

**SUNVIC CHEMICAL HOLDINGS LIMITED**  
(Registration Number: 200406502E)

**Financial Statement and Dividend Announcement for the Third Quarter Ended 30 September 2017**

**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**

	<b>Q3 2017</b>	<b>Q3 2016</b>	<b>+ / (-)</b>	<b>9-months</b>	<b>9-months</b>	<b>+ / (-)</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>	<b>ended 30</b>	<b>ended 30</b>	<b>%</b>
				<b>September</b>	<b>September</b>	
				<b>2017</b>	<b>2016</b>	
				<b>RMB'000</b>	<b>RMB'000</b>	
Revenue	497,128	474,721	4.7	1,641,182	1,412,597	16.2
Cost of sales	(438,173)	(483,652)	(9.4)	(1,431,032)	(1,409,068)	1.6
<b>Gross profit/(loss)</b>	<b>58,955</b>	<b>(8,931)</b>	<b>760.1</b>	<b>210,150</b>	<b>3,529</b>	<b>NM</b>
Other operating income	8,920	13,073	(31.8)	28,078	140,399	(80.0)
Distribution expenses	(14,250)	(9,777)	45.8	(57,128)	(32,791)	74.2
Administrative expenses	(27,032)	(36,947)	(26.8)	(89,850)	(116,864)	(23.1)
Other operating expenses	(9,990)	(9,156)	9.1	(24,498)	(30,021)	(18.4)
<b>Results from operating activities</b>	<b>16,603</b>	<b>(51,738)</b>	<b>132.1</b>	<b>66,752</b>	<b>(35,748)</b>	<b>286.7</b>
Finance expenses	(21,247)	(17,852)	19.0	(67,735)	(61,617)	9.9
<b>Loss before income tax</b>	<b>(4,644)</b>	<b>(69,590)</b>	<b>(93.3)</b>	<b>(983)</b>	<b>(97,365)</b>	<b>(99.0)</b>
Income tax expense	(196)	(88)	122.7	(7,208)	(2,954)	144.0
<b>Loss for the period</b>	<b>(4,840)</b>	<b>(69,678)</b>	<b>(93.1)</b>	<b>(8,191)</b>	<b>(100,319)</b>	<b>(91.8)</b>
<b>Other comprehensive income</b>						
Translation differences relating to financial statements of subsidiaries with functional currencies other than RMB	(185)	56	(430.4)	(415)	290	(243.1)
<b>Total comprehensive loss for the period</b>	<b>(5,025)</b>	<b>(69,622)</b>	<b>(92.8)</b>	<b>(8,606)</b>	<b>(100,029)</b>	<b>(91.4)</b>
<b>Attributable to:</b>						
Owners of the Company	(5,148)	(69,399)	(92.6)	(8,878)	(99,495)	(91.1)
Non-controlling interests	123	(223)	155.2	272	(534)	151.0
<b>Total comprehensive loss for the period</b>	<b>(5,025)</b>	<b>(69,622)</b>	<b>(92.8)</b>	<b>(8,606)</b>	<b>(100,029)</b>	<b>(91.4)</b>

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

	<b>Q3 2017</b>	<b>Q3 2016</b>	<b>+ / (-)</b>	<b>9-months</b>	<b>9-months</b>	<b>+ / (-)</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>	<b>ended 30</b>	<b>ended 30</b>	<b>%</b>
				<b>September</b>	<b>September</b>	
				<b>2017</b>	<b>2016</b>	
				<b>RMB'000</b>	<b>RMB'000</b>	
Interest income	(666)	(1,060)	(37.2)	(2,836)	(2,398)	18.3
Reversal of write down of inventories	-	-	-	(2,649)	(15,601)	(83.0)
Exchange loss/(gain), net	1,648	503	227.6	2,422	6,745	(64.1)
Depreciation of property, plant and equipment	31,022	35,809	(13.4)	95,334	121,140	(21.3)
Amortisation of lease prepayments	362	535	(32.3)	1,168	1,061	10.1
Amortisation of intangible assets	183	56	226.8	463	511	(9.4)
Interest paid and payable	21,247	17,852	19.0	67,735	61,617	9.9

