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FOR IMMEDIATE RELEASE

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SunVic Chemical, a leading manufacturer of chemicals for industrial/consumer products, launches S\$46.5 million IPO

- *Offers 155 million new shares at S\$0.30 each*
- *One of the leading manufacturers of AA and AE in the PRC with over 200 customers in the PRC and overseas markets*

SINGAPORE – 26 January 2007 – SunVic Chemical Holdings Limited (“SunVic Chemical”) (昇立化工控股有限公司), one of the leading manufacturers of acrylic acid (“AA”) and acrylate esters (“AE”) in the PRC, today launched its initial public offering (“IPO”) of 155 million new shares at S\$0.30 each, in conjunction with its listing on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

DBS Bank Ltd is the Manager, Underwriter and Placement Agent for the IPO, while **DBS Vickers Securities (Singapore) Pte Ltd** is the Primary Sub-Placement Agent and **ICH Capital Pte Ltd** is the Financial Advisor to the Company.

The Invitation

Of the 155 million new shares offered, 8 million new shares are available to the public for subscription while the remaining 147 million new shares are for placement. The Invitation represents approximately 25.7% of SunVic Chemical’s enlarged share capital of approximately 603.45 million shares immediately after the IPO. At an issue

price of S\$0.30 per share, SunVic Chemical is priced at a historical price earnings ratio of 3.7 times, based on the Group's historical net earnings per share of 7.9 Singapore cents for FY2005.

The IPO opens on 27 January 2007 and closes at 12.00 noon on 1 February 2007. Trading of SunVic Chemical's shares, in board lots of 1,000 shares, will commence on a "when issued" basis on 5 February 2007.

Use of Proceeds

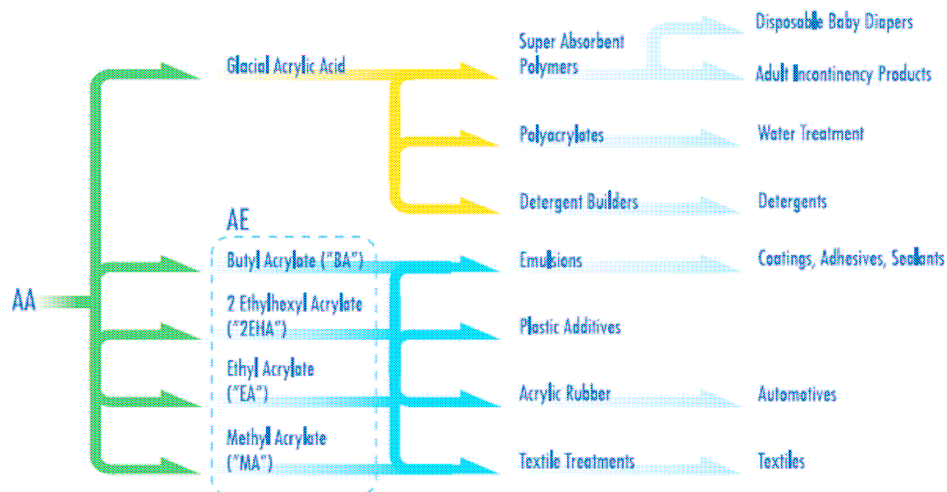
From the estimated net IPO proceeds of \$40.9 million:

- approximately S\$20.3 million will be used for the construction of jetty, chemical storage facility and part two of phase three of the Group's AA plant;
- approximately S\$10.1 million will be used for the repayment of existing bank loans taken up for working capital purposes;
- approximately S\$4.1 million will be used for research and development of new products; and
- the balance of approximately S\$6.4 million for general working capital requirements.

Corporate Profile

Strategically located in the Chenjiagang Chemical Zone of Yancheng city in Jiangsu Province, SunVic Chemical currently has an annual production capacity of approximately 150,000 tonnes of AA and 210,000 tonnes of AE, which are sold to customers in the PRC as well as the overseas market. In comparison, the total production capacity of AA and AE in the PRC in 2006 is estimated at approximately 828,000 tonnes and 921,000 tonnes respectively, according to Chemical Market Associates Pte Ltd ("CMAI"), an independent consulting firm that provides advice to the petrochemical industry.

Jiangsu Province also forms part of the eastern region of the PRC, which according to CMAI, had experienced the highest growth in demand for AA and AE in the last five years. In 2005, AA and AE demand in the eastern region of the PRC accounted for approximately 64.7% and 49.5% of AA and AE demand in the PRC respectively.



Source: Report titled "IPO Support – Acrylic Acid and Acrylate Esters" prepared by CMAI and issued to the Company in April 2006

AA and AE are commonly used in the production of many industrial and consumer products. AA (comprising purified AA and glacial AA) is used to produce super absorbent polymers (SAPs) for diapers and feminine hygiene products, antiscalants for water treatment, as well as other everyday products such as paint formulations, coatings, rubber, adhesives, textiles, hair sprays, shampoos, detergents, dental plates, artificial teeth and orthopaedic cement. It is also used as a chemical intermediate in the production of AE.

