



China Sunsine Chemical Holdings Ltd.

112 Robinson Road #12-04

Tel: (65) 6220-9070 Web: www.ChinaSunsine.com

Company Registration No. 200609470N

China Sunsine records 33% revenue growth in 1Q2008 to RMB167.2 million in full quarter

- *Top-line growth driven by increased local sales of 31% and export sales of 36% from customers such as Bridgestone, Goodyear, Michelin, Sumitomo Rubber, Hangzhou Zhongce, Shanghai Tyres*
- *Production capacity for accelerators to achieve 50,000 tonnes by FY2008; on track to become world's largest producer of rubber accelerators*
- *Declared interim dividend of S\$0.01 per share*

Singapore – 9 May 2008, China Sunsine Chemical Holdings Limited (“China Sunsine Chemical” or “The Group” or “尚舜化工”), a leading producer of rubber chemicals and one of the world’s largest rubber accelerator producer, is pleased to announce a revenue growth of 33.1% in 1Q2008 to RMB167.2 million.

This surge in revenue is contributed mainly by the increase in volume orders and higher average selling prices. Both local and export sales volume saw an increase of 30.8% and 35.9%, driven by larger orders from existing customers. The Company continues to raise order sizes from key customers such as Bridgestone, Goodyear, Shanghai Tyre, Sumitomo Rubber, Michelin, Hangzhou Zhongce, ICI India, Cooper Tire and Korean Kumbo. Maiden contribution from global tyre manufacturer Continental were also noted following its trial order in December 2007.



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“To be able to weather the lull period and register steady growth in volume is a good gauge on the automotive demand going forward and a strong indication of China Sunsine’s sustainability.”

*- Xu Cheng Qiu, Executive
Chairman, China Sunsine
Chemical*

As with most companies in China, the first quarter is usually a slower quarter due to the festive Chinese New Year season.

Having registered good sets of results till date, the Group declared an interim dividend of Singapore 1 cent per share. The date payable is on the 10th June 2008.

Description/FY (in 'RMB 000)	1Q2008	1Q2007	%
Revenue	167.2	125.6	33.1
Cost of sales	133.8	98.0	36.5
Gross profit	33.4	27.6	21.0
Gross profit margin (%)	20.0%	22.0%	(2pts)
Net Profit for the year	16.6	20.2	(18.3)



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Cost of sales rose by 36.5% due to the increase in volume and overall unit cost of approximately 10.8% (due to lower export tax rebates and higher materials costs). The Group raised its average selling prices (ASP) by 8.1%, resulting in a gross profit margin of 20%. This compares against its 4Q2007 gross profit margin of 18.8%.

Net profit for 1Q2008 was RMB16.5 million, an 18.3% decrease from 1Q2007. The decrease is attributed to rising expenses such as higher distribution costs (due to higher sales volume), higher staff costs and increased headcounts to cater to business expansion, exchange losses as well as other mandatory and compliance costs incurred in its capacity as a listed entity. In addition, the Group is now subject to an enterprise income tax of 12.5% compared to full tax exemption in 1Q2007.

Future Plans – Taking on the leadership front in rubber accelerators

China Sunsine Chemical is currently building up its production capacity to become the world's largest producer of rubber accelerators. 2007 year-end production capacity stood at 39,000 tons, representing a CAGR (FY2004-FY2007) of 24%. The Company aims to achieve a year-end capacity of 50,000 tons and an effective capacity of 44,000 tons for FY2008. From FY04-FY07, annual output grew at a CAGR of 29%.

Production Capacity for rubber accelerators (exclude insoluble sulphur, anti-oxidant capacity)

	FY04	FY05	FY06	FY07	FY08Plan
Year-End Capacity	20,500	23,000	32,000	39,000	50,000
Effective Capacity	15,666	22,670	26,333	33,700	44,000



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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 started operating on 10 Jan 2008. 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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