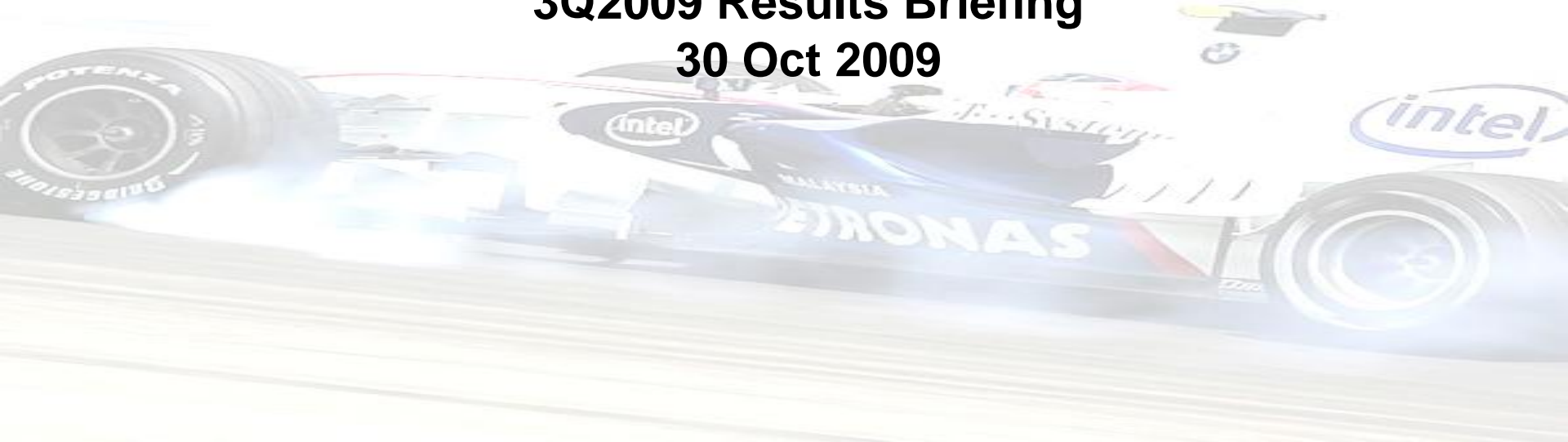




China Sunsine Chemical Holdings Ltd.

中国尚舜化工控股有限公司

3Q2009 Results Briefing
30 Oct 2009





Presentation Outline

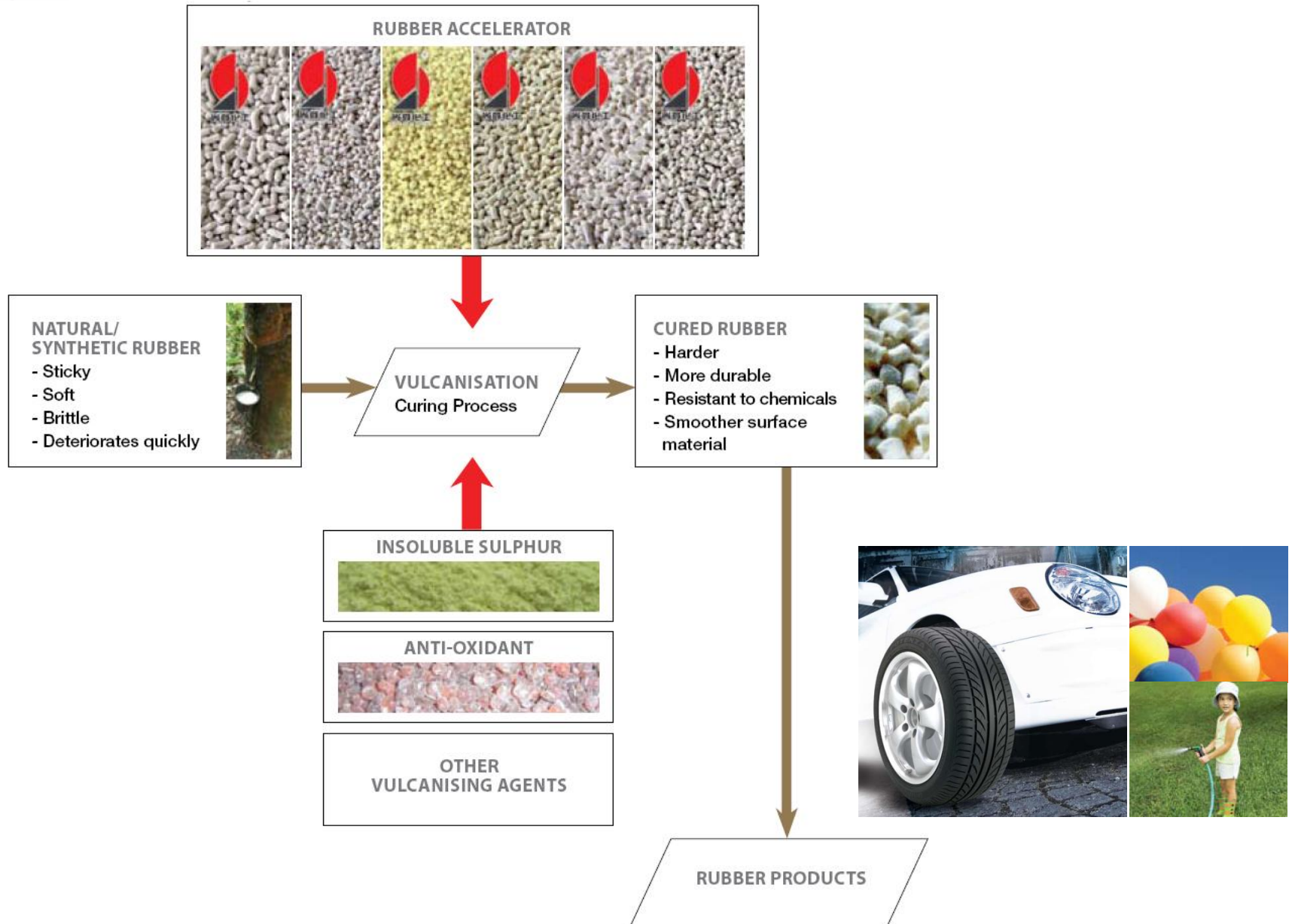
- **Company Introduction**
- **Financial Highlights**
- **Key Developments/New Project**
- **Outlook**



