



**China Sunsine Chemical Holdings Ltd.**

112 Robinson Road #11-01 Singapore 068902  
Tel: (65) 6220-9070 Web: www.ChinaSunsine.com

Company Registration No.: 200609470N

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**ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL**

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As announced by the Company on 21 July 2020, the Company's wholly-owned subsidiary, Shandong Shanxian Chemical Co., Ltd ("**Shandong Sunsine**"), had, on 17 July 2020, entered into an Equity Transfer Agreement with Mr. Li Pin (李品) and Mr. Yao Xianfeng (姚显峰) (collectively, the "**Vendors**") and Heze Yongshun Environmental Protection Technology Co., Ltd ("**Yongshun Company**"), for the acquisition (the "**Acquisition**") of all the equity interests of Yongshun Company from the Vendors for a total consideration of RMB 43 million (or approximately S\$ 8.5 million, based on the exchange rate of RMB 5.0302 to S\$1.00 as at 17 July 2020) (the "**Consideration**").

The Consideration was arrived at on a "willing buyer willing seller" basis, after taking into account an independent valuation on the business and assets of Yongshun Company, which was valued at approximately RMB 43.4 million.

The audited book value of net assets and net tangible assets of Yongshun Company as at 31 May 2020 are approximately RMB 36 million and RMB 21 million, respectively (or approximately S\$ 7.2 million and S\$ 4.2 million, respectively).

The Acquisition was funded by internal resources.

Please refer to the Company's announcement dated 21 July 2020 for further information on the Acquisition.

**BY ORDER OF THE BOARD**

Xu Chengqiu  
Executive Chairman  
13 August 2020