclassification between finance costs and taxation.
- b. The difference is due to reclassification between intangible assets and land use rights.
- c. The difference is due to reclassification between current and non-current fixed deposits.

BY ORDER OF THE BOARD

Sun Xiao
Executive Director and CEO
13 April 2018