

SUNVIC CHEMICAL HOLDINGS LIMITED

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

UPDATE ON JOINT VENTURE – NON-EXERCISE OF THE FIRST CALL OPTION GRANTED TO ARKEMA

(1) INTRODUCTION

The Board of Directors (the “**Board**”) of Sunvic Chemical Holdings Limited (the “**Company**”) refers to the previous announcements released by the Company on 23 January 2014, 29 January 2014, 21 October 2014, 13 November 2014, 17 February 2015 and 28 July 2015 (the “**Prior Announcements**”), and the Circular dated 19 May 2014 in relation to the joint venture between Taixing Jurong Chemical Co., Ltd (“**Taixing Jurong**”) and Arkema Asie SAS (“**Arkema**”, together with Taixing Jurong, the “**Parties**”) (the “**Joint Venture**”).

Unless otherwise expressly specified, capitalised terms herein shall bear the same meanings as defined in the Prior Announcements.

(2) UPDATE ON THE JOINT VENTURE

Pursuant to the Joint Venture Agreement, Arkema could exercise the First Call Option within the First Call Option Period, which, as revised by the Parties on 15th February 2015, shall end on the later date of (i) 15 January 2016 or (ii) the expiration of two (2) weeks from the BA Unit As-Built Acceptance Date.

The Board wishes to announce that, as at the date of this announcement, Arkema has decided not to exercise the First Call Option to increase its equity interest in Sunke from 55% to 67%. In accordance with the terms of the Amended and Restated Joint Venture Contract dated 15th February 2015, Taixing Jurong is entitled to dilute Arkema’s equity interest in Sunke from 55% to 33%.

(3) FUTURE UPDATES

Parties are in on-going negotiations to come to an agreement as to the fulfilment of their respective rights and obligations towards the Joint Venture. Meanwhile, Sunke will continue carrying out its usual business operations under the existing structure.

The Board will update shareholders on any material developments in due course and the Company will make future announcements as and when there are any subsequent developments.

BY ORDER OF THE BOARD

Sun Xiao
Executive Director and CEO
2 February 2016