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NEWS RELEASE

China Sunsine Reports Net Profit of RMB 88.5 mln for FY2011

- **Revenue up 19% to RMB 1,175.1 million underpinned by continuous strong sales volume**
- **Record sales volume at 60,907 tons**
- **4Q2011 net profit of RMB 10.0 mln on revenue of RMB295.5 mln**
- **Proposes a final tax exempt dividend of SGD 1 cent per ordinary share**

SINGAPORE – 27 February 2012 - China Sunsine Chemical Holdings Ltd ("China Sunsine" or the "Group"), a specialty rubber chemicals producer and global leader in the production and supply of rubber accelerators, is pleased to announce a positive set of financial results for the fourth quarter and full year ended 31 December 2011 ("4Q2011, FY2011" respectively) in the face of economic slowdown in both the domestic and international markets.

Financial Highlights

RMB' million	Quarter Ended		Change	12 months Ended		Change
	31 Dec 11	31 Dec 10		31 Dec 11	31 Dec 10	
Group Revenue	**295.5**	273.3	8%	**1,175.1**	991.4	19%
Gross Profit	**60.7**	55.8	9%	**282.4**	224.1	26%
Gross Profit Margin (GPM)	**20.5%**	20.4%	0.1 pts	**24.0%**	22.6%	1.4 pts
Profit before tax	**14.4**	27.8	-48%	**133.9**	135.3	-1%
Net profit after tax	**10.0**	22.8	-56%	**88.5**	115.3	-23%
Sales Volume (tons)	**16,292**	14,654	11%	**60,907**	54,275	12%
EPS (RMB cents)	**2.10**	4.77	-56%	**18.54**[1]	24.14	-23%
NAV per share (RMB cents) as of the period				**158.35**[2]	144.89	9%

[1] Equivalent to 3.78 SGD cents at exchange rate of 4.9012
[2] Equivalent to 32.31 SGD cents at exchange rate of 4.9012

For FY2011, revenue continued to grow with its annual sales volume hitting a record high. Revenue increased 19% to RMB 1,175.1 million compared to RMB 991.4 million in FY2010 while sales volume grew 12% year-on-year to 60,907 tons. Average Selling Price ("ASP") for all products increased to RMB 19,293 per ton compared to RMB 18,266 in the previous financial year. Such increase in ASP during the year had contributed to the increase in the gross profit margin ("GPM") which improved 1.4 pts from 22.4% in FY2010 to 24.0% in FY2011. At the same time, the larger economies of scale had also reap cost savings benefits for the Group.

Despite the increase in gross profit, net profit decreased 23% to RMB 88.5 million in FY2011 from RMB 115.3 million in FY 2010. This was mainly due to the following:

- RMB 25.4 million of additional income tax expenses as the corporate income tax rate was restored to 25% from 12.5% since 1 January 2011 due to the expiration of tax incentive granted to the Group's operating subsidiary since FY2006.
- RMB 11.7 million and RMB 4.8 million impairment loss for plant & equipment and land use rights respectively, resulted from the closure of Facility 1 in Shanxian City
- RMB 7.0 million additional accruals for social insurance namely retirement, medical, injury, unemployment and pregnancy insurance.
- RMB 5.0 million in new tax obligations towards City Construction and Education, equivalent to 10% of the net VAT.
- RMB 4.3 million in new operating expenses due to commencement of operations at Facility 3 in Weifang City.

During the three months under review, the Group's revenue rose 8% to RMB 295.5 million compared to RMB273.3 million in 4Q2010. This was mainly due to the increase in sales volume partially offset by the slight decrease in ASP. The sales volume further improved 11% to 16,292 tons, hitting a new quarter high record. ASP for all our products decreased to RMB 18,136 per ton from RMB 18,650 per ton in 4Q2010, breaking the growth for the past 3 consecutive quarters. Due to the slowdown in the PRC economy, the Group reduced its average selling prices to capture a bigger domestic market share and maintain its competitiveness. The GPM for 4Q2011 remained at a healthy level of 20.5%.

However, 4Q2011 net profit declined 56% from RMB 22.8 million in 4Q2010 to RMB 10.0 million due mainly to a RMB 7.0 million additional accruals for social insurance, namely retirement, medical, injury, unemployment and pregnancy insurance, a RMB 1.8 million in new operating expenses due to commencement of operations at Facility 3 in Weifang and a RMB 2.0 million in new tax collections for City Construction and Education.

