

**China SunSine Chemical Holdings Ltd.**112 Robinson Road #12-04 Singapore 068902
Tel: (65) 6220-9070 Web: www.ChinaSunSine.com

Company Registration No.: 200609470N

NEWS RELEASE**China SunSine continues to expand market share despite challenging economic conditions worldwide**

- 2Q2012 revenue up 16% to RMB 363.2 mln
- Net profit declined 70% to RMB11.2 mln due to lower ASP and increased raw material costs as well as higher admin expenses
- New sales volume record achieved at 20,411 tons

SINGAPORE – 30 July 2012 - China SunSine Chemical Holdings Ltd (“China SunSine” or the “Group”), a specialty rubber chemicals producer and global leader in the production and supply of rubber accelerators, today reported a healthy set of financial results for the second quarter and first half year ended 30 June 2012 (“2Q2012” and “1H2012”) despite the challenging economic conditions in the PRC and the global markets.

Financial Highlights

RMB' million	Quarter Ended		Change	Half Year Ended		Change
	30 Jun 12	30 Jun 11		30 Jun 12	30 Jun 11	
Group Revenue	363.3	314.2	16%	687.3	569.0	21%
Gross Profit	72.7	77.0	-6%	141.2	144.4	-2%
Gross Profit Margin (GPM)	20.0%	24.5%	-4.5 pts	20.5%	25.4%	-4.9pts
Profit before tax	19.3	51.1	-62%	53.4	76.5	-30%
Net profit after tax	11.2	37.2	-70%	38.1	50.2	-24%
Sales Volume (tons)	20,411	15,796	29%	38,746	28,767	35%
EPS (RMB cents)	2.42	7.79	-69%	8.13 ¹	10.52	-23%
NAV per share (RMB cents) as of the period				162.38 ²	150.25	8%

¹ Equivalent to 1.63 SGD cents at exchange rate of 4.9704² Equivalent to 32.67 SGD cents at exchange rate of 4.9704



China SunSine Chemical Holdings Ltd.

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

Company Registration No.: 200609470N

During the quarter under review, sales volume grew 29% yoy with its sales volume hitting a new record high at 20,411 tons. The Group has been achieving record sales volume for the past 14 consecutive quarters. However, Average Selling Price (“ASP”) for all products decreased to RMB 17,801 per ton compared to RMB 19,894 in 2Q2011. The ASP decrease was in line with the Group’s marketing strategy to expand its market share. As a result, revenue rose 16% to RMB 363.6 million compared to RMB 314.2 million in 2Q2011 while gross profit slid 6% to RMB 72.7 million in this quarter. The overall gross profit margin for the quarter decreased to 20.0% compared to 24.5% in 2Q2011.

2Q2012 net profit dropped 70% from RMB 37.2 million in 2Q2011 to RMB 11.2 million. This was mainly due to the following:

- RMB 9.3 million of research and development expenses related to the trial production of 6PPD, including raw materials and utilities costs. With the successful completion of the trial production for 6PPD, such R&D expenses are not expected to recur.
- RMB 6.2 million of additional accruals for social insurance
- RMB 4.0 million of additional depreciation on the R&D centre, new office facilities and other common facilities
- Finance expenses increased from RMB 1.1 million to RMB 3.3 million yoy as the loan amounts increased
- Additional operating expenses as the Group increased its production scale in Shanxian and Weifang

The Group’s 1H2012 net profit declined 24% to RMB 38.1 million from RMB 50.2 million in 1H2011 due to the above mentioned reasons.



China Sunsine Chemical Holdings Ltd.

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

Company Registration No.: 200609470N

Analysis of Sales and Volume

	Sales Volume (Tons)				Sales (RMB'm)			
	2Q2012	2Q2011	1H2012	1H2011	2Q2012	2Q2011	1H2012	1H2011
Accelerators	16,567	13,192	31,687	24,173	313.3	281.3	597.2	510.9
Insoluble sulphur	2,672	1,625	5,154	3,054	31.0	19.1	58.9	35.8
Anti-oxidant	857	836	1,271	1,279	12.9	10.9	19.2	16.7
Others	315	143	624	261	6.1	2.9	12.0	5.6
Total	20,411	15,796	38,746	28,767	363.3	314.2	687.3	569.0
Local Sales	13,455	9,184	25,434	17,239	221.3	169.0	413.7	314.0
International Sales	6,956	6,612	13,312	11,528	142.0	145.2	273.6	255.0

During the quarter, sales volume across all categories increased due to the Group's ability to increase its production capacity to meet the increased demand given its marketing and pricing strategies. Accelerators contributed 81% of the Group's sales. Sales volume for insoluble sulphur grew 64% because of the continuous marketing efforts on this product since the capacity expansion in end FY2010. Anti-oxidant TMQ continued to experience low utilization due to the intense market competition as this product has low production entry barrier.

Despite the overcapacity situation facing the rubber chemical industry and the reduced auto sales growth of 2.9% to 9.6 mln units in 1H2012, our market share continued to increase. This is due to our Group's strong marketing efforts and ability to deliver quality products.

Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, "*The operating environment has become more and more challenging as the local economy slows down while the major overseas economies deteriorate further. Gross profit margin will continue to face downward pressure as we seek to increase our market share. Fortunately, through the past years, the Group has differentiated itself through product excellence, continuous innovation, increased economies of scales and superior customer service. With our track record and reputation, I believe we can work together with our customers to achieve higher sales at competitive prices.*"



China Sunsine Chemical Holdings Ltd.

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

Company Registration No.: 200609470N

As an update to shareholders, we are delighted to have successfully completed the trial production of 6PPD and are now at the accreditation stage. We are positive of achieving successful accreditation from our customers for this new product.”

Based on its latest 1H2012 results, the Group’s earnings per share was RMB 8.13 cents. The Group’s financial position remains healthy. Its total cash and liquid notes amounted to RMB 120.9 million with net assets per share of RMB 162.38 cents as at 1H2012.

Expansion Plan Update

The Group completed the following projects in 2Q2012:

- Successfully completed the trial production of anti-oxidant 6PPD. All major customers have been given samples; and
- Completed 6,000-ton CBS plant and its trial production at Weifang facility.

In the second half year, the Group expects to receive successful 6PPD accreditation from some customers. Normally, it will take 2 to 6 months or even longer for product certification depending on the customers’ internal procedures.

Update of our production capacity is set out below:

Tons	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012e ³
Accelerators	39,000	50,000	55,000	56,500	56,500	66,500
Insoluble Sulphur	5,000	5,000	8,000	10,000	10,000	10,000
Anti-oxidant	-	5,000	10,000	10,000	25,000	25,000
Total	44,000	60,000	73,000	76,500	91,500	101,500

- End -

³ Annual Capacity excludes the capacity of intermediary materials such as 4ADPA and MBT



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. (“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:

Dave Yak, CFO, daveyak@ChinaSunsine.com
Jennie Liu, IR Manager, jennie@ChinaSunsine.com
Tel: (65) 6220 9070 Fax : (65) 6223 9177