



NEWS RELEASE

China Sunsine's 2QFY2011 net profit post 31% higher to RMB37.2 million

- Revenue up 27% to RMB314.2 million led by higher sales volume and higher average selling price (“ASP”)
- Sales volume in 2QFY2011 up 14% to 15,796 tons, a historical quarterly high
- Expansion plan on schedule

SINGAPORE - 11 August 2011 - 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, continued to deliver solid performance in the second quarter and the first half year ended 30 June 2011 (“2QFY2011, 1H FY2011”).

Financial Highlights

RMB' million	Quarter Ended		Change	Half Year Ended		Change
	30 Jun 11	30 Jun 10		30 Jun 11	30 Jun 10	
Group Revenue	314.2	248.3	27%	569.0	451.0	26%
Gross Profit	77.0	55.0	40%	144.4	103.0	40%
Gross Profit Margin (GPM)	24.5%	22.2%	2.3 pts	25.4%	22.8%	2.6pts
Profit before tax	51.1	33.2	54%	76.5	67.4	14%
Net profit after tax	37.2	28.3	31%	50.2	58.7	-14%
Sales Volume (tons)	15,796	13,823	14%	28,767	25,037	15%
EPS (RMB cents)	7.79	5.93	31%	10.52 ¹	12.30	-14%
NAV per share (RMB cents) as of the period	-	-	-	150.25 ²	132.96	13%

The Group's 2QFY2011 net profit reached RMB37.2 million, up 31% from RMB28.3 million in 2QFY2010. Revenue rose 27% to RMB314.2 million compared to RMB 248.3

¹ Equivalent to 2.01 SGD cents at exchange rate of 5.2311

² Equivalent to 28.72 SGD cents at exchange rate of 5.2311



million in 2QFY2010 due to the increase in both sales volume and ASP. During the quarter under review, sales volume improved 14% to 15,796 tons hitting a new quarterly record. ASP for all products increased to RMB19,894 per ton from RMB17,967 in 2QFY2010. Besides the increase in demand, the higher ASP was partly due to increase in raw material prices. Consequently, the gross profit margin (GPM) grew from 22.2% in 2QFY2010 to 24.5% in 2QFY2011.

Analysis of Sales and Volume

	Sales Volume (Tons)		Sales (RMB' million)	
	2Q2011	2Q2010	2Q2011	2Q2010
Accelerators	13,192	11,797	281.3	222.2
Insoluble sulphur	1,625	995	19.1	11.6
Anti-oxidant	836	935	10.9	12.3
Others	143	96	2.9	2.2
Total	15,796	13,823	314.2	248.3
Local Sales	9,184	8,656	169.0	149.0
International sales	6,612	5,167	145.2	99.3

Sales volume across all categories increased except for anti-oxidant, TMQ, which volume decreased to 836 tons from 935 tons in 2QFY2011. This was because of the intense competition as TMQ has low production entry barrier.

During the quarter under review, despite the European debt crisis and the depreciation of the Euro, export sales still delivered healthy volume, surpassing the 6,000 tons level. This was mainly due to strong sales to the Asian market (excluding China), especially the Japanese market. The sales to the domestic market also remain healthy.

Commenting on the 2QFY2011 results, executive chairman Mr Xu Cheng Qiu (徐承秋), says, *“The economic climate in the second quarter continued to improve. The China market appears to have ‘normalised’ after skyrocketing growth in 2009 and 2010. With our strong competitive advantage, we were able to meet market demand and maintain our strong position in the industry.”*



1HFY2011 net profit declined 14% to RMB 50.2 million from RMB 58.7 million in 1HFY2010 mainly due to the RMB 18.3 million plant and equipment impairment made in 1QFY2011 as well as the higher tax rate at 25%.

Based on its latest 1HFY2011 results, the Group's earnings per share was RMB10.51 cents. The Group's financial position remains strong. Its total cash and liquid notes amounted to RMB148.0 million with net assets per share of RMB150 cents as at 1HFY2011.

Expansion Plans Update

During the quarter, the Group commenced production of the 15,000-ton MBT at Facility 3 (Weifang Plant). The Group will continue with the following projects:

- The 6PPD's intermediary material 4ADPA production plant in Facility 2 (new plant) due for completion by 3Q2011
- Phase 2 of Weifang plant where the existing 15,000-ton MBT equipment from Facility 1 (old facility) will be relocated in Weifang plant by 4Q2011.
- Negotiate with the local government on the conversion of the land use right at old facility from industrial use to commercial & residential use.

Moving ahead into second half of the financial year, Mr Xu says, ***"We are looking forward to the capacity expansion for accelerators and the launch of new product, 6PPD, which are expected to bring further growth for the Group. Although the escalating European debt crisis and faltering US economy have caused great uncertainty in the global economic outlook, and further policies that may be introduced by the Chinese government to rein in rising inflation in China may impact our operations, I am cautiously confident that, having weathered several economic crisis in the past and given our strong fundamentals, China Sunsine will emerge from any economic crisis better than our competitors."***

Barring unforeseen circumstances, the Group expects to continue its profitability for FY2011.



China Sunsine Chemical Holdings Ltd.

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

Company Registration No.: 200609470N

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
Jennie Liu, IR Manager, jennie@ChinaSunsine.com
Tel: (65) 6220 9070
Fax : (65) 6223 9177