

SUNVIC CHEMICAL HOLDINGS LIMITED
(Registration Number: 200406502E)

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2014

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 2014	Q4 2013	+/(-) %	FY2014	FY2013	+/(-) %
	RMB'000	RMB'000		RMB'000	RMB'000	
Revenue	878,176	1,838,859	(52.2)	4,964,624	6,325,799	(21.5)
Cost of sales	(1,019,139)	(1,512,961)	(32.6)	(4,765,079)	(5,391,444)	(11.6)
Gross (loss)/profit	(140,963)	325,898	(143.3)	199,545	934,355	(78.6)
Other operating income	1,044,723	11,543	NM	1,060,693	42,205	NM
Distribution expenses	(33,172)	(43,558)	(23.8)	(127,603)	(163,247)	(21.8)
Administrative expenses	(69,681)	(46,956)	48.4	(180,363)	(129,001)	39.8
Other operating expenses	(798,626)	(10,016)	NM	(802,791)	(29,056)	NM
Results from operating activities	2,281	236,911	(99.0)	149,481	655,256	(77.2)
Finance expenses	(26,100)	(33,226)	(21.4)	(163,372)	(142,907)	14.3
(Loss)/profit before income tax	(23,819)	203,685	(111.7)	(13,891)	512,349	(102.7)
Income tax expense	(180,648)	(67,943)	165.9	(210,342)	(130,044)	61.7
(Loss)/profit for the period/year	(204,467)	135,742	(250.6)	(224,233)	382,305	(158.7)
Other comprehensive income						
Translation differences relating to financial statements of subsidiaries with functional currencies other than RMB	(1,958)	(2,580)	(24.1)	88	(7,541)	101.2
Total comprehensive (loss)/income for the period/year	(206,425)	133,162	(255.0)	(224,145)	374,764	(159.8)
Attributable to:						
Owners of the Company	(112,046)	138,002	(181.2)	(129,844)	384,780	(133.7)
Non-controlling interest	(92,421)	(2,260)	NM	(94,389)	(2,475)	NM
Total comprehensive (loss)/income for the period/year	(204,467)	135,742	(250.6)	(224,233)	382,305	(158.7)

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

	Q4 2014	Q4 2013	+/(-) %	FY2014	FY2013	+/(-) %
	RMB'000	RMB'000		RMB'000	RMB'000	
Interest income	(3,959)	(4,524)	(12.5)	(12,107)	(15,379)	(21.3)
Exchange loss/(gain), net	2,663	(10,168)	(126.2)	19,621	4,579	328.5
Gain on partial disposal of a subsidiary	(843,283)	-	100.0	(843,283)	-	100.0
Gain on disposal of land use rights	-	(7,078)	(100.0)	-	(7,078)	(100.0)
Depreciation of property, plant and equipment	85,270	75,721	12.6	299,971	261,433	14.7
Amortisation of land use rights	-	-	-	1,009	1,404	(28.1)
Amortisation of intangible assets	612	311	96.8	1,030	599	72.0
Interest paid and payable to banks	26,100	33,226	(21.4)	163,372	142,577	14.6
Allowance for write down of inventories	32,878	996	NM	32,878	996	NM
Property, plant and equipment written off	29,897	11,678	156.0	29,897	25,465	17.4
Impairment loss on property, plant and equipment	573,000	-	100.0	573,000	-	100.0