Our Company



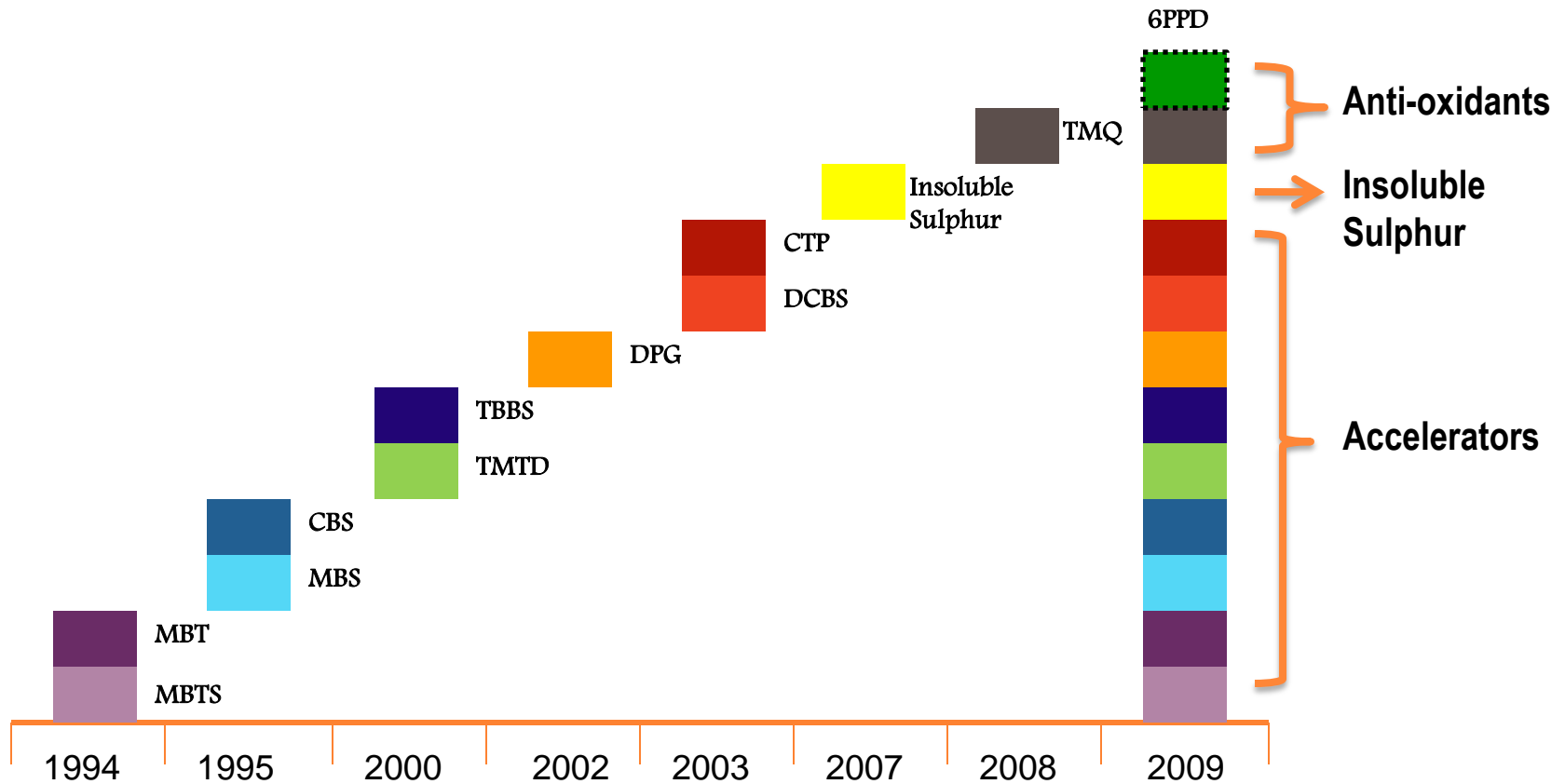
Our Products





Our Products

Expanding product range with the
Introduction of new products periodically





Market Position

Global No. 1 producer of rubber accelerators

Global Top 3 Accelerator Producers

Company	Annual Capacity
China Sunsine	50,000 tons
LANXESS Corp.	45,000 tons
Chemtura	<30,000 tons

PRC Top 3 Accelerator Producers

Company	Annual Capacity
China Sunsine	50,000 tons
Tianjin Organic (SOE)	26,000 tons
Zhenjiang No. 2 Chemical (SOE)	19,000 tons

Current market share (FY08):

PRC ~ 19%

Global ~ 8%

Target: Global market share >15% by 2011



Strong Customer Base

Quality growth from strong customer base of over **600** customers including Global and PRC tyre makers





Strong Customer Base

Serves 45 of Global Top 75 tire makers,
including ALL of the Global Top 10 Int'l Tyre Manufacturers



Source: <http://www.tirebusiness.com>.

Strong Customer Base

Strong penetration amongst top 10 local brands



Business Strategy

**Global Leader in
Rubber Accelerators**

**Expand
Capacity**

Organic growth

Acquisition
strategy

**Increase
Market Share**

New markets,
New customers

New products

**Cost
Leadership**

Econ. of Scale,
Efficiency

R & D Ability

Capacity Expansion

Updated Annual Capacity (Tons)



	FY2007	FY2008	FY2009e
Rubber Accelerators	39,000	50,000	55,000
Insoluble Sulphur	5,000	5,000	10,000
Anti-oxidant	-	5,000	10,000



