



China SunSine Chemical Holdings Limited

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Company Registration No.: 200609470N

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China SunSine to supply Pirelli’s operations in South America and Turkey

- ***Currently already serves Pirelli’s plant in the PRC***
- ***Follows a similar development with Kumho Tires, one of Korea’s largest tyre manufacturers, in 2Q2007***
- ***In line with strategy of increasing market share by servicing clients in more than one regions***

Singapore, 29 October 2007 – **China SunSine Chemical Holdings Limited** (“China SunSine” or “The Group” or “尚舜化工”), one of the largest rubber accelerators manufacturers in the world and in China, has received trial orders from Pirelli Tyre’s (“Pirelli”) manufacturing plants in Brazil and Turkey. The trial orders for the Brazilian plant are for 24 tonnes of TBBS, 12 tonnes of CBS, and 8 tons of MBTS, while the trial orders for the Turkey plant are for 60kg each of MBTS, CBS and TBBS. Once the trial orders have been received satisfactorily, Pirelli is expected to rapidly increase its sales orders by early next year. Like all of **China SunSine’s** other products, TBBS, CBS and MBTS are essential chemicals for the production of all kinds of rubber tyres.

This is a significant milestone that continues to demonstrate China SunSine’s ability to increase its share of pocket of its customers by serving each customer in more than one geographical regions. 1H07, China SunSine began supplying rubber accelerators to Kumho Tires’ operations in China, but by 3Q07 it exported RMB 3.4 million worth of rubber accelerators to Kumho’s Korean plant.

China SunSine currently already serves Pirelli in the PRC market, where Pirelli has a plant at Yanzhou producing radial tyres based on the patented “zero degrees” technology that gives the product significant competitive advantage in terms of structural strength and performance. In Brazil, Pirelli opened a new radial truck and bus tyre manufacturing plant in Gravatai last year, which has an annual capacity of 76,000 tonnes of tyres. The Gravatai plant alone will have an estimated annual demand of 1,300 tonnes of rubber accelerator products.

“Pirelli is one of the top 10 tyre manufacturers in the world, but probably ranks even higher as a leader in the innovation of high-performance tyres for both racing and everyday use. To be able to serve Pirelli in the production of its innovative tyre products shows the quality and dependency of China SunSine’s rubber accelerators. We hope to be able to work with Pirelli in even more of its tyre manufacturing plants worldwide.



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“The trial orders also exemplify the success of our strategy of increasing customer share of pocket to increase our market share. Serving the same customers across more geographical regions, or supporting them with a wider range of products as we did with Michelin earlier this month, is a cost-effective way of increasing our market share in this growing market, and will remain our strategy going forward.”

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

To cater to the expected increase in demand in coming years, **China Sunsine** has already begun undergoing aggressive capacity expansion. **China Sunsine** expects capacity to grow organically from 32,000 tonnes at present to 80,000 tonnes at the end of 2009 (CAGR of 35.7%), and is also looking at possible M&A options. **China Sunsine’s** plants are currently already running at full capacity with utilization rates of over 88-90% since 2006.

China Sunsine typically exports about half of its sales to its customers’ operations in over 30 countries. **China Sunsine** currently serves 9 out of 10 of the world’s top tyre manufacturers, and expects to serve all top 10 manufacturers soon. It also serves numerous local manufacturers of rubber-related products, including 9 of the top 10 PRC tyre manufacturers.

- The End -

About China Sunsine Chemical Holdings Ltd.

China Sunsine Chemical Holdings Ltd (“China Sunsine” or “The Group” or “尚舜化工”) is principally engaged in the production of rubber chemicals essential for the production of rubber and rubber related products. Its main products are rubber accelerators and anti-scorching agents that are important ingredients in the making of products like automotive tyres. China Sunsine, based in Shandong Province, the People’s Republic of China (“PRC”), is the second largest rubber accelerator manufacturers in the world and the largest in the PRC, with its customer base consisting of renowned tyre manufacturers such as Bridgestone, Sumitomo, Goodyear, Michelin from more than 30 countries around the world and various provinces in the PRC. China Sunsine, an ISO9001:2000-certified manufacturer, distributes its products under its own ‘Sunsine’ brand, a brand which has been accredited as a “Shandong Province Famous Brand”.

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

By Financial PR Pte Ltd

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