



China Sunsine Chemical Holdings Ltd

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Company Registration No.: 200609470N

MEDIA RELEASE – FOR IMMEDIATE RELEASE

China Sunsine Chemical gears up to serve global top 10 tyre manufacturers

- ***Increases capacity for accelerators CBS, TBBS by 7,000 tonnes***
- ***Increases capacity for intermediary product MBT by 7,000 tonnes, helps lower costs of production***
- ***Total capacity of 39,000 tonnes to cope with increased demand***

Singapore, 6 January 2008 – **China Sunsine Chemical Holdings Limited** (“Sunsine Chemical” or “The Group” or “尚舜化工”), one of the world’s leading producers of specialty chemical rubber accelerators has completed its upgrade plans to cater for the increasing demand for its products. Following trial orders received in the last quarter of 2007 from Continental, Pirelli and Michelin, Sunsine Chemical now serves the 10 largest tyre manufacturers in the world¹. The total capacity after expansion of 39,000 tonnes consolidates Sunsine Chemical’s position as the leading rubber accelerator manufacturer in China.

The capacity expansion of accelerators CBS (increase of 2,000 tonnes) and TBBS (increase of 5,000 tonnes) were carried out at current production workshops by investing in additional equipment. Both CBS and TBBS are high-volume best-selling chemicals essential for the production of rubber tyres and other rubber products.

Sunsine Chemical has also increased its capacity for accelerator MBT by 7,000 tonnes from 13,000 tonnes to 20,000 tonnes, of which 2,000 tonnes are set aside for external sales and the remaining 18,000 tonnes are meant to be used as an intermediary product to produce the other end products sulphenamides accelerators CBS, TBBS, MBS and DCBS. Increased internal production of MBT is expected to generate some costs

¹ German conglomerate Continental AG was the last of the global top 10 to join Sunsine Chemical’s prestigious client list. Prior to them doing so in December 2007, Sunsine Chemical has had 9 out of the top 10 global tyre manufacturers as its clients since 2006.



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savings as it would reduce the purchases from external suppliers for this intermediary product and consequently help in its gross margins.

“Sunsine Chemical’s sales volume grew by 36.3% and 34.2% in 2Q07 and 3Q07 respectively. We are enjoying healthy revenue growth as a company, so we want to focus on maintaining cost leadership as well to bring greater value to our shareholders. For rubber accelerators that meet international standards, we are probably one of the most cost-efficient producers worldwide. We want to bank on this to further increase our sales to the global top 10 tyre manufacturers in the coming year.”

**Mr Xu Cheng Qiu (徐承秋),
Sunsine Chemical’s Executive Chairman**

The combined capacity increase of 7,000 tonnes of rubber accelerators represents a capacity growth of 22% over its total capacity of 32,000 tonnes at the end of 2006. To cope with strong customer demands, Sunsine Chemical continues to work on its other previously announced expansion plans – a new integrated production workshop for production of CBS, TBBS, DCBS and a new production workshop for anti-oxidant TMQ. It is also launching its new product insoluble sulphur very soon and separate announcement shall be made in due course.

Capacity Expansion Timeline			
	As of end 2006	As of end 2007	By June 2008
Capacity of Accelerators (excludes anti-oxidant, insoluble sulphur)	32,000 tonnes	39,000 tonnes	49,000 tonnes (through completion of integrated workshop)

- The End -



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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.

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 one of the largest producer of rubber accelerators in the world and in the PRC. It serves all the global top 10 tyre manufacturers and others – 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 now a component stock of the new FTSE-ST China Index which starts operating on 10 Jan 2008 and believed to be tracked closely by fund managers. Its SGX ticker code is “ChinaSsine”

Issued for and on behalf of China Sunsine Chemical Holdings Ltd.

By Financial PR Pte Ltd

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