



China Sunsine Chemical Holdings Ltd.

112 Robinson Road #12-04 Singapore 068902

Tel: (65) 6220-9070 Web: www.ChinaSunsine.com

Company Registration No.: 200609470N

Business Update

China Sunsine Launches New RMB200m Antioxidant 6PPD Plant

SINGAPORE - 30 October 2009 - China Sunsine Chemical Holdings Ltd. (“**China Sunsine**” or the “**Group**”), a specialty rubber chemicals producer and probably the largest accelerators producer in PRC and the World, is investing up to RMB200 million (S\$41 million) in a new facility to produce antioxidant 6PPD which is widely used in the manufacture of tyres and other products.

Antioxidant 6PPD (or “4020”) is currently one of the most widely used antioxidant product to prevent aging of rubber tyres and all kinds of rubber products, as it has superior antioxidant properties, highly efficient and effective, and its production process is deemed high-tech, environmental-friendly, energy-saving, and highly automated. It is considered a highly capital intensive project, and as such, there are comparatively fewer producers of antioxidant 6PPD in PRC and the world.

With the fast growth of domestic car and tyre industries, the demand for this product in PRC is growing strongly, resulting in demand greater than supply. The Group is of the view that there is very bright prospect for this product for the mid to long term.

“With our strong ‘Sunsine’ brand name, rich raw material resources and lower production cost, we are now ready to launch this project. This product will broaden our product line and will become a core growth driver for us in the future, in addition to rubber accelerators and insoluble sulphur,” says Mr Xu Chengqiu, Executive Chairman of China Sunsine Chemical.

With a budget of not more than RMB200 million, the new plant will be designed with a production capacity of 30,000 tons per annum of 6PPD. The whole facility will also include production of intermediate products.



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Construction work on the new plant has started on a parcel of land acquired from the government situated north of its current Shanxian Facility 2. The land area is approximately 100,000 m².

The entire project will be built in phases. Phase 1 for 15,000-ton capacity is expected to be completed by the end of 1H2010, with a budget of RMB 100 million to RMB 120 million. Commercial product should be ready in 2H2010 for internal testing and customer testing.

Once Phase 1 is successful, Phase 2 will commence to bring the plant to 30,000-ton capacity around end FY2011, depending on market conditions.

Funding for this project is expected to come from internal resources, bank financing and/or external investors in the form of debt/equity securities.

“We have ready international and local customers for this new product. On completion of the project, we expect the product to begin contributing to our bottomline from 2011 onwards.” notes Chairman Xu.

There is no impact to our profit and loss for financial year 2009.

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About China Sunsine Chemical Holdings Ltd.

Listed on SGX-ST on 5 July 2007, China Sunsine Chemical Holdings Ltd. is a leading specialty chemical producer and probably the largest producer of rubber accelerators in PRC and the world. It serves all the global top 10 tyre manufacturers - Bridgestone, Michelin, Goodyear, Continental, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tires- and more than 600 other customers in PRC and the world. China Sunsine Chemical distribute its products under its own "Sunsine" brand, a brand which has been accredited as a "Shandong Province Famous Brand".

As a chemical producer serving its global customers, Sunsine Chemical continuously improves its manufacturing capability, and has achieved ISO9001:2000 standard for quality, ISO14001:2004 standard for environment, and GB/T28001-2001 standard for occupational health and safety management system.

It is a component stock of the FTSE-ST China Index. Its SGX ticker code is "ChinaSsine", Bloomberg ticker code is "CSSC SP".

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