



## China SunSine Chemical Holdings Ltd.

112 Robinson Road #12-04 Singapore 068902  
Tel: (65) 6220-9070 Web: www.ChinaSunSine.com

Company Registration No.: 200609470N

### NEWS RELEASE

## China SunSine Continues to Gain Market Share in a Slowing PRC Economy

- Revenue increased 19% to RMB384.0 million backed by strong sales volume, hitting another record at 22,049 tons in 1Q2013
- Gross and net profits dropped due to higher raw material costs and higher operating costs
- Expanded market share underpinned by marketing efforts and increased demand

SINGAPORE – 26 April 2013 - 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, is pleased to announce a positive set of financial results for the first quarter ended 31 March 2013 (“1Q2013”) amidst a competitive operating environment.

### Financial Highlights

RMB' million	Quarter Ended		Change
	31 Mar 13	31 Mar 12	
Group Revenue	<b>384.0</b>	324.0	19%
Gross Profit	<b>56.0</b>	57.5	(3%)
Gross Profit Margin (GPM)	<b>14.6%</b>	17.8%	(3.2 pts)
Profit before tax	<b>15.8</b>	23.1	(32%)
Net profit after tax	<b>11.7</b>	15.9	(26%)
Sales Volume (tons)	<b>22,049</b>	18,333	20%
EPS (RMB cents)	<b>2.52<sup>1</sup></b>	3.37	(25%)
NAV per share (RMB cents) as of the period	<b>165.93<sup>2</sup></b>	165.02	1%

<sup>1</sup> Based on weighted number of shares:465,504,000 shares, equivalent to 0.50 SGD cents at exchange rate of 5.0653

<sup>2</sup> Based on 465,504,000 shares (excluding treasury shares), equivalent to 32.76 SGD cents at exchange rate of 5.0653

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For 1Q2013, revenue grew 19% to RMB 384.0 million compared to RMB 324.0 million in 1Q2012. This was attributed to the continuing growth in sales volume, resulting from increased capacity to meet demand and our marketing efforts. 1Q2013 sales volume hit a new record high of 22,049 tons. However, the overall gross profit decreased a moderate 3% to RMB56.0 million as gross profit margin for the quarter decreased to 14.6% compared to 17.8% in 1Q2012. This was mainly due to higher material cost such as Aniline, the main raw material for accelerators, which increased 14% in 1Q2013 compared to 1Q2012. Despite operating in such a competitive environment, the Group was able to keep its pricing stable. The Group's overall Average Selling Prices for all products decreased slightly by 1% to RMB 17,417 per ton compared to RMB 17,671 in 1Q2012 (4Q2012: RMB17,038).

1Q2013 net profit decreased 26% from RMB 15.9 million in 1Q2012 to RMB 11.7 million. This was mainly due to the following:

- RMB 2.5 million of additional depreciation as most of the construction in-progress projects related to common facilities such as office buildings and R&D centre were completed, and therefore depreciation commenced in 4QFY2012; and
- Additional operating expenses as the Group increased its production scale in Shanxian and Weifang facilities in FY2012.

**Analysis of Sales and Volume**

	Sales Volume (Tons)		Sales (RMB' million)	
	1Q2013	1Q2012	1Q2013	1Q2012
Accelerators	16,660	15,129	310.8	283.9
Insoluble sulphur	3,012	2,482	34.8	27.8
Anti-oxidant	2,072	413	33.2	6.3
Others	305	309	5.2	6.0
<b>Total</b>	<b>22,049</b>	<b>18,333</b>	<b>384.0</b>	<b>324.0</b>
Domestic Sales	14,652	11,978	238.9	192.5
International sales	7,397	6,355	145.1	131.5

During the quarter, sales volume across all categories increased due to the Group's ability to increase its production capacity to meet the increased demand given its marketing and pricing strategies. Local and export sales contributed 62% and 38% of total revenue respectively. As

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of 2012, the Group's market share for accelerator in the PRC market increased to 27%<sup>3</sup> from 25% in 2011. The Group also improved its sales in the international market due to the recovery of US economy.

Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, *“In the first quarter of 2013, the overall operating environment had not improved despite the better economic data coming out of China for 4Q2012. We are still facing higher operating and raw materials cost pressure but the Group managed to achieve positive operating results, thanks to its economies of scale and marketing efforts. The auto sales market in China is still growing. In the first quarter, 5.4 million vehicles had been sold, up 13.2% year-on-year. Given the continued growth in the China auto market, we remain positive on the outlook for the Group for this year.”*

Based on its latest 3 months results, the Group's earnings per share was RMB 2.52 cents. It had RMB 107.8 million of cash and RMB 187.3 million of notes receivables. Net assets per share stood at RMB 165.93 cents as at 31 March 2013.

**Status Update**

The Group has been liaising with major customers on the accreditation of its 6PPD. So far it has received accreditation from some PRC customers. The Group will continue its efforts on achieving successful accreditation for the rest of its customers.

Moving forward in FY2013, the Group intends to complete a new 4,000-ton DPG plant at Weifang facility in the third quarter.

Update of our production capacity is set out below:

Tons	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013e
Accelerators	39,000	50,000	55,000	56,500	56,500	66,500	70,500
Insoluble Sulphur	5,000	5,000	8,000	10,000	10,000	10,000	10,000
Anti-oxidant	-	5,000	10,000	10,000	25,000	25,000	25,000
<b>Total</b>	<b>44,000</b>	<b>60,000</b>	<b>73,000</b>	<b>76,500</b>	<b>91,500</b>	<b>101,500</b>	<b>105,500</b>

- End -

<sup>3</sup> Computed based on China sales data provided by China Rubber Industry Association



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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 PRC and one of the largest in the world serving all the global top 10 tire manufacturers - Bridgestone, Michelin, Goodyear, Continental, 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 ISO9001:2000 standard for quality, ISO14001:2004 standard for environment, and GB/T28001-2001 standard for occupational health and safety management system.

It is a component stock of the FTSE-ST China Index. Its SGX ticker code is “ChinaSsine”, Bloomberg ticker code is “CSSC SP”.

**For more information, please contact:**

**Dave Yak**, CFO, daveyak@ChinaSunsine.com  
**Jennie Liu**, IR Manager, jennie@ChinaSunsine.com  
Tel: (65) 6220 9070 Fax : (65) 6223 9177