

SUNVIC CHEMICAL HOLDINGS LIMITED
(Registration Number: 200406502E)

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2015

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive income

	Q4 2015	Q4 2014	+/(-) %	FY2015	FY2014	+/(-) %
	RMB'000	RMB'000		RMB'000	RMB'000	
Revenue	409,659	878,176	(53.4)	2,167,234	4,964,624	(56.3)
Cost of sales	(528,157)	(1,019,139)	(48.2)	(2,382,279)	(4,765,079)	(50.0)
Gross (loss)/profit	(118,498)	(140,963)	(15.9)	(215,045)	199,545	(207.8)
Other operating income	47,732	1,044,723	(95.4)	717,617	1,060,693	(32.3)
Distribution expenses	(15,340)	(33,172)	(53.8)	(75,207)	(127,603)	(41.1)
Administrative expenses	(101,630)	(69,681)	45.9	(265,426)	(180,363)	47.2
Other operating expenses	(463,396)	(798,626)	(42.0)	(818,667)	(802,791)	2.0
Results from operating activities	(651,132)	2,281	NA	(656,728)	149,481	539.3
Finance expenses	(21,638)	(26,100)	(17.1)	(107,746)	(163,372)	(34.0)
Loss before income tax	(672,770)	(23,819)	NA	(764,474)	(13,891)	NA
Income tax credit/(expense)	24,575	(180,648)	(113.6)	(29,140)	(210,342)	(86.1)
Loss for the period/year	(648,195)	(204,467)	217.0	(793,614)	(224,233)	253.9
Other comprehensive income						
Translation differences relating to financial statements of subsidiaries with functional currencies other than RMB	699	(1,958)	(135.7)	1,819	88	NA
Total comprehensive loss for the period/year	(647,496)	(206,425)	213.7	(791,795)	(224,145)	253.3
Attributable to:						
Owners of the Company	(638,293)	(114,004)	459.9	(777,676)	(129,756)	499.3
Non-controlling interest	(9,203)	(92,421)	(90.0)	(14,119)	(94,389)	(85.0)
Total comprehensive loss for the period/year	(647,496)	(206,425)	213.7	(791,795)	(224,145)	253.3