Financial Highlights



Financial Highlights

RMB ' million	9 Months Ended		Change	Quarter Ended		Change
	30 Sept 09	30 Sept 08		30 Sept 09	30 June 09	
Group Revenue	513.5	660.8	(22.3%)	201.7	177.7	13.5%
Gross Profit	110.4	184.9	(40.3%)	44.5	43.6	2.1%
Gross Profit Margin	21.5%	28.0%	-6.5 pts	22.1%	24.5%	-2.4 pts
Profit Before Tax	70.7	113.8	(37.9%)	28.8	29.6	(2.7%)
Net Profit	61.4	98.6	(37.7%)	25.0	25.5	(2%)
EPS * (RMB cents)	12.79	20.05	(36.2%)	5.24	5.31	(1.3%)
NAV per share (RMB cents) as of the period	119.92	109.84	9.2%	119.92	114.57	4.7%

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

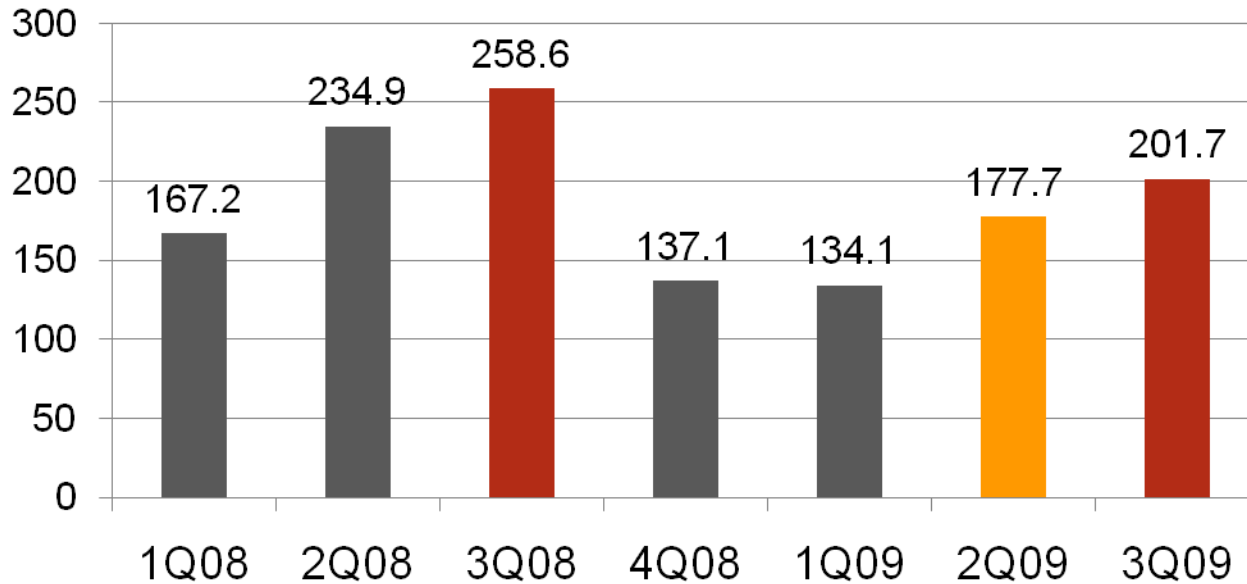


Revenue

Revenue
Q-Q: 13.5%
Y-Y: 22.0%

RMB'million

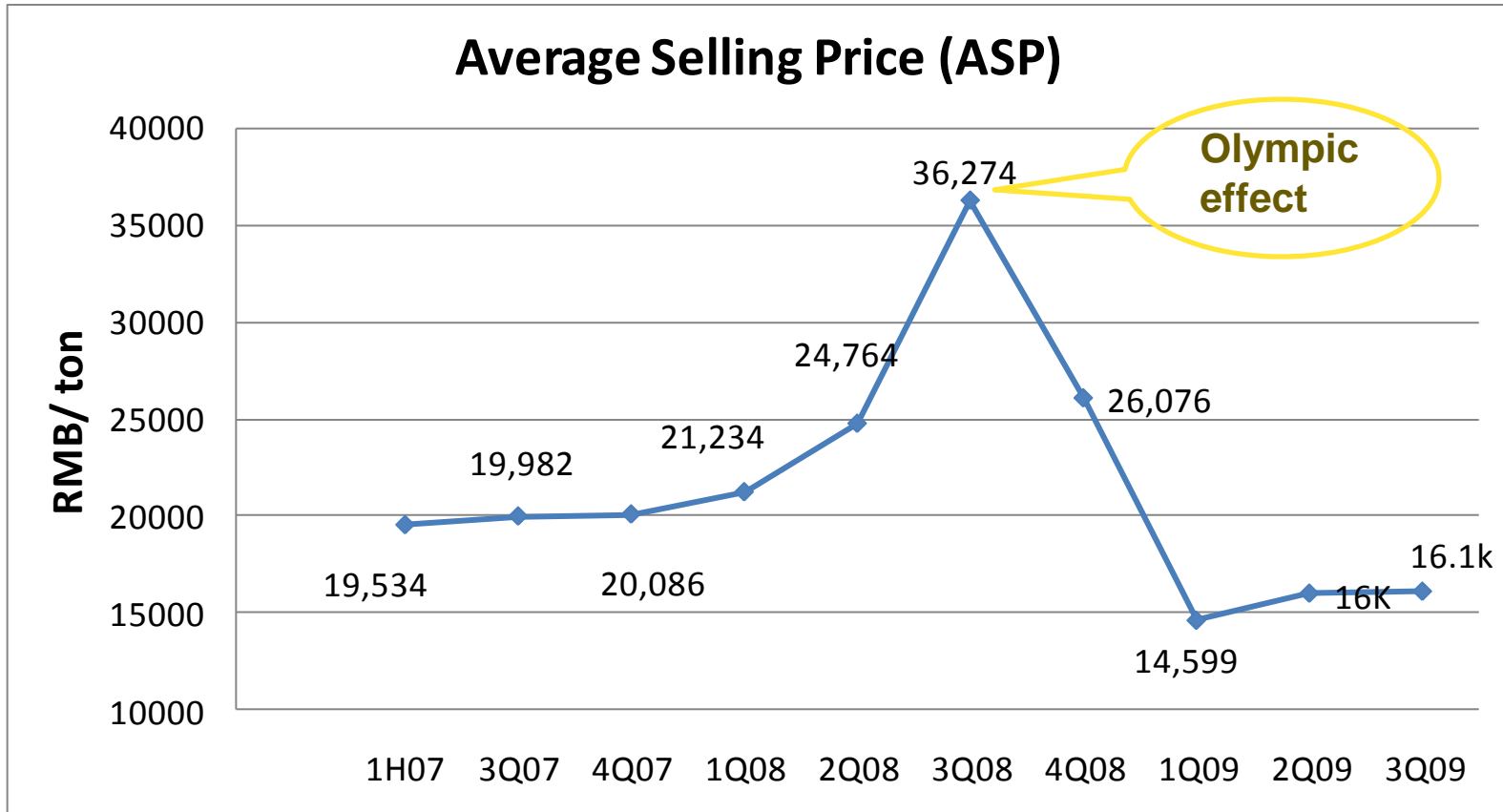
Revenue



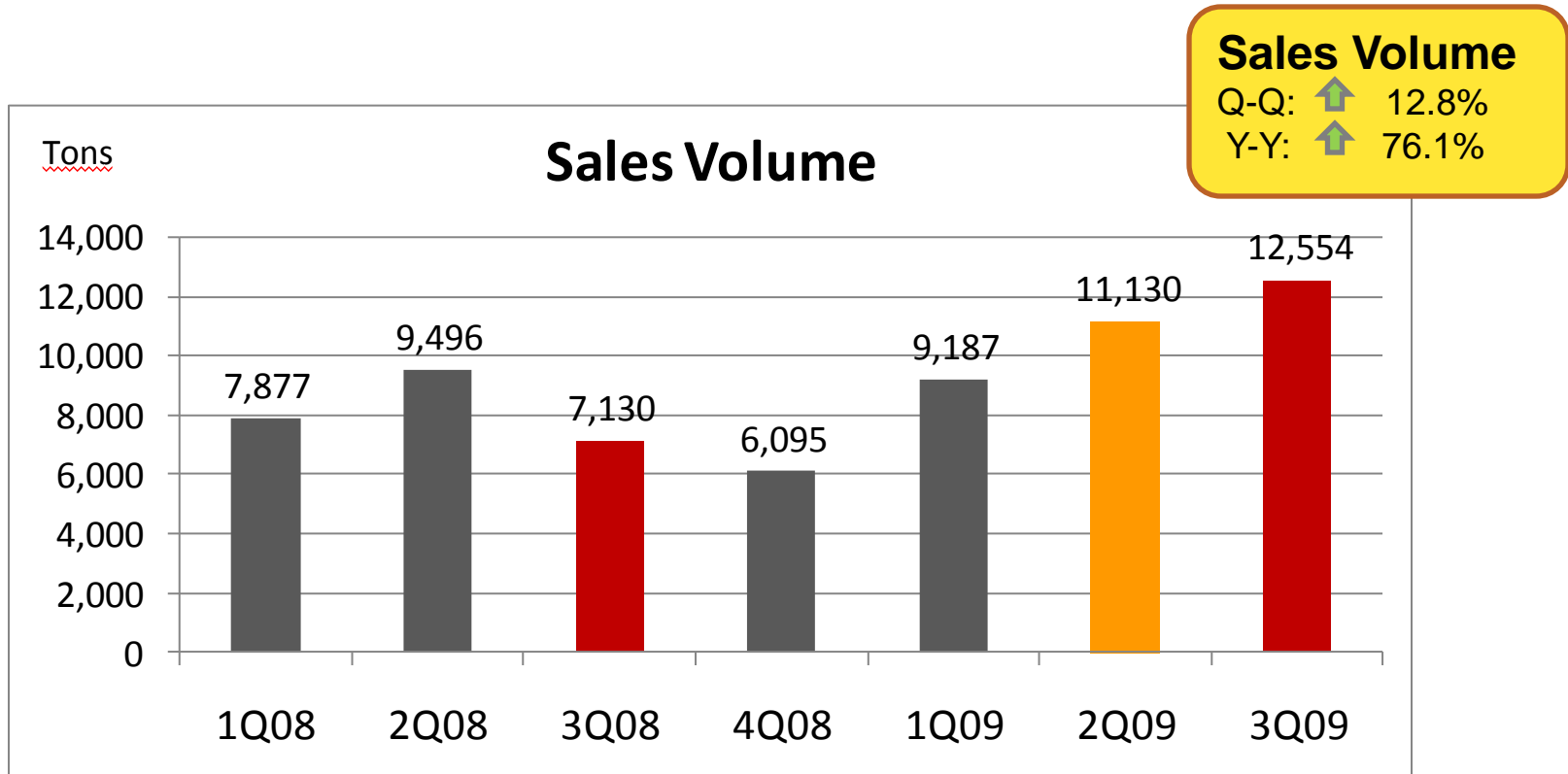
- Continuous weak pricing in recession year
- But higher sales volume



