



## China SunSine Chemical Holdings Ltd.

112 Robinson Road #11-01 Singapore 068902  
Tel: (65) 6220-9070 Web: www.ChinaSunSine.com

Company Registration No.: 200609470N

### NEWS RELEASE

## China SunSine 3Q2018 net profit rises 85% yoy, boosting 9M2018 earnings to RMB532.6 mln

- 3Q2018 revenue increased 22% to RMB775.6 million bolstered by increases in both sales volume and Average Selling Price (“ASP”)
- Gross profit improved by 50%, while gross profit margin increased to 32.7%
- 3Q2018 profit surged 85% to RMB143.4 million, lifting the 9M2018 EPS to 108.34 RMB cents

SINGAPORE – 05 November 2018 - 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 another quarter of sterling results, despite volatile market conditions.

For the third quarter ended 30 September 2018 (“3Q2018”), net profit rose 85% to RMB143.4 million on the back of a 22% increase in revenue to RMB775.6 million.

### Financial Highlights

RMB' million	Quarter Ended		Change	9 months Ended		Change
	30 Sept 18	30 Sept 17		30 Sept 18	30 Sept 17	
Group Revenue	<b>775.6</b>	634.4	22%	<b>2,513.1</b>	1,865.1	35%
Gross Profit	<b>254.0</b>	169.8	50%	<b>876.4</b>	496.9	76%
Gross Profit Margin (GPM)	<b>32.7%</b>	26.8%	5.9 pts	<b>34.9%</b>	26.6%	8.3 pts
Profit before tax	<b>172.8</b>	103.6	67%	<b>569.2</b>	281.2	102%
Net profit after tax	<b>143.4</b>	77.6	85%	<b>532.6</b>	209.3	154%
Sales Volume (tons)	<b>37,166</b>	34,098	9%	<b>111,529</b>	101,702	10%
EPS (RMB or SGD)*	<b>0.292/ 0.058</b>	0.158/ 0.031	85%	<b>1.083/ 0.215</b>	0.437/ 0.087	148%

\*Singapore Dollars to RMB at exchange rate of 5.0315 as at 30 Sept 2018

The growth in revenue was due to the increase in both sales volume and ASP. Sales volume in this quarter increased by 9% from 34,098 tons in 3Q2017 to 37,166 tons. Overall ASP increased by 12% to RMB20,706 per ton from RMB18,541 per ton in



## China SunSine Chemical Holdings Ltd.

112 Robinson Road #11-01 Singapore 068902  
Tel: (65) 6220-9070 Web: www.ChinaSunSine.com

Company Registration No.: 200609470N

3Q2017. On a quarter to quarter basis, the ASP decreased by 11% from RMB23,334 per ton in 2Q2018. The decrease was mainly due to the decrease in raw material prices as well as the weakening demands from the domestic tire makers.

Gross profit rose 50% to RMB254.0 million compared with RMB169.8 million in 3Q2017. Gross profit margin enlarged to 32.7% from 26.8% a year ago.

Profit before tax (PBT) increased by 67% from RMB103.6 million in 3Q2017 to RMB172.8 million.

With the latest strong quarterly performance, the Group's net profit for the first 9 months (9M2018) surged 154% to RMB532.6 million, with revenue rising 35% to RMB2,513.1 million.

### Analysis of Sales and Volume

	Sales Volume (Tons)				Sales (RMB'm)			
	3Q2018	3Q2017	9M2018	9M2017	3Q2018	3Q2017	9M2018	9M2017
<b>Rubber Chemical</b>								
Accelerators	20,824	19,921	62,294	61,613	544.8	446.2	1,765.6	1,317.5
Insoluble Sulphur	6,150	6,249	19,034	16,273	69.7	65.5	220.6	171.1
Anti-oxidant	9,906	7,519	29,245	22,593	149.3	111.6	490.0	343.3
Others	286	409	956	1,223	5.8	8.9	22.4	25.2
<b>Total</b>	<b>37,166</b>	<b>34,098</b>	<b>111,529</b>	<b>101,702</b>	<b>769.6</b>	<b>632.2</b>	<b>2,498.6</b>	<b>1,857.1</b>
<i>Local Sales</i>	<i>24,511</i>	<i>22,698</i>	<i>74,452</i>	<i>68,608</i>	<i>454.6</i>	<i>397.6</i>	<i>1,527.4</i>	<i>1,182.2</i>
<i>International Sales</i>	<i>12,655</i>	<i>11,400</i>	<i>37,077</i>	<i>33,094</i>	<i>315.0</i>	<i>234.6</i>	<i>971.2</i>	<i>674.9</i>
<b>Heating Power</b>	<b>30,815</b>	<b>11,240</b>	<b>77,146</b>	<b>43,746</b>	<b>5.7</b>	<b>1.8</b>	<b>13.7</b>	<b>7.1</b>
<b>Hotel &amp; Restaurant</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>0.4</b>	<b>0.8</b>	<b>0.9</b>

The Group's sales volume continued to grow as compared to the previous period. Sales volume for Accelerators and Anti-oxidants products increased by 5% and 32% respectively, as more tire makers recognised the Group's ability to provide stable supply and switched their orders to China SunSine. The sales volume for Insoluble Sulphur products decreased slightly by 2% due to normal market fluctuation. Both domestic and international sales increased during the quarter.



