

**China Sunsine Chemical Holdings Ltd.**

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尚善化工  
SUNSHINE

Company Registration No.: 200609470N

**NEWS RELEASE****China Sunsine's net profit hikes 32% to RMB72.8 million in 3Q2016**

- **3Q2016 Revenue increased 15% y-o-y to RMB547.3 million**
- **Sales volume reached another new record high at 36,797 tons in 3Q2016**

**SINGAPORE – 8 November 2016 - China Sunsine Chemical Holdings Ltd (“China Sunsine”**, and 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 third quarter and nine months ended 30 September 2016 (“3Q2016” and “9M2016”, respectively).

**Financial Highlights**

RMB' million	Quarter Ended		Change	9 Months Ended		Change
	30 Sept 16	30 Sept 15		30 Sept 16	30 Sept 15	
Group Revenue	<b>547.3</b>	475.9	15%	<b>1,483.5</b>	1,405.3	6%
Gross Profit	<b>154.6</b>	127.4	21%	<b>396.6</b>	385.4	3%
Gross Profit Margin (GPM)	<b>28.2%</b>	26.8%	1.4 pts	<b>26.7%</b>	27.4%	(0.7 pts)
Profit before tax	<b>95.1</b>	73.0	30%	<b>210.7</b>	206.5	2%
Net profit after tax	<b>72.8</b>	55.3	32%	<b>155.4</b>	149.7	4%
Sales Volume (tons)	<b>36,797</b>	29,203	26%	<b>101,331</b>	85,527	18%
EPS (RMB cents)	<b>15.65</b>	11.88	32%	<b>33.39<sup>1</sup></b>	32.16	4%
NAV per share (RMB cents) as of the period				<b>279.11<sup>2</sup></b>	242.60	15%

The Group's revenue in 3Q2016 increased by 15% to RMB547.3 million as compared to RMB475.9 million in 3Q2015, due mainly to the increase in sales volume, offset by the decrease in Average Selling Prices (“ASP”). Although some raw material prices started to increase from September 2016, our overall raw material costs remained at a low level, due to the depressed international crude oil prices. ASP in this quarter continued to come under pressure, and further decreased to RMB14,849 per ton as compared to RMB16,281

<sup>1</sup>Based on weighted number of shares: 465,285,060 shares, equivalent to 6.82 SGD cents at exchange rate of 4.8941

<sup>2</sup>Based on 465,014,000 shares (excluding treasury shares), equivalent to 57.03 SGD cents at exchange rate of 4.894



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per ton in 3Q2015. On a quarter to quarter comparison, APS increased 5% from RMB14,193 per ton in 2Q2016. The Group's 3Q2016 sales volume increased significantly by 26% from 29,203 tons in 3Q2015 to 36,797 tons, hitting a new record high. The overall gross profit margin enlarged to 28.2% from 26.8% a year ago, due mainly to the decreased unit cost as a result of higher production.

For the latest quarter, the net profit hit RMB72.8 million, up 32% from RMB55.3 million in 3Q2015 due mainly to the above-mentioned reasons.

The Group's 9M2016 net profit climbed 4% to RMB155.4 million from RMB149.7 million in 9M2015.

### Analysis of Sales and Volume

	Sales Volume (Tons)				Sales (RMB'm)			
	3Q2016	3Q2015	9M2016	9M2015	3Q2016	3Q2015	9M2016	9M2015
<b>Rubber Chemical</b>								
Accelerators	22,159	18,475	61,483	57,076	390.3	350.3	1,066.8	1,061.4
Insoluble Sulphur	5,375	4,218	14,528	11,113	51.2	41.4	137.9	111.4
Anti-oxidant	8,881	6,115	23,942	16,240	98.6	76.7	252.5	210.6
Others	382	395	1,378	1,098	6.3	7.0	22.3	19.4
<b>Total</b>	<b>36,797</b>	<b>29,203</b>	<b>101,331</b>	<b>85,527</b>	<b>546.4</b>	<b>475.4</b>	<b>1,479.5</b>	<b>1,402.8</b>
<i>Local Sales</i>	<i>24,537</i>	<i>19,415</i>	<i>68,979</i>	<i>58,296</i>	<i>337.7</i>	<i>309.3</i>	<i>928.5</i>	<i>959.5</i>
<i>International Sales</i>	<i>12,260</i>	<i>9,788</i>	<i>32,352</i>	<i>27,231</i>	<i>208.7</i>	<i>166.1</i>	<i>551.0</i>	<i>443.3</i>
<b>Heating Power</b>	<b>3,792</b>	<b>2,701</b>	<b>14,552</b>	<b>14,552</b>	<b>0.6</b>	<b>0.5</b>	<b>3.0</b>	<b>2.5</b>
<b>Hotel &amp; Restaurant</b>	-	-	-	-	<b>0.3</b>	-	<b>1.0</b>	-

During the quarter, sales volumes of Accelerators, Insoluble Sulphur and Anti-oxidant products increased by 20%, 27% and 45% respectively, and reached another new record high of 36,797 tons in total as compared to 29,203 tons in 3Q2015. More orders were received as some of our main competitors' productions were affected by inspections of environmental protection authorities.

For the latest 9-month period, the Group's sales volumes across all categories continued to increase to a total of 101,331 tons, equivalent to approximately 18% increase as compared to 85,527 tons in 9M2015.



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Mr Xu Cheng Qiu (徐承秋), Executive Chairman, says, *“Despite China’s economy experiencing slow growth this year, its auto industry continued to grow by 13.17% in the latest 9 months year-on-year with a total sales volume of 19.36 million units. Our Group’s focus on growing sales volume and market share to achieve economies of scale is continuing to bear fruits, and we believe that this is the right strategy in the current uncertain economic environment. By continuing to maintain equilibrium in production and sales volume, I am confident of the Group’s profitability and outlook.”*

Based on its latest 9M2016 results, the Group’s earnings per share was RMB33.39 cents.

The Group’s financial position remains strong and healthy. Its total cash and cash equivalents amounted to RMB312.1 million with net assets per share of RMB279.11 cents as at 30 September 2016, up from RMB242.60 cents as at 31 December 2015.

### Expansion Plan Update

The construction of Phase I of 10,000-ton TBBS production line is in progress, and it is expected to be completed by end of this year.

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	20,000
Anti-oxidant	25,000	25,000	45,000	45,000	45,000	45,000
<b>Total</b>	<b>101,500</b>	<b>115,500</b>	<b>152,000</b>	<b>152,000</b>	<b>152,000</b>	<b>162,000</b>

-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 has become the largest producer of insoluble sulphur in the PRC serving 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/T28001-2001 standard for occupational health and safety management system.

Its SGX ticker code is “ChinaSsine”, Bloomberg ticker code is “CSSC SP”.

### **For more information, please contact:**

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