Overall Average Selling Price



Sales Volume

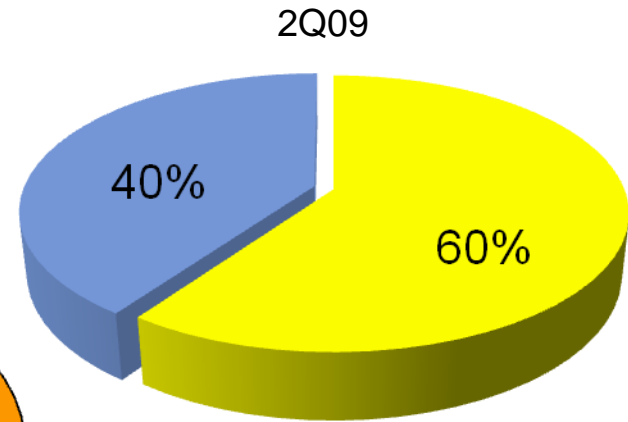
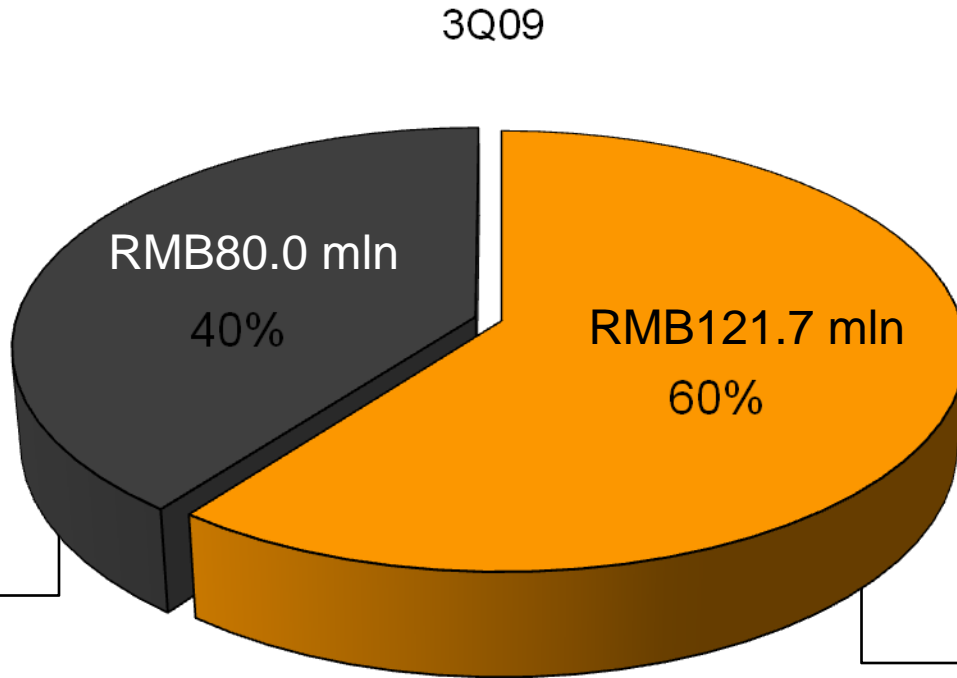


- Sales volume up 12.8% compared with 2Q09 resulted from our increasing competitiveness and market share
- Continued support from existing customers and new customers



Sales Contribution

■ PRC ■ International



**Export
Major Customers:**

- Bridgestone
- Pirelli
- Continental
- Sumitomo Rubber
- PT Gajah Tunggal
- Goodyear

**Local
Major Customers:**

- Hangzhou Zhongce
- GITI Tyres
- Double Coin Tyres
- Sumitomo Rubber (China)
- Korean Kumho (China)

