



China Sunsine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

NEWS RELEASE

China Sunsine posts 52% higher net profit

- Revenue increased by 34% y-o-y to RMB656.2 mln boosted by higher Average Selling Price
- Gross profit up by 40%, while gross profit margin increased to 28.5%
- Interim tax exempt dividend of 0.5 Singapore cents per ordinary share to be paid on 18 August 2017

SINGAPORE – 27 July 2017 - China Sunsine Chemical Holdings Ltd (the “Company”, together with its subsidiaries, collectively 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 delivered a strong performance for the second quarter ended 30 June 2017 (“2Q2017”). The Group’s net profit for 6 months ended 30 June 2017 (“1H2017”) amounted to RMB131.7 million as compared with RMB82.6 million in 1H2016.

Financial Highlights

RMB’ million	Quarter Ended		Change	Half Year Ended		Change
	30 Jun 17	30 Jun 16		30 Jun 17	30 Jun 16	
Group Revenue	656.2	491.1	34%	1,230.7	936.2	31%
Gross Profit	187.1	134.1	40%	327.1	242.0	35%
Gross Profit Margin (GPM)	28.5%	27.3%	1.2 pts	26.6%	25.8%	0.8 pts
Profit before tax	92.9	70.0	33%	177.6	115.6	54%
Net profit after tax	74.5	49.0	52%	131.7	82.6	59%
Sales Volume (tons)	34,558	34,483	-	67,604	64,534	5%
EPS (RMB cents)	15.53	10.53	47%	27.90 ¹	17.75	57%
NAV per share (RMB cents) as of the period				314.30 ²	263.48	19%

The Group’s revenue in 2Q2017 increased by 34% to RMB656.2 million as compared to RMB491.1 million in 2Q2016, mainly due to the increase in average selling price (ASP). ASP in this quarter increased by 33% to RMB18,904 per ton as compared to

¹Based on number of shares 491,694,000 shares, equivalent to 5.68 Singapore cents at exchange rate of 4.9133

²Based on 491,694,000 shares, equivalent to 63.97 Singapore cents at exchange rate of 4.9133



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RMB14,193 per ton in 2Q2016. The Group was able to pass on the increase in raw material costs to its customers. On a quarter to quarter comparison, the ASP also increased by 9% as compared to the ASP of RMB17,300 per ton in 1Q2017. Total sales volume increased moderately from 34,483 tons in 2Q2016 to 34,558 tons in 2Q2017, maintaining at a satisfactory level. The overall gross profit margin improved to 28.5% in 2Q2017 from 27.3% in 2Q2016, mainly due to the increase in ASP.

For the latest quarter, the net profit recorded at RMB74.5 million, increased by 52% from RMB49.0 million in 2Q2016 mainly due to the above-mentioned reasons.

For the 6 months period ended 30 June 2017, the Group's net profit surged 59% to RMB131.7 million from RMB82.6 million in 1H2016.

Analysis of Sales and Volume

	Sales Volume (Tons)				Sales (RMB' mln)			
	2Q2017	2Q2016	1H2017	1H2016	2Q2017	2Q2016	1H2017	1H2016
Rubber Chemical								
Accelerators	21,334	20,222	41,692	39,324	462.9	345.4	871.3	676.5
Insoluble sulphur	4,913	5,212	10,024	9,153	52.2	48.9	105.6	86.7
Anti-oxidant	7,893	8,499	15,074	15,061	129.7	86.8	231.7	153.9
Others	418	550	814	996	8.5	8.3	16.3	16.0
Total	34,558	34,483	67,604	64,534	653.3	489.4	1,224.9	933.1
Local Sales	23,242	24,447	45,910	44,442	413.0	322.2	784.7	590.8
International Sales	11,316	10,036	21,694	20,092	240.3	167.2	440.2	342.3
Heating Power	16,508	8,743	32,506	15,583	2.7	1.3	5.3	2.4
Hotel & Restaurant	-	-	-	-	0.2	0.4	0.5	0.7

During the quarter, sales volumes for Accelerators increased by 5% to 21,334 tons as compared to 20,222 tons in 2Q2016. However, the sales volume for Insoluble Sulphur (IS) and Anti-oxidant decreased by 6% and 7% respectively, mainly due to the decreased demand from domestic tyre manufacturers, as their utilization rate decreased due to decreased rubber price.



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The Group's domestic sales volume declined 5% due to the above-mentioned reason. However, overseas sales volume continued to increase by 13% due to more sales to Southeast Asia and US market.

In 2Q2017, the Group's heating plant sold 16,508 tons of steam to 3 third parties and generated RMB2.7 million revenue.

Mr Xu Cheng Qiu (徐承秋), Executive Chairman commented: *“China's auto industry has continued to grow. However, due to the uncertainties of the global and domestic economies, as well as the depressed rubber price, the utilization rate of China's tyre industry may be impacted. Furthermore, the environmental and safety inspections in China have become more frequent, which may affect our production in the future. We will continue to maintain our strategy of growing sales volume to stimulate higher production, thereby achieving economies of scale and increasing our competitiveness. We remain cautiously optimistic of our performance in the next 12 months.”*

Based on its latest 6 months' results, the Group's earnings per share was 27.90 RMB cents in 1H2017. Its total cash amounted to RMB408.5 million with net assets per share of 314.30 RMB cents as at 30 June 2017.

Capacity Update

The testing of machineries at the new 10,000-ton TBBS production line at Guangshun New District located in Shanxian has been completed. The Company is awaiting the approval from the relevant government authorities to start its trial-run.

The construction of the new 10,000-ton IS production line at Dingtao facility is still in progress, and is expected to be completed by the end of 3Q2017.

The expansion of Guangshun Heating Plant is on schedule and is expected to be completed by the end of 2017.



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Set out below is an overview of the 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

In consideration of the satisfactory results for 1H2017 and in commemoration of the Company's 10th anniversary of listing on the Main Board of the Singapore Exchange, the Board of Directors is pleased to announce a one-tier tax exempt interim dividend of 0.5 Singapore cents per ordinary share to be paid on 18 August 2017.

- 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 rubber accelerators, insoluble sulphur and anti-oxidant and other vulcanising agent. It is the largest rubber accelerator producer in the world and biggest insoluble sulphur producer in the PRC. It continues to serve more than 65% of Global Top 75 tyre makers, such as Bridgestone, Michelin, Goodyear, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tire as well as PRC Tyre giants such as Hangzhou Zhongce, Giti Tyres 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". 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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