



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.

In the first quarter ended 31 March 2026 (“**1Q2026**”), China’s GDP grew by 5.0%¹ year-on-year, which exceeds analysts’ expectation. This growth rate shows that China’s economy is off to a good start, demonstrating its steady performance and resilience.

As a result of the withdrawal of government incentive and expectation of industrial restructuring, China automakers sold a total of 7.048 million units in China in 1Q2026, representing year-on-year decrease of 5.6%². Domestic sales decreased but overseas sales surged. Sales volume of New Energy Vehicles (“**NEVs**”) recorded at 2.96 million units in 1Q2026, accounting for 42% of total new vehicle sales³.

In 1Q2026, the Group continued to adopt flexible pricing strategy in order to obtain more orders from customers. The Group sold a total of 60,916 tonnes of products, representing a 15% increase as compared to the sales volume in the first quarter ended 31 March 2025 (“**1Q2025**”), reaching another record-high quarterly sales volume. However, the unexpected war in Iran and the disruption to shipping in the Strait of Hormuz resulted in a surge in crude oil prices, leading to a significant increase in the prices of our raw materials. Although the Group reacted swiftly and adjusted upwards its Average Selling Price (“**ASP**”), it was constrained by pre-agreed lower quarterly prices which accounted for approximately half of 1Q2026 orders. Therefore, the ASP in 1Q2026 decreased by 7% year-on-year to RMB 14,511 per tonne, despite ASP in 1Q2026 increasing by 4% on a quarter-on-quarter basis. The Group expects an increase in Group’s ASP in the next quarter due to the recent increase in raw materials prices.

In 1Q2026, sales revenue increased by 6% to RMB 890 million from RMB 839 million in 1Q2025, and the Gross Profit Margin (“**GPM**”) decreased by 2.7 percentage points to 21.4% in 1Q2026, due mainly to the higher sales volume but partially mitigated by lower ASP. Net profit reached RMB 69.5 million.

The global economy continues to face numerous challenges. Rising geopolitical tensions, escalating international conflicts, and the ratcheting up of trade protectionism have heightened risks and uncertainties in the economic landscape, further jeopardizing the multilateral trading system and the global supply chains.

China’s domestic economic development and transformation continue to face longstanding issues and new challenges. The contradiction between strong supply and weak demand remains stark, and market expectations are relatively weak. The oversupply situation and competition within the Chinese rubber chemicals industry continue to persist.

Despite these challenges, the Group will continue with its strategy of “Sales and Production Equilibrium”, and adopt a more flexible pricing strategy. Beyond market expansion, the Group is also dedicated to enhancing internal efficiency. By improving productivity, reducing costs, and strengthening internal management processes, the Group aims to maintain its market leadership position. The Group remains confident in its profitability and future growth.

¹ Source: National Bureau of Statistics

² Source: China Association of Automobile Manufacturing

³ Source: China Association of Automobile Manufacturing

Updates of capacity expansion plans

1. *Phase 2, 40,000-tonne per annum Continuous Production of High-Quality Solvent MBT project (located in Henghsun plant)*

The commercial production of this project has commenced.

2. *20,000-tonne per annum Continuous Production of High-Quality Solvent MBT project (located in Weifang plant)*

The Weifang MBT project will commence trial run in May 2026. Management expects commercial production to commence by end of 2026.

3. *Transform TBBS2 workshop to CBS workshop (located in Shandong Sunshine plant)*

The CBS project is currently in the construction phase. Management expects the project to be ready for trial run by 1H2026.

Below is a summary of our Annual Capacity⁴ at the end of each financial year:

Tonnes	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026e
Accelerators	117,000	117,000	117,000	117,000	117,000	117,000	135,000
Insoluble Sulphur	30,000	30,000	60,000	60,000	60,000	60,000	60,000
Anti-oxidant	45,000	45,000	77,000	77,000	77,000	77,000	77,000
Total	192,000	192,000	254,000	254,000	254,000	254,000	272,000

BY ORDER OF THE BOARD

Xu Chengqiu
Executive Chairman
30 April 2026

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