The following items have been included in arriving at profit before taxation:-

	Q4 2015	Q4 2014	+/(-) %	FY2015	FY2014	+/(-) %
	RMB'000	RMB'000		RMB'000	RMB'000	
Interest income	(14,015)	(3,959)	254.0	(57,172)	(12,107)	372.2
Exchange loss/(gain), net	10,935	2,663	310.6	46,288	13,583	240.8
Gain on partial disposal of a subsidiary	-	(843,283)	(100.0)	-	(843,283)	(100.0)
Gain on disposal of non-current assets held for sale	-	-	-	(121,509)	-	100.0
Depreciation of property, plant and equipment	109,209	85,270	28.1	305,598	282,869	8.0
Amortisation of land use rights	-	-	-	1,309	1,182	10.7
Amortisation of intangible assets	321	612	(47.5)	1,370	1,033	32.6
Interest paid and payable to banks	21,638	26,100	(17.1)	107,746	163,372	(34.0)
Allowance for written-down of downpayments for technology	49,297	-	100.0	49,297	-	100.0
Allowance for written-down of inventories	12,605	30,048	(58.1)	12,605	30,048	(58.1)
Reversal of write-down of inventories	-	-	-	(35,575)	(3,154)	NA
Property, plant and equipment written off	-	20,140	(100.0)	-	20,140	(100.0)
Impairment loss on property, plant and equipment	384,000	573,000	(33.0)	384,000	573,000	(33.0)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31 December 2015 RMB'000	As at 31 December 2014 RMB'000	As at 31 December 2015 RMB'000	As at 31 December 2014 RMB'000
Non-current assets				
Property, plant and equipment	1,483,808	1,658,244	-	-
Intangible assets	10,003	11,373	-	-
Lease prepayments	50,491	51,800	-	-
Subsidiaries	-	-	342,623	342,623
Deposits paid for property, plant and equipment and land use rights	5,522	56,754	-	-
Deferred tax asset	24,430	24,430	-	-
	<u>1,574,254</u>	<u>1,802,601</u>	<u>342,623</u>	<u>342,623</u>
Current assets				
Inventories	133,286	195,331	-	-
Non-current assets held for sale	11,731	705,061	-	-
Trade and other receivables	1,641,599	1,655,079	38,652	32,664
Pledged deposits	183,933	333,682	-	-
Cash and bank balances	173,553	486,881	1,314	230
	<u>2,144,102</u>	<u>3,376,034</u>	<u>39,966</u>	<u>32,894</u>
Total assets	<u><u>3,718,356</u></u>	<u><u>5,178,635</u></u>	<u><u>382,589</u></u>	<u><u>375,517</u></u>
Equity				
Share capital	291,516	291,516	291,516	291,516
Reserves	1,053,798	1,833,049	66,573	45,989
Total equity attributable to equity holders of the Company	<u>1,345,314</u>	<u>2,124,565</u>	<u>358,089</u>	<u>337,505</u>
Non-controlling interest	<u>(53,801)</u>	<u>(39,682)</u>	<u>-</u>	<u>-</u>
Total equity	<u><u>1,291,513</u></u>	<u><u>2,084,883</u></u>	<u><u>358,089</u></u>	<u><u>337,505</u></u>
Non-current liabilities				
Interest bearing liabilities	140,000	287,099	-	-
Deferred tax liability	7,500	7,500	-	-
Total non-current liabilities	<u>147,500</u>	<u>294,599</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	1,001,343	1,558,304	24,500	38,012
Interest-bearing liabilities	1,271,968	1,221,136	-	-
Current tax payable	6,032	19,713	-	-
Total current liabilities	<u>2,279,343</u>	<u>2,799,153</u>	<u>24,500</u>	<u>38,012</u>
Total equity and liabilities	<u><u>3,718,356</u></u>	<u><u>5,178,635</u></u>	<u><u>382,589</u></u>	<u><u>375,517</u></u>

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

Amount repayable in one year or less, or on demand

As at 31 December 2015		As at 31 December 2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
651,968	620,000	460,441	760,695

Amount repayable after one year

As at 31 December 2015		As at 31 December 2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	140,000	77,099	210,000

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 cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q4 2015	Q4 2014	FY2015	FY2014
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Loss before income tax	(672,770)	(23,819)	(764,474)	(13,891)
Adjustments for:				
Interest expense	21,638	26,100	107,746	163,372
Interest income	(14,014)	(3,959)	(57,171)	(12,107)
Amortisation of intangible assets	321	612	1,370	1,033
Amortisation of lease prepayments	-	-	1,309	1,182
Depreciation of property, plant and equipment	109,209	85,270	305,598	282,869
Property, plant and equipment written off	-	20,140	-	20,140
Gain on disposal of non-current assets held for sale	-	-	(121,509)	-
Gain on partial disposal of a subsidiary	-	(843,283)	-	(843,283)
Allowance for written-down of inventories	12,605	30,048	12,605	30,048
Reversal of write-down of inventories	-	-	(35,575)	(3,154)
Allowance for written-down of downpayments for technology	49,297	-	49,297	-
Impairment loss on property, plant and equipment	384,000	573,000	384,000	573,000
Change in fair value of financial instruments	-	-	-	(1,558)
Operating (loss)/profit before working capital changes	(109,714)	(135,891)	(116,804)	197,651
Changes in working capital:				
Inventories	134,155	244,254	85,015	99,782
Trade and other receivables	251,324	523,676	727,773	690,518
Trade and other payables	(38,036)	(594,408)	(630,200)	218,502
Cash generated from operations	237,729	37,631	65,784	1,206,453
Income taxes refunded/(paid)	7,259	(186,311)	(42,821)	(238,816)
Cash flows from operating activities	244,988	(148,680)	22,963	967,637
Investing activities				
Interest received	14,014	3,959	57,171	12,107
Purchase of property, plant and equipment	(56,010)	(142,317)	(390,691)	(865,452)
Payment of lease prepayments	-	(28,104)	-	-
Purchase of intangible assets	-	(296)	-	(9,855)
Proceeds from disposal of non-current assets held for sale	51,249	-	51,249	-
Proceeds from disposal of land use right	-	-	-	136
Proceeds from partial disposal of a subsidiary	-	1,491,373	-	1,479,137
Cash flows generated from/(used in) investing activities	9,253	1,324,615	(282,271)	616,073
Financing activities				
Purchase of treasury shares	-	-	(1,575)	-
Proceeds from bank loans	306,888	756,743	2,753,783	4,816,828
Repayments of bank loans	(586,623)	(1,614,000)	(2,850,050)	(6,199,037)
Interest paid	(21,638)	(26,100)	(107,746)	(163,372)
Deposits pledged	41,721	309	149,749	107,418
Cash flows from financing activities	(259,652)	(883,048)	(55,839)	(1,438,163)
Net (decrease)/increase in cash and cash equivalents	(5,411)	292,887	(315,147)	145,547
Cash and cash equivalents at beginning of the period/year	178,265	195,952	486,881	341,246
Effect of exchange rate fluctuations	699	(1,958)	1,819	88
Cash and cash equivalents at end of the period/year	173,553	486,881	173,553	486,881