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 September 2017 RMB'000</b>	<b>As at 31 December 2016 RMB'000</b>	<b>As at 30 September 2017 RMB'000</b>	<b>As at 31 December 2016 RMB'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	1,189,179	1,206,559	-	-
Intangible assets	9,567	9,915	-	-
Land use rights	47,604	48,772	-	-
Subsidiaries	-	-	342,623	342,623
Deferred tax asset	24,430	24,430	-	-
Value-added tax recoverable	84,775	86,380	-	-
	<u>1,355,555</u>	<u>1,376,056</u>	<u>342,623</u>	<u>342,623</u>
<b>Current assets</b>				
Inventories	207,554	81,893	-	-
Non-current assets held for sale	11,990	12,532	-	-
Trade and other receivables	1,038,962	990,299	46,948	45,283
Pledged deposits	111,492	65,709	-	-
Cash and bank balances	92,591	196,507	308	1,036
	<u>1,462,589</u>	<u>1,346,940</u>	<u>47,256</u>	<u>46,319</u>
<b>Total assets</b>	<u>2,818,144</u>	<u>2,722,996</u>	<u>389,879</u>	<u>388,942</u>
<b>Equity</b>				
Share capital	291,516	291,516	291,516	291,516
Reserves	703,781	712,659	62,639	65,151
<b>Total equity attributable to equity holders of the Company</b>	<u>995,297</u>	<u>1,004,175</u>	<u>354,155</u>	<u>356,667</u>
<b>Non-controlling interests</b>	<u>(76,846)</u>	<u>(77,118)</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>918,451</u>	<u>927,057</u>	<u>354,155</u>	<u>356,667</u>
<b>Non-current liabilities</b>				
Interest bearing liabilities	153,000	180,000	-	-
Deferred tax liabilities	7,500	7,500	-	-
<b>Total non-current liabilities</b>	<u>160,500</u>	<u>187,500</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Trade and other payables	967,532	645,956	35,724	32,275
Interest-bearing liabilities	765,023	957,300	-	-
Current tax payable	6,638	5,183	-	-
<b>Total current liabilities</b>	<u>1,739,193</u>	<u>1,608,439</u>	<u>35,724</u>	<u>32,275</u>
<b>Total equity and liabilities</b>	<u>2,818,144</u>	<u>2,722,996</u>	<u>389,879</u>	<u>388,942</u>

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

**Amount repayable in one year or less, or on demand**

<b>As at 30 September 2017</b>		<b>As at 31 December 2016</b>	
<b>Secured RMB'000</b>	<b>Unsecured RMB'000</b>	<b>Secured RMB'000</b>	<b>Unsecured RMB'000</b>
15,516	749,507	14,568	942,732

**Amount repayable after one year**

<b>As at 30 September 2017</b>		<b>As at 31 December 2016</b>	
<b>Secured RMB'000</b>	<b>Unsecured RMB'000</b>	<b>Secured RMB'000</b>	<b>Unsecured RMB'000</b>
153,000	-	180,000	-

**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.**

	<b>Q3 2017</b>	<b>Q3 2016</b>	<b>9-months ended 30 September 2017</b>	<b>9-months ended 30 September 2016</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating activities</b>				
Loss before income tax	(4,644)	(69,590)	(983)	(97,365)
Adjustments for:				
Interest expense	21,247	17,852	67,735	61,617
Interest income	(666)	(1,060)	(2,836)	(2,398)
Amortisation of intangible assets	183	56	463	511
Amortisation of lease prepayments	362	535	1,168	1,061
Depreciation of property, plant and equipment	31,022	35,809	95,334	121,140
Reversal of write down of inventories	-	-	(2,649)	(15,601)
Gain on disposal of non-current assets held for sale	-	-	-	-
Exchange difference	(185)	56	(415)	290
Operating profit/(loss) before working capital changes	47,320	(16,342)	157,817	69,255
Changes in working capital:				
Inventories	(36,024)	27,547	(123,012)	45,277
Trade and other receivables	62,485	501,296	(46,516)	550,624
Trade and other payables	67,517	(296,657)	370,168	(339,829)
Cash generated from operations	141,297	215,844	358,457	325,327
Income taxes refunded/(paid)	3,035	(2,169)	(5,753)	(8,076)
<b>Cash flows from operating activities</b>	<b>144,332</b>	<b>213,675</b>	<b>352,704</b>	<b>317,251</b>
<b>Investing activities</b>				
Interest received	666	1,060	2,836	2,398
Purchase of property, plant & equipment and intangible assets	(26,592)	(54,308)	(126,661)	(99,811)
<b>Cash flows from investing activities</b>	<b>(25,926)</b>	<b>(53,248)</b>	<b>(123,825)</b>	<b>(97,413)</b>
<b>Financing activities</b>				
Proceeds from bank loans	316,924	496,404	1,101,162	1,717,185
Repayments of bank loans	(424,412)	(650,000)	(1,320,439)	(1,940,749)
Interest paid	(21,247)	(17,852)	(67,735)	(61,617)
Deposits pledged	(27,300)	120,926	(45,783)	108,335
<b>Cash flows from financing activities</b>	<b>(156,035)</b>	<b>(50,522)</b>	<b>(332,795)</b>	<b>(176,846)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(37,629)</b>	<b>109,905</b>	<b>(103,916)</b>	<b>42,992</b>
Cash and cash equivalents at beginning of the period	130,220	106,640	196,507	173,553
<b>Cash and cash equivalents at end of the period</b>	<b>92,591</b>	<b>216,545</b>	<b>92,591</b>	<b>216,545</b>

