

**China SunSine Chemical Holdings Ltd.**112 Robinson Road #11-01 Singapore 068902
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Company Registration No.: 200609470N

NEWS RELEASE**China SunSine continued to increase its sales volume for 9M2019**

- **9M2019 net profit amounted to RMB345.8 million, down 35% yoy due to the decrease in the overall Average Selling Price (“ASP”)**
- **3Q2019 sales volume continued to grow 14% to 42,328 tons, the second highest in the Group’s history**
- **Balance sheet remained robust with NTA per share of RMB5.16**

SINGAPORE – 7 November 2019 - China SunSine Chemical Holdings Ltd (“China SunSine” or the “Group”), a specialty rubber chemicals producer and global leader in the production and supply of rubber accelerators, announced its financial results for the third quarter and nine months ended 30 September 2019 (“3Q2019” and “9M2019” respectively) today.

Financial Highlights

RMB' million	Quarter Ended		Change	9 months Ended		Change
	30 Sept 19	30 Sept 18		30 Sept 19	30 Sept 18	
Group Revenue	652.0	775.6	(16%)	2,065.6	2,513.1	(18%)
Gross Profit	186.0	254.0	(27%)	674.0	876.4	(23%)
Gross Profit Margin (GPM)	28.5%	32.7%	(4.2 pts)	32.6%	34.9%	(2.3 pts)
Profit before tax	98.8	172.8	(43%)	418.8	569.2	(26%)
Net profit after tax	79.9	143.4	(44%)	345.8	532.6	(35%)
Sales Volume (tons)	42,328	37,166	14%	124,406	111,529	12%
EPS (RMB or SGD)*	0.163/ 0.032	0.292/ 0.057	(44%)	0.71/ 0.138	1.083/ 0.211	(35%)

*Singapore Dollars to RMB at the exchange rate of 5.1355 as at 30 Sept 2019

For the three months under review, the Group’s revenue decreased by RMB 123.6 million (or 16%) to RMB 652.0 million from a year ago. The decline was due to a drop in overall ASP, partially offset by higher sales volume. ASP fell to RMB 15,297 per ton, a 26% reduction from RMB 20,706 per ton in 3Q2018 and 8% lower as compared to that of 2Q2019. The decrease in ASP was mainly due to the drop in raw material



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prices, such as the price of our main raw material, Aniline, which decreased by 27% year on year.

However, sales volume in this quarter increased by 14% from 37,166 tons in 3Q2018 to 42,328 tons, second highest volume in the Group's history. Although the demand from downstream tire makers continued to be weak, the Group was able to fulfil more orders by leveraging its expanded capacity and comprehensive competitive strengths.

Gross profit decreased 27% to RMB 186.0 million compared to RMB 254.0 million in 3Q2018. Gross profit margin shrank to 28.5% from 32.7% in the previous corresponding period, due to decreased ASP.

As such, profit before tax (PBT) decreased to RMB 98.8 million from RMB172.8 million in 3Q2018.

For 9M2019, the Group's net profit recorded RMB 345.8 million on the back of total revenue of RMB 2,065.6 million.

Analysis of Sales and Volume

	Sales Volume (Tons)				Sales (RMB 'm)			
	3Q2019	3Q2018	9M2019	9M2018	3Q2019	3Q2018	9M2019	9M2018
Rubber Chemical								
Accelerators	22,220	20,824	66,010	62,294	414.7	544.8	1,368.0	1,765.6
Insoluble Sulphur	7,673	6,150	22,603	19,034	67.1	69.7	207.8	220.6
Anti-oxidant	11,905	9,906	34,290	29,245	157.7	149.3	450.7	490.0
Others	530	286	1,503	956	8.0	5.8	25.1	22.4
Total	42,328	37,166	124,406	111,529	647.5	769.6	2,051.6	2,498.6
<i>Local Sales</i>	<i>27,828</i>	<i>24,511</i>	<i>81,362</i>	<i>74,452</i>	<i>395.0</i>	<i>454.6</i>	<i>1,233.1</i>	<i>1,527.4</i>
<i>International Sales</i>	<i>14,500</i>	<i>12,655</i>	<i>43,044</i>	<i>37,077</i>	<i>252.5</i>	<i>315.0</i>	<i>818.5</i>	<i>971.2</i>
Heating Power	22,743	30,815	71,366	77,146	4.4	5.7	13.5	13.7
Hotel & Restaurant	-	-	-	-	0.1	0.3	0.5	0.8

