

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

**ANNOUNCEMENT PURSUANT TO RULE 704(6) OF THE LISTING MANUAL IN RELATION
TO THE UNAUDITED FINANCIAL STATEMENTS AND THE AUDITED FINANCIAL
STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The Board of Directors (the “**Board**” or “**Directors**”) of Sunvic Chemical Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement on the unaudited financial statements for the financial year ended 31 December 2018 (the “**Preliminary Results**”) released on 22 April 2019 and the audited financial statements for the financial year ended 31 December 2018 (the “**Audited Financial Statements**”) released on 16 December 2020 as part of its annual report for the financial year ended 31 December 2018. In addition, the Board refers to the announcement on the disposal of Taixing Sunke Chemicals Co., Ltd (“**Taixing Sunke**”) released on 27 September 2019 (the “**27 September 2019 Announcement**”) and the announcement on the reversal of contingent liabilities released on 5 March 2020 (the “**5 March 2020 Announcement**”).

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to announce that there are certain adjustments to the Preliminary Results as reflected in the Audited Financial Statements. These adjustments are mainly due to the disposal of Taixing Sunke which was a wholly owned subsidiary of the Company prior to its disposal and the reversal of the YFC Contingent Liabilities (as defined in the 5 March 2020 Announcement) as previously announced by the Company in the 27 September 2019 Announcement and the 5 March 2020 Announcement respectively. These adjustments have resulted in the reduction of the total comprehensive loss of the Group from RMB862.7 million to RMB672.6 million, and the reduction of the total assets and the total equity and liabilities of the Group from RMB2,261.0 million to RMB2,258.3 million for the financial year ended 31 December 2018 as shown in the Audited Financial Statements.

Details of these adjustments are annexed to this announcement.

Directors’ Responsibility Statement

The Directors (including those who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this announcement are fair and accurate, and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement in its proper form and context.

The Directors jointly and severally accept full responsibility accordingly.

BY ORDER OF THE BOARD

Sun Lihua
Executive Director and Chief Executive Officer
16 December 2020

Sunvic Chemical Holdings Limited

Statement of Comprehensive income for the financial year ended 31 December 2018

	Announced amount FY2018 RMB'000	Audited amount FY2018 RMB'000	Difference RMB'000	Remarks
Continuing operations				
Revenue	1,667,436	1,577,098	(90,338)	Mainly due to inter-company elimination.
Cost of sales	<u>(1,646,077)</u>	<u>(1,543,832)</u>	102,245	Mainly due to inter-company elimination.
Gross profit	21,359	33,266	11,907	
Other income				
- Interest	8,384	1,822	(6,562)	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
- Others	160,453	41,935	(118,518)	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Distribution expenses	(43,394)	(37,070)	6,324	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Administrative expenses	(141,290)	(142,700)	(1,410)	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019, partially offset by over-provision of depreciation
Other operating expenses	(791,277)	(510,032)	281,245	Mainly due to reversal of contingent liabilities pertaining to guarantee provided to Jiangsu Donglai of RMB180 million and "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Finance costs	(75,999)	(73,062)	2,937	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Loss before taxation	<u>(861,764)</u>	<u>(685,841)</u>	175,923	
Taxation	(1,507)	(600)	907	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Loss after taxation from continuing operations	<u>(863,271)</u>	<u>(686,441)</u>	176,830	
Discontinued operations				
Profit from discontinued operations, net of tax	-	13,045	13,045	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Loss for the year	<u>(863,271)</u>	<u>(673,396)</u>	189,875	Mainly due to reversal of contingent liabilities pertaining to guarantee provided to Jiangsu Donglai of RMB180 million
Other comprehensive income after tax: (item that maybe reclassified subsequently to profit or loss)				
Foreign currency translation	600	809	209	
Total comprehensive loss for the year	<u>(862,671)</u>	<u>(672,587)</u>	190,084	
Loss attributable to:				
Owners of the Company	(821,411)	(630,678)	190,733	
Non-controlling interests	(41,260)	(42,718)	(1,458)	
Loss for the year	<u>(862,671)</u>	<u>(673,396)</u>	189,275	
Loss attributable to owners of the Company:				
Loss from continuing operations	(821,411)	(643,723)	177,688	
Profit from discontinued operations	-	13,045	13,045	
	<u>(821,411)</u>	<u>(630,678)</u>	190,733	
Total comprehensive loss attributable to:				
Owners of the Company	(820,811)	(629,869)	190,942	
Non-controlling interests	(41,260)	(42,718)	(1,458)	
Total comprehensive loss for the year	<u>(862,071)</u>	<u>(672,587)</u>	189,484	

