



China SunSine Chemical Holdings Ltd.
16 Raffles Quay #15-08, Hong Leong Building, Singapore 048561
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Company Registration No.: 200609470N

NEWS RELEASE

China SunSine posts net profit of RMB 194.6 million in 1H2023 with higher sales volume y-o-y

- 1H2023 revenue decreased 15% y-o-y to RMB 1,729.1 million
- Sales volume increased 10% to 99,748 tonnes in 1H2023
- Two expansion projects are underway to support future growth
- Strong financial position with NAV per share of SGD 0.73 and net cash per share of SGD 0.29

SINGAPORE – 14 August 2023 - China SunSine Chemical Holdings Ltd ("China SunSine" or the "Group"), a specialty rubber chemicals producer and a global leader in the production and supply of rubber accelerators, is pleased to present its financial results (unaudited) for the first half ended 30 June 2023 ("1H2023").

Financial Highlights

RMB' million	6 Months Ended		Change
	30 Jun 23	30 Jun 22	
Group Revenue	1,729.1	2,022.5	(15%)
Gross Profit	412.0	694.0	(41%)
Gross Profit Margin (GPM)	23.8%	34.3%	(10.5 pts)
Profit before tax	236.1	470.1	(50%)
Net profit after tax	194.6	427.5	(54%)
Sales Volume (tonnes)	99,748	90,422	10%
EPS (RMB cents)	20.17¹	44.06	(54%)

¹Based on weighted number of shares: 964,947,000 shares, equivalent to SGD 3.77 cents at exchange rate of SGD 1: RMB 5.3442



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RMB' million	30 Jun 23	31 Dec 22	Change
NAV per share (RMB cents) as of the period	389.98 ²	382.32	
Cash and bank balance	1,475.2 ³	1,364.9	

During the first six-month period in 2023, the Group's revenue decreased by 15% from RMB 2,022.5 million in 1H2022 to RMB 1,729.1 million. The main reason for the revenue decrease was due to an overall decrease in average selling price ("ASP"). However, the revenue decrease was partially offset by an increase in total sales volume.

Overall ASP declined 22% from RMB 22,043 per tonne in 1H2022 to RMB 17,093 per tonne in 1H2023. The decrease was due to several factors including: (1) a decrease in the price of raw materials, and (2) intensified market competition.

Sales volume grew 10% from 90,422 tonnes in 1H2022 to 99,748 tonnes in 1H2023. This growth was attributed to the Group's consistent and robust marketing efforts. At the same time, the increased production capabilities enabled us to meet the increased market demand.

Gross profit reduced by 41%, from RMB 694.0 million in 1H2022 to RMB 412.0 million in 1H2023. The average gross profit margin ("GPM") lowered by 10.5 percentage points from 34.3% in 1H2022 to 23.8% in 1H2023, due to the lower ASP. As a result, profit before tax ("PBT") also decreased by 50%, from RMB 470.1 million in 1H2022 to RMB 236.1 million in 1H2023.

Net profit for the current reporting period was RMB 194.6 million, a 54% drop compared to RMB 427.5 million in 1H2022.

²Based on number of issued shares: 963,595,000 shares as at 30 June 2023, equivalent to SGD 72.97 cents at exchange rate of SGD 1: RMB 5.3442

³Equivalent to SGD 276 million at exchange rate of SGD 1: RMB 5.3442



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Analysis of Sales and Volume

	Sales Volume (Tonnes)		Sales (RMB'million)	
	1H2023	1H2022	1H2023	1H2022
Rubber Chemical				
Accelerators	46,789	45,715	928.4	1,096.0
Insoluble Sulphur	19,906	17,066	132.8	144.3
Anti-oxidant	32,457	27,066	633.6	740.5
Others	596	575	10.2	12.4
Total	99,748	90,422	1,705.0	1,993.2
<i>Local Sales</i>	<i>63,788</i>	<i>55,710</i>	<i>1,043.7</i>	<i>1,183.9</i>
<i>International Sales</i>	<i>35,960</i>	<i>34,712</i>	<i>661.3</i>	<i>809.3</i>
Heating Power	29,384	41,911	8.3	11.9
Waste treatment	7,692	7,060	15.8	16.6
Hotel & Restaurant	-	-	-	0.8

In 1H2023, sales volume for all categories had shown improvement. Accelerators, Insoluble Sulphur ("IS"), and Anti-oxidants increased by 2.3%, 16.6% and 19.9%, respectively. Domestic sales volume increased by 14.5% while international sales volume grew by 3.6% year-on-year. The increase was mainly attributed to the increase in the Group's production output to meet the increased market demand, while strategically navigating the challenging global economic conditions. Additionally, to cope with the intensified market competition, the Group focused its efforts on marketing and implementing a more flexible pricing strategy.



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The Group's financial position remains strong and robust. Its cash stood at RMB 1,475.2 million with no bank borrowing. Based on the latest 6 months' results, the Group's earnings per share was 20.17 RMB cents in 1H2023. Net assets per share amounted to 389.98 RMB cents as of 30 June 2023.

Commenting on the Group's performance for 1H2023, Executive Chairman Mr Xu Cheng Qiu (徐承秋) says, "*China's economy was gaining momentum and on track to normalised growth in the first half of this year. Auto sales reached 13.24 million units in 1H2023, representing a 9.8% increase year-on-year. The production utilisation rate of tire manufacturers also improved.*

The Group will strive to increase its sales volume amid the intense price competition under the guidance of the 'Sales & Production Equilibrium' principle. The Group will also continue to adopt a more flexible pricing strategy, strengthen its market leadership position, and tighten costs control."

"Given our strong balance sheet and financial stability, our market leadership position, our ability to consistently provide high-quality, economies of scale, a wide variety of rubber chemical products, and compliance with national environmental protection laws and regulations, we remain confident about the Group's profitability in the next 12 months." Mr Xu said.

Expansion Project Updates

1. **Phase I 20,000-tonne per annum Continuous Production of High Quality MBT Project**
The infrastructure construction and machinery installation have been completed and is now undergoing machinery testing. The management expects the trial run to commence in 4Q2023, subsequently followed by commercial production in early 2024.



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2. Phase II 30,000-tonne per annum IS Project

The Phase II IS project is being re-scheduled to focus on the new MBT project. The IS Project is expected to be completed by 1H2024.

The update of our Annual Capacity⁴ is outlined below:

Tonnes	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024e
Accelerators	87,000	97,000	117,000	117,000	117,000	117,000	117,000
Insoluble Sulphur	30,000	30,000	30,000	30,000	60,000	60,000	60,000
Anti-oxidant	45,000	45,000	45,000	45,000	77,000	77,000	77,000
Total	162,000	172,000	192,000	192,000	254,000	254,000	254,000

-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-oxidants and other vulcanising agents. It is the largest rubber accelerator producer in the world and biggest insoluble sulphur producer in the PRC. It continues to serve more than 3/4 of Global Top 75 tyre makers, such as Bridgestone, Michelin, Goodyear, Pirelli, Sumitomo, Yokohama, Hankook, Cooper, Kumho Tires as well as PRC tyre giants such as Hangzhou Zhongce, Sailun Tires, Giti Tires and Shanghai Double Coin Tyre etc.

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