
CHINA SUNSINE CHEMICAL HOLDINGS LTD.

The initial public offering of the Company was sponsored by CIMB-GK Securities Pte. Ltd. (the "Manager"). The Manager assumes no responsibility for the contents of this announcement.

UNAUDITED FINANCIAL STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2007**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding year.

| | 2 nd quarter ended | | | 6 months ended | | |
|-----------------------------------|-------------------------------|---------------|--------------|----------------|---------------|--------------|
| | 30/6/2007 | 30/6/2006 | Change | 30/6/2007 | 30/6/2006 | Change |
| | RMB'000 | RMB'000 | % | RMB'000 | RMB'000 | % |
| Revenue | 159,632 | 137,359 | 16.2% | 285,210 | 228,491 | 24.8% |
| Cost of sales | 124,821 | 103,951 | 20.1% | 222,829 | 173,025 | 28.8% |
| Gross profit | 34,811 | 33,408 | 4.2% | 62,381 | 55,466 | 12.5% |
| Other operating income | 1,028 | 413 | 148.9% | 2,215 | 1,764 | 25.6% |
| Selling and distribution expenses | 5,574 | 4,931 | 13.0% | 10,083 | 9,365 | 7.7% |
| Administrative expenses | 3,527 | 3,547 | -0.6% | 6,860 | 6,788 | 1.1% |
| Research costs | 2,304 | 1,952 | 18.0% | 2,638 | 2,980 | -11.5% |
| Other operating expenses | 36 | 421 | -91.4% | 157 | 742 | -78.8% |
| Finance expenses | 104 | 215 | -51.6% | 363 | 1,258 | -71.1% |
| Profit before taxation | 24,294 | 22,755 | 6.8% | 44,495 | 36,097 | 23.3% |
| Taxation | 0 | 5,069 | -100.0% | 0 | 7,548 | -100.0% |
| Profit after taxation | 24,294 | 17,686 | 37.4% | 44,495 | 28,549 | 55.9% |
| Gross profit margin | 21.8% | 24.3% | -2.5% | 21.9% | 24.3% | -2.4% |
| Earnings per share (RMB cents) | 6.94 | 5.05 | 37.4% | 12.71 | 8.16 | 55.8% |

| | 2 nd quarter ended | | | 6 months ended | | |
|---|-------------------------------|-----------|--------|----------------|-----------|--------|
| | 30/6/2007 | 30/6/2006 | Change | 30/6/2007 | 30/6/2006 | Change |
| | RMB'000 | RMB'000 | % | RMB'000 | RMB'000 | % |
| Profit before tax is arrived at after charging/ (crediting) | | | | | | |
| Other income including interest income | (212) | (31) | 583.9% | (452) | (100) | 352.0% |
| Interest on borrowings | 104 | 215 | -51.6% | 363 | 1,258 | -71.1% |
| Depreciation of plant and equipment | 4,014 | 3,420 | 17.4% | 7,337 | 5,885 | 24.7% |
| Foreign exchange loss | 253 | - | 100.0% | 583 | - | 100.0% |

as at the end of the immediately preceding financial year.

| | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|----------------------|----------------------|
| | 30-Jun-2007 | 31-Dec-2006 | 30-Jun-2007 | 31-Dec-2006 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| ASSETS:- | | | | |
| NON-CURRENT ASSETS | | | | |
| Investment in subsidiaries | - | - | 50,560 | 50,560 |
| Plant and equipment | 66,777 | 50,996 | - | - |
| Land use rights | 5,520 | 5,311 | - | - |
| | <u>72,297</u> | <u>56,307</u> | <u>50,560</u> | <u>50,560</u> |
| CURRENT ASSETS | | | | |
| Inventories | 19,380 | 27,487 | - | - |
| Trade receivables | 127,990 | 102,084 | - | - |
| Other receivables, deposits and prepayments | 36,746 | 28,394 | 5,264 | 411 |
| Cash and cash equivalents ⁽¹⁾ | 29,394 | 64,101 | 125 | 229 |
| | <u>213,510</u> | <u>222,066</u> | <u>5,389</u> | <u>640</u> |
| TOTAL ASSETS | <u><u>285,807</u></u> | <u><u>278,373</u></u> | <u><u>55,949</u></u> | <u><u>51,200</u></u> |
| EQUITY | | | | |
| Equity attributable to equity holders of the parent | | | | |
| Share capital and share premium ⁽²⁾ | 49,363 | 5 | 49,363 | 5 |
| Merger reserve | - | -32,757 | - | - |
| Statutory reserves | 22,062 | 22,062 | - | - |
| Exchange on translation | 901 | -2 | 864 | - |
| Accumulated profits | 101,773 | 90,035 | 189 | 222 |
| TOTAL EQUITY | <u>174,099</u> | <u>79,343</u> | <u>50,416</u> | <u>227</u> |
| LIABILITIES | | | | |
| NON-CURRENT LIABILITIES | | | | |
| Amount owing to employees | - | 248 | - | - |
| Bank loans | - | - | - | - |
| Deferred taxation | - | - | - | - |
| | <u>0</u> | <u>248</u> | <u>0</u> | <u>0</u> |
| CURRENT LIABILITIES | | | | |
| Trade payables | 19,243 | 9,370 | - | - |

| | | | | |
|-------------------------------------|----------------|----------------|---------------|---------------|
| Other payables and accruals | 61,573 | 139,598 | 37 | 50,327 |
| Amounts owing to subsidiaries | - | - | 5,496 | 646 |
| Dividend payable | 13,844 | 31,332 | | |
| Bank loans | 12,000 | 12,000 | - | - |
| Provision for taxation | 5,048 | 6,482 | - | - |
| | <u>111,708</u> | <u>198,782</u> | <u>5,533</u> | <u>50,973</u> |
| TOTAL LIABILITIES | <u>111,708</u> | <u>199,030</u> | <u>5,533</u> | <u>50,973</u> |
| TOTAL EQUITY AND LIABILITIES | <u>285,807</u> | <u>278,373</u> | <u>55,949</u> | <u>51,200</u> |

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Amount repayable in one year or less, or on demand

| As at 30-Jun-2007 | | As at 31-Dec-2006 | |
|-------------------|-----------|-------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| 12,000 # | 54,087 * | 12,000# | 17,158 |

Amount repayable after one year

| As at 30-Jun-2007 | | As at 31-Dec-2006 | |
|-------------------|-----------|-------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| - | - | - | - |

Details of any collateral

The bank loan amounts totaling RMB 12 million are secured by a RMB 30,000,000 mortgage on our subsidiary's property, plant and equipment at Facility 2. The loans carry interest ranging from 3% to 7.605% p.a.

* Includes loan from shareholder/director amounting to RMB 50.3 million. Amount is unsecured, interest-free and requires our Audit Committee's approval before it can be repaid. Announcement shall be made via SGXNet accordingly.

(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | |
|-------------------------------------|-----------------------|
| <u>2nd quarter ended</u> | <u>6 months ended</u> |
| <u>30-Jun-2007</u> | <u>30-Jun-2006</u> |
| <u>30-Jun-2007</u> | <u>30-Jun-2006</u> |

| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
|---|-------------------------------------|--------------------|-----------------------|--------------------|
| Cash flows from operating activities | | | | |
| Profit before taxation | 24,294 | 22,755 | 44,495 | 36,097 |
| Adjustments for:- | | | | |
| Depreciation of plant and equipment | 4,014 | 3,320 | 7,337 | 5,684 |
| Interest expense | 104 | 215 | 363 | 1,258 |
| Interest income | -212 | -31 | -452 | -100 |
| translation difference | 174 | - | 16 | - |
| Operating profit before working capital changes | 28,374 | 26,259 | 51,759 | 42,939 |
| Changes in working capital: | | | | |
| Inventories | 4,522 | -3,572 | 8,107 | 3,749 |
| Trade receivables | -13,788 | -11,190 | -25,906 | -538 |
| Other receivables, deposits and prepayments | -12,918 | 1,053 | -7,740 | -7,541 |
| Trade payables | 3,205 | 5,336 | 9,873 | 3,590 |
| Other payables and accruals | -38,916 | -38,924 | -27,780 | -29,455 |
| Cash deposit released from pledge | 14,937 | 18,674 | 28,999 | - |
| Cash (used in)/generated from operations | -14,584 | -2,364 | 37,312 | 12,744 |
| Income taxes paid | - | -3,600 | -1,434 | -8,459 |
| Net cash (used in)/generated from operating activities | -14,584 | -5,964 | 35,878 | 4,285 |
| Cash flows from investing activities | | | | |
| Purchase of plant and equipment | -16,606 | -6,611 | -23,327 | -9,112 |
| Interest income received | 212 | 31 | 452 | 100 |
| Net cash used in investing activities | -16,394 | -6,580 | -22,875 | -9,012 |
| Cash Flow Statement (continued) | | | | |
| | <u>2nd quarter ended</u> | | <u>6 months ended</u> | |
| | <u>30-Jun-2007</u> | <u>30-Jun-2006</u> | <u>30-Jun-2007</u> | <u>30-Jun-2006</u> |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Cash flows from financing activities | | | | |
| Proceeds from issue of shares | | | | 10,200 |
| Interest expense paid | -104 | -215 | -975 | -1,258 |
| Dividend paid | - | - | -17,488 | - |
| Repayment of borrowings from employee | -248 | - | -248 | - |
| Proceeds from bank borrowings | - | 25,763 | | 5,763 |
| Net cash generated from financing activities | -352 | 25,548 | -18,711 | 13,217 |
| Net (decrease)/ increase in cash and bank balances | -31,330 | 13,004 | -5,708 | 8,490 |
| Cash and bank balances at beginning of period | 60,724 | 49,710 | 33,361 | 54,224 |
| Cash and bank balances at end of period | 29,394 | 62,714 | 27,653 | 62,714 |

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders', together with a comparative statement for the corresponding period of the immediately preceding

financial year.

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
GROUP**

| | Share Capital | Statutory Reserves | Accumulated Profits and Merger Reserve | Total |
|--|---------------|--------------------|--|----------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Balance as at 1 January 2007 | 5 | 22,062 | 57,276 | 79,343 |
| Net profit for the period | 0 | 0 | 20,201 | 20,201 |
| Balance as at 31 March 2007 | 5 | 22,062 | 77,477 | 84,375 |
| Net profit for the period/exchange differences | | | 24,296 | 24,296 |
| Issue of shares | 49,358 | 0 | 0 | 49,358 |
| Balance as at 30 June 2007 | 49,363 | 22,062 | 101,773 | 174,099 |

GROUP – Not Applicable

| | Share Capital | Statutory Reserves | Accumulated Profits | Total |
|--|---------------|--------------------|---------------------|---------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Balance as at 1 January 2006 | | | | |
| Net profit for the period | | | | |
| Balance as at 31 March 2006 | | | | |
| Issue of shares pursuant to restructuring exercise | | | | |
| Net profit for the period | | | | |
| Balance as at 30 June 2006 | | | | |

COMPANY

| | Share Capital | Accumulated Profits | Total |
|------------------------------|---------------|---------------------|---------|
| | RMB'000 | RMB'000 | RMB'000 |
| Balance as at 1 January 2007 | 5 | 260 | 265 |
| Issue of shares | - | - | - |
| Listing expenses | - | - | - |
| Net loss for the period | - | (30) | (30) |
| Balance as at 31 March 2007 | 5 | 230 | 235 |
| Dividend paid | - | - | - |
| Net loss for the period | - | (42) | (42) |
| Balance as at 30 June 2007 | 5 | 188 | 193 |