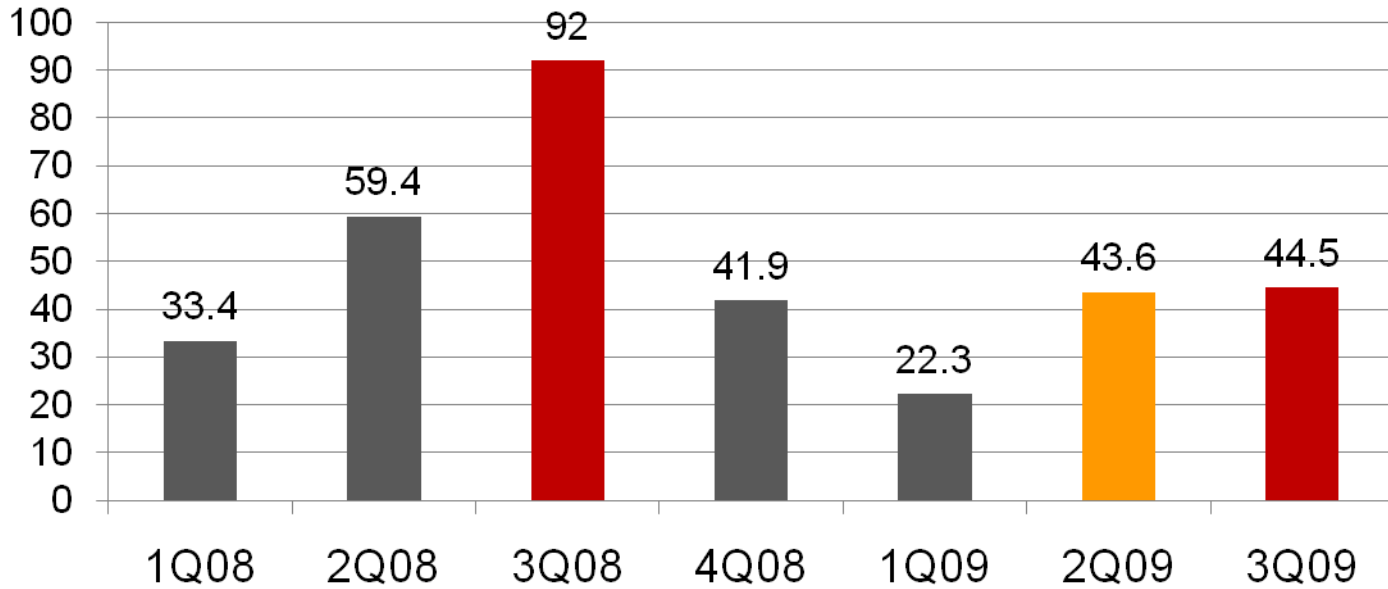


Gross Profit

Gross Profit
Q-Q: ↑ 2.1%
Y-Y: ↓ 51.6%

RMB'million

Gross Profit



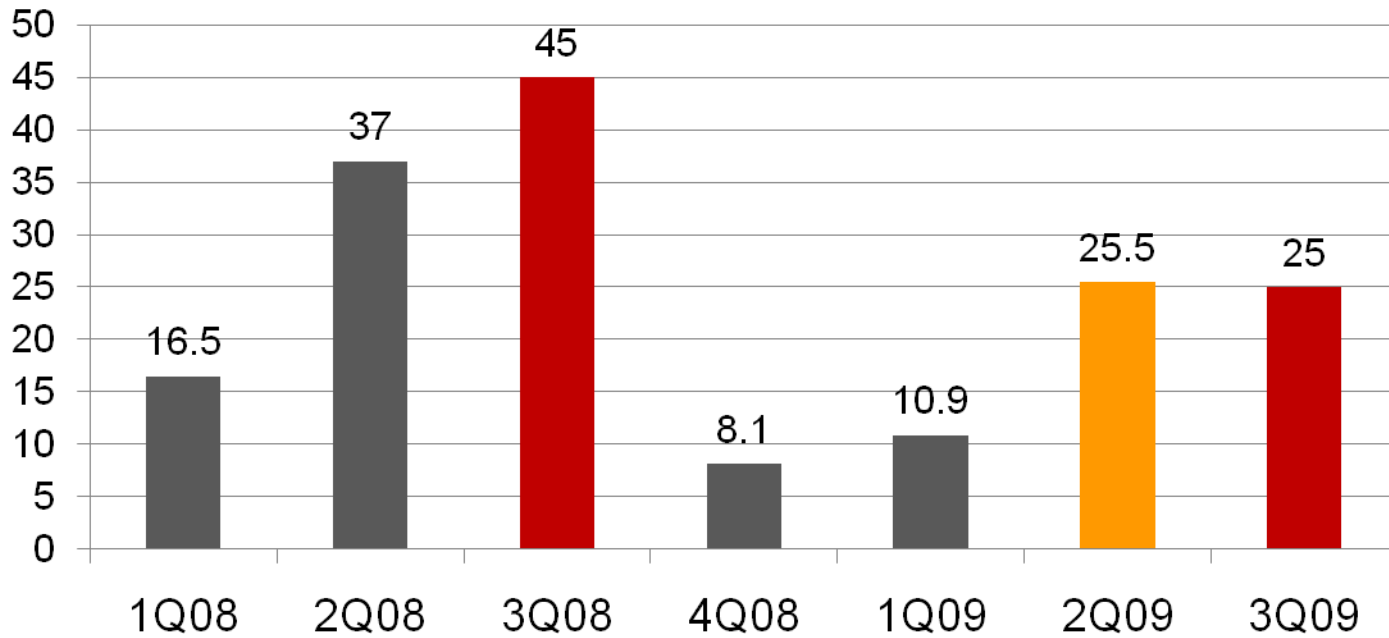


Net Profit

Net Profit
Q-Q: ↓ 2.0%
Y-Y: ↓ 44.4%

RMB'million

Net Profit



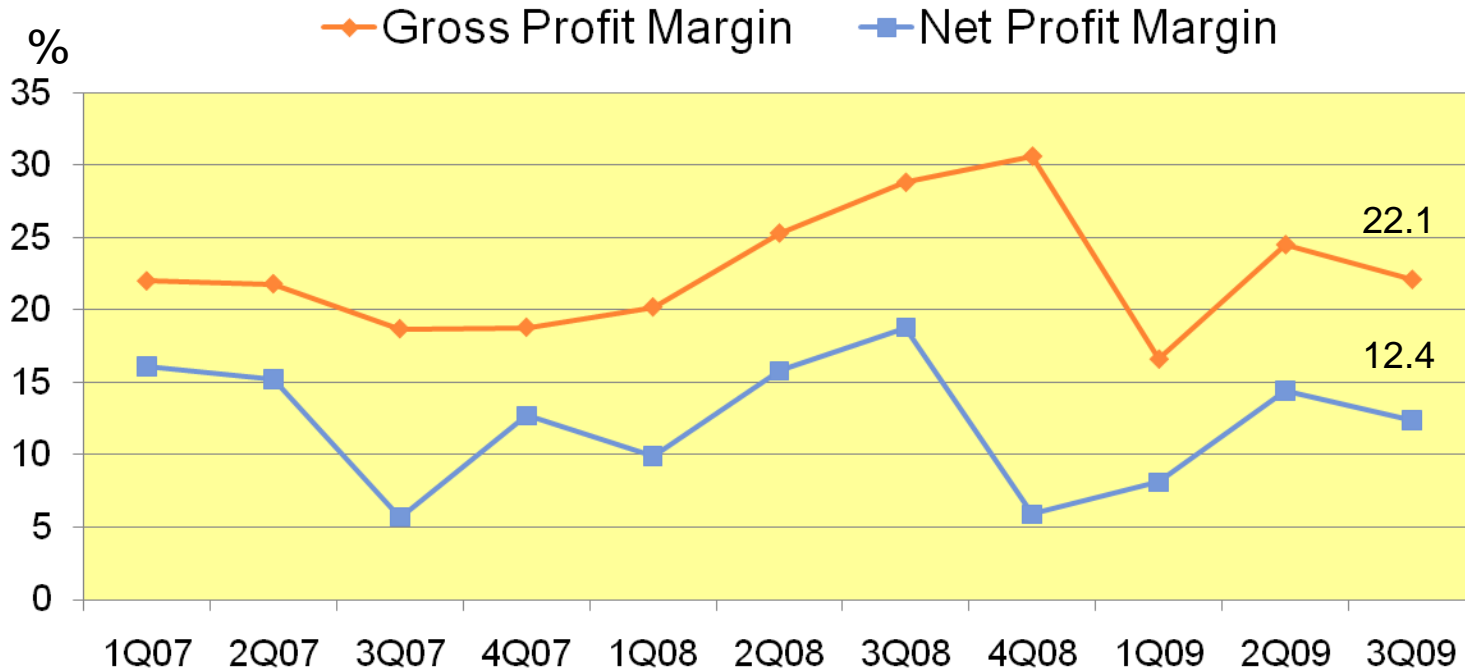


Operating Expenses (3Q09 vs 3Q08)

- **Selling and distribution expenses**
 - Declined by 54% to RMB5.3 mln in 3Q09
 - Due to lower shipping cost, lower sales commission and lower sales taxes and the cut back of most discretionary expenses
- **Administrative expenses**
 - Declined by 61% to RMB11.2 mln in 3Q2009
 - Due to lower staff costs including bonuses, government levies, and lower discretionary expenses
 - Absence of RMB5.9 mln provision of doubtful debt in 3Q08
- **Research costs**
 - Declined by 90% to RMB0.2 mln due to cut back of R&D projects
- **Other operating costs**
 - Lower at RMB1.4 mln, consists of mainly investment income and sales of scrap materials
- **Taxation costs**
 - 12.5% taxation of RMB3.9 million