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 2014 RMB'000	As at 31 December 2013 RMB'000	As at 31 December 2014 RMB'000	As at 31 December 2013 RMB'000
Non-current assets				
Property, plant and equipment	1,658,244	2,942,244	-	-
Intangible assets	11,373	2,551	-	-
Lease prepayments	51,800	36,941	-	-
Subsidiaries	-	-	342,623	398,946
Deposits paid for property, plant and equipment and land use rights	56,754	204,555	-	-
Deferred tax asset	24,430	-	-	-
	<u>1,802,601</u>	<u>3,186,291</u>	<u>342,623</u>	<u>398,946</u>
Current assets				
Inventories	195,331	329,770	-	-
Non-current assets held for sale	705,061	-	-	-
Trade and other receivables	1,655,079	2,344,653	32,664	28,735
Pledged deposits	333,682	441,100	-	-
Cash and bank balances	486,881	341,246	230	2,787
	<u>3,376,034</u>	<u>3,456,769</u>	<u>32,894</u>	<u>31,522</u>
Total assets	<u>5,178,635</u>	<u>6,643,060</u>	<u>375,517</u>	<u>430,468</u>
Equity				
Share capital	291,516	291,516	291,516	291,516
Reserves	1,833,049	1,962,805	45,989	110,934
Total equity attributable to equity holders of the Company	<u>2,124,565</u>	<u>2,254,321</u>	<u>337,505</u>	<u>402,450</u>
Non-controlling interest	<u>(39,682)</u>	<u>54,707</u>	<u>-</u>	<u>-</u>
Total equity	<u>2,084,883</u>	<u>2,309,028</u>	<u>337,505</u>	<u>402,450</u>
Non-current liabilities				
Interest bearing liabilities	287,099	248,035	-	-
Deferred tax liability	7,500	7,500	-	-
Total non-current liabilities	<u>294,599</u>	<u>255,535</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	1,558,305	1,412,332	38,012	27,202
Interest-bearing liabilities	1,221,136	2,642,409	-	-
Current tax payable	19,712	23,756	-	816
Total current liabilities	<u>2,799,153</u>	<u>4,078,497</u>	<u>38,012</u>	<u>28,018</u>
Total equity and liabilities	<u>5,178,635</u>	<u>6,643,060</u>	<u>375,517</u>	<u>430,468</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 2014		As at 31 December 2013	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
635,693	585,443	2,027,801	614,608

Amount repayable after one year

As at 31 December 2014		As at 31 December 2013	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
287,099	-	248,035	-

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 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 2014	Q4 2013	FY2014	FY2013
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
(loss)/profit before taxation	(23,819)	203,685	(13,891)	512,349
Adjustments for:				
Interest expense	26,100	33,226	163,372	142,577
Interest income	(3,959)	(4,524)	(12,107)	(15,379)
Amortisation of intangible assets	612	311	1,030	599
Amortisation of lease prepayments	-	(101)	1,009	1,404
Depreciation of property, plant and equipment	85,270	75,721	299,971	261,433
Property, plant and equipment written off	29,897	11,678	29,897	25,465
Gain on disposal of land use right	-	(1,093)	-	(7,078)
Gain on partial disposal of a subsidiary	(843,283)	-	(843,283)	-
Allowance for written-down of inventories	32,878	996	32,878	996
Impairment loss on property, plant and equipment	573,000	-	573,000	-
Fair value of financial instruments	-	-	-	330
Operating (loss)/profit before working capital changes	(123,304)	319,899	231,876	922,696
Changes in working capital:				
Inventories	241,424	88,878	101,561	181,490
Trade and other receivables	523,676	(367,290)	689,574	(909,373)
Trade and other payables	(594,408)	(127,683)	160,167	89,803
Cash (used in)/generated from operations	47,388	(86,196)	1,183,178	284,616
Income taxes (paid)/refunded	(186,311)	31,942	(238,816)	(126,305)
Cash flows from operating activities	(138,923)	(54,254)	944,362	158,311
Investing activities				
Interest received	3,959	4,524	12,107	15,379
Purchase of property, plant and equipment	(152,074)	(177,435)	(826,176)	(432,390)
Payment of lease prepayments	(28,104)	(1,620)	(28,104)	(1,620)
Purchase of intangible assets	(296)	(174)	(9,852)	(246)
Proceeds from disposal of land use right	-	19,583	-	19,583
Proceeds from partial disposal of a subsidiary	1,491,373	-	1,491,373	-
Cash flows generated from/(used in) investing activities	1,314,858	(155,122)	639,348	(399,294)
Financing activities				
Proceeds from bank loans	756,743	1,005,891	4,816,828	4,619,222
Repayments of bank loans	(1,614,000)	(991,293)	(6,183,429)	(4,219,649)
Repayments to factoring facilities	-	15,608	(15,608)	-
Interest paid	(26,100)	(33,226)	(163,372)	(142,577)
Deposits pledged	309	(44,073)	107,418	6,164
Cash flows from financing activities	(883,048)	(47,093)	(1,438,163)	263,160
Net increase/(decrease) in cash and cash equivalents	292,887	(256,469)	145,547	22,177
Cash and cash equivalents at beginning of the period/year	195,952	600,355	341,246	326,610
Effect of exchange rate fluctuations	(1,958)	(2,580)	88	(7,541)
Cash and cash equivalents at end of the period/year	486,881	341,306	486,881	341,246

