



**China Sunsine Chemical Holdings Ltd.**

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

Company Registration No.: 200609470N

**News Release**

**China Sunsine posts record FY2008 net profit of  
RMB 106.7m, up 40% y-o-y**

- Full year revenue up 28.8% higher to RMB 797.9 million
- Strong cash position with cash/notes of RMB238.3 million, zero bank loan, unutilized facility of RMB60 million
- Group confident of its profitability

**SINGAPORE - 25 February 2009** - China Sunsine Chemical Holdings Ltd (“China Sunsine Chemical” or the “Group”), a global leader in the production and supply of rubber accelerators, is pleased to announce its full year FY2008 results ended 31 December 2008.

**Financial Highlights**

| RMB' million                 | FY2008 | FY2007 | Change |
|------------------------------|--------|--------|--------|
| Group Revenue                | 797.9  | 619.5  | 28.8%  |
| Gross Profit                 | 226.8  | 125.2  | 81.2%  |
| Profit before tax            | 128.1  | 75.2   | 70.3%  |
| Net profit                   | 106.7  | 76.0   | 40.4%  |
| EPS* (RMB cents)             | 21.77  | 18.22  | 19.5%  |
| NTA per share<br>(RMB cents) | 111.57 | 95.36  | 17.0%  |

\* Based on weighted average number of shares applicable to basic EPS.

The Group’s net profit rose 40.4% to RMB106.7 million on the back of strong revenue of RMB797.9 million, a 28.2% increase from the previous year.

The growth in revenue was driven by the increase in overall average selling price (ASP) of about 31.7% to RMB26,076 in FY2008, although sales volume was flat at 30,598 tons.



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The Group continued to receive strong support from key local and international customers including Bridgestone, Sumitomo Rubber, Hangzhou Zhongce, GITI Tires, Goodyear Tires, Hankook Tires, Michelin Tires, Pirelli, Korean Kumho, and many others.

Commenting on the strong revenue growth for the year, Mr Xu Chengqiu, Executive Chairman, said *“We thank our customers for their continued support. As we continue to deliver our best services and high quality products to our customers, we have noted their confidence in us. For instance, for FY2008, our existing customers had given their other new plants’ orders to us, including Yokohama Japan for their plant, Bridgestone for their India plant, Kumho for their Vietnam plant, and Goodyear for their plants in Brazil, Poland and Columbia. In addition, we obtained new orders from over 120 new customers worldwide, such as Pirelli Brazil and Turkey, Continental Malaysia and South Africa, PT Gajah Tunggal (Indonesia), Amtrade (Australia), Chemcon (Brazil) and many others.”*

Gross profit rose by 81.0% to RMB226.6 million in FY2008. Gross profit margin (GPM) improved from 20.2% to 28.4% in FY2008. These were mainly due to higher ASP especially in 3Q2008. Other operating income increased by 148.0% to RMB12.4 million in FY2008 due mainly to the increased investment income.

Administrative expenses increased by 160.3% to RMB60.9 million in FY2008 due mainly to impairment of receivables of RMB6.1 million as a result of higher credit risks, startup costs relating to the new integrated sulphenamides and anti-oxidant TMQ plants, as well as startup costs relating to the 10,000-ton MBT workshop, higher overall headcounts, wage adjustments, incentive compensation accruals and other compliance cost.

The Group’s financial position remained healthy and strong. Its total assets stood at RMB664.2 million and net tangible assets at RMB540.9 million, giving a net tangible asset per share of RMB111.57 cents, compared to RMB95.36 cents as at 31 December 2007, a jump of 17.1%. The Group has strong cash/notes position of RMB238.2 million.



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### Outlook for FY2009

Since 4Q2008, the global financial crisis has evolved into a global economic crisis, with many regions entering into economic recession and as a result, demand has declined sharply. The immediate outlook for the tyre industry for next reporting period is unclear.

*“Despite the uncertainty, we believe the recent stimulus package of RMB4 trillion announced by the PRC government will have a positive impact in driving up domestic demand. In addition, with the recent announcement of the Chinese Automotive Industry Revitalization Plan (“中国汽车产业振兴计划”) in January 2009 and the introduction of energy-saving automobile package of which implementation is expected to be carried out in 2009, we are hopeful that the domestic production and sales of vehicles in PRC will continue to grow steadily in the next few years,”* notes Chairman Xu.

The Group’s capacity expansion is under implementation. The expansion of the insoluble sulphur and anti-oxidant TMQ plant from 5,000 tons to 10,000 tons each continue to be scheduled for completion by end of 1H2009. By end of 2009, the accelerator capacity will reach 55,000 tons from current 50,000 tons.

The Group is also currently upgrading the waste-water treatment plant at Facility 2, scheduled for completion by end 1H2009. Other projects such as R&D centre, office building, workers’ canteen and workers’ rest quarters at Facility 2 are planning to be completed by end of 2009.

*“The Group’s strategy to meet the global challenges in a difficult year is to grow its market share, meeting the needs of customers through multiple channels. We see growth potential in our new products and sales to non-tyre sectors. The Group is also seeking opportunities to grow its product range, capacity, distribution channels and new markets through internal growth or partnerships. With our current capacity, we are positioning the company for strong growth as the market recover. As such, the Group remains confident of its prospects and performance,”* says Chairman Xu.

The Group intends to continue its dividend payout in the first quarter of FY2009.

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**The initial public offering of the Company was sponsored by CIMB-GK Securities Pte. Ltd. (the “Manager”). The Manager assumes no responsibility for the contents of this announcement.**

### **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. Sunsine Chemical distributes its products under its own "Sunsine" brand, a brand which has been accredited as a “Shandong Province Famous Brand.”

As a chemical producer servicing its global customers, China Sunsine 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”.

### **For more information, please contact:**

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