



China Sunsine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

PRESS RELEASE

China Sunsine Chemical posts strong 1QFY2010 results

Net profit up by 179%

- **1QFY2010 net profit rises 179% to RMB30.4m on 51% increase in revenue to RMB202.7m as compared to 1QFY2009**
- **Sales volume in 1QFY2010 up 26% to 11,214 tons as compared to 1QFY2009**
- **Strong cash position with cash and notes of RMB196.6 million**
- **Phase 1 of new Facility 3 at Weifang Binhai Economic Zone budgeted at RMB100m will complete in 1QFY2011**
- **Confident on its continuous profitability for FY2010**

SINGAPORE, 29 April 2010 - China Sunsine Chemical Holdings Ltd (“China Sunsine” or the “Group”), a specialty rubber chemicals producers and global leader in the production and supply of rubber accelerators, is benefitting from the strong economic recovery this year by posting a robust first quarter financial results.

Financial Highlights

RMB' million	1QFY2010	1QFY2009	Change
Group Revenue	202.7	134.1	51%
Gross Profit	48.0	22.3	115%
Gross Profit Margin	23.7%	16.6%	+7.1 pts
Profit before tax	34.2	12.3	178%
Net profit	30.4	10.9	179%
EPS (RMB cents)	6.37*	2.25	183%

* equivalent to 1.31 SGD cents at exchange rate of 4.8567



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For the three months ended 31 March 2010, net profit rose sharply by 179% to RMB30.4 million from RMB10.9 million in 1QFY2009, translating into earnings per share of RMB6.37 cents compared with RMB2.25 cents in 1QFY2009.

Revenue during the quarter rose 51% to RMB202.7 million as compared to RMB134.1 million in 1QFY2009 due to higher sales volume which improved 26% to 11,214 tons and higher average selling price for all products which increased to RMB18,100 in 1QFY2010. Besides the increase in demand, the higher ASP was partly due to increase in raw material price.

Commenting on the 1QFY2010 results, our executive chairman Mr Xu Cheng Qiu, said, *“The economic situation in the first quarter improved substantially against 1Q2009 which was the worst quarter last year as the economic crisis started in late 2008.”*

Analysis of Sales and Volume

	Sales Volume (Tons)		Sales (RMB' million)	
	1QFY2010	1QFY2009	1QFY2010	1QFY2009
Accelerators	10,108	7,930	189.3	125.2
Insoluble sulphur	836	534	9.0	4.6
Anti-oxidant	91	348	1.2	2.9
Others	179	58	3.2	1.4
Total	11,214	8,870	202.7	134.1
Domestic Sales	6,467	6,362	110.4	89.4
International sales	4,747	2,508	92.3	44.7

Sales volume across all categories increased except for anti-oxidant, TMQ. The selling price of TMQ remains highly competitive, noted Mr Xu. Besides, as China remained in winter during 1QFY2010, heat from our generators were channeled to the production of higher profit-margin accelerators and insoluble sulphur. This reduced the production of TMQ available for sales, explained Mr Xu. However, we have already started TMQ



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production and its sales will improve in the next quarter as higher quality customers will find value in our products.

Again due to the improved global economic situation, export sales during this quarter increased substantially to 4,747 tons against 2,508 tons in 1QFY2009 when some of the US and European car manufacturing companies were undergoing restructuring. Domestic sales, on the other hand, remained healthy at 6,467 tons albeit slowed down by the Chinese New Year period in February.

The Group's financial position remains strong. Its net cash and notes amounted to RMB196.6 million with net tangible assets per share of RMB 131.93 cents vs RMB125.56 cents as at 4QFY2009.

Moving ahead into the year, Mr Xu says the Group expects to continue its profitability for FY2010 based on his two observations.

“Our international sales appear to have stabilized as the quarterly export volume has maintained at above 4,500 tons since 4QFY2009. And in China, continuing with its strong growth in FY2009, analysts expect the domestic automobile market to hit another record year with more than 15 million vehicles sales”, noted Mr Xu.

Operationally, Mr Xu expects the Group to continue to boost its efficiency to increase its supply and thus sales with the completion of its 7,000 tons MBTS and 8,000 ton insoluble sulphur in 2009. At the same time, the construction of 15,000-ton 6PPD as well as R&D centre and office facilities at Facility 2 are progressing as scheduled.

The Group has also just announced a RMB100 million expansion plan involving the purchase of a 280 mu land at Weifang Binhai Economic Zone in Shandong Province. This site is able to accommodate production lines of at least 50,000 tons of accelerators per year. Under Phase 1, it will build a facility for 15,000-ton of MBT accelerator, an



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intermediary material for other accelerator products. Phase 1 is expected to complete in 1QFY2011.

“Our expansion plans are undergoing very well. We believe our key competencies of high quality and reputable brand name will benefit us.” added Mr Xu.

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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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