



China SunSine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A Consolidated Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Consolidated Statement of Comprehensive Income for 4th Quarter Ended 31 December 2015

	4th quarter ended			Full year ended		
	31/12/2015	31/12/2014	Change %	31/12/2015	31/12/2014	Change %
	RMB' million			RMB' million		
Revenue	453.8	523.1	(13%)	1,859.1	2,077.3	(11%)
Cost of sales	347.2	356.4	(3%)	1,367.1	1,509.9	(9%)
Gross profit	106.6	166.7	(36%)	492.0	567.4	(13%)
Other income	26.2	2.4	992%	38.7	6.9	461%
Selling and distribution expenses	18.4	15.9	16%	67.9	57.1	19%
Administrative expenses	32.4	71.5	(55%)	162.5	192.8	(16%)
Other expenses	0.1	0.1	0%	2.4	3.8	(37%)
Finance expenses	0.9	5.7	(84%)	10.4	18.1	(43%)
Profit before tax	81.0	75.9	7%	287.5	302.5	(5%)
Income tax expenses	21.4	21.7	(1%)	78.2	82.3	(5%)
Net Profit	59.6	54.2	10%	209.3	220.2	(5%)
Other comprehensive income:						
Exchange differences on translation, net of tax	0.5	0.2	150%	0.4	0.5	(20%)
Total comprehensive income for the period	60.1	54.4	10%	209.7	220.7	(5%)
Gross profit margin	23.5%	31.9%	(8.4 pts)	26.5%	27.3%	(0.8 pts)
Earnings per share (RMB cents)	12.80	11.66	10%	44.95	47.31	(5%)

Notes to the Consolidated Statement of Comprehensive Income:

1. Profit before tax is arrived at after charging/(crediting) the following:-

	4th quarter ended			Full year ended		
	31/12/2015	31/12/2014	Change %	31/12/2015	31/12/2014	Change %
	RMB' million			RMB' million		
Interest income	(0.4)	(0.7)	(43%)	(1.2)	(1.1)	9%
Interest on borrowings	0.9	5.7	(84%)	10.4	18.1	(43%)
Depreciation of property, plant and equipment	25.2	19.3	31%	93.4	73.5	27%
Amortisation of land use rights	0.1	0.1	0%	0.6	0.5	20%
Allowance for Impairment on receivables	6.7	4.7	43%	10.6	4.5	136%
Allowance for Impairment on plant and machinery	-	13.3	(100%)	-	13.3	(100%)
Foreign exchange loss/(gain)	0.1	(1.0)	n.m.	(7.1)	(0.8)	788%
Gain from a bargain purchase	(7.1)	-	n.m.	(7.1)	-	n.m.
Reversal of long aged outstanding creditors	(15.2)	-	n.m.	(15.2)	-	n.m.

n.m. - not meaningful

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1(b)(i) A Statements of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
		RMB' million	RMB' million	RMB' million	RMB' million
ASSETS					
NON-CURRENT ASSETS					
Investment in a subsidiary		-	-	350.0	350.0
Property, plant and equipment	(1)	562.8	613.1	-	-
Intangible assets	(2)	43.7	29.5	-	-
		<u>606.5</u>	<u>642.6</u>	<u>350.0</u>	<u>350.0</u>
CURRENT ASSETS					
Inventories	(3)	141.5	168.0	-	-
Trade receivables	(4)	413.5	609.4	-	-
Other receivables, deposits and prepayment	(5)	83.2	95.3	-	-
Amount owing from a subsidiary		-	-	42.1	10.7
Cash and bank balances		341.2	122.8	1.1	4.7
		<u>979.4</u>	<u>995.5</u>	<u>43.2</u>	<u>15.4</u>
TOTAL ASSETS		<u>1,585.9</u>	<u>1,638.1</u>	<u>393.2</u>	<u>365.4</u>
Share capital		313.5	313.5	313.5	313.5
Treasury shares		(28.2)	(28.2)	(28.2)	(28.2)
Merger reserve		0.3	0.3	-	-
Statutory reserves		231.7	189.5	-	-
Currency translation reserves		(5.5)	(5.9)	(5.3)	(5.6)
Retained profits		677.6	542.0	98.4	69.1
TOTAL EQUITY		<u>1,189.4</u>	<u>1,011.2</u>	<u>378.4</u>	<u>348.8</u>
LIABILITIES					
NON CURRENT LIABILITIES					
Bank loans	(7)	-	44.0	-	-
CURRENT LIABILITIES					
Trade payables		43.0	47.8	-	-
Other payables and accruals	(6)	167.3	263.8	13.8	15.6
Bank loans	(7)	144.9	214.0	-	-
Current tax payable		41.3	57.3	1.0	1.0
		<u>396.5</u>	<u>582.9</u>	<u>14.8</u>	<u>16.6</u>
TOTAL LIABILITIES		<u>396.5</u>	<u>626.9</u>	<u>14.8</u>	<u>16.6</u>
TOTAL EQUITY AND LIABILITIES		<u>1,585.9</u>	<u>1,638.1</u>	<u>393.2</u>	<u>365.4</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
RMB' million	RMB' million	RMB' million	RMB' million
-	144.9	24.0	190.0

