

SUNVIC CHEMICAL HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200406502E)

**UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF THE
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

Background

Sunvic Chemical Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on:

1. the watch-list under the minimum trading price entry criteria (“**MTP Criteria Watch-list**”) pursuant to Rule 1311(2) of the Listing Manual (the “Listing Manual”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 5 June 2018 as it recorded a volume-weighted average price of less than S\$0.20 and an average daily market capitalisation of less than S\$40 million over the last 6 months (“**MTP Entry Criteria**”); and
2. the watch-list under the financial entry criteria (“**Financial Criteria Watch-list**”) pursuant to Rule 1311(1) of the Listing Manual on 5 June 2018 as it recorded pre-tax losses for the three (3) most recently completed consecutive financial years (based on audited full year consolidated accounts) and an average daily market capitalisation of less than S\$40 million over the last 6 months (“**Financial Entry Criteria**”).

The Company remains on the MTP Criteria Watch-list and Financial Criteria Watch-list (collectively referred to as the “**Watch-lists**”) as at the date of this announcement as the Company did not meet (i) the MTP exit criteria pursuant to Rule 1314(2) of the Listing Manual (the “**MTP Exit Criteria**”) and (ii) the Financial exit criteria pursuant to Rule 1314(1) of the Listing Manual (the “**Financial Exit Criteria**”), (read with Practice Note 13.2 Watch-List), on 30 September 2018.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “**Board**”) wishes to provide an update on its efforts and the progress made in meeting the MTP Exit Criteria and the Financial Exit Criteria.

Update on Financial Situation

Please refer to the announcement released on 14 November 2018 in relation to the financial results for the third quarter of the financial year ended 30 September 2018 (“**Period under Review**”) for an update on the Group’s financial position. For the Period under Review, the Group recorded a net loss after tax of approximately RMB128.6 million.

Update on Future Direction and Other Material Development

Please refer to the following announcements:

- “Receipt of Letters of Demand by the Company’s Wholly-Owned Subsidiaries in Relation to Corporate Guarantee Provided to Unrelated Third Party” dated 10 January 2019; and
- “Proposed Disposal of 45% of Equity Interest in Taixing Sunke Chemicals Co., Ltd” dated 8 November 2018.

Other than those already announced, there is no material development or update on its future direction that may have a significant impact on the financial position of the Company or the movement of the Company’s share price that would affect its position on the Watch-lists.

Update on Efforts for Satisfying MTP Exit Criteria and Financial Exit Criteria

The Board will continue to monitor the situation, make efforts and consider various options to meet the MTP Exit Criteria and Financial Exit Criteria. At the opportune time, the Board will make a decision to the relevant options and employ an appropriate strategy that will best serve the interests of the Company’s shareholders.

The Board wishes to inform shareholders that it is still determining the most appropriate and best course of corporate action to take in order to meet the MTP Exit Criteria. The Board will update shareholders on any material developments in due course and the Company will make further announcements as and when there are any subsequent developments.

BY ORDER OF THE BOARD

Sun Xiao
Executive Director and Chief Executive Officer
10 January 2019