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 RMB'000	Merger reserve RMB'000	Other reserves RMB'000	Foreign currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	Non- controlling interest RMB'000	Total equity RMB'000
At 1 January 2013	291,516	(499)	245,232	(10,345)	1,351,178	1,877,082	57,182	1,934,264
Total comprehensive income for the year	-	-	-	(7,541)	384,780	377,239	(2,475)	374,764
Transfer to/(from) reserve	-	-	37,590	-	(37,590)	-	-	-
At 31 December 2013	291,516	(499)	282,822	(17,886)	1,698,368	2,254,321	54,707	2,309,028
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 year	-	-	-	88	(129,844)	(129,756)	(94,389)	(224,145)
Transfer to/(from) reserve	-	-	90,048	-	(90,048)	-	-	-
At 31 December 2014	291,516	(499)	372,870	(17,798)	1,478,476	2,124,565	(39,682)	2,084,883

Notes: Included in other reserves are capital reserve and special safety reserve amounted to RMB323,710,000 and RMB49,160,000 (2003: RMB254,286,000 and RMB28,536,000) respectively.

Statement of Changes in Equity – The Company

	Share capital RMB'000	Accumulated profits RMB'000	Total equity RMB'000
At 1 January 2013	291,516	111,156	402,672
Total comprehensive income for the year	-	(222)	(222)
At 31 December 2013	<u>291,516</u>	<u>110,934</u>	<u>402,450</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>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.

The Company did not buy back any shares for the financial year ended 31 December 2014. The Company does not have any treasury shares as at 31 December 2014.

	As at 31 December 2014 (‘000)	As at 31 December 2013 (‘000)
Number of issued shares excluding treasury shares	<u>533,651</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 2014	As at 31 December 2013
Number of shares excluding treasury shares at the end of the year ('000)	533,651	533,651

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 2014.

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 adopted the new FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 12 Disclosure of Interests in Other Entities for the financial year beginning on or after 1 January 2014. The changes affect the accounting treatment of partial disposal of a subsidiary during the financial year. Upon disposal, the remaining interests in the investee are now treated as joint operations as the contractual arrangements in joint operations provide the joint control parties with the rights to and obligations of the annual output of the relevant activities and substantially all the economic benefits of the joint operations. As a result, the Group's 45% ownership is consolidated with the proportionate line-by-line method. As this is a new transaction occurred during the financial year, there is no impact on prior year's financial statements.