With the strong support of the Group's large-scale capacity, coupled with flexible pricing strategy, sales volume for Accelerators, Insoluble Sulphur and Anti-oxidants



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products increased by 7%, 25% and 20% respectively in 3Q2019. For 9M2019, total sales volume increased by 12% to 124,406 tons from 111,529 tons a year ago.

Both domestic and international sales volume continued to grow.

Balance Sheet Highlight

(RMB' million)	30 Sept 2019	31 Dec 2018
Property, Plant and Equipment	657.5	690.8
Cash & Cash Equivalents	1,269.5	1,038.6
Notes Receivables*	206.3	238.5
Total Equity	2,519.2	2,325.5
Gross/net Gearing	0	0
Net Asset Value per share (RMB or SGD**)	5.16/ 1.00	4.73/ 0.92
Net Cash per share (RMB or SGD**)	2.60/ 0.51	2.11/ 0.41

* Notes Receivables are promissory notes issued by local banks with lower risks of non-recoverability

**Singapore Dollars to RMB at the exchange rate of 5.1355 as at 30 Sept 2019

Based on its latest nine months' results, the Group's earnings per share was RMB 0.706 in 9M2019. The Group's financial position remained robust. Cash and cash equivalents increased to RMB1,269.5 million with zero debt. Net assets per share amounted to RMB5.16 as at 30 September 2019.

Mr Xu Cheng Qiu (徐承秋), Executive Chairman commented, *“As stated in our previous quarterly announcements, the Group's ASP has been under pressure due to the decrease in raw material prices and relatively low utilisation rate of tire makers.*

“However, I am glad to see the Group's sales volume continuing to grow and achieving production-sales equilibrium.

The Group will maintain its strategy of ‘higher production leads to higher sales volume, which in turn will stimulate even higher production’, and to further strengthen its market leadership position.



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“With our strong competitive advantages, we are cautiously optimistic about the Group’s performance, and remain confident of our sustainable and long-term growth.” Mr Xu added.

Set out below is an overview of the Group’s production capacity:

Tons	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020e
Accelerators	87,000	87,000	87,000	87,000	87,000	97,000	117,000
Insoluble Sulphur	20,000	20,000	20,000	20,000	30,000	30,000	30,000
Anti-oxidant	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Total	152,000	152,000	152,000	152,000	162,000	172,000	192,000

- End -

About China Sunsine Chemical Holdings Ltd.

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Listed on SGX-ST on 5 July 2007, China Sunsine Chemical Holdings Ltd. (“China Sunsine”) is a leading specialty chemical producer selling rubber accelerators, insoluble sulphur and anti-oxidant and other vulcanising agent. It is the largest rubber accelerator producer in the world and biggest insoluble sulphur producer in the PRC. It continues to serve more than 2/3 of Global Top 75 tire makers, such as Bridgestone, Michelin, Goodyear, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tire as well as PRC Tyre giants such as Hangzhou Zhongce, Giti Tyres and Shanghai Double Coin Tyre.

China Sunsine distributes its products under its own "Sunsine" brand, a brand which has been accredited as a “Shandong Province Famous Brand”. In January 2017, China Sunsine’s main subsidiary, Shandong Sunsine Chemical Co., Ltd was listed in the First Batch of National Champion Manufacturing Enterprise by the Ministry of Industry and Information Technology of the PRC.

Riding on the robust growth of the global auto and tyre industries, China Sunsine has been able to expand its production capacity, deliver superior products and services, and implement stringent environmental protection measures to stay ahead of the competition.

China Sunsine is a constituent of FTSE ST Singapore Shariah Index.

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