



China Sunsine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

NEWS RELEASE

China Sunsine Improves Performance in 2Q2009 q-o-q due to Effective Strategy

- **Net Profit grew 134% quarter-on-quarter to RMB25.5 million in 2Q2009 on revenue of RMB177.7 million**
- **Gross Profit Margin improved to 24.5% in 2Q2009 from a weak 1Q2009's 16.6%**
- **2Q2009 achieves Record Sales volume, up 21% q-o-q**
- **Cash position of RMB285.9 million**

SINGAPORE - 30 July 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 2Q2009 and six months of financial year ended 30 June 2009 (“1H2009”).

Financial Highlights

RMB' million	Half Year Ended		Change	Quarter Ended		Change
	30 Jun 09	30 Jun 08		30 Jun 09	31 Mar 09	
Group Revenue	311.8	402.1	(22.5)%	177.7	134.1	32.5%
Gross Profit	65.9	92.8	(29.0)%	43.6	22.3	95.5%
Gross Profit Margin (GPM)	21.1%	23.1	(2 pts)	24.5%	16.6%	7.9 pts
Profit before tax	41.9	61.1	(31.4)%	29.6	12.3	140.7%
Net profit after tax	36.4	53.5	(32.0)%	25.5	10.9	133.9%
Sales Volume (tons)	20,317	17,373	16.9%	11,130	9,187	21.1%
EPS* (RMB cents)	7.55	10.89	(30.7%)	5.37	2.25	138.7%
NAV per share (RMB cents) as of the period	114.57	111.57	2.7%	114.57	109.14	5.0%

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



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Some Recovery in Second Quarter as Market Sentiment Improved

The Group achieved net profit of RMB36.4 million in sales to RMB311.8 million for the first half of 2009. The 2Q2009 performance is significantly improved compared to the previous quarter due to the improved market sentiment in the Chinese market. For 2Q2009, revenue and net profit achieved RMB177.7 million and RMB25.5 million, representing increase of 32.5% and 133.9% respectively quarter-on-quarter.

“This illustrates the effectiveness of our strategy which is to be more price competitive, and expand new markets through various channels. As a result, we have achieved another historical high sales volume,” remarked Mr Xu Chengqiu, Executive Chairman.

The sales volume rose 21.1% to 11,130 tons in 2Q2009 from 9,187 tons in the previous quarter. Overall average selling price (ASP) for all products also improved from RMB15.0k per ton in 1Q2009 to RMB16.0k per ton in 2Q2009. The higher ASP reflects a better market sentiment as demand picks up, and together with our continued focus on cost reduction, led to a higher gross margin of 24.5% from 16.6% in 1Q2009.

The Group continued to receive strong support from its international and domestic customers, such as Bridgestone, Pirelli, Continental, Sumitomo Rubber, Goodyear, Korean Kumho, Hangzhou Zhongce, GITI Tyres, Double Coin Tyres and many others.

The Group's financial position remained healthy and strong. Its total assets stood at RMB751.6 million and net assets at RMB548.7 million giving a net asset per share of RMB114.57 cents, compared to RMB109.14 cents as at 31 December 2008, an increase of 5.0%. The Group has strong cash/notes position of RMB316.4 million comprising cash of RMB285.9 million and notes receivables of RMB30.5 million. The Group had a short-term loan of RMB80 million in the quarter of which RMB30 million has already been repaid as of the date of this press release.



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Key Developments for 2Q2009

Giving an update on its current expansion projects, Chairman Xu says the Group has completed construction of a 7,000-ton MBTS plant at the end of June 2009 and the plant is currently under trial production. Meanwhile, the expansion of its anti-oxidant TMQ plant and insoluble sulphur plant is in progress. Upgrading of the DCBS workshop will be dependent on market demand.

The Group also sees opportunities ahead with the recent appointment of Malaney Group, a leading distributor of rubber chemicals in India as its sole distributor/agent in India, Pakistan and Sri Lanka. *“We are confident that our partnership with Malaney Group offers huge potential for our products to be introduced to the major Indian tyre makers in the third largest economy of Asia,”* notes Chairman Xu.

“We are also exploring areas of co-operation with potential partners to serve our customers better, working on other regions currently under-served by our products,” Chairman Xu added.

Looking ahead, Chairman Xu says there still are some uncertainties for the year. The Group’s business will continue to be affected by the global slowdown, as the international tyre sector remains weak, although China has shown good growth in its automobile sales this quarter. In view of this, the Group expects selling prices to continue to be low, with any adjustments depending on prices of raw materials.

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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, with 50,000 TPA of accelerators capacity and 20,000 TPA planned for TMQ/IS. 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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