



China SunSine Chemical Holdings Ltd.

112 Robinson Road #12-04 Singapore 068902
Tel: (65) 6220-9070 Web: www.ChinaSunSine.com

Company Registration No.: 200609470N

ESTABLISHMENT OF A WHOLLY-OWNED SUBSIDIARY

The Board of Directors (the “**Board**”) of China SunSine Chemical Holdings Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the wholly-owned subsidiary of the Company, Shandong SunSine Chemical Co., Ltd (“**Shandong SunSine**”), has established a wholly-owned subsidiary (“**New Subsidiary**”) in Shanxian County, Heze City, Shandong Province, the People’s Republic of China (“**PRC**”) on 16 December 2013. The relevant details of the New Subsidiary are as follows:

Name of New Subsidiary : Shanxian SunSine Hotel Management Co., Ltd.
Registered & paid-up capital : RMB 20 million
Principal Activities : Hotel investment and management

The purpose of the establishment of the New Subsidiary is to invest in the Shanxian Fu Long Lake Convention Centre (“**Property**”), which is an existing hotel cum convention centre located in the Fu Long Lake area in Heze City, Shandong Province. Fu Long Lake is a national 3A tourist and vacation destination in Heze City area. It is situated at the South-Western part of Shanxian County, with an area of approximately 25 square kilometres. The Fu Long Lake area boasts natural scenic views and is easily accessible by land transportation as it is connected to a national highway and is approximately a 30-minute drive away from Shanxian County. Through the natural beauty of the area, the Shanxian County government (“**Local Government**”) intends to further develop Fu Long Lake and its vicinity into an attractive recreational and tourist destination, thereby promoting economic growth in Heze City.

According to statistics published by the National Bureau of Statistics of the PRC, although the PRC is experiencing slower economic growth generally, the hospitality sector in the PRC has been witnessing significant expansion. The Board believes that this is a unique opportunity for the Group to make a strategic, long term investment when the tourism industry in Heze City is still in its infancy. As the area further develops and with the promotion of the Fu Long Lake as a recreational and tourist destination, the Board believes that the value of the Property and its surroundings will be enhanced in the long term, and the Group will also be able to tap the rapidly growing hospitality sector to generate returns for the Group in the future. The Group intends to hold this Property as an investment asset and does not intend to manage the Property on its own, but will instead be appointing a suitable hotel management company to manage the business of the Property.

Shandong SunSine is currently negotiating with the Local Government on the terms of the proposed acquisition of the Property through the New Subsidiary. The Group will make an appropriate announcement on the proposed acquisition in due course.

The establishment of the New Subsidiary was funded by internal resources, and is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the current financial year ending 31 December 2013.

Save as disclosed above, none of the Directors, or controlling shareholders, or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

Xu Chengqiu
Executive Chairman
17 December 2013