**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 2017	291,516	(1,575)	(499)	305,600	(15,630)	424,763	1,004,175	(77,118)	927,057
Total comprehensive loss for the period	-	-	-	-	(415)	(8,463)	(8,878)	272	(8,606)
At 30 September 2017	291,516	(1,575)	(499)	305,600	(16,045)	416,300	995,297	(76,846)	918,451
At 1 January 2016	291,516	(1,575)	(499)	305,600	(15,979)	766,252	1,345,315	(53,802)	1,291,513
Total comprehensive loss for the period	-	-	-	-	290	(99,785)	(99,495)	(534)	(100,029)
At 30 September 2016	291,516	(1,575)	(499)	305,600	(15,689)	666,467	1,245,820	(54,336)	1,191,484

**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 2017	291,516	(1,575)	66,726	356,667
Total comprehensive loss for the period	-	-	(2,512)	(2,512)
At 30 September 2017	291,516	(1,575)	64,214	354,155
At 1 January 2016	291,516	(1,575)	68,149	358,090
Total comprehensive income for the period	-	-	(1,519)	(1,519)
At 30 September 2016	291,516	(1,575)	66,630	356,571

- 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 2017. Total number of ordinary shares bought back as at 30 September 2017 amounted to 1,650,000. These shares are held as treasury shares.

	<b>As at 30 September 2017 (‘000)</b>	<b>As at 31 December 2016 (‘000)</b>
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.**

	<b>As at 30 September 2017 (‘000)</b>	<b>As at 31 December 2016 (‘000)</b>
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 2017.

- 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.**

Please refer to Point 4 above.

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 2017	Q3 2016	9-months ended 30 September 2017	9-months ended 30 September 2016
Earnings per share (RMB cents):-				
Basic and diluted	(1.0)	(13.0)	(1.7)	(18.6)
	Q3 2017 RMB'000	Q3 2016 RMB'000	9-months ended 30 September 2017 RMB'000	9-months ended 30 September 2016 RMB'000
Basic earnings per share is based on:				
Net loss attributable to ordinary shareholders	(5,332)	(69,455)	(9,293)	(99,205)
	Q3 2017 ( '000)	Q3 2016 ( '000)	9-months ended 30 September 2017 ( '000)	9-months ended 30 September 2016 ( '000)
Weighted average number of ordinary shares outstanding at beginning and end of the period	532,001	532,001	532,001	532,001



**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.

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 September 2017</b>	<b>As at 31 December 2016</b>	<b>As at 30 September 2017</b>	<b>As at 31 December 2016</b>
Net assets attributable to the shareholders of the Company (RMB'000)	995,297	1,004,175	354,155	356,667
Net asset value per ordinary share (RMB cents)	187.1	188.8	66.6	67.0
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

Revenue

Revenue in Q3 2017 increased by RMB22.4 million to RMB497.1 million compared to RMB474.7 million in Q3 2016. This was mainly due to an increase in revenue from sale of AA and AE by RMB20.2 million.

The increase in revenue from sale of AA and AE was mainly attributable to higher average selling prices in Q3 2017 of RMB7,600 per tonne when compared to Q3 2016 of RMB6,000 per tonne. This was partially offset by slightly lower sale volume in Q3 2017 of 50,300 tonnes compared to 58,800 tonnes in Q3 2016.

Gross profit/(loss)

The Group incurred a gross profit of RMB59.0 million in Q3 2017 compared to a gross loss of RMB8.9 million in Q3 2016. Sales of AA and AE as well as other chemical products contributed RMB53.6 and RMB5.4 million respectively.

