



China SunSine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

Business Updates:

Entry into Investment Agreement by Shandong SunSine with Local Government for acquisition of land

The Board of Directors (the "**Board**") of China SunSine Chemical Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform shareholders of the Company that its wholly-owned subsidiary, Shandong SunSine Chemical Co., Ltd ("**Shandong SunSine**"), has, on 8 March 2019, entered into an Investment Agreement ("**Agreement**") with the People's Government of Shanxian County ("**Local Government**"), pursuant to which the Local Government has agreed to grant Shandong SunSine a piece of land located in Shandong Shanxian Chemical Zone (the "**Land**"), for Shandong SunSine to carry out an investment project in phases ("**Project**") to further expand its capacities in Rubber Chemical products, for a total investment amount of up to RMB 2.5 billion, of which RMB 1.5 billion will be invested in property, plant and equipment.

The Land, which will be acquired by Shandong SunSine according to the land transfer procedures set by the Ministry of Natural Resources ("**Acquisition**"), has a total land area of approximately 800 mu (equivalent to approximately 534,000 m²). The unit price of the Land will be determined by an open tender, and the lease period will be as set out in the Land Use Rights Certificate to be issued in respect of the Land in due course.

Under the Agreement, Shandong SunSine has agreed to pay RMB 20,000 per mu as a deposit for the acquisition of the Land within 10 working days upon the execution of the Agreement. The Local Government has agreed to facilitate the initiation of the Project, the usage of the Land, business and tax registration, as well as the supply of power and water to the Land. Accordingly, the Local Government will be responsible for "*liutong yiping*", i.e. the supply of water, electricity, gas, telecommunications, internet and drainage, as well as to even the land for construction.

With the acquisition of the Land, the Group is building up another comprehensive production base to expand its production capabilities, and will further strengthen its market leadership position in the rubber chemicals industry in the world.

The Acquisition will be funded by internal resources and is not expected to have any material impact on the consolidated net tangible assets per share or earnings per share of the Group for the financial year ending 31 December 2019. As the Project will be carried out in phases, it is also not expected to have any material impact on the consolidated net tangible assets per share or earnings per share of the Group for the respective financial years.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition or the Project. No person is proposed to be appointed as a Director of the Company in connection with the Acquisition or the Project. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

The Group will make further announcements in relation to the expansion plan as and when further material development arises.

BY ORDER OF THE BOARD

Xu Chengqiu
Executive Chairman
12 March 2019