

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

**RESPONSE TO SGX QUERIES ON UPDATE ON RECEIPT OF LETTERS OF DEMAND BY
THE COMPANY'S WHOLLY-OWNED SUBSIDIARIES IN RELATION TO CORPORATE
GUARANTEES PROVIDED TO UNRELATED PARTIES**

*Unless otherwise expressly specified, capitalised terms herein shall bear the same meanings as defined in the following announcements of Sunvic Chemical Holdings Limited (the “**Company**”): (1) the Company’s announcement dated 10 January 2019 titled “Receipt of Letters of Demand by the Company’s Wholly-Owned Subsidiaries in relation to Corporate Guarantees provided to Unrelated Parties” (“**10 January 2019 Announcement**”); and (2) the Company’s announcement dated 20 June 2019 titled “Update on Receipt of Letters of Demand by the Company’s Wholly-Owned Subsidiaries in relation to Corporate Guarantees provided to Unrelated Parties” (“**20 June 2019 Announcement**”).*

On 27 June 2019, the Company received queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the 20 June 2019 Announcement. The Company’s responses to the SGX-ST’s queries are set out below:

1. In the 20 June 2019 Announcement, the Company disclosed that “Yixing Futao Credit, Jiangsu Donglai and Yixing Yinyan had entered into a supplemental agreement to the YFC Guarantee Agreement on 13 June 2019 (“**YFC Supplemental Agreement**”)”.

Please disclose the identities of the representatives from Yixing Futao Credit, Jiangsu Donglai and Yixing Yinyan who signed on the YFC Supplemental Agreement.

The Company’s response:

The representatives of Yixing Futao Credit, Jiangsu Donglai and Yixing Yinyan who signed on the YFC Supplement Agreement respectively are as follows:

- (a) in respect of Yixing Futao Credit, Mr. Shen Rui Hua (沈锐华) being the legal representative of Yixing Futao Credit;
- (b) in respect of Jiangsu Donglai, Mr. Cheng Qiang (承强) being the legal representative of Jiangsu Donglai; and
- (c) in respect of Yixing Yinyan, Mr. Liu Wen (刘文) being the legal representative of Yixing Yinyan.

In the Company's announcement dated 18 January 2019 regarding the Company's responses to the SGX-ST's queries on the 10 January 2019 Announcement, it was stated that Mr. Shen Rui Hua is the legal representative of Jiangsu Donglai. The Company would like to clarify that this was incorrectly stated due to inadvertence, and that the legal representative of Jiangsu Donglai is Mr. Cheng Qiang as set out above.

2. Please disclose the payment terms that are under the YFC Supplemental Agreement.

The Company's response:

In addition to the payment terms set out in the 20 June 2019 Announcement, other payment terms under the YFC Supplemental Agreement include the following:

- (a) the principal amount of the YFC Loan from Yixing Futao Credit to Jiangsu Donglai is RMB180,000,000, and the interest rate payable:
 - (i) from 8 October 2018 until 15 October 2018, will be the same as that provided in the YFC Guarantee Agreement (being 20% per annum); and
 - (ii) from 16 October 2018 until the Extended Repayment Date, will be based on the benchmark interest rate of the People's Bank of China;
- (b) Yixing Futao Credit and Yixing Yinyan shall have the right to supervise the liquidation process of Jiangsu Donglai's assets, and the sale proceeds from such liquidation process shall be applied first towards the repayment of the YFC Loan and all other due payments including the interest payable; and
- (c) If the YFC Loan and all other due payments including the interest payable are not repaid by the Extended Repayment Date, this will constitute a breach of contract and as liquidated damages, the interest rate on all outstanding amounts will be four (4) times of the loan interest rate of the People's Bank of China for the same period.

The Board will provide further updates to the shareholders on the developments of matters in relation to the BOC Corporate Guarantee and the YFC Corporate Guarantee in due course.

BY ORDER OF THE BOARD

Sun Xiao
Executive Director and Chief Executive Officer
1 July 2019