Amount repayable after one year

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
RMB' million	RMB' million	RMB' million	RMB' million
-	-	44.0	-

Details of any collateral

No collateral.

Notes to Statements of Financial Position

Note (1) Property, plant and equipment decreased by RMB 50.3 million from RMB 613.1 million to RMB 562.8 million mainly due to depreciation charged offset by additions to construction in progress and property, plant and equipment.

Note (2) Intangible assets increased by RMB 14.2 million from RMB 29.5 million to RMB 43.7 million mainly due to additions to Land use rights as a result of acquisition of a subsidiary – Shandong Fulong Villa Co., Ltd.

Note (3) Inventories decreased by RMB 26.5 million from RMB 168.0 million to RMB 141.5 million mainly due to the decrease in raw material costs.

Note (4) Trade receivables decreased by RMB 195.9 million from RMB 609.4 million to RMB 413.5 million mainly due to decrease in 4Q2015 sales, as well as more settlements received during the quarter. Trade receivables include notes receivables provided by trade debtors which were promissory notes issued by local banks. Consequently, the risks of non-recoverability of these notes receivables by local banks are significantly lower than those amounts owing by trade debtors. The notes receivables decreased from RMB 236.4 million as at 31 December 2014 to RMB 72.3 million as at 31 December 2015. The decrease in notes receivables was due to redemption of notes upon maturity as well as more utilisation of notes for payment to suppliers. Excluding the notes receivables, the trade receivables from trade debtors would have decreased by RMB 31.8 million from RMB 373.0 million to RMB 341.2 million.

Note (5) Other receivables decreased by RMB 12.1 million from RMB 95.3 million to RMB 83.2 million mainly due to lesser advance payments made to contractors as most of the projects were completed prior to year end.

Note (6) Other payables decreased by RMB 96.5 million from RMB 263.8 million to RMB 167.3 million mainly due to reversal of projects costs for those completed projects and reversal of long aged R&D payables.

Note (7) Bank loans decreased by RMB 113.1 million from RMB 258.0 million to RMB 144.9 million due to the repayment made during the year.

1(c) **A Consolidated Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Cash Flows

Note	4th quarter ended		12 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RMB' million		RMB' million	
Cash flows from operating activities				
Profit before tax	81.0	75.9	287.5	302.5
Adjustments for:-				
Depreciation of property, plant and equipment (PPE)	25.2	19.3	93.4	73.5
Amortisation of intangible assets	0.1	0.1	0.6	0.5
Allowance for Impairment on plant and machinery	-	13.3	-	13.3
Negative goodwill arisen from acquisition of a subsidiary	(7.1)	-	(7.1)	-
Grants recognised in income statement	-	(8.9)	-	(8.6)
Interest income	(0.4)	(0.7)	(1.2)	(1.1)
Interest expense	0.9	5.7	10.4	18.1
Translation difference	1.3	0.7	5.9	0.9
Operating profit before working capital changes	101.0	105.4	389.5	399.1
Changes in working capital:				
Inventories	(9.4)	(23.9)	26.5	(24.5)
Trade and other receivables	76.7	11.6	208.0	(165.1)
Trade and other payables and accruals	(53.2)	111.5	(101.3)	115.3
Cash generated from operations	115.1	204.6	522.7	324.8
Income taxes paid	(20.9)	(24.7)	(92.5)	(63.5)
Net cash generated from operating activities	(1) 94.2	179.9	430.2	261.3
Cash flows from investing activities				
Additions to PPE	(7.9)	(87.5)	(30.5)	(229.8)
Additions to intangible assets	-	(4.4)	(0.3)	(4.4)
Acquisition of a subsidiary, net of cash acquired	(20.0)	-	(20.0)	-
Interest income received	0.4	0.7	1.2	1.1
Proceeds from disposal of PPE	(0.1)	*	-	0.2
Net cash used in investing activities	(2) (27.6)	(91.2)	(49.6)	(232.9)
Cash flows from financing activities				
Interest expense paid	(0.9)	(5.7)	(10.4)	(18.1)
Dividend paid	-	-	(31.5)	(22.9)
Grant utilised	(2.5)	-	-	-
Cash deposit released from/(pledged in) bank	1.4	4.7	10.3	(10.1)
Repayment of bank borrowings	-	(108.9)	(308.0)	(280.9)
Proceeds from bank loan	15.0	-	187.8	308.9
Net cash provided by/(used in) financing activities	(3) 13.0	(109.9)	(151.8)	(23.1)
Net increase/(decrease) in cash and cash equivalents	79.6	(21.2)	228.8	5.3
Effect of currency translation on cash & cash equivalents	0.1	(0.4)	(0.1)	(0.4)
Cash and cash equivalents at beginning of period/year	259.8	132.4	110.8	105.9
Cash and cash equivalents at end of period/year	339.5	110.8	339.5	110.8
Cash and cash equivalents at end of period/year includes the followings				
Cash and bank balances	341.2	122.8	341.2	122.8
Cash deposit pledged with bank	(1.7)	(12.0)	(1.7)	(12.0)
Cash and cash equivalents at end of period/year	339.5	110.8	339.5	110.8