Margins Analysis



- Gross profit margin maintained above 20% within the range of management's expectation of a sustainable long term margin



Balance Sheet Highlights

RMB 'million	30/09/2009	31/12/2008
Current assets	540.3	477.2
Current liabilities	176.5	122.6
Non-current assets	208.9	185.9
Non-current liabilities	0	0
Shareholders' equity	572.7	540.5
Cash+Notes receivables*	279.3	252.7

*Note: Cash RMB227.0 mln, Notes receivables RMB52.3 mln



Key Financial Ratios

	3Q09	2Q09	FY08
Current assets / Current Liabilities	3.1	2.7	3.9
Avg Receivables Turnover (days)	59	59	52
Avg Payables Turnover (days)	10	10	10
Avg Inventory Turnover (days)	27	31	31
Cash Conversion Cycle (days)	76	80	73
Gearing Ratio	Net cash	Net cash	Net cash
NAV per share (RMB cents) as of end period	119.92	114.57	111.57



Key Developments

Key Development in 3Q09



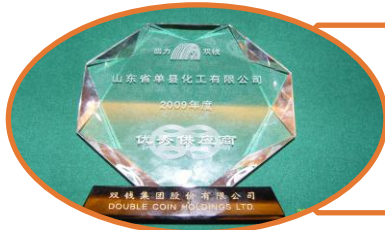
**Completion of expansion of Anti-oxidant
TMQ from 5,000 tons to 10,000 tons**



**The new MBTS plant in Facility 2
commenced commercial production
after satisfactory testing**



**Expansion of Insoluble Sulphur plant
FY2009: 7,000 to 8,000 tons capacity
1H2010: Upgrade to 10,000 tons**



**Awarded "Excellent Supplier" from
Double Coin Group**



Ongoing Projects Glance

Project	Scheduled Completion Date	Status	CapEx
Insoluble Sulphur plant upgrade	FY2009: 7,000-8,000 1H2010: 10,000 capacity	In progress	RMB 10 million
Anti-Oxidant TMQ plant from 5,000 to 10,000 tons	Completion by End 2009	Completed in Sept, Internal testing	RMB 10 million
DCBS of 3,000 tons production workshop	Re-schedule to 3Q2010	Pending, monitoring market demand	RMB 15 million
MBTS of 7,000 tons plant	Construction by 3Q 2009	Completed, commercial production w.e.f Aug 2009	RMB 20 million
Upgrading waste-water treatment plant at facility 2	Completion by 3Q2009	Completed	RMB 20 million
R&D centre, Office Building, worker's canteen and rest quarters at Facility 2	Construction completion by end of FY2009. Operational by 2H2010	Under construction	RMB 20 million



Launch of New Project

30,000-ton Anti-oxidant 6PPD (or “4020”)

- Total Investment: RMB200 million
- Land area: 100,000 square meter, situated at north of current Facility 2)
- About Anti-oxidant 6PPD:
 - **anti-oxidant**, together with **accelerators** and **insoluble sulphur** are main types of rubber chemicals, widely used in production of tyres and rubber products
 - 6 PPD’s superior properties
 - Highly efficient and effective
 - High-tech
 - Environmental friendly, energy saving
 - Highly automated processing
 - No alternatives
 - Capital intensive project





Launch of New Project

30,000-ton Anti-oxidant 6PPD (or “4020”)

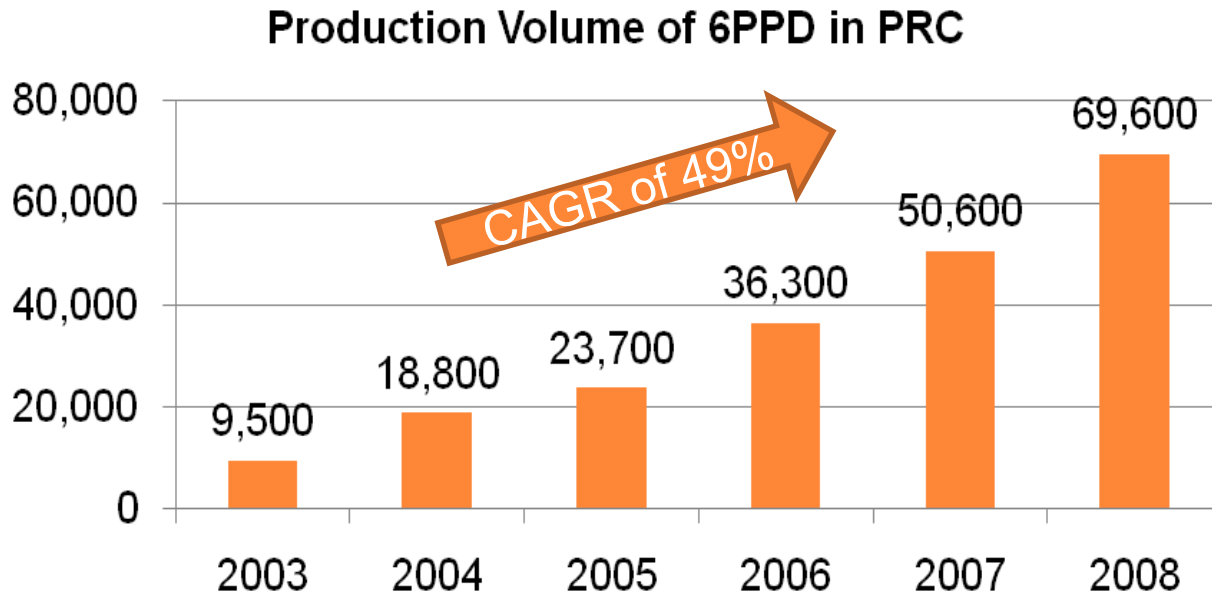
- Rationale
 - Revenue/profit growth driver
 - Ready customer base, request from customers
 - Leverage on strong brand ‘Sunsine’
 - Lower production cost, rich material resources, process know-how
 - Ready capital resources
- Building Schedule:
 - **Phase 1:** 15,000 tons, expected to be completed by end 1H2010, budget RMB100-120 million. 2H2010 begin trial production for internal and customer testing
 - **Phase 2:** Scale up to 30,000 tons, completion planned for end 2011, depending on market condition