Sunvic Chemical Holdings Limited
Statements of financial position as at 31 December 2018

	Announced amount As at 31 December 2018 RMB'000	Audited amount As at 31 December 2018 RMB'000	Difference RMB'000	Remarks
ASSETS				
Non-current assets				
Property, plant and equipment	831,761	337,767	493,994	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Intangible assets	9,778	7,885	1,893	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Land use rights	53,433	44,900	8,533	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Investment in subsidiaries	-	-	-	
Deferred tax assets	24,430	-	24,430	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Value-added tax recoverable	-	-	-	
Long-term prepayments	16,591	-	16,591	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Fixed deposits - pledged	76,739	76,739	-	
	<u>1,012,732</u>	<u>467,291</u>	<u>545,441</u>	
Current assets				
Inventories	56,915	18,544	38,371	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Trade and other receivables	914,796	751,708	163,088	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Cash and cash equivalents	276,599	228,865	47,734	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
	<u>1,248,310</u>	<u>999,117</u>	<u>249,193</u>	
Assets of disposal group classified as held for sale	-	791,883	(791,883)	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
	<u>1,248,310</u>	<u>1,791,000</u>	<u>(542,690)</u>	
Total assets	<u><u>2,261,042</u></u>	<u><u>2,258,291</u></u>	<u>2,751</u>	
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	291,516	291,516	-	
Treasury shares	(1,575)	(1,575)	-	
(Accumulated losses)/Retained earnings	(417,570)	(226,237)	(191,333)	Mainly due to reversal of contingent liabilities pertaining to guarantee provided to Jiangsu Donglai of RMB180 million
Other reserves	289,497	289,706	(209)	
	<u>161,868</u>	<u>353,410</u>	<u>(191,542)</u>	
Non-controlling interests	(120,919)	(122,377)	1,458	
Total equity	<u>40,949</u>	<u>231,033</u>	<u>(190,084)</u>	
Non-current liabilities				
Borrowings	194,907	75,631	119,276	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Deferred tax liabilities	7,500	7,500	-	
	<u>202,407</u>	<u>83,131</u>	<u>119,276</u>	
Current liabilities				
Borrowings	435,352	395,740	39,612	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Trade and other payables	1,312,431	1,058,446	253,985	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
Provision for restoration costs	45,573	45,573	-	
Contingent liability	222,500	42,500	180,000	Mainly due to reversal of contingent liabilities pertaining to guarantee provided to Jiangsu Donglai of RMB180 million
Income tax payable	1,830	1,750	80	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
	<u>2,017,686</u>	<u>1,544,009</u>	<u>473,677</u>	
Liabilities of disposal group classified as held for sale	-	400,118	(400,118)	Mainly due to "de-consolidation" of the numbers of Taixing Sunke due to disposal completed in 2019
	<u>2,017,686</u>	<u>1,944,127</u>	<u>73,559</u>	
Total liabilities	<u><u>2,220,093</u></u>	<u><u>2,027,258</u></u>	<u>192,835</u>	
Total equity and liabilities	<u><u>2,261,042</u></u>	<u><u>2,258,291</u></u>	<u>2,751</u>	