



China Sunsine Chemical Holdings Ltd.

112 Robinson Road #12-04 Singapore 068902
Tel: 65-2209070 Web: www.ChinaSunsine.com

Company Registration No.: 200609470N

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China Sunsine Expands Product Offering to Michelin

- ***Expects to eventually supply at least 300-400 tonnes of rubber accelerator CBS to Michelin’s Asia Pacific plants annually***
- ***More product accreditations with Michelin in the pipeline***

Singapore, 1 October 2007 – **China Sunsine Chemical Holdings Ltd** (“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 a trial order from Michelin’s plants in Shanghai and Shenyang for 10 tonnes and 16 tonnes of rubber accelerator CBS, respectively. Like all of **China Sunsine’s** other products, CBS is an essential chemical for the production of rubber tyres. Once the trial orders have been received satisfactorily, Michelin is expected to increase its sales orders in FY2008.

This is the second product that **China Sunsine** is supplying to Michelin’s operations in plants in China, and offers greater sales order potential than the DPG rubber accelerator that **China Sunsine** already supplies Michelin with. In 2005, Michelin announced investments to make its tyre factory in Shanghai the biggest in the world. The tyre manufacturing industry in China has experienced phenomenal growth since 2001, when top international tyre manufacturers began moving their manufacturing operations into the PRC, following the lead of companies like Michelin.

“Michelin is one of the top 3 tyre manufacturers in the world. We are happy to have this chance to increase our support for their operations in China. Once the trial orders have been satisfactorily received, we expect to eventually deliver at least 300-400 tonnes of CBS to Michelin’s Asia Pacific plants, especially its Shanghai, Shenyang and Thailand plants. We are confident that we will win them over with our product quality and consistency. We look forward to developing a long term, meaningful relationship with them.”

**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 merger and acquisition



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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. Apart from serving more of Michelin's plants, **China Sunsine** also expects to receive accreditation from Michelin for more of **China Sunsine's** products – including the new products, anti-oxidant TMQ and insoluble sulphur, which **China Sunsine** is currently in the process of adding to its product range. The typical period for accreditation ranges from 6 months to 2 years for an international tyre manufacturer.

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.

For 1H07, **China Sunsine's** revenue grew by 24.8% to RMB 285.2 million while net profit grew 55.9% to RMB 44.5 million. 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 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**

**For more information, please contact:
Kathy Zhang: kathy@financialpr.com.sg**

**Tel: (65) 6438 2990
Fax: (65) 6438 0064**