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The logo for SANVO Fine Chemicals Group Limited, featuring the word "SANVO" in a bold, white, sans-serif font on a red rectangular background, followed by the Chinese characters "三和" in white.

SANVO Fine Chemicals Group Limited
三和精化集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 301)

**SUPPLEMENTAL ANNOUNCEMENT TO
2021 ANNUAL REPORT**

Reference is made to the annual report of SANVO Fine Chemicals Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2021 (the "**Annual Report**"). Capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Report, unless the context otherwise requires.

USE OF PROCEEDS

In addition to the information contained in the Annual Report, the board (the "**Board**") of directors (the "**Directors**") of the Company would like to provide the following additional information to the shareholders and potential investors of the Company in relation to the use of IPO Proceeds.

	Allocation as disclosed in the Prospectus HK\$'000	Amount utilised during FY2020 HK\$'000	Remaining balance as at 31 December 2020 HK\$'000	Amount utilised during FY2021 HK\$'000	Remaining balance as at 31 December 2021 HK\$'000
Investment in new manufacturing facility at the MV Production Site	60,200	34,820	25,380	25,380	–
Sales and marketing activities to enhance brand recognition in the PRC and overseas	7,500	7,500	–	–	–
Working capital and other general corporate purpose	7,500	7,500	–	–	–
Total	<u>75,200</u>	<u>49,820</u>	<u>25,380</u>	<u>25,380</u>	<u>–</u>

The IPO Proceeds had been fully utilised in accordance with the proposed application as set out in the headed “Future Plans and Use of Proceeds” in the Prospectus.

By Order of the Board
SANVO Fine Chemicals Group Limited
Mr. Chen Bingqiang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 15 August 2022

As at the date of this announcement, the executive Directors are Mr. Chen Bingqiang, Mr. Chen Bingyao and Mr. Ng Cheuk Lun; and the independent non-executive Directors are Ir. Daniel Lai, Mr. Xu Kai and Mr. Yeung Chun Yue David.