

China Sun Bio-Chem Technology Group Company Limited (“Company”) and its subsidiaries (“Group”)
(Incorporated in the Cayman Islands)

Delisting of the Company from the SGX

The board of directors of the Company (“Board”) refers to the Company’s announcements dated 14 September 2011, 7 November 2011, 27 August 2012, 17 September 2012 and 30 November 2012 (“Announcements”). Terms adopted in this announcement are defined in the Announcements.

As described in the Announcements, the Group has been incurring substantial losses since the discharge of the former Provisional Liquidators on 26 August 2011. The Group’s financial and operational position has not improved since then. In summary:

1. the Company is hopelessly insolvent;
2. there is no prospect of a corporate rescue or restructuring / sale of the Company’s business; and
3. the Company does not have any financial resources to propose any (cash) exit offer for the shareholders of the Company pursuant to Rule 1309 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX”) (“Listing Manual”) and convene a general meeting to obtain the approvals of the shareholders of the Company pursuant to Rule 1307 of the Listing Manual.

Hopelessly Insolvent

As described in the Announcement dated 14 September 2011, the Settlement Arrangement with the Bondholders was completed on 26 August 2011. In light of the Settlement Arrangement, the former Provisional Liquidators and/or the board of directors of the Company had not continued with any investigations into the Company’s affairs after being discharged as provisional liquidators. Further, the former Provisional Liquidators and/or the board of directors have not secured sufficient information and documents necessary to investigate the affairs of the Company in light of the Settlement Arrangement.

Since the discharge of the former Provisional Liquidators on 26 August 2011, the Group has been incurring substantial losses and has had no viable assets or business and limited funds to continue its business operations or as a listed company on SGX.

On the basis of the PRC online Administration for Industry and Commerce searches conducted by the Board, the PRC Subsidiaries of the Company were transferred from Sky Bright, a wholly owned subsidiary of the Company, as a result of the Letter of Demand issued by River Success and the resulting enforcement action undertaken by River Success in or around 2013 (“Transfer”).

As set out in the Announcements, on 12 September 2011, River Success and Sky Bright entered into an agreement pursuant to which Sky Bright is obliged to repay the US\$28,130,800 Advance as and when demanded by River Success and Sky Bright has undertaken, at such a time as River Success may direct, to charge the shares in all of its PRC incorporated directly and wholly owned subsidiaries to River Success as security for the repayment of the Advance. The enforcement action was undertaken by River Success pursuant to the Letter of Demand without notice to the Company.

The Board was unaware of the Transfer until early 2016 as they were unable to obtain information in respect of the Transfer from their previous enquiries due to the lack of cooperation from the management of the PRC Subsidiaries and River Success.

Further, as set out in the Announcements, a valuation of the PRC Subsidiaries undertaken in May 2012 estimated that the PRC Subsidiaries had net liabilities of RMB231 million. As such, there is highly unlikely any excess of the value of the security over the US\$28,130,800 Advance due to River Success and the Board therefore did not take any action in response to the Transfer.

As the only material asset of the Group is the PRC Subsidiaries, the Group has had no asset or fund to continue its business operations or as a listed company on SGX since the Transfer. Accordingly, the Company is hopelessly insolvent and is not in any position to make any distribution to its shareholders as a form of exit offer nor is there any prospect of a corporate rescue or restructuring / sale of the Company's business.

Delisting Application

In the circumstances, the Board has caused the Company to apply to the SGX for delisting of the Company from the Mainboard of the SGX pursuant to Rule 1306 of the Listing Manual and dispensation from the compliance of the requirements of Rule 1307 and 1308 of the Listing Manual ("Delisting Application").

The Board is awaiting SGX's approval of the Delisting Application and appropriate announcements will be made as and when there is any further development.

By order of the Board

Cosimo Borrelli
Director

5 July 2018