

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 had 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 then; 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 had 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 then.

The Company notes that on 11 May 2020, the Singapore Exchange Regulation Pte. Ltd. announced the removal of the minimum trading price rule and the MTP Criteria Watch-list with effect from 1 June 2020. Accordingly, the Company will no longer be required to comply with the minimum trading price exit criteria pursuant to Rule 1314(2) of the Listing Manual (prior to 1 June 2020).

The Company remains on the Financial Criteria Watch-list as at the date of this announcement as the Company has not satisfied the financial exit criteria pursuant to Rule 1314 of the Listing Manual (the “**Financial Exit Criteria**”) (read with Practice Note 13.2 Watch-List).

The Company suspended the trading of its shares on the SGX-ST with effect from 9.00 a.m. (Singapore time) on 14 January 2019 as the Company is unable to demonstrate to the SGX-ST and its shareholders that it is able to continue as a going concern arising from the potential claims by Yixing City Futao Rural Micro Credit Co., Ltd and/or Bank of China Co., Ltd., Xiangshui County Sub-branch respectively in relation to the corporate guarantees provided to unrelated parties by the Company’s wholly-owned subsidiaries. Please refer to the Company’s announcements released on 10 January 2019 and 11 January 2019 respectively for more details.

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 Financial Exit Criteria.

Update on Financial Situation

Please refer to the Company’s announcement released on 17 September 2020 in relation to the Group’s financial results for the financial year ended 31 December 2019 for an update on the Group’s financial position.

Update on Future Direction and Other Material Development

Please refer to the following announcements for the recent material developments relating to the Group:

- (a) the Company’s announcements dated 10 January 2019, 18 January 2019, 19 February 2019, 15 April 2019, 16 April 2019, 20 June 2019, 1 July 2019, 9 July 2019, 10 July 2019, 7 November 2019, 14 November 2019 and 5 March 2020 in relation to the corporate guarantees provided to unrelated parties by the Company’s wholly-owned subsidiaries;
- (b) the Company’s announcement dated 11 January 2019 in relation to the suspension of trading of shares of the Company; and
- (c) the Company’s announcements dated 19 March 2020, 25 March 2020, 29 September 2020, 5 October 2020 and 26 October 2020 in relation to the termination of the proposed disposal of the entire equity interest in Jiangsu Jurong Petrochemical Co., Ltd. by the Company’s wholly owned subsidiary, Jiangsu Jurong Chemical Co., Ltd and the Company’s associated company, SunVic Asia Pacific Investments Holdings Pte. Ltd. to Shenzhen Qianhai Gatsway Petrochemical Co., Ltd.

COVID-19

The outbreak of the COVID-19 pandemic in early 2020 has been unfortunate. While the COVID-19 situation has not resulted in the shutdown of the operations of the Group’s existing business in the trading of chemical products, the Group’s trading business has been severely affected particularly during the lockdown period in the People’s Republic of China.

The Group’s management (the “**Management**”) expects the operating environment to remain challenging given the uncertainties surrounding the current COVID-19 situation and its impact on the market demand and supply of chemical products. As represented by the Management, the Management has been working closely with all parties involved to ensure all contractual obligations are fulfilled and complied with under the current COVID-19 situation. Depending on the developments on the COVID-19 situation and the market conditions, the Management will

work closely with the Board to assess possible options to improve the Group's financial positions and whether any changes to the Group's business plans are required.

The Company will continue to keep the shareholders updated on any material developments in the Group's financial situation.

Update on Efforts for Satisfying the Financial Exit Criteria

The Board will continue to monitor the situation, make efforts and consider various options to meet the Financial Exit Criteria.

The Board will update the Company's 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 Li Hua
Executive Director and Chief Executive Officer
3 November 2020