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 2015	291,516	-	(499)	346,941	(17,798)	1,504,405	2,124,565	(39,682)	2,084,883
Total comprehensive income for the period	-	-	-	-	1,819	(779,495)	(777,676)	(14,119)	(791,795)
Purchase of treasury shares	-	(1,575)	-	-	-	-	(1,575)	-	(1,575)
At 31 December 2015	<u>291,516</u>	<u>(1,575)</u>	<u>(499)</u>	<u>346,941</u>	<u>(15,979)</u>	<u>724,910</u>	<u>1,345,314</u>	<u>(53,801)</u>	<u>1,291,513</u>
At 1 January 2014	291,516	-	(499)	282,822	(17,886)	1,698,368	2,254,321	54,707	2,309,028
Total comprehensive income for the period	-	-	-	-	88	(129,844)	(129,756)	(94,389)	(224,145)
Transfer to/(from) reserve	-	-	-	64,119	-	(64,119)	-	-	-
At 31 December 2014	<u>291,516</u>	<u>-</u>	<u>(499)</u>	<u>346,941</u>	<u>(17,798)</u>	<u>1,504,405</u>	<u>2,124,565</u>	<u>(39,862)</u>	<u>2,084,883</u>

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 2015	291,516	-	45,989	337,505
Total comprehensive income for the year	-	-	22,159	22,159
Purchase of treasury shares	-	(1,575)	-	(1,575)
At 31 December 2015	<u>291,516</u>	<u>(1,575)</u>	<u>68,148</u>	<u>358,089</u>
At 1 January 2014	291,516	-	110,934	402,450
Total comprehensive income for the year	-	-	(64,945)	(64,945)
At 31 December 2014	<u>291,516</u>	<u>-</u>	<u>45,989</u>	<u>337,505</u>

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.

In FY2015, the Company exercised its share-buy-back mandate and bought back 1,650,000 ordinary shares from the market. Total number of ordinary shares bought back as at 31 December 2015 amounted to 1,650,000. These shares are held as treasury shares.

	As at 31 December 2015 (‘000)	As at 31 December 2014 (‘000)
Number of issued shares	533,651	533,651
Number of treasury shares	(1,650)	-
Number of issued shares excluding treasury shares	<u>532,001</u>	<u>533,651</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.

	Company	
	As at 31 December 2015	As at 31 December 2014
Number of shares excluding treasury shares at the end of the year (‘000)	<u>532,001</u>	<u>533,651</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, and/or use of treasury shares as at end of 31 December 2015.

