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News Release

China Sunsine Chemical posts RMB 88.3m net profit on record volume at 45,420 tons despite challenging economic conditions

- **Strong 4Q results provide full year buffer**
- **Record sales volume at 45,420 tons, up 48%**
- **Strong cash position with cash and notes of RMB248 million**
- **High utilization and busy expansion schedule as a result of increasing market share**
- **Expects to remain profitable for FY2010**

SINGAPORE - 25 February 2010 - China Sunsine Chemical Holdings Ltd ("China Sunsine" or "the Group"), a global leader in the production and supply of rubber accelerators, is pleased to announce its fourth quarter ("4Q2009") and full year (FY2009) results ended 31 December 2009.

Financial Highlights

RMB' million	**4Q2009**	**4Q2008**	**Change**	**FY2009**	**FY2008**	**Change**
Group Revenue	**204.9**	137.1	50%	**718.4**	797.9	(10%)
Gross Profit	**49.8**	41.9	19%	**160.2**	226.8	(29%)
Profit before tax	**32.4**	14.3	127%	**103.1**	128.1	(20%)
Net profit	**26.9**	8.1	232%	**88.3**	106.7	(17%)
EPS (RMB cents)	**5.63**	1.67	237%	**18.41**[1]	21.77	(15%)
NTA per share (RMB cents)	**-**	-	-	**125.56**[2]	111.57	13%

[1] equivalent to 3.79SGD cents at exchange rate of 4.8605
[2] equivalent to 25.83SGD cents at exchange rate of 4.8605

For the full year ended 31 December 2009, net profit declined 17% to RMB 88.3 million from RMB 106.7 million in FY2008 on a 10% decrease in revenue to RMB 718.4 million compared to RMB 797.9 million in FY2008.

The decline in revenue was due mainly to the lower overall Average Selling Price ("ASP") in FY2009 compared to FY2008 which was exceptional high due to the "Olympics Effect". The overall ASP for all products dropped by 39% to RMB 15.8k per ton in FY2009 from RMB25.9k per ton in the previous year. The decrease in ASP was also due to the global economic crisis. However, with prudent cost management, profits did not decrease proportionally.

Mr Xu Cheng Qiu, Executive Chairman, says, "***FY2009 was no doubt a challenging year due to the global economic crisis. Yet we have made great efforts to increase market share through our 'Customer Diversification Strategy' by adopting flexible pricing strategy and making regular customers visits. Along with our stringent quality assurance policy of delivering consistently high quality products, our team had yielded fruitful results***." Our sales volume was up 48% to 45,420 tons in FY2009 from 30,787 tons a year ago, which significantly exceeded our sales target of 32,000 tons set in the beginning of 2009.

In line with the booming car industry in China, the proportion of sales to the local China market increased to 61% in FY2009 as compared to 56% in FY2008. At the same time, the Group continued to serve more than 50% of the Global Top 75[3] tire makers including all the Top 10[3] makers. Our total number of customers has grown to over 700 including more than 100 new customers.

During FY2009, the Group increased the production capacity of all product categories. However, sales of anti-oxidant TMQ had not improved substantially in tonnage term as the selling price remains extremely competitive. Thus extra efforts were made to increase production efficiency of accelerators and insoluble sulphur in FY2009 as they gave better profit margin. However, "***in***

[3] Source: http://www.tirebusiness.com

early 2010, we have improved our production efficiency for TMQ and is able to reduce wastage and thus improve its profit margin", says Mr Xu.

Based on the latest FY2009 results, earnings per share amounted to RMB 18.41 cents compared to RMB 21.77 cents in FY2008. The Group's financial position remained healthy and strong. Its total assets stood at RMB 766.2 million and net asset at RMB 599.4 million.

Giving an overview of the market, Mr Xu says that the international tire sector appears to have stabilized while the PRC market has shown and will continue to show good growth. In 2009, vehicle sales in the PRC were 13.6 million units, overtaking the U.S. as the world's largest automobile market.

In response to the market demand and our existing customers' support, our expansion plan was implemented according to schedule. We have completed the construction of a new 7,000-ton MBTS plant in Facility 2 with commercial production commencing in August 2009. This MBTS plant is able to produce 3,000 tons of MBTS for medical grade. We have received a firmed annual order from one of China biggest antibiotic intermediary manufacturers. We are expecting more orders from the pharmaceutical sector. The annual capacity of antioxidant TMQ and insoluble sulphur have increased to 10,000 tons and 8,000 tons respectively at year end. As we have announced earlier, the Group is investing up to RMB200 million to build a 30,000-ton anti-oxidant 6PPD as this product is in strong demand due to fast growth of the PRC car and tire industries. Phase I construction of a 15,000-ton plant has commenced last year and is expected to be completed by 3Q2010.

Our production capacity updated as below:

Tons	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010e**
Accelerators	39,000	50,000	55,000	56,500
Insoluble Suplhur	5,000	5,000	8,000	10,000
Anti-oxidant (TMQ & 6PPD)	-	5,000	10,000	25,000
Total	***44,000***	***60,000***	***73,000***	***91,500***

Having completed several expansion projects in FY2009, the Group will be undertaking several expansion projects this year. These include:

- Complete construction of its R&D centre, office building, workers' canteen and rest quarters at Facility 2,
- Increase the annual capacity of its existing insoluble sulphur plant to 10,000 tons,
- Double the annual capacity of its existing DCBS (DZ) to 3,000 tons, and
- Complete construction of its new 15,000-ton 6PPD plant in Facility 2 with production commencing in 2H2010 for internal and customer testing. However, as customer testing will take at least six months, it will not have any material impact on earnings in FY2010.

Looking ahead, there are certain risks and concerns in the year ahead. For example, there is a risk of overheating of the PRC economy even though the Government has started to tighten its monetary policy.

"***Having experienced several economic cycles, the Management has relevant experiences to tackle the challenges ahead. With prudent financial and operational management, we are confident of remaining profitable in the current year"***, says Mr Xu.

To reward our shareholders, the Directors are recommending a final tax exempt dividend of SGD 1 cent per ordinary share. The Group has earlier declared an interim dividend of SGD 1 cent in 1Q2009.

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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 tire manufacturers - Bridgestone, Michelin, Goodyear, Continental, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tires - and more than 700 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, 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”.

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