



**China Sunsine Chemical Holdings Ltd.**

112 Robinson Road #12-04 Singapore 068902  
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Company Registration No.: 200609470N

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## **Press Release**

# **China Sunsine Expands into New Location at Weifang City, Shandong**

**SINGAPORE 26 April 2010** - China Sunsine Chemical Holdings Ltd. (the “**Company**”) wishes to announce that its subsidiary, Shandong Shanxian Chemical Co., Ltd (“**Shanxian Chemical**”), has entered into an MOU with the Weifang local government to acquire a 280 mu (about 187,000sqm) land at Weifang Binhai Economic Development Zone (潍坊滨海经济开发区), Weifang City, Shandong Province (“**WFEZ**”).

This new location (“**Facility 3**”) is intended to replace the Company’s existing Facility 1 at Shanxian, Shandong Province eventually, as well as to meet future expansion requirements. The site will be able to accommodate production lines and ancillary facilities to supply at least 50,000 tons of accelerators per year.

The WFEZ was chosen for the following reasons:

### **1. Desirable Investment Environment**

Located at the south bank of Laizhou Bay of Bohai Sea connecting Shandong to Beijing and Tianjin, the Central Government has designated this economic zone as “A National Demonstration Zone for Development of Salt and Salt Chemical Industry”. Billions of Renminbi have been injected to improve the infrastructure and facilities of WFEZ, and preferential investment policies have been put in place to attract investments. Major chemical companies such as Itochu, ICL Industrial Products and Toyo Chemical have set up facilities there.

### **2. Proximity to suppliers of our main raw material, Aniline**

There are several petroleum and chemical production companies which are situated at/near WFEZ, such as Shandong HaiHua Group Co Ltd and Shandong JinLing Chemical Co Ltd, which produce our main raw material, Aniline. Besides Aniline, there are companies producing chlorine and sodium hydroxide which are also our raw materials. This will translate to lower



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transportation and warehousing costs as well as ensuring the stability of supply of our raw materials.

### 3. Proximity to Certain Customers

The new production base in WFEZ will be closer to our major local tire customers, such as Shandong YongSheng Rubber, Shandong ShengTai Rubber and Zibo Shihong Chemical Industry Co. Ltd.

### 4. Proximity to Qingdao Port

Weifang has well established rail and road connections to Qingdao Port, which is 180 km away. With such proximity, our new Facility 3 could serve as a production base for our export markets.

Facility 1 will continue to operate for the time being. However, due to its limited size and close proximity to commercial developments within Shanxian city, the government's long term plan is to turn this site into a commercial/retail development centre. Depending on the closure date of Facility 1 as well as market demand, Facility 3 will be built in phases. In Phase 1, we will build a 15,000 ton MBT plant to satisfy internal production requirements as MBT is an intermediary material for other accelerator products.

Phase 1 construction along with the purchase of the WFEZ land is budgeted at RMB 100 million. This investment will be funded by internal resources, bank borrowings and/or strategic investors. The land purchase and development will be executed via a newly incorporated wholly owned subsidiary of Shanxian Chemical. The land purchase is expected to be completed by end of May this year and Phase 1 construction will commence thereafter. Construction of Phase 1 is scheduled for completion in the first quarter of next year. As a result, there would not be any material impact on our earnings per share and net tangible asset per share for FY2010.

***“Forging ahead, we will continue to grow and plan for the future. The Weifang site with its strong Government support has much potential and will serve as our bridge to the next level of growth,”*** commented Mr Xu Cheng Qiu, Executive Chairman.

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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".

#### **For more information, please contact:**

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