



China Sunsine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

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**China Sunsine post strong maiden 1H07 Results:
net profit growth of 56% to RMB 44.5 million**

- 1H07 Revenue Growth of 24.8% to RMB 285.2 million
- Expect to maintain growth momentum for FY2007

Singapore, 6 August 2007 – China Sunsine Chemical Holdings Limited ("China Sunsine" or "The Group" or "尚舜化工"), the world's second largest and China's largest producer of rubber accelerators based on production capacity, has posted a strong set of maiden results upon listing on SGX Main Board on 5th of July 2007.

Financial Highlights

RMB'000	6 months ended 30/06/2007	6 months ended 30/06/2006	% Change +/(-)	FY2006 ended 31/12/2006
Revenue	285,210	228,491	24.8	474,706
Gross Profit	62,381	55,466	12.5	118,240
Profit Before Tax	44,495	36,097	23.3	73,802
Profit After Tax	44,495	28,549	55.9	63,254
EPS RMB cents	12.7	8.2	54.9	-
Gross Profit Margin %	21.9	24.3	(2.4)	24.9
PBT Margin %	15.6	15.8	(0.2)	15.5
PAT Margin %	15.6	12.5	3.1	13.3

* EPS is calculated based on 350 million pre-listing total number of shares outstanding

"To be competitive in (the rubber accelerators) the industry, a company has to produce quality goods, deliver them on time, and be competitively in tune with the market on price and product offerings. The 'Sunsine' brand has been exactly that. With last year's extension of our ISO9001:2000 certification and the recognition of being a quality supplier for many of our local and multinational renowned customers such as Bridgestone, Goodyear, Michelin, we are confident that we can



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maintain our market leadership position and continue to gain market share from our competitors. Already, there are signs that this is happening."

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

China Sunsine posted a 24.8% year-on-year increase in its first half revenue to RMB 285.2 million, on the back of increased demand for its rubber accelerator products both domestic and export. Domestic sales grew 30% to RMB 154.7 million in 1H07, with the largest increase in sales to customers of Hangzhou Zhongce and GITI Tyres; while export sales grew 19% to RMB130.5 million with the largest increase in sales to customers Goodyear and Korean Kumho.

Sales volume grew by an impressive 36% from 10,712 tons in 1H06 to 14,601 tons in 1H07, mitigating a downward adjustment in average selling price that the industry as a whole, has had to make to reflect the falling raw material prices. While gross profit margins have also adjusted downwards by 2.4% to 21.9% for 1H07, gross profits have risen by a healthy 12.5%. Profit before tax increased by 23.3% to RMB 44.5 million, mainly due to stringent costs controls as the Group continues to streamline its operating efficiencies in all aspects.

Profit After Tax grew by 55.9% as the Group currently enjoys tax-free status under PRC tax laws for year 2007, after which it will commence a three-year period of a 50% reduction on corporate tax rates.

"Customer satisfaction is very important. When they trust you, they will offer you more business. While each client may have a maximum of how much they can allow a particular supplier to supply them here in China, we can leverage on the multi-national network of our clients to obtain bigger shares of the international market. A good example is Goodyear. Our sales to Goodyear increased from RMB 0.6 million in 1H06 to RMB 9.6 million in 1H07 or 3.4% of our total revenue. It was mainly due to the brand equity Sunsine has created among the international tyre majors.

**Mr Xu Cheng Qiu (徐承秋),
China Sunsine's Executive Chairman and General Manager**

With a robust net operating cash inflow of RMB 36.8 million for 1H2007, and working capital raised of S\$43.7 million from the Group's IPO last month, the Group has plans to increase its production capacity of rubber accelerators and broaden its product offerings to include other types of rubber chemicals such as insoluble sulphur and anti-oxidant TMQ to the existing and new customers.

"We plan to expand our production capacity for rubber accelerators from 32,000 tons to 42,000 tons by end of 2007; meanwhile to build a workshop for production of insoluble sulphur of 5000 tons initially by end of 2007 and to build a workshop for production of anti-oxidant TMQ of 5000 tons initially by mid 2008."



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Barring unforeseen circumstances, China Sunsine expects to maintain its growth momentum for FY2007.

- 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 manufacturer in the world and the largest in the PRC based on production capacity, with its customer base consisting of 9 of the the top 10 global renowned tyre manufacturers such as Bridgestone, Sumitomo, Goodyear, Michelin and more than 400 customers 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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