Notes to Consolidated Statement of Cash flows for 4QFY2015

- (1) Net cash generated from operating activities amounted to RMB 94.2 million was mainly due to higher operating profit generated as well as decreased trade and other receivables.
- (2) Net cash used in investing activities amounted to RMB 27.6 million was mainly due to the acquisition of a subsidiary and additions to PPE.
- (3) Net cash used provided by financing activities amounted to RMB 13.0 million was mainly due to proceeds from bank loan obtained which was partially offset by interest expenses paid.

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Statements of Changes in Equity

GROUP

	Share Capital	Treasury Shares	Statutory, Merger, Exchange reserves	Retained Earnings	Total
	RMB' million	RMB' million	RMB' million	RMB' million	RMB' million
Balance as at 1 January 2015	313.5	(28.2)	183.9	542.0	1,011.2
<i><u>Total Comprehensive Income</u></i>					
Profit for the year	-	-	-	209.3	209.3
Exchange differences on translation, net of tax	-	-	0.4	-	0.4
Total comprehensive income, net of tax	-	-	0.4	209.3	209.7
<i><u>Transactions with owners, recorded directly in equity</u></i>					
Transfer to reserves	-	-	42.2	(42.2)	-
Dividend paid	-	-	-	(31.5)	(31.5)
Total distributions to owners	-	-	42.2	(73.7)	(31.5)
Balance as at 31 December 2015	313.5	(28.2)	226.5	677.6	1,189.4
Balance as at 1 January 2014	313.5	(28.2)	134.9	393.2	813.4
<i><u>Total Comprehensive Income</u></i>					
Profit for the year	-	-	-	220.2	220.2
Exchange differences on translation, net of tax	-	-	0.5	-	0.5
Total comprehensive income, net of tax	-	-	0.5	220.2	220.7
<i><u>Transactions with owners, recorded directly in equity</u></i>					
Transfer to reserve	-	-	48.5	(48.5)	-
Dividend paid	-	-	-	(22.9)	(22.9)
Total distributions to owners	-	-	48.5	(71.4)	(22.9)
Balance as at 31 December 2014	313.5	(28.2)	183.9	542.0	1,011.2

COMPANY

	Share Capital	Treasury Shares	Statutory, Merger, Exchange reserves	Retained Earnings	Total
	RMB' million	RMB' million	RMB' million	RMB' million	RMB' million
Balance as at 1 January 2015	313.5	(28.2)	(5.6)	69.1	348.8
<i><u>Total Comprehensive Income</u></i>					
Profit for the year	-	-	-	60.8	60.8
Exchange differences on translation, net of tax	-	-	0.3	-	0.3
Total comprehensive income, net of tax	-	-	0.3	60.8	61.1
<i><u>Transactions with owners, recorded directly in equity</u></i>					
Dividend paid	-	-	-	(31.5)	(31.5)
Total distributions to owners	-	-	-	(31.5)	(31.5)
Balance as at 31 December 2015	313.5	(28.2)	(5.3)	98.4	378.4
Balance as at 1 January 2014	313.5	(28.2)	(6.1)	89.4	368.6
<i><u>Total Comprehensive Income</u></i>					
Profit for the year	-	-	-	2.6	2.6
Exchange differences on translation, net of tax	-	-	0.5	-	0.5
Total comprehensive income, net of tax	-	-	0.5	2.6	3.1
<i><u>Transactions with owners, recorded directly in equity</u></i>					
Dividend paid	-	-	-	(22.9)	(22.9)
Total distributions to owners	-	-	-	(22.9)	(22.9)
Balance as at 31 December 2014	313.5	(28.2)	5.6	69.1	348.8

