

**China Sunsine Chemical Holdings Ltd.**112 Robinson Road #12-04 Singapore 068902
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Company Registration No.: 200609470N

NEWS RELEASE**China Sunsine continues to achieve record sales volume in 2Q2016**

- Gross profit up 11%, while Gross profit margin increased to 27.3%
- Sales volume reached new high at 34,483 tons in 2Q2016
- Net profit for 2Q2016 rose 4% to RMB49.0 million

SINGAPORE – 10 August 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, announces that the Group achieved a net profit of RMB49.0 million for the second quarter ended 30 June 2016 (“2Q2016”). The Group’s net profit for 6 months ended 30 June 2016 (“1H2016”) amounted to RMB82.6 million.

Financial Highlights

RMB' million	Quarter Ended		Change	Half Year Ended		Change
	30 Jun 16	30 Jun 15		30 Jun 16	30 Jun 15	
Group Revenue	491.1	497.3	(1%)	936.2	929.4	1%
Gross Profit	134.1	121.0	11%	242.0	258.0	(6%)
Gross Profit Margin (GPM)	27.3%	24.3%	3.0 pts	25.8%	27.8%	(2.0 pts)
Profit before tax	70.0	71.0	(1%)	115.6	133.5	(13%)
Net profit after tax	49.0	47.1	4%	82.6	94.5	(13%)
Sales Volume (tons)	34,483	30,948	11%	64,534	56,324	15%
EPS (RMB cents)	10.53	10.12	4%	17.75 ¹	20.30	(13%)
NAV per share (RMB cents) as of the period				263.48 ²	230.74	14%

In 2Q2016, revenue slid slightly by 1% to RMB491.1 million as compared to RMB497.3 million in 2Q2015, due mainly to the decrease in overall Average Selling Price (“ASP”) offset by increased sales volume. ASP for all products reduced by 11%

¹Based on weighted number of shares: 465,423,000 shares (excluding treasury shares), equivalent to SGD 3.61 cents at exchange rate of 4.9204

²Based on 465,014,000 shares (excluding treasury shares), equivalent to SGD 53.55 cents at exchange rate of 4.9204



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from RMB16,019 per ton a year ago to RMB14,193 per ton as raw material costs, such as Aniline, decreased year on year, due to the low crude oil prices. However, sales volume rose to a new record high of 34,483 tons in 2Q2016 from 30,948 tons in 2Q2015. The Group’s overall gross profit margin (“GPM”) improved by 3 percentage points from 24.3% a year ago to 27.3% in 2Q2016. Consequently, 2Q2016 net profit climbed 4% to RMB49.0 million as compared to RMB47.1 million in 2Q2015.

For the 6-month period ended 30 June 2016, the Group’s net profit declined 13% to RMB82.6 million from RMB94.5 million in 1H2015, due mainly to the lower ASP.

Analysis of Sales and Volume

	Sales Volume (Tons)				Sales (RMB'm)			
	2Q2016	2Q2015	1H2016	1H2015	2Q2016	2Q2015	1H2016	1H2015
Rubber Chemical								
Accelerators	20,222	20,813	39,324	38,601	345.4	374.1	676.5	711.0
Insoluble sulphur	5,212	3,751	9,153	6,895	48.9	38.0	86.7	70.0
Anti-oxidant	8,499	5,904	15,061	10,124	86.8	75.4	153.9	133.9
Others	550	480	996	704	8.3	8.3	16.0	12.5
Total	34,483	30,948	64,534	56,324	489.4	495.8	933.1	927.4
Local Sales	24,447	21,841	44,442	38,881	322.2	329.8	590.8	596.0
International Sales	10,036	9,107	20,092	17,443	167.2	166.0	342.3	331.4
Heating Power	8,743	9,137	15,583	11,851	1.3	1.5	2.4	2.0
Hotel & Restaurant	-	-	-	-	0.4	-	0.7	-

During the quarter, sales volume for Accelerators decreased by 3% to 20,222 tons as compared to 20,813 tons in 2Q2015 as one of our products, MBTS, was facing intense competition during the quarter. The good news is that our sales volume of Insoluble Sulphur (“IS”) and Anti-oxidant surged by 39% and 44% respectively as a result of increased market demand and greater recognition from our customers. ASP for Accelerators, IS and Anti-oxidant declined 5%, 7% and 20% respectively, mainly due to the decrease in raw material costs. The Group’s domestic and overseas sales volume continued to increase.

Mr Xu Cheng Qiu (徐承秋), Executive Chairman commented: *“As we have mentioned previously, the utilisation rate of the tire industry has started to increase*



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in 2Q2016, which underpinned the rising demand for our products. In addition, the ever stringent environmental standards in China will continue to benefit us and drive our growth in sales volume. In the current uncertain economic environment, we aim to achieve equilibrium in production and sales volume for sustainable growth. I am confident of the Group's performance in the next 12 months."

Based on its latest 6 months' results, the Group's earnings per share was RMB17.75 cents. Total cash and bank balances amounted to RMB310.1 million with net assets per share of RMB263.48 cents as at 30 June 2016.

Capacity Update

The necessary approvals for the establishment of a new 30,000-ton per annum production line to produce TBBS in Shanxian had been obtained. The Group has started the construction of Phase 1 which is a 10,000-ton production line, expected to be completed by end of 2016. For Phase 2 construction, a 20,000-ton production line will commence in 2017.

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

Tons	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016e
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
Total	91,500	101,500	115,500	152,000	152,000	152,000

- End -

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



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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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