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尚舜化工
SUNSINE

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NEWS RELEASE

China Sunsine's Revenue rose 26% to RMB254.8 million for 1Q2011

- **Gross profit increased 40% to RMB67.4 mln due to higher ASP and sales volume**
- **Gross profit margin improved to 26.5% from 23.7% a year ago**
- **Continuous strong demand pushes 1Q2011 sales volume 15.7% higher to 12,971 tons**
- **Facility 1 shut down incurring one-time impairment loss of RMB 18.3 mln. Total impairment to-date was about RMB 20.0 mln.**

SINGAPORE – 25 April 2011 - 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 pleased to announce its first quarter financial results ended 31 March 2011 ("1Q2011").

Financial Highlights

RMB' million	Quarter Ended		Change
	31 Mar 11	31 Mar 10	
Group Revenue	**254.8**	202.7	26%
Gross Profit	**67.4**	48.0	40%
Gross Profit Margin (GPM)	**26.5%**	23.7%	2.8pts
Profit before tax	**25.5**	34.2	(25%)
Net profit after tax	**13.0**	30.4	(57%)
Sales Volume (tons)	**12,971**	11,214	15.7%
EPS (RMB cents)	**2.73**[1]	6.37	(57%)
NAV per share (RMB cents) as of the period	**147.65**[2]		

[1] Based on 477,357,000 shares (excluding treasury shares), equivalent to 0.53 SGD cents at exchange rate of 5.1982
[2] Based on 477,357,000 shares (excluding treasury shares), equivalent to 28.40 SGD cents at exchange rate of 5.1982

During the quarter under review, revenue increased by 25.7% to RMB254.8 million from RMB202.7 million a year ago. This was because of higher average selling price (ASP) and increase in sales volume in 1Q2011. Total sales volume climbed 15.7% to 12,971 tons from 11,214 tons in 1Q2010 while ASP for all products increased to RMB19,642 per ton in 1Q2011 compared to RMB18,074 per ton in 1Q2010. Thus overall gross profit margin (GPM) rose 2.8pts to 26.5% compared to 23.7% in 1Q2010.

Despite rising fuel prices, the removal of subsidies and tighter rules on new car registration in certain PRC cities, auto sales in the PRC in the first 3 months of 2011 totalled 4.98 million units, an 8.1% growth from a year earlier. The export market improved further too. Tapping into this growth, all product segments saw an improvement in sales volume.

Glance of Sales and Volume

	Sales Volume (Tons)		**Sales** (RMB' million)	
	1Q11	**1Q10**	**1Q11**	**1Q10**
Accelerators	10,981	10,108	229.5	189.3
Insoluble sulphur	1,429	836	16.7	9.0
Anti-oxidant	443	91	5.9	3.2
Others	118	179	2.7	3.2
Total	***12,971***	***11,214***	***254.8***	***202.7***
Domestic Sales	8,055	6,467	145.0	110.4
International sales	4,916	4,747	109.8	92.3

Accelerators remained the key contributor, accounting for about 90% of total sales. The other two main products, namely Insoluble Sulphur and Anti-oxidant, TMQ, contributed 6.5% and 2.3% respectively.

Despite growth in revenue and gross profit, net profit after tax declined 57% to RMB 13.0 million from RMB 30.4 million in 1Q2010, mainly due to the following:

- one-off RMB 18.3 million impairment loss on the buildings and equipment due to the closure of production lines at Facility 1 in preparation for its relocation to Facility 2 as the local government intends to rezone Facility 1 site for commercial and residential use. The impairment made to-date was about RMB 20 million, accounting for all the necessary impairment on the buildings and equipment with regards to the closure of Facility 1.

- increase PRC income tax as the tax rate was restored to 25% from 12.5% after the tax incentive granted to the Company's subsidiary as a Wholly Foreign Owned Enterprise, ceased on 31 December 2010.
- higher administrative expenses as 1Q2010 expenses included the write-back of over-provision of prior year expenses, and due to the quarterly provision of FY2011 bonus in 1Q2011 amounting to RMB 2.1 million. Commencement of Facility 3 operations also contributed to this increase.

Excluding the one-off impairment, the adjusted net profit after tax would have been RMB 31.3 million, which is comparable to the RMB 30.4 million net profit after tax in 1Q2010.

With this set of performance, the Group's financial position remains strong and healthy. Total cash and notes amounted to RMB205.6 million with net assets per share of RMB147.65 cents as at 31 March 2011.

Commenting on the 1Q2011 results, executive chairman Mr Xu Cheng Qiu (徐承秋), says, ***"We are satisfied with the performance of the Group despite having to allocate resources to take care of the Facility 1 relocation. The closure of Facility 1 also marked the beginning of a new chapter as all personnel has moved to the new premises at Facility 2 which also has a well-equipped R&D centre. The new buildings at Facility 2 will further enhance our reputation as a long term player in the rubber additive industry. We will focus on the relocation and installation of the remaining equipment from Facility 1 to Facility 2, as well as the construction of 4ADPA plant for the production of 6PPD. At Facility 3 (Weifang Plant), Phase 1 of 15,000-ton MBT has completed and we have commenced trial production in early April 2011. Another 15,000-ton of MBT equipment will be relocated from Facility 1 to Facility 3 by end of the year. I am excited about developments in 2011 as China Sunsine aims to become a one-stop rubber chemical products supplier to serve our valued customers."***

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

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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".

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