Group

Not applicable

| Share Capital | Accumulated Profits | Total |
|---------------|---------------------|-------|
|---------------|---------------------|-------|

| | RMB'000 | RMB'000 | RMB'000 |
|--|---------|---------|---------|
| Balance as at date of incorporation | | | |
| Net loss for the period | | | |
| Balance as at 31 March 2006 | | | |
| Issue of shares pursuant to restructuring exercise | | | |
| Net loss for the period | | | |
| Balance as at 30 June 2006 | | | |

- 1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

| | Number of shares | resultant issued and paid up share capital S\$ |
|---|------------------|---|
| Issued and fully paid-up ordinary shares as at 31 December 2006 | 1,000 | 1,000 |
| Subdivision of shares | 300,224,550 | 1,000 |
| Conversion of convertible loans | 49,775,450 | 9,930,700 |
| Pre-Invitation share capital | 350,000,000 | 9,931,700 |
| As at 30 June 2007 | 350,000,000 | 9,931,700 |

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The group has applied the same accounting policies and methods of computations in the financial statements for the current financial year compared with those of the audited financial statements as at 31 December 2006.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

None.

- 6 **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

| | 2 nd quarter ended | | 6 months ended | |
|--------------------|-------------------------------|-------------|----------------|-------------|
| | 30-Jun-2007 | 30-Jun-2006 | 30-Jun-2007 | 30-Jun-2006 |
| | RMB (cents) | RMB (cents) | RMB (cents) | RMB (cents) |
| | (1) | (3) | (2) | (4) |
| Earnings per share | 6.94 | 5.05 | 12.71 | 8.16 |

(1) The calculation of basic earnings per share for the three months ended 30 June 2007 is based on the Group's profit attributable to equity holders of the Company of RMB 24.3 million and number of shares before the initial public offering of the Company in Jul 2007 of 350,000,000 ordinary shares.

(2) The calculation of basic earnings per share for the six months ended 30 June 2007 is based on the Group's profit attributable to equity holders of the Company of RMB 44.5 million and number of shares before the initial public offering of the Company in Jul 2007 of 350,000,000 ordinary shares.

(3) The calculation of basic earnings per share for the three months ended 30 June 2006 is based on the Group's profit attributable to equity holders of the Company of RMB 17.7 million and number of shares before the initial public offering of the Company in Jul 2007 of 350,000,000 ordinary shares.

(4) The calculation of basic earnings per share for the six months ended 30 June 2006 is based on the Group's profit attributable to equity holders of the Company of RMB 28.5 million and number of shares before the initial public offering of the Company in Jul 2007 of 350,000,000 ordinary shares.

- 7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

| | Group | | Company | |
|------------------------------------|-------------|-------------|-------------|-------------|
| | 30-Jun-2007 | 31-Dec-2006 | 30-Jun-2007 | 31-Dec-2006 |
| Net asset value per ordinary share | 49.7 | 22.7 | 14.1 | N.M |

(1) Net asset per share for 30 June 2007 has been computed based on shareholder's equity as at this date and number of shares before IPO of 350,000,000 shares.

(2) Net asset per share for 31 December 2006 has been computed based on shareholder's equity as at this date and number of shares before IPO of 350,000,000 shares.

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Commentaries on performance

The Group recorded a revenue of RMB 285.2 million in 1H2007 which was 24.8% higher than 1H2006 of RMB 228.5 million and net profit after income tax rose 55.9% from RMB 28.5 million in 1H2006 to RMB 44.5 million in 1H2007.