Overall gross loss margin improved from a negative of 1.9% in Q3 2016 to a positive of 11.9% in Q3 2017. Gross loss margin for AA and AE improved from a negative of 4.8% in Q3 2016 to a positive of 15.3% in Q3 2017.

#### Other operating income

Other operating income and other operating expenses included the following items:-

	<b>Q3 2017</b> <b>RMB'000</b>	<b>Q3 2016</b> <b>RMB'000</b>
Interest income	666	1,060
Sale of steam and waste water treatment fee	8,039	9,289
Others	215	2,724
	<hr/> 8,920	<hr/> 13,073

Other operating income decreased by RMB4.2 million to RMB8.9 million in Q3 2017 compared to RMB13.1 million in Q3 2016.

#### Distribution expenses

Distribution expenses increased by RMB4.5 million to RMB14.3 million in Q3 2017 compared to RMB9.8 million in Q3 2016. Distribution expenses consisted of transportation charges and packaging costs as well as other sales related expenses. Distribution expenses increased mainly due to increase in freight rates charged by carriers.

#### Administrative expenses

Administrative expenses decreased by RMB9.9 million to RMB27.0 million in Q3 2017 compared to RMB36.9 million in Q3 2016. This was mainly due to decrease in depreciation charge as a result of lower carrying amount for property, plant and equipment after taking into consideration of impairment loss made.

#### Other operating expenses

Other operating expenses increased by RMB0.8 million to RMB10.0 million in Q3 2017 compared to RMB9.2 million in Q3 2016.

#### Finance expenses

Finance expenses increased by RMB3.4 million to RMB21.2 million in Q3 2017 compared to RMB17.9 million in Q3 2016. This was mainly due to factoring of notes receivables in Q3 2017.

**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 RMB17.4 million to RMB1,189.2 million as at 30 September 2017 compared to RMB1,206.6 million as at 31 December 2016. This was mainly due to depreciation charge for the period which was partially offset by additional of property, plant and equipment relating to the new equipment and modifications under the Xiangshui plant.

Inventories increased by RMB125.7 million to RMB207.6 million as at 30 September 2017 compared to RMB81.9 million as at 31 December 2016. This was mainly due to an increase in (i) raw material, propylene, as our AA plant in Xiangshui re-commenced production in September 2017 after completion of modifications; and (ii) a cargo in transit (ethylene) which was sold subsequently in October 2017.

Breakdown of trade and other receivables is as follows:-

	<b>As at 30 September 2017 RMB'000</b>	<b>As at 31 December 2016 RMB'000</b>
Trade receivables:		
- 3 <sup>rd</sup> parties	81,633	200,531
- Related parties	631,702	349,317
Receivable from joint venture entity	134,430	239,390
Notes receivables	90,524	65,423
Value added tax recoverable	54,609	79,891
Prepayments and deposits	24,517	21,084
Other receivables	21,547	34,663
	<hr/> 1,038,962 <hr/>	<hr/> 990,299 <hr/>

Trade and other receivables increased by RMB48.7 million to RMB1,039.0 million as at 30 September 2017 compared to RMB990.3 million as at 31 December 2016. This was mainly due to increase in receivables due from related parties and notes receivables. These were partially offset by decrease in receivables due from third parties and joint venture entity as well as value added tax recoverable.

Breakdown of the trade receivables from related parties of approximately RMB631.7 million is as follows:-

	<b>RMB'000</b>
Jiangsu Yinyan	94,468
Yixing Danson	120,945
Taixing Jinyan	348,888
Arkema group of companies	67,401
	<hr/> 631,702 <hr/>

The ageing of the trade receivables from related parties as at 30 September 2017 is as follows:-

	RMB'000
Current	247,144
Past due from 1 to 90 days	164,802
Past due from 91 to 180 days	109,390
Past due for more than 180 days	110,366
	<hr/>
	631,702
	<hr/>

Jiangsu Yinyan, Yixing Danson 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 Company's management continue to monitor the repayments from these related parties and their cash flow situation closely to minimise our Group's credit exposure.

In addition, the members of the Audit Committee actively engage with the controlling shareholder of the Company to provide certain undertakings in relation to all of the related parties' (except for Arkema's) debts and guarantees provided by our Group in their favour. This is to safe guard the interest of the Company and to ensure that the risk exposure of our Group is adequately managed.