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.**

	Q4 2015	Q4 2014	FY2015	FY2014
Earnings per share (RMB cents):-				
Basic and diluted	<u>(120.0)</u>	<u>(21.7)</u>	<u>(145.5)</u>	<u>(24.3)</u>
	Q4 2015	Q4 2014	FY2015	FY2014
	RMB'000	RMB'000	RMB'000	RMB'000
Basic earnings per share is based on:				
Net loss attributable to ordinary shareholders	<u>(637,594)</u>	<u>(115,962)</u>	<u>(775,857)</u>	<u>(129,668)</u>

	Number of shares			
	Q4 2015	Q4 2014	FY2015	FY2014
	('000)	('000)	('000)	('000)
Weighted average number of ordinary shares outstanding at beginning of the period	532,918	533,651	533,651	533,651
Effect of treasury shares held	(1,650)	-	(599)	-
Weighted average number of ordinary shares outstanding during of the period	<u>531,268</u>	<u>533,651</u>	<u>533,052</u>	<u>533,651</u>

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.

	Group		Company	
	As at 31 December 2015	As at 31 December 2014	As at 31 December 2015	As at 31 December 2014
Net assets attributable to the shareholders (RMB'000)	1,345,314	2,124,565	358,089	337,505
Net asset value per ordinary share (RMB cents)	252.9	398.1	67.3	63.2
Number of shares at the end of the period ('000)	532,001	533,651	532,001	533,651

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 FY2015 decreased by RMB2,797.4 million to RMB2,167.2 million compared to RMB4,964.6 million in FY2014. This was mainly due to decrease in revenue from sale of acrylic acid ("AA") & acrylate esters ("AE"), PMIDA & glyphosate and other chemical products by RMB2,294.0 million, RMB205.8 million and RMB297.6 million respectively.

The decrease in revenue from AA & AE and PMIDA & glyphosate were mainly attributable to lower sale volume and average selling prices when compared to FY2014.

Sale volume of AA & AE decreased from 440,400 tonnes in FY2014 to 180,100 tonnes in FY2015, whilst average selling prices per tonne decreased from RMB10,400 in FY2014 to RMB6,700 in FY2015. All of these are due to over-supply situation of AA in the PRC.

Sale volume of PMIDA & glyphosate as well as their average selling prices also decreased in FY2015 when compared to the same period.

Gross profit

The Group incurred a gross loss of RMB215.0 million in FY2015 compared to a gross profit of RMB199.5 million in FY2014. Sale of AA & AE as well as PMIDA & glyphosate contributed gross loss of RMB233.5 million and RMB20.6 million respectively in FY2015, whilst sale of other chemical products contributed a gross profit of RMB39.0 million in FY2015.

Overall gross profit margin decreased from a positive of 4.0% in FY2014 to a negative of 9.9% in FY2015 mainly due to lower average selling prices for AA & AE due to over-supply situation of AA in the PRC. Gross profit margin for sale of AA & AE as well as PMIDA & glyphosate stood at negative of 13.5% and 23.0% respectively in FY2015 compared to positive of 3.2% and 3.6% respectively in FY2014.

Other operating income

Other operating income included the following items:-

	FY2015 RMB'000
Gain on disposal of Line 3 AA plant	121,509
Tax incentive	109,000
Interest income	57,172 (a)
Sale of propylene and crude residuals	332,574 (b)
Sale of steam and waste water treatment fee	45,722 (c)
Others	51,640
	<hr/> 717,617 <hr/>

- (a) Included in interest income was an amount of RMB46.0 million from Arkema for extension of the First Call Option pursuant to the Joint Venture Agreement with Arkema.
- (b) Sale of propylene and other chemical material to joint venture entity amounted to RMB332.6 million and the corresponding cost amounted to RMB322.9 million (which was classified under other operating expenses). These two amounts were stated after elimination according to joint operations accounting treatment;
- (c) Sale of steam and waste water treatment fee by the joint venture entity amounted to RMB45.7 million and the corresponding cost amounted to RMB40.6 million (which was classified under other operating expenses). These two amounts were stated according to joint operations accounting treatment;

Distribution expenses

Distribution expenses decreased by RMB52.4 million to RMB75.2 million in FY2015 compared to RMB127.6 million in FY2014. Distribution expenses consisted of transportation charges and packaging costs as well as other sales related expenses. These expenses decreased due to lower sale volume of all products as well as lower purchase volume of raw materials in FY2015 compared to FY2014.

