



China Sunsine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

Voluntary Disclosure – Business Updates

The Board of Directors (the “**Board**”) of China Sunsine Chemical Holdings Ltd. (the “**Company**”, and together with its subsidiaries collectively, the “**Group**”) wishes to provide its business updates to shareholders.

China’s GDP grew 4.8%¹ year-on-year in the first three quarters of 2024 (“**YTD3Q2024**”), and 4.6% in the third quarter of 2024 (“**3Q2024**”), underscoring China’s economic stability in the first three quarters ended 30 September 2024. China produced 833.55 million¹ tyres in YTD3Q2024, representing a 9.1% increase year-on-year. Automakers sold a total of 21.57 million² units in China in YTD3Q2024, representing an increase of 2.4% in auto sales year-on-year. Sales volume of New Energy Vehicles (“**NEVs**”) rose 32.5% year-on-year to 8.32 million² units in YTD3Q2024, accounting for 38.6% of total new vehicle sales.

In 3Q2024, the Group sold a total of 54,091 tonnes of products and the Sales Revenue increased slightly by 1% to RMB 884.1 million from RMB 875.0 million in the corresponding period ended 30 September 2023 (“**3Q2023**”) mainly due to higher Average Selling Price (“**ASP**”). The ASP in 3Q2024 increased by approximately 5% year-on-year to RMB 16,147 per tonne, mainly due to the increase in certain raw materials prices. Net profit increased 43% from RMB 65.0 million in 3Q2023 to RMB 92.9 million.

For YTD3Q2024, the Group sold a total of 159,555 tonnes of products, while Sales Revenue increased slightly by 1% year-on-year to RMB 2,633.2 million. Net Profit increased by 9% to RMB 281.7 million.

As stated in our 1H2024 Interim Financial Statement dated 13 August 2024, the global economy is still facing challenges and uncertainties, brought about by a high interest rate environment, the Ukraine-Russia conflict, Israel-Hamas conflict and rising geopolitical tensions between the US and China. Locally, the Group continues to face strong competition in the rubber chemicals industry.

China has introduced stimulus policies to boost its economy, and the recently announced stimulus package has boosted market confidence and expectations. It is hoped that more measures will be introduced by the Chinese government to stimulate local consumption, thereby increasing demand for vehicles, tyres and our products.

The Group will continue with its strategy of “sales production equilibrium” and strengthening its market leadership position.

Updates of capacity expansion plans

1. *Phase 1 20,000-tonne per annum Continuous Production of High Quality MBT project*

The trial run has almost been completed, and we are undergoing administrative procedures for the commercial production to commence by the end of 2024.

2. *Phase 2 30,000-tonne per annum IS project*

The Group is in the process of installation of machinery, and the management expects Phase 2 IS project to be completed by the end of 2024.

¹ Source: National Bureau of Statistics

² Source: China Association of Automobile Manufacturing (“**CAAM**”)

Below is a summary of our estimated Annual Capacity³ at the end of each financial year:

Tonnes	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025e
Accelerators	97,000	117,000	117,000	117,000	117,000	117,000	117,000
Insoluble Sulphur	30,000	30,000	30,000	60,000	60,000	60,000	60,000
Anti-oxidant	45,000	45,000	45,000	77,000	77,000	77,000	77,000
Total	172,000	192,000	192,000	254,000	254,000	254,000	254,000

BY ORDER OF THE BOARD

Xu Cheng Qiu
Executive Chairman
13 November 2024

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 rubber accelerators, insoluble sulphur and anti-oxidants and other vulcanising agents. It is the largest rubber accelerator producer in the world and biggest insoluble sulphur producer in the PRC. It continues to serve more than 3/4 of Global Top 75 tyre makers, such as Bridgestone, Michelin, Goodyear, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tires as well as PRC tyre giants such as Hangzhou Zhongce, Sailun Tires, Giti Tires and Shanghai Double Coin Tyre etc.

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 auto and tyre industries in the PRC, 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. It has achieved ISO9001:2008 standard for quality, ISO14001:2004 standard for environment, and GB/T28001-2011 standard for occupational health and safety management system.

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³ Annual Capacity excludes capacity of intermediary materials such as 4ADPA and MBT