Sales volume was up 36.3% from 10,712 tons in 1H2006 to 14,601 tons in 1H2007, offset by a decline in the overall ASP of about 8.4% from RMB 21,332 in 1H2006 to RMB 19,534 in 1H2007. This is in line with the increase in our 6-month effective production capacity of 35% from approximately 11,500 tons in 1H2006 to 15,500 tons in 1H2007. Exports sales increased from RMB109.6 million in 1H2006 to RMB130.5 million in 1H2007, representing an increase of 19%, while local PRC sales increased from RMB118.9 million in 1H2006 to RMB154.7 million in 1H2007, an increase of 30%. The larger increase in exports sales was seen in sales to Goodyear (1H2006 RMB 0.6million, 1H2007 RMB 9.6million) and Korean Kumho (1H2006 RMB 0, 1H2007 RMB 5.0million). For PRC customers, the larger increase in sales was seen in Hangzhou Zhongce (1H2006 RMB 10.7million, 1H2007 RMB17.2million) and GITI Tyres (1H2006 RMB 8.2million, 1H2007 RMB 15.3million).

The top 10 customers contributed approximately RMB136.2 million or 48% of total sales in 1H2007 compared to RMB 116.4 million or 51% of total sales in 1H2006.

Gross profits grew 12.5% from RMB 55.5 million to RMB 62.4million as revenue increased 24.8% offset by lower gross margin of 21.9% in 1H2007 compared to 24.3% in 1H2006.

Other operating income increased from RMB 1.8 million in 1H2006 to RMB 2.2 million in 1H2007 mainly due to increase in sale of scrap materials.

Selling and distribution expenses have increased slightly by 7.7% from RMB 9.4 million in 1H2006 to RMB 10.1 million in 1H2007 in line with the higher level of sales.

Administrative expenses increased slightly by 1.1% from RMB 6.8 million to RMB 6.9 million. Research costs declined slightly from RMB 3.0 million to RMB 2.6 million as some management time was diverted to IPO preparation work. We expect to spend more on research activities in 2H2007. Other operating expenses and finance expenses have declined as the Group has less interest-bearing loans in 1H2007 compared to 1H2006.

PBT increased by 23.3% from RMB 36.1 million in 1H2006 to RMB 44.5 million in 1H2007, maintaining a PBT margin of 15.8% and 15.6% respectively, while EBITDA margin maintained at 18.3% and 18.2% respectively.

With our sole subsidiary being exempted from taxation in FY2007, net profit after tax surged 55.9% from RMB 28.5 million in 1H2006 to RMB 44.5 million in 1H2007.

Commentaries on balance sheet and cash flow

Net asset for the Group has increased RMB 94.8 million due to an amount of approximately RMB 50 million invested by strategic investors and net profit generated from the period 1H2007 of about RMB 44.5 million. This has led to increase in the net current assets as at 30 June 2007 of RMB 78.5 million relative to that as at 31 December 2006, while RMB 16.3 million was invested into the fixed assets during 1H2007 into the various projects currently undergoing.

Inventory value was kept low at RMB 19.3million as at 30 June 2007 compared to RMB27.5million at 31 Dec 2006, as production was to meet customers' orders. With higher sales in 1H2007, trade debtors increased 25% from RMB 102.1 million to RMB 128.0 million. Other receivables, deposits and prepayments have also correspondingly increased from RMB 28.4 million to RMB 36.7 million or 29% as we started on the integrated production workshop and upgraded the wastewater treatment facility and carried out other activities to expand the production capacity.

As funds were adequate, the Group paid off the major current liabilities including RMB 31.4 million of notes payables to the bank, part payment of RMB 17.5 million of dividends owing to shareholders, and RMB 17.0 million of R&D payables and others such that total current liabilities were reduced by RMB87.1 million from RMB 198.8 million as at 31 Dec 2006 to RMB 111.7 million as at 31 June 2007.

Net tangible asset value as at 30 June 2007 was RMB 174.1 million, significantly greater than the net tangible asset value as at 31 December 2006 of RMB 79.3 million, due to profits generated from operations and proceeds from the strategic investors during the period.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable as no forecast has been previously made known to shareholders.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group foresees strong growth in the rubber chemical sector in the foreseeable future, which is driven mainly by the demand for tyres in the automotive industry. Currently the Group has 54% sales generated domestically while the balance of 45% sales generated via export. Therefore the group is well positioned to benefit from both domestic automotive demand as well as export demand from Europe and USA .