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares*	Resultant issued and paid up share capital S\$
As at 1 January 2015 and 31 December 2015	465,504,000	56,856,844
As at 1 January 2014 and 31 December 2014	465,504,000	56,856,844

There are no outstanding convertibles issued by the Company as at 31 December 2015.

*Number of issued shares excludes 26,190,000 treasury shares (FY2014: 26,190,000)

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

See above table.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

See above table. There is no sale, transfer, disposal, cancellation of treasury shares at the end of 4QFY2015. Total number of treasury shares at end 4QFY2015 stands at 26,190,000.

[Note – The disclosures required in 1(d)(ii), (iii) and (iv) may be made in form of statement paragraphs or, in tabular form.]

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ("FY") ended 31 December 2014 except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 January 2015. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements for the financial year ended 31 December 2015.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	4Q2015 RMB	4Q2014 RMB	FY2015 RMB	FY2014 RMB
Basic earnings per share (Basic EPS' cents) - based on weighted average number of shares on issue	12.80	11.66	44.95	47.31
The calculations of EPS is based on net profit and number of shares shown below: Profit attributable to equity holders (RMB' million)	59.6	54.2	209.3	220.2
Weighted average number of shares applicable to basic EPS ('000)	465,504	465,504	465,504	465,504

There is no difference between the basic and diluted earnings per share as the Company has no potential dilutive securities as at 31 December 2015.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net asset attributable to shareholders (RMB' million)	1,189.4	1,011.2	378.4	348.8
Net asset value per ordinary share (RMB' cents)	255.51**	217.23	81.29	74.93
Number of issued shares * ('000)	465,504	465,504	465,504	465,504

*number of issued shares excludes treasury shares

**equivalent to SGD 55.69 cents at exchange rate of 4.5879 as at 31 December 2015

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable)seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

RMB' million	4Q2015	4Q2014	Change	FY2015	FY2014	Change
Group Revenue	453.8	523.1	(13%)	1,859.1	2,077.3	(11%)
Gross Profit	106.6	166.7	(36%)	492.0	567.4	(13%)
Profit before tax	81.0	75.9	7%	287.5	302.5	(5%)
Net profit	59.6	54.2	10%	209.3	220.2	(5%)

Commentaries on performance

Although the Group's 4Q2015 sales volume improved by 9% to 29,045 tons as compared to 26,699 tons in 4Q2014, **Revenue** in 4Q2015 decreased by 13% to RMB 453.8 million as compared to RMB 523.1 million in 4Q2014 mainly due to decrease in overall average selling price ("**ASP**").

ASP for all products decreased 21% to RMB 15,566 per ton in 4Q2015 as compared to RMB 19,592 per ton in 4Q2014. The decrease in ASP was mainly due to the decrease in the price of our raw materials, especially, Aniline. Our average purchase price of Aniline has decreased by more than 30% as compared to its price one year ago. Based on a quarter to quarter comparison, the ASP was RMB 16,281 per ton in 3Q2015. On a 12-month basis, the ASP decreased by 15% to RMB 16,190 per ton in FY2015 as compared to RMB 19,062 per ton in FY2014.

	Sales Volume (Tons)				Sales (RMB' million)			
	4Q15	4Q14	FY15	FY14	4Q15	4Q14	FY15	FY14
Rubber Chemical								
Accelerators	19,014	18,429	76,090	76,089	343.7	407.6	1,405.1	1,614.5
Insoluble Sulphur	4,304	2,926	15,417	12,102	41.3	31.2	152.7	134.4
Anti-oxidant	5,401	5,145	21,640	19,903	61.3	80.6	271.9	310.8
Others	326	199	1,425	879	5.8	3.7	25.2	17.6
Total	29,045	26,699	114,572	108,973	452.1	523.1	1,854.9	2,077.3
Domestic Sales	19,930	17,768	78,226	71,459	282.0	322.4	1,170.9	1,273.0
International sales	9,115	8,931	36,346	37,514	170.1	200.7	684.0	804.3
Heating Power	10,628	-	25,180	-	1.7	-	4.2	-

Sales volume across all products increased in 4Q2015 mainly due to two reasons. Firstly, the Group increased its marketing efforts to promote sales. Secondly, as some of our competitors had failed to comply with the increasingly stringent environmental protection measures implemented by the China government, their productions had been affected, which resulted in more orders being directed to us. Both domestic sales and international sales volume had increased.

