



China SunSine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

DISCLOSURE PURSUANT TO RULE 704(31) AND RULE 728 OF THE LISTING MANUAL

*All capitalized terms used herein but not defined have the same meaning ascribed to it in the announcements made by China SunSine Chemical Holdings Ltd. (the “**Company**”) on 24 May 2012 and 13 June 2012 (“**24 May and 13 June Announcements**”).*

Further to the 24 May and 13 June Announcements, the Board of Directors (the “**Board**”) of the Company wishes to announce that pursuant to Rule 704(31) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), its wholly-owned subsidiary, Shandong SunSine Chemical Co., Ltd (“**Subsidiary**”), has entered into a new loan agreement with Industrial and Commercial Bank of China on 4 July 2012 for a loan facility of RMB 50 million (“**New Loan**”), of which RMB 30 million will be used to repay an existing loan with Industrial and Commercial Bank of China (“**Loan Repayment**”) and the balance amount for its working capital requirements. The aforesaid loan agreement contains the following clauses which place restrictions on a change of control of the Company (the “**Conditions**”):

1. The Borrower shall notify the Lender at least 30 days in advance and obtain prior written consent from the Lender, or make such arrangements satisfactory to the Lender in respect of the realisation of the securities prior to carrying out any of the following: entering into contract or lease agreement, change of shareholding structure, amalgamation, merger, consolidation, entering into joint venture, division, reduction of capital, change of equity, transfer of substantial assets, transfer of creditor’s rights, and acts which may have an adverse impact on the Lender’s rights.
2. The Borrower shall promptly notify the Lender upon the occurrence of the following: (i) the change of Company’s Articles of Association, scope of business, registered capital, legal representative and equity interests; (ii) cessation of business, dissolution, liquidation, suspension of business for reorganisation, withdrawal of business licence, compulsory de-registration, compulsory application for insolvency; (iii) involvement in or potential involvement in material economic dispute, litigation, arbitration, or seizure of property or property under distraint or held in custody; and (iv) the Board members and existing senior management personnel of the Company being involved in material law suit or economic dispute.

The aggregate level of the facilities granted to the Subsidiary, and the outstanding loan amounts after the drawdown of the New Loan and the Loan Repayment are set out below:

Lending Bank	Loan Amount (RMB' million)	Loan Outstanding (RMB' million)	Due Date
Agricultural Bank of China	50	50	24 Apr 2013
	30	30	6 Nov 2012
	30	27	7 Aug 2012
Industrial and Commercial Bank of China	20	20	1 Feb 2013
	30 ⁽¹⁾	0	20 Jun 2012
China Construction Bank Corporation	30	30	22 Jun 2012
China Construction Bank Corporation	20	20	7 Jun 2013
Industrial and Commercial Bank of China	50 (New Loan)	50	22 Dec 2012
Aggregate Amount	260	227	

Note:

(1) RMB 30 million has been repaid to Industrial and Commercial Bank of China from the New Loan.

Any breach of the Conditions set out above or in the 24 May and 13 June Announcements may cause a default and may trigger a cross default under the Loan Agreements. The aggregate level of the facilities that may be affected by such breach will be the outstanding aggregate loan amount of RMB 227 million as at 5 July 2012.

In compliance with Rule 728 of the Listing Manual of the SGX-ST, the Company has procured an undertaking from its controlling shareholder, Success More Group Ltd, for it to notify the Company, as soon as it becomes aware, of any share pledging arrangements relating to the shares in the Company and any event which may result in a breach of the Conditions.

BY ORDER OF THE BOARD

Xu Chengqiu
Executive Chairman
5 July 2012