Administrative expenses

Administrative expenses increased by RMB85.1 million to RMB265.4 million in FY2015 compared to RMB180.4 million in FY2014. This was mainly due to (i) an allowance made for downpayments for technology amounted to RMB49.3 million; and (ii) incurrence of foreign exchange loss of RMB46.3 million (FY2014: RMB13.6 million) as a result of depreciation of RMB against USD on our USD bank borrowings.

Other operating expenses

Other operating expenses included the following items:-

	FY2015 RMB'000
Impairment loss on property, plant and equipment	384,000 (d)
Costs of propylene and crude residuals	322,897 #
Costs of steam and waste water treatment fee	40,613 #
Others	71,157
	<hr/>
	818,667
	<hr/>

(d) In FY2015, the Group made an impairment loss on property, plant and equipment relating to the Group's plants in Yancheng City amounted to RMB384.0 million due to tough operating environment in the PRC.

#: For details, please see notes above on other operating income.

Finance expenses

Finance expenses decreased by RMB55.6 million to RMB107.7 million in FY2015 compared to RMB163.4 million in FY2014. This was mainly due to lower interest bearing liabilities as well as lower interest rate in FY2015 compared to FY2014.

Income tax expense

Income tax expense was incurred notwithstanding the operating loss position in FY2015. This was mainly due to income tax on profit made from disposal of Line 3 AA plant to the joint venture entity in FY2015.

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.

Balance sheet

Property, plant and equipment decreased by RMB174.4 million to RMB1,483.8 million as at 31 December 2015 compared to RMB1,658.2 million as at 31 December 2014. This was mainly due to depreciation charge and impairment made on property, plant and equipment in FY2015. These were partially offset by additional of property, plant and equipment in the same period.

Deposits paid for property, plant and equipment decreased by RMB51.2 million to RMB5.5 million as at 31 December 2015 compared to RMB56.8 million as at 31 December 2014. This was due to transfer made to property, plant and equipment in FY2015.

Inventories decreased by RMB62.0 million to RMB133.3 million as at 31 December 2015 compared to RMB195.3 million as at 31 December 2014. This was mainly due to decrease in quantities and unit cost of raw materials and finished goods.

Non-current assets held for sale decreased by RMB693.3 million to RMB11.7 million as at 31 December 2015 compared to RMB705.1 million as at 31 December 2014. This was due to sale of Line 3 AA assets to joint venture entity in FY2015.

Breakdown of trade and other receivables is as follows:-

	As at 31 December 2015 RMB'000	As at 31 December 2014 RMB'000
Trade receivables:		
- 3 rd parties	171,155	286,741
- Related parties	347,128	328,881
Receivable from joint venture entity	588,833	136,533
Notes receivables	163,159	231,413
Value added tax recoverable	272,161	189,141
Other receivables	64,679	72,971
Advances to suppliers	33,540	408,455
Derivative assets	944	944
	1,641,599	1,655,079

Trade and other receivables decreased by RMB13.5 million to RMB1,641.6 million as at 31 December 2015 compared to RMB1,655.1 million as at 31 December 2014. This was mainly due to decrease in trade receivables as a result of lower revenue in FY2015 as well as decrease in advances to suppliers for purchase of raw materials because the Group reduced such purchases as prices of raw materials have been on a downward trend. These were partially offset by (i) an increase in receivable due from joint venture entity as a result of sale of Line 3 AA plant to joint venture entity which is due in early 2016 in accordance with the joint venture agreement; and (ii) an increase in value added tax recoverable resulting from the sale of Line 3 AA plant.

