



China Sunsine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

NEWS RELEASE

China Sunsine enjoys phenomenal net profit for 1Q2017

- Revenue expanded 29% y-o-y to RMB574.6 million backed by strong sales volume and higher average selling price.
- Average selling price increased 17% to RMB17,300 per ton in 1Q2017.
- Net profit soared 70% to RMB57.2 million for 1Q2017.

SINGAPORE - 27 April 2017 - 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, kicked off its FY2017 financial year with sterling first quarter results.

Financial Highlights

RMB' million	Quarter Ended		Change
	31 Mar 17	31 Mar 16	
Group Revenue	574.6	445.1	29%
Gross Profit	140.0	107.9	30%
Gross Profit Margin (GPM)	24.4%	24.2%	0.2 pts
Profit before tax	84.7	45.6	86%
Net profit after tax	57.2	33.6	70%
Sales Volume (tons)	33,046	30,051	10%
EPS (RMB cents)	12.32 ¹	7.22	71%
NAV per share (RMB cents) as of the period	305.94 ²	262.96	4.3%

For the three months ended 31 March 2017 (“1Q2017”), the Group achieved a 29% increase in revenue to RMB574.6 million as compared to RMB445.1 million in 1Q2016. This was attributable to the growth in sales volume and higher overall average selling price (“ASP”). Sales volume in 1Q2017 increased 10% to 33,046 tons from 30,051 tons a year ago. Meanwhile, the Group’s overall ASP for all products

¹Based on weighted number of shares:464,041,000 shares, equivalent to SGD 2.50 cents at exchange rate of 4.93778

²Based on 464,041,000 shares (excluding treasury shares), equivalent to SGD 61.96 cents at exchange rate of 4.93778



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increased by 17% year-on-year from RMB14,765 per ton in 1Q2016 to RMB17,300 per ton in 1Q2017, and 8% quarter-on-quarter as compared to RMB16,000 per ton in 4Q2016, due to the Group passing on the increased costs in the raw material prices to its customers.

Gross profit rose 30% to RMB140.0 million in 1Q2017 and gross profit margin (“GPM”) for the quarter maintained at 24.4%.

Net profit in 1Q2017 increased by 70% to RMB57.2 million from RMB33.6 million in 1Q2016.

Analysis of Sales and Volume

	Sales Volume (Tons)		Sales (RMB' million)	
	1Q2017	1Q2016	1Q2017	1Q2016
Rubber Chemical				
Accelerators	20,358	19,102	408.4	331.1
Insoluble Sulphur	5,111	3,941	53.4	37.8
Anti-oxidant	7,181	6,562	102.0	67.1
Others	396	446	7.9	7.7
Total	33,046	30,051	571.7	443.7
Domestic Sales	22,668	19,995	371.7	268.6
International sales	10,378	10,056	200.0	175.1
Heating Power	15,999	6,840	2.6	1.1

During the quarter, sales volume from Rubber Accelerators, Insoluble Sulphur and Anti-oxidants increased 7%, 30% and 9%, respectively. The increase was mainly due to two reasons. First, higher demand for its rubber chemicals products was driven by increased production by China’s tire makers. Secondly, some of its competitors’ productions were affected by the enforcement of stringent environmental protection regulations. Domestic and international sales volume increased by 13% and 3%, respectively.

Commenting on the Group’s performance, Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, “*The PRC’s economy grew 6.9% in the first quarter of 2017.*”



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China's auto sales continued to grow with a 7% increase in new car sales y-o-y in 1Q2017. However, both global and domestic economic conditions are still facing uncertainties. International crude oil price volatility is causing fluctuation of our raw material prices. And more importantly, the regularity of environmental enforcement in China remains unabated, and environmental inspections are becoming more frequent. Whether on its own or taken together, these factors may affect our production in the future."

"We will maintain our strategy of growing sales volume to stimulate higher production, thereby achieving economies of scale and greater competitiveness. I am confident of our performance and profitability for FY2017." Mr Xu added.

Based on its latest first quarter results, the Group's earnings per share was RMB12.32 cents. The Group's financial position remains strong and healthy. Total bank and cash balances amounted to RMB337.9 million with no bank borrowing. Net assets per share reached RMB305.94 cents as at 31 March 2017.

Project Update

Currently, the machineries under the new Phase 1 10,000-ton TBBS production line is still undergoing testing, and trial-run and commercial production are scheduled to commence in the second half of FY2017.

The Company's new 10,000-ton Insoluble Sulphur production line in Ding Tao factory and the expansion of Guangshun Heating Plant are on schedule, and are expected to complete by 3Q2017 and end of 2017, respectively.

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

Tons	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017e
Accelerators	66,500	70,500	87,000	87,000	87,000	97,000
Insoluble Sulphur	10,000	20,000	20,000	20,000	20,000	30,000
Anti-oxidant	25,000	25,000	45,000	45,000	45,000	45,000
Total	101,500	115,500	152,000	152,000	152,000	172,000

- 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 the largest producer of insoluble sulphur in the PRC. It serves 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/T28001-2011 standard for occupational health and safety management system.

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