



## China SunSine Chemical Holdings Ltd.

112 Robinson Road #12-04 Singapore 068902  
Tel: (65) 6220-9070 Web: www.ChinaSunSine.com

尚舜化工  
SUN SINE

Company Registration No.: 200609470N

# China SunSine Chemical posts record full year net profit of RMB 76.0 million, up 20.1%

- Full year sales surged 30.5% to RMB 619.5 million on capacity increase
- Launching new products, expanding capacity in FY2008

Singapore, 27 February 2008 – **China SunSine Chemical Holdings Limited** (“China SunSine Chemical” or “The Group” or “尚舜化工”), a leading producer of specialty chemicals and one of the largest producer in the world for rubber accelerators, has posted a record net profit of RMB 76.0 million for the financial year ending 31 December 2007 (“FY2007”). This caps a fruitful maiden set of full year results for the Group.

## Financial Highlights

RMB' million	FY2007	FY2006	Change %
Revenue	619.5	474.7	30.5%
Gross Profit	125.2	118.2	5.9%
Gross Profit Margins %	20.2%	24.9%	(4.7%)
Profit From Operations	83.0	73.8	12.5%
Operating Margins %	13.4%	15.5%	(2.1%)
One-time non-recurring IPO expenses	7.8	-	n.m.
<b>Profit After Tax (PAT)</b>	<b>76.0</b>	<b>63.3</b>	<b>20.1%</b>
PAT Margin %	12.3%	13.3%	(1.0%)
Earnings Per Share (RMB cents)	18.22*	18.10**	0.7%

\* Based on weighted average number of shares -- 417,525,000

\*\* Based on weighted average number of shares – 350,000,000

RMB' million	4 <sup>th</sup> Quarter ended 31/12/2007	4 <sup>th</sup> Quarter ended 31/12/2006	% Change	4 <sup>th</sup> Quarter ended 31/12/2007	3 <sup>rd</sup> Quarter ended 30/09/2007	% Change
Revenue	179.6	126.7	41.8%	179.6	154.8	16.0%
Gross Profit	33.8	32.5	4.0%	33.8	29.0	16.6%
<b>Gross Profit Margin %</b>	<b>18.8</b>	<b>25.7</b>	<b>(6.9%)</b>	<b>18.8</b>	<b>18.7</b>	<b>0.1%</b>
One-time non recurring IPO expenses	--	--	--	--	7.8	n.m.
Profit After Tax	22.8	20.4	11.8%	22.8	8.9	156.2%



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*“We are pleased with our maiden set of results after listing on SGX-ST in July 2007. Our strategy has been very clear and concise – focus on preferred customers especially in the tyre-automotive industry, and increase our market share in terms of geography or products. This set of results and the past year’s developments show that we are able to execute our strategy effectively. We will continue to work hard to repay our shareholders’ faith.”*

Executive Chairman Mr Xu Cheng Qiu (徐承秋)

### **Strong demand leads to growth**

FY2007’s results were earmarked by revenue growth of 30.5% year-on-year. Sales volume grew by 30.4% in 4Q07. This is the 4<sup>th</sup> consecutive quarter of sales volume growth exceeding 30%, a result of strong demand for rubber accelerators especially in the local PRC market, where revenue in 4Q07 soared 102.6% year-on-year.

China Sunsine Chemical’s market dominating position is reflected in its ability to increase Average Selling Price (ASP) twice in consecutive quarters. Continuing from an earlier ASP increase of 2.7% in 3Q07, 4Q07 saw a further ASP increase of 0.5%.

Due to rising raw materials prices, gross profit margin declined from 25.7% in 4Q06 to 18.8% in 4Q07. However, as a result of the ASP increase and the expanded production of intermediary product in 4Q07 to reduce overall raw materials cost, gross profit margin has stabilised from 18.7% in 3Q07 to 18.8% in 4Q07.

Net profit grew by 20.1% to RMB 76.0 million in FY2007. However, excluding a one-time share issue cost of RMB 7.8 million which was charged to the income statement in 3Q07, FY2007 net profit would have grown higher by 32.4% to RMB 83.8 million.

### **Outlook**

#### **New customers in the making**

Trial orders from Pirelli, Michelin and Continental Tyres were received in 4Q2007 from their China and overseas plants, demonstrating success in gaining market share.



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### Capacity Expansion by Products

Due to strong demand for rubber accelerators from the tyre-automotive industry both in the PRC and abroad, the Group plans to increase its current capacity of 39,000 tons **rubber accelerators** to 50,000 tons by end FY2008.

In line with the Group's growth strategy of broadening product offerings to the existing customer base, the Group has completed a new 5,000-ton **Insoluble Sulphur** plant, with higher margins that the Group will be cross-selling to existing clients. Commercial production has started in February 2008. The Group plans to double the capacity of Insoluble Sulphur to **10,000 tons** by end of FY2008.



CFO Koh Choon Kong (left), Deputy GM Xu Jun (middle) and GM Liu Jingfu (right) look on at the newly completed insoluble sulphur plant. Four months ago only the building on the right existed – as an empty shell. Today, the plant is up and running and samples have been sent to existing customers for trials.

The Group is currently building a 5,000-ton plant of new product **anti-oxidant TMQ** for launch in 1H2008, a product used by same tyre manufacturers with a big market potential. It plans to expand this plant capacity to **10,000 tons** by end of FY2008.

Barring unforeseen circumstances, the Group expects to continue its growth in FY2008.

- The End -



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***The initial public offering of the Company was sponsored by CIMB-GK Securities Pte. Ltd. (the "Manager"). The Manager assumes no responsibility for the contents of this announcement.***

### **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 one of the largest producer of rubber accelerators in the world and in the PRC. It serves all the global top 10 tyre manufacturers and others – Bridgestone, Michelin, Goodyear, Continental, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tires and many others. Its products are sold in PRC and exported to over 30 countries around the world. Sunsine Chemical is an ISO9001:2000-certified manufacturer, and distributes its products under its own 'Sunsine' brand, a brand which has been accredited as a "Shandong Province Famous Brand".

It is now a component stock of the new FTSE-ST China Index which started operating on 10 Jan 2008. Its SGX ticker code is "ChinaSsine".

For more information, please visit <http://www.chinasunsine.com>

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**Issued for and on behalf of China Sunsine Chemical Holdings Ltd.  
By Financial PR Pte Ltd**

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