Analysis of Sales and Volume

	Sales Volume (Tons)				**Sales** (RMB' million)			
	4Q11	**4Q10**	**FY11**	**FY10**	**4Q11**	**4Q10**	**FY11**	**FY10**
Accelerators	13,030	12,227	50,148	46,343	255.4	242.7	1,040.4	892.1
Insoluble sulphur	2,677	1,252	7,873	4,413	30.3	14.3	90.4	50.2
Anti-oxidant	330	1,009	2,061	2,971	4.5	12.6	27.1	37.4
Others	255	166	825	548	5.3	3.7	17.2	11.7
Total	***16,292***	***14,654***	***60,907***	***54,275***	***295.5***	***273.3***	***1,175.1***	***991.4***
Domestic Sales	11,516	9,317	38,846	33,707	191.8	163.7	686.4	580.8
International sales	4,776	5,337	22,061	20,568	103.7	109.6	488.7	410.6

During the year, sales volume across all categories increased except for anti-oxidant TMQ. Accelerators contributed 88% of the Group's sales. Insoluble sulphur's sales volume doubled because of the full year effect of the capacity expansion in FY2010. Anti-oxidant TMQ continued to experience low utilization due to intense market competition as this product has low production entry barrier.

Local and export sales contributed 65% and 35% of total revenue respectively. Our market share continued to increase and the Group remains a market leader in the PRC. Thanks to our team's strong marketing efforts and our flexible pricing strategy, our PRC local sales volume increased 15% to 38,846 tons in FY2011 from 33,707 tons in FY2010. As for export sales, the sales volume accounted for 22,061 tons, up slightly by 7% from the previous year. Although the European sovereign debt crisis has persisted, there are signs of recovery in the US economy. Nevertheless, the overall export market remains challenging.

Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, "***We have continued to deliver positive operating results, even in periods of complex economic circumstances in the PRC and the global markets. China's economy grew at a slower pace of 9.2% in 2011. Its car sales growth also moderated to 2.5% after soaring expansion for the past few years, hitting 18.5 million units in 2011 and maintaining its status as the world's largest automobile market. We believe the auto market remains strong due to the improvement in living standards in the PRC. However, the rubber chemicals market has and will become more challenging in the face of overcapacity. The Group's gross profit margin will face downward pressure. Nevertheless, we remain positive on the outlook for the Group given its established track record, healthy cashflows and portfolio of quality products.***"

Based on its latest 12 months results, the Group's earnings per share was RMB 18.54 cents. The Group's financial position remains healthy. Its total cash and liquid notes amounted to RMB 133.0 million with net assets per share of RMB 158.35 cents as at 31 December 2011.

Expansion Plan Update

During the year, the Group completed the following projects:

- Completed the construction of the R&D centre and office facilities at Facility 2 in Shanxian City.
- Shut down of Facility 1 in Shanxian City and relocated all personnel to Facility 2
- Commenced the production of accelerator MBT from its newly-built 15,000-ton MBT plant at Facility 3 at Weifang City in April.

- Commenced the production of accelerator MBT from another newly-assembled 15,000-ton MBT plant that had its machinery/equipment relocated from Facility 1 to Facility 3 in October.
- Completed construction of anti-oxidant 6PPD plant which is physically sited next to the 4ADPA facilities.

The Group will continue to work on the following projects in 2012:

- Start trial production of anti-oxidant 6PPD at Facility 2.
- Complete 4,000-ton MBTS plant at Facility 3 in 1Q2012.
- Complete 6,000-ton CBS plant at Facility 3 in 2Q2012.

Update of our production capacity is set out below:

Tons	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012e[3]
Accelerators	39,000	50,000	55,000	56,500	56,500	66,500
Insoluble Sulphur	5,000	5,000	8,000	10,000	10,000	10,000
Anti-oxidant	-	5,000	10,000	10,000	25,000	25,000
Total	***44,000***	***60,000***	***73,000***	***76,500***	***91,500***	***101,500***

To reward our shareholders, the Board of Directors is recommending a final tax exempt dividend of SGD 1 cent per ordinary share.

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[3] Annual Capacity excludes the capacity of intermediary materials such as 4ADPA and MBT

About China Sunsine Chemical Holdings Ltd.

Listed on SGX-ST on 5 July 2007, China Sunsine Chemical Holdings Ltd. ("China Sunsine") is a leading specialty chemical producer selling accelerators, anti-oxidant, vulcanising agent and anti-scorching agent. It is the largest producer of rubber accelerators in PRC and one of the largest in the world serving all the global top 10 tire manufacturers - Bridgestone, Michelin, Goodyear, Continental, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tire as well as PRC Tire giants such as Hangzhou Zhongce, GITI Tire and Shanghai Double Coin Tyre. China Sunsine distributes 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, 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", Bloomberg ticker code is "CSSC SP".

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