

SUNVIC CHEMICAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200406502E)

UPDATE ON JOINT VENTURE – RECEIPT OF RMB800 MILLION BY TAIXING JURONG

(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, 28 July 2015, 2 February 2016 and 20 June 2016 (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

Further to the Prior Announcements and the Circular, the Board wishes to announce that pursuant to the terms of the ancillary documents to the 2nd Amended and Restated Joint Venture Contract, Taixing Jurong has, as of 12 August 2016, received the full amount of RMB800 million (the “**Consideration**”) from Sunke and Arkema as consideration for the Line 3 Assets which had been injected into Sunke in July 2015 and to maintain the JV Equity Proportion.

The Company intends to use the Consideration for general working capital purposes.

(3) FINANCIAL IMPACT

The financial impact of the receipt of the Consideration has been reflected in the Company's Financial Statement and Dividend Announcement for the Second Quarter and Half Year Ended 30 June 2016 released on 12 August 2016.

(4) FUTURE UPDATES

The Company will make further announcements to update Shareholders as and when there are any subsequent developments.

BY ORDER OF THE BOARD

Sun Xiao
Executive Director and CEO
12 August 2016