Other than stated above, 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 2014	Q4 2013	FY2014	FY2013
Earnings per share (RMB cents):-				
Basic and diluted	<u>(21.0)</u>	<u>25.9</u>	<u>(24.3)</u>	<u>72.1</u>
	Q4 2014	Q4 2013	FY2014	FY2013
	RMB'000	RMB'000	RMB'000	RMB'000
Basic earnings per share is based on:				
Net (loss)/profit attributable to ordinary shareholders	<u>(112,046)</u>	<u>138,002</u>	<u>(129,844)</u>	<u>384,780</u>
	Q4 2014	Q4 2013	FY2014	FY2013
	('000)	('000)	('000)	('000)
Weighted average number of ordinary shares at 31 December	<u>533,651</u>	<u>533,651</u>	<u>533,651</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 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Net assets attributable to the shareholders (RMB'000)	2,124,565	2,254,321	337,505	402,450
Net asset value per ordinary share (RMB cents)	398.1	422.4	63.2	75.4
Number of shares at the end of the period ('000)	533,651	533,651	533,651	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 FY2014 decreased by RMB1.4 billion to RMB5.0 billion compared to RMB6.3 billion in FY2013. This was mainly due to a decrease in revenue from sale of acrylic acid ("AA") & acrylate esters ("AE") and PMIDA & glyphosate by RMB1,5 billion and RMB205.2 million respectively.

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

AA & AE sale volume decreased from 512,200 tonnes in FY2013 to 440,400 tonnes in FY2014, whilst average selling prices per tonne decreased from RMB11,900 in FY2013 to RMB10,400 in FY2014. All of these are due to over-supply situation in the PRC since beginning of 2014.

Gross profit

Total gross profit for FY2014 amounted to RMB199.5 million compared to RMB934.3 million in FY2013. Sale of AA & AE, PMIDA & glyphosate as well as other chemical products contributed RMB128.9 million, RMB10.6 million and RMB60.0 million to the total gross profit in FY2014.

Overall gross profit margin decreased from 14.8% in FY2013 to 4.0% in FY2014 mainly due to lower average selling prices for AA & AE.

Other operating income

In FY2014, other operating income increased by RMB1,018.5 million to RMB1,060.7 million compared to RMB42.2 million in FY2013. This was mainly due to one-off gain from partial disposal of a subsidiary amounted to RMB843.3 million relating to the joint venture with Arkema Asie SAS ("Arkema").

Distribution expenses

In FY2014, distribution expenses decreased by RMB35.6 million to RMB127.6 million compared to RMB163.2 million in FY2013. This was mainly due to a decrease in freight and transportation charges as a result of decrease in sale volume. Distribution expenses consisted of transportation charges and packaging costs as well as other sales related expenses.

Administrative expenses

In FY2014, administrative expenses increased by RMB51.4 million to RMB180.4 million compared to RMB129.0 million in FY2013.

Other operating expenses

In FY2014, other operating expenses increased by RMB773.7 million to RMB802.8 million compared to RMB29.1 million in FY2013. This was mainly due to incurrence of one-time charges as follows:

- impairment of property, plant and equipment (RMB573.0 million) pertaining to the cracking plant;
- written off of property, plant and equipment (RMB23.0 million) as a results of an fire accident at our AE plant in June 2014;
- cost of raw materials (RMB167.8 million) sold to the joint venture entity; and
- loss of inventories (RMB7.0 million) as a results of a maritime incident whilst transporting our products.

Finance expenses

Finance expenses increased by RMB20.5 million to RMB163.4 million in FY2014 compared to RMB142.9 million in FY2013. This was mainly due to higher banking facilities drawn down during 2014 until repayments made in November 2014 after receipt of proceeds from Arkema.

Income tax expense

Income tax expense was incurred notwithstanding the operating loss position in FY2014. This was mainly due to income tax on profit made from partial disposal of a subsidiary.

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 RMB1,284.0 million to RMB1,658.2 million as at 31 December 2014 compared to RMB2,942.2 million as at 31 December 2013. This was mainly due to partial disposal of a subsidiary to Arkema in October 2014 as well as depreciation charge in FY2014.

Deposits paid for property, plant and equipment decreased by RMB147.8 million to RMB56.8 million as at 31 December 2014 compared to RMB204.6 million as at 31 December 2013. This was mainly due to transfer of deposits to property, plant and equipment upon completion of construction of assets.

