



China SunSine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

DISCREPANCIES BETWEEN THE RESULTS ANNOUNCEMENT AND THE AUDITED FINANCIAL STATEMENTS IN THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Board of Directors of China SunSine Chemical Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform that there are some discrepancies between the announcement released on 28 February 2019 in relation to the unaudited results of the Group for the financial year ended 31 December 2018 (“**Results Announcement**”) and the audited financial statements included in the Company’s Annual Report 2018 (“**Annual Report**”), as follows:-

Statement of Comprehensive Income

Accounts affected	The Group			
	Financial Year Ended 31 December 2018			
	Per Results Announcement (RMB' million)	Per Annual Report (RMB' million)	Variances (RMB' million)	Reasons
Other income	38.7	21.2	17.5	A
Other (losses)/gains	(5.6)	19.6	(25.2)	B
Administrative expenses	(347.9)	(253.2)	(94.7)	C
R&D expenses	-	(102.3)	102.3	D
Net impact			(0.1)	E

- A: Mainly due to (i) Gain on Currency Exchange of RMB 19.8 million being grouped under Other income in the Results Announcements, but was grouped under Other gains in the Annual Report; (ii) Written off of PPE of RMB 2.1 million being debited to Other income in the Results Announcement, but was grouped under Administrative expenses in the Annual Report.
- B: Mainly due to the reason mentioned in A(i) above, as well as Other expenses of RMB 5.6 million in the Results Announcement being grouped under Administrative expenses in the Annual Report.
- C: Mainly due to (i) R&D expenses of RMB 102.3 million being grouped under Administrative expenses in the Results Announcement, but was shown as a separate line item in the Annual Report; (ii) Written off of PPE of RMB 2.1 million being grouped under Administrative expenses in Annual Report but was under Other income in the Results Announcement; (iii) Other expenses of RMB 5.6 million being grouped under Administrative expenses in the Annual Report but was grouped under other losses in the Results Announcement.
- D: R&D expense was shown as a separate line item in the Annual Report but was grouped under Administrative expenses in the Results Announcement.
- E: The net impact of the variances is RMB 0.1 million, mainly due to the rounding difference.

Save as disclosed above, there are no other material discrepancies between the Results Announcement and the Annual Report.

BY ORDER OF THE BOARD

Xu Chengqiu
Executive Chairman
16 April 2019