



China Sunsine Chemical Holdings Ltd.

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

Company Registration No.: 200609470N

China Sunsine Chemical posts record net profit of RMB37.0 million for 2Q2008, up 52%

- Demand remained strong, 2Q 2008 revenue rises sharply to RMB234.9 million, up 47% y-o-y
- ASP up 27% y-o-y as raw material costs increases
- Sales volume increase in line with increase in production capacity

SINGAPORE – 31 July 2008 - China Sunsine Chemical Holdings Ltd (“**China Sunsine Chemical**” or “**The Group**”), *a global leader in the production and supply of rubber accelerators*, essential raw materials used by the global tire industry, has closed the first half of its current FY2008 financial year on a strong footing.

Financial Highlights

RMB' million	2Q2008	1H2008	2Q2007	Y-o-y % Change
Revenue	234.9	402.1	159.6	47%
Gross Profit	59.4	92.8	34.8	71%
Gross Profit Margin	25.3%	23.1%	21.8%	+3.5 pts
Net Profit	37.0	53.6	24.3	52%
Net Profit Margin	15.8%	13.3%	15.2%	+0.6 pts

Due to strong demand from customers, the Group posted a 47% increase in its revenue for 2Q2008 to RMB234.9 million from RMB159.6 million for 2Q2007. As a result, gross profit rose 71% to RMB59.4 million in 2Q2008. Net profit surged 52% to RMB37.0 million, from RMB24.3 million in the preceding period.



China Sunsine Chemical Holdings Ltd.

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

Company Registration No.: 200609470N

Enjoying a boost in 2Q2008 performance, the Group posted an overall 20% increase in net profit to RMB53.5 million on a 41% increase in revenue to RMB402.1 million for 1H2008.

Based on the Group's latest half-year results, its earnings per share on a *post IPO share issue of 491.7 million shares* would have grown on a year-on-year basis from 9.05 RMB cents to 10.89 RMB cents, while net assets backing per share rose from 95.36 RMB cents as at 31 December 2007 to 101.19 RMB cents as at 30 June 2008.



"Our business model is a 'cost-plus' model, ie we pass increases in raw materials to customers, allowing ourselves to earn a reasonable margin. This set of results demonstrates Sunsine Chemical's market leadership position in our industry. Our global customers trust us to deliver quality products and maintain high level of service quality in our delivery schedule, shipment and commitment."

**- Xu Cheng Qiu. Executive Chairman.
China Sunsine Chemical**

Strong Demand Growth

Sales revenue was driven by strong demand from existing and new customers. Sales volume was up 16% from 8,025 tons in 2Q2007 to 9,496 tons in 2Q2008. Average Selling Price (ASP) increased by 27% year-on-year from RMB19,455 per ton in 2Q2007 to RMB24,764 per ton in 2Q2008.



China Sunsine Chemical Holdings Ltd.

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

Company Registration No.: 200609470N

Local sales increased by 76% to RMB150.9 million and export sales increased by 14% to RMB84.0 million in 2Q2008.

Due to limited capacity, the Group allocated more supplies to its key direct customers, such as **Bridgestone, Michelin (China), Goodyear, Sumitomo Rubber, Hangzhou Zhongce, Shanghai Tyres, GITI Tires, Korean Kumho and Hankook Tire.**

The Group continues to deepen customer relationship, gain new markets from existing customers. **Pirelli Tires (South America, Turkey)** continued with regular orders after placing trial orders in 4Q2007. **PT Gajah Tunggal Tbk**, a related business group of existing customer **GITI Tires (China)**, started their first orders from Sunsine Chemical in 2Q2008. It is worth noting that PT Gajah Tunggal Tbk is the largest integrated tire producer in South-East Asia and ranks among the top 20 tire producers in the world. The Group made further inroads into the Korean market, a market that the Group has significant market share. Two Korean customers - Korean Nexen Tire and Korean Cho Yang - increased their volume of purchases from the Group.

Expansion of Production Capacity

Riding on strong demand, the Group is actively executing its expansion plan to satisfy its global customers.

With the recent completion of its 5,000-ton anti-oxidant TMQ plant and the 10,000-ton integrated plant for sulphenamides accelerators, the Group has started trial production so as to get them ready for commercial production.

The Group will also be expanding both the anti-oxidant TMQ plant and insoluble sulphur plant to 10,000 tons capacity by the end of FY2008.



China Sunsine Chemical Holdings Ltd.

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

Company Registration No.: 200609470N

The construction of a 10,000-ton MBT workshop to increase capacity of intermediate product MBT from 20,000 tons to 30,000 tons is on schedule for completion by 3Q2008.

By the end of 2008, the Group will be achieving a year-end production capacity of 50,000 tons for rubber accelerators and an effective capacity of approximately 44,000 tons for the year.

Outlook for FY2008

“We continue to execute our expansion plans to be the clear global market leader, serving our global customers in their other markets that we don’t currently serve.

“We remain bullish in our growth for FY2008 riding on the continued growth of the PRC tire industry and customers’ faith in our products and service quality,” says Mr Xu Cheng Qiu, Executive Chairman of China Sunsine Chemical.

-End-



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. is a market leader in the production and supply of rubber accelerators to the global tyre industry. It serves all the global top 10 tyre manufacturers - Bridgestone, Michelin, Goodyear, Continental, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tires and many others. Its products are sold in PRC and exported to over 30 countries around the world. Sunsine Chemical is an ISO9001:2000-certified manufacturer, and distributes its products under its own "Sunsine" brand, a brand which has been accredited as a "Shandong Province Famous Brand".

It is a component stock of FTSE-ST China Index. Its SGX ticker code is "ChinaSsine".

For more information, please contact:

Jennie Liu, IR Manager (jennie@ChinaSunsine.com)

Tel: (65) 6220 9070

Fax: (65) 6223 9177