Deferred tax asset of RMB24.4 million was recognised due to treatment of the joint venture entity with Arkema as a joint-operation. This amount related to future tax benefit on profit to be recognised upon Arkema exercise of the option to acquire further stake in the joint venture entity.

Inventories decreased by RMB134.4 million to RMB195.3 million as at 31 December 2014 compared to RMB329.8 million as at 31 December 2013. This was mainly due to disposal of a subsidiary to Arkema resulting in lesser inventories on hand.

Non-current assets held for sale of RMB705.1 million related to (i) Line 3 AA production plant to be injected into joint venture entity in early 2015 according to the agreement with Arkema; and (ii) a piece of land in the USA which is putting for sale.

Trade and other receivables decreased by RMB689.6 million to RMB1,655.1 million as at 31 December 2014 compared to RMB2,344.7 million as at 31 December 2013. This was mainly due to a decrease in trade receivables resulting from lower sales revenue generated in Q4 2014.

Trade and other payables increased by RMB146.0 million to RMB1,558.3 million as at 31 December 2014 compared to RMB1,412.3 million as at 31 December 2013.

Total non-current and current interest-bearing liabilities decreased by RMB1,382.2 million to RMB1,508.2 million as at 31 December 2014 compared to RMB2,890.4 million as at 31 December 2013. This was mainly due to repayments made after receipt of payment from Arkema from partial disposal of a subsidiary.

Cash Flow Statement

Our Group generated positive operating cash flow of RMB944.4 million in FY2014 mainly due to depreciation charge, interest expense, property, plant & equipment written off, allowance for written-down of inventories, impairment loss on property, plant and equipment as well as decrease in inventories and trade and other receivables, an increase in trade and other payables. These were partially offset by interest income, gain from partial disposal of a subsidiary as well as income tax paid.

Financing activities resulted in negative cash flow of RMB1,438.2 million in FY2014 mainly due to repayments of bank loans and factoring facilities as well as interest paid. These were partially offset by proceeds from bank loans and a decrease in pledged deposits. Towards the end of 2014, the Group repaid an amount of RMB1,614.0 million after receipt of proceeds from Arkema.

There was a net cash inflow of RMB639.3 million in FY2014 from the Group's investing activities mainly due to proceeds from partial disposal of a subsidiary from Arkema and interest received. These were partially offset by purchase of property, plant and equipment as well as land use rights and intangible assets.

Cash and cash equivalents increased from RMB341.2 million as at 31 December 2013 to RMB486.9 million as at 31 December 2014 due to the above reasons.

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. Our profit margin for AA and AE will continue to be under pressure.

We are exploring acquisition of or investment into companies for upstream and/or downstream products to diversify and broaden our revenue base, so as to better achieve cost efficiency, stabilise and improve overall margins through vertical integration.

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 FY2013.

(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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
External revenues	4,023,415	5,485,913	295,147	500,347	-	-	646,062	339,539	4,964,624	6,325,799
Interest income	-	-	-	-	-	-	12,107	15,379	12,107	15,379
Interest expense	(132,399)	(123,933)	(9,712)	(11,305)	-	-	(21,261)	(7,671)	(163,372)	(147,907)
Depreciation and amortisation	(289,120)	(233,165)	(8,642)	(28,593)	(2,904)	(688)	(1,344)	(990)	(302,010)	(263,436)
Reportable segment profit/(loss) before income tax	592,046	416,020	(30,297)	57,929	(573,000)	-	10,923	51,766	(328)	525,716
Reportable segment assets	4,613,824	6,387,241	82,108	62,564	451,776	156,730	30,928	36,525	5,178,636	6,643,060
Capital expenditures	786,180	462,499	8,738	-	31,234	86,041	24	-	826,176	548,540
Reportable segment liabilities	3,045,564	4,251,314	-	-	33,116	73,719	15,072	8,999	3,093,752	4,334,032

