



## 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

## Heading for record FY2010 performance with another record sales volume in 3Q

- 3QFY2010 net profit rises 35% to RMB33.8m on 32% increase in revenue to RMB267.1 m
- 9MFY2010 net profit at RMB92.5m has exceeded the full year FY2009 net profit of RMB88.3m
- Strong demand pushes 3Q volume 24% higher to 14,585 tons, consecutive record quarter volume
- Group expects demand for its products to remain strong

SINGAPORE - 29 October 2010 - 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 on its way to deliver record financial results for FY2010, judging from another robust third quarter performance.

### Financial Highlights

RMB' million	9 Months Ended		Change	Quarter Ended		Change
	30 Sept 10	30Sept 09		30 Sept 10	30 Sept 09	
Group Revenue	718.1	513.5	45%	267.1	201.7	32%
Gross Profit	168.3	110.4	52%	65.3	44.5	47%
Gross Profit Margin (GPM)	23.4%	21.5%	+1.9 pts	24.4%	22.1%	+2.3 pts
Profit before tax	107.5	70.7	52%	40.1	28.8	39%
Net profit after tax	92.5	61.4	50%	33.8	25.0	35%
Sales Volume (tons)	39,620	32,871	21%	14,585	12,554	16%
EPS* (RMB cents)	19.37 <sup>1</sup>	12.79	51%	7.07	5.24	35%
NAV per share (RMB cents) as of the period	140.07 <sup>2</sup>	125.56				

<sup>1</sup> Equivalent to 3.81SGD cents at exchange rate of 5.0824

<sup>2</sup> Equivalent to 27.56 SGD cents at exchange rate of 5.0824



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For the three months ended 30 September 2010, net profit rose 35% to RMB 33.80 million from RMB 25.0 million in 3QFY2009, translating into earnings per share of RMB 7.07 cents compared with RMB 5.24 cents in 3QFY2009.

Revenue during the three month period rose 32% to RMB 267.1 million compared to RMB 201.7 million in 3QFY2009 due to strong demand for its products. Sales volume improved 24% to 14,585 tons as its production capacities kept up with the increased demand. Furthermore, Average Selling Price (“ASP”) for all products increased to RMB 18,313 per ton in 3QFY2010 compared to RMB 16,066 in 3QFY2009. Besides the increase in demand for its products, the higher ASP was also partly due to increase in raw material price. **The gross profit margin (GPM) increased from 22.1% in 3QFY2009 to 24.4% in 3QFY2010 as the increase in average cost is less than the increase in ASP.**

Commenting on the 3QFY2010 results, Executive Chairman Mr Xu Cheng Qiu (徐承秋), says, “*Despite the cautious outlook during the third quarter due to the European debt crisis and potential slowdown in the Chinese economy, the Group continued to perform well, achieving another record sales volume as demand for our products remained strong, thanks to the robust PRC and Asia automobile markets.*”

### Analysis of Sales and Volume

	Sales Volume (Tons)		Sales (RMB' million)	
	3Q2010	3Q2009	3Q2010	3Q2009
Accelerators	12,211	11,135	237.9	187.0
Insoluble sulphur	1,331	1,182	15.3	11.0
Anti-oxidant	935	125	11.4	1.4
Others	108	112	2.5	2.3
<b>Total</b>	<b>14,585</b>	<b>12,554</b>	<b>267.1</b>	<b>201.7</b>
Local Sales	9,269	8,066	157.6	121.7
International sales	5,316	4,488	109.5	80.0

Sales volume across all categories and all markets increased especially for anti-oxidant, TMQ, the volume of which increased to 935 tons during the quarter compared with only 125 tons in 3QFY2009.



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*“This was because the Group re-commenced the TMQ production in March 2010 and sales have improved,”* says Mr Xu, adding that such sales volume is sustainable into the next quarter.

During the quarter under review, despite the European debt crisis, export sales still delivered remarkable volume surpassing the 5,000 tons level. This was mainly due to strong sales to the Asia market (excluding China). Sales to the domestic market remain healthy at 9,269 tons despite the anticipated slowdown of the Chinese economy.

With the sterling performance, the Group’s financial position remains strong. Total cash and notes amounted to RMB 193.3 million with net assets per share of RMB140 cents as at 30 September 2010.

Moving into the final quarter for FY2010, Mr Xu expects demand for the Group’s products to remain strong though the pace of growth might taper off along with the anticipated slowdown in the Chinese economy. However, the Group is operating in the fastest growing automobile market. This creates sustainable demand in the new and replacement tires markets.

According to the China Association of Automobile Manufacturers (CAAM), the first 9 months car sales reached 13.14 million units, almost reaching the 2009 full year level (13.6 million units), up 36% from a year ago. China will maintain its position as the largest automobile market for this year with sales projected to top 17 million units.

Moving ahead, the Group will continue to push ahead with its marketing efforts, diversify its customer base, expand its capacity and enhance its product quality to capture a bigger market share.



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### Expansion Plans Update

During 9MFY2010, the Group has completed the following expansions:

- structural construction of the R&D centre and office facilities at Facility 2 in June.
- capacity expansion of insoluble sulphur to 10000 tons pa in September along with the commencement trial production.
- construction of 15000-ton 6PPD plant at Facility 2 in September with trial production commencing in 3Q2011 after completion of its intermediary material (4-Aminodiphenylamine) production plant construction.

The Group will continue with the following projects:

- Complete the interior works of the R&D centre and office facilities at Facility 2 by end FY2010.
- Complete Phase 1 of Facility 3 at Weifang plant (15,000-ton MBT) by 1QFY2011.
- Complete the shifting of all production facilities from Facility 1 to Facility 2 by 1H2011. As a consequence, we shall recognise impairment of plant and equipment progressively. Due to Facility 1's proximity to commercial development within Shanxian city, the local government intends to rezone this site for commercial and residential use. The Group is negotiating with the local government on the change of land use rights and/or compensation for vacating the site. An appropriate announcement will be made should there be further developments on the same.
- Complete the construction of 6PPD's intermediary material (4-Aminodiphenylamine) production plant by 1H2011.

Upon the completion of these projects, the Group is confident that they will augment its competitive advantage and widen its market lead over its nearest competitors.

Barring unforeseen circumstances, the Group expects to achieve record results for FY2010.

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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”.

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

**Dave Yak**, CFO, [daveyak@ChinaSunsine.com](mailto:daveyak@ChinaSunsine.com)  
**Jennie Liu**, IR Manager, [jennie@ChinaSunsine.com](mailto:jennie@ChinaSunsine.com)  
Tel: (65) 6220 9070  
Fax : (65) 6223 9177