



China Sunsine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

NEWS RELEASE

China Sunsine 1Q2014 net profit grew 95% yoy to RMB 22.8 million

- Revenue increased 11% to RMB 427.3 million backed by strong sales volume of 23,899 tons in 1Q2014
- Gross profit margin increased to 19.2% from 14.6% a year ago
- Net profits up 95% to RMB 22.8 million as compared to 1Q2013
- Expanded market share underpinned by increased demand and marketing efforts

SINGAPORE – 28 April 2014 - 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, is pleased to announce that the Group achieved a net profit growth of 95% to RMB 22.8 million for the first quarter ended 31 March 2014 (“1Q2014”) even as economic growth weakened in the PRC, and amid uncertainty in the global economic recovery.

Financial Highlights

RMB' million	Quarter Ended		Change
	31 Mar 14	31 Mar 13	
Group Revenue	427.3	384.0	11%
Gross Profit	82.0	56.0	46%
Gross Profit Margin (GPM)	19.2%	14.6%	4.6 pts
Profit before tax	31.2	15.8	97%
Net profit after tax	22.8	11.7	95%
Sales Volume (tons)	23,899	22,049	8.4%
EPS (RMB cents)	4.91 ¹	2.52	95%
NAV per share (RMB cents) as of the period	179.71 ²	165.93	8.3%

¹ Based on weighted number of shares:465,504,000 shares, equivalent to SGD 1 cent at exchange rate of 4.8924

² Based on 465,504,000 shares (excluding treasury shares), equivalent to SGD 36.73 cents at exchange rate of 4.8924



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In 1Q2014, our revenue grew 11% to RMB 427.3 million compared to RMB 384.0 million in 1Q2013. This was attributable to the growth in sales volume resulted from increased demand and our marketing efforts, as well as the increase in Average Selling Price (“ASP”). 1Q2014 sales volume reached 23,899 tons from 22,049 tons in 1Q2013. The Group’s overall ASP increased by 3% to RMB 17,881 per ton compared to RMB 17,417 in 1Q2013 due to the increased demand and lesser supply of accelerator products in the market. As a result of the China government’s comprehensive measures on environmental protection, some players were forced to suspend their production so that the supply of accelerator has decreased.

The overall gross profit increased 46% to RMB 82.0 million and gross profit margin (GPM) for the quarter climbed to 19.2% compared to 14.6% in 1Q2013. This was mainly due to the increase in ASP, as well as lower material cost such as Aniline which decreased by 14% in 1Q2014 as compared to 1Q2013.

Analysis of Sales and Volume

	Sales Volume (Tons)		Sales (RMB' million)	
	1Q2014	1Q2013	1Q2014	1Q2013
Accelerators	17,039	16,660	329.4	310.8
Insoluble sulphur	2,596	3,012	30.0	34.8
Anti-oxidant	4,002	2,072	62.8	33.2
Others	262	305	5.1	5.2
Total	23,899	22,049	427.3	384.0
Domestic Sales	14,661	14,652	244.1	238.9
International sales	9,238	7,397	183.2	145.1

During the quarter, sales volume for both accelerators and anti-oxidants categories increased due to the Group’s ability to increase its production capacity to meet the increased demand given its marketing and pricing strategies. However, the sales volume for insoluble sulphur decreased mainly due to higher competition as more competitors entered this business segment. The Group continued to increase its domestic market share. International sales volume increased due mainly to improved sales to the Asia Pacific region.



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Commenting on the Group's performance, Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, "*China's rubber chemical industry is undergoing a re-structuring process due to the government's implementation of environmental protection policy. During the first quarter, the Group was able to further increase its domestic market share and profitability as accelerator supply in the industry decreased. Auto sales in China, being the largest auto market in the world, continued to grow in the first quarter in 2014 to 5.9 million, up 9.2% year-on-year. Moving forward, the Group anticipates that the sales volume of accelerator products will continue to increase. We remain positive on the Group's outlook given its established track record, healthy financial position and portfolio of quality products.*"

Based on its latest 3 months results, the Group's earnings per share was RMB 4.91 cents. Its total cash amounted to RMB 146.6 million with net assets per share of RMB 179.71 cents as at 31 March 2014.

Status Update

The Group will continue its efforts on achieving successful accreditation of 6PPD from its customers.

The Group expects to complete the new heating plant at Shanxian by the third quarter this year.

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

Tons	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014e
Accelerators	55,000	56,500	56,500	66,500	70,500	75,000
Insoluble Sulphur	8,000	10,000	10,000	10,000	20,000	20,000
Anti-oxidant	10,000	10,000	25,000	25,000	25,000	35,000
Total	73,000	76,500	91,500	101,500	115,500	125,000

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About China Sunsine Chemical Holdings Ltd.

Listed on SGX-ST on 5 July 2007, China Sunsine Chemical Holdings Ltd. (“China Sunsine”) is a leading specialty chemical producer selling accelerators, anti-oxidant, vulcanising agent and anti-scorching agent. It is the largest producer of rubber accelerators in the world and has become the largest producer of insoluble sulphur in the PRC serving more than 60% of Global Top 75 tire manufacturers, such as Bridgestone, Michelin, Goodyear, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tire as well as PRC Tire giants such as Hangzhou Zhongce, GITI Tire 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”.

As a chemical producer serving its global customers, China Sunsine continuously improves its manufacturing capability, and has achieved ISO9001 standard for quality, ISO14001 standard for environment, and GB/T28001-2001 standard for occupational health and safety management system.

Its SGX ticker code is “ChinaSsine”, Bloomberg ticker code is “CSSC SP”.

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