## China SunSine Chemical Holdings Ltd.

112 Robinson Road #11-01 Singapore 068902  
Tel: (65) 6220-9070 Web: www.ChinaSunSine.com

Company Registration No.: 200609470N

### Balance Sheet Highlight

(RMB' million)	30 September 2018	31 December 2017
Property, Plant and Equipment	682.2	661.8
Current Assets	1,932.9	1,424.6
Current Liabilities	443.2	385.3
Cash & Bank balances	822.3	499.6
Notes Receivables*	351.0	176.2
Total Equity	2,212.3	1,742.4
Gross/net Gearing	0	0
Net Asset Value per share (RMB/SGD)	4.503/ 0.895	3.276/ 0.651
Net Cash per share (RMB/SGD)	1.674/ 0.333	1.016/ 0.202

\*Notes receivables are promissory notes issued by local banks with lower risks of non-recoverability.

\*\*Singapore Dollars to RMB at exchange rate of 5.0315 as at 30 September 2018

Based on its latest nine months' results, the Group's earnings per share was RMB 1.083 in 9M2018. The Group's financial position strengthened further during 9M2018. Cash and cash equivalents increased to RMB822.3 million with zero debt. Net assets per share amounted to RMB4.503 as at 30 September 2018.

Mr Xu Cheng Qiu (徐承秋), Executive Chairman commented: ***"I am glad that the Group has achieved another excellent performance in 3Q2018. Despite a decline in ASP in this quarter, the Group was able to maintain a reasonably good profit margin level due to its core competences of stable delivery and superior quality. Stringent environmental protection and safety requirements, and frequent inspections will be the norm in next three years. The Group will continue to place emphasis on and invest heavily in environmental protection and safety, and technology innovation, to further strengthen its market leadership position."***

On prospects for the remainder of the year, Mr Xu says the Group will continue to maintain its strategy of "higher production leading to higher sales volume, which in turn will stimulate even higher output". ***"We can see that the ASP has stabilised in***



## China Sunsine Chemical Holdings Ltd.

112 Robinson Road #11-01 Singapore 068902  
Tel: (65) 6220-9070 Web: www.ChinaSunsine.com

Company Registration No.: 200609470N

*October and the Chinese tire makers have started to increase their production utilization rate in 4Q2018. With our strong competitive advantages, we remain cautiously optimistic about the Group's performance in the next 12 months, and are confident of its sustainable and stable growth."* Mr Xu added.

### Project Updates

The Group is in the final stages of obtaining approval from the relevant government authorities for the trial-run of the new Phase I 10,000-ton TBBS production line as well as the new 10,000-ton Insoluble Sulphur production line in Ding Tao facility.

Meanwhile, the expansion of Guangshun Heating plant has been completed and has started its trial-run.

Set out below is an overview of the Group's production capacity:

Tons	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019e
Accelerators	70,500	87,000	87,000	87,000	87,000	87,000	97,000
Insoluble Sulphur	20,000	20,000	20,000	20,000	20,000	20,000	30,000
Anti-oxidant	25,000	45,000	45,000	45,000	45,000	45,000	45,000
<b>Total</b>	<b>115,500</b>	<b>152,000</b>	<b>152,000</b>	<b>152,000</b>	<b>152,000</b>	<b>152,000</b>	<b>172,000</b>

- End -



## **China Sunsine Chemical Holdings Ltd.**

112 Robinson Road #11-01 Singapore 068902  
Tel: (65) 6220-9070 Web: www.ChinaSunsine.com

**Company Registration No.: 200609470N**

---

### **About China Sunsine Chemical Holdings Ltd.**

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 2/3 of Global Top 75 tire 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 global auto and tyre industries, 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.

China Sunsine is a constituent of FTSE ST Singapore Shariah Index.

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

**Tong Yiping**, CFO, tongyiping@ChinaSunsine.com

**Jennie Liu**, IR manager, jennie@ChinaSunsine.com

Tel: (65) 6220 9070 Fax: (65) 6223 9177