



## China Sunsine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

### NEWS RELEASE

## China Sunsine continues to grow the sales volume in 1Q2016

- Revenue expanded to RMB445.1 million
- Net profit declined to RMB 33.6 million
- Sales volume continued to grow to 30,051 tons in 1Q2016 as compared to 25,377 tons in 1Q2015

SINGAPORE – 26 April 2016 - 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 of RMB33.6 million for the first quarter ended 31 March 2016 (“1Q2016”).

### Financials Highlight

RMB' million	Quarter Ended		Change
	31 Mar 16	31 Mar 15	
Group Revenue	445.1	432.1	3%
Gross Profit	107.9	137.0	(21%)
Gross Profit Margin (GPM)	24.2%	31.7%	(7.5pts)
Profit before tax	45.6	62.5	(27%)
Net profit after tax	33.6	47.4	(29%)
Sales Volume (tons)	30,051	25,377	18%
EPS (RMB cents)	7.22 <sup>1</sup>	10.18	(29%)
NAV per share (RMB cents) as of the period	262.96 <sup>2</sup>	227.45	27%

In 1Q2016, the Group’s revenue increased to RMB445.1 million as compared to RMB432.1 million in 1Q2015. This was attributed to the growth in sales volume, offset by the decrease in overall Average Selling Price (“ASP”). 1Q2016 sales

<sup>1</sup>Based on weighted number of shares:465,504,000 shares, equivalent to SGD 1.51 cents at exchange rate of 4.7787

<sup>2</sup>Based on 465,504,000 shares (excluding treasury shares), equivalent to SGD 55.03 cents at exchange rate of 4.7787



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volume climbed by 18% to 30,051 tons from 25,377 tons a year ago. However, the Group's overall ASP for all products decreased by 13% to RMB14,765 per ton as compared to RMB17,009 per ton in 1Q2015. In 1Q2015, the Group was able to sell its products at a relatively higher price due to the carry-over effect of the short supply of accelerators in FY2014. The ASP in 1Q2016 decreased due to the depressed raw material prices in the previous quarters.

Gross profit decreased by 21% to RMB107.9 million in 1Q2016 and gross profit margin ("GPM") for the quarter shrank 7.5 percentage points to 24.2%.

**Analysis of Sales and Volume**

	Sales Volume (Tons)		Sales (RMB' million)	
	1Q2016	1Q2015	1Q2016	1Q2015
<b>Rubber Chemical</b>				
Accelerators	19,102	17,788	331.1	336.9
Insoluble sulphur	3,941	3,144	37.8	32.1
Anti-oxidant	6,562	4,220	67.1	58.4
Others	446	225	7.7	4.2
<b>Total</b>	<b>30,051</b>	<b>25,377</b>	<b>443.7</b>	<b>431.6</b>
Domestic Sales	19,995	17,040	268.6	261.0
International sales	10,056	8,337	175.1	170.6
<b>Heating Power</b>	<b>6,840</b>	<b>2,715</b>	<b>1.1</b>	<b>0.5</b>
<b>Hotel&amp; Restaurant</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-</b>

During the quarter, total sales volume increased by 18% to 30,051 tons, mainly due to some of our competitors not having fully adjusted to the stringent environmental protection standards required by the China government. In terms of product categories, sales volume from rubber accelerators, insoluble sulphur, and anti-oxidants & other products increased 7.4%, 25.3% and 57.7% respectively.

Commenting on the Group's performance, Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, "*China's economic growth continued to weaken to 6.7% in the first quarter of 2016. International crude oil prices have remained depressed, which resulted in our main raw material prices remaining at low levels. However, China's*



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*auto sales in the first quarter remained robust and achieved about 6% growth year-on-year. The Group believes the utilization rate of the China tire industry will increase starting from 2Q2016, which will indirectly boost the demand for our products, and may have a positive effect on our ASP in subsequent quarters.”*

*“Currently, the global economic situation still remains uncertain. However, with our track record and our market leading position, I am confident of the Group’s performance for FY2016.”* Mr Xu added.

Based on its latest 3 months results, the Group’s earnings per share was 7.22 RMB cents. Its total bank and cash balances amounted to RMB408.5 million with net assets per share of 262.96 RMB cents or 55.03 Singapore cents as at 31 March 2016.

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

<b>Tons</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016e</b>
Accelerators	56,500	66,500	70,500	87,000	87,000	87,000
Insoluble Sulphur	10,000	10,000	20,000	20,000	20,000	20,000
Anti-oxidant	25,000	25,000	25,000	45,000	45,000	45,000
<b>Total</b>	<b>91,500</b>	<b>101,500</b>	<b>115,500</b>	<b>152,000</b>	<b>152,000</b>	<b>152,000</b>

- 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 65% 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.

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