Breakdown of trade and other payables is as follows:-

	As at 31 December 2015 RMB'000	As at 31 December 2014 RMB'000
Trade payables:		
- 3rd parties	540,494	788,215
- Related parties	20,044	9,693
Payable to joint venture entity	143,847	-
Payable to joint venture partner	61,991	-
Notes payables	134,837	672,011
Accrued operating expenses	49,244	29,059
Other payables	50,886	59,326
	1,001,343	1,558,304

Trade and other payables decreased by RMB557.0 million to RMB1,001.3 million as at 31 December 2015 compared to RMB1,558.3 million as at 31 December 2014. This was mainly due to lower trade and notes payables for purchase of propylene for our own production needs as well as sale to joint venture entity. This was partially offset by increase in payable to joint venture entity.

Total non-current and current interest-bearing liabilities decreased by RMB96.2 million to RMB1,442.0 million as at 31 December 2015 compared to RMB1,508.2 million as at 31 December 2014. This was due to repayments made in FY2015.

Cash Flow Statement

Our Group generated positive operating cash flow of RMB23.0 million in FY2015 mainly due to depreciation charge, interest expense, impairment loss on property, plant and equipment, allowances made for downpayments for technology and for write-down of inventories as well as decrease in trade and other receivables and inventories. These were partially offset by interest income, gain on disposal of non-current assets held for sale, reversal of write-down of inventories as well as an increase in trade and other payables.

Financing activities resulted in negative cash flow of RMB55.8 million in FY2015 mainly due to repayments of bank loans as well as interest paid. These were partially offset by proceeds from bank loans and a decrease in pledged deposits.

There was a net cash outflow of RMB282.3 million in FY2015 from the Group's investing activities mainly due to purchase of property, plant and equipment in FY2015. This was partially offset by proceeds from disposal of non-current assets held for sale and interest received.

As a result of the above, cash and cash equivalents decreased from RMB486.9 million as at 31 December 2014 to RMB173.6 million as at 31 December 2015.

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.**

We anticipate conditions will remain challenging in the near future due to the current situation of oversupply and excess production capacity of AA in the PRC.

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 FY2014.

(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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The Group's CEO reviews internal management reports for each of the strategic business units on at least quarterly basis. The four reportable segments are:

- AA and AE - manufacture and sale of acrylic acid ("AA") and acrylate esters ("AE");
- PMIDA and glyphosate - manufacture and sale of N-(phosphonomethyl) Iminodiacetic Acid ("PMIDA") and glyphosate;
- Petroleum related products; and
- Others - purchase and sale of other chemical products.

Information regarding the results of each reportable segments is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	AA & AE		PMIDA and glyphosate		Petroleum related products		Others		Total	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
External revenues	1,729,408	4,023,415	89,369	295,147	-	-	348,457	646,062	2,167,234	4,964,624
Interest income	-	-	-	-	-	-	57,172	12,107	57,172	12,107
Interest expense	(85,979)	(132,399)	(4,443)	(9,712)	-	-	(17,324)	(21,261)	(107,746)	(163,372)
Depreciation and amortisation	(227,989)	(272,194)	(9,599)	(8,642)	(69,454)	(2,904)	(1,235)	(1,344)	(308,277)	(285,084)
Impairment loss on property, plant and equipment	(290,000)	-	-	-	(94,000)	(573,000)	-	-	(384,000)	(573,000)
Reportable segment profit/(loss) before income tax	(556,288)	592,046	(56,697)	(30,297)	(163,454)	(575,904)	19,285	13,827	(757,154)	(328)
Reportable segment assets	3,223,529	4,410,523	45,474	82,108	406,378	655,077	42,976	30,927	3,718,357	5,178,635
Capital expenditures	374,724	900,102	-	8,738	13,544	31,234	80	24	388,348	940,098
Reportable segment liabilities	2,381,446	3,045,564	-	-	25,893	33,116	19,504	15,072	2,426,843	3,093,752

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items are as follows:

	2015 RMB'000	2014 RMB'000
Revenues		
Total revenue for reportable segments	1,818,777	4,318,562
Other revenue	348,457	646,062
Consolidated revenue	<u>2,167,234</u>	<u>4,964,624</u>
Profit or loss		
Total (loss)/profit for reportable segments	(706,985)	(11,251)
Other (loss)/profit	(50,169)	10,923
	<u>(757,154)</u>	<u>(328)</u>
Unallocated amounts:		
- Other corporate expenses	(7,320)	(13,563)
Consolidated (loss)/profit before income tax	<u>(764,474)</u>	<u>(13,891)</u>
Assets		
Total assets for reportable segments	3,675,381	5,147,708
Other assets	42,976	30,927
Consolidated assets	<u>3,718,357</u>	<u>5,178,635</u>
Liabilities		
Total liabilities for reportable liabilities	2,407,339	3,078,680
Other liabilities	19,504	15,072
Consolidated liabilities	<u>2,426,843</u>	<u>3,093,752</u>

Segmental information is presented in respect of the Group's geographical segments. In presenting information on the basis of geographical segments, segment revenue and trade receivables are based on the geographical location of customers. Segment capital expenditure and other assets are based on the geographical location of the assets.

	Asia RMB'000	Europe RMB'000	South America RMB'000	North America RMB'000	Others RMB'000	Consolidated RMB'000
2015						
Revenue from external customers	2,115,249	2,677	21,484	26,068	1,756	2,167,234
Segment assets	3,705,403	64	560	12,330	-	3,718,357
Capital expenditure	388,348	-	-	-	-	388,348
2014						
Revenue from external customers	4,757,481	122,683	61,011	21,541	1,908	4,964,624
Segment assets	1,778,171	-	-	-	-	1,778,171
Capital expenditure	940,098	-	-	-	-	940,098

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Point 8 above.

15. A breakdown of sales	2015 RMB'000	2014 RMB'000	+/(-) %
Sales reported for the first half year	1,267,650	2,992,335	(57.6)
Operating profit after taxation but before minority interests reported for the first half year	(82,138)	33,856	(342.6)
Sales reported for the second half year	899,584	1,972,289	(54.4)
Operating profit after taxation but before minority interests reported for the second half year	(711,476)	(258,089)	175.7

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend has been declared or recommended in FY2015 and FY2014.

17. 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:

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) ⁽¹⁾	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Yixing Danson Technology Co., Ltd (" Yixing Danson ")	Corporate guarantees in favour of Yixing Danson – RMB484,000,000 Sale of crude AA to Yixing Danson – RMB340,578,000 Purchase of residual crude AA from Yixing Danson – RMB26,058,000	-
Taixing Jinyan Chemical Technology Co., Ltd (" Taixing Jinyan ")	Corporate guarantees in favour of Taixing Jinyan – RMB650,000,000 Supply of chemical raw materials to Taixing Jinyan – RMB293,979,000 Supply of equipment to Taixing Jinyan – RMB3,244,000	-
Jiaxing Jinyan Chemical Co., Ltd (" Jiaxing Jinyan ")	Corporate guarantees in favour of Jiaxing Jinyan – RMB70,000,000 Purchase of chemical raw materials from Jiaxing Jinyan – RMB9,328,000	-
Jiangsu Yinyan Specialty Chemical Co., Ltd (" Jiangsu Yinyan ")	-	Sales of chemical products to Jiangsu Yinyan – RMB47,953,000
Jiangsu Jurong Petrochemicals Co., Ltd (" Jiangsu Jurong ")	-	Sales of chemical products to Jiangsu Jurong – RMB10,278,000

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 31 December 2015, the aggregate amount of the corporate guarantees that the Group provided to Yixing Danson, Taixing Jinyan, Jiaying Jinyan and Jiangsu Yinyan was approximately RMB1,204,000,000, whilst the aggregate amount of corporate guarantees that these same entities provided to the Group was approximately RMB1,120,000,000.

18. Report of persons occupying managerial positions who are related to a Director, Chief Executive Director or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in Sunvic Chemical Holdings Ltd (the "Company") or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Sun Xiao
Executive Director and Chief Executive Officer
29 February 2016