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

	2014 RMB'000	2013 RMB'000
Revenues		
Total revenue for reportable segments	4,318,562	5,986,260
Other revenue	646,062	339,539
Consolidated revenue	<u>4,964,624</u>	<u>6,325,799</u>
Profit or loss		
Total (loss)/profit for reportable segments	(11,251)	478,682
Other profit	10,923	47,034
	<u>(328)</u>	<u>525,716</u>
Unallocated amounts:		
- Other corporate expenses	(13,563)	(13,367)
Consolidated (loss)/profit before income tax	<u>(13,891)</u>	<u>512,349</u>
Assets		
Total assets for reportable segments	5,147,707	6,606,535
Other assets	30,928	36,525
Consolidated assets	<u>5,178,635</u>	<u>6,643,060</u>
Liabilities		
Total liabilities for reportable liabilities	3,078,680	4,325,033
Other liabilities	15,072	8,999
Consolidated liabilities	<u>3,093,752</u>	<u>4,334,032</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
2014						
Revenue from external customers	4,757,481	122,683	61,011	21,541	1,908	4,964,624
Segment assets	5,159,547	-	7,666	11,422	1	5,178,636
Capital expenditure	826,176					
2013						
Revenue from external customers	6,094,354	117,849	8,163	100,223	5,210	6,325,799
Segment assets	6,622,006	6,165	1,224	13,633	32	6,643,066
Capital expenditure	548,540					

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

	2014 RMB'000	2013 RMB'000	+/(-) %
Sales reported for the first half year	2,992,335	2,883,289	3.8
Operating profit after taxation but before minority interests reported for the first half year	33,856	153,170	(77.9)
Sales reported for the second half year	1,974,654	3,442,510	(42.6)
Operating profit after taxation but before minority interests reported for the second half year	(258,089)	229,135	(212.6)

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 FY2014 and FY2013.

17. Interested Person Transactions

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual, the Company 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) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) RMB'000
Sales of chemical products:-		
- Jiangsu Yinyan Specialty Chemical Co., Ltd	-	86,240
- Jiangsu Jurong Petrochemicals Co., Ltd	-	18,037
Purchase of inventories:-		
- Jiangsu Yinyan Specialty Chemical Co., Ltd	-	5,837
Purchase of raw materials:-		
- Jiaying Jinyan Chemical Co., Ltd	-	60,149

The Company refers to the announcement released on 30 April 2013 in relation to Interested Person Transactions ("IPTs") entered into with Yixing Danson Technology Co., Ltd ("Yixing Danson"). Sales of chemical products to Yixing Danson for the financial year ended 31 December 2014 amounted to RMB445.5 million. In addition, the Group purchased chemical material from Yixing Danson amounted to RMB5.2 million in FY2014.

The Group also entered into new IPTs with the following companies for the financial year ended 31 December 2014:

Taixing Jinyan Chemical Technology Co., Ltd ("Taixing Jinyan")

- Purchase of equipment on behalf: RMB34.9 million;
- Purchase of raw material on behalf: RMB245.1 million; and
- Sales of products: RMB8.1 million.

Taixing Yumeng Wuzhi Co., Ltd ("Taixing Yumeng")

- Purchase of spare parts and equipment: RMB102.7 million

The transactions with Yixing Danson, Taixing Jinyan and Taixing Yumeng are regarded as IPTs within the meaning of the listing manual (the "Listing Manual") of Singapore Exchange Securities Trading Limited.

The Company is in the process of seeking ratification from its shareholders (the "Shareholders") of such transactions in accordance with the requirements of Chapter 9 of the Listing Manual. As such, the Audit Committee shall be seeking advice from an Independent Financial Advisor (to be appointed) in relation to the Past Recurring IPTs and the Company will be convening the extraordinary general meeting (the "EGM") in due course to seek Shareholders' ratification for the Past Recurring IPTs.

In addition, the Group anticipates that as those IPTs with Yixing Danson and Taixing Jinyan will continue in the future and thus proposes to seek Shareholders' approval for a general mandate for this purpose at the EGM.

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
1 March 2015