The Group believes total global demand for its main product category rubber accelerators, part of rubber chemical sector is approximately 400,000 tons a year currently. The Group believes this global market for rubber accelerators to grow at an annual rate of 10%, with growth in China being the highest at about 30% for the next 3 years. With its annual capacity of 32,000 tons as at end June 2007, the Group believes it is currently one of the largest producer of rubber accelerators in China and the world.

However the export margin may be affected by the reduction in the government tax rebate from 13% to 5% effective 1st July 2007. To cushion this impact, the Group has taken steps to increase its selling prices to its customers in the immediate term. Also the Group faces higher expenses arising from compliance with listing regulations and IPO costs in the 2H2007.

To keep pace with the demand growth as well as to maintain the Group's leadership position, the Group plans to increase its production capacity of rubber accelerators and broaden its product offerings by producing and selling other types of rubber chemicals such as Insoluble sulphur (IS) and anti-oxidant TMQ to its existing and new customers.

The following production capacity expansion plans were shared in our IPO prospectus:-

| | Plans in Prospectus | Status Update @ 6/8/07 | Timeline | Capex (est) |
|---|---|---|---|-----------------------------|
| 1 | Build integrated workshop for production of sulphenamides. Capacity of 10,000 tons | Building structure has been completed, currently installing machineries and equipment. To complete trial production by end of Nov 2007 | Commercial production to start in Dec 2007 | RMB20million (no change) |
| 2 | Build workshop for production of Insoluble sulphur (IS) Capacity of 5,000 tons (initial)(can be upgraded to 10,000 tons with additional machineries/equipment) | Building of structure has started. Work to be accelerated. To complete trial production by end of Nov/Dec 2007 | Commercial production to start end Dec 2007 | RMB30million (no change) |
| Annual production capacity @ end 2007 | | 47,000 tons | (up 47% over FY2006) | |
| 3 | Build workshop for production of anti-oxidant TMQ Capacity of 5,000 tons (initial, can be expanded to 10,000 tons with additional machineries/equipment) | To start in Jan 08. To complete Jun 08 | Commercial production to start wef Jul 2008 | RMB20million (no change) |
| Annual production capacity @ Mid 2008 | | 52,000 tons | (up 11% over FY2006) | |
| May expand IS capacity | | +5,000 tons | (using internal fundings-RMB10million) | |
| May expand TMQ capacity | | +5,000 tons | (using internal fundings-RMB10million) | |
| Possible planned annual capacity @ end 2008 | | 62,000 tons | | |
| 4 | Waste-water treatment facilities Waste gas recycling facilities | Smoothly in progress, to complete by end of year In progress, to complete by end of year | | RMB30 million |
| | | | | |

Besides organic growth, the Group is currently actively seeking out opportunities to grow via acquisition.

Barring unforeseen circumstances, the Group expects to maintain its growth momentum and profitability for 2nd half and FY2007.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

N.A

(d) Books closure date

N.A

12 If no dividend has been declared/recommended, a statement to that effect

The directors of the Company do not recommend any dividend for the first half of FY2007.

BY ORDER OF THE BOARD

Xu Cheng Qiu
Executive Chairman
6 August 2007

CONFIRMATION
PURSUANT TO RULE 705(4) OF THE LISTING MANUAL OF
THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

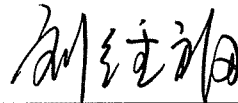
For the announcement of unaudited financial statements
for the second quarter ended 30 June 2007

We, Xu Cheng Qiu and Liu Jing Fu, being Directors of China Sunshine Chemical Holdings Ltd. ("the Company"), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the second quarter ended 30 June 2007 to be false or misleading.

For and on behalf of the Board of Directors
China Sunshine Chemical Holdings Ltd.



Xu Cheng Qiu
Executive Chairman



Liu Jing Fu
Executive Director

6 August 2007