



China SunSine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

NEWS RELEASE

China SunSine 2Q2014 net profit soars 194% yoy to RMB 60.2 million, a new quarterly high

- Revenue increased 28% to RMB544.6 million underpinned by improved average selling price and sales volume
- Gross profit margin improved to 25.3% from 18.6% a year ago
- 1H2014 net profits up 159% to RMB 83.0 million as compared to 1H2013
- Benefitting from stringent environmental protection measures implemented over the years

SINGAPORE – 7 August 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 substantial net profit growth of 194% to RMB60.2 million for the second quarter ended 30 June 2014 (“2Q2014”). This strong performance boosted the Group’s net profit for 6 months ended 30 June 2014 (“1H2014”) to RMB 83.0 million as compared to RMB 32.1 million in 1H2013.

Financial Highlights

RMB' million	Quarter Ended		Change	Half Year Ended		Change
	30 Jun 14	30 Jun 13		30 Jun 14	30 Jun 13	
Group Revenue	544.6	426.5	28%	972.0	810.5	20%
Gross Profit	137.6	79.3	74%	219.7	135.3	62%
Gross Profit Margin (GPM)	25.3%	18.6%	6.7 pts	22.6%	16.7%	5.9 pts
Profit before tax	85.9	32.5	164%	117.1	48.2	143%
Net profit after tax	60.2	20.5	194%	83.0	32.1	159%
Sales Volume (tons)	29,470	24,749	19%	53,369	46,798	14%
EPS (RMB cents)	12.92	4.39	194%	17.82 ¹	6.90	158%
NAV per share (RMB cents) as of the period				187.77 ²	165.13	14%

¹Based on weighted number of shares: 465,504,000 shares, equivalent to SGD 3.62cents at exchange rate of 4.9215

²Based on 465,504,000 shares (excluding treasury shares, equivalent to SGD 38.15cents at exchange rate of 4.9215



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For 2Q2014, revenue grew 28% to RMB 544.6 million compared to RMB 426.5 million in 2Q2013. This increase was attributable to the increase in both overall Average Selling Price (“ASP”) and sales volume. ASP for all products increased from RMB 17,233 per ton in 2Q2013 to RMB 18,480 per ton, due mainly to the short supply of our key product - rubber accelerators - in the market. As the China government has been placing more emphasis on environmental protection, some players in the rubber chemical industry which failed to meet the relevant environmental regulations were forced to suspend their productions. Consequently, the Group was able to sell more products and increase its selling prices by leveraging on its market leadership position and production scale. Sales volume increased 19% yoy from 24,749 tons a year ago to 29,470 tons in 2Q2014, hitting a new quarter high.

Due to the above reasons, the overall gross profit margin improved to 25.3% from 18.6% in 2Q2013. 2Q2014 net profit surged 194% from RMB 20.5 million in 2Q2013 to RMB 60.2 million.

The strong 2Q2014 performance boosted the Group’s 1H2014 net profit by 159% to RMB 83.0 million from RMB 32.1 million in 1H2013.

Analysis of Sales and Volume

	Sales Volume (Tons)				Sales (RMB'm)			
	2Q2014	2Q2013	1H2014	1H2013	2Q2014	2Q2013	1H2014	1H2013
Accelerators	20,557	18,360	37,596	35,020	419.6	339.4	749.1	650.2
Insoluble sulphur	3,292	3,145	5,888	6,157	36.8	36.6	66.8	71.4
Anti-oxidant	5,347	2,900	9,349	4,972	82.8	44.5	145.6	77.6
Others	274	344	536	649	5.4	6.0	10.5	11.3
Total	29,470	24,749	53,369	46,798	544.6	426.5	972.0	810.5
Local Sales	19,322	17,201	33,982	31,853	334.8	277.9	578.9	516.8
International Sales	10,148	7,548	19,387	14,945	209.8	148.6	393.1	293.7

During the quarter, sales volume and average selling price for Accelerators increased 12% and 10%, respectively due to the short supply in the market. Sales volume of Anti-oxidant surged 84% with more accreditation of 6PPD received from our customers. Insoluble Sulphur (IS) segment continued to face intense competition hence the sales volume of IS increased slowly.



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The Group continued to increase its domestic market share. International sales volume also increased due mainly to improved sales to the Asia Pacific region.

Commenting on the Group's performance, Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, *"I am pleased with the record performance in 1H2014. Due to environmental protection measures, some players that failed to meet the relevant environmental protection regulations were forced to suspend their operations. This has led to the overall increase in the price of accelerators since the beginning of this year. The Group is able to further increase its market share and profitability under this favorable market condition, thanks to our continuous implementation of high environmental protection standards over the years. We expect to see big rubber chemical players with good fundamentals gaining market share as the industry consolidates. Although the shortage in accelerators' supply may ease gradually, the Chinese auto market will continue to grow steadily, and as such, we remain confident of the Group's outlook."*

Based on its latest 6 months' results, the Group's earnings per share was RMB17.82 cents. Its total cash amounted to RMB133.3 million with net assets per share of RMB187.77 cents as at 30 June 2014.

Status Update

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	30,000
Total	73,000	76,500	91,500	101,500	115,500	125,000

- End -



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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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