On a 12-month basis, sales volume of accelerators remain at the same level as last year, but sales volume of insoluble sulphur and anti-oxidant products increased by 27% and 9% respectively. As a result, the total sales volume for FY2015 reached a new record high to 114,572 tons, a 5% increase as compared to 108,973 tons in FY2014. Group's annual domestic sales volume increased but international sales volume decreased due mainly to the Group not accepting certain overseas orders with prices that were too low. During 4Q2015, our heating company sold 10,628 tons of steam to a third party and generated RMB 1.7 million revenue.

Gross profit decreased by 36% from RMB 166.7 million in 4Q2014 to RMB 106.6 million in 4Q2015. The average gross profit margin ("**GPM**") also decreased 8.4 percentage points from 31.9% in 4Q2014 to 23.5% in 4Q2015 due mainly to the decrease in the ASP.

On a 12-month basis, gross profit decreased 13% from RMB 567.4 million in FY2014 to RMB 492.0 million in FY2015, and GPM decreased 0.8 percentage points from 27.3% to 26.5%.

Other income increased from RMB 2.4 million in 4Q2014 to RMB 26.2 million in 4Q2015, mainly due to reversal of long aged payables of RMB 15.2 million, as well as a recognition of negative goodwill from bargain purchase of RMB 7.1 million due to the acquisition of Shandong Fulong Villa Co., Ltd below valuation.

On a 12-month basis, other income increased from RMB 6.9 million in FY2014 to RMB 38.7 million in FY2015 due mainly to the two reasons mentioned above, as well as recognition of exchange gain of RMB 7.1 million and higher sales of scrap materials.

Selling and distribution expenses increased by 16% from RMB 15.9 million in 4Q2014 to RMB 18.4 million in 4Q2015. On a 12-month basis, there was a 19% increase as compared to FY2014. The increase is due mainly to higher freight cost as a result of higher volume of sales and higher incentive given to sales personnel in order to promote sales.

Administrative expenses decreased by 55% from RMB 71.5 million in 4Q2014 to RMB 32.4 million in 4Q2015, mainly due to the following reasons: (i) RMB 13.3 million allowance for impairment on plant and equipment provided during 4Q2014; (ii) Reversal of RMB 10.0 million R&D expenses recognised in 1Q2015 as these R&D projects have been cancelled; (iii) Reversal of over-accrued staff salaries, incentives and living allowance of RMB14.0 million;

(iv) Lower general expenses by RMB 2.5 million; and (v) Offset by increase in other administrative expenses of RMB 0.7 million.

On a 12-month basis, administrative expenses decreased by 16% from RMB 192.8 million in FY2014 to RMB 162.5 million in FY2015, due mainly to: (i) RMB 13.3 million allowance for impairment on plant and equipment provided in FY2014 (ii) Reversal of social insurance of RMB 15.5 million provided in FY2012; (iii) Lower staff cost by RMB 1.1 million, lower office general expense by RMB 2.8 million, lower depreciation charge by RMB 1.7 million, lower bank charges by RMB 1.3 million; and (iv) Offset by increase in allowance for impairment on receivables by RMB 6.1 million.

Other operating expenses amounted to RMB 0.1 million in 4Q2015. On a 12-month basis, other operating expenses amounted to RMB 2.4 million, consisting mainly of donations.

Profit before tax (PBT) increased by 7% from RMB 75.9 million in 4Q2014 to RMB 81.0 million in 4Q2015, mainly due to the increase in other income and decrease in administrative expenses. However, on a 12-month basis, the PBT decreased by 5% from RMB 302.5 million in FY2014 to RMB 287.5 million in FY2015, mainly due to decrease in revenue.

