



China Sunsine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

NEWS RELEASE

Solid 1HFY2010 net profit of RMB58.7m due to continuous strong performance in 2QFY2010

- 2QFY2010 net profit rose 11% to RMB28.3m on 40% increase in revenue to RMB248.3m
- Sales volume in 2QFY2010 up 24% to 13,823 tons, a historic quarterly high
- Strong cash position with cash and notes of RMB160.8 million
- Group expects demand for its products to be sustainable and is confident of its profitability

SINGAPORE - 29 July 2010 - China Sunsine Chemical Holdings Ltd. (“China Sunsine” or the “Group”), a specialty rubber chemicals producers and global leader in the production and supply of rubber accelerators, has ended the first half of the current financial year with double digit growth in both revenue and profits. 2QFY2010 continued to deliver stable and sustainable performance.

Financial Highlights

RMB' million	Half Year Ended		Change	Quarter Ended		Change
	30 Jun 10	30 Jun 09		30 Jun 10	30 Jun 09	
Group Revenue	451.0	311.8	45%	248.3	177.7	40%
Gross Profit	103.0	65.9	56%	55.0	43.6	26%
Gross Profit Margin (GPM)	22.8%	21.1%	+1.7 pts	22.2%	24.5%	-2.3 pts
Profit before tax	67.4	41.9	61%	33.2	29.6	12%
Net profit after tax	58.7	36.4	61%	28.3	25.5	11%
Sales Volume (tons)	25,037	20,000	25%	13,823	11,130	24%
EPS* (RMB cents)	12.30 ¹	7.55	63%	5.93	5.31	12%
NAV per share (RMB cents) as of the period	132.96 ²	114.57	16%			

¹ Equivalent to 2.54 SGD cents at exchange rate of 4.8351

² Equivalent to 27.50 SGD cents at exchange rate of 4.8351



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For the six months ended 30 June 2010, net profit rose 61% to RMB 58.7 million from RMB 36.4 million in 1HFY2009, translating into earnings per share of RMB 12.30 cents compared with RMB 7.55 cents in 1HFY2009.

Revenue during the six-month period rose 45% to RMB 451.0 million compared to RMB 311.8 million in 1HFY2009 as sales volume improved 25% to 25,037 tons given that our production capacities were able to satisfy the increased demand. Average Selling Price (“ASP”) also increased to about RMB18.0k per ton in 1HFY2010 compared to RMB15.6k in 1H2009. Besides the increase in demand, the higher ASP was partly due to increase in raw material prices.

Commenting on the 1HFY2010 results, executive chairman Mr Xu Cheng Qiu (徐承秋), says, *“The economic climate in the second quarter had continued to improve. As a result, we were able to meet the market demand and maintain our strong position in the industry.”*

Analysis of Sales and Volume

	Sales Volume (Tons)		Sales (RMB' million)	
	2Q2010	2Q2009	2Q2010	2Q2009
Accelerators	11,797	10,061	222.2	166.7
Insoluble sulphur	995	702	11.6	6.3
Anti-oxidant	935	273	12.3	2.6
Others	96	94	2.2	2.1
Total	13,823	11,130	248.3	177.7
Local Sales	8,656	7,039	149.0	106.2
International sales	5,167	4,091	99.3	71.5

Sales volume across all categories increased especially for anti-oxidant, TMQ, which volume increased to 935 tons during the second quarter compared to 91 tons in 1QFY2010. *“This was because the Group re-commenced the TMQ production in March 2010 and sales have improved,”* says Mr Xu, adding that such sales volume is sustainable into the next quarter.



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During the quarter under review, despite the European debt crisis and depreciation of the Euro, export sales still delivered remarkable volume surpassing the 5,000 tons level. This was mainly due to strong sales to the Asia market (excluding China). The sales to the domestic market remain healthy.

The Group's financial position remains strong. Its total cash and liquid notes amounted to RMB160.8 million with net assets per share of RMB133 cents as at 1HFY2010.

Expansion Plan Update

The Group is undergoing its expansion plan as scheduled.

- The structural construction of R&D center, office building and auxiliary facilities was completed in 2Q2010 and these facilities are now undergoing interior work.
- Phase I construction of 15,000-ton 6PPD plant at Facility 2 will be completed by 3Q2010.
- The capacity of Insoluble Sulphur plant will be upgraded to 10,000-ton p.a. by 3Q2010.
- Phase I construction of 15,000-ton MBT plant at Facility 3 (Weifang site) will be completed by 1Q2011.

In addition, the Group will commence the shifting of some of its production facilities from Facility 1 to Facility 2 in 2HFY2010.

Moving ahead into second half of the financial year, Mr Xu says, *“Though PRC car sales are likely to achieve another new record of 15 million units in 2010, we are seeing the growth rate of car sales gradually tapering off. We expect demand for our products to be sustainable. This is because the Group has captured a bigger market share and built a strong customer base through its continuous marketing efforts and product quality enhancement strategy.”*

The Group expects to continue its profitability for FY2010.

- End -



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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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