Pledged deposits increased by RMB45.8 million to RMB111.5 million as at 30 September 2017 compared to RMB65.7 million as at 31 December 2016. This was mainly due to deposits pledged for issuance of notes payables in 2017.

An impairment exercise will be performed at year end on (i) trade receivables due from related parties as a results of the long overdue situation; and (ii) property, plant and equipment due to loss making position of the Group.

Total non-current and current interest-bearing liabilities decreased by RMB219.3 million to RMB918.0 million as at 30 September 2017 compared to RMB1,137.3 million as at 31 December 2016. This was mainly due to repayments made during the 9-month period ended 30 September 2017.

Breakdown of trade and other payables is as follows:-

	As at 30 September 2017 RMB'000	As at 31 December 2016 RMB'000
Trade payables:		
- 3rd parties	387,692	386,070
- Related parties	60,104	14,072
Payable to joint venture entity	146,406	130,406
Notes payables	265,035	-
Accrued operating expenses	47,139	42,537
Other payables	61,156	72,871
	<hr/> 967,532	<hr/> 645,956

Trade and other payables increased by RMB321.6 million to RMB967.5 million as at 30 September 2017 compared to RMB646.0 million as at 31 December 2016. This was mainly due to an increase in notes payables for purchase of inventories.

#### Cash Flow Statement

Our Group generated positive operating cash flow of RMB144.3 million in Q3 2017 mainly due to depreciation charge and interest expense as well as a decrease in trade and other receivables and an increase in trade and other payables. These were partially offset by an increase in inventories.

Financing activities resulted in negative cash flow of RMB156.0 million in Q3 2017 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 outflow of RMB25.9 million in Q3 2017 from the Group's investing activities mainly due to acquisitions of property, plant and equipment (relating to the new equipment and modifications under the Xiangshui plant), which was partially offset by interest received.

As a result of the above, cash and cash equivalents decreased from RMB130.2 million as at 30 June 2017 to RMB92.6 million as at 30 September 2017.

#### **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.**

The operating environment of AA industry remains challenging due to the current oversupply situation in the PRC.

Despite the improvement in average selling prices in Q3 2017, we remain cautious on the Group's overall performance in the next 12 months.

- 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 2016.

**(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:

<b>Name of Interested Person</b>	<b>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)<sup>(1)</sup></b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</b>
Yixing Danson Technology Co., Ltd ("Yixing Danson")	<p>Corporate guarantees in favour of Yixing Danson - RMB590,000,000</p> <p>Sale of crude AA to Yixing Danson - RMB181,865,000</p> <p>Purchase of residual crude AA and finished goods from Yixing Danson - RMB80,260,000</p>	-
Taixing Jinyan Chemical Technology Co., Ltd ("Taixing Jinyan")	<p>Corporate guarantees in favour of Taixing Jinyan - RMB475,000,000</p> <p>Supply of chemical raw materials to Taixing Jinyan - RMB278,222,000</p> <p>Purchase of chemical products from Taixing Jinyan - RMB6,545,000</p>	-
Taixing Jinyan Cangchu Co., Ltd. ("Taixing Cangchu")	Corporate guarantees in favour of Taixing Cangchu - RMB260,000,000	-
Jiangsu Jurong Petrochemicals Co., Ltd ("Jiangsu Jurong")	Sales of chemical products to Jiangsu Jurong - RMB8,766,000	Sales of chemical products to Jiangsu Jurong - RMB3,183,000
Jiaying Jinyan Chemical Co., Ltd ("Jiaying Jinyan")	Purchase of chemical products from Jiaying Jinyan - RMB16,763,000	

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) <sup>(1)</sup>	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")	<p>Sales of chemical products to Jiangsu Yinyan - RMB30,389,000</p> <p>Purchase of chemical products from Jiangsu Yinyan - RMB9,250,000</p>	Sales of chemical products to Jiangsu Yinyan - RMB9,462,000

Note:

- (1) The Company is in the process of preparing a circular to seek shareholders' ratification for past interested person transactions, and a shareholders' mandate for any on-going interested person transactions.
- (2) As at 30 September 2017, the aggregate amount of the corporate guarantees that the Group provided to Yixing Danson, Taixing Jinyan and Taixing Cangchu was approximately RMB1,325,000,000, whilst the aggregate amount of corporate guarantees that these same entities provided to the Group was approximately RMB1,420,000,000.

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 first quarter financial statements ended 30 September 2017 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 Xiao**  
**Executive Director and Chief Executive Officer**  
**14 November 2017**