Due to the reasons mentioned above, **Net profit attributable to shareholders** increased by 10% from RMB 54.2 million in 4Q2014 to RMB 59.6 million in 4Q2015, but on a 12-month basis, net profit decreased by 5% from RMB 220.2 million in FY2014 to RMB 209.3 million in FY2015.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as no forecast or prospect statement was made.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

China's economy faces the risk of further slowdown. Its GDP growth rate was 6.8%¹ in 4Q2015, and 6.9% for the whole year of 2015. China automakers sold a total of 24.60² million units in China for the whole year of 2015, representing 4.68% growth. Nevertheless, China's tire industry is still facing over-capacity and under-utilisation issues, which may dampen demand for our rubber chemical products.

With the international crude oil prices remaining depressed, which has resulted in our main raw material prices remaining at low levels, our selling prices may continue to come under pressure.

However, due to the current increasingly stringent environmental regulations in China, there may be further consolidation in the rubber chemicals industry, which may benefit us.

On the whole, in FY2016, the economic situation is likely to be more complex and severe, and is full of uncertainties, risks and challenges, and the competition may become more intense. However, the Group remains positive on its performance and profitability for FY2016.

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

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

¹ Source: National Bureau of Statistics

² Source: China Association of Automobile Manufacturing

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

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	Proposed Final
Dividend Type	Cash
Dividend amount per share	SGD0.01 per ordinary share
Special dividend amount per share	SGD0.005 per ordinary share
Tax Rate	One-tier Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Dividend of S\$0.01 per ordinary share and special dividend of S\$0.005 per ordinary share were declared in 4Q2014.

(c) Date payable

To be announced at a later date

(d) Books closure date

To be announced at a later date

(e) Last cum-dividend Trading Date

To be announced at a later date

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

None

14. Negative confirmation pursuant to Rule 705(5)

Not applicable as it is not required for announcement on full year results.

15. Confirmation that issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business Segment

The Group has two business segments, namely (1) the production and sale of rubber chemicals, and (2) the production and supply of heating power.

RMB' million	Rubber Chemicals		Heating Power		Others		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
External Revenue	1,854.9	2,077.3	4.2	-	-	-	1,859.1	2,077.3
Inter-segments revenue	437.9	575.0	57.2	15.9	2.4	2.6	497.5	590.9
Elimination Revenue	(437.9)	(575.0)	(57.2)	(15.9)	(2.4)	(2.6)	(497.5)	(590.9)
	1,854.9	2,077.3	4.2	-	-	-	1,859.1	2,077.3
Segment profit before tax	301.9	299.9	1.2	0.8	(15.7)	(19.6)	287.4	300.7

Geographical segment

Except for the Group's revenue, which were disclosed in below table, all the expenses, results, assets and liabilities and capital expenditures are principally attributable to a single geographical region, which is the People's Republic of China.

RMB' million	FY2015	%	FY2014	%
PRC	1,175.1	63%	1,273.0	61%
Rest of Asia	444.6	24%	507.0	24%
America	121.1	6%	143.7	7%
Europe	105.2	6%	95.1	5%
Others	13.1	1%	58.5	3%
Total	1,859.1	100%	2,077.3	100%

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

See Para 8 above for factors leading to material changes in contributions to turnover and earnings.

18. A breakdown of sales as follows:-.

Group	Year ended 31/12/2015 RMB' million	Year ended 31/12/2014 RMB' million	Change
(a) Sales reported for first half year	929.4	972.0	(4%)
(b) Operating profit after tax before deducting minority interests reported for first half year	94.5	117.1	(19%)
(c) Sales reported for second half year	929.7	1,105.3	(16%)
(d) Operating profit after tax before deducting minority interests reported for second half year	114.8	183.6	(38%)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-.

	FY2015 S\$	FY2014 S\$
Ordinary Shares*	6,982,560	6,982,560
Preference Shares	-	-
Total:	6,982,560	6,982,560

*Based on number of Ordinary Shares (excluding Treasury Shares) as at 31 January 2016

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer or substantial shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Xu Cheng Qiu	72	Father of Xu Jun, Executive Director and Vice Chairman of Shandong Sunshine Chemical Co., Ltd	Executive Chairman Responsible for the overall management, formulation and implementation of business strategies for the Group (since 2006)	No Change
Xu Jun	46	Son of Xu Cheng Qiu, Executive Chairman and Substantial Shareholder	Executive Director (since 2007) and Vice Chairman of Shandong Sunshine Chemical Co., Ltd, assisting Chairman in strategic planning, direction and overall management of subsidiary. (since 2013)	No Change

BY ORDER OF THE BOARD

Xu Cheng Qiu
Executive Chairman
29 February 2016