On the other hand, AE (comprising butyl acrylate, methyl acrylate, ethyl acrylate, and 2-ethylhexyl acrylate) is used to produce polymers such as surface coatings for exterior architectural coatings, interior paints, topcoats for automotive and trucks, machinery, equipment and other product finishes, paints, plastics, inks, thickeners and textiles. It is also used to make adhesives and sealants such as decorative and functional pressure-sensitive adhesives (PSA) products like self-adhesive envelopes and shipping labels, and even emulsion based acrylic sealants for bathtub caulks, baseboards, glazing, masonry joints, roof, and siding joints.

"As a pioneer producer of AA and AE in the PRC, we enjoy first-mover advantage and are able to establish firm relationships with our suppliers of raw materials, as well as capitalize on the growing demand before the entry of competitors," says Mr Sun Liping (孙立平), Executive Director and CEO of SunVic Chemical. "We also enjoy

economies of scale and our strategic location and competitive operating cost structure provide us with greater flexibility when we price our products. This makes us attractive to both domestic and export customers when they look for established AA and AE manufacturers.”

The Group has a network of more than 200 customers, including large MNCs such as Degussa and ECEM B.V. in Europe. More than 75% of SunVic Chemical’s sales are derived from the PRC market (Beijing, Shanghai, Jiangsu, Shandong, Zhejiang, Fujian and Guangdong provinces), with the rest exported to 16 overseas markets, including Argentina, Brazil, Chile, Peru, USA, Italy, Germany, Netherlands, India, Korea, Hong Kong, Malaysia, Thailand, Japan, Taiwan and Singapore.

Quality and Safety Assurance

Placing great emphasis on the quality of the products, SunVic Chemical has implemented stringent quality control checks at all stages of the production processes to ensure customer satisfaction. As a further assurance of its quality standards, the Group was awarded the ISO9001:2000 certification in November 2006.

In addition, ensuring safety in the manufacturing processes is an utmost priority. The Group’s safety department is equipped with a fire engine, with all the personnel trained to monitor and control the safety of all the production systems. As a testament to its safety assurance, the Group has obtained the *Licence for Road Transportation of People’s Republic of China* (中华人民共和国道路运输经营许可证), for the transportation of flammable and hazardous chemicals and raw materials domestically.

Growth Strategy

Moving ahead, SunVic Chemical intends to leverage on the growing demand for AA and AE to augment its growth, and has been continuously expanding its production facilities since January 2005. The first part of Production Phase Three was completed in May 2006, increasing the Group’s annual production capacity of AA to 150,000 tonnes currently, and it will further increase to approximately 205,000 tonnes per annum upon full completion of Production Phase Three by end 2007. The Group’s

production capacity of AE was increased to 210,000 tonnes per annum with the completion of Production Phase Two in April 2006.

Recognising the importance of research and development to the continued growth of the business, the Group intends to invest in the R&D of upstream and downstream products. Through such efforts, it not only grows the Group's sources of revenue, but also increases sales and profits.

“The demand for AA and AE are expected to continue growing in the PRC and globally. Although production capacities in the PRC has also been increasing, part of the supply is either exported or used by these producers' own downstream production requirements, hence mitigating any price pressures. Our Group is actively seeking to expand to overseas markets such as North America and Europe where there is less severe price competition and customers generally enter long-term supply contracts with fixed volumes at market prices,” explains Mr Sun.

Financials Highlights

The Group's revenue has also grown in tandem. In 1H2006, the Group recorded revenues of RMB563.1 million, 58% higher from RMB356.6 million in 1H2005. For FY2005, revenue grew by 211% to RMB789.0 million from RMB253.9 million a year ago.

Due to the demand and supply imbalances encountered for AA and AE in the PRC during 1H2005, the selling prices of AA and AE were exceptionally high and the Group consequently recorded its highest net profit of RMB118.7 million in 1H2005. Following the addition of new capacity in the PRC by several producers in 2H2005, the selling prices of AA and AE adjusted accordingly and the Group recorded net profit of RMB175.2 million in FY2005. In comparison, the net profit for the recent 1H2006 was RMB63.3 million as AA and AE selling prices continue to stabilize.

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A printed copy of the Prospectus and application forms in respect of the offering of ordinary shares in the capital of SunVic Chemical Holdings Limited (the “New Shares”) may be obtained upon request, subject to availability, from DBS Bank Ltd at 6 Shenton Way, #36-01, DBS Building Tower One, Singapore 068809 and from members of the Association of Banks of Singapore, members of the SGX-ST and merchant banks in Singapore during normal office hours. Anyone wishing to subscribe for the New Shares will need to make an application in the manner set out in the Prospectus.