



China Sunsine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

NEWS RELEASE

China Sunsine Chemical Reports Higher Sales Volume on Lower Pricing in 1Q2009

- Sales volume up 16.6% y-o-y, selling prices cut in response to weak market
- Net Profit down to RMB 10.9 million on Sales of RMB 134.1 million
- Group see signs of continued demand with sales volume in March hitting monthly highs
- Declared interim dividend of S\$0.01 cents per share

SINGAPORE - 9 May 2009 - China Sunsine Chemical Holdings Ltd (“China Sunsine Chemical” or the “Group”), a global leader in the production and supply of rubber accelerators, is pleased to announce its results for the first quarter of 2009 ended 31 March 2009 (“1Q2009”).

Financial Highlights

RMB' million	1Q2009	1Q2008	Change
Group Revenue	134.1	167.2	(19.8)%
Gross Profit	22.3	33.4	(33.2)%
Gross Profit Margin (GPM)	16.6%	20.0%	(3.4 pts)
Profit before tax	12.3	18.7	(34.2)%
Net profit after tax	10.9	16.5	(33.9)%
EPS* (RMB cents)	2.25	3.36	(33.3)%
NAV per share (RMB cents)	109.14	93.71	16.5%

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



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During the quarter, the Group's net profit fell 33.9% to RMB10.9 million on a 19.8% decline in revenue of RMB134.1 million compared to year ago period.

Sales volume rose 16.6% to 9,187 tons in 1Q2009 from 7,877 tons in the previous corresponding period while overall average selling price (ASP) declined from RMB21,234 to RMB14,599. The Group noted that its March sales shipment hit a monthly new historical high.

During the quarter under review, local sales declined by 0.7% to RMB89.4 million. Major customers continue to include Hangzhou Zhongce, GITI Tyres, Double Coin Tyres (formerly Shanghai Tyres), Sumitomo Rubber (China) and Korean Kumho (China).

On the international front, sales declined 42.1% to RMB44.7 million as the export markets were more affected by the global recession than in China. Major customers include Bridgestone, Pirelli, Continental, Sumitomo Rubber, Goodyear, PMC India and Korean Kumho. Maiden contributions came from Continental US, Hankook Europe, and others.

As a result of lower prices, gross profit declined 33.2% to RMB22.3 million in 1Q2009, reflecting a margin decline to 16.6% as prices were reduced to better support customers' needs in the current period while increasing the Group's market share.

“We have set our strategy for this year which is to gain more market share by diversifying our product range and markets,” says Mr Xu Cheng Qiu, Executive Chairman of China Sunsine. “In the first quarter in particular, we had lowered our selling price in response to the weak demand and pricing and are pleased that this strategy has proven to be effective as reflected in the increased sales volume.”

“We chose to stay on the same side as our customers to overcome this difficult economic condition and we are confident they will continue to support us in the years ahead,” notes Chairman Xu.

Looking ahead, Chairman Xu says the Group's business will continue to be affected by the global economic crisis, with the global tyre sector among the worst hit as large tyre companies adjust production in response to slow demand. At least China is showing signs of growth in the tyre



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production from the lows of 4Q2008. China Sunsine's growth in volume under current crisis shows its competitiveness in this market.

“This is a challenging year. Our competitive pricing, service and product quality will help open up new markets. More customers will benefit, as they switch from international supplier to a reliable Chinese supplier who can meet their needs. We are confident of delivering more to our customers this year, ” notes Chairman Xu.

The Group's current expansion projects – anti-oxidant TMQ plant and insoluble sulphur plant – are expected to be completed by the end of FY2009. Meanwhile, work on the construction of its 7,000-ton MBTS plant at Facility 2 is in progress and is expected to be completed at the end of 1H2009 while the expansion of the DCBS workshop from 500 tons to 3,000 tons at Facility 1 is in progress and is expected to be completed at the end of 3Q2009.

To reward its shareholders, the Group has declared an interim cash dividend of S\$0.01 per share (tax-exempt) to shareholders, payable on 12 June 2009 (subject to approval by relevant authorities.)

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The initial public offering of the Company in July 2007 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 probably the largest producer of rubber accelerators in PRC and the world. It serves all the global top 10 tyre manufacturers - Bridgestone, Michelin, Goodyear, Continental, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tires - and more than 600 other customers in PRC and the world. Sunsine Chemical distributes its products under its own "Sunsine" brand, a brand which has been accredited as a “Shandong Province Famous Brand.”

As a chemical producer servicing 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”.

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