Launch of New Project

30,000-ton Anti-oxidant 6PPD (or “4020”)

- Industry Info:
 - 49% growth over last 6 years due to strong consumption demand
 - Global demand estimated 260k TPA



Source: Company estimation



New Project Introduction

- Funding:
 - Internal resources
 - Bank loans, or
 - External investors in form of debt/equity securities

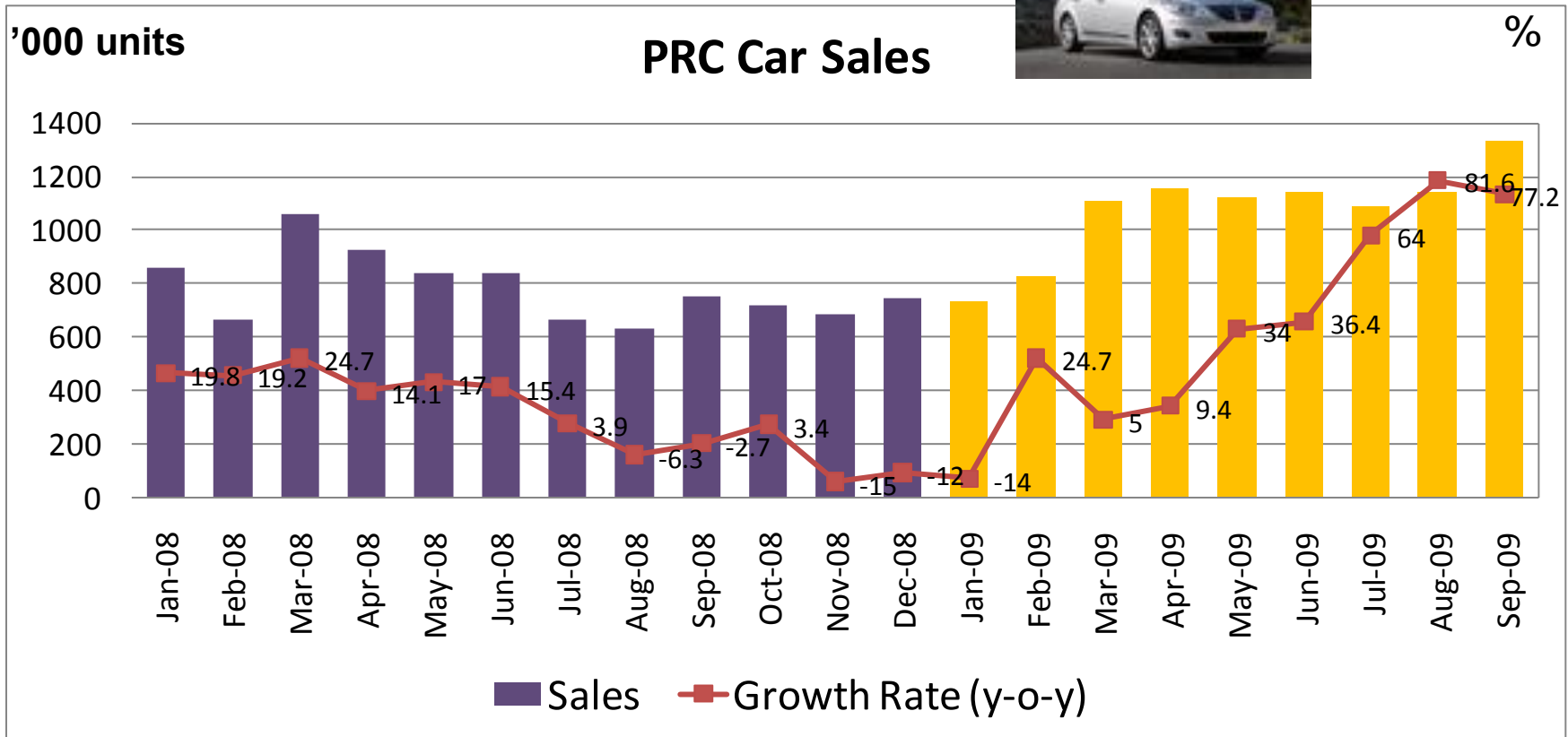
“ We have ready international and local customer base for this new product. On completion of the project, we expect the product to begin contributing to our bottomline from 2011 onwards.”

***Xu Cheng Qiu
Executive Chairman***



Outlook for FY2009/2010

PRC Automotive Market



- Sales over 1 mln units for 7 consecutive months
- China car sales reached 9.7 million units for 9 months ended Sept 2009
- The car sales expected to exceed US to be world No. 1 in 2009



Challenges & Opportunities Ahead

Benefiting from the strong PRC automotive market recovery

Challenges:

- In a recession year, selling prices continues to be low, with any adjustments depending on prices of raw materials
- U.S tariff on light truck and passenger car tyres imported from China, may affect Chinese tyre sector in 4Q09 and onwards

Opportunities:

- Competitive pricing strategy and marketing activities helps to increase market share
- Diversify sales to other tyre companies less or not affected by the U.S. tariff
- Exploring collaboration opportunities in other regions:
 - India, Latin America, and others
- Need for further capacity expansion for accelerators, IS



Chairman's Message

“ We are thankful to our customers who have supported us as much as we have supported them.

With 6PPD, we are essentially providing customers with more choices and building a long-term sustainable growth drivers for Sunsin, and our shareholders.”



*Xu Cheng Qiu
Executive Chairman*



Beyond FY2009...2010-2012

- **Recovery in global tyre/auto, China/India/Brazil growth Engines**
- **Strategy:**
 - **Increase market share – N. America, LatinAmerica, Europe**
 - **Expansion of product line**
 - **3 growth engines for China Sunsine**
 - **Accelerators**
 - **Insoluble Sulphur**
 - **Antioxidant (TMQ, 6PPD)**

China Sunsine Chemical Holdings Ltd.

中国尚舜化工控股有限公司



Q & A

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